Two dimensional HRM: Limitations of the soft and hard dichotomy in explaining the phenomenon of HRM.

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Abstract

The Critical Perspective uses a hard and soft dichotomy to support its central thesis that there is a gap between rhetoric and reality in HRM. It is argued that the internal contradiction of hard and soft within HRM results in HRM rhetoric that is soft and reality that is hard. One of the few studies in this area by Truss, Gratton, Hope-Hailey, McGovern and Stiles (1997) supports this distinction. However, Guest (1999) and Keenoy (1999) question the use of the hard and soft HRM dichotomy, proposing that it is possible to pursue both soft and hard HRM strategies simultaneously. This research examines HRM in large, Australian organizations and concludes that hard and soft HRM strategies are not mutually exclusive and that the dichotomy of hard and soft HRM is not an effective framework for understanding and researching HRM.
Literature Review

The literature is dominated by commentators adopting the humanist critical perspective that argue that at the rhetorical level many organizations espouse the "soft" version of Human Resource Management (HRM) that focuses on treating employees as valued assets and a source of competitive advantage. However, they suggest that organizational reality is "hard" with a focus on a tight strategic link with business plans and employees as an input into the production process. The dichotomy of soft and hard HRM has been identified by Legge (1989) in her critique of the normative model of HRM. Noon (1994) argues that the internal contradiction of hard and soft within HRM leads to a gap between rhetoric and reality. One of the few studies in this area by Truss, Gratton, Hope-Hailey, McGovern and Stiles (1997), which involved eight in-depth case studies, confirmed this gap. They found that whilst there were no pure examples of soft or hard HRM:

"the rhetoric adopted by the companies frequently embraces the tenets of the soft, commitment model, while the reality experienced by employees is more concerned with strategic control, similar to the hard model." (Truss et. al., 1997, p. 72)

Guest (1999) questions the use of the hard and soft HRM dichotomy that is the foundation of the most important arguments in the Critical Perspective. Guest argues that the hard and soft distinction is not sustainable because it is possible to pursue both hard and soft HRM strategies simultaneously. Whilst the Critical Perspective suggests there is a universal hard reality that is based on a tight fit between HRM and business strategy, Guest suggests that a tight fit with business strategy could contribute towards a hard or soft organizational reality depending on organizational strategy. In particular both a quality soft strategy and a low cost hard strategy, can be implemented at the same time. Similarly, Keenoy (1999) says that HRM practices are never exclusively hard or soft. They are both hard and soft with interdependent tendencies and once separated, these individual components are deceptive representations. He suggests that the privileged observer interprets phenomena in terms of a preferred frame of reference. Keenoy (1999, p.7) concludes that the debate on HRM has resorted to:

"crudely fashioned binary oppositional constructs."
These include flexible versus specialization, loose versus tight structure, core versus periphery and strong versus weak. The modernist dualisms of personnel-HRM, rhetoric-reality and hard-soft have dominated the debate on HRM.

Truss et al. (1997) criticize HRM for incorporating hard and soft together in a single model but the study uses the hard/soft distinction, suggesting that rhetoric is predominantly soft and reality almost always hard. Truss and her colleagues ultimately conclude that some soft initiatives are implemented but restricted by a hard framework. In this way they maintain the integrity of the soft/hard dichotomy whilst providing an explanation for the complex reality, which underlies it. The existing conceptions of HRM are plagued with ambiguity, as are the debates that comment on its effectiveness. It is argued that HRM cannot be examined with simplistic frameworks that emphasise dichotomous constructs. In this context a simple conception of HRM would be ineffective. Keenoy (1999) argues that the complexities of HRM should not be criticised, as they are an appropriate response to a complex environment. The organization has moved from a bureaucratic structure to an organic, devolved and delayered virtual entity. The workforce and work environment has adapted in response to these changes. There has been significant casualisation of the workforce and a core-periphery workforce has emerged. Workers no longer have well defined jobs, careers or job security. Advances in communications have enabled teleworking and hot desking. Keenoy suggests that these changes are reflected in and institutionalized by the contradictory discourses of HRM. Hope-Hailey, Gratton, McGovern, Stiles and Truss (1997) also conclude from their study that HRM is operating in a very different environment. They found that HRM has changed dramatically in response to this environment. There were diverse practices and HRM roles in the organizations they studied. They found these were influenced by contextual variables beyond the structure, business life cycle, product and market place that have been specified in contingency models.

Evidence also points to HRM being an evolving function. In the 1970s organizations had a personnel function whose role was focussed on negotiating in collective bargaining and administrating policies and procedures. In the 1980’s the excellence literature introduced the concept of a universally applicable HRM, which Hope-Hailey et al. (1997) suggest became an evangelical movement. Research in the late 80s and early 90s suggested that HRM had been
introduced in a reactive and piecemeal way rather than as a comprehensive and strategic transformation and the Critical Perspective presented arguments suggesting that HRM was not as it seemed. This history supports Keenoy’s (1999) suggestion that HRM is a work in progress and is evolving to meet the changing needs of organizations. It is appropriate that HRM does not respond with a single solution to the consequences of globalization and varied responses are expected and required.

