

CONTRIBUTIONS
TO MANAGEMENT SCIENCE

Ina Ehnert

Sustainable Human Resource Management

A Conceptual and Exploratory
Analysis from a Paradox
Perspective



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Contributions to Management Science

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Preface

By focusing on sustainability and paradoxes, Dr. Ina Ehnert has picked up two central challenges Human Resource Management rarely dealt with. The contribution of this dissertation results from the courage to handle both topics simultaneously and to convey to the reader in a comprehensive way that they are reciprocally referring to each other. To reach more sustainability in Human Resource Management, it is necessary to cope with paradoxes in a systematic way. Simultaneously, coping with paradoxes raises the need to look at the acquisition of human resources from a longer-term and more sustainable perspective. Organisations are only durably successful if they manage having access to critical and scarce human resources. If this assumption is accepted, it becomes economically rational to bear in mind the sources of resources for education and attitude and to develop and cherish them if necessary. These investments collide with short-term efficiency-oriented economic interests. Consequently, organisations have to learn to cope with the tensions and paradoxes at a strategic and operational level. Dr. Ehnert develops a framework for a Sustainable HRM from a paradox perspective by extending Strategic HRM and I wish that her study will be broadly recognised.

University of Bremen
January 2009

Prof. Dr. Georg Müller-Christ

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My dissertation time was characterised by the need to combine different areas of my personal research interests (Sustainable HRM, expatriate preparation and training, trust across cultures) with the work expected from me at the University of Bremen in the field of Sustainable Management and in the Collaborative Research Centre (CRC) 637 on Autonomous Logistics Processes. The idea to use “paradox theory” as a theoretical background for HRM has been influenced by my time as a business student at the University of Bayreuth where Prof. Dr. Andreas Remer developed his “dilemma management” and where he also set the foundation for an ecologic business theory developed further by Prof. Dr. Georg Müller-Christ.

As every piece of writing this one was influenced and supported by a number of people to whom I wish to express my deep appreciation. First of all, I would like to thank my internal and external supervisors Professor Dr. Georg Müller-Christ, University of Bremen and Professor Dr. Andreas Remer, University of Bayreuth for their support. I thank Professor Dr. Adelheid Biesecker for her preparedness to discuss my topic in the beginning of my Ph.D. time. Fruitful discussions with my Ph.D. colleagues at the University of Bremen, Germany, at the University of Reading, UK, and in the Dutch Ph.D. network (PHRESH) have contributed to improving my work. In particular, I would like to mention Anna Nehles, University of Twente; Luc Dorenbosch, University of Tilburg, The Netherlands; and Dr. Christine Wycisk, Dr. Jörn Grapp, Linda Austerschulte and Lars Arndt, University of Bremen. I am more than grateful to Ernesto Morales Kluge, Dr. Sylvie Gavirey, and Dr. Michael Freitag who have provided me with extraordinary technical support and friendship. I am very much indebted to Professor Chris J. Brewster, Henley Management College and Reading University, and to Dr. Alex Wright, Open University, Milton Keynes, UK. Both have been and are still fantastic in collaborating and sharing their knowledge.

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University of Bremen
January 2009

Dr. Ina Ehnert

“The blind men and the elephant”

by John Godfrey Saxe (1816–1887)

It was six men of Indostan
To learning much inclined,
Who went to see the Elephant
(Though all of them were blind)
That each by observation
Might satisfy his mind.

The First approached the Elephant,
And happening to fall
Against his broad and sturdy side,
At once began to brawl:
“god bless me but the Elephant
Is very like a wall.”

The Second, feeling of the tusk,
Cried, “Ho! What have we here
So very round and smooth and sharp?
To me’ tis mighty clear
This wonder of an Elephant
Is very like a spear!”

The Third approached the animal,
And happening to take
The squirming trunk within his hands,
Thus boldly up and spake:
“I see,” quoth he, “The Elephant
Is very like a snake!”

The Fourth reached out an eager hand,
And felt around the knee,
“What most this wondrous beast is like
Is mighty plain,” quoth he;
“‘Tis clear enough the Elephant
Is very like a tree!”

The Fifth, who chanced to touch the ear,
Said: “E’en the blindest man
Can tell what this resembles most;
Deny the fact who can,
This marvel of an Elephant
Is very like a fan!”

The Sixth no sooner had begun
About the beast to grope,
Than, seizing on the swinging tail
That fell within his scope,
“I see,” quoth he, “the Elephant
is very like a rope!”

And so these men of Indostan
Disputed loud and long,
Each of his own opinion
Exceeding stiff and strong,
Though each was partly in the right,
And all were in the wrong!

Moral

So often in theological wars,
The disputants, I ween,
Rail on in utter ignorance
Of what each other mean,
And prate about an Elephant
Not one of them has seen!”

[Source: Mintzberg, Ahlstrand, and Lampel, 1998: pp. 2–3].

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Abbreviations

ABB	Asea Brown Boveri
ABN AMRO	Algemene Bank Nederland and Amsterdamsche Rotterdamsche Bank
approx.	Approximately
Banca MPS	Banca Monte dei Paschi di Siena
BASF	Badische Anilin und Soda Fabrik
BDA	Bundesvereinigung der Deutschen Arbeitgeberverbände
BG	British Gas
BP	British Petroleum
CBHRT	Contextually based human resource theory
CH	Confoederatio Helvetica (Switzerland)
CIMPOR	Cimentos de Portugal
COED	Compact Oxford English Dictionary
CS	Corporate sustainability
CSR	Corporate social responsibility
D	Deutschland (Germany)
DIHK	Deutsche Industrie- und Handelskammer (German Chamber of Commerce and Industry)
DK	Denmark
DSM	Dutch State Mines
EABIS	European Academy of Business in Society
EBEN	European Business Ethics Network
EDF	Électricité de France
EDP	Electricidade de Portugal
e.g.	Exempli gratia (for example)
ESHQ	Environment, safety, health and quality
ESP	Environmental/social performance
et al.	Et alii (and the following)
etc.	Et cetera
EURAM	European Academy of Management

F	France
f.	And the following
FIN	Finland
FP	Financial performance
GHRM	Global human resource management
HPWS	High performance work systems
HR	Human resource
HRD	Human resource development
HRM	Human resource management
ibid.	Ibidem
IBLF	Prince of Wales International Business Leaders Forum
i.e.	Id est (that is)
IHRM	International human resource management
ING	Internationale Nederlanden Groep
ISBEE	International Society of Business, Economics, and Ethics
IT	Information technology
IWS	Intensive work systems
KPMG	Klynveld, Peat, Marwick and Goerdeler (the Founders)
MNEs	Multinational enterprises
NL	Netherlands
OECD	Organisation for Economic Co-operation and Development
OHSAS	The occupational health and safety assessment series
p.	Page
PDF	Portable document format
POMAK	Podravka's Academy of Management
POR	Portugal
Repsol YPF	Repsol Yacimientos Petrolíferos Fiscales
RBV	Resource-based view
S	Sweden
SBD	Sustainable business development
SGHRM	Strategic global human resource management
SGS	Société Générale de Surveillance Holding
SHRM	Strategic human resource management
SIHRM	Strategic international human resource management
SKF	Svenska Kullagerfabriken
SRM	Sustainable resource management
STMicroelectronics	Thomson Semiconducteurs Microelectronics
SWS	Sustainable work systems
TNT	Thomas Nationwide Transport
UN	United Nations
UNCED	United Nations Conference on Environment and Development
UPM	United Paper Mills
USA	United States of America

vs.	Versus
WBCSD	World Business Council for Sustainable Development
WCED	World Commission on Environment and Development
WWI	World war I
WWII	World war II

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Chapter 1

Introducing Sustainability into HRM

This dissertation, *Sustainable Human Resource Management: A Conceptual and Exploratory Analysis from a Paradox Perspective* builds primarily on the recently emerging literature linking the concept of sustainability and human resource (HR) issues. Furthermore, it draws on relevant insights in established fields of research such as Strategic HRM (SHRM), Sustainable Resource Management (SRM), and organisation theory. Practical relevance of this topic is deduced in this introduction from examples as well as from the literature on sustainability and HRM.¹

Over the past two decades, technological developments, competitive demands, and globalisation have caused dramatic changes within and across organisations (e.g., Barkema et al. 2002), and have transformed general conditions for Human Resource Management (HRM) strategy and decision-making (e.g., Scholz 2000). Developments within and outside of organisations are drivers for and reactions to an increasing pressure for competitiveness and flexibility influencing HR practices and strategies (Gmür and Klimecki 2001; Oechsler 2004a; Schuler and Jackson 2005). Trends such as demographic development, internationalisation and globalisation, or lack of quality in some educational systems have only just started slipping into the consciousness of practitioners and researchers highlighting the need for more sustainable HR practices and strategies.

The topic of this book is relevant for research due to gaps identified in the fields enumerated above. Prior literature has not produced many insights into the link between sustainability and HRM, notably the strategic aspect of sustainability as a concept for HRM. Although concerned with an organisation's long-term viability, HRM models and conceptualisations up to date conceptualise human resources as a pool of resources and neglect their origin (see also Boxall and Purcell 2003). Furthermore, scholars are aware of paradoxical tensions in HRM practice; however, approaches to suggest strategies for how to cope with them are rare. Prior sustainability research is characterised by a strong emphasis on reasoning in terms of social responsibility, by universalistic interpretations of sustainability, and by a lack

¹This thesis is written in British English. However, quotations have been cited as in the original, i.e. in British or American English. German quotations have been translated by the author and marked as translations.

of consideration of systematic links between sustainability and HRM research – what emerged recently under the label “Sustainable HRM”.² In order to introduce this emerging topic, this chapter is guided by the following questions:

- What is the importance of sustainability for HRM practice and research?
- What are the practical problems supposed to be solved?
- Which are the key HR activities³ and topics that have been focused upon in the literature linking sustainability and HRM?
- What are the research gaps and which research objectives can be deduced for this study?
- How can these objectives be reached?

The starting point is a description of the practical relevance of HR and HRM for corporate success and of sustainability as a concept for HRM (Sect. 1.1). In the second introductory section, the challenges for HRM are outlined regarding what happens when “human resources” are about to become scarce and when side and feedback effects⁴ on employees and organisational environments appear (Sect. 1.2). Next, key aspects of the literature linking sustainability and HR issues are analysed and compared with the objective of integrating the topic of the dissertation into the research context, of reviewing the key discussions on sustainability in different HR-related research areas, and of summarising the theoretical relevance of sustainability for HRM (Sect. 1.3). Subsequently, the research gap will be outlined and research objectives and questions deduced (Sect. 1.4). Finally, the conceptual and exploratory research approach is presented followed by the structure and overview of the study (Sect. 1.5).

1.1 Importance of Sustainability as a Phenomenon for HRM Practice

Recently, the focus on the social dimension of sustainability has become increasingly important (Dyllick and Hockerts 2002; for a practice-based source see Holliday et al. 2002). The diffusion of concepts such as “Corporate Social Responsibility” (CSR) in practical and scientific debates has also contributed to a rising interest in sustainability linked to HR issues. In particular, multi-national enterprises (MNEs)⁵ have

²The term “Sustainable HRM” is used in this work as a name for a concept and conceived of as an extension of “Strategic HRM”.

³“**Human resource (HR) activities** include the formal HR policies developed by the company as well as the actual ways these policies are implemented in the daily practices of supervisors and managers” (Schuler and Jackson 2006, p. 16; bold in original).

⁴In this work, the expression of “side and feedback effects” refers to outcomes which are self-induced by a company’s HRM and managerial actions and which affect the current and future workforce of a company concerning its ability and willingness to work for the company.

⁵Multinational Enterprises (MNEs) can be defined as “a firm which owns or controls business activities in more than one foreign country” (Dowling et al. 2008, p. 2).

started linking sustainability as an idea to areas which affect the core issues of HRM such as HR development, health, employability, etc. (e.g., WBCSD 2005). The emergence of the phenomenon of sustainability in these areas emphasises the practical relevance of this study.

1.1.1 Practical Relevance of HR and HRM for Corporate Success

People or “human resources” (HR), HRM practices and strategies have been identified as being essential for organisational success (e.g., Guest 2001; Huselid 1995; Wright et al. 2005b). The rise in importance of HR and HRM has fuelled a quickly expanding stream of research (e.g., Martín Alcázar et al. 2005a; Schuler and Jackson 2005). Practice-oriented volumes such as *Building Profits by Putting People First* (Pfeffer 1998) have reached and influenced a large number of HR practitioners and scholars. Strategy and resource orientation in HRM literature have increased (e.g., Boxall 1996; Wright et al. 2001), and valuable human resources have been identified as “critical” for organisations (Taylor et al. 1996).

Resource-based perspectives in management research (Barney 1991; Barney et al. 2001; Grant 1991) as well as human capital theory (Becker 1964) have contributed to an increased appreciation for the importance of internal factors and particularly for people for a company’s success. Brewster (2002) points out that “the capabilities and the knowledge incorporated in an organization’s human resources are *the* key to success” (p. 126) and Paauwe (2004) asserts that “the importance of managing people to achieve competitive advantage has by now become a generally accepted “mantra” for corporate executives” (p. 1).

However, managing a global workforce in MNEs has become more complex (Brewster et al. 2005) and for individuals the risk of becoming unemployed has increased (see Oechsler 2000b). Professional and managerial jobs at modern workplaces face increasingly high demands in terms of work intensity (Brödner and Forslin 2002; Hatchuel 2002), skills and competencies (Wolf 2004), self-management (Claessens et al. 2004), blurring boundaries between work and private life and of gender roles (see Greenhaus and Powell 2006; Resch and Bamberg 2005), increased pressure of time, work pace and performance (Huzzard 2003), and a change towards a “new employment relationship” (Tsui and Wu 2005) as well as changing psychological contracts (Hiltrop 1995).

Scholars have started picking up sustainability as a perspective to analyse the implications of these developments on HR and HRM. In this literature, it is assumed that in practice, critical human resources are “consumed” and “exploited” rather than developed and reproduced (e.g., Kira 2002, 2003; Müller-Christ 2001; Thom and Zaugg 2004). Examples for this “human resource consumption” are highly qualified employees facing increased work-related stress, work–family conflicts, health problems, burnout, or less qualified employees having to cope with lack of employability (Docherty et al. 2002a; Thom and Zaugg 2004). It is a basic management problem that most decisions must be made within the framework of

a limited total resource (Ansoff 1965). But, as consequences of the shortage of resources and competencies for corporations can be severe including a loss of organisational competitiveness, innovativeness, strategic capability, and viability (e.g., Docherty et al. 2002a; Freiling 2004a, b), the interest in sustainability and HRM is rising in recent times.

1.1.2 Practical Relevance of Sustainability for HRM

Besides the importance of managing people, the notion of sustainability is said to have become another mantra for the twenty-first century (Dyllick and Hockerts 2002, p. 130). It is argued in this study that the concept of sustainability is relevant for HRM practice but that the full potential of sustainability as a concept for HRM practice has not yet been explored. In business practice, sustainability was used as a concept to advance thinking on environmental topics and on the problem of designing organisational change processes related to a Sustainable Business Development (see Rainey 2006). Depending on the interpretation of the concept, sustainability focuses on the availability of financial or social resources and on corporate responsibility for society (e.g., Dyllick and Hockerts 2002).

In corporate practice, topics related to the social dimension of sustainability have emerged increasingly in recent years. Key topics are recruiting and retaining top talent, developing critical competencies, motivation, incentives for exceptional performance, employability, lifelong learning, demographic trends, aging workforces, employee health, safety, quality of life, work–life balance, justice, ethics, and CSR (WBCSD 2002, 2005, 2006).⁶ The website of the WBCSD indicates that these initiatives can also be observed in other countries in Europe and elsewhere.⁷ Concerning the relevance of sustainability for HRM practice and research, Boudreau and Ramstad (2005) assert that:

Sustainability is not a fringe issue. Corporate heavyweights like Shell, British Petroleum (BP), and DuPont, as well as the United Nations and the International Labor Organization (ILO), all are embracing sustainability. [...] Sustainability rarely appears in strategic HR plans, and its implications for strategic HRM have received little attention. As organizations increasingly embrace sustainability, however, so must HR. (p. 130)

A first exploratory survey from Zaugg et al. (2001) on the interest of HR practitioners in sustainability and on their understanding of sustainability has revealed that European “companies are interested in Sustainable HRM [although] the corresponding practices are applied hesitantly and unsystematically” (Thom and

⁶Practitioners discuss these topics in self-initiated workshops and networks. For instance, the German sustainability network Econsense regularly offers workshops for its members on topics such as demographic development, employability, or work–family-balance, etc. (<http://www.econsense.de>).

⁷<http://www.wbcsd.org>.

Zaugg 2002, p. 55; translated from German by the author). It can be concluded that sustainability is being considered as relevant for HRM practice from practitioners and academics. The challenges HRM is confronted with on this journey are going to be depicted in the following section.⁸

1.2 Sustainability and Human Resources: Challenges for HRM

Historically, sustainability emerged in situations of crises when at least one of the following topics turned out to be of importance:

- Economic, natural, or social resources were scarce
- Side and feedback effects threatened long-term exploitation of these resources

Interestingly enough, both problems – scarce human resources (labour shortages) and side and feedback effects – can also be found in HRM practice today. Analogous to the depletion of natural resources, many companies find themselves confronted, today, with a lack of competent and committed people and/or with side and feedback effects of work and business activities on employees and on companies themselves. One possible strategy to cope with this situation is – according to this book – the application of sustainability as a concept for HRM.

1.2.1 *The Problem of Labour or Skills Shortage*

In the past decade, globalisation processes and technological developments have increased the demand for skilled employees (Backes-Gellner 2004). Skilled and motivated employees have become critically scarce or are expected to become more scarce in the near future (see Boxall and Purcell 2003). In globally operating MNEs, the need for competent and committed employees has become decisive with regard to competitive advantages (see Brewster and Suutari 2005; Gregersen et al. 1998; Kohonen 2005; Lazarova and Caligiuri 2004; Thom and Zaugg 2004). Noticeably, it has become more difficult for HR executives to provide the right number of highly skilled and motivated employees at the right time, in the right place (e.g., Scherm 1999; Thom and Zaugg 2004). While this topic had become less

⁸ Another indicator for the increasing interest in sustainability and HRM is the spreading of the term “Sustainable HRM” (and its German translation *Nachhaltiges Personalmanagement*) has only recently appeared in the public discourse. Searching for these terms via Google, the author has found no entries in the year 2002, a negligible number of entries in 2003, and 40,100 entries in 2007 on the notion “Nachhaltiges Personalmanagement” as well as 2,550,000 entries on “Sustainable Human Resource Management”. Among others, the entries cover topics like “Sustainable Human Resource Management in China”, “Sustainable Human Resource Strategy”, or “Human Resource Management” and “Sustainable” (Last access: 31/10/2007). Although there may well be similarities or differences between the different concepts summarised under these terms, the overall rising number could be counted as an indicator for a rising interest in the topic.

popular after the “war for talent” debate in the 1990s (Chambers et al. 1998), recent publications suggest that companies are strongly competing for talent and on a global basis (Ng and Burke 2005; Stahl et al. 2007). Examples are expatriates or highly qualified global managers, as their knowledge and competencies are regarded as essential for the realisation of corporate strategies (Lazarova and Caligiuri 2004). Human resources are not generally scarce but the degree of the shortage depends on the skills and qualifications required in a company; and there is a tendency for higher qualifications and special skills being less readily available (Drumm 2000). The shortage of highly qualified talent could be just a “peak of the iceberg” as highly qualified employees receive more attention in practice and research than employees at other hierarchical or functional levels.

The reasons for labour shortage⁹ in some European countries mentioned in the literature are multiple: demographic developments, new requirements for particular skills and competencies because of globalisation and technical developments, or a new understanding of employment relationships. For example, employment relationships have changed to a more contractual understanding – both on the side of the employee and the employer where retaining talented employees over time has become a more difficult task for many companies (see Stahl et al. 2007). Another reason for the labour shortage is the talented recruits’ lack of willingness to work for a company, i.e. it has been observed that the workforce has become “pickier” (Gerdes 2006). Potential employees seek a better work–life balance or expect new qualities from their employers. For instance, young talents today may be expecting their employers to be “sustainable” or “socially responsible” and not to pass side and feedback effects of business activities on to them or to society (see Price Waterhouse Coopers 2007).

Developing talent and retaining it over time, i.e. building a “talent pipeline” (Stahl et al. 2007) has been identified as one of today’s major tasks for globally operating companies (see also Brewster and Suutari 2005). But, the focus of interest lies on a limited number of very highly qualified people. For other parts of the workforce, costs for investing in their training are often saved in times of crises and increasing pressure from stock markets as well as from shareholders to operate efficiently and to contribute to performance. In HR literature, however, HR training and development has been identified as leading to sustained competitive advantage (Aragón-Sánchez et al. 2003).

These limitations inherent in corporate resourcing strategies are felt especially in globally operating companies today although they are often able to cross geographical boundaries in order to have access to a broader number of qualified people. From a sustainability perspective, a company does not only have to ensure that it attracts and retains a talented workforce today but also that it sustains access to the desired groups of people and retains a healthy and productive workforce over time.

⁹The recent crisis in the financial sector and global economy has relieved some of the tensions on the side of competition for talent. However, this situation does not change the overall problem of qualified human resources being scarce and the “unsustainable” way how people are treated in organisations. The crisis might provide excuses to postpone problem solution to the future.

Therefore, the problem of attracting and retaining talent over time is assumed as being linked to that of controlling side and feedback effects on the workforce, corporate environments, and finally on companies themselves.

1.2.2 The Problem of Self-Induced Side and Feedback Effects

Side and feedback effects in this study are those outcomes of work and HR managerial activities which have an impact on a company's human resource base¹⁰ (see Footnote 4, page 2).¹¹ Side and feedback effects are conceived of as being "observer-relative" concepts because the effects which can be "positive" (a benefit) for one of the parties involved could create a "negative" effect (cost) for another party. The effects of interest for this study are "self-induced" because HR practices and strategies are not only influenced by their organisational environments but vice versa, these actions can have a dysfunctional impact on the environments (see also Brewster and Larsen 2000).¹² Examples for these side and feedback effects are eroding trust in employment relations (Brödner 2002; Docherty et al. 2002c), the HR shortage described in the previous section or lack of employability, joblessness (Mariappanadar 2003), and employee "exploitation" or self-exploitation tendencies of talented employees because they work more than their "natural" regenerative capacities would allow them to (e.g., Kira 2002, 2003; Thom and Zaugg 2004). Highly qualified employees seem to face increased work-related stress, work-family conflicts, work-dependent psychosomatic reactions and health problems, burnout, or lack of employability (e.g., Docherty et al. 2002a; Huzzard 2003; Moldaschl and Fischer 2004; Thom and Zaugg 2004).

Simultaneous to the need for better skilled and committed people, competitive forces and shareholder demands lead decision-makers to labour cost-cutting strategies such as downsizing (e.g., Mariappanadar 2003), outsourcing (e.g., Cook 1999), or reducing HR training and development (e.g., Evans 1999; see also Aragón-Sánchez et al. 2003). Paradoxically, HRM practices and strategies which should ensure an organisation's success can also reduce an organisation's strategic

¹⁰The term "human resource base" (HR base) stems from the literature on the resource-based view. Resource base in that context is defined as including "tangible, intangible, and human assets (or resources) as well as capabilities which the organization owns, controls, or has access to on a preferential basis" (Helfat et al. 2007, p. 4). The HR base in that sense refers to all human and social resources to which a company has access by means of influence such as power or cooperation.

¹¹In sustainability and economic literature, the term "externality" is sometimes used instead of side and feedback effects. An externality can be defined as "a cost or benefit arising from any activity which does not accrue to the person or organization carrying on the activity" (Black 1997, p. 169). In economic theory, externalities are interpreted as one category of market failure indicating resource allocation problems (Buchanan and Stubblebine 1962) or as side effects of market transactions (Kahn 1995).

¹²This is not always acknowledged in management theories and HRM models where the image of the company being influenced by its environments seems to be predominant.

Table 1.1 Side and feedback effects

Level of analysis	Side and feedback effects
Individual employee	Work-related health problems, stress, burnout, lack of work–life balance, eroding trust, lack of employability, joblessness (i.e. problems of regeneration and qualification)
Workforce	Lack of people being able and/or willing to work for the company
HRM environment	Lack of ability of corporate environments (labour markets, education systems, etc.) to provide skilled and motivated people

Source: compiled by the author

ability, endanger its organisational viability, and can at a later point in time lead to detrimental feedback loops for the organisations themselves (see Evans 1999; Mariappanadar 2003; Wright and Snell 2005). Wright and Snell (2005) argue that some organisations downsize highly skilled, committed, and experienced employees and replace them on a large scale by a cheaper contingent workforce with long-term negative outcomes for the company:

[...] HR executives can become complicit in the “cost-cutting” game. This has three detrimental effects on the sustainability of a firm’s business model. First, it cuts the core talent that leads to value creation. Second, it trades short-term costs for long-term costs. Third, it diminishes the potential for real innovation. (p. 179)

This is what Wright and Snell (2005) call the challenge of HR executives to balance value and values but it could also be interpreted as an example for self-induced feedback effects (for more examples see Table 1.1).

