ENTHUSIASTIC EMBRACE OR CRITICAL RECEPTION? THE GERMAN HRM DEBATE*

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ABSTRACT

This paper discusses the reception of human resource management (HRM) in Germany. A review of the German HRM debate shows that this is dominated by business administration academics specializing in this field. In the past, these scholars as well as practitioners have generally embraced the techniques as well as the ideology of HRM. This finding can be explained by a relatively low emphasis on empirical research, a neglect of industrial relations issues, and a strong impact of theories and concepts developed in the USA. Today, however, there appears to be a change towards a more critical appreciation of the US HRM model and a more positive assessment of the German HRM model.

INTRODUCTION

In the 1980s the American management literature identified the management of human resources as a source of competitive advantage (see Ouchi, 1981; Peters and Waterman, 1982). This has initiated a worldwide discussion under the heading ‘Human Resource Management’ (HRM). The advent of HRM resulted in a paradigm shift not only in the USA but also in other countries such as the UK. With the replacement of personnel management by HRM a new orthodoxy has emerged. However, at least three different meanings of HRM can be distinguished. First, often HRM is used as a modern term for personnel management. Expressions of this are that personnel departments have been renamed into human resource departments and that personnel management textbooks have changed their titles. Secondly, a specific meaning is given to HRM by the ‘strategic HRM’ literature which emphasizes the need to link human resource and business strategies. Thirdly, in contrast to the previous two perceptions of HRM many human resource academics and practitioners associate HRM[1] with a set of specific human resource policies (Guest, 1997).

There has been an extensive debate about HRM in Anglo-American countries, but much less is known about the reception of HRM in other countries. This will depend on the perspective of the commentators in these countries. Here one can
distinguish between advocates of universalism and advocates of a country-specific human resource management. Universalists tend to assume that there is one best way. Hence, 'best practice' and particularly that which is of North-American origin has universal implications. Such a view is often propagated in undergraduate textbooks on human resource management written in the Anglo-American world (Boxall, 1995, p. 5). The universalist perspective is grounded in convergence thinking. However, whereas convergence theory saw technology as the driving force behind the development of similar economic, political, social and organizational aspects in all industrialized societies (Kerr et al., 1960), those who support the universal transplantation of American managerial philosophy see competition and globalization as the driving force (Mueller, 1994).

In contrast to universalists, those advocating the existence of country-specific systems of human resource management emphasize differences between societies (Boxall, 1995; Hendry, 1991; Sparrow and Hiltrop, 1997). Such a view is in line with the 'societal effect' perspective (Maurice et al., 1986) and the 'business systems' approach (Whitley, 1994). These see business systems, in general, and labour management in particular, as embedded in the cultural, educational, financial and political environment of particular societies. Thus national environments will prevent the application of global models of management. This particularly applies to HRM, as HRM not only offers a range of modern management techniques in much the same way as lean production and re-engineering, but is also about values. 'More than any of the other innovations, it impacts directly on culturally specific ways of doing things buttressed by national institutions and values systems' (Hendry, 1991, p. 416). Although the models, approaches and conceptualizations of HRM which have been advocated differ, the underlying philosophy of HRM is essentially unitarist and individualistic (Beaumont, 1992; Guest, 1987; Legge, 1995; Storey, 1992). British human resource academics have therefore argued that the US HRM model cannot and should not be imported to continental Europe (see Brewster 1995; Pettigrew and Whipp, 1991, p. 208; Storey, 1989 p. 3; Towers, 1992, p. XX). Guest (1990, 1994), for example, has pointed out that HRM is deeply embedded in the American culture and that it runs counter to European traditions of pluralism, collectivism and social responsibility as well as a stronger regulated environment for companies in Europe.