In later research Truss (1999) questions the value of hard and soft definitions for defining normative forms of HRM because empirical evidence suggests that neither model accurately represents what is happening in organizations. Truss admits that conceptualizations of HRM along the soft-hard dimension are plagued with inconsistencies. In addition to this, Legge (1995) suggests that the romantic rhetoric of soft HRM disguises unpleasant hard HRM reality. HRM attempts to reconcile the gap between rhetoric and reality by espousing hard and soft rhetoric simultaneously as “tough love”.

Keenoy (1999) suggests that the ambiguities that characterise the discourse and practices of HRM are derived from the epistemological methodologies used to investigate HRM. He argues that observation is a creative act and researchers are guided not by what they do or don’t see but by what they are looking for. What is seen varies according to where the observer stands. To get an alternative perspective, the viewpoint must be changed. He says that researchers try to push the multi-dimensional reality of HRM into a two dimensional format of soft and hard HRM. Keenoy, using the metaphor of the hologram, suggests that the contradictions perceived within HRM dissolve when HRM is viewed as a complex, holistic process that refracts the management changes resulting from globalisation.

This paper so far has presented arguments that HRM and the academic discourse on HRM, known as the Critical Perspective, are emersed in ambiguity. Keenoy (1999, p.13) suggests the more we know about HRM the more it disappears from view, he argues that this ambiguity reflects “modernist constructions of objective reality.” The debates assume that HRM has a single, definitive identity characterized by coherence, consistency and continuity; however, Keenoy suggests that ambiguity is intrinsic to HRM. It is comprised of “multiple, shifting,
competing and, more often than not, contingent ‘identities’. " (Keenoy, 1999, p. 5). HRM cannot be described with simple, dichotomous frameworks, which are limiting and too simplistic. Researchers looking for abstract conceptions of HRM conclude that HRM does not exist in reality and is only rhetoric. Keenoy suggests they are guilty of mistaking different elements for the whole. He argues that if the metaphor of a hologram is used, it is possible to move away from a dichotomous framework and consider the possibility that employees may be both flexible and specialized, core and periphery and simultaneously committed, disengaged and dispensable. It is also possible for organizations to optimize low cost and high quality and for HRM policies to be both hard and soft.

Method

A survey was developed based on concepts derived from the arguments of the Critical Perspective on the normative concept of HRM. It was sent to large Australian organizations in 2000. The survey was based on a population of 896 organizations with over 500 employees listed in Dun and Bradstreet Business Who’s Who online data base (1999).

Respondents

A sample of 189 workplaces was obtained from those who responded to the survey mail out. 84.8% of respondents were the most senior HRM manager or a senior member of HRM and only 7.3% were not functional HRM specialists.
Survey Development

The survey items applied hard and soft HRM measures to organizational rhetoric and organizational reality. Hard and soft measures were developed based on concepts linked to hard and soft HRM in the literature including Legge (1995), Guest (1989), Walton (1985) and McGregor (1960). In addition to this the relationship of HRM to organization strategy was examined based on Porter’s (1980) strategy model.

Hard and Soft Models of HRM

The concepts of hard and soft HRM are central to the arguments of the Critical Perspective. Legge (1995) explains that soft HRM (developmental humanism) emphasizes treating employees as valued assets and a source of competitive advantage. The stress is on collaboration, which is achieved through participation and generating commitment via communication, motivation and leadership. She explains that the hard model of HRM (utilitarian instrumentalism) focuses on the close integration of human resource policies and practices with business strategy. This model sees employees as a factor in the production process. Employees are considered passive and treated as numbers and skills that need to be deployed at the right price. They are an expense of doing business rather than a source of competitive advantage. The hard model is reminiscent of scientific management because rather than valuing employees as people, it reduces them to passive objects whose value is based on how well they can be used by the organization. Legge’s concepts of soft and hard HRM were applied to HRM rhetoric and reality. Table 1 and 2 show the survey items developed from Legge’s work.
Table 1. HRM Rhetoric

This workplace publicly states (in Annual Reports, Employee Hand Books, Media releases etc.) that:

<table>
<thead>
<tr>
<th>Variable</th>
<th>Survey Items on Public Statements</th>
</tr>
</thead>
<tbody>
<tr>
<td>Soft rhetoric</td>
<td>Employees are our most important asset and a source of competitive advantage</td>
</tr>
<tr>
<td></td>
<td>Getting employee commitment is important</td>
</tr>
<tr>
<td></td>
<td>Communication with employees is important</td>
</tr>
<tr>
<td>Hard rhetoric</td>
<td>Employees are an expense of doing business</td>
</tr>
<tr>
<td></td>
<td>Getting the right number of employees at the right price is a high priority</td>
</tr>
<tr>
<td></td>
<td>Increasing employee productivity is a primary objective</td>
</tr>
</tbody>
</table>

Table 2. HRM reality

<table>
<thead>
<tr>
<th>Variable</th>
<th>Survey Items on Public Statements</th>
</tr>
</thead>
<tbody>
<tr>
<td>Soft reality</td>
<td>Management treats employees as its most important asset and a source of competitive advantage</td>
</tr>
<tr>
<td>Hard reality</td>
<td>Management treats employees as an expense of doing business</td>
</tr>
</tbody>
</table>