The problems addressed so far are not only a lack of people having the capability or willingness to do a certain job, but it is the assumption that companies influence their organisational environments in a way which contribute to these shortages or which create new demands, as in the case of global and expatriate managers,¹³ or, which contribute to the lack of work–life balance of employees. The problem of controlling side and feedback effects involves difficult choices about which effects have to be controlled or prevented and by which HR or business activities they could have been created. While many HRM practices and strategies have been successful under the condition of stable organisational environments, management situations in many companies today are more complex, dynamic, and characterised by increasing demands and paradoxical tensions for HRM.

1.2.3 *Paradoxical Tensions for HRM*

Many companies in Europe, as elsewhere, face increasing pressures to ensure efficiency and effectiveness in their HR practices (e.g., Brewster et al. 2005; Sparrow et al. 2004). HR executives and those responsible for HR-relevant

¹³As mentioned earlier, companies have been involved in creating a higher demand for qualified global and expatriate managers by expanding globally (see, for example, Mendenhall et al. 2001, 2002; Mendenhall and Stahl 2000).

decisions find themselves between competing demands such as short-term profit making (e.g., retrenchment or downsizing because of labour-cost pressure), on the one hand, and long-term organisational viability on the other (see, e.g., Wright and Snell 2005; Paauwe 2004). This situation makes it necessary to invest in attracting and retaining a skilled and motivated workforce on the one hand and the simultaneous need for efficient and effective HR practices on the other (see also Ehnert and Brewster 2008).

The study at hand addresses the problem that if sustainability is taken seriously into consideration for HRM, tensions and dilemmas can become apparent which have to be actively dealt with instead of being ignored. In these situations, no simple “either/or decisions” can be formulated (Evans 1999). The key challenge for actors involved is to find a way of coping with tensions created by paradoxes and dualities, and of reconciling tensions and dilemmas – situations where choices have to be made and where it is often impossible to make the “right” choice (Brewster et al. 2006). This problem involves also choices about if and to what degree HR practices and strategies should be adapted to new demands and developments in a company’s business environment. As both, an efficient way of deploying today’s employees and durable access to future human resources have been suggested as determinants of an organisation’s ability to survive and to be successful on a long-term basis (e.g., Hülsmann 2003; Müller-Christ 2001), sustainability is regarded as having a strategic potential for HRM, in this work.

1.3 Emergence of Conceptual Approaches Linking Sustainability and HRM

The literature linking sustainability and HRM is widely dispersed across different HRM subfields, diverse in its interpretation of sustainability, and barely interrelated with each other or with mainstream HRM literature. In order to answer the introductory questions (p. 1) a systematic review of literature was conducted.¹⁴ Only publications with a direct link to HR issues were considered, i.e. at the initial literature search a large number of journal articles on CSR have been excluded. However, it became apparent that the practitioner perspective is very much influenced by the CSR discourse. Hence, selective articles have been included into the analysis.

Except for the literature on CSR, a large amount of the HR-related sustainability literature has not yet reached reviewed academic journals. The result of the author’s

¹⁴ German and English language literature was reviewed. The following databases were investigated for the terms “sustainable HRM”, “sustainability HRM”, “sustainable management”, “sustainable work systems”, “corporate social responsibility” and combinations of the notions; <http://www.sciencedirect.com>, <http://www.emeraldinsight.com>, <http://www.gbv.de>, <http://www.hwwa.de>, <http://www.vlb.de>; <http://www.buchhandel.de>, <http://www.EconLit.org> (EBSCO), and <http://www.wiso-net.de>.

research of literature is that from 1995 to 2005, none of the 21,580 articles published in 29 high-ranked¹⁵ academic journals were devoted to the link between sustainability and HRM (for reasons of brevity called “sustainability–HRM link” in this study). The terms “sustainability” or “sustainable” are often in use but the majority of the papers apply sustainability relating to “sustainable competitive advantage” and HRM or to CSR. First publications on the sustainability–HRM link can be traced outside of these journals (e.g., Boudreau and Ramstad 2005; Docherty et al. 2002a; Mariappanadar 2003); not all of them appeared in reviewed journals which indicates that the topic is an emerging one for HRM.

1.3.1 Key Research Approaches and Issues on the Sustainability–HRM Link

In the literature identified, prior work on sustainability and HRM has evolved from three main areas of research: from Sustainable Work Systems (SWS), Strategic HRM, and from SRM. In parallel, CSR literature expanded or nearly “exploded” dealing with the social dimension of sustainability. Although CSR also touches upon HRM aspects it has not been linked systematically to Strategic HRM research (Whetten et al. 2002) and therefore it has not been included into this section. Prior literature on sustainability and HRM has also looked at the problem of human resource shortages (see Sect. 1.2.1) and has raised a new issue of controlling side and feedback effects for HRM (see Sect. 1.2.2). Additionally, the literature sheds light on the question about which actor (HRM, individuals, or societies) is responsible for the “sustainability” of HRM and to what extend. In the literature reviewed, three key questions have been relevant:

- (1) How can HR executives manage future supply with qualified and motivated people (Müller-Christ and Remer 1999; Thom and Zaugg 2004)?
- (2) How can unwanted, negative effects of intensive work or retrenchment be prevented (Docherty et al. 2002a; Mariappanadar 2003)?
- (3) Who is responsible for these activities (Thom and Zaugg 2004)?

In a chorological order, the literature on SWS (Docherty et al. 2002a; Huzzard 2003; Kira 2003) appeared first and focuses primarily on the second question and third, i.e. on how to prevent work-related illnesses and side effects and how to foster

¹⁵The following journals taken from Anne-Wil Harzing’s (2006) comparison of journal rankings have been included in the initial analysis: *Human Relations*, *Organization Studies*, *Academy of Management Journal*, *Academy of Management Review*, *Administrative Science Quarterly*, *Harvard Business Review*, *Journal of Business Ethics*, *Strategic Management Journal*, *International Journal of Human Resource Management*, *Management International Review*, *Long Range Planning*, *Journal of Management Studies*, *Journal of Management*, *Journal of International Management*, *Columbia Journal of World Business*, *Academy of Management Executive*, and *California Management Review*.

employee's regeneration, well-being and development (sustainable learning). SWS are suggested instead of "intensive work systems"¹⁶ – this approach understands sustainability from a social responsibility perspective as well as sustainability as a rationale to deal with corporate resources (see Moldaschl 2005a, b).

A Sustainable HRM approach (or perhaps rather Sustainable Personnel management)¹⁷ developed for Swiss companies builds on SWS as well as Strategic HRM literature (Thom and Zaugg 2004). This "best practice" approach tries to identify "sustainable HR practices" and concentrates particularly on HR development, on the reward system, HR recruitment, HR marketing and on creating win-win situations for employees (e.g., supporting their employability and careers) and employers (e.g., performance). Contradictions or tensions are not considered and employees, employers, and society are equally seen as being responsible for corporate and societal sustainability. The literature on SRM focuses on answering the first question. Suggestions are made from a system's theory perspective such as considering the "specific conditions of development, reproduction, and regeneration" of human resources and of the "sources of HR" (such as education systems, labour markets, or families) (Müller-Christ 2001).

1.3.2 Critical Appreciation of the Sustainability–HRM Literature

Although sustainability has been the subject of thought and reflection in the field of management research for quite some time (Dyllick and Hockerts 2002; Gladwin et al. 1995; Schmidheiny 1992), this literature is characterised by a strong emphasis on ecology in comparison to the attention given to the social aspect of sustainability (e.g., Weissenberger-Eibl 2004b). Sustainability is being discussed as a concept for HRM in the literature only recently and is a phenomenon which has not yet been studied extensively (see Boudreau and Ramstad 2005; Mariappanadar 2003; Thom and Zaugg 2002). Sustainability as a concept can be interpreted as an emerging issue for HRM practice and research (Ehnert 2006a). But, HRM theorists have largely neglected exploring sustainability as a concept for HRM (Thom and Zaugg 2004). Not very many researchers have paid systematic attention to the link between sustainability as a concept and HR-related research or HRM which leaves many aspects open for further exploration.

Sustainability is a relevant phenomenon to be considered for HRM theory and research because the research topics linking sustainability and HR issues touch upon important key HRM areas and because the link between sustainability and

¹⁶Intensive Work Systems (IWS) seem to be similar to "High Performance Work Systems" (HPWS) although the authors do not use the term. Both work systems are characterised by the focus on highly skilled employees with high work autonomy. HPWS have become a key interest in Strategic HRM literature (see, e.g., Appelbaum 2002).

¹⁷Although the name "Sustainable HRM" is used in this study, the approach differs substantially from the Swiss approach as the discussion in the literature review shows.

HRM is a phenomenon which can be observed in corporate practice (see Sect. 1.1.2). Boudreau and Ramstad (2005) mention three important aspects concerning the relevance of sustainability for HRM: first, the focus on the future which points out the relevance of the temporal dimension for HRM; second, the relevance of sustainability for long-term economic success; and third, the problem of controlling side and feedback effects:

[...] decision makers, opinion leaders, voters, and employees care about sustainability. They want corporations to reduce the externalities that burden future generations. Sustainability is not just good ethics; it is potentially good long-term economics. HR has an important role to play in sustainability. (p. 134)

If companies see the importance of sustainability for HRM the question for research is how this phenomenon can be described, understood or explained, and if possible predicted. Previous research in the literature linking sustainability and HR issues has been qualitative-exploratory (e.g., Kira 2003; Zaugg et al. 2001) or conceptual (e.g., Mariappanadar 2003; Boudreau and Ramstad 2005). Conceptual work is dominant and empirical or exploratory studies are exceptions. Usually, these studies offer only partial accounts on particular sustainability topics. None of them have used sustainability to develop a more complex notion of success for Strategic HRM and none of these studies has addressed tensions and oppositions which need to be coped with from a paradox lens.

1.3.3 Outline of Research Gaps for the Study

The analysis of research gaps in both HRM and in HR-related sustainability literature uncovers conceptual, analytical, and empirical shortcomings in describing, understanding, explaining, and predicting the emergence of sustainability in HRM practice. The main challenge addressed in this book is to link three established fields of research – Strategic HRM, organisation theory, and the literature inspired by the academic discourse on sustainability – which has not been done before. Hence, shortcomings are addressed from three perspectives; from the newly emerging sustainability research linked to HRM which tries to challenge “mainstream” HRM research published in respected academic journals, from the perspective of HRM research itself, and from organisational research on paradoxical phenomena such as paradox, dualities, and dilemmas. Prior literature on Strategic HRM and the emerging literature on sustainability and HR-related topics have neglected the following five aspects which form the gap in conceptual and analytical research for the study at hand:

- (1) Lack of development of a theory into the link between sustainability and HRM
- (2) General neglect in developing a theory in Strategic HRM
- (3) “Blind spots” in HRM theorising
- (4) Neglect of considering a theory on paradoxical phenomena in HRM
- (5) Lack of exploratory research into the sustainability–HRM link

1.3.3.1 Gap in Conceptual and Analytical Research

Lack of development of a theory into the link between sustainability and HRM: Until recently, sustainability and Strategic HRM literature have been developed as two separate fields of research, advanced from different scholars, on different conferences, in different academic journals, and in different languages. A lack of research linking the fields of sustainability and (Strategic) HRM research has been noted before (Boudreau and Ramstad 2005; Thom and Zaugg 2004; Ehnert 2006a). Scholars in the area of Sustainable Business Development like Rainey (2006) or Dyllick and Hockerts (2002) treat HR issues from a broad societal perspective and neglect incorporating specific HRM views and knowledge. Scholars and practitioners alike are still in a discursive process about what sustainability means and how it can be implemented in management processes. Rainey (2006) describes this situation as follows: “Given that global corporations are just starting to pursue SBD [Sustainable Business Development; the author] as a strategic management construct, it is hard to prove the validity of all of the concepts, principles, processes, and practices” (p. 28).

Several topics relate to the lack of development of a theory into the sustainability–HRM link. First, HR-related topics in sustainability research are dominated by the discourse on CSR, and in this discourse research focusing on CSR and (Strategic) HRM is scarce (Whetten et al. 2002). Second, in this research as well as in the emerging research on sustainability and HRM in the traditional Strategic HRM field (e.g., Boudreau and Ramstad 2005; Docherty et al. 2002a; Paauwe 2004), sustainability is interpreted as a social responsibility or value, only. Third, the problems of skills shortages and of side and feedback effects have usually been looked at separately. Fourth, Boudreau and Ramstad (2005) have suggested using sustainability as an idea to extend the notion of strategic success. However, key tenets of HRM research have remained untouched as the authors interpret sustainability as a “means” to create corporate value and reach sustained competitive advantage (see also Thom and Zaugg 2004). The value of sustainability for a more complex understanding of strategic success has not yet been explored in depth (Boudreau and Ramstad 2005) and the understanding of *what* should be sustained differs to a great extent. Finally, links between sustainability and Strategic HRM have not been studied systematically at the level of theorising modes into Strategic HRM. The different approaches to sustainability in HRM have not yet been analysed and compared systematically.¹⁸ In sum, the state of research on sustainability and HRM justifies further conceptual and exploratory work.

General neglect of the development of a theory in Strategic HRM: The development of a theory has a long tradition in organisational literature (Eisenhardt 1989), but, Strategic HRM scholars have only recently started improving the development of theory-guided research and development of theories (e.g., McMahan et al. 1999;

¹⁸The author has made first attempts to compare the literature in Ehnert (2006a) and Ehnert (2007a).

Wright and McMahan 1992; Weber 1996; see also Süß 2005). HRM understands itself as an applied field of research, i.e. concerned with practice. The objective of providing a basis for HRM research with theories and frameworks is to support the design processes and daily activities of HR executives in organisational practice (Weber 2004). In HRM literature, a general lack of development of theories has been asserted repeatedly (e.g., Drumm 1993; Guest 1997, 2001; Nienhüser 1996; Wright and McMahan 1992; McMahan et al. 1999). However, disagreement exists on the exact nature of this gap and about how to close it. Some authors have suggested a lack of theoretical foundation (e.g., Bacharach 1989), a lack of theory application (Nienhüser 1996), or a lack of theoretical orientation (Drumm 2000). A “lack of theoretical foundation” refers to statements about HRM that are insufficiently justified with the help of theories while a “lack of theory application” addresses the problem that theories are sufficiently available but surprisingly absent from being used for HR problem-solving (Nienhüser 1996). Theories in HRM are predominantly used to describe rather than explain or predict phenomena (Klimecki and Gmür 2001).¹⁹ Drumm (2000) explains the theoretical gap in HRM with the complexity of HR problems (see also Klimecki and Gmür 2001), frequent changes in HR practice, and with the problem that descriptive, explorative, and explanative knowledge about HRM is hardly ever up to date. Predictions are based on data from the past. According to Nienhüser (1996), theoretical deficiencies arise from an uncertainty about which theories to choose (“right” theory input), about how to develop new knowledge (transformation), and about the result of the theorising process (output or product). As a consequence for this study, these choices have been made transparent and supported by a theory on theory development in the corresponding sections.

“Blind spots” in HRM theorising become visible if the literature is regarded from a sustainability approach. In Strategic HRM, the main focus of enquiry is the link between HRM and performance (see Boselie et al. 2005; Way and Johnson 2005). Four “modes of theorising” have influenced theorising in Strategic HRM: universalistic, contingent, configurational, and a contextual approach (Delery and Doty 1996; Brewster 1999). The dominant paradigm for theory development in Strategic HRM is the contingency (“best fit”) approach (e.g., Evans and Génadry 1999). One of the dominant theoretical frameworks in Strategic HRM is the resource-based view of the firm (RBV) (see Boselie et al. 2005). But, the HR management situation has changed considerably in the past 10–20 years, tensions can increasingly be felt in HRM practice, and this might be the time to reconsider the modes of theorising and rationalities from a sustainability perspective. Existing Strategic HRM models focus primarily on the HRM-performance link, on efficient use of human resources and seem to disregard a broader perspective on how companies can proactively influence the development of the future base for human resources. The problem for HR researchers prevails, that for complex and dynamic HRM systems cause and effect relations cannot always be identified and

¹⁹This is why Klimecki and Gmür (2001) raise doubts about whether HRM can currently be called an applied field of research.

that focusing on the fit perspective can only lead to “blind spots” of the observer (researcher). By focusing on one theory and on continuously improving it, it may happen that the “theory tends to bind the researcher’s judgment. The researcher develops a ‘trained incapacity’ to appreciate aspects not mentioned in her or his theory” (Poole and Van de Ven 1989, p. 563). This blind spot or trained incapacity can also be created by a dominant paradigm in a field of research such as the “fit” paradigm in Strategic HRM or by a dominant rationale which is the quest for maximising efficiency and effectiveness in Strategic HRM. A sustainability perspective, however, adds to the arguments of those scholars who have recognised that efficiency and effectiveness might advance a biased view on HRM, i.e. focus on “consuming” rather than “reproducing” human resources. It also adds to the perspective of those scholars who suggest that paradoxes, dualities, dilemmas, and ambiguities are important concepts for the development of a HRM theory.

Neglect of considering theory on paradoxical phenomena for theorising in HRM: Paradoxical demands and tensions are well recognised in HRM literature (see Sect. 1.2.3). Since approximately two decades ago, concepts such as paradoxes, dualities, or dilemmas have become an important concern for some scholars of organisation theory (e.g., Cameron and Quinn 1988) and HRM (e.g., Evans and Doz 1991; Legge 2005). These ancient, often philosophical concepts have been introduced into organisational research as analytical tools and as a basis for finding new explanations on situations of increased change, turbulence, and competition (e.g., Cameron and Quinn 1988). Their relevance for Strategic HRM theory has been outlined by scholars like Paul Evans: Theoretical HRM concepts and models are often based on the assumptions of stable organisational environments (e.g., Evans and Doz 1991). Nevertheless, the broader application of this literature or theory on the concepts of paradox, duality, and dilemma remain scarce or implicit in HRM (Evans et al. 2002). The conceptual research gaps raise the need for exploring the link between sustainability and HRM more in depth, for investigating the potential of sustainability to extend existing approaches to Strategic HRM, and for describing and explaining paradoxical tensions which occur when sustainability and HRM are linked. Except for the conceptual gaps which have been mentioned up to this point, the study also addresses an exploratory gap because few investigations have dealt with the link between sustainability and HRM in HRM practice (see Sect. 1.3.2).

1.3.3.2 Exploratory Research Gap

Few empirical and exploratory investigations have addressed the link between sustainability and HRM. One reason for this is that the topic “Sustainable HRM” is only just emerging in practice and research (see Sect. 1.3). Prior exploratory research has focused on identifying “best practices” for Sustainable HRM and on identifying companies via case studies which are doing particularly well in this area (see Thom and Zaugg 2004). But prior research has not yet explored how companies represent their understanding of sustainability for HRM to their key

stakeholders, how they justify the link between sustainability and HRM, and which key arguments are presented in this debate. For corporate sustainability research in general, Salzmann et al. (2005) recommend that more descriptive studies should explore managers' key economic arguments for CS strategies. Equally important is the investigation of key arguments for sustainability strategies when it comes to the justification of sustainability for HRM. This gap between research and the state of the art in the field of sustainability and HRM justify further conceptual and analytical work in this area and call for complementing it with the help of an exploratory approach.

1.4 Research Objectives and Questions

It is attempted in this study to make contributions to the emerging literature linking sustainability and HRM and to the body of literature on HRM. As sustainability has rarely been used as a concept for HRM research, the central research objective of this study does not aim at testing theory but at developing a theoretical framework and model for a Sustainable HRM. In this study, the need is seen to understand interdependencies between different levels of analysis (individual, workforce, organisational environments) as well as different HRM sub-problems (HR shortages, side and feedback effects). To show the complexity and variety of the phenomenon studied, to point out the potential for HRM research, and eventually to allow for better problem-solving a relatively broad view on the topic of sustainability and HRM has been chosen. The general contribution of the dissertation is in describing, explaining, and understanding the emergence and meaning of the heterogeneous and complex phenomenon of sustainability in HRM practice of European MNEs. By doing so, this study adds to the scholarship which has started bridging the gap between sustainability and HRM literature for providing a contribution to the conceptualisation and theoretical foundation of a sustainability perspective for HRM ("Sustainable HRM"). More specifically, the key problems addressed in the thesis are the problem of attracting and retaining talented people over time (see Sect. 1.2.1), the problem of controlling or preventing self-induced side and feedback effects of business activities on today's and potentially future employees (see Sect. 1.2.2), and the tensions arising in this process (see Sect. 1.2.3). The overarching research questions related to these problems are the following:

- How can Sustainable HRM contribute to attracting, developing and retaining highly qualified human resources over time?
- How can a paradox perspective contribute to understanding and coping with paradoxical tensions in Sustainable HRM?
- How can sustainability be used as a "deliberate strategy" for HRM?

These questions address conceptual, analytical, exploratory, and pragmatic research objectives. The conceptual work of this dissertation is supplemented and extended by an exploratory analysis with the objective of investigating the representation of sustainability as a concept on the websites of European MNEs.

1.4.1 *Conceptual and Analytical Objectives*

Based on the research gaps outlined in Sect. 1.3.3 and on the above questions on research, the following conceptual and analytical key objectives are deduced for this study:

- Open up the notion of sustainability as a concept of theorising for HRM
- Describe and understand²⁰ the sustainability–HRM link
- Compare a sustainability approach to existing modes of theorising in Strategic HRM
- Process the literature on paradoxical phenomena as a lens for theorising on Sustainable HRM
- Develop a Sustainable HRM model
- Develop a conceptual framework for Sustainable HRM from a paradoxical perspective
- Develop a framework for coping strategies in Sustainable HRM

The first research objective of this dissertation is to open up the notion of sustainability for HRM. This objective addresses the lack of development of a theory into the sustainability–HRM link (see Sect. 1.3.3.1). Diverse sustainability definitions have been provided before but application to HR-related questions emerged only recently fuelled by the CSR and political discourses on the topic (see Sect. 1.3). The second objective is to contribute to describing, analysing, and understanding the sustainability–HRM link (see Sect. 1.3.3.1). The third objective of the dissertation is to compare a sustainability approach to existing modes of theorising in Strategic HRM. The three objectives focus on the lack of development of a theory focusing on the sustainability–HRM link, the general neglect of development of a theory in Strategic HRM, and the blind spots in HRM theorising (see Sect. 1.3.3.1). The reason for the first three objectives is to find out whether and why sustainability is appropriate as an approach to extend contemporary Strategic HRM. The assumption that sustainability can induce a new approach or even a paradigm shift for HRM theorising which is based on sustainable management literature (Gladwin et al. 1995; Müller-Christ 2001), can only be explored with a background in knowledge about the impact of the paradigmatic positions on the theorising process in HRM.

The fourth research objective of the study is to process the literature on paradoxical phenomena as a lens for theorising on Sustainable HRM (see Sect. 1.3.3.1). This objective picks up the neglect of prior HRM research to apply paradox theory more systematically although tensions and dualities play a major role in HRM (e.g., Legge 2005). The fifth objective is to develop a Sustainable HRM model which illustrates how sustainability can extend theorising in Strategic HRM. The sixth objective is to apply paradox theory as a lens of theorising on Sustainable HRM and to develop a conceptual framework from a paradox perspective. The concept of

²⁰For the discussion on “explaining” vs. “understanding” see, for example, Opp (2002, p. 66).

paradox operates as an “intellectual tool”²¹ (Dubin 1976, p. 17) to raise awareness for “blind spots” in HRM theory and “to shift the observer’s blind spot to a place where it is less troublesome” (Luhmann 1993, p. 294; translated into English in Luhmann 2005, p. 92).²² In other words, a paradox perspective is applied for raising awareness about the limitations in Strategic HRM and sustainability theory. By making them visible the “blind spots” are potentially manageable.

1.4.2 Exploratory Objectives

As little research has been done on the sustainability–HRM link before (see Sect. 1.3.3.2) and as the key problems addressed are labour shortage, side and feedback effects, as well as strategic tensions (see Sect. 1.2), this study concentrates on a special area of the sustainability–HRM link; on its representation on corporate websites as a means of communication with key stakeholders such as potential employees of the organisation. The theoretical idea behind this is to focus on the “theory of practice” (or theory-in-use), i.e. on assumptions which are raised in corporate practice about the sustainability–HRM link and how these may shape the discourse on the debate. The exploratory part of the study aims at a deeper understanding of the emergence of sustainability in HRM and how the link is represented on corporate websites and in company documents such as sustainability reports.²³ The purpose of this part of the work is to complement and add to the conceptual part.

The first exploratory objective is to improve the understanding about how companies interpret and apply the concept of sustainability. This includes understanding the representations of the definition, understanding, and application of sustainability on corporate websites, i.e. how and why companies justify using sustainability as a concept for HRM. The second exploratory objective is to understand what companies do to communicate the link of sustainability and HRM, how they justify their activities, and to produce examples on the representation of the sustainability–HRM link on corporate websites. More precisely, the objective is to find out how the abstract concept of “sustainability” is linked to HR practices and strategies, i.e. how it is operationalised, and to generate new questions for guiding further research. This provides the link between the reasoning for sustainability outlined in Chaps. 2 and 5 and the exploratory part of the study.

²¹ Concerning theory development objectives, Dubin (1976) differentiates between theory application and theory as an “intellectual tool”.

²² Revisiting the original version of Luhmann’s article, the author of this study would rather translate the sentence as follows: “to shift the observer’s blind spot to another less disturbing place”.