A particular interesting case for an analysis of the impact of HRM in Europe is Germany. In contrast to the free market US economy, companies in Germany have to operate in a somewhat rigid institutional environment. Among the social institutions that have been identified as having an influence on the management of human resources in Germany are the state, the financial system, the system of education and training, and the system of industrial relations (Lane, 1992). The comparative industrial relations literature shows that the institutions of collective bargaining and co-determination are particularly strong in Germany (see, for example, Ferner and Hyman, 1992; Locke et al., 1995; Ruysseveldt and Visser, 1996). Based on visits to 12 manufacturing companies in West-Berlin in March/April 1982, Lawrence (1991) suggested that labour market institutions influence the German human resource function decisively. The system of multi-employer collective bargaining means that human resource managers are not directly involved in collective bargaining negotiations, that the works council conditions
activities in such a way that human resource managers become reactive and that the initial vocational training system leads to a preoccupation with training. Lawrence also observed ‘no great enthusiasm for what might be termed the distinctive apparatus of personnel work, that is for employee appraisal, for job description and job evaluation, for personnel planning, succession planning and career development’ (p. 142). A more recent study by Wever (1995) also suggests that German labour market institutions influence human resource practices. It found that large German companies have chosen a strategy of negotiated adjustment, which is characterized by slow change, employment security and human resource policies targeting collective achievement. A third piece of research about the management of human resources in Germany are the 1990, 1991 and 1992 Cranet-E surveys. These found that personnel departments in Germany have a high responsibility for human resource policy, but are generally not integrated at the business strategy level (Brewster et al., 1997). Given the apparent contradiction between the unitarist values of HRM and the restrictions by the institutional environment in which companies in Germany have to operate, one can hypothesize four possible reactions to the advent of HRM.

First, HRM has been ignored or rejected in Germany. This would mean that there is either no HRM debate in Germany or that the concept is rejected by commentators and practitioners. Hence, the traditional personnel management paradigm would still be prescribed and practised.

Second, a compatible hypothesis would be that the HRM debate in Anglo-American countries has forced German commentators to reflect and value the strengths of the German system of HRM. Considering the HRM goals of commitment, functional flexibility and quality identified by Guest (1987), one could argue that all of these have been fulfilled for a long time in Germany. Furthermore, over the last decades the German economy has been one of the most successful in the world. Thus, it may well be that German human resource academics have identified a German model of HRM that offers a serious alternative to the US HRM model. This would be in line with Boxall’s (1995) thesis that there are nationally dominant HRM models that are economically more efficient for those countries than the North American.

Third, an accommodation thesis can be construed. This would mean that HRM has been incorporated into the German paradigm by importing HRM techniques, but at the same time rejecting its unitarist values. Hence, HRM prescriptions such as direct communication, quality improvement techniques and new methods of pay are adapted to the requirements of German labour market institutions and introduced after negotiation with the relevant works councils. The three responses discussed so far acknowledge the existence of country-specific HRM models. This is different with the fourth one which is a unitarist reaction to the advent of HRM.

Fourth, German commentators could see HRM as a new solution. In recent years there has been an intensive debate about the competitiveness of the German economy. Rising levels of unemployment have led to a questioning of the German social market model and an embrace of the American free market model. HRM commentators might therefore view a US-type HRM as a viable option for companies operating in this country. Such a universalist approach may be justified, as past experience has shown that US management principles and human resource practices can be, and have been, transferred to Germany. Berghahn (1986) gave a
detailed account of the Americanization of West German industry in the postwar period. Breisig (1990) suggested that management thinking in Germany has been influenced by eight different approaches since the 1920s, such as human relations, organizational development and organizational culture. Only the first one, the concept of *Werksgemeinschaft* was mainly developed in Germany (Krell, 1994). The other seven were directly or indirectly transferred from the USA. Furthermore, an international 1991 survey on human resource practices and policies by Towers Perrin indicates that German managers’ perceptions of the future are influenced by Anglo-Saxon managerial thinking (Sparrow et al., 1994).

