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# Employee management systems and organizational contexts: a population ecology approach

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## Abstract

**Purpose** – The aim of this paper is to construct a theoretical model of the characteristics and determinants of employee management configurations, simple management, personnel management and human resource management (HRM).

**Design/methodology/approach** – This paper builds upon work in HRM by integrating critical management, population ecology and industrial relations to develop a conceptual framework of the character of employee management and its determinants.

**Findings** – This framework represents an important step forward in thinking about the determinants and character of employee management systems.

**Practical implications** – A typology of six employee management configurations is established in both union and non-unionised contexts. The paper critiques the universalistic approach to HRM. This paper offers an insight into the rationale of employee management techniques and its determinants.

**Originality/value** – Within the normative HRM literature there has been little discussion of the role of context in influencing the character of HRM or employee management generally. The paper seeks to explore, using population ecology theory, how context influences the characteristics of employee management.

**Keywords** Human resource management, Employee relations, Critical success factors, Business development

**Paper type** Conceptual paper

## Introduction

The three book reviews demonstrate the tremendous growth in human resource management (HRM) research particularly from North America and the USA (Godard, 2004; Bowen and Ostroff, 2004; Becker and Gerhart, 1996). The major themes of the HRM literature and the books reviewed have been to explore the growth of HRM and IHRM, the “embedded nature HRM in industries and societies” (Boxall and Purcell, 2003) and to demonstrate the impact of HRM on organizational effectiveness (MacDuffie, 1995; Delaney and Huselid, 1996). Despite the emerging interest in “best fit” HRM approaches, to date little research or theoretical development has been conducted on the different manifestations of the phenomenon of employee management (including HRM) and where different methods of managing people will emerge. This paper seeks to develop a theoretical framework examining the role of context in influencing the characteristics of HRM and other employee management systems. It is argued that several distinct sets of employee management configurations exist, each of which are related to a particular job design and employee management system (Dulebohn *et al.*, 1995). Three major types are acknowledged – simple systems of workforce control, personnel management and HRM (Dulebohn *et al.*, 1995; Jacoby, 1991). It is contended that these have emerged historically and persist today in both union and non-union settings as regimes of managing



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employees (Edwards, 1979; Braverman, 1974). HRM literature is largely normative and ideologically unitarist. It is argued in the mainstream HRM literature that the normative models of HRM are largely applicable regardless of context (e.g. universalism) (Beer *et al.*, 1984; Dulebohn *et al.*, 1995; Guest, 1990).

In contrast this paper argues that there is a growing consensus that the effective management of employees is influenced by situational and contextual factors (MacDuffie, 1995; Huselid *et al.*, 1997; Delaney and Huselid, 1996; Arthur, 1992; Dyer and Reeves, 1995). Jackson *et al.* (1989) argued that, rather than evaluating the relative effectiveness of one types of practice over another, researchers should examine different ways that organizations manage their resources. They maintained that – there is no “one best way” to management an organization’s human resources [...] over time, organizations evolve practices that fit their particular situation (Jackson *et al.*, 1989, p. 782).

Researchers have tended to focus attention largely on HRM as the main mode of managing employees. Dulebohn *et al.* (1995) suggest, however that a variety of employee management methods is being used by organizations (e.g. simple management techniques and personnel management). Chandler (1962, p. 492) suggests the divorcement of environmental issues from organizational analysis and noted an important consequence of this problem: “the expansion and government of industrial enterprises in a market economy should be closely related to the changing nature of the market seems obvious enough”.

To investigate the role of context in influencing organizational characteristics population ecological perspectives offer valuable insight (Hannan and Freeman, 1977; DiMaggio and Powell, 1983). It is argued that the integrative framework can be utilised to provide a greater explanation of the development and continued existence of employee management configurations. Population ecological perspectives may offer new insights into the explanation of why there is no “one best way” to manage employees. Hirsch (1975, p. 327) states that:

[...] few studies have tried to specify components of the institutional environment and follow their interaction with a class of organizations. Organizational success may be due to the complex web of institutional processes still largely unexplored by students of organizations.