²³ The internet as a medium for companies to communicate sustainability strategies and for sustainability reporting in particular has become of great importance (for example, Isenmann et al. 2007).

The third exploratory objective is to develop a practice-based model on the sustainability–HRM link illustrating the “theories-in-use” or basic assumptions about relationships between drivers of sustainability, objectives, and HR practices linked to sustainability and HRM. Fourth, the exploratory part of the study aims at understanding the role that paradoxes, dualities, and dilemmas play on the websites and what strategies are suggested to cope with them.

1.4.3 Pragmatic Objectives

Although prior research on sustainability and HRM increased the understanding of the importance of sustainability in HRM, it has offered relatively little insight into how sustainability for HRM can be used – what Mintzberg (1987) called a “deliberate strategy”. The academic debate on basic and applied science shows that the relationship between theoretical and pragmatic research objectives is problematic: “Whoever wishes to merge science in practice is faced with the problem [...] that the propositions can be used in a practical-ideologically sense but that they are going to be empirically wrong” (Friedrichs 1990, p 14; translated from German by the author). The pragmatic objective of science also depends on the position in the underlying philosophy of science. For Weber (2004), the pragmatic objective of science is to provide practitioners with the “intellectual preconditions for a change of reality” (p. 1911; translated from German by the author). Friedrichs (1990) asserts that the pragmatic objective of science is to enable a “rational and human life for people” (p. 14; translated from German by the author). In other words, the pragmatic objective is to apply scientific knowledge for practical problem-solving (e.g., Hill et al. 1994).

Overall, the pragmatic objective of this study is to enable better problem diagnosis and to offer a new theoretical lens for problem-solving on talent or labour shortage, side and feedback effects as well as paradoxical tensions. Three pragmatic sub-goals are differentiated. The first pragmatic objective is to raise awareness for the problem-solving potential of sustainability as a concept for HRM. The second objective is a theory-guided critique of HRM “rhetoric” on corporate websites on the sustainability–HRM link; and the third pragmatic objective is to support HR executives in the use of a sustainability perspective as a deliberate strategy for HRM and to make informed choices about coping with paradoxical tensions. Concerning these three objectives, first modest implications for HRM practice are going to be deduced for companies interested in the sustainability–HRM link and how to cope with the tensions.

In summary, the concept of sustainability has the potential to shed new light on core HRM problems, to lead to new answers, and as such embraces new aspects of the “elephant” HRM (see Saxe’s poem in the preface of this work). The meaning of “new” is that the contemporary understanding of and reasoning for sustainability in HRM is extended in this work. Next, the combination of knowledge from sustainability, Strategic HRM and paradox theory is new. Furthermore, inductive exploratory

knowledge is added. However, it is also reflected critically whether the notion of sustainability should be considered just as another management fashion.²⁴ In comparison to prior research (see Sect. 1.3), the overall contribution of this study is:

- An interdisciplinary one by linking three research areas (sustainability, Strategic HRM, and paradox theory)
- A wider conceptualisation of the notion of “sustainability” for HRM by expanding the social responsibility reasoning with the help of an economically rational reasoning and by demonstrating the value of a multi-paradigm view on the sustainability concept
- A transfer of the debate on the reasoning for sustainability from the corporate to the HRM level
- The identification of “blind spots” in Strategic HRM theorising by using the idea of sustainability
- The development of a Sustainable HRM model which helps illustrating and understanding an extended notion of success and paradoxical tensions
- The development of a conceptual framework from a paradox perspective as well as a coping framework suggesting cognitive and emotion-focused strategies for coping with paradoxical tensions
- The application of qualitative content analysis for structuring and analysing the material on corporate websites and in company documents, and finally
- The exploration of the representations of the sustainability–HRM link on corporate websites and the development of a practice-based model of Sustainable HRM

Additionally, this study links knowledge from English and German academic discourses with the objective of raising awareness for the parallelism of these discourses and for potential cross-fertilisations.

1.5 Research Approach and Overview

In this section, the research approach of the study is delineated as well as the underlying ontological, epistemological, and methodological considerations. Ontology refers to a person’s worldview about the nature of organisational phenomena (Guba and Lincoln 2005). Epistemology addresses how knowledge is created about phenomena, i.e. how we know about them (Gioia 2003; see also Ladyman 2002). Methodology is the way the research is conducted, i.e. which research methods are selected to draw together knowledge about the phenomena (Denzin and Lincoln 2005b). The latter is “inevitably interwoven with and emerges

²⁴For a critical reflection on sustainability as a potential management fashion, see Hülsmann (2003).

from the nature of particular disciplines (such as sociology and psychology) and particular perspectives” (Guba and Lincoln 2005, p. 191). In this study, the value of multi-paradigm research is acknowledged (Gioia and Pitre 1990; Lewis and Kelemen 2002) and the approach is chosen to inspire the development of a theory. Seeing that the phenomenon of sustainability is a fairly recent one for HRM research, a conceptual and explorative approach has been chosen. The state of research on sustainability and HRM (see Sect. 1.3) justifies a strong emphasis on a conceptual research approach, on development of a theory, and on supplementing this approach by an exploratory part.²⁵

1.5.1 Reflections on the Position in the Philosophies of Science

In recent years, a “Kuhnian-like shift”²⁶ (Mendenhall et al. 1998, p. 5) can be observed in the social sciences and in fields like HRM research challenging the predominance of logical positivism (see also Guba and Lincoln 2005; Denzin and Lincoln 2005b). Logical positivism is – not only in Europe – no longer regarded as the only acceptable paradigmatic lens from which to study phenomena in management and HRM research (see e.g., Legge 2005). The notion of “paradigm” can be defined as “a general perspective or way of thinking that reflects fundamental beliefs and assumptions about the nature of organisations” (Gioia and Pitre 1990, p. 585). A large number of alternative paradigms have been developed such as relativism, critical realism, and social constructionism (for these and more positions see Guba and Lincoln 2005; Van de Ven 2006). These approaches differ concerning their ontological, epistemological, and methodological views.²⁷ Sources of debate and dispute in the discourse on different philosophies of science are the nature of reality, the knowledge about this reality, the question of whether this knowledge is objective or subjective and if it can be generalised or applies only to a unique context (see also Guba and Lincoln 2005).

In the following paragraphs, the key arguments of these positions are revisited to make the assumptions explicit as relevant for this study. Assumptions of the positivistic view include that social sciences should be formed like natural sciences,

²⁵Theory testing was no objective of this study (see Sect. 1.4).

²⁶Thomas Kuhn (1970) advanced thinking on research paradigms asserting that progress in science is not achieved by continuous change but by radical changes (“revolutionary” processes) where existing paradigms are replaced by new ones. For in depth discussions of Kuhn’s ideas see, for example, Ladyman (2002).

²⁷For overviews and comparisons of different paradigmatic positions: see Gephart (2004), Lewis and Kelemen (2002), Lynham (2000), and Guba and Lincoln (2005). See also the edited volume of Balashov and Rosenberg (2002) for “contemporary readings” (i.e. reprints of important journal articles) on the philosophies of science. For an introduction into the philosophies of science see for example: Chalmers (2001), Chmielewicz (1979), Denzin and Lincoln (2005b), Ladyman (2002), Seiffert (1973).

that there is one appropriate methodology for all sciences (methodological monism), that linear cause–effect laws can be isolated in social systems with the help of logical, theoretical frameworks and with the ultimate goal of predicting human behaviour or behaviour of social systems, and that these predictions are vastly independent of time and space (universal truth) (see Flämig 1998; Guba and Lincoln 2005; Mendenhall 1999).²⁸ HRM literature is at least “implicitly” positivist (Legge 2005).

Critical realism and relativism are two of the positions challenging logical positivism (Van de Ven and Poole 2005). Critical realism is based on the assumption that a “real world” exists independent of human minds and that there is a “truth” to be discovered (see Denzin and Lincoln 2005b). However, it is acknowledged that the knowledge produced about phenomena is socially constructed, that any research is value-laden, not true in an absolute sense, and that conceptual models present only partial accounts of reality, influenced by the perspective and interests of the model builder (Van de Ven and Poole 2005; see also McKelvey 1997). Relativists assume that truth is observer relative (Gioia 2003). This makes it problematic to test “the truth” “because the external world does not exist beyond that which is perceived and socially constructed by individuals and cultures” (Van de Ven and Poole 2005, p. 1396).

Social constructionists agree on the relativist assumption that knowledge and meanings are subjective and observer-dependent. They add that this knowledge is created in a “social” or collective process (Berger and Luckmann 1967; Czarniawska 2001). There is no objective truth to be discovered in these constructed phenomena but actors create them subjectively to make sense of realities (Dey 2002). This creation is subjective in the sense that individuals have limited and incomplete knowledge as they create their worlds collectively and compose phenomena socially through talk and text. Mir and Watson (2000) specify this position by saying that “Constructivism does not question the existence of phenomena but rather our ability to understand them without a specific theory of knowledge” (p. 943). From a social constructionist perspective, these constructs are influenced by and influence the discourses of those parties or communities from which they originate (Czarniawska 2001; Gioia 2003; Pozzebon 2004). In conclusion, scientific knowledge is contextual and this context has to be borne in mind when conducting a research study.

A tolerant position (Guba and Lincoln 2005) perceives positivism as one of several but not necessarily dominant paradigmatic lens (see also Dörner 1994; Mendenhall 1999) – a position which is highly contested among positivists and

²⁸The advantages and limits of the positivistic view have been discussed at length (see for example, Denzin and Lincoln 2005b; Ghoshal 2005; Guba and Lincoln 2005; Hill et al. 1994; Knights 1992; Mendenhall 1999). However, the kind of criticism differentiates widely. For instance, it has been contested that analogies between social sciences and natural sciences are often reductionist, mechanistic, and misleading (Flämig 1998). Also the assumption of linear cause-effect laws in HRM has been questioned by researchers building on the insight that input and output processes are non-linear (for example, Mendenhall et al. 1998).

also among some critical scholars (see Denzin and Lincoln 2005b). Dörner (1994) argues that positivism is just one possible way of developing theory – useless if the boxes of the model are interrelated by feedback effects and therefore just applicable for certain research objects and subjects. And, Guba and Lincoln (2005) assert: “There is great potential for interweaving of viewpoints, for the incorporation of multiple perspectives, and for borrowing, or *bricolage*, where borrowing seems useful, richness enhancing; or theoretically heuristic” (p. 197; italics in original).

Many scholars have pointed out the value of pluralistic, multi-disciplinary, and multi-paradigmatic views on organisational aspects, social phenomena (e.g., Lewis and Kelemen 2002; Möllering et al. 2004; Van de Ven 2006), and HRM (e.g., Brewster 1999; Mendenhall 1999). The main reason for this is that accepting just one paradigm or method does not seem to reflect the complexity and nature of social phenomena and as such does not grasp all relevant facets of the metaphorical “elephant” (see also Mendenhall 1999; Starbuck 2004; Van de Ven 2006). The elephant poem chosen as a preface in this book suggests that there is a social “reality” but that the descriptions and interpretations (theories and models) are socially constructed, i.e. that they are subjective and hold different meanings for different parties. Different research problems and contexts require different paradigms and methods.

Recently, “interbreedings” of divergent paradigmatic positions have been observed evolving from the work of researchers from different paradigms (Guba and Lincoln 2005). Scholars have advanced this line of thinking by suggesting multi-paradigm enquiries (e.g., Gioia and Pitre 1990; Lewis and Kelemen 2002; Lynham 2000). Lewis and Kelemen (2002) suggest that multi-paradigm enquiry is characterised by an “accommodating ideology”, by a “stratified ontology”, and by a pluralist epistemology (p. 258). Accommodating ideology means that different paradigmatic perspectives are valued, paradox and plurality is explored, and their potential to inform each other toward more encompassing theories is recognised. Stratified ontology refers to the assumption that there are multiple dimensions of reality, and pluralist epistemology is characterised by the application of divergent paradigmatic lenses and by reflecting on organisational tensions and encouraging greater reflexivity (Lewis and Kelemen 2002).

To reconcile and accumulate knowledge created from various paradigmatic backgrounds researchers who can act as mediators or brokers across different paradigmatic lenses, are needed – a role which has also been described as “umbrella advocates” (Hirsch and Levin 1999).²⁹ Hirsch and Levin (1999) contrast umbrella advocates (scholars with a broader perspective) with scholars whom they call “validity police” (scholars calling for a narrower perspective and more rigorous standards of validity and reliability). The author of this study attempts to find a way

²⁹ Möllering et al. (2004, p. 5) adapt the term “umbrella advocates” from Hirsch and Levin (1999) and introduce it into trust research. The author of this book is of the opinion that this notion can also be transferred to HRM or sustainability research.

to mediate across different paradigmatic and theoretical perspectives when studying the phenomenon of sustainability in HRM.

One of the challenges multi-paradigm enquiries face (see Lewis and Kelemen 2002) has been discussed in the “incommensurability” debate (see Scherer 1998). “Incommensurability” refers to “lack of common measure” and is a term used to describe the assumption that contributions from different paradigmatic backgrounds are not comparable (see, e.g., Kuhn 1970; Ladyman 2002).³⁰ Critical scholars have asserted that different paradigms are not comparable (see Ladyman 2002), and it is recommended that studies should be consistent with regard to their epistemological, ontological, and methodological positions when it comes to development of theories (Gioia and Pitre 1990; Lynham 2000) or the assessment of qualitative research (Johnson et al. 2006). The tensions multi-paradigm research can create are reflected in the following quote from Lewis and Kelemen (2002):

Multiparadigm inquiry values the prescriptions offered by modern paradigms, yet simultaneously disavows the claim to a singular truth. This does not imply some idyllic, ‘best-of-both-worlds’ approach. On the contrary, multiparadigm researchers live in a glasshouse open to attack from modernists and postmodernists alike. (p. 259)

However, the promise of a multi-paradigm perspective – a more comprehensive picture of the research object and a more reflective approach to research (Gioia and Pitre 1990; Lewis and Kelemen 2002) – seems to be worth taking the risk. The following section outlines how a multi-paradigm perspective has inspired the process of developing theory in this study.

1.5.2 Theory Development Approach

The theorising process of this work operates at two different levels: First, at a meta-theoretical level where theory on theorising (e.g., Gioia and Pitre 1990; Lewis and Grimes 1999; Weick 1999) is used to guide and reflect on the process because organisation theory has a longer tradition of theory development than HRM research (see Wright and McMahan 1992) and because of the position in the philosophies of science (see Sect. 1.5.1). Second, at the content level the theoretical concepts of paradox, duality, and dilemma are chosen as a basis for “interim struggles” on theory development and as a lens for theorising on Sustainable HRM. The term “theorising” is adapted from Weick (1995, p. 385). In that article, Weick raised the concern that theorising is the process and theory the product of this process. He understands theorising as an “interim struggle in which people intentionally inch toward stronger theories” (p. 385). Approximations (like

³⁰For problems of incommensurability in Strategic Management and organisation theory and for solutions of how to cross paradigmatic boundaries: see Scherer (1998). This idea has also been used to support relativist positions about the influence of scientific communities on what is regarded as “true” scientific knowledge (Ladyman 2002).

frameworks), references, data, lists of variables, or diagrams are not theory but part of these interim struggles (Weick 1995). In consequence, using the concepts of paradox, duality, and dilemma to advance theorising on Sustainable HRM must be interpreted as being part of these interim struggles.

At the meta-theoretical level, this study has been influenced by the idea of a multi-paradigm approach to theory development. Three reasons have substantiated this choice: First, HRM is a multi-paradigmatic and multi-theoretical field – influenced by the disciplinary lenses of psychology, economy, and sociology (Jackson and Schuler 1995; McMahan et al. 1999)³¹ and the value of different paradigms for HRM has been observed (Brewster 1999; Lynham 2000). Second, a multi-paradigm approach is consistent with a pluralist and paradox perspective (Lewis and Kelemen 2002) chosen as a lens for theorising here. The third reason is the problem-focused approach to theory development chosen in this study. Weber and Kabst (2004) propose a problem-oriented approach to theory development which implies theoretical diversity for the field of HRM (see also Boselie 2002; Martin 2004; Weber 2004).

The objectives of multi-paradigm enquiry are twofold: “(1) to encourage greater awareness of theoretical alternatives and thereby facilitate discourse and/or inquiry across paradigms and (2) to foster greater understandings of organizational plurality and paradox” (Lewis and Kelemen 2002, p. 258). Building on Lewis and Grimes (1999), Lewis and Kelemen (2002) suggested three potential ways for a multi-paradigm enquiry: multi-paradigm reviews, multi-paradigm research, or metaparadigm theory building. Multi-paradigm research has not been chosen because of the primarily conceptual nature of the study. Metaparadigm theory building addresses the possibility to develop theory from diverse paradigms by portraying theoretical tensions (Lewis and Grimes 1999; Lewis and Kelemen 2002; Gioia and Pitre 1990). Multi-paradigm review refers to raising paradigm consciousness by conducting (Poole and Van de Ven 1989) and by appreciating the insights and blinders of opposing viewpoints or alternative lenses (Lewis and Kelemen 2002).

This study links literature from three different fields of enquiry: sustainability, HRM, and paradox theory.³² The multi-paradigm review approach has been chosen for the second and third chapter of this study. In Chap. 2, different interpretations of sustainability are juxtaposed (normative and rational positions) and their respective merits are outlined. The normative as well as the economically rational discourse on sustainability are taken into account and compared. This is potentially a difficult position because the demand for “value-free” research is widespread in the German language HRM and management research and goes back to Max Weber (Drumm 1996). Amongst German scholars, this has also contributed to a rejection of

³¹ Martín Alcázar and colleagues (2005b) have called this pluralism an “explosion of approaches” (p. 634). Critics of this multiplicity have raised concerns that too many different perspectives and types of studies make it more difficult to compare research and results within a field like HRM (see also Backes-Gellner 2004; Schauenberg 2004).

³² It has been observed that interesting and important innovations in research happen at disciplinary boundaries (for example, Osterloh and Grand 1995).

research on responsibility-related issues in management research. For instance, Hansen and Schrader (2005) assume that CSR has nearly no significance in German business and management literature because this kind of research is generally under suspicion of being “normative” and “non-scientific”, i.e. prescriptive. The authors continue their analysis by stating that responsibility-related research in Germany can even become a career risk for the researcher (Hansen and Schrader 2005). The debate on value-free research is also highly relevant for HRM as the topics are often normative ones.

Concerning the “value-free” perspective of HRM scholars, Drumm (1996) asserts that there is no reason why researchers should not recommend certain ethical positions – if they offer transparency concerning their own value basis. While it is beyond the scope of this study to discuss if research in HRM can be “neutral”³³ or not, it seems worthwhile noting here that sustainability is a highly political topic and that consciously or unconsciously personal belief systems of practitioners and researchers influence the stances taken. The author of this work is aware that her academic experiences and environment, biography, and personal dispositions influence the choice of focus areas in the conceptual and exploratory analysis and that biases in the theory and model development processes cannot be avoided completely. In the third chapter an existing categorisation of paradigms in Strategic HRM and its integration has been chosen. This provides the theoretical foundation for the development of a Sustainable HRM model.

The theoretical perspective chosen for this study in the fourth chapter – paradox theory – is applied as a lens for theorising on Sustainable HRM and as an analytical tool to identify and analyse “blind spots” in the Strategic HRM theories and models. Poole and Van de Ven (1989) recommend to “*Look for theoretical tensions or oppositions and use them to stimulate the development of more encompassing theories*” (p. 563; italics in original). Thus, tensions and inconsistencies in the literature on sustainability on HRM and conflicting implications are used for developing a conceptual framework and model for Sustainable HRM. The theoretical lens or perspective affects which aspects of the “elephant” are being touched and analysed by the researcher as the proverbial blind man (see Preface).³⁴

In an iterative process, the theoretical analysis has been complemented by a qualitative content analysis of websites and company documents of 50 MNEs from 15 European countries. The position underlying this choice is that both experience and intellectual considerations are important for discovering and developing a new theory, i.e. that an inductive and deductive approach are mutually fruitful ways of enquiry. This follows Kant’s idea cited from Weick (1999): “perception without conception is blind; conception without perception is empty” (p. 803). This approach allows:

³³For a critical assessment of a researcher’s neutral stance: see Fontana and Frey (2005).

³⁴While it is acceptable for an individual researcher to apply just one theoretical perspective, it seems desirable and rewarding for a field of research to foster multiple views contributing to a better description and deeper understanding (for example, Jackson and Schuler 1995; Martin 2004; Weber and Kabst 2004).

- Reaching the central objective of developing a model for Sustainable HRM and theorising on it from a paradox perspective (see Sect. 1.4.1)
- Linking the theory-based, conceptual part of the thesis to material which represents the understanding of companies on the topic and providing new options for thought and action (see Bortz and Döring 1995)
- Preventing the theory on Sustainable HRM being developed beyond its usefulness for HRM practice
- Experiencing sustainability both as a deliberate and emergent strategy for HRM

This refers also to the distinction of a strategy content and strategy process (see Chia and Holt 2006). The potential content (“what”) of a sustainability approach to HRM is developed in the conceptual part of the study and the process of “how” sustainability emerges in corporate practice is looked at in the exploratory part. The exploratory research design of the study is going to be outlined in the methods (Chap. 6) after the theoretical groundwork has been provided. The theory development approach guides the structure underlying this work.

1.5.3 *Structure of the Dissertation*

This dissertation is structured into eight chapters. Following this introduction, the theoretical foundation is provided in Chaps. 2, 3 and 4. These three chapters make the requirements and theoretical elements available for developing a conceptual framework and model for Sustainable HRM from a paradox perspective in Chap. 5. This deductive process is guided reflectively at a meta-theoretical level. The theoretical part of the study has been complemented iteratively by the inductive, exploratory part of the study followed in Chaps. 6 and 7. These iterative processes focused primarily on comparing what is regarded as relevant in corporate practice and research concerning the sustainability–HRM link. Each chapter starts with an introductory section outlining the key objectives and structure of the chapter. The purpose of these introductory sections is to remind the reader of the research objectives delineated in this chapter and provides a more detailed elaboration on the research objectives and questions. Each chapter ends with a critical summary of the main contributions, preliminary answers to the research questions, and works as a bridge to the next chapter by pointing out the key deficiencies of prior research. The thesis closes with a discussion and conclusion (for an overview of the structure see Fig. 1.1).

In Chap. 2 (*Linking the idea of sustainability to Strategic HRM*), the relevant state of research on sustainability and HRM is presented and the gaps in research outlined in Sect. 1.3.3.1 is addressed. This chapter is concerned with laying the conceptual foundation for Sustainable HRM from the perspective of sustainability-originated research. The first research objective of the study is to describe and analyse what sustainability research has to offer for Strategic HRM and to open up the notion of sustainability as a concept for HRM (see Sect. 1.4.1). For readers with

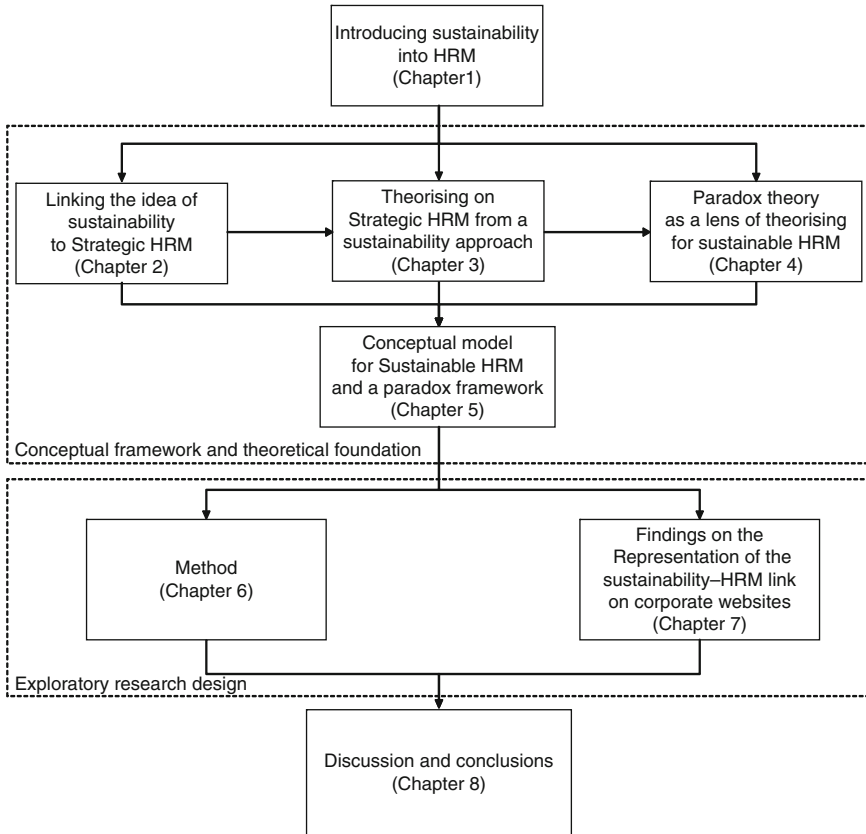


Fig. 1.1 Overview of the dissertation

Source: compiled by the author

an HRM background, the jargon from sustainability literature might not be familiar; therefore, it has been substantiated in this first main chapter. Another reason for outlining the main arguments of the corporate sustainability debate is that sustainability has so far been applied as a concept primarily at the societal and corporate level and has not yet been linked with HRM systematically. Sustainable HRM, however, is concerned with applying sustainability as a concept at the HRM systems and individual level taking also the HRM–environment relationships into consideration. The descriptive basis for the conceptualisation is provided by defining the key terms and concepts on sustainability and HRM. Chapter 2 also starts looking at the second research objective of this study, i.e. at exploring the sustainability–HRM link and at comparing prior literature concerning its commonalities and differences (see Sect. 1.4.1). As prior work on the sustainability–HRM link appeared very recently and as some of it was published in languages other than English, this literature is reviewed in depth because it cannot be assumed that it is

known to a larger audience. The third objective of the chapter is to raise awareness for different interpretations of sustainability and the underlying rationalities or reasoning. The reasoning on how sustainability is interpreted is reviewed based on a categorisation from existing research. This literature reveals two competing rationalities for sustainability: social responsibility and economically rational reasoning. The importance of both rationalities is asserted and different implications are outlined.

