

# Hard and soft models of human resource management



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Human resource management has frequently been described as a concept with two distinct forms: soft and hard. These are diametrically opposed along a number of dimensions, and they have been used by many commentators as devices to categorize approaches to managing people according to developmental-humanist or utilitarian-instrumentalist principles (Legge 1995 b).

The terms have gained some currency although, from a theoretical point of view, the underlying conflicts and tensions contained within the models have not been sufficiently explored and, from a practical perspective, available empirical evidence would suggest that neither model accurately represents what is happening within organizations (Storey 1992; Wood 1995). This leads us to question the value of these dimensions for defining normative forms of human resource management.

In this chapter, we first analyze the conflicts and tensions both between and within the soft and hard models, and then report on the findings of an in-depth empirical study which will enable us to review and challenge the theoretical foundations upon which the soft and hard models are based. The soft-hard dichotomy in HRM exists primarily within normative, or prescriptive, models of human resource management, rather than in what Legge (1995 b) terms the descriptive-functional or critical-evaluative traditions.

The earliest examples where this terminology is used are in the work of Guest (1987) and Storey (1987; 1992). Guest (1987), in seeking to define HRM, identifies two dimensions, soft-hard and loose-tight. Similarly, Storey

(1992) plots existing interpretations of HRM along the two dimensions of soft-hard and weak-strong. Although these two commentators draw heavily on the work of American HRM academics in drawing a distinction between the two forms—the Harvard model for the soft version (Beer et al, 1985) and the Michigan model for the hard version (Fombrun et al. 1984)—the terms ‘soft’ and ‘hard’ have not been used in the American literature, and the debates surrounding them have taken place exclusively in a British context (Hendry and Pettigrew 1990). Guest (1987) and Storey (1992) in their definitions of soft and hard models of HRM view the key distinction as being whether the emphasis is placed on the human or the resource.

Soft HRM is associated with the human relations movement, the utilization of individual talents, and McGregor’s (1960) Theory Y perspective on individuals (developmental humanism). This has been equated with the concept of a ‘high commitment work system’ (Walton 1985b), ‘which is aimed at eliciting a commitment so that behaviour is primarily self-regulated rather than controlled by sanctions and pressures external to the individual and relations within the organization are based on high levels of trust’ (Wood 1996: 41).

Soft HRM is also associated with the goals of flexibility and adaptability (which themselves are problematic concepts, as we shall see in more detail later), and implies that communication plays a central role in management (Storey and Sisson 1993). Hard HRM, on the other hand, stresses ‘the quantitative, calculative and business-strategic aspects of managing the “headcount resource” in as “rational” a way as for any other factor of production’, as associated with a utilitarian-instrumentalist approach (Storey 1992: 29; see also Legge 1995 b).

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Hard HRM focuses on the importance of 'strategic fit', where human resource policies and practices are closely linked to the strategic objectives of the organization (external fit), and are coherent among themselves (internal fit) (Baird and Meshoulam 1988; Hendry and Pettigrew 1986), with the ultimate aim being increased competitive advantage (Alpander and Botter 1981; Devanna et al. 1984; Lengnick-Hall and Lengnick-Hall 1990; Miles and Snow 1984; Storey and Sisson 1993; Tichy et al. 1982; Tyson and Fell 1986). These two perspectives on human resource management are viewed as opposing: 'what is striking is that the same term [HRM] is thus capable of signaling diametrically opposite sets of assumptions' (Storey 1992: 26). However, both Guest and Storey, whilst explicitly acknowledging this dichotomy, incorporate both perspectives when constructing their own human resource management 'models' or 'theories'.

For example, in his 1987 paper, Guest draws on both hard and soft dimensions in constructing his theory of human resource management which contains reference to four HRM 'policy goals', including 'strategic integration', which is clearly associated with his interpretation of the hard model, and 'commitment', which is associated with his view of the soft model. Thus, Guest acknowledges a difference between the concepts and assumptions of soft and hard HRM, but abandons the distinction when embarking upon theory building.

