

### **The Performance Lens: The Public-Sector Case**

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The Oxford Handbook of Contextual Approaches to Human Resource Management

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### **Abstract and Keywords**

This chapter makes three important contributions to the literature on the relationship between human resource management (HRM) and public-sector performance. First, the chapter presents a nuanced Harvard model that is developed by blending contemporary general HRM insights with public administration and public management literature. This refined model is more meaningful for the specific context of the public sector because it highlights multiple stakeholder interests, situational factors, and mediating factors (HRM policy choices and HRM outcomes), as well as long-term consequences from a public-sector context perspective. Second, the chapter presents an overview of studies on HRM and public-sector performance. This overview summarizes what is already known about the added value of HRM in a public-sector context. Third, on the basis of this literature review, the chapter identifies five important gaps in the literature, thereby providing a research agenda for future research.

Keywords: human resource management, public-sector context, Harvard model, HR process model, performance, (public) values, contextualization, public management

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THE relationship between human resource management (HRM) and performance is one of the most popular themes in HRM and management debates since the turn of the twenty-first century (Guest, 2017). A substantial body of empirical research focuses on the added value of people management in organizations. However, many issues remain unsolved. One of these issues is the relationship between HRM and performance in public-sector contexts (Knies, Boselie, Gould-Williams, & Vandenabeele, 2018). Public-sector contexts such as national government, local government, international governmental organizations, nongovernmental organizations, healthcare, military services, and education represent a wide range of service organizations aimed at some kind of public value creation as the “ultimate business goal.” People play a key role in reaching this goal given the labor- and service-intensive character of public-sector work (Knies et al., 2018). Put

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differently, without the many highly skilled and motivated teachers, nurses, and police officers working all over the world, public service delivery would fail.

Defining performance is heavily contextualized and highly dependent on both external (for example, political and institutional mechanisms) and internal (for example, workforce characteristics such as the proportion of professionals) mechanisms (Andersen, Boesen, & Pedersen, 2016). Healthcare quality and safety, for example, are heavily contextualized and determined by both legislation and professional norms and standards of medical professional associations. HRM and performance in these public-sector organizations is also highly dependent on the nature of the activities and the multiple stakeholders involved that determine a possible value chain (Van der Wal, de Graaf, & Lawton, 2011).

To fully understand the HRM value chain in public-sector contexts, it is important to take into account the internal and external context of these specific organizations. (p. 98) The Harvard model (Beer, Spector, Lawrence, Mills, & Walton, 1984) is one of the most popular models that can be characterized by the specific attention paid to internal and external context, multiple stakeholders, and a multidimensional performance construct. Recently, Beer, Boselie, and Brewster (2015) made a plea for putting the Harvard model in the spotlight again in response to the often one-sided economic value chains that have dominated both theory and practice since the 1980s. This model is highly valuable because it provides a more nuanced framework for analyzing the HRM–performance relationship (Boselie, Dietz, & Boon, 2005). Public-sector contexts, however, each have their own complexity, dynamics, and HRM issues that might not be fully captured by the more generic Harvard model. In addition, public-sector employees have been found to differ significantly from employees working in the private sector in relation to their motivational profiles and the values they identify with (Van der Wal, de Graaf, & Lasthuizen, 2008), suggesting that nuances to the Harvard model may be necessary when being applied in a public context. Wright and Nishii (2013) have proposed a generic value chain model—the HRM process model—outlining the mediating variables in the HRM–performance relationship, thereby presenting a very useful refinement of the Harvard model. To our knowledge, Vandenabeele, Leisink, and Knies (2013) are one of the first to present a public management model for theorizing the HRM value chain in public-sector organizations. However, they only pay limited attention to the idea that performance is a multidimensional concept, as discussed in the Harvard model.