In sum, four possible reactions to the advent of HRM can be hypothesized. HRM can be rejected or ignored, used to reinforce the German tradition, be incorporated into the German paradigm, or be seen as a new solution to new problems. The aim of this paper is to review the literature to determine how commentators on HRM in Germany have reacted. However, such an investigation has to take into account that HRM might not only be addressed or adopted under this explicit terminology.

In Germany, academics in the fields of business administration, labour economy, sociology and psychology as well as practitioners and consultants have written about human resource issues. An analysis of the German literature reveals that it is dominated by business administration academics. Therefore the following examination will concentrate on business administration scholars working in the field of human resource management. In contrast to them, sociologists have concentrated more on industrial relations and work organization. German organizational psychologists have done some work in the fields of ‘work organization’, ‘work and health’, ‘selection’, ‘training’ and work values’. Nevertheless, the emphasis of their research on human resource techniques, such as the validity of certain selection or training methods, makes this literature less useful in the present context. Labour market economists in Germany have restricted their research mainly to macro level issues such as employment adjustment patterns, employment protection, and links between labour market institutions and economic outcomes (Muller, 1996). As human resource management is not the main domain of German sociologists, psychologists and labour market economists, this explains that they have largely ignored the HRM debate (for exceptions, see Fischer and Weitbrecht, 1995; Neuberger, 1997; Streeck, 1987). At this point it is worth noting that there appears to be little cross-disciplinary communication in Germany between business administration academics on the one side and labour market economists and sociologists on the other. Business administration scholars are rarely cited in the German industrial relations literature and vice versa. The business administration professor Drumm (1993) even explicitly excludes studies by sociologists from his review of human resource management research. Another indicator of a lack of interdisciplinary debate is that Streeck, arguably the best known writer on industrial relations and employment policies in Germany, is not cited in most human resource management textbooks nor in the handbook of personnel management (*Handwörterbuch des Personalwesens*).

The next section will describe the German HRM debate. Then it will be discussed why there seems to have been an uncritical reception of HRM in this country. The last part will analyse changes in the German debate and how these are related to the practice of human resource management.
In 1961, the first university chair officially specializing in human resource issues was established in a German business administration faculty. Since then, the teaching of human resource management has expanded rapidly. By 1992 there were 20 chairs in ‘Personnel Management’ at the 77 universities in former West Germany, Austria and Switzerland. A further 24 chairs were combined in ‘Personnel Management’ and another subject, such as ‘Organization’ (Gaugler and Schneider, 1994, p. 43). In addition there are chairs at polytechnics (Fachhochschulen). The chairs at German universities are usually part of a business administration and economics faculty. Each professor usually has several doctoral students who assist them not only in their research, but in administrative and teaching duties as well. All in all, there are several hundred academics teaching and researching in the field of human resource management at German universities. Therefore, not surprisingly business administration academics have written extensively about human resource issues.

A closer examination of the writings by German human resource academics shows that many of the issues debated under the umbrella ‘HRM’ in Anglo-American countries have been taken up by German business administration academics. In particular they are prescribing a change from collectivism to individualism, a strategic integration of the human resource function, and a decentralization of human resource tasks to line management.

First, a shift from a collective towards an individual labour management has been recommended, as it is assumed by German experts that a widespread standardization and categorization of employee relations has made companies too inflexible to face increasing competition. It has also been pointed out that collectivism no longer satisfies the more individualistic values of employees. Therefore, changes such as more flexible working hours, a more flexible organization of work, more individual social benefits, a more individual employee development and a more individual leadership style are prescribed (see Drumm, 1989; Kick and Scherm, 1993; Kolb, 1992; Röllinghoff, 1996; Schanz, 1992; Wagner, 1991).

Second, the introduction of strategic HRM is prescribed. It has been suggested that there should be a link between business and HRM strategy and that human resource managers should become involved in strategic decision making. It is also advocated that the human resource function is strategically managed. One instrument to achieve this is the formulation of a human resource strategy. Another recommendation is that HRM instruments should be strategically oriented. This, for example, includes strategic recruitment and a strategic reward system (see Ackermann, 1991; Ridder, 1994; Scholz, 1995; Schreyögg, 1987).