Soft and Hard HRM and the High Commitment Work System

The Critical Perspective proposes that HRM has a unitary soft rhetoric and a hard reality. The High Commitment Work System (HCWS) aims to get employee commitment so that behavior is self-regulated rather than controlled by external sanctions. It is proposed that this commitment will result in better outcomes for employees and the organization. The HCWS was developed into a single HRM reality scale (see appendix). The scale was used to explore the dichotomy of hard and soft HRM. Scores above the midpoint on this scale were conceptualized as soft HRM, scores below the midpoint were conceptualized as hard HRM.
Soft and Hard HRM and Strategic Integration

Guest (1989) incorporates soft and hard HRM into a normative or prescriptive concept of HRM. Guest outlines a theory of HRM, which has four main components that include a set of HRM policy goals. The policy goals include employee commitment based on the soft concept of HRM and Strategic Integration based on the hard concept of HRM. On the basis of the arguments of the Critical Perspective Strategic Integration should be linked to the hard model of HRM. Table 3 shows the survey items developed to measure Strategic Integration.

Table 3. Strategic Integration

<table>
<thead>
<tr>
<th>Variable</th>
<th>Survey Items</th>
</tr>
</thead>
<tbody>
<tr>
<td>External Integration</td>
<td>There is a strong link between HRM strategy and Business Strategy</td>
</tr>
<tr>
<td>Internal Integration</td>
<td>HRM policies and practices are integrated</td>
</tr>
<tr>
<td>Coherence</td>
<td>Management and the HRM function agree on the way employees should be managed</td>
</tr>
</tbody>
</table>

Hard and Soft HRM and Porter’s Strategy Model

As discussed in the Literature Review it is argued that a universal HRM reality is not optimum for all organizations. Legge (1995) argues that HRM reality is contingent on organizational strategy. She suggests that using policies that promote commitment do not suit all organizations. Organizations that compete on cost may not require a committed workforce and may choose to treat employees as a disposable resource. A hard, contingency-based approach to HRM may be an essential part of a cost-minimisation strategy. Practices that work in a price sensitive, high volume, commodity market may be inappropriate for a high quality, low volume market. In addition to this if all organizations adopt the same
practices they cannot deliver competitive advantage. Whilst Legge uses this argument to support her proposition that HRM reality will not always be consistent with soft HRM rhetoric, it challenges the proposition that there will be a universal hard reality. This point is raised by Guest (1999) who argues that the Critical Perspective’s proposition that a tight link between HRM and business strategy doesn’t necessarily result in a hard HRM reality. Schuler and Jackson (1987) use Porter’s (1980; 1985) three generic strategy types of innovation, quality improvement and cost reduction in their typology of linkages between HRM and business strategy. They propose that different strategies require different HRM responses. An emphasis on cost requires HRM policies that are predominantly hard and an organization focused on innovation and quality improvement strategies requires a committed workforce with HRM policies that are predominantly soft. For example a cost reduction strategy requires minimal levels of training and development; a quality enhancement strategy requires extensive and continuous training development; and an innovation strategy requires broader career paths to reinforce the development of a broad range of skills. These organization strategies were developed into a survey item (see Table 4).

**Table 4. HRM Strategy Focus**

<table>
<thead>
<tr>
<th>Category</th>
<th>Survey Item</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strategy</td>
<td>Which of the following strategies does your organization MOST focus on to gain competitive advantage?</td>
</tr>
<tr>
<td></td>
<td>Innovation; Cost Reduction; Quality Improvement.</td>
</tr>
</tbody>
</table>

**Soft and Hard HRM and Management Assumptions**

Truss, Gratton, Hope-Hailey, McGovern and Stiles (1997) suggest that different assumptions of human nature underlie the hard and soft models of HRM and refer to the work of McGregor (1960). Guest (1987) and Truss et al. (1997) identified that McGregor used the terms hard and soft in his famous book ‘The Human Side
of Enterprise’ back in 1960. McGregor (1960) argued that management could make one of two assumptions. Theory X managers assumed that people dislike work and need tight managerial control based on close direction and external sanctions. Theory Y managers assumed that people are primarily self-motivated and self-controlled and will exercise self-direction and self-control to achieve objectives they are committed to. This leads to a focus on growth and development to realise the potential of human resources. Two survey items were developed on McGregor’s management assumptions (see Table 5).

**Table 5. McGregor’s Management Assumptions**

<table>
<thead>
<tr>
<th>Category</th>
<th>Survey Item</th>
</tr>
</thead>
<tbody>
<tr>
<td>Theory X</td>
<td>Management believes that employees must be controlled by external sanctions.</td>
</tr>
<tr>
<td>Theory Y</td>
<td>Management believes that employees are primarily self-motivated and self-controlled.</td>
</tr>
</tbody>
</table>

**Analysis**

The responses to the questionnaire items were entered into SPSS as individual variables. Negative items were reverse scored. Individual items were then collated into grouped variables. The data was screened and then analysed using Frequencies, Cross Tabulations and Chi Square.
Results

This research examines the hard and soft dichotomy that underpins the arguments of the Critical Perspective. It begins by examining HRM rhetoric and reality to see if the soft rhetoric/hard reality distinction applied. It then examines combinations of rhetoric and reality to see if there was a soft rhetoric/hard reality gap in organizations. The results then look at hard and soft HRM in relationship to theories that have been linked to the dichotomy in the literature. Firstly looking at McGregor’s (1960) management assumptions, secondly looking at organization strategy focus based on Porter’s (1980) model, and finally looking at Guests (1989) concept of Strategic Integration.