The aim of this chapter is twofold. First, a nuanced Harvard model will be developed that blends contemporary general HRM insights with public administration and public management literature. This refined model will be more meaningful for a public-sector context because it highlights the stakeholder interests, situational factors, and mediating factors (HRM policy choices and HRM outcomes), as well as long-term consequences, from a public-sector context perspective. Second, an overview of HRM and performance findings based on an analysis by Boselie, Veld, and Van Harten (2019) will be presented to show what we already know about the added value of HRM in a public-sector context. On the

basis of this literature review, we will identify gaps in the literature, thereby providing a research agenda for the future.

### The Harvard Model

The Harvard model by Beer et al. (1984) represents a contextualized HRM value chain that recently received new attention as a result of the global financial crisis and the lack of stakeholder perspectives in HRM approaches (Beer et al., 2015). In the Harvard model, attention of context is threefold. First, there is specific attention for *situational factors*, including workforce characteristics, business strategy and conditions, management philosophy, labor markets, unions, task technology, and laws and societal values. Workforce characteristics include, for example, the level of education, employee age, (p. 99) employee tenure, and the percentage of female workers. Business strategy and conditions reflect the strategic choice made by top management in combination with the state of the market in which an organization operates, for example, in terms of growth, stability, or decline. Management philosophy represents the core values of an organization and its cultural heritage. The labor market represents the ability of its managers to compete successfully with other organizations for human resources. Beer et al. (1984, p. 29) write that “the boundaries that define the labour markets in which a firm competes may vary dramatically from one group of employees to another.” Trade unions (and works councils inside an organization) affect HRM-related issues such as working conditions, formal employee involvement, collective payments (for example, through collective bargaining agreements), and due processes in the case of conflicts. Beer et al. (1984, p. 32) define task technology as “the way equipment (hardware and software) is arranged to perform a task.” Law and societal values vary across countries and even across sectors. They take into account the unique culture or ideology of each country and region.

Second, specific attention is paid to *stakeholder interests*, including shareholders, management, employee groups, government, community, and trade unions. This dimension of stakeholder interests is also known as the multiple stakeholder perspective, in contrast to the shareholder model that mainly focuses on the principals (the owners) and the agents (top management) (Beer et al., 2015). In the original book by Beer et al. (1984, p. 21), the authors describe the stakeholder interest perspective as follows:

One way of viewing a company is as a mini society made up of large numbers of occasionally harmonious, occasionally conflicting constituencies, each claiming an important stake in the way the company is managed and its resources are deployed. Central to the HRM approach of this book [Beer et al., 1984] is the assumption that general managers must recognize the existence of the many stakeholders and be able to comprehend the particular interests of each stakeholder. In thinking about various HRM policies and practices, then, the general manager plays an important role in balancing and rebalancing the multiple interests served by the company.

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This citation presents the heart of the Harvard model in which not only are multiple stakeholders acknowledged, but also it is pointed out that their interests can be mutual or conflicting and that it is up to managers to continuously find the right balance in the shaping of HRM in an organization. This is where balanced approaches in HRM find their origins, as presented in the work by Paauwe (2004) and Boselie (2014).

Finally, the ultimate *organizational outcomes* or long-term consequences are defined in relation to organizational effectiveness, employee well-being, and societal well-being, reflecting a multidimensional performance construct for HRM value creation. Organizational effectiveness is defined by Beer et al. (1984, p. 16) as “the capacity of the organisation to be responsive and adaptive to its environment.” This outcome is often represented by a combination of indicators such as quality, productivity, efficiency, flexibility, innovation, market share, market growth, sales, and profits. Employee well-being (p. 100) refers to the employees’ health (for example, in terms of stress and burnout risk) and perceptions (for example, in relation to job satisfaction, affective commitment, trust, and motivation). Societal well-being is related to employee security in a broad sense, fairness, social legitimacy of organization’s activities, and industrial democracy principles (for example, the right to organize into a trade union and the degree of formal employee involvement in decision-making) (Beer et al., 1984). The nature of the three-dimensional performance construct itself is asking for contextualization and is (in)directly related to the first two dimensions of stakeholder interests and situational factors.