Chapter 3 (*Theorising on Strategic HRM from a sustainability perspective*) addresses the ‘research gap’ of making “blind spots” in HRM theorising visible with the help of the sustainability idea (see Sect. 1.3.3.1). This chapter continues contributing to the research objective of analysing the sustainability–HRM link started in Chap. 2. The research objective of the Chap. 3 is to use key ideas on sustainability and HRM to comment on the state of art in Strategic HRM concerning the underlying rationalities, the notion of strategic success, the resource-orientation in Strategic HRM, and how side and feedback effects are considered (see Sect. 1.4.1). The contribution of Chap. 3 is to review the state of art in Strategic HRM literature and to link it to the idea of understanding Sustainable HRM as a concept which aims at sustaining the human resource base and the sources of resources “from within”, built on a notion of strategic success extended by a more encompassing rationality, and which takes the temporal dimension into account as well as the problem of integrating short- and long-term aspects of HRM theorising. The problem awareness for paradoxical tensions and dilemmatic choice situations in HRM is raised in the light of sustainability and leads to the justification of choosing the paradox perspective.

Chapter 4 (*Paradox theory as lens of theorising for Sustainable HRM*) reviews literature on paradoxical phenomena. Paradox, duality, and dilemma are examples for these phenomena – and competing concepts in the literature. The idea to choose paradox theory for theorising on HRM considers the conceptual gaps in research about a general lack of theory development in Strategic HRM and the neglect of considering theory on paradoxical phenomena for theorising in HRM (see Sect. 1.3.3.1). The research objective addressed in Chap. 4 is to process the literature on paradoxical phenomena in a way that makes it useful as a lens for theorising on Sustainable HRM (see Sect. 1.4.1). In Chap. 4, overlaps and differences between the concepts are clarified and the theoretical foundation for developing a conceptual framework for Sustainable HRM is provided. Paradox theory addresses some of the same shortcomings in HRM research which have been raised in the sustainability literature, i.e. the problem of maximising efficiency, going to extremes, dominance of “fit” perspectives and “win–win” assumptions as well as the tensions arising in dilemmatic choice situations. Paradox theory suggests that contradictory opposites or dualities exist in any organisational setting and that the tensions arising from them cannot be avoided or escaped from. Instead, the oppositions and tensions have to be faced and dealt with in order that a company is successful on a long-term basis. The contribution of this chapter is to review the relevant literature on paradoxical phenomena, to distinguish key elements and characteristics for developing a lens to theorise on the dilemmas that have been identified as central

concerns in Sustainable HRM. Together, Chaps. 2, 3 and 4 provide the conceptual basis for a paradox framework on Sustainable HRM.

Chapter 5 (*Conceptual model for Sustainable HRM and a paradox framework*) brings the key contributions of Chaps. 2 and 3 together into a model for Sustainable HRM and adds a paradox as well as a coping framework building on the contributions of Chap. 4. The key objectives of the chapter are to develop a Sustainable HRM model and a conceptual framework for Sustainable HRM from a paradox perspective (see Sect. 1.4.1). The Sustainable HRM model is based on an existing integrative model from Strategic HRM research. Extending this model from a sustainability approach allows viewing some aspects concerning the ability to maintain the HR base from within and concerning the extension of the notion of strategic success. Most importantly, however, the temporal aspect is considered. This provides one important idea linking the model to the paradox framework – because paradoxical phenomena enfold their tensions and ambiguities over time. It is attempted to capture this aspect of paradoxes in the conceptual framework. First coping strategies for the key paradoxes in Sustainable HRM are deduced. In the next step, this conceptual model and framework are compared with the understanding of Sustainable HRM as it is represented from corporate practice. Chapter 6 presents the methods for the exploratory part of the study.

In Chap. 6 (*Method*) a qualitative content analysis of websites and company documents from 50 European MNEs of the sustainability network WBCSD has been undertaken to explore representations of sustainability in HRM and to learn more about how companies represent and communicate the link between sustainability and HR activities, about why sustainability is assumed to be important (“theories-in-use”), about which HR practices and strategies are thought to be sustainable, and about how potential dilemmas or tensions on this topic are addressed. This representation does not reflect “real” or “perceived” HR practices (Wright and Nishii 2006), instead, the data can be used to produce examples which can help making propositions for further empirical enquiry. In this chapter, the processes of data collection, qualitative content analysis as well as limitations of this approach are described. It is suggested that the analysis of corporate websites and company documents could serve as an additional (but *not* unique) source for empirical data enquiry and that qualitative content analysis provides an appropriate method for investigating websites.

Chapter 7 (*Findings on the representation of the sustainability–HRM link on corporate websites*) summarises key findings from the qualitative content analysis of websites and company documents. These results address the exploratory gaps in research in the study (see Sect. 1.3.3.2). As sustainability – as it is interpreted in sustainability research – is a relatively recent phenomenon in HRM very little is known about how companies try to apply the concept when linking it to HR-related activities. The key objective of Chap. 7 is to show how the sustainability–HRM link is represented and communicated on corporate websites (see Sect. 1.4.2). In this chapter, an overview is provided on the definition of sustainability, the objectives of using sustainability concerning HR-related topics, the reasoning for linking sustainability and HRM, and HR activities that have been chosen in corporate practice to

convey that companies are interested in this link. Further information is provided in the appendix of this work.

Chapter 8 (*Discussion and conclusions*), summarises key contributions and findings of the study (see Fig. 1.1). All conceptual, exploratory, and pragmatic research objectives (see Sect. 1.4.3) are addressed and the main answers to the research questions are reiterated. Limitations of the study and avenues for further enquiry are depicted. The chapter closes with modest implications for using sustainability as a deliberate strategy for HRM. Due to the nature of the knowledge produced in this work these implications can only be interpreted as preliminary and as the basis for improving research on Sustainable HRM.

Chapter 2

Linking the Idea of Sustainability to Strategic HRM

In the course of recent developments, the topics dealt with in sustainability literature have overlapped with core aspects of the Strategic HRM field (see Sect. 1.3). However, attempts to bridge the gap between sustainability and HRM research have been scarce (see Sect. 1.3.3.1). This chapter focuses on a contribution to fill the gap between sustainability and Strategic HRM literature from the perspective of sustainability research.

2.1 Objectives and Structure of the Chapter

Chapter 2 is the first of three chapters providing the conceptual foundation for a sustainability approach to HRM (Sustainable HRM). The first objective of this chapter is to open up the notion of sustainability as a concept for HRM (see Sect. 1.4.1). However, it is *not* the objective to review the literature on sustainability in the corporate context extensively as this has been discussed elsewhere (e.g. Rainey 2006). Second, the chapter lays the terminological foundation for Chaps. 2 and 3 with regard to key terms and concepts around the notion of Strategic HRM. The third objective is to compare prior literature linking sustainability and HRM concerning their commonalities and differences in order to describe and understand the sustainability–HRM link as it has been interpreted in prior research (see Sect. 1.4.1). The fourth objective of the chapter is to make the reasoning for the link of sustainability to HRM and HR-related problems more transparent, to raise awareness for different interpretations of sustainability and the underlying rationalities and to adapt this reasoning to the application context HRM (see Sect. 1.4.1). Finally, the fifth objective is to describe the links between sustainability and HRM and to develop a working definition for Sustainable HRM as it is conceived of in this study (see Sect. 1.4.1). To achieve these objectives, relevant parts of the literature on sustainability and the state of art of the emerging literature on sustainability and HRM are reviewed and compared. This elaboration allows also assumptions about whether Sustainable HRM is an emerging paradigm or a nascent approach to HRM.

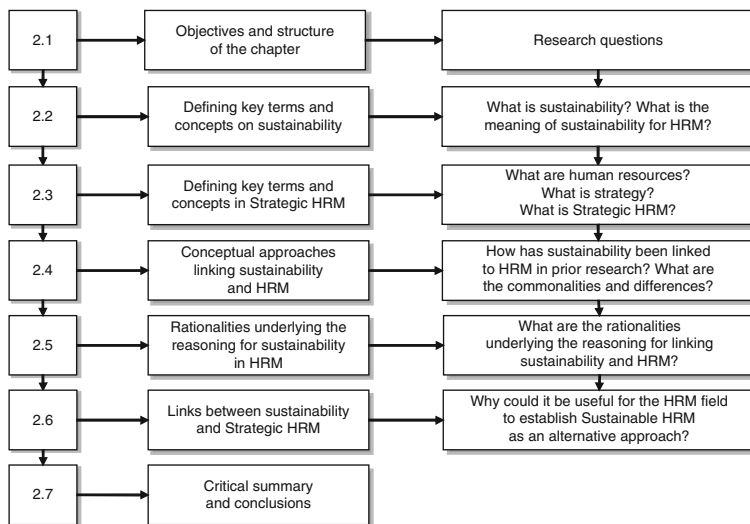


Fig. 2.1 Structure of Chap. 2

Source: compiled by the author

Chapter 2 is structured into seven main sections (see Fig. 2.1). It is based on literature from the societal and corporate sustainability debates, from HR literature that has been influenced by these discourses applying sustainability to HR-related issues, and from Strategic HRM literature. Following this introductory section, the notion of sustainability is defined embedded in its historical development and difficulties in defining the meaning of sustainability are outlined (Sect. 2.2). In the third section, the key terms and concepts of Strategic HRM are defined, i.e. the terms of which this concept is composed and a working definition for Sustainable HRM is provided (Sect. 2.3). Fourth, the links between sustainability and HRM are identified by reviewing and comparing prior conceptual approaches (Sect. 2.4). In the fifth section, the reasoning for sustainability is outlined from the perspective of SRM literature and this categorisation is extended and transferred to a new application context: Sustainable HRM (Sect. 2.5). In the sixth section, the key elements and characteristics of Sustainable HRM are outlined and a working definition for Sustainable HRM is deduced (Sect. 2.6). Finally, the key results of the chapter are summarised, the literature on sustainability and HRM is appreciated critically, and conclusions are drawn for how to extend Strategic HRM by using sustainability as a concept (Sect. 2.7).

2.2 Defining Key Terms and Concepts on Sustainability

The term sustainability is widespread in many sciences (Leal Filho 2000), in political debates, and also in everyday language. In general parlance, the notion of sustainability and sustainable development are used as synonyms for “long-term”,

“durable”, “sound”, and “systematic” (Leal Filho 2000). Etymologically, the terms “sustainable” or “sustainability” can be derived from the Latin word “sus-tenere” (to sustain) with the meaning “to maintain” or “to strengthen”, and with the suffix “able” referring to an ability (see, e.g. Hülsmann 2004a, p. 39). Thus, sustainable development can be interpreted as “the ability to develop, to strengthen, and to maintain from within” (Hülsmann 2004a, p. 39; translated from German by the author). The term “development” indicates that this is a process or an ability enfolding over a period of time. Different meanings of the term sustainability have evolved which can be understood best by viewing them in their historical context and application in management and HRM research.

2.2.1 Historical Development of Sustainability Meanings

It is difficult to analyse from where exactly the term sustainability originated (Leal Filho 2000) and when it appeared first. Early ideas on household sustainability already go back to Aristotle (see Müller-Christ 2001; see also Table 2.1). Aristotle’s concept of a “household” (Greek *oikoi* or *oikos*) was characterised by the ability to produce and reproduce what was needed for a living. This Greek household concept

Table 2.1 Evolution of the notion of sustainability and its diffusion into HRM

Period	Concept	Sustainability application
Approx. 2000	Sustainability as a concept for HRM	Sustainability as an ethical, moral value (“social responsibility”) (e.g. Boudreau and Ramstad 2005; Kira 2003)
1990s	Sustainability as a corporate concept	Sustainability as the balance of resource consumption and resource reproduction (Müller-Christ and Remer 1999) Economic sustainability is insufficient for a company’s sustainability; “Triple bottom line” (Elkington 1997)
1987	Sustainable development as a societal concept	Inter- and intra-generational justice: “Meet the needs of the present without compromising future needs” (WCED 1987)
1980s	Sustainability in the context of Strategic Management	Sustained competitive advantage (Barney 1991; Grant 1991; Porter 1980)
1970s	Sustainability as an ecological and development aid concept	Link between economic growth, environmental problems and human development (Club of Rome: “Limits of Growth”) (Meadows et al. 1972)
12th–19th century	Sustainability as an economic concept	Balance resource consumption and resource reproduction (e.g. forestry sector, fishing industry)
Approx. 400 BC	Household economics’ idea of sustainability	Aristotle’s understanding of household (<i>oikos</i>) as a consumption and (re) production oriented unit (Müller-Christ 2001; Nagle 2006)

Source: adapted and extended from Hülsmann (2004a, p. 41)

differed from modern ones in the way that the *oikos* had to be self-sustaining at least to a certain extent and could not be just consumption-oriented (Nagle 2006). Calendar dates between the twelfth and sixteenth century are mentioned in the literature for the application of the idea of sustainability in the forestry sector (see, e.g. Hülsmann 2003; Leal Filho 2000; Müller-Christ 2001). The sustainable utilisation of wood embraces the idea that the pace and amount of wood production is regulated by and adapted to the natural regeneration cycle of the forest. Sustainability, therefore, has not been “invented in” but only applied consequently to the forestry sector with the idea of sustaining the economically necessary resources (wood) on a long-term basis (Kaufmann 2004).

It is documented that this idea of sustainability spread within Europe in the eighteenth and nineteenth centuries and that it was then applied to other industries (e.g. fishing industry) and in other continents such as Northern America (see, e.g. Hülsmann 2003). In the 1970s, the term sustainability was adopted by the ecological movement concerned with the over-exploitation of natural and environmental resources and linked to the political debate on human development (e.g. Daly 1973). Particularly the first report of the *Club of Rome* raised an awareness for the earth’s limited natural carrying capacity and resources, and the limits of uncontrolled economic and population growth (Meadows et al. 1972; see also their recent update: Meadows et al. 2004). In the 1980s, the notion of “sustainable development” was primarily used with reference to environmental politics.

Today’s popularity of the term goes back to the report of The United Nation’s World Commission on Environment and Development, i.e. the “Brundtland Commission” (WCED 1987). The objective of this report was to develop an agenda for global change and a common future for mankind. The Brundtland Commission defined “sustainable development” as a “development that meets the needs of the present without compromising the ability of future generations to meet their own needs” (WCED 1987, p. 43). The WCED has been concerned with the question of how to advance societal and economic development without endangering natural living conditions. The Commission asserted that sustainable development at the societal level requires simultaneous realisation of an economic, ecological, and social dimension of sustainability (WCED 1987). The Brundtland Commission’s definition has become one of the most often cited and popular ones influencing the practical emergence of further constructs and definitions of sustainability in management theory and practice (for overviews see Anand and Sen 2000; Gladwin et al. 1995; Müller-Christ 2001).

Since its dissemination through the Brundtland Report (WCED 1987) and the UN Conference on Environment and Development (UNCED) in Rio de Janeiro in 1992, the notion of sustainability has been associated primarily with ecological issues in business practice. The dominant understanding of sustainability in practice and research today is still linked to ecological topics and to the impact of business on the natural environment (e.g. WBCSD 2003; see Rainey 2006). Fields of research concerned with these topics are industrial ecology (e.g. Graedel and Allenby 1995), ecological economics (Daly and Farley 2004), or Corporate Sustainable Management (e.g. Bansal 2005; Dyllick and Hockerts 2002; Salzmann et al. 2005). In parallel, but

in a very different application context, business strategists use the term sustainability along with “sustained competitive advantage” (Porter 1980; Barney 1991). In this literature, the focus of what is supposed to be sustained lies on the advantage in comparison to competitors.

In the 1990s, sustainability received increasing attention as a concept for (strategic) management (see Table 2.1). A prominent example is the “triple bottom line” approach (Elkington 1997) which seems to have been widely accepted by companies all over the world (see Dyllick and Hockerts 2002; Rainey 2006). One of the key assumptions of this approach is that financial performance (the “bottom line”) is insufficient for indicating long-term corporate success. Instead, the ecological and social “bottom lines” have to be considered equally (Elkington 1997). An alternative approach has defined sustainability as the balance of resource consumption and resource reproduction (Müller-Christ and Remer 1999). This approach has also included human resources into its elaborations. The emergence of the idea of sustainability for HRM has been (re-)fuelled by the developments in CSR and sustainable management research. First applications have appeared in the literature (see Table 2.1; see also Sect. 1.3).¹

As this brief historical introduction shows, the idea of sustainability has a long history and has been applied across diverse contexts (see Table 2.1).

2.2.2 *Difficulties in Defining the Meaning of Sustainability*

The elaborations in the previous section indicate that one of the difficulties in applying the term sustainability is to consider *what* sustainability means, *what* sustainability refers to and *how* this concept can be explained. The sustainability literature is characterised by abundant lists of sustainability definitions but also by a lack of theory development clarifying the concept of sustainability (Dyllick and Hockerts 2002) and linking it to organisational theories (Müller-Christ 2001). Many authors have tried to define sustainability or sustainable development for the corporate level (for overviews see, e.g. Gladwin et al. 1995), some have lamented that there is no universally accepted definition of (corporate) sustainability (see the overview in Müller-Christ 2001), and many have developed definitions following the Brundtland Commission’s definition. In these sustainability definitions, notions like “needs” and “equity” are used indicating a universalistic and normative view. For instance, Dyllick and Hockerts (2002) define corporate sustainability (CS) as “meeting the needs of a firm’s direct and indirect stakeholders (shareholders,

¹It could also be argued that some HR executives and scholars have “always” been interested in sustainability. The notion of sustainability appears for instance in the dissertation of Wächter (1974) in the context of long-term HR planning (Wächter 1974). Nevertheless, the term does not appear as a concept in the German HRM handbooks (e.g. Gaugler and Weber 1992; Gaugler et al. 2004a), or textbooks (e.g. Berthel 2000; Bisani 1995; Drumm 2000; Harlander 1991; Hentze 1995; Hentze and Kammel 2001; Klimecki and Gmür 2001; Oechsler 2000a; Schanz 2000; Scholz 2000).

employees, clients, pressure groups, communities, etc.), without compromising its ability to meet the needs of future stakeholders as well” (p. 131). However, as indicated, voices have been raised emphasising a more economic understanding of sustainability as a rationale to deal with resources.

Referring to Kuhn (1962), Gladwin and colleagues (1995) assume that sustainability has the potential to induce a paradigm shift in management research: “Yet definitional diversity is to be expected during the emergent phase of any potentially big idea of general usefulness” (p. 876). At that time, the authors predicted that this “debate over the meaning of [corporate; the author] sustainable development will go on, and *should* go on, for a long time” (Gladwin et al. 1995, p. 878; italics in original). Leal Filho (2000) contends that consensus on the meaning of sustainability is unlikely: “The reason for this is rather simple: one’s own definition will be influenced by one’s training, one’s working experience and one’s political and economic setting” (p. 10). Depending on the corresponding objectives and perspectives it may be difficult to find an agreement on *what* is to be sustained (see also Anand and Sen 2000).

One of the difficulties in operationalising sustainability at the corporate level lies in transferring the abstract term sustainability into shared meanings and into measurable processes and outcomes (for a review see Salzmann et al. 2005). But, it is important that policies, practices, and strategies are accepted by stakeholders (including employees) and that shared meanings on sustainability are created. This acceptance might also depend on positive or negative attitudes toward sustainability (see also Leal Filho 2000). As outlined in this section, these shared meanings are currently dominated by a normative understanding of sustainability informed by societal and political debates on CSR. A similar trend can be observed in HRM literature, where the notion of sustainability is interpreted as a “social responsibility” (e.g. Boudreau and Ramstad 2005; Paauwe 2004).

To conclude, the meaning of sustainability depends on the context of its application and the understanding of sustainability in the corporate context is strongly influenced by the political and social debates on this issue. The debate about the meaning of sustainability is an important one because attitudes towards sustainability depend very much on the corresponding understanding and acceptance of the concept, as Leal Filho (2000) has shown for the university context. As it is relevant that the concept is accepted when introducing it into HRM, it seems necessary to dedicate some paragraphs for reviewing the key arguments of the CS debate before turning attention to sustainability and HRM.

2.2.3 Key Elements and Characteristics of Corporate Sustainability

Because of the problems in defining sustainability or sustainable development, Dyllick and Hockerts (2002) have identified key elements and characteristics which they assume help in defining sustainability or more specifically CS. Sustainability in this context refers to the ideas of:

1. Integrating economic, ecological, and social issues in a “triple bottom line” (Elkington 1997)
2. Integrating short- and long-term aspects
3. Consuming the income not the capital (Dyllick and Hockerts 2002, p. 132)

The “triple bottom line” approach is based on three assumptions (Dyllick and Hockerts 2002): The first assumption is that the ecological, economic and social dimensions of sustainability have to be realised simultaneously – at least in the long run – because it is presumed that long-term financial performance is not sufficient for achieving corporate sustainable development (Gladwin et al. 1995; Dyllick and Hockerts 2002). Second, it is assumed that all three dimensions are internally consistent and third, that there is a positive link between environmental, social performance (ESP), and financial performance (FP) (see Bansal 2005). These three assumptions have to be considered and discussed critically with regard to their implications for sustainability and HRM.

In a comprehensive review, Bansal (2005) translates the “triple bottom line” into the notions of environmental integrity, social equity, and economic prosperity and claims: “Each of these principles represents a necessary, but not sufficient, condition; if any one of the principles is not supported, economic development will not be sustainable” (p. 198). According to Bansal (2005), *environmental integrity* aims at ensuring that natural resources are not overly exploited by human activities, and individual companies can contribute to this objective by establishing a corporate environmental management and by reducing their environmental impact. *Social equity* refers to intra- and inter-generationally equal access to resources and opportunities. This builds on the concept of “needs” introduced by the WCED (1987) and includes also human needs such as good quality of life, health care, education, and political freedom (Bansal 2005; see also Sect. 2.2.1). The author suggests that social equity can be achieved through CSR at the corporate level. CSR involves tasks such as stakeholder management or social issues management (Wood 1991). The objectives of stakeholder management are to build strong stakeholder relationships, to embrace stakeholder interests in decision-making, and to distribute “equitably” the value created by the company (Bansal 2005, p. 199). Social issues management addresses topics such as rejecting child labour or socially undesirable goods and acting in societal interests (Bansal 2005). Finally, *economic prosperity* is supposed to be achieved by creating value, i.e. “by improving the effectiveness of [...] goods and services efficiently” (Bansal 2005, p. 200) and also by capturing this value and distributing it to consumers, shareholders, and employees (Bansal 2005).

The second assumption is that the ecological, social, and economic dimensions are internally consistent which – according to empirical findings from Rondinelli and Berry (2000) – has been widely accepted in MNEs (Bansal 2005). Reviewing the literature in Sustainable Management, Müller-Christ (2001) comes to a similar conclusion and observes that to his surprise “there is no real rejection of this formula of consensus although its transfer into practice has turned out to bring about great difficulties” (p. 48; translated from German by the author). Hülsmann (2003) adds to this debate stating that the assumption of consistency is in line with the “fit assumption” in Strategic Management research. Both authors criticise the

consistency or fit assumption has too readily been made in management practice and research (see Müller-Christ and Hülsmann 2003a).²

The third assumption in CS literature is that there is a positive link between environmental, social performance (ESP), and financial performance (FP) (see Bansal 2005). This debate has become known as the “business case”³ for CS (e.g. Epstein and Roy 2001; Salzmänn et al. 2005). Central scholarly concern is to explore whether and when CS contributes to increased corporate performance. The core objective of these efforts is to “seek justification for sustainability strategies within organizations” (Salzmänn et al. 2005, p. 27). Different propositions have been suggested for a negative, neutral, or positive relationship between environmental/social performance (ESP) and financial performance (FP). Another position suggests an inverted U-shaped relationship with an optimum of ESP. Salzmänn and colleagues (2005) have compared empirical and descriptive research in this area and conclude:

Results of instrumental studies suggest that the FP-ESP relationship is complex and contingent on situational, company- and plant-specific factors that are difficult to detect through most analytical approaches. Furthermore, the issue of the causal sequence between FP and ESP remains unresolved. (p. 30)

Besides methodological difficulties such as incomparability of concepts and measures (see also Griffin and Mahon 1997), this stream of research faces the very complex nature of describing and measuring CS and the problem that “the economic value of more sustainable business strategies is a lot more elusive, since it only materializes in the long-term” (Salzmänn et al. 2005, p. 33). The second key element, the idea of integrating short- and long-term aspects addresses an overly excessive preoccupation with short-term financial performance, particularly at stock markets (see also Dyllick and Hockerts 2002). It is recommended that both short- and long-term developments should be anticipated and considered in corporate decision-making processes. This is also a strategic and proactive element of sustainability as a concept for individual companies. The third key element, to consume the income not the capital addresses the resource- and capital-oriented aspect of sustainability, i.e. the systematic, long-term use of a company’s financial, social, and natural capital (Dyllick and Hockerts 2002) or resources (Müller-Christ 2001).