HRM Rhetoric

Blyton and Turnbull (1994) suggest that at the rhetorical level many organizations espouse the “soft” version of HRM that focuses on treating employees as valued assets and a source of competitive advantage. In support of this, Truss et al. (1997) conclude from their study that whilst there were no pure examples of soft or hard HRM in rhetoric or reality, the rhetoric adopted by the companies frequently incorporated the characteristics of the soft, commitment model. It was found that even when the soft version was embraced at the rhetorical level there was still an emphasis on improving bottom line performance and the interests of the organization always took priority over the individual employee. In conclusion, the arguments of the Critical Perspective propose that organizations have a predominantly soft rhetoric.

The results of this study found that only 36.87% of cases had an exclusive soft rhetoric and there were no exclusively hard rhetoric workplaces. However, 44.13% of cases had mixed rhetoric, where aspects of both soft and hard rhetoric were espoused simultaneously, was the dominant mode (see Table 6). This result
is consistent with one of Truss et al.’s (1997) findings that no pure examples of soft HRM were found even though they ultimately concluded that rhetoric was soft and reality hard. It is also consistent with Legge’s (1995) observation that HRM resolves the conflict of managing the organization’s demand for control of employees and the individual needs of employees by embracing two opposing rhetorics, that of romanticism which espouses soft HRM, and of rationalism, which espouses hard HRM. Legge suggests that this leads HRM to espouse “tough love”, the simultaneous espousal of hard and soft rhetoric, to reconcile the gap between rhetoric and reality. HRM cannot dissociate itself from the organization decisions that have an adverse impact on employees but it cannot give up soft rhetoric, which has distinguished it from other line managers.

Table 6. Rhetoric frequencies

<table>
<thead>
<tr>
<th>Rhetoric Type</th>
<th>Count</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Soft Rhetoric (soft&gt;midpoint, hard&lt;midpoint)</td>
<td>66</td>
<td>36.87</td>
</tr>
<tr>
<td>Hard Rhetoric (hard&gt;midpoint, soft&lt;midpoint)</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Mixed Rhetoric (soft&gt;midpoint, hard&gt;midpoint)</td>
<td>79</td>
<td>44.13</td>
</tr>
<tr>
<td>Minimal Rhetoric (soft&lt;midpoint, hard&lt;midpoint)</td>
<td>11</td>
<td>6.15</td>
</tr>
</tbody>
</table>

HRM Reality

The literature review suggested that reality was predominantly hard. Legge (1995) suggests that organization reality appears “hard” with an emphasis on the quantitative, calculative and strategic aspects of managing a ‘head count’. Truss and her colleagues (1997) found that even when the soft version of HRM was embraced at the rhetorical level, the reality experienced by employees was more concerned with strategic control, similar to the hard model and “the underlying principle was invariably restricted to improvement of bottom-line performance with the interests of the organization prevailing over the individual” (Truss, et. al., 1997, p. 69). The results of this study show that almost twice as many
organizations responding to the survey analysis had a soft rather than hard reality on the HCWS scale. It is difficult to assess the prevalence of mixed reality (both hard and soft simultaneously implemented) because reality, unlike rhetoric, was a single scale incorporating both soft and hard models. However, despite this aggregate soft response, there were some survey items that seemed to be consistently hard. Downsizing, work intensification and stress were extensive in the majority of organizations. It should be noted that survey analysis with its quantitative method was unable to examine the subtle application of hard reality in a soft framework which was alluded to in Truss et al.’s case studies (see Table 7).

**Table 7. HCWS Reality frequencies**

<table>
<thead>
<tr>
<th></th>
<th>Count</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>High Soft Reality (soft&gt;midpoint)</td>
<td>112</td>
<td>62.57</td>
</tr>
<tr>
<td>High Hard Reality (hard&lt;midpoint)</td>
<td>67</td>
<td>37.43</td>
</tr>
</tbody>
</table>

This result is confirmed by two reality variables based on Legge’s (1995) definitions. Table 8 shows the survey responses for hard and soft reality items. The bracketed number shows the response for the related public statements from the HRM rhetoric scale. This indicates that reality is soft rather than hard and that rhetoric is also more inclined to be soft.
Table 8. Reality frequencies based on Legge’s definitions

<table>
<thead>
<tr>
<th>Survey Items</th>
<th>Strongly Disagree</th>
<th>Moderately Disagree</th>
<th>Slightly Disagree</th>
<th>Neither Agree nor Disagree</th>
<th>Slightly Agree</th>
<th>Moderately Agree</th>
<th>Strongly Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>HARD REALITY</strong> Management treats employees as an expense of doing business (Public Statement: Employees are an expense of doing business)</td>
<td>20.9 (42.5)</td>
<td>16.9 (16.7)</td>
<td>14.1 (12.6)</td>
<td>14.1 (9.8)</td>
<td>7.3 (5.7)</td>
<td>2.3 (1.7)</td>
<td></td>
</tr>
<tr>
<td><strong>SOFT REALITY</strong> Management treats employees as its most important asset and a source of competitive advantage (Public Statement: Employees are our most important asset and a source of competitive advantage)</td>
<td>4.5 (3.4)</td>
<td>14.1 (2.8)</td>
<td>14.1 (7.4)</td>
<td>30.5 (18.8)</td>
<td>20.9 (26.1)</td>
<td>10.7 (38.6)</td>
<td></td>
</tr>
</tbody>
</table>