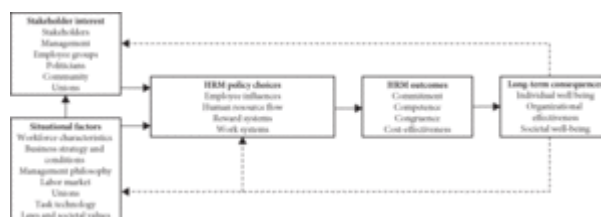


Figure 5.1. Harvard model. HRM, human resource management. Adapted from Beer et al. (1984), Figure 2-1, p. 16, Map of the HRM Territory. Used with permission.

In the Harvard model, the stakeholder interests and the situational factors are assumed to affect the strategic choices (HRM policy choices) of managers with respect to the shaping of employment relationships through employee influence, human resource flow, reward systems, and work systems. Beer et al. (2015) are very clear in stating that employee influence is the most important HRM domain. Chapter 3 in their classic book is focused on employee influence. Beer et al. (1984, p. 40) start by writing that an employee’s stake consists of an economic part (for example, efforts versus payment), a psychological part (for example, dignity and meaningful work), and a political part that has to do with power, freedom, and control: The central question in the model toward this factor is, “How can they [employees] act to improve or protect their economic share, psychological satisfaction, and rights?” Human resource flow is very much related to recruitment, selection, socialization, and employee development. It also relates to employee mobility and

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managing outflow. Reward systems cover all aspects that have to do with pay, salaries, performance-related pay, bonuses, profit sharing, and the distribution of rewards in an organization. Finally, work systems refer to a particular combination of job tasks, technology, skills, management style, and personnel policies and practices. It is the way jobs are organized, for example, in relation to autonomy, teamwork, job enlargement, job enrichment, rotation, and the degree of self-regulation. If this is done in the right way, a work system can become a high-commitment work system, or what is nowadays known a high-performance work system. The four elements of (p. 101) HRM policy choices in the Harvard model are intertwined and aligned in an ideal situation.

The HRM outcomes in the model consist of commitment, competence, congruence, and cost-effectiveness. The HRM policy choices presented above are assumed to positively affect the HRM outcomes, and these HRM outcomes are assumed to contribute to the long-term consequences in relation to organizational effectiveness, individual well-being, and societal well-being. Commitment refers to the affection employees have with the organization and their job. Competence represents the necessary knowledge, skills, and abilities of employees for their own employability and the organization's future. Cost-effectiveness relates to the costs of given policy in relation to wages, benefits, turnover, absenteeism, strikes, and so on. Finally, congruence represents the state of agreement on HRM policies and practices between management and employees, different employee groups (for example, core versus peripheral), the organization and the community, employees and their families, and within the individual employee.

Taken together, the Harvard model is a contextualized HRM value chain, although still rather generic, with limited attention for sector specificities, for example, between private-sector and public-sector organizations and the characteristics of the people working in these organizations. In the next section, the HRM and performance chain will be (1) contextualized further on the basis of public administration and public management literature and (2) refined based on insights from recent developments in the generic HRM literature to develop a nuanced Harvard model that is more suitable for the public-sector context in the early twenty-first century.

## Human Resource Management and Performance: Insights from Public Administration Literature

As described, the ultimate outcomes of private-sector organizations according to the Harvard model are organizational effectiveness, employee well-being, and societal well-being. But what are public organizations expected to deliver? Vandenabeele et al. (2013) have argued that Moore's (1995) notion of "public value creation" and Jørgensen and Bozeman's (2007) "inventory of public values" are useful to answer this question, thereby providing meaning to the concept of public-sector performance. While public value creation is what we expect from public organizations, "the assessment and justification of what public value public organisations create can be understood in terms of public values described by Jørgensen and Bozeman (2007)" (Vandenabeele et al. 2013, p. 41). We agree that value creation and public values help to contextualize performance in a public-sector