### **Employment management systems**

Employee management techniques have evolved historically (Dulebohn *et al.*, 1995; Jacoby, 1991). Within this historical evolution emerge three employee management types: simple management strategies, personnel management and HRM. Contextual circumstances permit the three employee management systems to co-exist simultaneously throughout the labor market.

An employee management system can simply be defined as a method to elicit effort from the workforce in order to obtain the highest labor productivity/cost ratio. Employee management is founded on the employment relationship (Edwards, 1992; Kaufman, 1993; Sisson, 1990). Edwards (1992, p. 43) suggests that the employment relationship is focused on the process through which employers and employees, who are tied together in relations of mutual dependence, negotiate the performance of work tasks and conditions of employment under the guise of legislative rules.

From a critical management theory perspective the employment relationship is viewed as a labor process, which generates a surplus and is central to the capitalist mode of production (Littler, 1990; Barley and Kunda, 1992; Jermier, 1998). There is

the logic of accumulation that forces capital to constantly revolutionise the production process (Edwards, 1979).

This arises from competition between firms and the antagonism between management and workers (Knights and Willmott, 1990). Moreover, control of the labor process is imperative as market mechanisms alone cannot regulate the labor process. According to Littler (1990) to translate labor into real possession the capitalist must erect structures of control over labor. This highlights management's need to continually realise control in the context of the pressures to revolutionise the labor process and secure value (Edwards, 1992).

It is argued that control regimes are fostered by the fact that management continuously find themselves in a competitive market "evolutionary flux", that is management are having to continually reconstitute methods of control to maintain the subordination and productive effort of employees (Friedman, 1977; Edwards, 1979). Moreover, management have to continuously reinforce and re-align doctrines of control contingent on environmental and technological evolution (Jermier, 1998). This argument is supported by Friedman (1977) and Edwards (1979) which purport that control regimes are contingent on the external environment and the nature of the labor process (Braverman (1974) a Tayloristic mode of production aimed at deskilling the workforce). Clearly this is a narrow view of the role of labor management and the aims of labor management. Given the rapid advancement in technology, communications and international trade, however, notions of mass de-skilling as a management mantra may not be a valid means for the enterprise to compete and survive in the market place. Edwards (1979) therefore, offers both a historical and contemporary account of labor management given competitive constraints and management and labor consciousness (e.g. simple; technical and bureaucratic means of labor management and control).

From a theoretical underpinning of the employment relationship and critical management theory three employee management configurations emerge – simple methods of control; personnel management and HRM.

The three methods of managing people and trade unionism will be combined to create a model with six people employee management configurations. Employee management configurations are a function of contextual circumstances (e.g. trade union presence, firm size, the sector in which the firm operates, industry and multi-national status) (Table I).

### Simple methods of control

The external labor market itself can act as the simplest form of controller/motivator and firms may even design part of their job structure to remove some workers from the protection of employment legislation (e.g. casualisation of the labor market). Lepak and Snell (1999) characterised this form of employment relationship as seeking compliancy from workers. It has been described as an absence of systematic and rationalised practices (Edwards, 1979). "Where the workforce in unskilled and in abundant supply, and particularly where a company does not need continuity of employment,

Employee management techniques	Non-union presence	Union presence
Simple management	Type 1	Type 4
Personnel management	Type 2	Type 5
HRM	Type 3	Type 6

Table I.

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this is the most rational policy” (Dulebohn *et al.*, 1995, p. 20). In such a situation, the firm needs rudimentary methods of managing workers – hiring/firing and maintaining legislative imperatives:

An entrepreneur may be flanked by a small coterie of forepersons. They combine both incentives and sanctions in an idiosyncratic and unsystematic mix. The personal power and direction of the owner tended to be the primary mechanism for the management of employees. The owner of the firm supervises the work activities directly, maintaining close watch on forepersons and interceded immediately to solve any problems, overriding established procedures, firing recalcitrant workers, recruiting, varying pay and handing out bonuses (Edwards, 1979).