The Rhetoric/Reality Gap

Many authors have suggested that the inherent conflicts within HRM lead to a gap between rhetoric and reality. The Critical Perspective suggests that inherent in the conception of HRM are the conflicting concepts of soft and hard HRM, which are embedded within the single model of HRM. The model articulates that soft HRM is derived from the view that human resources are an important asset, and hard HRM is derived from the proposed link between business strategy and HRM policy and practice. Kamoche (1998) suggests that given the objectives of organizations and employees are inherently asymmetrical or pluralist, techniques must be developed to regulate the relationship, HRM’s denial of this leads to a gap between rhetoric and reality.
The results from the survey analysis show that the majority of cases were in the soft rhetoric and soft reality category (see Table 9). “No gap” (soft rhetoric/soft reality) organizations were twice as prevalent as “gap” (soft rhetoric/hard reality) organizations. The evidence does not support a distinct gap between rhetoric and reality.

Table 9. Rhetoric and Reality Gap Frequencies

<table>
<thead>
<tr>
<th>Theoretical Construct</th>
<th>No. Cases</th>
<th>% of Sample</th>
</tr>
</thead>
<tbody>
<tr>
<td>Minimal rhetoric/soft reality (low on soft and hard rhetoric)</td>
<td>5</td>
<td>2.8</td>
</tr>
<tr>
<td>Minimal mixed rhetoric/hard reality (low on soft and hard rhetoric)</td>
<td>6</td>
<td>3.4</td>
</tr>
<tr>
<td>High mixed rhetoric/hard reality (high on soft and hard rhetoric)</td>
<td>27</td>
<td>15.1</td>
</tr>
<tr>
<td>High mixed rhetoric/soft reality (high on soft and hard rhetoric)</td>
<td>51</td>
<td>28.5</td>
</tr>
<tr>
<td>Soft rhetoric/hard reality GAP</td>
<td>21</td>
<td>11.7</td>
</tr>
<tr>
<td>Soft rhetoric/soft reality NO GAP</td>
<td>45</td>
<td>25.1</td>
</tr>
<tr>
<td>Hard rhetoric/hard reality NO GAP</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Hard rhetoric/soft reality GAP</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total*</td>
<td>155</td>
<td>86.6</td>
</tr>
</tbody>
</table>

Hard and Soft HRM and Management Assumptions

The theories of McGregor (1960) outlined in his famous book The Human Side of Enterprise also used the terms hard and soft to describe the management of people within organizations. McGregor suggested that theory X managers believed that employees must be controlled by external sanctions and theory Y managers. Truss et al (1997) propose that there is a link between theory X and Y and soft and hard HRM.
It was proposed that management attitudes would be related to the soft rhetoric/hard reality gap with theory X being associated with hard HRM and theory Y being associated with soft HRM. The results of this research are consistent with this proposition. The results show that hard reality organizations were more likely than soft reality organizations to have management with a theory X perspective (see Tables 10 and 11). No significant associations were found between reality and theory Y. This provides some evidence for a link between theories that was proposed in the literature.

**Table 10. Hard Reality and Theory X**

<table>
<thead>
<tr>
<th>Management believes that employees must be controlled by external sanctions</th>
<th>Respondents with hard reality</th>
<th>All other respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly Disagree</td>
<td>10.4</td>
<td>29.4</td>
</tr>
<tr>
<td>Moderately Disagree</td>
<td>26.9</td>
<td>31.2</td>
</tr>
<tr>
<td>Slightly Disagree</td>
<td>25.4</td>
<td>18.3</td>
</tr>
<tr>
<td>Neither Agree nor Disagree</td>
<td>16.4</td>
<td>15.6</td>
</tr>
<tr>
<td>Slightly Agree</td>
<td>13.4</td>
<td>3.7</td>
</tr>
<tr>
<td>Moderately Agree</td>
<td>6</td>
<td>1.8</td>
</tr>
<tr>
<td>Strongly Agree</td>
<td>1.5</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>N = 67</td>
<td>N = 109</td>
</tr>
</tbody>
</table>

$\chi^2 = 17.014$  $S, p<.01$

**Table 11. Soft Reality and Theory X**

<table>
<thead>
<tr>
<th>Management believes that employees must be controlled by external sanctions</th>
<th>Respondents with soft reality</th>
<th>All other respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly Disagree</td>
<td>28.8</td>
<td>10.8</td>
</tr>
<tr>
<td>Moderately Disagree</td>
<td>31.5</td>
<td>26.2</td>
</tr>
<tr>
<td>Slightly Disagree</td>
<td>18</td>
<td>26.2</td>
</tr>
<tr>
<td>Neither Agree nor Disagree</td>
<td>15.3</td>
<td>16.9</td>
</tr>
<tr>
<td>Slightly Agree</td>
<td>4.5</td>
<td>12.3</td>
</tr>
<tr>
<td>Moderately Agree</td>
<td>1.8</td>
<td>6.2</td>
</tr>
<tr>
<td>Strongly Agree</td>
<td></td>
<td>1.5</td>
</tr>
<tr>
<td>Total</td>
<td>N = 111</td>
<td>N = 65</td>
</tr>
</tbody>
</table>