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context. However, different public values can be conflicting in specific situations. Stimulated by the rise of managerialism (Frederickson, 2005) and economic individualism (Bozeman, 2007), public organizations are increasingly challenged to balance “classical” public values such as integrity, neutrality, and legality, on the one hand, with more “business-like” values such as efficiency, innovation, and effectiveness on the other (Schott, Van Kleef, & Steen, 2015). Fortunately, value conflicts are not the norm because most values are complementary in relation to service outcomes. However, situations also exist where safeguarding one value means trading off another. A telling example can be found in the daily work of medical doctors studied by Jensen and Andersen (2015). Medical doctors can prescribe antibiotics whenever they will have the slightest chance to cure a patient of an illness. However, prescribing antibiotics increases the likelihood of bacterial resistance, a state that eventually renders particular drugs ineffective for future treatment. As a consequence, the question of what we expect from public organizations and public servants becomes difficult to answer. Medical doctors are forced to weigh responsiveness to the individual patient against the public interest. More than a half century ago, Bailey (1964) pointed to the bittersweet character of public policy: “Welfare policies may mitigate hunger but promote parasitic dependence; vacationing in forests open for public recreation may destroy fish, wild life, and through carelessness in the handling of fire, the forests themselves” (p. 267).

These examples illustrate that value creation and public values themselves are not sufficient to clarify what performance in a public context means. On the basis of the notion of value creation, we would expect that public organizations contribute to both sides of the coin: enough food for everyone and biodiversity; individual patient health and public health. Because this may not be possible at all times, we need alternative—or at least additional—approaches to clarify the concept of performance in public organizations. One way to reach this aim is to determine who decides what good performance is (Andersen et al., 2016). While in private organizations the authority to define good performance is primarily associated with the owner or owners of the organization, public organizations have stronger relationships with governmental and political authorities. This means that good performance in a public context is about attaining democratically stated goals, which can change over time and may be influenced by professionals who also hold the authority to define what good performance is (Ouchi, 1980). The need to include multiple stakeholders is also central to the Harvard model, as discussed previously. For the public sector, *political authorities* (politicians) are important stakeholders who need to be included in the model.

If we want to study the added value of HRM in a public context, the question of how to measure public-sector performance needs to be addressed. We have discussed the fact that defining good public-sector performance is difficult. The notion of value creation is rather abstract and public values—which provide a justification of what value public organizations are expected to create—can be conflicting. This makes the assessment of public-sector performance difficult, too. De Bruijn (2002) argues that public-sector performance is difficult to measure because it depends on too many factors. Put differently, “the time between effort and its effect may be too long to conduct meaningful research” (de Bruijn

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2002, p. 579). Rather than focusing on outcomes, public-sector performance is therefore often measured by more direct effects, also called “output”: for example, the number of the graduates leaving a university, the number of patients treated by a medical doctor, and the number of fines reported by a police officer. Although frequently used, this focus on output has two important limitations. First, output presents only a partial picture of what we expect from public organizations. (p. 103) Hatry (2015) therefore stresses the need for multiple types of performance indicators. Second, measuring performance by output may prompt game playing. For example, concentrating on the number of students graduating from high school each year can tempt teachers to primarily prepare their students for passing state exams, thereby neglecting their task to raise responsible, social, and independent citizens. Because of these limitations, researchers have looked for alternative ways to measure the added value of HRM in a public context. In the next section, we discuss the findings of a recent review on the relationship between HRM and performance in the public sector.

### Situational Factors

Situational factors in the Harvard model refer, among other things, to the characteristics of the workforces and conditions for the business strategy. A large body of research has found attitudinal and behavioral differences between public- and private-sector employees. We argue that it is important to pay attention to these differences to make the model more suitable for the public context. At an individual level, an extensive body of research has documented higher levels of public service motivation, which can be defined as “an individual’s orientation to delivering services to people with a purpose of doing good for others and for society” (Perry & Hondeghem, 2008, p. vii) among public-sector employees compared to employees working in the private sector (e.g., Andersen, Pallesen, & Pedersen, 2011; Lewis & Frank, 2002). Aggregated results of a systematic literature review by Ritz, Brewer, and Neumann (2016) suggest that public sector-motivated individuals tend to choose public service jobs. An explanation for this finding is that public organizations provide more opportunities to perform public service and societal meaningful work compared to profit-oriented private organizations. At the same time, public service motivation has been found to be stimulated by specific HRM practices (Giauque, Anderfuhren-Biget, & Varone, 2013; Schott & Pronk, 2014). This means that public service motivation can also be seen as a public sector-specific HRM outcome. Public sector-motivated individuals are expected to perform better because they perceive their work to be meaningful and rewarding (Ritz et al., 2016).

