Bad lessons from Japan

By Sean MacGiollaria

JUST WHAT IS Human Resource Management?

In a recent report the TUC tells us that championing HRM can be the saving of the trade unions.

The phrase seems to trip off every management tongue and to stud every book and journal on management and industrial relations. There is already not only a *Journal of Human Resource Management*, but an *International Journal of Human Resource Management*. It seems only a matter of time before the issue attracts the attention of Ernest Mandel and *New Left Review*. The subject, the TUC informs us, is a complex one. It isn't. It is quite simple really — if we start at the beginning.

As propounded by management theorists HRM provides an ideology and a strategy for capital to maximise the benefits of more intensive competition in the new globalised economy and the new political and industrial conditions engendered by the working-class defeats of the 1980s. Its purpose is to increase the rate of exploitation.

HRM seeks to replace conflict between capital and labour, trade unionism and collective bargaining with a philosophy, a practice, a set of techniques which reform life and reform the enterprise as an organic unity in which the human resource, labour is a crucial perhaps *the* crucial factor of production. The neglect of labour by capital has been the source of conflict, division, class consciousness, trade unionism. The management of labour, newly defined, must now be integrated with all other aspects of corporate planning at the highest levels of the enterprise. Its day to day deployment must be made an intrinsic concern of all levels of line management rather than, as in the past, shunted into the siding of personnel management.

Driven by competition, the idea of commitment lies at the heart of HRM. All workers must be made to understand that they have a stake in the prosperity and management of the enterprise, that the enterprise is a unity in which there are no divisions. Their hearts and minds must be authentically engaged in the goals of the enterprise so that, imbued with enthusiasm, self-motivated employees go beyond regulated compliance, beyond contract, beyond "I'm only here for the money", "roll on Friday", or "a fair day's pay for a fair day's work." Instead, they strain every sinew of mental and physical muscle they never knew they possessed in a spiral of continuous self-improvement. They strain to meet the needs of their enterprise, their market and their customer, whose needs they have internalised as their own most deeply cherished personal goals.

HRM is about creating new Stakhanovites for capital. About making every worker proud to be a rule buster, because there are no longer any rules. Management can achieve this dream by developing an enterprise culture, a common set of goals and rules. This culture is created by dissolving existing worker collectives and reassembling the resultant atomised, self-interested individuals into a new team whose values of loyalty, flexibility and consensus are geared to increased quality, productivity and profitability. These goals are augmented by an integrated armoury of techniques: scientific selection; continuous appraisal; mission statements; new communications systems; flexible working; performance-related pay; employee involvement; customer care policies; training and retraining.

"HRM is the latest souped up sophisticated version of "we are all in this together", speed-up, productivity swindles, blue eyes management, "sell your soul to the company store"."

What is involved is a move from control to commitment. The barriers between you and your company, you and your market dissolve. You don't have to be managed, you manage yourself. You are empowered. You take the autonomy to meet the imperatives of the market and every desire of your customers. "The quality challenge", "the learning society", "the intelligent enterprise", "human development" are integrated with market utilitarianism. Your whole personality is captured for the enterprise. The new work ethic contemptuously eschews anything but market-related leisure or cultural development. The capitalist dream is realised at last as the once recalcitrant working class fully internalises entrepreneurial values.

That's the hot gospel from the business schools, the trainers, the gurus, the charlatans. A brave new world in which greed and exploitation are identified with personal growth. The practice is somewhat different.

Most employers are not even beginning to strategically implement the full HRM programme, dispensing with trade unions and industrial relations in favour of engineering new organisational cultures in a holistic fashion. Instead, many employers seem to be treating HRM as a rhetoric which often masks inaction, or as an agenda to be drawn on piecemeal and pragmatically. Certain elements of HRM have been introduced on a relatively significant scale and workers in a wide range of industries are now familiar with the partial advance of the enterprise culture at the level of language and specific initiatives.

The most widely used report is John Storey's "Developments in the Management of Human Resources". Storey found extensive implementation of HRM approaches in 15 mainstream British organisations and a harder approach by management on trade unions. There was, nonetheless, no frontal attack on collective bargaining and union recognition. New initiatives such as individual contracts, performance-related pay, teamworking and flexibility were introduced in an *ad hoc* opportunistic way alongside conventional industrial relations, although there was a tendency to sideline shop stewards.

Other studies confirm an approach in which specific techniques are introduced rarely bound together in an integrated strategically sustained attempt to restructure workplace relations — outside a small number of greenfield sites of foreign-owned multinationals. There seems to have been little attempt to entrench HRM at boardroom level. The most detailed surveys written up in Neil Millward's *Workplace Industrial Relations in Transition and The New Industrial Relations* conclude that even the pragmatic *ad hoc* use of HRM techniques is rarer than is often assumed. Even the introduction of team briefings, quality circles and so on was far from a majority phenomenon. The most important tendency was a drift towards the avoidance of both industrial relations and HRM and the emergence of the new low-cost sweatshop based on weak or non-existent trade unionism and the naked and undisguised reimposition of management prerogatives.

This is not to say that HRM is not a threat. It is. We must take it into measure. We could be faced with a balkanisation of the labour force into HRM style enterprises and sweatshop-style non-union organisations.

There seems to be little place for the unions in HRM. It seeks to discourage any alternative focus of loyalty and any organisers of the inherent conflict between capital and labour which, of course, remains in the workplace. Class-conscious trade unionists instinctively perceive a conflict between trade unionism and HRM and intuitively recognise the latter for what it is: the latest souped up sophisticated version of "we are all in this together", speed-up,