The need to be re-hired at the prevailing market rate acts as a control mechanism over workers’ efforts. Essentially, this kind of scheme rests within the tradition of the earliest forms of the factory system of the first industrial revolution (Dulebohn *et al.*, 1995; Jacoby, 1991). Lepak and Snell (1999) argued that, currently, firms increasingly outsource administrative or lower-level jobs, such as clerical, support and maintenance positions, with skills that are not unique to the firm:

*H1a.* Firms using simple techniques of employee management will possess a low use of personnel management and HRM and emphasise performance for pay.

*H1b.* Firms using simple employee management techniques will be small firms.

#### *Personnel management*

The second major form of employment system that survives in the modern context is – Taylorism. That is, information about all facets of the job are known by management, who design jobs and pay by individual output as far as possible. Walton (1985) described such a system as a control strategy. Huselid *et al.* (1997, p. 172) outlined policies and practices “that reflect the more traditional and technical personnel perspective” – recruitment, selection, performance measurement, training, the administration of compensation and benefits. This approach to work practices took shape during the early part of this century in response to the division of work into small fixed jobs for which individuals could be held accountable’. MacDuffie (1995) argued that such a strategy would arise in mass production systems that utilise low skill, replaceable workers, with little motivation and a need for supervision and direction because relatively high turnover and absenteeism are expected. Second, technical control in which the content and pace of work was predetermined by the layout and imperatives of the technology can be compared to Friedman’s Direct Control and perhaps Braverman’s conceptualisation of Taylorism. An interesting outcome of technical control and moreover mass production techniques was that they brought together and unified the interests of a large group of workers, this sparked widespread militancy (Kornhauser *et al.*, 1954). In such a situation, however, there is likely to be an attempt at a collective response on the part of some of the workforce. Consequently, one might expect management to be concerned with union issues. In fact, personnel management was particularly associated with the mass production industries in the post-war years when unionism thrived in a climate of growth:

*H2a.* Firms using personnel management in non-unionised environments are more likely to use welfare corporatism, employee participation and formal personnel functions.

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*H2b.* Firms using personnel management in non-unionised environments are more likely to operate in traditional manufacturing that possess Tayloristic modes of production.

### *Human resource management*

The term HRM will be employed in this paper to describe only the most recent forms of employee management systems (Legge, 1995; Guest, 1987; Peters and Waterman, 1982). Using Walton's terminology (1985), it can be defined as strategies that lead to the "commitment" of the labor force to the company. The current form of employment management marks a "radically different work-force strategy" (Walton, 1985, p. 79), they are now used to "capture the hearts and minds" of the workforce. HRM incorporates a series of HRM functions that encourage the achieve the strategic goals of the firm through the selection of human resources that are malleable and uphold the cultural values of the firm – that is reciprocal fashion attempt to cultivate role behaviours that achieve the strategic objectives of the firm (Schuler and Jackson, 1987; Schuler, 1992). These arise as a result of the need for "co-operation" from the workforce. Huselid *et al.* (1997) wrote of "relatively recent innovations in policies and practices that have been termed strategic HRM" (e.g. strategic integration of HRM functions; compensation systems, team-based job designs, flexible workforces, quality improvement practices, employee empowerment).

Many critical management theorists have argued that HRM is a managerial discourse that attempts to foster and cultivate employee cooperation and minimisation of resistance (Edwards, 1992; Willmott, 1993; Kelly, 1988). HRM is predominantly a management vehicle to shape and configure malleable human resources in the interests of the firm (Knights and Willmott, 1990). HRM is a tool of managerial control to regress opposition and resistance of employees in a time of increasing education, skill and technology (Knights and Willmott, 1990). Moreover, the utilisation of emancipatory rhetoric to cultivate illusory feelings of unity between management and employees and promulgation towards a unitary view of the firm may be viewed as a relatively new phenomenon (Sewell, 1998; Jermier, 1998). The institutionalisation of HRM as a positivist and humanistic doctrine is a powerful "marketing tool" that can elicit extraordinary contributions from a highly committed and motivated labor force. The colourful and emotive imagery of unprecedented managerial concern for employee welfare, development and emotional security, inculcated within the legitimacy of the unitaristic umbrella are powerful tools to minimise opposition and tighten the "reigns of control" (Sewell, 1998).