Next to this high level of public service motivation, strong evidence exists that public-sector employees are more intrinsically and less extrinsically motivated than individuals working in the private sector (Bullock, Strich, & Rainey, 2015) and that these two groups of employees differ regarding the values they identify with. For example, a preference for “traditional” public values was found in a Dutch study among public managers, while private-sector managers seem to consider “profitability” and “innovativeness” more important than “lawfulness” and “impartiality” (Van der Wal et al., 2008). Moreover, public ser-

vants tend to be more risk averse (Wildavsky & Dake, 1990) and are more likely to collaborate in situations that demand competition (Esteve, Van Witteloostuijn, & Boyne, 2015).

Finally, differences also seem to exist in the “need for closure,” which can be defined as an individual’s desire for a firm answer to a question as compared to confusion and (p. 104) ambiguity (Kruglanski, 2004). For example, Franco, Rouwette, and Korzilius (2016) found a higher need for closure among business administration students compared to public administration students. At one organizational level, public organizations are also increasingly held up to higher standards for transparency and accountability (Bovens, Schillemans, & ‘t Hart, 2008). Public organizations differ from private organizations regarding their degree of organizational formalization. Private organizations seem to have more red tape and rules than private firms. In particular, sharp differences about personnel and purchasing rules seem to exist (Rainey & Bozeman, 2000).

### **Insights from Recent Developments in the Human Resource Management Literature: The Human Resource Management Process Model**

Wright and Nishii (2013) have proposed a generic value chain model—the HRM process model—outlining the mediating variables in the HRM–performance relationship. The model has been empirically applied and tested in multiple HRM studies, for example, by Knies (2012). The authors make a distinction between intended HRM practices (strategy and policies), actual HRM practices (implementation), and perceived HRM practices. Vandenberg et al. (2013) integrate the HRM process model into their model of the HRM–performance relationship for public-sector organizations, thereby presenting a contextualized HRM value chain in public organizations. In this model, the relationship between HRM and performance is realized through “management intentions,” “management actions,” and “workforce perceptions.”

The strength of the Vandenberg et al. (2013) model is the public-sector contextualization, while its performance rationale, for example, in relation to a multidimensional performance perspective, is less developed. When comparing the Harvard model and Vandenberg et al.’s (2013) HRM value chain, the relatively restricted approach to performance in the Vandenberg et al. model is noticeable. At the same time, the Vandenberg et al. model is much more specific in outlining the causal chain between HRM and performance. For this reason, we decided to develop a slightly nuanced version of the Harvard model for the public sector that combines the best of both models while also taking into account the specific situational factors of the public sector (Figure 5.2).



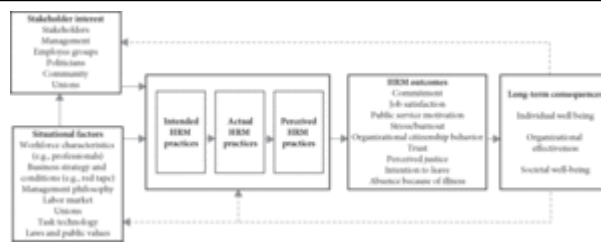


Figure 5.2. Adapted Harvard model for public-sector organizations. HRM, human resource management.