2.2.4 Implications for the Notion and Nature of Sustainability for HRM

Prior interpretations of sustainability focused primarily on the societal and corporate level (see Sect. 2.2.1). The literature on sustainability and HRM expands the

²Similarly, Moldaschl and Fischer (2004) doubt that the fit assumption is appropriate by referring to the “disequilibrium” assumption from a social constructionist perspective.

³Dyllick and Hockerts (2002) argue that the “business case” is not enough but that companies need to pursue also the “natural case” and the “societal case” as the deterioration of natural and societal capital is irreversible and only to a limited extent substitutable.

level of analysis to the individual (e.g. Docherty et al. 2002c) and HRM systems level (e.g. Thom and Zaugg 2004). Sustainability scholars acknowledge interdependencies between societal, corporate, HRM, and individual levels of analysis (e.g. Docherty et al. 2002c; Zaugg 2006). In corporate sustainability literature, the social dimension of the concept is often used synonymously with the terms CSR or (business) ethics (Jones-Christensen et al. 2007). However, Jones-Christensen and colleagues (2007) argue that although there is some overlap among the three concepts (sustainability, CSR, and ethics) substantial distinctions amongst them have to be considered. Sustainability can be differentiated from ethics in the sense that the latter focuses on moral or ethical problems in the business context. Business ethics can be defined as:

A form of applied ethics that examines ethical rules and principles within a commercial context; the various moral or ethical problems that can arise in a business setting; and any special duties or obligations that apply to persons who are engaged in commerce. (Jones-Christensen et al. 2007, p. 351)

The overlap between sustainability and CSR is created by the focus on side and feedback effects (also called “impacts” or “externalities”) of corporate actions. Jones-Christensen and colleagues (2007) define CSR as “The voluntary actions taken by a company to address economic, social and environmental impacts of its business operations and the concerns of its principal stakeholders” (p. 351).⁴ Overlaps with regard to research areas such as CSR or ethics are considered in this study, if these overlaps are regarded as relevant for the conceptual and exploratory parts.

Sustainability and HR issues have also been linked in the CSR literature, however to the author’s knowledge not systematically (see also Whetten et al. 2002). Seeing the difference between the concepts of sustainability and CSR, this literature has only been taken into account where overlaps to the topic sustainability and HRM were observed. Drumm (1996) has pointed out that ethics is not only relevant for HRM practice and research when managers make decisions following certain ethical values but also “when employees share these norms and expect HR executives to act accordingly” (p. 11; translated from German by the author). He interprets the latter as rational behaviour on the part of HR executives as a contribution to recruiting and retaining employees (Drumm 1996; see also Sect. 1.2.1).⁵ In that sense,

⁴For reviews on CSR see, for example, McWilliams, Siegel, and Wright (2006), Salzmann et al. (2005) and van Marrewijk (2003). For CSR and ethics see also: The European Academy of Business in Society (EABIS) <http://www.eabis.org>; The European Business Ethics Network (EBEN) <http://www.eben.org>; The International Society of Business, Economics, and Ethics (ISBEE) <http://www.isbee.org>; Responsible Business Forum <http://www.responsiblebusiness.pl>; The Prince of Wales International Business Leaders Forum (IBLF) <http://www.iblf.pl/cms/english/index.html>; Institute for Global Ethics, USA, <http://www.globalethics.org>; <http://www.csrplatform.org>.

⁵It should be noted here that “ethics” or what is regarded as “ethical” is not necessarily universal across different cultures because of underlying diverse values, assumptions, and worldviews. Palazzo (2000), for example, illustrates these differences exemplarily for US-American and German positions in business ethics.

sustainability as a social responsibility or value is regarded in this study as being relevant for attracting and retaining employees.

This study focuses on aspects of economic and social sustainability touching key HRM tasks; environmental sustainability is not addressed. Instead, the general idea of how companies treat people or the “human resource” is relevant for this work and also if and in which way sustainability as a concept could contribute to solving practical HR problems. In this sense, sustainability is conceived of as the idea of balancing consumption and reproduction of the past, current, and future human resources of an individual company (see Sect. 2.2.1). The reason for choosing this definition of sustainability lies in the potential expected for HRM theory development. This understanding is not regarded as a superior interpretation or perspective to competing definitions of the term. Other interpretations of sustainability are also taken into consideration when the analysis takes the practice-perspective into account. In the next section, the most important definitions are provided to start laying the descriptive foundation for linking the notion of sustainability to Strategic HRM (see Sect. 2.1).

2.3 Defining Key Terms and Concepts on Strategic HRM

The term “Strategic HRM” is constituted of the components “strategic”, “human”, “resource”, and “management” which are going to be defined for this work in this section. Building on sustainability and HRM research, a working definition for Sustainable HRM is developed.

2.3.1 *The Notion and Nature of Human Resources*

A general understanding of the term “resource” interprets it as “something that the organization can draw upon to accomplish its aims” (Helfat et al. 2007, p. 4) which, according to the authors, is in line with the use of the term in English dictionaries. According to the Oxford English Dictionary (OED) a resource is (a) a means of supplying some want or deficiency; a stock or reserve upon which one can draw when necessary; (b) possibility of aid or assistance; (c) means that can be used to cope with a difficult situation; and (d) a capability in adapting means to ends, or in meeting difficulties.⁶ As further definitions in this section will show, the definition of the term “resource” in the OED is broader than in Strategic HRM literature. The OED meanings of the term leave ends open for which resources can be used – but in Strategic HRM, the term resources is usually linked to the purpose of firm performance.

⁶Oxford English Dictionary, online version <http://dictionary.oed.com> (accessed 24/10/2007).

In his resource-based view, Barney (2002) defines firm resources as “all assets, capabilities, competencies, organizational processes, firm attributes, information, knowledge, and so forth that are controlled by a firm and that enable the firm to conceive of and implement strategies designed to improve its efficiency and effectiveness” (p. 155). The author differentiates four categories of resources: financial, physical, human, and organisational capital. He defines human capital as including “the training, experience, judgment, intelligence, relationships, and insight of individual managers and workers in a firm” (Barney 2002, p. 156). Hatch and Dyer (2004, p. 421) distinguish between human resources as “workers” and human capital as their “knowledge and skills”. However, in this study human resources are conceived of as referring to more than just the present employees of a company as expressed in Schuler and Jackson’s (2006) definition:

Human resources are all of the people who currently contribute to doing the work of the organization, as well as those people who potentially could contribute in the future, and those who have contributed in the recent past. (p. 13; italics in original)

The difficulty with the term “human resource” is that it might be interpreted in a way that suggests that people are objects, means, and goods (Martin 2003) which can be “bought” on factor markets like other resources. But, Brewster and Larsen (2000) assert that the components “human” and “resource” point towards a unique corporate resource:

this particular resource is not like others: it has needs, wants and can respond and react. It cannot be treated in the same way as a material input, property or sources of energy. It has to be managed differently. (p. 11)

Human resources in this sense are characterised as active subjects; a view which is not always shared in HRM literature.⁷ Human resources cannot be “owned” by companies (Helfat et al. 2007), they are mobile, have their own goals (e.g. career and private objectives) and need time to recover and regenerate which can vary individually. Paauwe (2004) asserts that the concept behind the notion “human” “refers to human beings, who want to be treated in a humane way” (p. 4). Although this quote reveals a value-laden position, it points towards one of the complexities and paradoxes for HRM in treating human resources as a “resource”. Brewster and Larsen (2000) depict what they perceive as a duality of the term human resource:

it can be interpreted either as a scarce, valuable and non-replaceable factor – to be developed and cherished – or as a “dead” production factor in line with capital and physical resources – to be exploited as hard as possible and discarded when not immediately useful. (p. 11)

The understanding of human resources in this work follows the first assumption, i.e. the idea behind this is that human resources are strategically of critical importance for HRM (see also Colbert 2004).

⁷For a critical account of this see Martin (2003b).

2.3.2 *The Notion and Nature of Strategy*

There is no universally accepted definition of what is “strategic” or of “strategy” (Mintzberg et al. 2003; Welge and Al-Laham 2003; Wolf 2004). According to Bracker (1980), the word strategy is often traced back to its etymological Greek roots *strategos* meaning “military leader” which again comes from *stratos* (the army) and *agein* (to lead) (Staehle 1999; Welge and Al-Laham 2003; Whittington 1993). Alongside the military meaning and interpretations of the term strategy it was also adapted early on to describe and develop the behaviour of firms (Mintzberg 1987). Staehle (1999) notes that both the army and economy need to deal with the challenge of utilising scarce resources to reach certain objectives in order to “win” or to remain competitive.

In management research, the notion of strategy became increasingly prominent after its introduction into the business policy courses at the Harvard University in the 1960s. Also Neumann and Morgenstern’s application of the term in their mathematic game theory has added to the diffusion of the concept (Bracker 1980). A dominant view in strategy research and practice today is the “classical approach” or “rational planning approach” (Macharzina 2003; Welge and Al-Laham 2003). The rational planning approach dominates management practice and research (Macharzina 2003). The proponents (e.g. Chandler 1962; Ansoff 1965, 1979) understand strategy as a combination of multiple individual decisions with the objective of achieving an alignment or strategic “fit” between the organisation and its environment. The strategic fit is supposed to be achieved by identifying the strength and weaknesses of the company for seizing the opportunities and avoiding the threats in its organisational environments (SWOT-analysis). The decisions are hierarchically structured (means-ends-relationship). Strategies are deduced from corporate objectives and serve as “means to reach ends” (see, e.g. Macharzina 2003).

Several authors have identified characteristics of the term “strategic”. For instance, Scholz (1987) identified the characteristics “relevance” (emphasis of what is important), “simplification” (focus on some key aspects), and “proactivity” (pursuit of acting in good time). Like many authors of the classical approach to strategy, Staehle (1999) uses the term “proactive” synonymous to “planning”. In this view, strategic actions are long-term oriented, environment-oriented, systematic, and holistic (e.g. Staehle 1999). Knights (1992) puts forward the idea that the rational planning approach (e.g. Michael Porter’s work) is attractive to managers because:

it contributes to the transformation of management practice into an expertise that is supported by knowledge. As a rational basis for managerial prerogative, this expertise provides some illusion of control, legitimacy, and security in the face of uncertainty. (p. 527)

Scholars who research strategy empirically, however, have criticised the rational understanding of strategy as being too narrow. One of the difficulties here is that the relationship between corporate objectives and strategies is one of the most disputed questions in strategy research (Macharzina 2003). The second problem is that the dynamical organisational environments make it impossible to pursue strategies in

the sense of exact plans for years or decades to come. Instead, Macharzina (2003) suggests interpreting strategies as “master plans” which have to be adapted when organisational environments change. Scholars around Mintzberg have proposed a more pluralistic view, stating that in reality strategy has many appearances. Whittington (1993) criticises the assumption that managers are prepared and able to rationally plan long-term profit-maximising strategies has been too readily made. Mintzberg (1987) distinguishes five different meanings of the strategy concept; strategy as a plan, a pattern, a ploy, a position, and a perspective (Mintzberg et al. 2003, p. 3–8):

- (1) Strategy as a plan (intended) refers to consciously intended actions or guidelines which are made in advance of a situation where action needs to be taken
- (2) Strategy as a pattern (realised) is defined as consistent behaviour over time
- (3) Strategy as a ploy means pretending certain actions to outmanoeuvre competitors
- (4) Strategy as a position refers to a company’s position in its organisational environments and to how the company matches with (or “fits” into) its internal and external context
- (5) Strategy as a perspective subsumes a company’s basic way of doing things

However, not all intended strategies are realised, therefore, Mintzberg (1987) proposes to differentiate between *intended* and *realised* strategies. Again, realised strategies are not always intended; instead they are somewhere between the continuum of *deliberate* and *emergent* strategies (Mintzberg et al. 2003). Very rarely can plans be realised in the same way as they were intended to; rather strategy realisation includes many unanticipated or unforeseen aspects and some strategies are not realised (*unrealised* strategies). This meaning of “strategy” is adopted in this study acknowledging that strategy has multiple facets in corporate practice. It includes the understanding that realised strategies cannot be planned rationally and all-encompassingly in advance. It implies that under changing conditions in their relevant environments companies cannot always match their environments perfectly. In this study, a difference is made between sustainability as an “emergent” and a “deliberate” strategy for HRM. The emergent part is dealt with in the exploratory part of the study and the deliberate one in the conceptual part. This refers also to the distinction of a strategy content and strategy process (see Chia and Holt 2006). The potential content (“what”) of a sustainability approach to HRM is developed in the conceptual part of the study and the process of “how” sustainability emerges in corporate practice is looked at in the exploratory part.

Based on the five different meanings of the term strategy, Mintzberg and Lampel (1999) classify different strategy formation schools known as “ten schools of thought” (adapted from Mintzberg et al. 2003, p. 22–26):

- (1) The design school understands strategy as “a process of conception” of managers by scanning organisational environments for opportunities and threats.
- (2) The planning school defines strategy as “a formal (planning) process” and is dominated by systems and cybernetics theorists.

- (3) The positioning school refers to strategy as “an analytical process” and is mainly influenced by industrial economics and concepts such as Porter’s (1980) five forces model.
- (4) The entrepreneurial school assumes that strategy is “a visionary process” and the leader of an organisation plays a key role in identifying future opportunities of growth.
- (5) The cognitive school deems strategy as “a mental process” formed in the mind of strategists by frames, mental maps, or schemes influencing how organisational environments are dealt with.
- (6) The learning school considers strategy as “a (stepwise) emergent process” which is collectively formed over time in mutual adjustments between outside events and internal decisions.
- (7) The power or political school emphasises strategy as “a process of negotiation” between interest groups within and between organisations.
- (8) The cultural school conceives of strategy as a “social process” based on shared beliefs and meanings.
- (9) The environmental school perceives strategy as a “reactive process” to forces in organisational environments to which the organisation must respond to survive.
- (10) The configurational school broadly defines strategy as a “process of transformation”.

The first three of these schools of thought are prescriptive and based on the assumption that organisational environments are “manageable” through appropriate and rational managerial analysis and action. Mintzberg’s next six schools of thought are more descriptive (Mintzberg et al. 2003). The tenth school of thought represents Mintzberg’s attempt to offer an integrative view for Strategic Management research.

Paauwe (2004) draws several conclusions from Mintzberg’s (1989) schools of thought (see Sect. 2.3.2) for the relationship between strategy, HRM, and performance. First, that there is no “best way” of how strategies are formed in practice or how they need to be formed. Instead, strategy formation depends on the “specific circumstances, which will make a certain configuration of context, strategy, structure, and process effective” (Paauwe 2004, p. 16). Second, cause–effect linkages are difficult to understand because of feedback loops between HRM and other parties involved both inside an organisation and outside of its boundaries. Third, power relations, culture, and environmental or institutional forces are influencing the relationship between HRM and performance (Paauwe 2004). Despite the importance of linking strategy and HRM research, the understanding of “strategy” in HRM is widely outdated (Brewster and Larsen 2000) and has not followed the field’s recent developments (for an overview on these developments see, e.g. Thomas et al. 2006).⁸

⁸Recent research on strategy has considered a “practice-turn” (see, e.g. Chia 2004) as an answer to dominant institutional and resource-based approaches. Some authors also make a plea for a post-Mintzbergian research agenda on strategy: Whittington (2004), for instance, proposes to study formal strategy-making more seriously than Mintzberg.

The rational planning approach to strategy and the consequences of this top-down thinking dominate contemporary Strategic HRM.⁹ This has severe consequences for basic assumptions in theory and model development in the field: Legge (2005) points out one of the problems: “Arguably, the act of *consciously* matching HRM policy to business strategy is only relevant if one adopts what, empirically speaking, is the least *realistic* model of the strategy-making process” (p. xvi). Paauwe (2004) especially highlights the fact that the ideas of the positioning school have been incorporated into Strategic HRM conceptions and models (Guest 1997; Schuler and Jackson 1987a, b; Storey 1992, 1995).

2.3.3 *The Notion and Nature of Strategic HRM*

Mintzberg’s (1987) summary of the meanings of strategy in the previous section emphasises that there is no single and universal meaning of what strategies are and how they are being formed. But, in Strategic HRM literature the dominant understanding refers to strategy as a plan or pattern as widely cited definitions in the field show. For instance, Wright and McMahan (1992) define Strategic HRM as “the pattern of planned human resource deployments and activities intended to enable the firm to achieve its goals” (p. 298). This definition does not explicitly include emerging strategies and understands Strategic HRM from a strategic planning perspective. According to Wright (1998), the cited definition focuses on people (human resources) as the primary source of competitive advantage, on practices, etc., to gain this competitive advantage (activities), and on a purpose (goal achievement). In the US-originated HRM literature, this purpose is maximisation of organisational performance (Wright 1998), or a contribution to “*the organization’s vision, mission, goals, and objectives*” (Schuler and Jackson 2006, p. 13; italics in original). Another widely used definition of HRM has been provided by Storey (1995), a European scholar, who asserts that HRM is:

... a distinctive approach to employment management which seeks to achieve competitive advantage through the strategic deployment of a highly committed and capable workforce, using an integrated array of cultural, structural and personnel techniques. (p. 5)

Similarly, this definition focuses on the deployment of the workforce to achieve competitive advantage. In all these definitions, SHRM is directed at achieving organisational goals. Mostly, these goals are related to financial performance criteria and to organisational efficiency and effectiveness. In a recent review on Strategic HRM, Martín Alcázar et al. (2005b) provide an integrative view on the field and define:

⁹Legge (2005) asserts: “the conventional frameworks for integrating business strategy and HRM assume a classical, rationalistic, top-down model of strategy-making that itself is normative rather than empirically grounded and might best be seen as an expression of the Anglo-American hegemony and values of the 1950s and early 1960s” (p. 170).

SHRM as the integrated set of practices, policies and strategies through which organizations manage their human capital, that influences and is influenced by the business strategy, the organizational context and the socio-economic context. (p. 651; italics in original)

Brewster and Larsen (2000) point out the difficulty in pairing the terms human resource (see Sect. 2.3.1) and management. The notion of management itself has several meanings. At least four understandings of management can be differentiated: a functional, instrumental, process-oriented, and institutional understanding (Hülsmann 2003; see also Staehle 1999; Steinmann and Schreyögg 2000). The functional understanding of management refers to the management tasks such as planning, organising, and controlling (e.g. Koontz and O'Donnell 1976; Staehle 1999). The instrumental understanding interprets the notion of management as “the conscious and goal-oriented design of productive social systems” in complex and dynamic environments (Remer 2002, p. 1; translated from German by the author). The process-oriented perspective perceives management as the logical course of actions of leadership tasks (analysing problems and finding solutions), whereas the institutional understanding of management focuses on the institutions, groups of persons, or roles governing a system (see Staehle 1999). There are differences in understanding management as governing a social system (or company) and management as the management of people or human resources.

Brewster and Larsen (2000) suggest using management in HRM in the sense of “the process of *understanding* and *affecting* relationships between individuals, tasks and organizations” (p. 11; italics in original). This understanding of management is also applied in this study because the idea of understanding and affecting relationships corresponds with what is being conceptualised as a Sustainable HRM. With this background in mind and with the objective of investigating how sustainability and HRM have been linked in prior literature (see Sect. 1.4.1), recent literature on sustainability and HRM is going to be reviewed in the next section.

2.4 Conceptual Approaches Linking Sustainability and HRM

The literature linking sustainability and HRM is reviewed in this section with regard to the underlying conceptual model, the contributions to the problems of HR shortages as well as side and feedback effects, and its main contributions and limitations for a possibly emerging school of thought or sustainability approach to HRM. Three major streams of literature have been identified as being influenced by the societal and corporate discourses on sustainability and as applying the notion of sustainability for HR issues: Sustainable Work Systems, a first systematic approach to Sustainable HRM, and Sustainable Resource Management (see Table 2.2).¹⁰

¹⁰Prior versions of this literature review have been presented at international workshops and conferences (Ehnert 2006a, b), and partly published as a book chapter (Ehnert 2007b).

Table 2.2 Comparison of conceptual approaches linking sustainability and HR issues

Approach Category	Sustainable Work Systems (SWS)	Sustainable HRM	Sustainable Resource Management (SRM)	Strategic HRM
Key references	Brödner and Knuth (2002a), Docherty et al. (2002a), Kira (2002, 2003), Huzzard (2003), Moldaschl (2005a), Shani and Docherty (2003)	Thom and Zaugg (2004), Zaugg et al. (2001), Zaugg (2002)	Müller-Christ and Remer (1999), Müller-Christ (2001)	Boudreau and Ramstad (2005), Mariappanadar (2003), Paauwe (2004), Schuler and Jackson (2005), Iles (1997)
Research problem and cause-effect assumptions	Work-related health problems (stress, burnout, etc.) in several European countries (e.g. Sweden, Germany) Assumption that a certain type of "intensive" work makes sick employees	Labour shortage of supply with skilled, motivated people in several European countries; particularly in Switzerland Stress-related absence of employees	Labour shortage of supply with skilled, motivated people despite high joblessness rate in Germany Assumption that the organisation itself contributes to the dysfunction of sources of resources Joblessness, HR shortages, and burnout of employees are interpreted as symptoms of a sick organisational "eco-system"	Talent shortage Externalities of HR deployment and retrenchment, downsizing Enhancing social legitimacy, ethics Assumption that HR practices need to be more "sustainable"
Key objectives of the approach	Understanding of the mechanisms and processes leading to HR exploitation or development Raise awareness for negative side-effects of HR exploitation and self-exploitation (work-related health problems)	Organisational objectives: long-term supply with skilled and motivated HR, sustained competitive advantage Objectives for employees: well-being, employability, self-responsibility and work-life balance	Long-term supply with skilled and motivated HR Raise awareness for dysfunction of sources of HR (e.g. shortage of skilled, motivated HR) under influence of HR activities	Long-term supply with highly qualified talent, sustainable HR strategy Retaining HR
Level of analysis	Individual employee and work systems level	Individual employee and HRM systems level	Individual company and its relationship to environments; HRM is regarded as an organisational sub-system	Workforce: individual employee

(continued)

Table 2.2 (continued)

Approach Category	Sustainable Work Systems (SWS)	Sustainable HRM	Sustainable Resource Management (SRM)	Strategic HRM
Key theoretical foundation	Diverse theories such as stakeholder theory; resource-based socio-economics; stress theories; health psychology	Stakeholder theory; self-organisation theory; competence-based view	Mainly social systems theory, but also co-evolution theory, economic ecology, health psychology	Human capital theory, resource-based view
Sustainability–HRM link	HR development and life-long learning HR health and self-regulation	Employability Rethink understanding of strategic success and dilemma of decision making	Employability Notion of strategic success	Notion of strategic success Talentship, talent segmentation
Elements and characteristics of the approach	Coping at the workplace, trust, vanishing work boundaries Change processes	Supply with HR and talent Manage boundaries between HRM and HR base Downsizing	Work–life balance Trust in employment relationships	Externalities of downsizing and retrenchment
	Several competing approaches with different characteristics such as:	Long-term orientation, strategic, proactive	Downsizing Change processes Long-term orientation, strategic, proactive	Several competing approaches with different characteristics such as:
	Long-term orientation Focus on side and feedback effects	Effect and output-oriented Participative Stakeholder-oriented Competence and knowledge-oriented Flexibility Emphasis of win–win situations	Substance-orientation Emphasis of contradiction between sustainability and efficiency	Long-term orientation Externalities on HR environments

Source: compiled by the author based on the key references

2.4.1 *Sustainable Work Systems*

The literature on Sustainable Work Systems (SWS), conceptualises sustainability as a social responsibility (e.g. Docherty et al. 2002b; Moldaschl 2001, 2005a). The scholars do not try to offer just one truth or “one unified message, but rather, different impressions on sustainability” (Docherty et al. 2002c, p. 12) because they acknowledge that sustainability is a very complex concept. The understanding of sustainability from proponents of SWS follows the assumption that the responsibility for negative side effects of their actions on their stakeholders and on society, for HR exploitation, and development are located in companies (e.g. Docherty et al. 2002a; Moldaschl 2005a).¹¹ An increasingly short-term profit orientation with strategies like downsizing, outsourcing, or contingent work is held incompatible with social and long-term corporate economic objectives of organisations:

At its simplest, management appears increasingly driven by short-term goals of competitiveness. These short-term goals not only pay scant attention to any social issues, but may even be economically counter-productive in the long run. [...] Change is towards greater flexibility in the use of labour. (Docherty et al. 2002c, p. 5)¹²

The central research object in SWS literature is work intensity. Work intensity is assumed as being the cause for work-related health problems (see Table 2.2). Increased globalisation, competition, team work, the development of information and communication technology, uncertainty of employment, self-organised work, and autonomy are identified as some of the determinants for more intensive and flexible work systems contributing to negative outcomes for employees and to “exploitation” or “self-exploitation” of people (Brödner and Knuth 2002a, b; Docherty et al. 2002a, c). The concept of “intensive work systems” (IWS) is diagnosed as consuming human resources physically, cognitively, socially, and emotionally due to high work intensity. Contrary to this concept, SWS that prevent negative outcomes of intensive HR deployment,¹³ and allow regeneration and development of HR are proposed: “Human resources to be fostered include skills, knowledge, cooperation and trust, motivation, employability, constructive industrial relations, and also broader institutional/societal prerequisites, such as training systems” (Docherty et al. 2002c, p. 11). Beyond this core idea, SWS are thought to lead to a balance between working life quality and organisational performance, to “sustainable change processes”, and to employment (Bjerlöv 2002; Docherty et al. 2002c).