From this viewpoint alone, however, it is difficult to identify specific organizations in which such practices might emerge. However, another valuable study (MacDuffie, 1995) pointed to organizational context as the source of such commitment policies. The author related employee management practices to flexible production systems. He claimed that, in mass production because of the use of unskilled labor, there is a need for "buffers" of inventories, repair centres, etc. However, these are costly, and in a time of competitive pressure, "lean" production systems, are established to cut down on their existence. In turn, however, in a situation where they possess knowledge that managers lack, workers must make judgements or there might be costly breakdowns. Consequently, MacDuffie distinguished between two sets of strategic HRM practices. The first is designed to give the workers sufficient skills and overview to make them problem-solver/analytical – job rotation, multi-skilling, etc. The second is to motivate them to pass on their knowledge.

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“Innovative” HRM practices, therefore, consist in part of influences to align the workers interests with those of the company, to establish the psychological contract.

These are interesting theories that offer support to Kelly’s (1985) argument that job redesign developed mainly in the seventies (though earlier in some industries) – including practices of job rotation, job enlargement, multi-skilling, autonomous work groups – and arose in the main, not as a direct employee management strategy, but via the effects of product market changes downsizing. The importance of Kelly’s work is that it identified industries where these changes had occurred by the early eighties: including petro-chemicals, electrical. These sectors had been subject to great competitive pressures following the post-war boom years, instituting flexible systems of production as a response.

Overall, therefore, existing literature demonstrates that there are different employee management systems that consist of different strategies – compliance, control and commitment. They are likely to be relevant in different historical contexts. However, few studies have sought to identify and determine their existence in a given context. In a rare work, Jackson *et al.* (1989) investigated the relationship between organizational context characteristics and employee management practices. They used a behavioural psychology perspective, arguing that organizations of different types needed different patterns of employee behaviour. Consequently, employee management practices are employed to elicit and reinforce appropriate behaviour and are related to organizational characteristics. Essentially, they attempted to identify sets of practices with firm characteristics. This was pioneering work that used the same set of employment practice variables with organizational characteristics such as service/manufacturing. Consequently, they produced a set of *ad hoc* results that, nevertheless, provided encouragement for further research:

*H3a.* Firms using HRM in non-unionised environments will use organizational culture, employee participation and strategic integration of human resource functions, individual contracts to control the workforce and minimise trade unionism.

*H3b.* Firms using HRM in non-unionised environments will operate in technological advanced markets, employee knowledge based workers and large firms.

### **The effect of trade union presence on employee management systems**

The presence of trade unionism will have a pervasive effect on the character of employee management. Trade unions can facilitate the implementation of new measures through collective bargaining and joint regulation. Beyond efficiency arguments, such as collective voice mechanisms, trade unions are capable of operating with management at strategic and operation levels. Recent studies have shown a positive relationship between trade unions and greater employee involvement such as joint consultative schemes, employee stock ownership, quality circles and having employees on managerial boards (Eaton and Voos, 1992; Turner, 1994; Wagar, 1998; Kizilos and Reshef, 1997).

Eaton and Voos (1992) suggest that “the workplace programs that predominated in the union sector are more likely to increase productivity than one program” (Eaton and Voos, 1992, p. 68). The authors find that unions in the USA during the 1980s facilitated the implementation and “healthy” functioning of workplace innovations. It is suggested that unions bring protection for workers and an organized collective voice to the workplace. Unions often initiate programs in order to increase the competitiveness of the firm and reduce the potential for layoffs and wage concessions by increasing productivity.

The non-union sector lacks the institutions for exchanging more productive work for higher wages, which may be why non-union workers are less productive.

Participation programs may have greater potential in a unionised environment and more likelihood of survival (e.g. the trade union can also act as a mechanism for communication with management through collective voice) (Freeman and Medoff, 1984). This gives the trade union members the capacity to influence workplace design and the implementation of workplace innovation.