$\chi^2 = 15.157$  $S, p<.05$
Hard and Soft HRM and Strategy Focus

Legge (1995) suggests that a hard, contingency-based approach to HRM is often seen as an essential part of a cost-minimisation strategy. Based on this proposition one would anticipate that cost reduction would be associated with hard reality.

A significant relationship was found between soft rhetoric and strategy focus (see Table 12). However, all other areas, including soft reality alone, were not significantly related to strategy focus. Organizations with soft rhetoric were most likely to have a strategy focus of innovation and least likely to have a strategy focus of cost reduction. A focus on cost reduction was not significantly associated with hard reality. This indicates that it is unlikely that a consistent hard reality would be in place regardless of organization strategy and a tight strategy link is possible with the existence of soft HRM.

Table 12. Soft Rhetoric and Strategy Focus

<table>
<thead>
<tr>
<th>Strategy Focus</th>
<th>Respondents with only soft rhetoric</th>
<th>All other respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>%</td>
<td>%</td>
</tr>
<tr>
<td>Innovation</td>
<td>36.9</td>
<td>27</td>
</tr>
<tr>
<td>Cost Reduction</td>
<td>26.2</td>
<td>47.7</td>
</tr>
<tr>
<td>Quality Improvement</td>
<td>30.8</td>
<td>19.8</td>
</tr>
<tr>
<td>Mixed Focus</td>
<td>6.2</td>
<td>5.4</td>
</tr>
<tr>
<td>Total N = 65</td>
<td></td>
<td>N = 111</td>
</tr>
</tbody>
</table>

$\chi^2 = 8.215 \quad S, p<.05$
Hard and Soft HRM and Strategic Integration

David Guest (1989) identified strategic integration as a policy goal of HRM. It is proposed that Strategic Integration is based on the hard model of HRM. However, the results show that the majority of organizations, including those with soft and hard reality, agreed that they were practicing Strategic Integration (see Table 13).

Table 13. Strategic Integration Frequencies

<table>
<thead>
<tr>
<th>Survey Items</th>
<th>Strongly Agree</th>
<th>Slightly Agree</th>
<th>Neither Agree nor Disagree</th>
<th>Slightly Disagree</th>
<th>Moderately Disagree</th>
<th>Strongly Disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>There is a strong link between HRM strategy and Business strategy</td>
<td>2.8</td>
<td>6.3</td>
<td>14.2</td>
<td>6.8</td>
<td>21.6</td>
<td>26.1</td>
</tr>
<tr>
<td>HRM policies and practices are integrated</td>
<td>1.1</td>
<td>3.4</td>
<td>9</td>
<td>7.9</td>
<td>28.2</td>
<td>32.2</td>
</tr>
<tr>
<td>Management and the HRM function agree on the way employees should be managed</td>
<td>2.3</td>
<td>3.4</td>
<td>11.4</td>
<td>14.8</td>
<td>25.6</td>
<td>29</td>
</tr>
</tbody>
</table>

Chi Square results show that both soft and hard reality had a significant association with the grouped variable Strategic Integration (see Tables 14 and 15). Organizations with Strategic Integration were most likely to have soft reality and least likely to have hard reality. This negates the proposition that hard HRM is associated with a tight link with Business Strategy.
In conclusion, the literature review indicated that many authors argue that the inherent conflicts within HRM lead to a gap between rhetoric and reality. One of the most important propositions in the literature is about the dichotomy of hard and soft HRM within the single concept of HRM. In particular, it was proposed that HRM rhetoric was soft and HRM reality was hard. The limited research available (Truss et al. 1997) provided support for this proposition. One of the most important findings of this research is that there was not a prevalent soft rhetoric/hard reality gap. Whilst organizations were most likely to have soft rhetoric, the largest category of rhetoric was mixed rhetoric where hard and soft rhetoric is simultaneously espoused. This meant that organizations without a
rhetoric/reality gap were twice as prevalent as those with a gap. This result has implications for a number of propositions made by the Critical Perspective on HRM.

The literature argues that hard HRM is based on a strong link between HRM and business strategy and soft HRM is based on the concept of people being the organization’s most important asset. This research found that soft HRM has a stronger association with Strategic Integration than hard HRM. This implies that hard HRM is not well operationalised by a tight link between HRM and business strategy, which has implications for one of the few studies in this area conducted by Truss and her colleagues (1997).