¹¹ This assumption is not new and has a long history of controversial debates. In question, is the scope of a company’s responsibility for society and about who decides what social responsibility is: organisations or societies (Whetten et al. 2002)?

¹² Weissenberger-Eibl (2004a, b) analysed how sustainability can be integrated into organisational concepts in highly competitive environments.

¹³ Hatch and Dyer (2004) define HR deployment as the effective use of human capital.

The goal of this stream of literature is to improve understanding of the mechanisms and processes leading to HR exploitation or development (see Table 2.2). Potential solutions are explored from several theoretical perspectives and by using the results from first empirical studies (e.g. Docherty et al. 2002a; Kira 2003). Objectives are to improve employee health and development, to raise awareness for the negative side-effects of what is regarded as HR exploitation and self-exploitation. Examples for these negative side effects are work-related health problems, stress symptoms, work-dependent psychosomatic reactions, burnout, self-exploitation tendencies, increased pressure of time and work pace, increased pressure to perform, eroding trust in employment relations, and blurring boundaries between work and private life (Brödner 2002; Docherty et al. 2002c; Kira 2003). The scholars of SWS assume that these phenomena appear more often than ever among highly skilled, self-determined, highly participating, and autonomously acting employees because they face contradictory and ambiguous demands, experience increased work-related stress, and because not all of them are able to cope with these tensions (e.g. Brödner 2002). The levels of analysis of SWS literature therefore are individual employees and “work systems” which are defined in this literature as the “roles, responsibilities and relationships for getting work done” (Beer 2002, p. xiv; in Docherty et al. 2002a).

SWS literature emphasises on the regeneration and development of human and social resources (Docherty et al. 2002a). Employees should be allowed to grow, to learn, and to use their intelligence and creativity for their work and participate in decision-making processes (Docherty et al. 2002a). At the individual level this growth and development is suggested to be achieved by work experiences making people “stronger”, and at the organisational level the sustainability perspective is supposed to lead to competitiveness and value generation for an organisation’s stakeholders (Docherty et al. 2002c, p. 12) and sustainability from a stakeholder perspective:

Sustainability – as we understand it - encompasses three levels: the individual, the organizational and the societal. Sustainability at one level cannot be built on the exploitation of the others. These levels are intimately related to the organization’s key stakeholders: personnel, customers, owners and society. [...] A prerequisite for sustainability at the system level (individual, organizational or societal) is to achieve a balance between stakeholders’ needs and goals at different levels simultaneously. (Docherty et al. 2002c, p. 12)

Analytical concepts of psychology and stress research such as “sense of coherence” and “salutogenes” (Antonovsky 1987), stress, coping, flow, resource regeneration, or competence have been proposed to understand intensive work systems and to conceptualise regenerative and salutary work (Brödner and Forslin 2002; Brödner and Knuth 2002a; Kira 2002; Latniak et al. 2005). Additionally, a “resource-centred socio-economic” perspective focusing on the “embeddedness” of the firm has been proposed (Moldaschl and Fischer 2004).¹⁴ The purpose of the resource-centred

¹⁴ According to Moldaschl and Fischer (2004, p. 132) socio-economics is no consistent theory but a “movement”, “heuristic framework”, or “paradigm”.

socio-economic approach is to offer a relational definition of resources, to differentiate between resource types, to raise awareness for unintended side effects, and for longer time horizons (Moldaschl 2002; Moldaschl and Brödner 2002; Moldaschl and Fischer 2004; Moldaschl 2005a). Moldaschl (2005a) understands his sustainability perspective as consciously subjective, and value-laden and as critical towards economic actions in capitalist systems. Recent publications continuing this stream of research focus on “sustainable learning”, learning and reflection, handling of intangible resources (such as social capital) in organisations (Boud et al. 2006; Moldaschl 2005a; Shani and Docherty 2003), and SWS in dynamic business environments (Olin and Shani 2003). While SWS literature concentrates on detrimental effects of work life on individuals, the following approach tries taking up a broader stance from an HRM perspective.

2.4.2 Sustainable HRM

According to the author’s knowledge, representatives of the University of Bern, Switzerland, have proposed the first systematic, theoretically and empirically substantiated concept for a “Sustainable Human Resource Management” for Swiss companies (Thom 2002; Thom and Schüpbach-Brönnimann 2003; Thom and Zaugg 2002, 2004; Zaugg 2002; Zaugg et al. 2001). Practical relevance for this approach to Sustainable HRM is deduced from the observation that more Swiss companies have difficulties in finding skilled, motivated people and that an increasing number of employees are absent from work because of stress-related symptoms. The approach is based on the assumption, which is also made in the SWS approach, that people or human resources are “consumed” instead of being developed and advanced (see Table 2.2).

This Sustainable HRM approach is based on the notion of sustainable development as “an economic, social, and ecological thinking and acting which does not endanger the chances to survive (*Lebenschance*) of future generations” (Thom and Zaugg 2002, p. 52) translated from German by the author. In analogy to natural resources and environmental sustainability, the authors interpret employees as “human resources”, as self-responsible subjects which fulfil HR tasks together with HR and line managers and the role of HRM as that of a “guardian” of human resources. The authors characterise a development as being “sustainable” if it is long-term oriented, oriented towards critical stakeholders, and if consequences of alternative actions are considered.

In its understanding of sustainability this approach refers to the Brundtland Commission’s definition (see Sect. 2.2.1). The scholars assume that companies, employees, and society are mutually in charge for Sustainable HRM activities. Responsibility is extended to employees’ responsibility for themselves and for their careers. Human resources are interpreted as “subjects”, as equal partners, and as self-responsible actors. Moreover, it is assumed, that employees’ individual objectives include improved employability, balancing roles within and outside of work

(work-life balance), and increasing desire to participate in decision-making processes and for a better quality of life (Thom and Zaugg 2004). The approach conceptualises sustainability as a mutual benefit for all stakeholders and as a contribution to long-term economic sustainability. Economic success alone is not regarded as sufficient for long-term organisational viability.

The approach was developed building on a first exploratory study of the understanding of “sustainability and HRM” in HRM practice (see Zaugg et al. 2001). Based on their study, the researchers have identified qualitative trends for HRM and “best-practice” organisations; they have analysed guidelines, instruments and processes of a Sustainable HRM and compared their results across different European countries (Thom and Zaugg 2004). The instruments identified as relevant from a Sustainable HRM perspective are HR development, design of reward systems as well as consideration of sustainability in the company’s goals, strategies, and organizational culture (Thom 2002). Furthermore of importance are HR recruitment, HR marketing, HR care (e.g. job security, health promotion), HR deployment (e.g. flexible working time models, work-life balance, sabbaticals), and trust-sensitive, participative leadership (Thom and Schüpbach-Brönnimann 2003; Thom and Zaugg 2002). The objectives or desired effects from an organisational perspective are the long-term supply of companies with skilled and motivated people, sustained competitive advantage and economic value added and from an employee perspective employability, self-responsibility, work-life balance and well-being (Thom and Zaugg 2004). The key idea is to develop a sustained competitive advantage based on the shortage of HRM competence in Sustainable HRM or, in other words, it is assumed that Sustainable HRM will lead to sustained competitive advantage (see Table 2.2).

The objective of this conceptualisation of Sustainable HRM is to “deploy employees in a way that their long-term development and performance are not derogated but increased” (Zaugg 2002, p. 14; translated from German by the author). These objectives include employee employability, self-responsibility, and work-life balance (Thom and Zaugg 2004). Sustainable HRM is interpreted as a cross-functional task, i.e. individual as well as HRM systems levels are used as a basis for analysis. The authors propose Sustainable HRM particularly for organisational change situations assuming that these often make too great demands on the people involved. Thom and Schüpbach-Brönnimann (2003) also suggest that Sustainable HRM could help sustaining employee dignity in the case of staff reduction and warranting their employment on the job market. Implicitly, the authors assume that negative effects of HR practices and strategies can be prevented if employees act in a self-responsible way, participate in decisions, and if HRM operates as a “guardian of HR” with the objective to support and:

to deploy HR in a way that the employee’s long-term development and performance is not affected but improved. An employee’s ability to perform should remain useful for employees themselves, their families, other companies as well as for society. (Zaugg 2002, p. 14)

The theoretical foundation of this approach is derived from the sustainability literature (e.g. WCED 1987), from SWS (e.g. Kira 2002) and Strategic HRM literature. It is based on stakeholder theory, self-organisation theory, and a competence-based

view (Thom and Zaugg 2001). From an organisation's perspective, Thom and Zaugg (2004) assume that Sustainable HRM contributes to economic value added, organisational flexibility and viability. From the perspective of employees, the success of Sustainable HRM can be measured in terms of employee employability, well-being, and self-responsibility. Based on the assumption that win-win solutions for employees and employers can be created, it seems that the approach conceptualises Sustainable HRM following the Swiss tradition of a harmonious co-existence of employees, corporations, and society (see, e.g. Krulis-Randa 1990; Staffelbach 1990).¹⁵ While the two approaches reviewed up to this point emphasise the understanding of sustainability as a social responsibility, the proponents of the next approach assume that a managerial decision for sustainability is an act of common sense or economic rationality.

2.4.3 *Sustainable Resource Management*

The Sustainable Resource Management (SRM) approach has been chosen as an example for a different perspective on sustainability and HRM focusing mainly on the problem of labour shortage or of "scarce human resources". All corporate resources are interpreted as "latent means which have not yet been chosen for a certain utilisation" (Müller-Christ and Remer 1999, p. 70). The SRM approach describes how companies deal with resources and the question of how corporate resources (including human resources) come into existence or in other words the "origin" of resources shifts to the foreground and the question of how managers can influence this emergence proactively instead of reactively adapting to changes in organisational environments (see Table 2.2).

The conceptual objectives of the approach are to induce a paradigm shift in management theory and to formulate a new rationality ("sustainability") for how to deal with corporate resources (Müller-Christ 2001). This general approach to corporate resources tries to explain resource scarcity with the dysfunction of the "sources of the resource" which is assumed to be partly caused by companies themselves through the impact they are having on their environments. Organisational environments are not regarded as constraints but as "sources of resources" (*Ressourcenquellen*). It is assumed that the sources of resources have to be sustained to facilitate long-term exploitation of important resources (Müller-Christ and Remer 1999). The objective is to sustain permanent resource flows between organisations and their environments because the dependencies are sought to be so strong that in the long run only a common survival of organisations and their environments seems possible (Müller-Christ 2001). Accordingly, if an organisation

¹⁵This win-win assumption is also one of the major positions in the High Performance Work Systems (HPWS) literature (see, e.g. Pauwe 2007 for a short overview). But HPWS address only a minority of the whole workforce in many organisations (usually highly qualified "white collar" workers and top talent).

recognises that it can survive together with its environments only, it becomes rational to invest actively in the survival of these environments. Investing in the survival of its environments and controlling side and feedback effects on them becomes an investment in a company's ability to survive or even a "survival strategy" (Müller-Christ 2001):

The unit of survival is not the structure of the system but the pattern of the system's relationships with its environments. All costs that contribute to improving the resource relationships between organisations and their environments are at the same time investments in a functioning sustainable resource and household community which sustains the common resource base. (Müller-Christ 2001, p. 345; translated from German by the author)

The conceptual objectives of this approach encompass exploring a causal explanation for mutual exchange relationships between organisations and their environments, and developing a general theoretical approach for dealing with scarce resources (Müller-Christ 2001). Organisations and their environments are interpreted as a resource community (Müller-Christ and Remer 1999, p. 84) or "survival community" (*Überlebensgemeinschaft*) (Müller-Christ 2001, p. 291). If companies want to consume critical resources on a long-term basis, the "origin" of these resources has to be sustained. The causal explanation and the recommendations for actions, rely on a functional, instrumental, and system-based understanding of organisations. With respect to resource-dependence theory (Pfeffer and Salancik 2003[1978]), organisations are defined as resource-dependent socio-economic systems, consuming and supplying resources (Müller-Christ 2001). Units and levels of analysis are the individual company and its relationship to relevant environments. HRM is regarded as an organisational sub-system (see Table 2.2).

The SRM approach is based on three theoretical assumptions. First, based on Luhmann (1984, 1986) it is assumed that companies survive because they manage the balance of mutually "opening" and "closing" their organisational boundaries. Based on the co-evolution theory (e.g. Bateson 1972) the second assumption is that organisations survive because they cooperate with each other in reproducing the HR base and because they create mutual exchange relationships. Based on "economic ecology" (Remer 1993) the third main statement is that organisations survive because they manage to sustain and reproduce their resource base in their environments (Müller-Christ 2001). The author concludes that it is in the interest of organisations to reduce negative side effects of practices and strategies on the "sources of resources" and suggests that companies should ensure the functioning of those sources of resources which provide human resources with the skills and motivation required. In the case of human resources, these sources of resources can be, for instance, labour markets, education systems, or families. In other words, according to this approach it is economically rational for companies to invest in the viability of their "sources of resources" once the functioning of these is endangered:

Controlling feedback effects of corporate actors on themselves has not yet been recognised as rational in management research. First approaches define economic ecology as a school of thought in which the economy and companies are connected with their environments in mutual relationship networks. Because of this mutuality it should be rational for companies

to control the effects of their actions on their environments by controlling the feedback effects on themselves. (Müller-Christ 2001, p. 529, translated from German by the author)

Müller-Christ (2001) asserts that companies do this, for example, when they invest in corporate universities or in work-to-school programmes¹⁶ although it is uncertain that they will profit from their investment. As another example, Müller-Christ and Remer (1999) mention the network Selbst-GmbH, a network of HR executives who are interested in sustaining their employees' employability.¹⁷ This is interpreted as being sustainable because it contributes to having critical resources available in the future. Another example is the explanation of the failure of schools, universities, or labour markets to provide employees with the skills or motivation needed in organisations. From the system's perspective of this SRM approach resource scarcity is interpreted as a failure of the functioning of the "sources of HR". Accordingly, in this approach the failure is not perceived as "given" but as effects caused among others by previous HR activities which operate as feedback loops on the organisation. Müller-Christ and Remer (1999) assume that companies have to identify "specific conditions of development, reproduction, and regeneration" (*Eigengesetzlichkeiten*) underlying the reproduction of their critical resources.

However, "exploiting" and "reproducing" human resources simultaneously poses a paradox for practitioners (see Sect. 1.2.3). According to Müller-Christ (2001), two different and contradictory logics or rationalities are the reason for this dilemma: efficiency and sustainability. The author suggests that resource exploitations follow the economic logic of efficiency and that reproduction has to follow the logic of sustainability. The relationship between efficiency and sustainability is conceptualised as a dual one; thus, it seems impossible to maximise efficiency and sustainability simultaneously (Müller-Christ 2001). Methodologically, the approach has been built on deductive theory development and on an interdisciplinary transfer by using the analogy¹⁸ of social systems (organisations) and the metaphor of eco-systems (see Müller-Christ 2001). Recent publications of the SRM approach have addressed, for instance, the problem of sustaining cooperations (Müller-Christ 2003a), sustainability and education (Müller-Christ 2003b), and the possibility to integrate Antonowsky's salutogenetical thinking into a resource management framework (Müller-Christ 2004).

¹⁶ An alternative explanation for school-to-work programs is provided by Linnehan and De Carolis (2005) based on resource-based and transaction cost perspectives.

¹⁷ <http://www.selbst-gmbh.de>. An example from the academic world is the research network "AKempor" (<http://www.akempor.de>) initiated by German HRM professors because it has been noted that empirical research in HRM does not deserve the reputation which they think it should have (AU: Should the highlighted portion be 'does not have the reputation, which they think it should have' or 'does not deserve the reputation, which they think it has'). The network contributes to developing empirical research skills of PhD students and interested scholars - which could be interpreted as an "investment in the sources of resources".

¹⁸ Analogy means that new hypotheses or theories are developed by substituting an unknown structure of "reality" by a known structure (Dörner 1994).

2.4.4 Sustainability in Strategic HRM

In addition to the three conceptual approaches reviewed in prior sections, sustainability has been picked up in recent publications from HRM scholars, too. In these articles, the Brundtland Commission's definition of sustainability has been explicitly or implicitly applied. For instance, Schuler and Jackson (2005) use and transfer this sustainability to HRM by asserting that "success requires meeting the present demands of multiple stakeholders while also anticipating their future needs" (p. 24). The researchers include "social responsibility" towards stakeholders into their framework for Strategic HRM. A similar quotation stems from Boudreau and Ramstad (2005) who understand sustainability as a new paradigm for HRM and define it as "achieving success today without compromising the needs of the future" (p. 129). For them, sustainability sheds new light on the understanding of organisational success going beyond the traditional focus of financial results, and the authors see the practical application for the paradigm in HRM fields such as talent pools or sustainable employment relationships (see Table 2.2).

Likewise, Mariappanadar (2003) focuses on the issue of "Sustainable Human Resource Strategy" which he defines "as the management of human resources to meet the optimal needs of the company and community of the present without compromising the ability to meet the needs of the future" (p. 910). In his paper, the author explores the side effects ("externalities") of retrenchment and downsizing on organizations, individuals, and communities in Australia. With reference to Sun, O'Brien and Jiang (2001), Mariappanadar (2003) asserts that a broader view on HRM is helpful in understanding that HRM does not act in a societal "vacuum" but that HRM activities can affect communities to a large extent, i.e. this understanding of sustainability points towards the importance of a more dynamic and reflective view on HRM.

In order to compare the state of the art up to this point, key references, research problems, cause-effect assumptions, key objectives, level of analysis, theoretical foundations, sustainability-HRM link addressed and the key elements and characteristics of the approach are summarised in Table 2.2. Among others, this summary shows that links between sustainability and HRM and potential applications of the concept are multiple and fruitful. However, despite important contributions of this literature, limitations also become apparent.

2.4.5 Main Contributions and Limitations of the Conceptual Approaches

An overview of contributions and limitations of each individual research approach is provided in Table 2.3. The main contribution of SWS was to rethink the side effects of work intensity, the temporal dimension of management and measures to foster employee health, regeneration, well-being, and development (see Sect. 2.4.1). The main contribution of the Swiss Sustainable HRM approach was to

Table 2.3 Implications, contributions and limitations of sustainability-HRM approaches

Approach Category	Sustainable Work Systems (SWS)	Sustainable HRM	Sustainable Resource Management (SRM)	Strategic HRM
Main implications and contributions	Control for side effects of work intensity and avoid intensive work systems	Strengthen employee's self- responsibility and participation in decision-making	Rethink role of HRM and notion of strategic success	Sustainability as a "decision paradigm" for Strategic HRM
	Rethink temporal perspective of management Participation	Support employees' employability	Balance duality of efficiency and sustainability	
		Use HR development, reward system, HR recruitment and HR marketing to make HRM more sustainable	Rethink understanding of HR base and invest in it	
	Support employees coping with ambiguities and work intensity by fostering the corresponding skills and by offering "experiences"	Work-life balance	Investment in employability of HR and in "sources of resources" (families, schools, labour markets)	
	Foster employee health, regeneration, well-being, and development	Flexible working time, sabbaticals	Respect "specific conditions of development, reproduction and regeneration" of the "sources of HR"	
Main limitations		HR care (e.g. health promotion)	Reduce feedback effects on sources of resources	
		Trust-sensitive leadership Self-organisation and self- responsibility		
		Participation of employees in decision-making processes		
Main limitations	Limited empirical exploration; focus on normative explanation	Limited empirical exploration; Lack of long-term exploration; linear "best practice" and win-win assumptions	No empirical exploration; anecdotal evidence by replicating practical examples; focus on rational decision-making	No empirical exploration

Source: compiled by the author based on the key references in Table 2.2

link the idea of sustainability more systematically to Strategic HRM, embedding it into the context of organisational change processes (see Sect. 2.4.2). The approach adopts a “best practice” perspective and is highly excellence- and efficiency-oriented assuming that employee and organisational objectives can be combined easily with each other (“win–win assumption”). The research method is qualitative-exploratory and theoretically founded.

Another contribution of this approach was to start exploring nationality-based differences on sustainability and HRM in eight European countries (see Thom and Zaugg 2004). This is regarded as an important contribution here because many of those companies applying the idea of sustainability are MNEs (e.g. WBCSD 2006; Rainey 2006). Cultural and institutional differences have to be considered because of differentiating values in different countries or because of different legal conditions (e.g. Point and Singh 2003), particularly, if sustainability is interpreted as a value and social responsibility. The key contribution of the SRM approach is to offer an alternative interpretation of sustainability and also an alternative interpretation of the relationship between organisations and their environments (see Sects. 2.2.3 and 2.4.3). Another contribution of this approach is to point towards the importance of specific conditions of development, reproduction, and regeneration.

Comparing the approaches reviewed, diverse HRM practices have been addressed which are thought to be important for sustainability in HRM (see Table 2.3). Implications for HRM practice are sometimes contradictory.

For example, in SWS literature, self-organisation, autonomy, and the demand for permanent flexibility have been identified as causes for work-related health problems and ambiguities (see Sect. 2.4.1), while the Swiss approach on Sustainable HRM suggests that self-organisation is a key to more sustainability (see Sect. 2.4.2). Proponents of the concept suggest that employees’ employability leads to more flexibility for the company (see Table 2.3). However, employability has also been found leading to higher fluctuation and lower commitment (see Gmür and Klimecki 2001; Pfeffer 1998). The approaches to sustainability and HRM also differentiate with regard to the “fit” and “win–win” assumptions. While the Swiss Sustainable HRM approach assumes that fit and win–win solutions are possible – at least for the type of highly qualified employees they consider in their work – the SRM approach assumes that win–win solutions are the exception rather than the rule and advances claims for the management of contradictions and dilemmas (see Sect. 2.4.3).

Methodologically and empirically the literature on sustainability and HRM that has been reviewed is largely prescriptive. Empirical explorations of the sustainability–HRM link have remained scarce, and long-term studies are non-existent. The application of analogies as a theory development method as in the SRM approach is an accepted and appropriate method for theory development, to create new ideas, and to leave old ways of thinking (e.g. Dörner 1994). However, drawing analogies is also dangerous because the compared circumstances are usually not completely analogous and therefore, the conclusions are likely to be incomplete or even false (Dörner 1994). Theory is developed by reflection over practice and with the desire to change that practice. The approach can hence be interpreted as an ideal or a fantasy which might or might not work in practice (see Czarniawska 2003).

The methodological flaw does not lie in the way of developing theory but in the way of using the knowledge and of claiming that this ideal is the “truth” and that the implications deduced are superior to others. Even though this study refers to key ideas of the SRM approach which builds on the eco-system analogy the author of this study clearly states that her elaborations are not regarded as superior to other approaches.

The emerging literature on sustainability and HRM problematises current HR practices and strategies in the light of a potential new “paradigm” (see Sect. 2.2.1): sustainability. One contribution of this literature is to have pioneered in applying sustainability to HR-related problems and concepts. The relevance of the idea of sustainability for different HR-related questions has been documented. In particular, this research has argued for taking the future into consideration, i.e. a *longer-term perspective* on HR-related issues and outcomes (see Table 2.3). The proponents of SWS consider long-term consequences of intensive work systems on HR (e.g. Docherty et al. 2002a); the Swiss approach aims at a long-term competitive advantage through Sustainable HRM and at long-term viability (Thom and Zaugg 2004), and the SRM approach is concerned with the long-term supply of human resources (e.g. Müller-Christ 2001). The limitation here is that it has not been explored explicitly what “long-term” is and how short- and long-term objectives can be reconciled in HRM. This issue needs to be further explored as along with the concept of time itself and its meaning for Sustainable HRM.

The second contribution of the literature linking sustainability and HRM is the importance of rethinking the problem of controlling *side and feedback effects* of work processes, work intensity, and corporate decisions on employees, the society, and on the company itself (see Table 2.3). The key concerns are “dysfunctional” or “detrimental” effects affecting the health and/or availability of qualified people. While SWS literature focuses on the effects of intensive work systems on individuals, their health, and well-being (e.g. Kira 2003), the SRM approach concentrates on negative feedback effects from HR activities on the reproduction or maintenance of an organization’s HR base (e.g. Müller-Christ 2001). This reflects two assumptions in this literature. First, human resources are important resources and second, organisations do not operate in isolation. Mariappanadar (2003) expressed the latter assumption as follows: “Organisations do not exist in a vacuum” (p. 912). This draws the attention to the boundaries of HRM systems, the impact of HRM on organisational environments, and to the “origin” of human resources (see Sect. 2.4.3). The literature’s third contribution concerns the aspect that sustainability may contribute to *extending the notion of strategic success* in HRM (see Table 2.3).