Empirical evidence that unionisation (through collective bargaining) may be associated with more formal HRM activities, a greater employee voice, more favourable pension plans and the presence of a formal HRM department, employee pension plans, sexual harassment policies (Ng and Maki, 1994; Wagar, 1998).

Turner (1994, p. 42) suggests that recognising a union can facilitate the introduction of employee involvement. This can be explained by providing a ready-made organizational structure among employees (union rank-and-file), which can be utilised with greater chance of employee involvement. The presence of trade unionism is also likely to be associated with a negative relationship with performance-related-pay. Trade unions have been traditionally opposed to performance-related pay and therefore pursue the standardisation of wages across occupational groups and prefer seniority and the going rate to determine wage levels.

In a similar vein Streeck (1986) argues that unions face a number of institutional constraints which have forced, induced and enabled management to embark on high value-added design and production strategies. Moreover, Streeck also suggests that in the absence of pressure from unions management have sought short-term, quick fix solutions to boost productivity and profitability:

- H4a.* Firms using simple employee management techniques in unionised environments will have greater emphasis upon OH&S and employee participation than their non-unionised counterparts.
- H4b.* Firms using simple employee management techniques in unionised environments will be operate in small manufacturing firms.
- H5a.* Firms using personnel management in unionised environments will possess employee participation schemes and welfare corporatism as mediated outcomes of unionism.
- H5b.* Firms using personnel management in unionised environments will operate in traditionally unionised manufacturing and public sector entities.
- H6a.* Firms using HRM in a non-unionised environment are more likely to use workplace innovations and profit sharing arrangements than non-union counterparts.
- H6b.* Firms using HRM in union environments are more likely to operate in petro-chemicals, automobile manufacturing and electrical.

### **Organization ecology**

Ecological perspectives are used in this paper to provide the theoretical underpinnings of a conceptual framework that explains the existence of diversity of employee management configurations. Through the concept of isomorphism, a strong theoretical

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case can be made for explaining why configurations exist. Furthermore, this approach can be utilised to offer insights into the characteristics of the configurations and where these configurations are likely to emerge.

The ecological approach is used in zoology and botany to describe the study of the ways in which organisms live in their environments (Hawley, 1950). The direction of ecology of organizations is largely influenced by Hawley's (1950, 1968) neoclassical theory of human ecology which sought to explain patterns of adaptation of human communities to ecological settings. It relied on the principle of isomorphism, which holds that, in equilibrium, "units subjected to the same environmental conditions, or to environmental conditions mediated by a given key unit, acquire similar form of organization" (Hawley, 1968, p. 334).

This theoretical construction has been extended the general ecological and evolutionary models of change in the organization (Starbuck, 1976; Hannan and Freeman, 1977, 1989). Organizational survival is the result of environmental pressures that differentially select adaptive forms for retention with an organizational population (Hawley, 1950, 1968; Baum and Oliver, 1991; Hannan and Freeman, 1977; Gooderham *et al.*, 1999). Among the environmental selection criteria that population ecologists have recently elaborated are external pressures for legitimacy and the forces of competition and institutionalisation in organizational populations (Baum and House, 1990).

There has been much debate between the neo-Darwinists (who believe in the natural selection of populations of organizations) and adaptationists (who content that changes in organization structure and behaviour occur in response to the environment) (White *et al.*, 1997). It is proposed that a unification of self-organization and natural selection take place (Kauffman, 1993, 1985; Pantzar and Csanyi, 1991; Fuchs and Turner, 1986). The essence of fusing these two schools is to depict that several forces all weigh in the balance (White *et al.*, 1997). White *et al.* (1997, p. 1385) suggest that:

[...] evolution of organizational form, environmental selection does not override organizational choice and that the organization's choice of evolutionary path, perhaps from among several viable in its environment may be governed by internal evolutionary drivers, while which they do not dominate do constrain the evolutionary effects of natural selection.