Figure 5.2 represents an adapted version of the original 1984 Harvard model, including the latest HRM insights from the HRM process model by Wright and Nishii (2013), in particular with respect to a further refinement of what Beer et al. (1984) call HRM policy choices into intended, actual, and perceived HRM practices. In addition, the adapted version of the original Harvard model includes contextual insights from the Vandenabeele et al. (2013) model, for example, with respect to the HRM outcomes that are relevant and meaningful in a public-sector context, such as employee commitment, (p. 105) job satisfaction, public service motivation, and job stress. See Figure 5.2 for an overview in which the building blocks of the original Harvard model are maintained. The long-term consequences (threefold outcomes) still hold, while some minor adjustments have been made to the stakeholder interest box (for example, adding politicians) and to the situational factors (for example, red tape and bureaucracy, which often characterize public-sector contexts).

It is not our intention to develop a new model. Instead, the model presented in Figure 5.2 is an updated and contextualized version of the original 1984 Harvard model that, in our opinion, still holds and is highly relevant for understanding HRM and performance in a public-sector context. The model in Figure 5.2 is therefore a nuanced and refined Harvard model. Next, we will look at what we already know about empirical research on HRM and performance in a public-sector context. The nuanced and refined model will be used as a framework for defining performance.

## What We Already Know: Empirical Findings

The first part of the chapter is focused on presenting a more refined HRM value chain for public-sector organizations, building on the generic Harvard model and insights from public administration literature. In this section, the focus is on the second aim of the chapter: providing an overview of HRM and performance findings based on an analysis by Boselie et al. (202019) of what we already know about the added value of HRM in a public-sector context. Boselie et al. (2019) selected fifty-six empirical articles on HRM and performance that were published in the period 2000–16 in high-quality HRM, public administration, and public management journals (e.g., *Human Resource Management Journal*, *International Journal of Human Resource Management*, *Public Administration*, (p. 106) and *Review of Public Personnel Administration*). All articles in the analysis are fo-

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cused on the added value of HRM, providing a rich source for lessons on what is known about the impact of HRM on outcomes in public-sector organizations. All the organizations in the analyses can be labeled public-sector organizations, including healthcare, education, government (local, central, federal, provinces), police, military services, and social services.

The most popular outcomes used in the fifty-six articles are job satisfaction (ten articles) and organizational commitment (ten articles) of employees (cf. Gould-Williams, 2004). This does not come as a surprise because these HRM outcomes also play a key role in the model by Vandenberghe et al. (2013). HRM outcomes (for example, commitment, satisfaction, trust, engagement, emotional exhaustion, motivation, intention to stay, stress, absence because of illness, employee turnover, organizational citizenship behavior, and perceived justice) can be found in twenty-seven of the fifty-six articles, reflecting a dominance of HRM and HRM outcome research in public-sector contexts. In the overview article by Boselie et al. (2019), specific attention is paid to the two most frequently studied HRM outcomes: job satisfaction and commitment. Table 5.1 provides an overview of these findings to highlight what is already known about these two employee well-being outcomes. Perceptions of HRM practices and HRM bundles are positively related to job satisfaction and employee commitment. It is notable that all HRM outcomes in empirical research on HRM and performance in public-sector organizations are generic and not context specific. The same outcomes can also be found in private-sector research, as presented in the overview by Boselie et al. (2005). This means the majority of HRM outcomes in the fifty-six empirical articles studying HRM in a public context are employee perception data representing the individual employee in organizations.

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Table 5.1. Human resource management and performance in public-sector organizations

<b>Author(s) and year</b>	<b>HRM</b>	<b>Employee outcome</b>
Melnik, Petrella, & Richez-Battesti (2013)	+ with actual HRM	Overall work satisfaction
Gould-Williams (2004) and Gould-Williams & Gatenby (2010)	+ with perceived HRM practices	Job satisfaction
Gould-Williams (2003) and Gould-Williams et al. (2014)	+ with perceived HRM bundle	Job satisfaction
Kooij et al. (2013)	+ with perceived HRM bundle	Job satisfaction
Mostafa & Gould-Williams (2014)	+ with perceived HRM bundle	Job satisfaction
Park (2010)	+ with perceived HRM bundle	Job satisfaction
Steijn (2004)	+ with perceived HRM bundle	Job satisfaction
Decramer, Smolders, & Vanderstraeten (2013)	+ with performance management	Satisfaction
Gould-Williams (2004), Gould-Williams & Davies (2005), and Gould-Williams & Gatenby (2010)	+ with perceived HRM practices	Organizational commitment