In summary, several conclusions can be drawn from the literature review in this chapter for the links between sustainability and HRM. Overall, the emerging literature on sustainability and HRM shifts the focus of attention to the following topics: First, the literature brings up questions if a maximisation of organisational performance is desirable and applicable desirable, applicable and sufficient for organisational long-term success (see Sects. 2.4.1 and 2.4.4). Second, the importance of rethinking the problem of controlling side and feedback effects of work processes, work intensity, and corporate decisions on employees, the society, and on the company itself shifts to the foreground. Third, this literature has argued for

taking the future into consideration, i.e. a longer-term perspective on HR-related issues. But, although the idea of integrating short- and long-term effects exists in sustainability literature (see Sect. 2.2.3) this has not yet been a topic in research on sustainability and HRM. As a conclusion, the importance of the temporal dimension for HRM and the notion of strategic success in HRM need to be reconsidered. Fourth, the importance of regenerating and reproducing human resources is discussed from normative and rational viewpoints but the underlying reasoning has not yet been made transparent for the HRM application context. Altogether, these commonalities in the literature suggest that there might be something like an emerging school of thought or a sustainability paradigm for HRM. Viewed together the approaches have the potential to shed new light on contemporary Strategic HRM research. However differences concerning the understanding and meaning of sustainability raise questions about the underlying rationalities and the reasoning for linking sustainability and HRM.

2.5 Rationalities Underlying the Reasoning for Sustainability in HRM

As its meanings are diverse, operationalisation of sustainability is still a debated issue at the corporate level (Bansal 2005; Hülsmann and Grapp 2005). Justifying sustainability and exploring the reasons why and when companies commit themselves to sustainable development has become an important focus in CS and is also one of the key concerns of the proponents of a SRM perspective (e.g. Hülsmann and Grapp 2005; Müller-Christ and Hülsmann 2003a, b; Müller-Christ 2001). At the individual corporate level, these authors distinguish between a “normative”, an “efficiency-oriented”, an “innovation-oriented”, and a “rational” interpretation of sustainability (Müller-Christ and Hülsmann 2003a). Hülsmann and Grapp (2005) use the term “substance-oriented” instead of “rational” referring to the objective of the understanding rather than the underlying logic. This labelling seems more appropriate here because the term “rational” could suggest that the other perspectives are not or cannot be rational – but both an efficiency-oriented understanding as well as a normative understanding can lead to rational implications.

2.5.1 Normative Understanding of Sustainability

The CS debate widely refers to the Brundtland Report to develop definitions for sustainability or sustainable development at the corporate level (see Sect. 2.2.1). But this definition has been developed to improve the quality of life for the world population, to solve the problem that a large amount of global resources is used by industrialised countries to create wealth, and that future generations and developing countries do not have the same chances to create value (see also Anand and Sen

2000). Sustainability is regarded as a solution for the problem of intergenerational (i.e. today's and future generations) and intra-generational (today's generations in several parts of this world) justice (see, e.g. Müller-Christ and Hülsmann 2003a; Dyllick 2004). With its definition, the WCED (1987) has contributed to establishing sustainability as a universal goal or as Anand and Sen (2000) further illustrate:

We cannot abuse and plunder our common stock of natural assets and resources leaving the future generations unable to enjoy the opportunities we take for granted today. We cannot use up, or contaminate, our environment as we wish, violating the rights and the interests of the future generations. The demand of "sustainability" is, in fact, a particular reflection of universality of claims - applied to the future generations *vis-à-vis* us. (p. 2030; italics in original)

This ethical universalism seems to be widely accepted in the literature on Corporate Sustainability, but according to Müller-Christ and Hülsmann (2003a, b), this understanding of sustainability is normative and inappropriate for facilitating choice processes at the individual corporate level. According to the authors, the meaning is normative in the sense that the terms "justice", "needs", or "quality of life", which are related to this understanding, results from the objective ultimate justification and that the underlying values are subjective. To specify their definition (see Sect. 2.2), the Brundtland Commission had outlined two key concepts of sustainable development:

The concept of "needs", in particular the essential needs of the world's poor, to which overriding priority should be given; and the idea of limitations imposed by the state of technology and social organization on the environment's ability to meet present and future needs. (WCED 1987, p. 43)

However, for strategic decision-making the future "needs" of stakeholders are difficult to capture as today's knowledge on future needs are limited. Anand and Sen (2000) point out: "Since we do not know what the tastes and preferences of future generations will be, and what they will do, we can talk of sustainability only in terms of conserving a capacity to produce well-being" (p. 2035). Müller-Christ (2005) argues that the problem about the societal understanding of sustainability for corporate decision-making is that managers find themselves accused of making profit by externalising ecological and social costs although externalising costs is economically rational. The author points out that the assumption behind this justification of sustainability is that ethical decision premises are required as a prerequisite for saving resources and he calls for a more economically-oriented understanding of sustainability in order to operationalise the concept for decision-making situations in individual companies.

The critical point in this debate, however, is not a normative reasoning for sustainability per se but, if the reasoning becomes an unchallenged taken-for-granted assumption which is repeated without reflection, about the objectives of the reasoning. Accordingly, the interesting questions are: Who makes the decision for the normative understanding and application of sustainability or in other words, who decides what socially responsible behaviour is – the companies themselves or the society (see also Whetten et al. 2002)? Which is the problem that should (really) be solved by applying the normative reasoning for sustainability? And, whose

interests are served? For example, if a company chooses to contribute to improving the quality of life of their employees, this is their (normative) right to do so – if this economically rational or not. The situation becomes problematic, when proponents or applicants of the normative reasoning suggest that their approach is the only possible reasoning for sustainability and when universal claims are built on this reasoning – without making the motives for it transparent. Reasoning like this can be found in the second approach to sustainability which Müller-Christ and Hülsmann (2003a, b) have identified as an “efficiency-oriented” or “innovation-oriented” understanding of sustainability.

2.5.2 Efficiency- and Innovation-Oriented Understanding of Sustainability

The efficiency- or innovation-oriented understanding of sustainability is grounded in the environmental management debate. Companies striving for less impact on the environment are trying to combine this goal with the economic objectives of reducing costs or creating value and to achieve in this way a sustained competitive advantage for their organisation (e.g. Rainey 2006; Weissenberger-Eibl 2004a, b; see also WBCSD 2006). This way of thinking picks up the logic of the economic principle of efficiency. Efficiency as an indicator for cost effectiveness can be defined as the ratio of output to input (Scholz 1992). Efficiency – as it is used in this work – refers to the efficient use of resources in relation to goal achievement. There are two general ways to realise efficiency (e.g. Scholz 1992):

- (1) Maximising the output with those resources that are available
- (2) Achieving a pre-defined goal with a minimum of resources

Proponents of an efficiency-oriented understanding of sustainability would accordingly recommend to create more value or to achieve sustained competitive advantage by understanding sustainability as a new business opportunity if they want to maximise the output (e.g. Dean and McMullen 2007; see also Sect. 2.4.2). In case a defined goal should be achieved with a minimum of resources, it would be economically logical to reduce the amount of resources used. In both cases, the measure for success is dominated by financial indicators. Informed by the normative understanding of sustainability outlined in the previous section, the efficiency-oriented perspective in the CS discourse also seeks for alternatives to financial indicators. For example, eco-efficiency (efficiency of natural resources) is calculated as “the economic value added by a firm in relation to its aggregated ecological impact” (Dyllick and Hockerts 2002, p. 136). The goal is to minimise the impact of business activities on the natural environment. In the environmental management debate, the concept of eco-efficiency has been criticised as being just one criterion among others (see, e.g. Schaltegger 1999).

The notion of “socio-efficiency” is more diffuse in the corporate sustainability literature and overlaps with the work on CSR (see Sect. 2.2.4). The understanding of socio-efficiency has been developed in analogy to eco-efficiency. Socio-efficiency refers to minimising “negative” social impact of business activities on societies – such as occupational accidents and work-related illnesses (see, e.g. Bansal 2005). The key idea again is to create value or to reduce costs and to use efficiency as a concept to integrate economic and societal objectives. The proponents of this approach therefore rarely see a contradiction between what they understand is the “triple bottom line” (see Sect. 2.2.3).

This efficiency-oriented understanding of sustainability has also been criticised. Both concepts, eco-efficiency and socio-efficiency, are linked to the societal understanding of sustainability with the attempt to link economic goal achievement to reaching ecological and societal objectives. Impacts that do not contribute to economic goal achievement are ignored. Müller-Christ (2001) points out that the efficiency-oriented understanding of sustainability assumes too readily that economic and ecological/social objectives can be integrated – although in reality they are very often contradictory. Second, Müller-Christ and Hülsmann (2003a) argue that the efficiency- and innovation-oriented understanding of sustainability is not sufficient to sustain a firm’s resource base. They suggest that efficiency is a business ratio for dealing with corporate resources which are already *available* in the organisation and propose that it is necessary to develop a substance-oriented understanding of sustainability for “future resources” (see also Hülsmann 2003; Müller-Christ 2001).

2.5.3 *Substance-Oriented Understanding of Sustainability*

The meaning of substance-oriented sustainability (Remer 1993; Müller-Christ and Remer 1999; Müller-Christ 2001), builds on Aristotle’s understanding of a household and on the forestry principle (see Sect. 2.2.1). According to this understanding, a company acts in a sustainable and economically rational way if its resource reproduction divided by resource consumption equals one (Müller-Christ and Remer 1999, p. 70). The authors derive this definition of sustainability from old European forestry laws stating that wood consumption and reproduction should be balanced if the objective is to sustain the forest for continuous supply with wood (see Sect. 2.2). The idea behind this understanding of sustainability is also inherent in a general rule in accounting for balancing a company’s financial capital (Müller-Christ and Remer 1999; see also Hülsmann 2003). Another analogy between sustainability and accountancy principles has been observed by Repetto (1985) before:

This principle also has much in common with the ideal concept of income that accountants seek to determine: the greatest amount that can be consumed in the current period without reducing prospects for consumption in the future. (Repetto 1985, p. 10; after Anand and Sen 2000)

In both argumentations, in Aristotle's *oikos* and in accountancy principles, the idea is that the household or system can sustain itself from within (see also Sect. 2.2.1). Following this logic, the economic rationality of efficiency is supplemented by a substance-oriented rationality. This rationality would lead to measures of corporate success which not only include financial performance indicators but also indicators for resource consumption and resource reproduction. In this line of thinking it is economically rational if companies themselves sustain not only critical and scarce resources (the corporate resource base) but also the "sources of resources", i.e. those systems in an organisation's environment which "provide" human resources to companies such as families, labour markets, education systems, etc. (Müller-Christ 2001). The latter idea is based on a systemic perspective:

If this idea is translated into a causal-theoretical language, its meaning is that a system has to control the consequences of its impact on the [organisational; the author] environment by controlling the feedback effects on itself if it wants to act in a rational way. (Luhmann 1984, p. 642; translated from German by the author)

The proponents of SRM assume that it is economically rational for individual companies to act in a sustainable way if resources are absolutely scarce¹⁹ and that a sustainability perspective could actually lead to a "more realistic theory of the firm" (Müller-Christ 2001, p. 95). The problem is, however, that corporate efficiency and sustaining the "substance" (i.e. balancing resource consumption and resource reproduction) cannot be maximised simultaneously. This is as contradictory as investing money and at the same time saving it. Therefore, the proponents of this approach assume that companies have to reconcile two logics, efficiency and sustainability, to be successful on a long-term basis but both logics cannot be maximised simultaneously (Müller-Christ 2001) and lead to dilemmas for managerial decision-making (Hülsmann 2003). In summary, three different interpretations or meanings of sustainability have been suggested in the literature reviewed (see Hülsmann 2004a, p. 46):

- (1) Sustainability as a normative societal model with the objective of a social, ecological and economic development that is inter- and intra-generationally fair
- (2) Sustainability as an efficiency- or innovation-oriented rationality with the objective of reducing resource consumption or to increase the efficiency of resource exploitation
- (3) Sustainability as a substance-oriented rationality with the objective of sustaining the resource base by balancing resource consumption and resource reproduction

Hülsmann (2004a) explains how he understands the links between normative, efficiency-oriented, and substance-oriented interpretations of sustainability (see Fig. 2.2).

¹⁹The idea of "absolutely scarce" resources is based on the assumption that companies only engage in the sources for their resources if they expect resources to be or to become rare (Müller-Christ 2001).

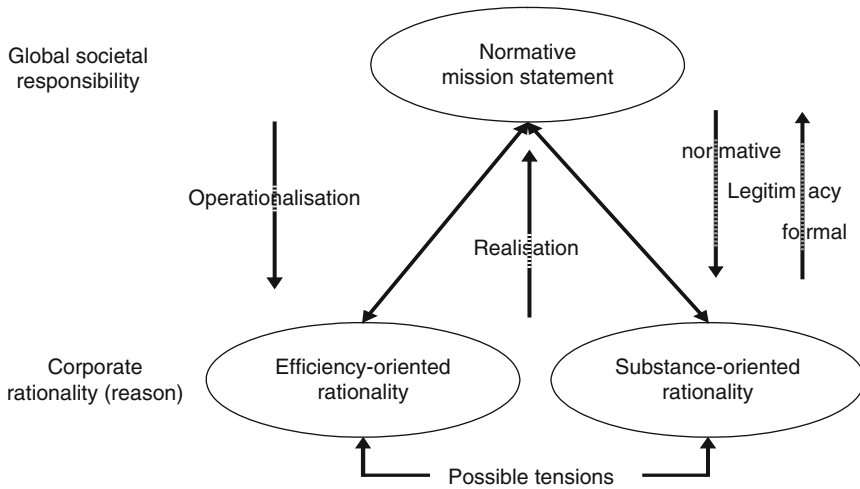


Fig. 2.2 Link between different understandings of sustainability

Source: Hülsmann (2004a, p. 49); translated from German by the author; Used with permission

According to Hülsmann (2004a), the normative understanding of sustainability reflects a societal vision of what is “desirable” and about a company’s responsibility for society which is insufficient to legitimise sustainability at the corporate level. The efficiency-/innovation-oriented approach and the substance-oriented interpretation of sustainability, however, try to offer (economically) rational reasons for sustainability (see Fig. 2.2). The relationship between the efficiency- and substance-oriented rationality is assumed to be contradictory. The author understands the efficiency- and substance-oriented understanding of sustainability as being compatible with the strategic planning approach to strategic management (Hülsmann 2004b).

2.5.4 Juxtaposing Different Ways of Reasoning for Sustainability and HRM

The value of the categorisation which has just been outlined lies in its simplicity and its deductive plausibility. But, according to Dyllick (2004), the categories appear “reductionist” (p. 99) if one was trying to separate social responsibility and economic self-interest, or normative and rational reasoning. He continues arguing that in the corporate context usually a combination of both normative and rational reasoning prevails and that this is no either/or choice. In other words, trying to separate and exclude the value and norm-based discourse on the notion of sustainability is not realistic. It is also not appropriate if the objective is to understand social reality as in the exploratory part of this study because corporate reality is informed by both, the societal debate and economic self-interest. Oliver (1997)

provides theoretical arguments from both resource-based and institutional theories for the co-existence of normative and rational rationalities in managerial choice situations. Bansal (2005) has highlighted that both perspectives can be used to understand and explain why companies commit to sustainable development.

The above categorisation also neglects inductive and more empirical- or practice-oriented aspects of understanding sustainability. For example, Bansal (2005) showed empirically that the understanding of sustainability and the justification for it develops and changes over time in political and corporate discourses. Thus, the temporal development of this reasoning should be taken into account to grasp more of the complexity of choices for or against sustainable HR policies, strategies and practices. It is assumed in the study at hand that a mix and variations of these positions and the underlying reasoning exist in practice which develop and change over time. Reducing the sustainability debate to one of the categories “normative” or “rational” could also be misleading and suggest that one understanding should be dominant over the other. It is argued here that there is no universally best or “right” definition of sustainability but that different definitions of sustainability are linked to different objectives and to consider their theoretical reasoning as co-existing. The attempt is made in this study to help making this reasoning transparent for HRM.

The efficiency-oriented and the substance-oriented perspective can be interpreted as a duality or as contradictory oppositions (see Müller-Christ 2001; Hülsmann 2003; see Sect. 2.5.3). The efficiency-oriented perspective contributes to the objective of making best use of corporate resources, while the substance-oriented perspective sheds the focus on the long-term supply and reproduction of resources. In sustainable management literature, it is assumed that both perspectives cannot be maximised simultaneously (Müller-Christ 2001). From the perspective of economic reasoning for sustainability, objectives are sustaining the ability of employees to perform and to regenerate (health, coping skills, self-regulation, HR development), sustaining access to human resources today and in the future, investment in the resource base, or HRM trustworthiness.

In the conceptual approaches reviewed (see Sect. 2.4), the reasons mentioned for linking sustainability and HRM are based on two basically different understandings of sustainability: sustainability as a value (or social responsibility) and sustainability as an economic principle (or strategic concept) (see Table 2.4). In HRM, the normative understanding of sustainability has been adapted by prominent scholars in the field. For instance, Paauwe (2004), Schuler and Jackson (2005), and Boudreau and Ramstad (2005) understand sustainability in HRM as a “social responsibility” or ethical, moral value. Some authors have borrowed the term “value” from moral philosophy and ethics discourses for developing arguments in the sustainability discourse (see, e.g. Gladwin et al. 1995). Sustainability or social responsibility can be interpreted as an intrinsic or instrumental value. Social responsibility behaviour can be imagined as being intrinsically valuable if the actors *want* to make the choice because they think that it is good even if this does not necessarily contribute to higher financial performance (e.g. ethical leadership behaviour at the workplace). But, if sustainability as a social responsibility is regarded as an

Table 2.4 Reasoning for linking sustainability and HRM

Approach Category	Sustainable Work Systems (SWS)	Sustainable HRM	Sustainable Resource Management (SRM)	Strategic HRM
Source of understanding of sustainability	Brundtland Commissions' definition Heterogeneous understanding of sustainability	Brundtland Commissions' definition and business strategy research	Ecology and business strategy research; forestry rule, and Aristotle's household (oikos) Resource consumption divided by resource reproduction = 1	Brundtland Commissions' definition and business strategy research
Type of reasoning for sustainability	Social responsibility	Social responsibility, self-responsibility, and economic rationality (efficiency/innovation-oriented)	Economic rationality (substance-oriented)	Economic rationality (efficiency-oriented); Social responsibility
Locus of responsibility for sustainability	Mainly organisations	Society, organisations, and individuals	Sustainability is regarded as being a corporate self-interest and responsibility as not being necessary	HRM
Notion of success	Sustained competitive advantage and long-term viability	Organisational perspective: sustained competitive advantage, value added, organisational flexibility and viability (<i>Zukunftsfähigkeit</i>)	Viability of the "eco-system" organisation	Sustained competitive advantage
		Employee perspective: increase of employability; warranty of work-life balance; participation in decision-making	Dual notion of strategic success: ends (<i>Zweck</i>) and substance (<i>Bestand</i>) Efficiency and sustainability as contradictory rationalities for corporate decision-making	

Source: compiled by the author based on the key references in Table 2.2.

instrumental value it is expected to contribute to an “end” or purpose such as increased financial performance or employee well-being.²⁰

Thom and Zaugg (2004) justify sustainability in HRM both from social responsibility and economically rational (efficiency-oriented) positions. While the political debate on intra- and intergenerational justice has influenced strongly the debate in environmental and Sustainable Management literature (see Sect. 2.2.1), the normative reasoning for sustainability in HRM has instead been connected to the Human Relations literature (e.g. Beer et al. 1985). Literature on sustainability indicates the importance of the social responsibility oriented perspective for HR-related issues. Both (or rather all three) interpretations of sustainability have their respective merits in Sustainable HRM (see Table 2.4).

2.6 Links between Sustainability and Strategic HRM

Building on the key elements and characteristics of corporate sustainability (see Sect. 2.2.3) and into the links between sustainability and HRM identified in prior research (see Sect. 2.4), the purpose of this section is first to make suggestions why it could be useful for the HRM field to establish Sustainable HRM as an alternative approach (see Sect. 2.1). In prior literature, Hülsmann (2004a) has identified links between sustainability and Strategic Management. From the perspective of sustainability research he addresses three key aspects: First, the integrative analysis of short- and long-term aspects and the contribution to long-term corporate viability (see also Sect. 2.2.3), second, considering economic, ecological, and social dimensions equally and thus extending the strategic objectives (see also Sect. 2.2.3), third, the three different interpretations of sustainability that offer potential for a link to Strategic Management (see also Sect. 2.5.4). Furthermore, the notions of strategy and sustainability can be linked concerning the choice of corporate goals (“ends”) and the “means” to achieve them (i.e. resource deployment and resource care) (Hülsmann 2004a). The author concludes that the literature on sustainability and on Strategic Management is concerned with similar research questions and that both disciplines can contribute to each other.

To conclude, the literature reviewed up to this point allows adding to these ideas and applying a part of them to Strategic HRM. Prior literature on sustainability and HRM offers several contributions for understanding the link between sustainability and Strategic HRM (see also Sect. 2.4.4). Requirements are deduced for further elaborations in this study. It is assumed here that the literature reviewed offers the

²⁰It goes beyond the scope of this study to discuss these concepts in depth also because the meaning of these concepts is still disputed in moral philosophy and ethics literature (for an overview, see Rabinowicz and Ronnow-Rasmussen 2000). This understanding differentiates from that outlined in moral philosophy where final value is defined as “if it is valuable ‘as an end’, ‘for its own sake’, rather than for the sake of something else” (Rabinowicz and Ronnow-Rasmussen 2000, p. 1).

following intersections with Strategic HRM and that they may help in contributing to solving the problems of labour shortage (Sect. 1.2.1) and side and feedback effects (Sect. 1.2.2):

- The idea of the ability to sustain the HR base from within by developing and by controlling for self-induced side and feedback effects on the human resource base and on the “origin” of human resources (see Sect. 2.5.4)
- The idea of extending the notion of strategic success in HRM from a substance-oriented rationality and by juxtaposing it with existing rationalities (see Sect. 2.5.4)
- The idea of sustaining long-term viability of an organisation by considering both short- and long-term effects on the human resource base (see Sect. 2.2.3)

These three ideas are considered as focal points for further theorising on sustainability and Strategic HRM.

2.6.1 Fostering the Ability of HRM to Sustain the HR Base from Within

The second contribution of sustainability for Strategic HRM is the concern for sustaining resources and for what has been described as the idea of “consuming income not the capital” in the CS literature (see Sect. 2.2.3). The resource-oriented aspect of sustainability refers to the idea inherent in the concept of sustainability to the ability of HRM to develop, strengthen, and to maintain the HR base of a company *from within* while at the same time ensuring efficient and effective HR deployment. This understanding includes the efficient deployment, regeneration, and development of employees while simultaneously making investments into relevant organisational environments for having skilled and motivated people available in the future. The efficient deployment of human resources is regarded as insufficient for a company’s long-term success and viability (see Sect. 2.5.4). Instead, the relationship between HRM and critical organisational environments comes into play based on the idea influenced by Aristotle’s understanding of a household (see Sect. 2.2.1) and by ecological thinking that the viability of an individual company (organizational viability) and durable access to human resources depends also on the viability of the “sources of resources”. In order to sustain the HR base from within, the task of HRM is extended to caring for relationships to the sources or origins of human resources such as families, labour markets, education systems, etc. (see Sect. 2.5.4).

2.6.2 Extending the Notion of Strategic Success

Analytically, the reasoning for sustainability in HRM can be categorised into the positions “sustainability as a social responsibility” (or as a value), and sustainability as an economic principle (or rationale) to deal with (human) resources

(see Sect. 2.5). The economic reasoning for sustainability can be efficiency- and innovation-, or substance-oriented (see Sect. 2.5). Efficiency- and innovation-oriented are all actions seeking to maximise the output–input ratio of corporate resources (see Sect. 2.5.2). Substance-oriented actions are those actions with the objective of balancing corporate resource consumption and resource reproduction on a long-term basis (see Sect. 2.5.3). For HRM, the “efficiency-oriented” understanding of sustainability leads to the implication of initiating HR activities which contribute to deploying employees more efficiently or to use innovations for deploying less people for the same amount of work. The objective of this approach is increased financial performance and sustainability is perceived as a means to reach this objective. From a substance-oriented perspective, key objectives of HRM are to sustain the ability of employees to perform (including their health, skills, etc.) and to sustain the ability of “sources of resources” (families, labour markets, education systems, etc.) to provide skilled and motivated people.

There are two main reasons for sustainability from a social responsibility perspective. First, it is argued that organisations (and HRM) need to reduce externalities on their employees, invest in their employees, etc., because this is responsible behaviour (e.g. Docherty et al. 2002a), and this responsible behaviour is regarded as desirable and ethical. Second, the argument is an instrumental one because social legitimacy has become a critical objective for Strategic HRM (e.g. Boxall and Purcell 2003). Objectives from a social responsibility perspective can be quality of life, social legitimacy or “licence to operate” (in the socio-political environment), reputation,²¹ “relational capital” to critical stakeholders, or trustful employment relations. As some of these examples already suggest, the objectives of sustainability as a social responsibility can overlap with an instrumental economic reasoning.²²

In summary, conceptualising sustainability as a social responsibility only neglects the fact that sustainability can also be economically rational. But conceptualising sustainability as an economic rationality only neglects the fact that some stakeholders like employees expect managers to act in a socially responsible way. If sustainability is interpreted as a social responsibility, the justification behind this can still be economically rational, i.e. when social responsibility is regarded as an instrumental value. On the other hand, managers could sustain their resources without acting in a socially responsible and desirable way.