Third, decentralization of human resource issues is advocated. There is a perception among academics in German-speaking countries that human resource departments are primarily successful in administrative and social work, but not in areas like human resource development and recruitment. According to the commentators, the efficiency and future role of human resource departments has been questioned by line and top management and there has already been a shift of human resource responsibility to line management. Human resource managers themselves, so these academics argue, have realized a decline in their status and are looking for a new self-confidence. The solution suggested is the transfer of
responsibility back to line management. Only administrative tasks which are most effectively handled within one central unit, or those where it is required by law, would remain in the human resource department. Human resource specialists could enhance their status by becoming ‘internal consultants’, who give guidance and advice to line management on human resource matters (see Ackermann, 1992; Bühner, 1992; Wagner, 1992).

At this point it is worth emphasizing that this is not a narrow academic debate. Academics are presenting these prescriptions in practitioners’ journals and management magazines. They are accepted by employers’ associations (Kador, 1993). In jointly edited books with academics (Ackermann, 1994; Gutmann, 1997; Wagner, 1995), as well as in academic journals and practitioners’ journals, human resource managers make similar recommendations and describe developments in their companies that match the prescriptions of the academics. This is illustrated by the main topics covered by the main practitioner journal in this field, Personalführung, in 1996 and 1997. Among these were the shift of human resource responsibility to line management, performance-related pay, working hours flexibility and direct communication. However, non-unionism is not an issue in this literature. Even Hewlett Packard’s German subsidiary, which is admired by practitioners for its human resource management, is not widely known to be one of the largest firms in Germany that is not subject to collective bargaining.

Despite the popularity of HRM prescriptions, the term ‘HRM’ is not extensively used in Germany. There is only one textbook with such a title. Furthermore, only 10 per cent of the most senior human resource managers of German private sector firms surveyed by the 1992 Cranet-E survey claimed to have the title ‘human resource director’ or ‘human resource manager’. In comparison, this title was found in 48 per cent of French and 18 per cent of UK private sector firms (Brewster and Hegewisch, 1994, table 1.2). One explanation for the avoidance of the term ‘HRM’ in Germany may well be that the word ‘resource’, in combination with ‘human’, has a negative flavour in the German language (Wächter, 1992, p. 319). Another is that the change from personnel management to human resource management in Anglo-American countries is mirrored in German-speaking countries by a switch from Personalarbeit, Personalverwaltung or Personalwesen to Personalmanagement or Personalwirtschaft (Scholz, 1996). Nevertheless, it appears that the term ‘human resource management’ is currently becoming more popular. An indicator is that in 1995 the practitioner journal Personal adopted the sub-title Zeitschrift für Human Resource Management (Journal for Human Resource Management). There is also a growing number of articles and books by German-speaking academics with the term ‘human resource management’ in their titles (see Liebel and Oechsler, 1994; Sattelberger, 1996; Schuetz, 1995; Weiss, 1994).

On the basis of the evidence presented so far it appears that the concept of HRM has not been ignored or rejected in Germany, although HRM elements are generally discussed without explicitly naming them under this heading. Instead it appears that German commentators see HRM as a new solution. There are two reasons for this somewhat surprising result. These are the universalist perspective taken by German human resource academics and the normative tradition in which they work.
One reason for the embrace of HRM by German business administration academics is that ‘German personnel management as an academic field, ... draws heavily from American sources and concepts’ (Wächter and Stengelhofen, 1992, p. 34). This is reflected in German human resource management textbooks. Empirical studies cited are often of North American origin. Usually their relevance to the German context is not discussed. More generally, it appears that business administration academics do not perceive the German business system as a stumbling block for the import of US-type management prescriptions. A reason for this may well be a neglect of industrial relations issues, a proposition shared by Breisig (1993, pp. 226–7), Nienhüser (1989, p. 140) and Wächter (1992). This does not mean that business administration academics have not done any research about co-determination (for a review of this research see Hamel, 1993), but that this research is rather about the institutions of co-determination than about human resource implications of co-determination (Drumm, 1993, p. 699). It is also not generally accepted that industrial relations is an integral part of the teaching curriculum in business administration (Steinmann and Kühlmann, 1991, p. 670).