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Brunetto, Farr-Wharton, & Shacklock (2011)	+ with perceived HRM bundle	Affective commitment
Gould-Williams (2003) and Gould-Williams et al. (2014)	+ with perceived HRM bundle	Organizational commitment
Kooij et al. (2013)	+ with perceived HRM bundle	Organizational commitment
Mostafa, Gould-Williams, & Bottomley (2015)	+ with perceived HRM bundle	Affective commitment
Conway & Monks (2008)	+ with satisfaction HRM practices	Commitment to change
Ashikali & Groeneveld (2015)	+ diversity management	Affective commitment

*Note:* HRM, human resource management.

Organizational performance as a long-term consequence of HRM is also studied in the articles included in this review (in ten articles), but in most cases the variable is based on subjective input (survey data). Rodwell and Teo (2008), for example, focus on the influence of strategic HRM on perceived performance in health services organizations. Melton and Meier (2016), in contrast, focus on objective performance data in their analysis. Only one article used some kind of societal well-being outcome variable: fairness, equality, and transparency in the context of talent management (Van den Brink, Fruytier, & Thunnissen, 2013).

The ultimate aim of the review performed by Boselie et al. (2017) was to answer the question of whether there is support for the added value of HRM in a public context in the fifty-six empirical articles included. The answer is that in thirty-five articles there is support for a positive relationship between HRM and some, but not all, outcomes being studied. Mostafa (2016), for example, finds a positive effect between HRM and work-related stress plus intention to leave, but only indirectly via person-organization fit. We argue that the positive effects need to be treated with great caution, because the majority of the findings are based on subjective and self-reported data, in relation to both HRM and out-

come measurement. In other words, the main focus is on perceptions of HRM policies and practices on perceived outcomes rather than objective data.

(p. 107) In summary, in the fifty-six empirical studies on HRM and performance by Boselie et al. (2017), performance is mostly defined in terms of attitudes. Job satisfaction and commitment are the most frequently studied concepts. Almost all HRM outcomes used in the analyses are context unspecific and are also used in the private sector. A few studies pay attention to organizational performance, a concept that can be linked to organizational effectiveness in the Harvard model. Most studies use some kind of subjective measurement of organizational performance. Societal well-being in relation to HRM can only be found in one of the fifty-six studies. These first findings raise several questions about the multidimensional performance construct in the Harvard model in relation to the context specificity of public-sector organizations.

### (p. 108) **Conclusion**

The aim of the chapter was twofold. First, we wanted to develop a nuanced Harvard model of HRM and performance in public-sector organizations using contemporary general HRM insights (HRM process model by Wright & Nishii, 2013) with public administration and public management literature (e.g., the HRM value chain model in public-sector organizations by Vandenabeele et al., 2013). Figure 5.2 presents an overview of this adapted Harvard model, more nuanced and more refined than the original model from 1984. This adapted model can be used as a framework for studying the added value of HRM in public-sector organizations.

Second, the chapter provides a short overview of empirical research on HRM and performance in the public-sector context on the basis of an overview conducted by Boselie et al. (9). From the adapted model point of view (see Figure 5.2), the empirical evidence on the added value of HRM in public-sector contexts is mainly based on employee perception data (surveys). The employee perceptions include both perceived HRM practices and particular HRM outcomes (mostly commitment and satisfaction). The existing evidence shows a general positive relationship between the perceived HRM practices and the HRM outcomes studied. On the basis of this analysis, we identify several gaps that could be the basis for future HRM research on the added value of HRM in the public sector. Our adapted Harvard model will be used to map these gaps and determine directions for future research.