In conclusion, it was found that Strategy focus did have an association with soft and hard HRM. Organizations with soft rhetoric were most associated with a strategy focus of innovation and least associated with a strategy focus on cost reduction as was expected. This indicates that a universal reality, whether hard or soft, is not optimum for all organizations regardless of strategy. Organizations with hard reality had management that believed that employees must be controlled by external sanctions (theory X perspective). This confirms the hypothesised link between hard and soft HRM and McGregor’s (1960) theories.
Discussion

Not Hard or Soft but Mixed

The main proposition within the Critical Perspective is that the implementation of the normative model of HRM is fraught with problems. It has within it the inherent contradiction of hard and soft HRM that causes a gap between rhetoric and reality. It is also suggested that mixed rhetoric is espoused to disguise this gap and allows HRM to save face.

The results of this research paper are not consistent with previous case study research that found that rhetoric was predominantly soft. The results supported both minimal and mixed rhetoric, where soft and hard rhetoric were simultaneously espoused. The results of the survey analysis are similar and show that whilst workplaces using only soft rhetoric (36.87%) were more prevalent than those using only hard rhetoric (0%), the most common rhetoric was mixed, where soft and hard rhetoric was simultaneously espoused (44.13%).

In the same way reality was not predominantly hard as indicated in research supporting the Critical Perspective. Survey research on a sample of large Australian workplaces found that 62.7% of workplaces had a soft reality and only 36.1% had a hard reality. Consequently, workplaces with a gap between soft rhetoric and hard reality were few. Only 11.7% of workplaces had this gap and this is not consistent with the inferences based on case study research supporting the Critical Perspective. "No gap" (soft rhetoric/soft reality) workplaces were twice as prevalent as "gap" (soft rhetoric/hard reality) workplaces (25.1% to 11.7%). This finding does not support the proposition that the inherent contradictions within HRM lead to a gap between rhetoric and reality. It was also found that 28.5% of workplaces had mixed rhetoric and soft reality combination and an additional 15.1% of workplaces had mixed rhetoric and hard reality. This challenges the proposition that mixed rhetoric, the simultaneous espousal of soft and hard rhetoric, which was described by Legge (1995) as "tough love", is used to disguise the gap between rhetoric and reality.
Hard and Soft HRM are not Mutually Exclusive

The Critical Perspective suggests that within HRM there are two discrete dimensions of hard and soft HRM and that these are conflicting concepts derived from unique sources. Soft HRM was derived from the belief that people are important to competitive advantage and hard HRM from a tight link with business plans. The Critical Perspective, whilst theoretically suggesting the presence of mixed rhetoric, reports only the hard and soft dichotomy in its case study research. Truss et al. (1997) find rhetoric “predominantly” soft and reality “predominantly” hard after saying that there were no “pure” examples of either. Their research also found complexity when categorizing some of the soft initiatives, arguing that they were often implemented within a hard framework.

Whilst identifying the two dimensions in his early work, Guest (1999) has recently suggested that these concepts may not be mutually exclusive. This research supports the conceptualization of these variables. In particular, “mixed” rhetoric and reality were clearly identified in addition to the pure forms of hard and soft HRM rhetoric. Based on the results of this research, it is argued that hard and soft HRM can coexist.

One of the contradictions within the arguments of the Critical Perspective is a view that HRM is not achievable because of its link with business. It simultaneously argues that HRM creates a gap between rhetoric and reality because in the single concept of HRM there is a dichotomy between soft and hard HRM. Soft HRM proposes that employees are important to competitive advantage which leads to a soft rhetoric and hard HRM that there should be a tight link between business plans and HRM which leads to a hard reality.

It was proposed, based on the assertions in the Critical Perspective, that the variable of strategy focus (which itself is based on Porter’s (1980) work), would be linked to reality and specifically that a focus on cost reduction would be linked to hard reality. This is because one of the tenets of hard HRM is a tight link between business and HRM strategy. A Chi Square analysis indicated that this link was not significant. However, there was a relationship between strategy focus and soft reality that was unexpected given it is argued that the relationship between
business and HRM strategies is not a key element of soft HRM. Organizations that focused on innovation and quality were more likely to have a soft reality. This result indicates that there could be a strong relationship between soft HRM and business strategy and not hard HRM and business strategy which contradicts the research to date and challenges the use of a tight link between business strategy and HRM to operationalise hard HRM and distinguish it from soft HRM.

A focus on cost reduction was not linked significantly to hard reality even though the arguments of the Critical Perspective propose this based on the assumption that hard reality is supposed to be derived from a tight link between business plans and HRM. Conversely, a link was found between business strategy and soft HRM. Workplaces with soft reality and no gap between rhetoric and reality implement HRM and have a strong link between business strategy and HRM. They also have a strategy focus on quality and innovation rather than cost reduction. This supports the view that the arguments within the Critical Perspective are not supported by this research and the dynamics of HRM must be examined using a different framework.

There are considerable implications for the operationalisation of hard and soft HRM in studies. Truss et al. (1997) have used external integration to operationalise hard HRM and this research has not found a link between external integration and hard HRM and conversely has found a link between external integration and soft HRM. Consequently the results of prior studies may be significantly impacted by a revision of the framework used in the analysis and may be less able to assert a distinctive hard and soft result for rhetoric and reality, which would be in keeping with the findings of this research. In conclusion the dichotomous framework of hard and soft HRM, whilst a useful theoretical model, must be used with caution in research. There are always problems in using a simple framework to interpret the complexity of organizational behavior and it is always advisable to interpret results with caution. However, in this instance the simple framework is misleading. The research to date has accepted a dichotomous framework that has not been adequately tested. The consequences of this are significant for the practice of HRM. HRM practitioners have performed a challenging role with limited support from organization management and academics. To date the frameworks used by researchers have not been questioned and it appears that the Critical Perspective is based not only on limited empirical research but also
possibly on inaccurate research. Firstly because the dichotomy of soft and hard HRM has been challenged and secondly because hard HRM cannot be operationalised by a tight link between HRM and Business Plans.