Burgelman (1989) attempts to reconcile the concepts of conscious strategic adaptation and blind environmental selection in a way that leaves some space for leaves some space for self-determination. Kauffman (1985, p. xiii) puts it succinctly:

Whether we are talking about molecules cooperating to form cells or organisms cooperating to form ecosystems or buyers and sellers cooperating to form markets and economies, we will find grounds to believe that Darwinism is not enough, that natural selection cannot be the sole source of order we see in the world. In crafting the living world, selection has always acted on systems that exhibit spontaneous order.

Fusing the adaptationist and neo-Darwinist views are important for building an understanding of the complexity of employee management configurations. In this paper population ecological perspectives are extended to employee management configurations. The concept of isomorphism mediates the interaction between these two schools (DiMaggio and Powell, 1983). The process of isomorphism depicts a complex inter-play between environmental selection and the firm's propensity to adapt. Isomorphism can result either because non-optimal forms are selected out of a community of organizations or because organizational decision makers learn optimal responses and adjust



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organizational behaviour accordingly (Hawley, 1968). It is argued that it is through a process of adaptation and environmental selection that employee management practices will evolve similar characteristics within a common context (Hawley, 1950; Aldrich, 1979; DiMaggio and Powell, 1983).

In constructing employee management arrangements, management are constrained in their selection of control regimes (Haire, 1959; Nielsen and Hannan, 1977; Starbuck, 1976). There are a number of limitations on the organization in the selection of employee management techniques (Hannan and Freeman, 1977). The issue of structural inertia provides an illustrative example of the choice trade off between adaptation and selection (e.g. sunk costs in plant, equipment and specialised personnel, internal political constraints and constraints generated by their history). Selection and adaptation have an important influences on the types of employee management configurations that survive in a given context (Kauffman, 1985). This argument contradicts the normative view of strategic HRM in which senior management have a strong “reign over” the selection and strategic integration of the management of employees (Beer *et al.*, 1984; Schuler and Jackson, 1987; Peters and Waterman, 1982).

Hawley (1950, pp. 201-3) places heavy emphasis on competition as a determinant of patterns of social organization. Hannan and Freeman (1989) contend that selection forces in contemporary populations favour reliable and accountable organizations:

The concept that best captures the process of homogenisation is isomorphism – isomorphism is a constraining process that forces one unit in a population to resemble other units that face the same set of environmental conditions. At the population level, such an approach suggests that organizational characteristics are modified in the direction of increasing compatibility with environmental characteristics (DiMaggio and Powell, 1983, p. 149).

In each distinguishable environmental configuration one finds, in equilibrium, only that organizational form optimally adapted to the demands of the environment. Each units experiences constraints which force it to resemble other units with the same set of constraints. Isomorphism suggests that firms incorporate elements, which are legitimated externally, rather than in terms of efficiency; employ ceremonial assessment criteria to define the value of structural elements; dependence on external fixed institutions reduces turbulence and maintains stability:

Once disparate organizations in the same line of business are structured into an actual line of business are structured into an actual field, powerful forces emerge that lead them to become more similar to one another [...] in the long run, organizational actors making rational decisions construct around themselves an environment that constrains their ability to change further in later years (DiMaggio and Powell, 1983, p. 148).

[...] structured organizational fields provide a context in which individual efforts to deal rationally with uncertainty and constraint often lead, in aggregate, to homogeneity in structure, culture, and output (DiMaggio and Powell, 1983, p. 147).

*H7.* Organizations that operate within a context will tend to adopt a qualitatively similar configuration of employee management practices.

A strong rationale of isomorphism is to legitimate (Deephouse, 1996). Organizational legitimacy is defined as a status conferred by social actors. A legitimate organization is one whose values and actions are congruent with that social actors values and expectations for action (Deephouse, 1996). Organizations create norms of strategic