First, little or no attention is paid to the different stakeholder interests and situational factors that affect HRM policy choices, in particular, intended HRM practices. How, for example, do politicians affect and influence HRM strategies and policies with respect to payment and diversity management? Pay and diversity are politically sensitive and societal themes if put in a public-sector context. Civil servant payment, for example, is not just a strategic choice of a public-sector organization, but also a political and societal issue. Within the Harvard model box outlining situational factors, we would like to high-

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light at least three aspects that are highly relevant and characteristic of public-sector organizations:

- The workforce often consists of professionals such as judges, teachers, and medical specialists, with each having unique normative and coercive mechanisms that affect the shaping of the employment relationship of themselves and the other workers in their organization;
- The bureaucracy and rules, called red tape, are a burden in public administration and often cause serious limitations in the leeway with respect to HRM policy choices and intended HRM practices;
- The laws and public values that are not just there, but also visible in the media and public debate, causing issues of transparency and social legitimacy.

Second, Table 5.1 shows a dominance of employee data that are labeled perceived HRM practices in the HRM process model (Wright & Nishii, 2013). There is little (p. 109) empirical research on the strategic decision-makers and policy makers (intended HRM practices) and the HRM enactors, often line managers (actual HRM practices). The addition of intended, actual, and perceived HRM practices to the Harvard model can help in understanding effective HRM implementation in public-sector organizations as an essential part of the creation of a contextualized HRM value chain. Moreover, this addition can help to gain a deeper understanding of why HRM implementation does not have the desired effects. The presence of public (HRM) managers with a strong public service ethos may help to explain why HRM practices are not always implemented the way they were intended.

Third, employee attitudinal outcomes of “commitment” and “satisfaction” are dominant, leaving room for many other relevant attitudinal as well as behavioral HRM outcomes, such as public service motivation, job stress, burnout risks, organizational citizenship behavior, trust in the organization, trust in management, trust in colleagues, perceived justice, intention to leave, and absence because of illness. These outcomes are relevant indicators that reflect the state of the workforce given societal (for example, labor market shortages) and organizational (for example, stress and burnout as a result of work pressure and performance pressures) challenges. There are many theories, such as job demands–job resources theory, social exchange theory, attribution theory, and public service motivation theory, that can help build innovative and relevant avenues for research in these areas.

Fourth, the long-term consequences in relation to individual well-being, organizational effectiveness, and societal well-being need to be taken into account and potentially be contextualized given a certain public-sector context. We have discussed here that the concept of public-sector performance is difficult to define and measure. In contemporary HRM research there is, for example, growing attention for potential conflicting outcomes (such as organizational effectiveness negatively related to outcomes such as stress and burnout) and mutual gains (such as commitment positively related to higher service levels of an organization) (e.g., Van der Voorde, Paauwe, & Van Veldhoven, 2012). We argue

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that insights from this stream of research may help to clarify what the long-term consequences of HRM in the public sector are and how they can be measured.

Overall, there is a need for more research on objective outcomes and organizational performance linked to what in the Harvard model is called organizational effectiveness. Although frequently used (Groeneveld, Tummers, Bronkhorst, Ashikali, & Van Thiel, 2015), the predominant use of self-reported data is associated with social desirability, which refers to the tendency of respondents to answer items in a way that presents them in the best possible light (Dooley, 2001). This tendency can provide a risk for the validity of research findings.

To conclude, our brief review of empirical studies on the added value of HRM in the public sector suggests that perceived HRM matters in relation to the attitudinal HRM outcomes of “commitment” and “job satisfaction.” In contrast, we know little about the effects of intended and actual HRM practices on both HRM outcomes and what they mean for long-term consequences. By developing a nuanced Harvard model on HRM (p. 110) and performance in public-sector organizations on the basis of contemporary general HRM insights (HRM process model) and public administration and public management literature (e.g., the HRM value chain model), we provide a framework that reveals relevant and remaining questions that need to be answered so that the full potential of HRM for public-sector organizations can be evaluated.

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