Similarly, Storey (1992) identifies his four key features of an HRM approach as incorporating both soft elements such as commitment, and hard elements such as strategic direction. The incorporation of both soft and hard elements within one theory or model is highly problematic because each rests on a <https://assignbuster.com/hard-and-soft-models-of-human-resource-management/>

different set of assumptions in the two key areas of human nature and managerial control strategies. Many of these assumptions can, in fact, be traced back to the work of McGregor (1960), who even used the terminology 'hard' and 'soft' to characterize forms of managerial control.

McGregor was concerned with how to foster an organizational environment conducive to innovation. He concluded that most managerial control strategies were based on views of human nature contained in Theory X (such as, that people dislike work), leading to tight managerial control through close direction. This has overtones of the emphasis within the hard model on strategic direction, integration, and the use of performance management techniques such as appraisal. Theory Y, on the other hand, opens up the notion that 'man will exercise self-direction and self-control in the service of objectives to which he is committed' (McGregor 1960: 326).

If people are assumed to be in pursuit of self-fulfillment through work, then management's aim should be to foster individual growth and development in order to realize the potential of its 'human resources'. He continues, 'The principle of integration demands that both the organization's and the individual's needs be recognized' (McGregor 1960: 329). This has a surprising degree of similarity to today's soft version of human resource management, resting on the notions of commitment and self-direction, with the dual aims of meeting the needs of the organization and of the individual.

McGregor's argument was that it is our view of human nature (Theory X or Theory Y) which ultimately influences management control strategies.

Echoes of this can be found in Noon's argument that definitions of human

resource management contain contradictory elements of ‘ modern man’, who is influenced by physical, psychological, and social laws, and ‘ hermeneutical man’, who is self-bound and ‘ creates organizational reality and structures rather than responds to them’ (1992: 27; see also Sullivan 1986).

Soft models of HRM can be compared with the Theory Y approach or notions of ‘ hermeneutical man’. The soft version assumes that employees will work best (and thereby increase organizational performance) if they are fully committed to the organization (Beaumont 1992; Dunham and Smith 1979; Guest 1987; Legge 1995 a; Lundy 1994; Walton 1985 a). Hope notes that ‘ the employee working under an HRM system would not merely comply with the organization’s wishes, but positively and affectively commit themselves to the aims and values of their employers, and thereby give added value through their labor’ (1994: 3). The soft model emphasizes that this commitment will be generated if employees are trusted, if they are trained and developed, and if they are allowed to work autonomously and have control over their work (Guest 1987; Hendry and Pettigrew 1990; Kamoche 1994; Mahoney and Deckop 1986; Purcell 1993; Purcell and Ahlstrand 1994; Tyson 1995 a). In other words, the strategic premise of the soft model, in contrast to the hard model, is that control comes through commitment (Purcell 1993).

Under the hard model, on the other hand, control is more concerned with performance systems, performance management, and tight control over individual activities, with the ultimate goal being to secure the competitive advantage of the organization ( Guest 1995). This implies that the individual

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is managed on a much more instrumental basis than under the soft model, where both competitive advantage and employee commitment are accorded equal importance.

Ultimately, then, there is a tension and conflict between elements of self-expression and high trust contained within the soft model, and of direction and low trust within the hard model ( Noon 1992). Although hard and soft models of human resource management therefore are derived from very different intellectual traditions, and incorporate diametrically opposed assumptions about human nature and managerial control, both have been incorporated within the same theories or models of human resource management.

Thus, for instance, Storey's model contains elements of modern man (or Theory X) when he states that ' people- management decisions ought not to be treated as incidental operational matters or be sidelined into the hands of personnel officers' ( 1992: 26), in other words, people management needs to be controlled and directed ' from above', and elements of hermeneutical man (or Theory Y) when he states, ' it is human capability and commitment which . . distinguishes successful organizations . . . The human resource ought to be nurtured' ( 1992: 26). The opposing nature of the models' underlying assumptions leads us to question the validity of constructing models of human resource management on the basis of both soft and hard elements. . .