behaviour that social actors also come to accept (Edelman, 1992). Three mechanisms of institutional isomorphic change – coercive, mimetic and normative. Coercive isomorphic change may result from formal and informal pressures exerted on organizations by other organizations upon which they are dependent and by cultural expectations in the society within which the organizations function (e.g. occupational health and safety legislation) (Carroll and Delacroix, 1982; Aldrich, 1979). Mimetic isomorphic change infers that uncertainty is a powerful force that encourages imitation. When organizational technologies are mis-understood, when goals are ambiguous, or when the environment creates symbolic uncertainty, organizations may model themselves on other organizations (e.g. organizations imitate other successful organizations in the face of uncertainty) (March and Olsen, 1976; Cyert and March, 1963). Moreover, Institutional Theory argues that organizations copy practices by others in an effort to acquire legitimacy (Haunschild, 1993). Normative pressures stem from professionalisation and are important mechanisms for isomorphism. Organizations learn about strategic behaviour through trade associations, director linkages and other networks (Larson, 1977; Williamson, 1975).

Isomorphism exists at macro and intermediate and micro levels. This is an important point – the fact that firms will attempt to mimic the practices of each other within the configuration. The reason for this is simple – they operate in the same context and face similar institutional myths. Firms may also attempt to mimic the employment practices of firms in other configurations in an attempt to gain greater legitimacy and or synchronise operations (e.g. supplier relationships). The major limitation with the concept of isomorphism is it does not treat multiple-environments (Hannan and Freeman, 1977).

In an act of creative destruction firms are seeking to compete in the market place – in their case for mimicry they are searching for information regarding how other firms compete and create goods and service and then surpass them (Schumpeter, 1934; Brouwer, 1991). Knowledge theory and knowledge management can augment the population ecology theory – by suggesting that firms attempt to protect their competitive advantage by asset specificity – that is by embedding the process of interaction of employees in tacit knowledge (e.g. cultural practices/socialisation) (Teece, 1998; Nonaka, 1996). The organization through a process of creative destruction is concerned with economic survival – in doing so legitimacy is an important mechanism by which firms actually survive.

The three methods of managing people and trade unionism will be combined to create a model with six people employee management configurations. Employee management configurations are a function of contextual circumstances (e.g. trade union presence, firm size, the sector in which the firm operates, industry and multi-national status):

- H8.* The process of convergence of employee management practices within a context will be the result of a process of institutional, mimetic and normative pressures.

### **Conclusions and implications**

This paper builds upon work in HRM (Schuler *et al.*, 1989) by integrating critical management, population ecology and industrial relations to develop a conceptual framework of the character of employee management and its determinants. Even though there is still much theoretical and empirical work to be done in this critical area of management, this framework represents an important step forward in thinking about the determinants and character of employee management systems.

There are a number of important contributions of this framework. First, the paper is a critique of the universalistic approach to HRM. In the last 20 years HRM has become the mantra of business (Peters and Waterman, 1982), despite a lack of tangible evidence concerning its effect on the financial performance of the organization (Godard, 2004; Hirsch, 1975). Moreover, within the normative HRM literature there has been little discussion of the role of context in influencing the character of HRM or employee management generally. This paper offers an insight into the rationale of employee management techniques and its determinants. It also suggests that other forms of management are possibly being practiced despite the emphasis on HRM in the literature (e.g. simple management techniques).

Second, an important step forward made by this paper is the integration of context and employee management. Clearly, the step forward for HRM and employee management literature is the fusion of environmental analyses and its influence on the character of employee management. The population ecology literature provides an obvious starting point, however, other forms of literature are also valuable, such as industrial relations and critical management literature. A multi-disciplinary approach to investigating the role of context concerning employee management and HRM is an important advance.

Third, the role of trade unionism is an important and often over-sighted influence on the character of HRM and employee management. It has been purported that the presence of trade unionism will have a pervasive influence on the character of affirmative action, payment systems, occupational health and safety and employee participation just to name a few. Greater research concerning the relationship between HRM in particular, employee management and trade unionism is an important step in building productive and mutually beneficial exchanges between management and trade unions (Wagar, 1998; Turner *et al.*, 1994).

This paper argues that employee management configurations are contingent on context. A typology of six employee management configurations is developed – predicated on three employee management systems and the presence or absence of unionism. A number of issues emanate from the development of employee configurations. Moreover, the use of population ecology theory gives an insight the forces that exist in shaping employee management configurations.

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