In conclusion, this paper has challenged the Critical Perspective’s distinction between soft and hard HRM. This distinction cannot be maintained and it is argued that it is possible to pursue both hard and soft HRM strategies simultaneously. It has been suggested that HRM cannot be explained by using simple and frequently dichotomous concepts. This limited framework may have failed to fully capture the complexity of HRM.

HRM has emerged as an ambiguous and complex phenomenon. This ambiguity has frequently been interpreted as a deliberate strategy to disenfranchise employees. However, this literature has presented an argument that questions this interpretation. Keenoy’s suggestion that a holographic metaphor is the only way that HRM can be researched and interpreted has some face validity although, like the Critical Perspective, it presents a seducing argument without empirical evidence to substantiate the claims made. Similarly, like the Critical Perspective, it is difficult to collect the empirical evidence to prove or disprove the assertions that are made. One is left with a range of contradictions within the normative concept of HRM and within the Critical Perspective that challenges the normative concept arguing that there is a gap between soft rhetoric and hard reality and that soft rhetoric obscures hard reality, increasing management control with little resistance from employees. Whilst simple dichotomous concepts have simplified variables for study and contributed to theory development it appears that they may be misleading for the study of HRM. Arguments based on these dichotomous assumptions are fraught with problems and it has been suggested that rigid frameworks derived from these linear concepts are obscuring rather than clarifying the data that is gathered and the subsequent conclusions that are drawn.

For too long arguments have been presented with limited empirical research. In addition to this, research has used frameworks that have been questioned in this paper. More research is required in the emerging field of HRM. This research needs to acknowledge HRM’s complexity and develop research frameworks that are capable of capturing it.
References


### Appendix

**HRM Reality: Survey Items based on the High Commitment Work System**

*(Walton 1985)*

<table>
<thead>
<tr>
<th>Category (HCWS Focus Area)</th>
<th>HRM Practices</th>
<th>Survey Items</th>
</tr>
</thead>
</table>
| Work/Life                | *Employees are valued as "human" assets*  
  *Policies are in place to ensure individual needs for work/life balance are accommodated* | *Work has intensified and/or working hours have increased* |
| Work Design              | *Focus on system performance rather than individual job*  
  *Emphasis on whole task, where doing and thinking are combined*  
  *Focus on team rather than individual*  
  *Decentralisation of decision making* | *It is common for employees to look beyond their individual jobs to address system problems / improvements.*  
  *Accountability focuses on the team rather than the individual*  
  *Decision making is decentralised*  
  *Jobs are designed to empower employees* |
| Employment Security      | *Commitment to avoid downsizing and assist in re-employment*  
  *Focus on retraining, redeployment and employability*  
  *Selective hiring based on cultural fit rather than specific job-relevant skills* | *This work place is committed to avoiding downsizing where possible*  
  *Retraining, redeployment and employability take precedence over downsizing*  
  *This work place puts greater emphasis on hiring employees based on cultural fit than on hiring for specific job-relevant skills*  
  *Training focuses on the overall development of the employee and is not confined to the current job role* |
| Employee Voice           | *Business data shared widely through open book management*  
  *Employee participation encouraged on a wide range of issues* | *In this work place information is shared widely at all levels*  
  *In this work place employee participation is encouraged on a wide range of issues*  
  *Employee views are actively sought through processes such as attitude surveys* |
<table>
<thead>
<tr>
<th>Category (HCWS Focus Area)</th>
<th>HRM Practices</th>
<th>Survey Items</th>
</tr>
</thead>
<tbody>
<tr>
<td>Compensation</td>
<td>*Rewards reinforce group achievement and equity rather than awards geared to individual job evaluation eg. Gain sharing, profit sharing Equality of sacrifice in hard times</td>
<td>*In this work place rewards are based more on group achievement than individual pay geared to job evaluation *This work place has a principle of equality of salary sacrifice in hard times *This work place has a profit sharing or share ownership scheme so people are rewarded when business is doing well</td>
</tr>
<tr>
<td>Employee Relations</td>
<td>*Reduced status distinctions to de-emphasize hierarchy *Adversarial employee relations gives way to joint planning and problem solving</td>
<td>*This work place reduces status distinctions to de-emphasize hierarchy *This work place uses amicable planning and problem solving rather than adversarial employee relations</td>
</tr>
<tr>
<td>Leadership</td>
<td>*Coordination and control based on shared goals, values and traditions *Supervisors facilitate rather than direct the workforce through their interpersonal and conceptual ability</td>
<td>*In this work place coordination and control are based more on shared goals, values and traditions than monitoring and sanctions Supervisors facilitate rather than direct the workforce through their interpersonal and conceptual ability</td>
</tr>
</tbody>
</table>
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