Because German human resource academics often have a universalist perspective, they can assume that the results of US research are also valid in Germany (for a similar observation see Stewart et al., 1994, p. xii). This does not mean that they do not acknowledge the existence of unique institutional factors or specific socio-cultural conditions in Germany. Nevertheless, German human resource management academics generally do not suggest that this results in a distinctive German pattern of HRM. This becomes explicit in Conrad and Pieper’s (1990) statement that ‘there is nothing like the German approach to human resource management but that a number of diverse strategies and approaches are being used by West German companies’ (p. 120). Additionally, Pieper (1990, p. 19) suggested: ‘What is applied by a company largely depends on the company’s own management decisions rather than national characteristics.’ He and other German academics seem to assume, and indeed in this case explicitly assert, that the German institutional environment does not significantly restrict organizational autonomy in the area of human resource management. This could also explain why the literature review did not find any studies by academics in German-speaking countries that compare the human resource practices of Austrian, German and Swiss organizations.

A second reason for the embrace of HRM by German business administration academics is their normative tradition. It is more important for German business administration academics to develop prescriptions for good human resource practices than to do empirical research; a contention supported by Breisig (1993), Drumm (1993, p. 682) and Metz (1995). Since its establishment at the beginning of this century, business administration is perceived as an applied science which aims to help people to base their decision making on a scientific foundation (Schanz, 1988, pp. 33–7; Ulrich, 1981). Hence it is of pivotal importance for business administration academics, not only those in the field of human resource management, that their work is practically relevant and that it influences the practice (see, for example, Kappler, 1994, p. 47; Weibler, 1995, p. 117). This becomes obvious by the definition of the term ‘human resource
research’ (Personalforschung) in the German handbook of human resource management. It is defined as the ‘systematic production [Gewinnung] and use of information that supports human resource decisions’ (translation by the author) (Weber, 1992, p. 1690). Not surprisingly, business consultancy plays an important part in the activities of German business administration professors (Kieser, 1996; Pfriem, 1995; Walger, 1995).


A further outcome of the normative tradition is a low emphasis on empirical research among German human resource academics. According to Wächter and Stengelhofen (1992):

The seemingly simple question of ‘what managers actually do’, cannot be sufficiently answered from … [German textbooks covering human resource issues] … and, in most cases has not even been raised. There is a lack of detailed description, in-depth enquiry, and theoretical analysis about the every-day
practice of the personnel function, about the various actors and their interests and power bases, about the interaction of personnel management and about labour market conditions. (Wächter and Stengelhofen, 1992, p. 27)

In regard to leadership theory in particular and human resource management in general, Wunderer (1993, p. 637) suggested that there is hardly any empirical research by German business administration academics. These assessments are supported by Martin’s (1989) analysis of the three most important German journals of business administration. Of the 3,308 articles published between 1950 and 1984 only 201 (6 per cent) were considered to be empirical (p. 148). Of these, 26 were about human resource issues (p. 157). Although Martin found an increase in empirical contributions since 1977, one has to ask why there is so little empirical work. The German human resource academic Drumm (1993, pp. 681–2, p. 701) mentioned the following reasons. The input needed for empirical research is not justified by the relatively small outcomes. The developments in the field are so dynamic that research will always be behind practice. Human resource problems are often too complex to be handled by one researcher. However, these explanations also apply for countries with a much stronger empirically based academic tradition. Thus a more convincing explanation, which is indirectly supported by Drumm (1993, p. 682), is that it is more important for these scholars to develop prescriptions for good human resource practice than to do empirical research.

Although the evidence presented is clearly limited, the normative orientation of German human resource scholars seems to be the main explanatory factor for their embrace of HRM. Combined with a universalist perspective this has fostered an import of US-type HRM prescriptions at the expense of a critical review. However, in the following section we will see that this is currently changing.

CHANGES IN THE GERMAN HRM DEBATE AND PRACTICE

Back in 1988, the German business administration professor Staehle suggested that the concept of HRM is nothing new for German companies. In a review of the US HRM debate he put forward the view that, in contrast to the USA, it is not necessary to remind German employers to treat their employees as a resource. According to him, the perception of employees as a ‘potential which has to be systematically planned, maintained and developed’ (own translation) has a long tradition in Germany (Staehle, 1988, p. 576). Staehle’s position has largely been ignored by his colleagues (Garnjost and Wächter, 1996, p. 804). Over the last years, however, there appears to have been a significant shift.

There is a growing recognition among business administration academics of the specific institutional environment in Germany. Drumm (1996) suggested that German human resource management theory has to reflect and respect the specific legal and cultural German framework. According to him, different cultural and industrial relations environments restrict the international transfer of human resource prescriptions. Human resource instruments that are imported from other countries have at least to be adapted to the German context. Oechsler (1994) criticized the unitarist ideology of HRM and proposed a HRM model which perceives
the management of human resources as embedded in the context of industrial relations. Gaugler and Weber (1995) have argued for an integration of industrial relations in human resource management prescriptions. On similar lines, Scholz (1996) linked new employment practices implemented in the context of co-determination and collective bargaining with human resource management. By now there is also a number of German professors of personnel management that base their research on theories developed by economists. For them, empirical research is important and institutions matter (Alewell, 1996; Backes-Gellner, 1993). Hence, international institutional differences in general and industrial relations in particular are important (Sadowski et al., 1995). The growing importance of industrial relations for German human resource academics is illustrated by the fact that at their 1996 annual meeting industrial relations was the main issue. Furthermore, in 1997 there was a special edition of the main academic German human resource management journal *Zeitschrift für Personalforschung* dedicated to the human resource aspect of co-determination appeared (Wächter, 1997a).

Some German academics have gone a step further. They not only suggest that the German institutional context has led to a specifically German approach to HRM, but that this might offer a successful alternative to the US HRM model. This argument has been most forcefully made by Wächter. In a stream of articles (Garnjost and Wächter, 1996; Wächter, 1992, 1997b; Wächter and Stengelhofen, 1992) he argues that the advent of HRM has not been used to reflect and value the strength of the German system. Building on Staehle, he suggested that the strong export orientation of the German economy, the educational tradition and the co-operative ideology of trade unions has for a long time encouraged large German companies to practise HRM. Regarding the HRM outcomes proposed by Beer et al. (1984) and Guest (1987) he only sees deficiencies in regard to cost-effectiveness and flexibility. On the basis of this assessment he warned against an uncritical adoption of HRM elements such as flexibilization and individualization which might endanger the basis of the German system of HRM.

Although the evidence presented is limited, it appears that there has been a shift from a largely enthusiastic embrace to a more critical reception of HRM among German business administration academics. This raises the question of the relationship between this debate and the development of human resource practices in Germany. Although this is not the place to go into this in great detail, the available evidence indicates that there is a constrained convergence of practices towards the US HRM model. Muller (1997a, b) shows that German companies still largely comply with the major labour market institutions of multi-employer collective bargaining, workplace representation, and initial vocational training. Pressures have been accommodated by changes within the system rather than by a radical change of the system. German labour market institutions still significantly reduce managerial autonomy in the area of human resource management and thus prevent a more unitarist type of HRM from becoming prevalent. Research by the same author (Muller, 1998, 1999) based on 25 case studies of German-, UK- and US-owned banks and chemical firms operating in Germany found that over the last decade the sample firms have introduced many of the techniques associated with HRM. Among these techniques were human resource instruments such as attitude surveys, developments assessment centres and performance related pay. The finding that modern human resource management techniques are widely
used in Germany is not only supported by the accounts of personnel managers in edited books and practitioner journals cited above, but also by the results of the Cranet-E surveys. Besides the widespread use of some human resource instruments, these surveys show that in firms operating in Germany variable pay has become more important, flexible working arrangements have been increased and there has been some development of responsibility on human resource issues from personnel to line management (Brewster and Hegewisch, 1994; Weber and Kabst, 1996). At the same time human resource policies traditionally pursued by German firms such as extensive training, internal promotion and employment stability are still widely used. However, usually the introduction of human resource management instruments has to be negotiated with employee representatives and in particular those in the areas of pay and working hours have to be adapted to the regulations imposed by collective bargaining. Therefore, at least among large German firms, a pluralist type of HRM seems to have become dominant which combines a compliance with German labour market institutions and the use of techniques associated with HRM (Muller, 1999). These findings would support the accommodation thesis suggesting that HRM has been incorporated into the German paradigm by importing HRM techniques, but at the same time its unitarist values have been rejected.

Nevertheless, despite the research cited above the empirical evidence about human resource management in Germany and its embeddedness in the national business system is still limited. For example, there is hardly any research about human resource practices of small and medium-sized firms. This is surprising as companies of this size are thought to be one of the main factors accounting for the success of German industry (Porter, 1990). It would also be interesting to study in more detail not only the constraints, but also the opportunities for human resource management created by the institutional environment in Germany. One of the issues worth exploring would be how human resource issues are brought into the strategic level discussion by co-determination. Finally, a detailed comparison of human resource instruments between Germany and the USA could indicate the extent to which instruments such as appraisal or reward systems are adapted to the German context.

CONCLUSION

The German HRM literature is dominated by business administration academics. It was shown that these scholars work within a strong prescriptive tradition which explains why there is little empirical research. They are relatively open to managerial ideas from the USA and have seen HRM as a new solution. According to Sisson (1990, pp. 3–4), the domination of the study of human resource issues by the prescriptive tradition, and the lack of critical assessment of HRM, is a more widespread phenomenon. This assessment is supported by many country case studies published in recent readers of comparative human resource management.

Today, however, there seems to be a change in the German human resource management debate. Several business administration scholars have criticized the import of US-type HRM prescriptions. It also appears that the strengths of the traditional German HRM system are increasingly recognized. Hence, with the time
The advent of HRM has forced German commentators to reflect and value the strength of the German system of HRM.

The limited empirical evidence about human resource practices in Germany indicates two things. First, the early 1980s research by Lawrence (1991), suggesting that German labour market institutions prevent the introduction of modern human resource techniques, is not an accurate reflection of reality any more. Many of the techniques associated with HRM have been introduced by companies operating in Germany. Secondly, the still relatively strong labour market institutions make it necessary to adapt these techniques to the German context. They also prevent a unitarist type of HRM from becoming prevalent. Therefore this evidence supports an accommodation thesis.

Nevertheless, for Germany, as well as many other European countries, there needs to be a more empirical analysis of dominant national human resource management practices and their embeddedness in the national business systems. Although international surveys such as the Cranet-E research (Brewster et al., 1996) can help in this task, more detailed studies at the organizational level are also needed. Such research may well be relevant for policy makers in other countries. For example, to study the effects of institutional constraints on human resource management in Germany is of wider interest. There is a perception that increasing regulation is changing human resource practices in the USA (Strauss, 1992) and the ‘social chapter’ might have similar effects in the EU.

NOTES

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[1] In the following I use the abbreviation ‘HRM’ only if I refer to the ‘HRM’ debate or a specific HRM concept. In contrast, the term ‘human resource management’ is used as a modern expression for personnel management.

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