²¹ Some companies (e.g. Shell, or Nike) have “learned lessons” from losing legitimacy and their corporate reputation and have started considering a corporate image management (Bies and Greenberg 2002).

²² Traditionally, the issues of health, self-regulation, and coping have been the concern of organisational and work psychologists or behavioural theorists. For HRM scholars, employee health and well-being have been more or less a “by product” (see Dorenbosch, van Veldhoven, and Paauwe 2006).

2.6.3 Considering Short- and Long-Term Effects

Sustainability is a concept which considers short- and long-term effects. In CS literature the dominant idea is to integrate the future and the present (see Sect. 2.2.3). Dyllick and Hockerts (2002) describe this key element of sustainability as the idea to “consume income not the capital” (see Sect. 2.2.3). For HRM, the objective is to have human resources available today and in the future (see Sect. 1.2.1). Following Aristotle’s understanding of a household, the idea is to balance resource consumption and resource reproduction of an organisation in the long run (Müller-Christ and Remer 1999; see Sect. 2.4.3).

From a sustainability perspective, the temporal dimension, i.e. long-term measures of success and the consideration of time as a variable in HRM theories and models becomes particularly important. Concerning the ecological dimension of sustainability, the temporal aspect has been discussed repeatedly (e.g. Held 2001; Seidel 1994). Part of this debate is the concern that the regeneration times of natural resources cannot keep pace with the speed of resource consumption which – on a long-term basis – is short-sighted (e.g. Seidel 1994). The reproduction and regeneration of human resources takes time and this time is not always taken into consideration. Instead it may happen that employers regard these times as “unproductive” times or even as a “waste of time” as debates about the justification of HR development and training show in case no immediate contribution of these measures to corporate performance can be proved (concerning the latter see, e.g. Aragón-Sánchez et al. 2003). The temporal dimension is also relevant from a sustainability perspective because effects from HR activities such as HR “reproduction” and development, self-induced side and feedback effects, and economic effects unfold over time (see also Sect. 2.2.3). The aspects considered in this section as well as the key issues characterising “Sustainable HRM” are summarised in a working definition for this study.

2.6.4 Working Definition for Sustainable HRM

Thom and Zaugg (2004) define Sustainable HRM as “those long-term oriented conceptual approaches and activities aimed at a socially responsible and economically appropriate recruitment and selection, development, deployment, and downsizing of employees” (p. 217; translated from German by the author). The authors interpret Sustainable HRM as a cross-functional task. This definition tries to integrate two understandings of sustainability: sustainability as a social responsibility and sustainability as an economic principle. The objective of this understanding of Sustainable HRM is value creation and sustained competitive advantage. The underlying assumption is that Sustainable HRM leads to sustained competitive advantage and long-term organisational success. Goal orientation, however, encompasses more than financial performance by including the objectives of employees’ and the society (see, e.g. Thom and Zaugg 2004).

From a social systems view, Müller-Christ and Remer (1999) define Sustainable HRM as “what companies themselves have to do in their environments to have durable access to skilled human resources” (Müller-Christ and Remer 1999, p. 76; translated from German by the author). This definition is oriented towards a proactive design approach (“what companies [. . .] have to do”). It allows a wider range of activities which could in principle be imagined as being initiated at several managerial levels (HRM, line management, top management). The focus of concern in this approach is the relationship between HRM and its relevant environments (or “sources of resources”) (see Müller-Christ 2001). The first definition conceptualises Sustainable HRM as a task or function for highly talented employees. Best practice and win-win assumptions accompany this approach. Potential paradoxes and tensions and how to deal with them seem to be neglected. These tensions are addressed by the second definition but, the key interest of this approach is to sustain the “supply” with human resources.

Based on sustainability as well as on HRM literature an attempt is made to develop a more comprehensive view and definition of Sustainable HRM. Sustainable HRM is regarded as an extension of Strategic HRM – it is not an HRM model and concept to replace but to add to the existing body of knowledge. Human resources have been defined as all of the people who currently work in the organisation, who have done so in the past, or will do so in the future resource (see Sect. 2.3.1). This includes the understanding that people can be deployed to implement strategies and also to create them (see Remer 1997). It has been noted that this resource needs to be treated differently from other corporate resources. The notion of strategy in HRM has been reflected critically (see Sect. 2.3.2). Sustainability is conceived of as balancing human resource consumption and reproduction over time but a social responsibility oriented interpretation has been identified as being relevant for HRM practice as well (see Sect. 2.5.4). Based on this understanding and on the integrative definition of Strategic HRM (see Sect. 2.3.3), the following working definition of Sustainable HRM is suggested for this study:

Sustainable HRM is the pattern of planned or emerging human resource strategies and practices intended to enable organisational goal achievement while simultaneously reproducing the HR base over a long-lasting calendar time and controlling for self-induced side and feedback effects of HR systems on the HR base and thus on the company itself.

This working definition addresses two aspects which are regarded as particularly important to extend the understanding of Strategic HRM from a sustainability perspective. First, the duality of organisational goals which is based on the assumption that companies have to use human resources efficiently but simultaneously they have to care for keeping supplies coming with talented people. This assumption follows the substance-oriented understanding of sustainability. After the “war for talent” debate in the 1990s the discussion on HR and talent development has been neglected again. Today, companies seem to feel the shortage of skilled and motivated people more than ever (see Sect. 1.2.1). Second, the notion of strategy; sustainability can be a planned or “deliberate” strategy. But, it can also be an emerging strategy (e.g. by imitating competitors). The strategic nature of the concept

Sustainable HRM lies in its key concern: long-term viability and supply with human resources. “Strategic issues are those involving fundamental questions of organizational effectiveness, growth and survival” (Evans and G  nadry 1999, p. 378). Constituent for the definition of Sustainable HRM, is to take the long-term perspective and the idea of integrating short- and long-term aspects into account. This underlines the dynamic aspect of Sustainable HRM as it changes and develops over time. Sustainable HRM can be regarded both as a process and as a result. Ex-post it can be evaluated or measured how “sustainable” an organisation or HRM system has been. But in the process of everyday organising it seems more important to focus on the process of “sustaining” and “reproducing” resources.

The level of analysis chosen in this study is primarily the organisational or HR systems level, i.e. a “macro” approach to HRM (for a typology see Wright and Boswell 2002).²³ The main reason for this is the state of the art in the literature and the research approach of the study (see Sect. 1.5). However, as Wright and Boswell (2002) have argued ambiguities appear between a macro and micro level approach. On a macro level, an important task for Sustainable HRM seems to be to find a new balance between consumption or exploitation and reproduction or development of future HR. On a micro level, sustainability research indicates that it is necessary to sustain people’s abilities, willingness to perform, self-regulation skills, and health over time. As HR exchange relationships include employment relationships, for this part of the analysis there is room for discussion on employment relationships, psychological contract, career and health issues.

2.7 Critical Summary and Conclusions

Four objectives have been formulated for this chapter (see Sect. 2.1). The first objective was to define and open up the notion of sustainability as a concept for HRM (see Sect. 2.2). To reach this goal, the notion of sustainability has been placed in its historical context by reviewing prior applications of the idea and the development of the idea over time (see Sect. 2.2.1). This overview has illustrated that sustainability is an ancient concept with diverse meanings and applications which have developed over the past centuries and that sustainability has become a popular term in the aftermath of the Brundtland Commission’s report. The review has also shown that meanings of sustainability in the emerging literature that link this idea to HR-related topics captures several interpretations which can be traced back in their origin to the ecological, economic, political, and societal debates on the topic.

²³Wright and Boswell (2002) have provided a framework for identifying the intersections between micro and macro levels of analysis in HRM. The authors apply the term “macro” instead of Strategic HRM and “micro” for the functional approach to HRM. Micro research is concerned with the impact of HR practices on individuals whereas macro HRM research analyses the impact of HR practices at the organisational level. The authors admit that this micro/macro distinction is not clear-cut. For multilevel research see also Bowen and Ostroff (2004), Wright and Nishii (2006).

The huge diversity of sustainability interpretations continues to cause difficulties in defining and operationalising the concept for the individual corporate level – and also for HRM (see Sect. 2.2.2).

Chapter 2 has also identified a promise in the sustainability literature: the assumption that sustainability could operate as a new paradigm for management (and HRM) research (see Sect. 2.2.2). Following this idea, the discussion on the key elements and characteristics of corporate sustainability was reviewed and its potential contribution for HRM discussed critically (see Sects. 2.2.2 and 2.2.4). In the recently emerging literature linking sustainability and HRM, sustainability is often interpreted as “social responsibility”, i.e. as a value. In this interpretation, overlaps with the (business) ethics and CSR literature become apparent. Here, this interpretation has been juxtaposed with a more economically rational or substance-oriented understanding of sustainability. The latter meaning of sustainability as “balancing the consumption and reproduction of (human) resources over time” has inspired the understanding of sustainability and Sustainable HRM in this study. In this sense, sustainability is interpreted as a rationale for dealing with (human) resources in organisations. However, this interpretation of sustainability is not perceived as superior to others – just as an alternative (see Sect. 2.2.4). The first research question about the definition and meaning of sustainability for HRM has thus been answered (see Sect. 2.2). Important for this study is, firstly, that sustainability has been chosen as an idea for a number of critical resourcing situations. Second, that the meaning of sustainability is context dependent. For the HRM application context, the meaning of sustainability as a social responsibility – which does not refer to the political meaning of the term – and as an economic rationality has been indicated early on in this chapter and then further explored.

Before this elaboration is discussed in Chap. 3, Chap. 2 looked at defining the key terms and concepts for Strategic HRM (see Sect. 2.3) and thus dealt with the second objective of the chapter (see Sect. 2.1). Human resources are conceived of as special resources which have to be treated differently from other corporate resources because of their special characteristics (needs, wants, mobility, etc.), i.e. their specific conditions of development, reproduction and regeneration of resources (see Sect. 2.3.1). This difference is not always taken into account in HRM and sustainability research (see Sect. 2.3). An interesting analogy to natural resources, however, is the need of human resources to regenerate and the limits of physical and psychological burdening (although individually very different). The overview on the definitions of strategy revealed that strategy can be a deliberate or emerging concept (see Sect. 2.3.2). While the conceptual part of the study addresses the potential of sustainability as a deliberate strategy the exploratory part is interested in findings that indicate how sustainability emerges as a strategy in HRM (see Sect. 1.5). A broad and integrative definition of Strategic HRM has been chosen for this study (see Sect. 2.3) because it suits the multi-paradigm theory development approach (see Sect. 1.5.2). After introducing the key terms and concepts for Chap. 2, prior literature linking sustainability and HRM has been reviewed (see Sect. 2.4).

The objective of this review was to describe commonalities and differences in the literature and to understand the link between sustainability and HRM as it has

been interpreted in prior research (see Sect. 2.1). The answer to the research question of this section is firstly, that sustainability has been linked to prior research at the individual employee and HR systems level. Second, the problems and solutions dealt with in this literature are similar and refer to the problem of side and feedback effects and the problem of durable supply with human resources (see Sect. 2.4.5). Third, similar HR practices have been proposed such as HR training and development, life-long learning, talent management, employability, work–life balance, employee health, trust, and finally side effects of downsizing and retrenchment. These HR activities focus on the regeneration and development of human resources as well as on long-term oriented resourcing strategies (see Sect. 2.4.4).

An important contribution to this study comes from the SRM literature which posits that specific conditions of development, reproduction and regeneration of resources – in this case human resources – have to be taken into account (see Sect. 2.4.5). Concerning human resources, these are the requirements which have to be fulfilled to build HR (development), to ensure the functioning of the sources of HR (reproduction), and to ensure that employees maintain their capability to work over time (regeneration). These specific conditions are for instance those times that are necessary for people to acquire a certain qualification (the time at school, university, or work), to regenerate and recreate, or those times that employees need to sustain other systems (families, charity organisations, etc.). This can be linked to the above mentioned idea of human resources who must be managed differently from other corporate resources. Fourth, another idea repeatedly occurring in the literature is to link sustainability and the notion of strategic success in HRM. Overall, it could be claimed that the emerging literature on sustainability and HRM reveals several similar concerns which could point towards an emerging approach to HRM – although in the current state of the art the literature is only in its infancy (see Sect. 2.4.5).

The fourth objective of this chapter was to make the reasoning for sustainability transparent, to raise awareness for different sustainability interpretations and their underlying rationalities as well as to adapt this reasoning to the HRM context. This part of the chapter has helped pave the floor for understanding why and how companies (might) justify using sustainability as a concept for HRM (see Sect. 2.1). The categorisation which has been chosen to illustrate the rationalities underlying the reasoning for sustainability builds on SRM literature (see Sect. 1.5). This literature identifies a normative, efficiency-/innovation-oriented, and a substance-oriented reasoning for sustainability (see Sects. 2.5.1–2.5.3). The categorisation has been described and critically discussed (see Sect. 2.5.4). The author of this study views the three general ways of interpreting of sustainability as competing in research but as co-existing in corporate practice. It is not the intention of this study to explore what companies “should” do but to point towards different alternatives and their potential consequences. Practitioners themselves can then make informed choices for one or the other interpretation of sustainability for HRM. As the literature review has revealed, all three perspectives play a role in the literature on sustainability and HRM and it is also assumed that all three interpretations have a role to play in corporate practice.

But, as outlined in this chapter, the underlying rationalities may contradict each other if juxtaposed and all three ways of reasoning for sustainability lead to different implications for HRM (see Sect. 2.5.4). For HRM, the interpretation of sustainability as a social responsibility can be linked to the debate of instrumentalism vs. humanism. The objective of this sustainability interpretation is social legitimacy. However, the SRM literature, has offered another interpretation of sustainability – as an economically rational concept (see Sect. 2.5.3). The objective of this interpretation of sustainability, however, is not social legitimacy but long-term access to resources. The traditional economic rationality of efficiency and the *new* economic rationality of sustainability are assumed by the SRM proponents to contradict each other and to create tensions for decision-makers. Tensions are possible between these positions that have to be actively coped with.

Finally, the fifth objective of this section was to emphasise the links and potential contributions sustainability could provide for theory development in Strategic HRM and to develop a working definition for Sustainable HRM (see Sect. 2.1). Three ideas from sustainability research and from the research linking sustainability and HRM have been identified from the literature review in Chap. 2 as being useful for further analysis of HRM: First, the idea of fostering the human resource base from within, of taking the “origin” of human resources into account when developing organisational resourcing strategies, and the idea of taking care for the viability of organisational environments by considering self-induced side and feedback effects (see Sect. 2.6.1). The second idea which contributes to Strategic HRM theory is to extend the notion of strategic success by extending the underlying rationalities from a substance-oriented understanding of sustainability (see Sect. 2.6.2).

Finally, the third idea refers to considering short- and long-term effects with regard to balancing resource consumption and reproduction over time and with regard to controlling side and feedback effects which develop over time (see Sect. 2.6.3). In total, these ideas also raise awareness for the underlying paradigms – which was one of the objectives of the multi-paradigm review in this work (see Sect. 1.5.2). Finally, the last contribution of Chap. 2 was to develop a working definition for Sustainable HRM building on and extending prior research (see Sect. 2.6.4). The requirements for further elaborations on the topic of the thesis are to explore what is the state of the art in Strategic HRM with regard to the resourcing strategies and resource-orientation of the field, with regard to the fields understanding of strategic success and how this has influenced theory development in HRM.

Chapter 3

Theorising on Strategic HRM from a Sustainability Approach

As Sustainable HRM is conceived of as an extension of Strategic HRM and sustainability as a potentially new approach to theorise on HRM (see Sect. 2.6.4), the next step taken is to review how theorising in Strategic HRM has been previously done and by which developments this process has been influenced. The claim that the concept of sustainability has the potential to induce or contribute to a paradigm shift in Kuhn's (1970) sense (see also Sect. 2.2.2) is reflected upon critically. It is assumed here that – at least currently – the main reason for more managers and scholars being interested in sustainability and in a Sustainable HRM approach is influenced by current socio-political developments.

3.1 Objectives and Structure of the Chapter

Chapter 3 continues the analysis of Chap. 2 on the sustainability-HRM link and focuses on a contribution to fill the research gap from the perspective of Strategic HRM theory (see Sect. 1.3.3.1). In Chap. 2 it has been argued that sustainability as a concept holds some links for Strategic HRM theory which can help extending existing conceptualisations in the field: the idea of fostering the ability of HRM to sustain the HR base from within, among others, by controlling side and feedback effects (resource-orientation of HRM), the idea of extending the notion of strategic success by juxtaposing different rationalities, and the idea of considering short- and long-term effects (see Sect. 2.6). These issues are then used for guiding further analysis.

Four objectives are distinguished for Chap. 3 (see also Sect. 1.4.1). The first objective is to reach a basic understanding of the historical roots of HRM theory and how developments in management and HRM practice have influenced changing concerns and rationalities in HRM. To reach this objective, an introduction is given into the historical background on management research and the “beginnings” of HRM (see Fig. 3.1). A short history of the development in German HRM is taken as an example for changing concerns and their underlying rationalities.

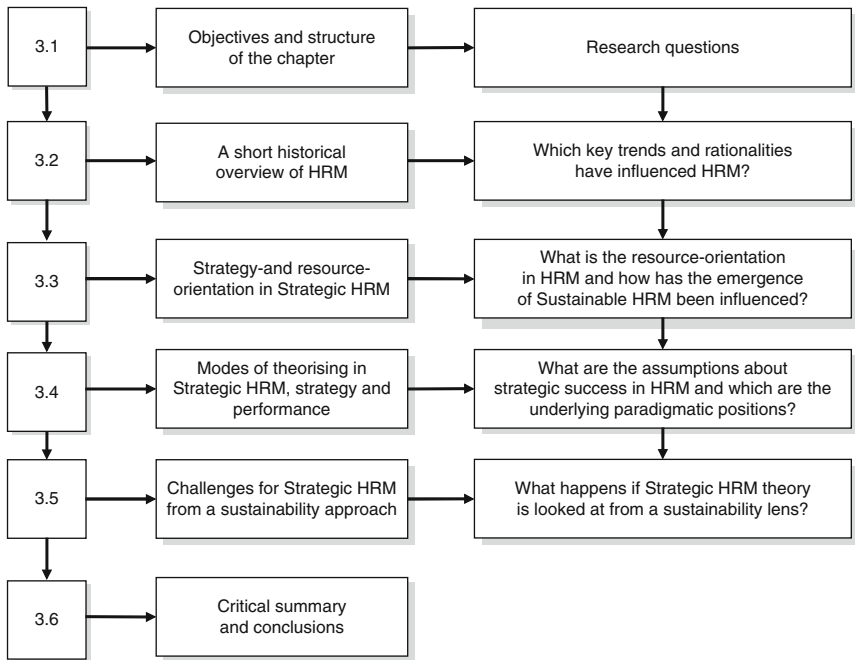


Fig. 3.1 Structure of Chap. 3

Source: compiled by the author

The second objective of Chap. 3 is to continue prior analysis, to understand the resource-orientation in Strategic HRM, and to reach a better understanding of the developments which may have contributed to the emergence of Sustainable HRM. To reach this objective, three major trends are described which have influenced HRM practice in the past three decades as well as the development of theories in Strategic HRM: (1) the trend from operational personnel management towards greater strategy-orientation in HRM; (2) from external (market-based) to internal (resource-based) factors as an explanation for sustained competitive advantage; and (3) from national to global perspectives on HRM and on corporate resourcing strategies. Next, the question is added and elaborated on whether a fourth trend in contemporary HRM points towards a shift to Sustainable HRM.

The third objective of the chapter is to explore the understanding of strategic success in HRM. In Chap. 2, the notions of strategy and Strategic HRM have already been defined and discussed (see Sect. 2.3). This analysis is extended in Chap. 3 by turning to an important stream of literature in Strategic HRM: HRM and performance. By reviewing key contributions to this literature, the objective is to understand how strategic success is conceptualised in HRM from the perspective of different theorising modes. The dominant theorising perspectives in Strategic HRM are investigated – the universalistic (“best practice”), the contingency (“best fit”); the configurational (“best bundles”) and the contextual approach. Additionally, an integrative approach which has been proposed recently is reviewed.

The fourth objective of Chap. 3 is to compare these modes of theorising to the ideas raised in sustainability research and to identify limitations of a theory of Strategic HRM from a sustainability lens. This analysis picks up the three specific aspects identified in Chap. 2 and critically analyses the limitations or “blind spots” of Strategic HRM concerning its ability to sustain the HR base from within, the understanding of strategic success and concerning the idea of integrating short- and long-term aspects. Key paradoxes in Strategic HRM are identified.

Chapter 3 is structured into six main sections (see Fig. 3.1). After this introductory section, a short historical overview is delineated (Sect. 3.2). In the third section, this analysis is continued by outlining how the key trends mentioned have influenced the understanding of Strategic HRM, the resource-orientation in HRM, and the emergence of Sustainable HRM (Sect. 3.3). Section 4.4 deals with the modes of theorising in Strategic HRM and depicts their assumptions and predictions about the notion of strategic success in HRM. In the fifth section, Strategic HRM is compared to sustainability concerning the key elements identified in Chap. 2 (Sect. 3.5). In the final section, the key findings of Chap. 3 are summarised and the choice of the paradox perspective for Sustainable HRM is justified (Sect. 3.6).

3.2 A Short Historical Overview of HRM

The definition and understanding of Strategic HRM (see Sect. 2.3) has to be viewed in the context of historical developments regarding HR practices (e.g. Gaugler 2004).¹ The origins of today’s Strategic HRM can be traced back to the beginning of the twentieth century although Kaufman (2001), for example, sees its origin in the 1970s. In a historical analysis for the USA, the author reveals that a “fundamental shift in HRM paradigms [...] took place roughly from 1915 to 1925” (Kaufman 2001, p. 506) and that this new paradigm was strategic in nature.

3.2.1 *Historical Background on Management Research Influencing HRM*

Important management research trends which have influenced today’s HRM are paternalism, scientific management, administrative science, and the Human Relations movement (see Kaufman 2001; Legge 2005). Some employers in the nineteenth century understood that employees need more than wages and job security. With the beginning of the industrialisation several owners had become known for

¹For reviews on the historical development of different national HRM fields see: Schuler and Jackson (2005) and Wright (1998) for the USA, Boxall and Purcell (2000) and Legge (2005) for the UK. For a historical analysis on the German HRM field see Drumm (2000), Krell (1998), Klimecki and Gmür (2001), Gaugler (2004), and Oechsler (2000a).

taking care for and showing responsibility for the employees' social needs. The associated behaviour is termed "paternalism" because it is linked to a fatherly attitude towards the employees (see Boselie 2002; Legge 1995).² Today's literature informed by the normative understanding of sustainability (see Sect. 2.5.1), can be interpreted as continuing this tradition in the social responsibility debate.

In contrary to paternalism, the key concern of Taylor's (1911) *Scientific Management* was to explore human work processes with scientific methods in order to find out how efficiency and performance of the workers could be improved. Kaufman (2001) highlights that:

Taylor sought to solve the labor problem by promoting cooperation between labor and capital and a win-win outcome of greater efficiency and higher profits and wages by discovering and implementing through scientific research the "one best way" to industrial management. (p. 512)

The idea of creating efficiency by controlling people is still prominent in today's HRM research.³

Fayol's (1919/1949) *Administrative Science* was concerned with presenting some explicit guidelines on how to structure organisations. He advanced a set of administrative principles: division of work and specialisation, the right to exercise authority and to issue commands, discipline, the unity of command the unity of direction, subordination of individual interest to organisational goals, remuneration, the scalar chain, achievement of material and social order, equity, stability of tenure, opportunities for the display of initiative, and esprit de corps. Each of these principles were further elaborated and refined by later management theorists (Gulick and Urwick 1937; Mooney and Reiley 1939) and remain an integral part of managerial training to the present day (see Jaffee 2001).

In parallel to Scientific Management (Klimecki and Gmür 2001), the *Human Relations movement* evolved. Academic developments were concerned with employee relationships and work organisations were concerned with the intention of improving corporate performance (Klimecki and Gmür 2001). But, Scientific Management focused on the physical aspects of work and neglected the human side (Kaufman 2001). The beginning of the Human Relations Movement is usually linked to the Hawthorne experiments (e.g. Mayo 1933), and to the discovery that social factors have an important impact on performance, i.e. that people are motivated by more than economic incentives.⁴ Based on their investigations at Hawthorne, the researchers believed that the key to promoting cooperation in the workplace involves providing opportunities for employees to interact with other workers and with managerial personnel and that communication is important in effective management.

²For the influence of Christianity and the Catholic Church on this paternalistic attitude: see Legge (1995) for the UK as well as Drumm (2000) and Klimecki and Gmür (2001) for the German HRM field.

³For "commitment" vs. "control": see Arthur (1994), Boselie (2002).

⁴For an overview: see Berthel (2000), Hentze and Kammel (2001), and Oechsler (2000a).

Kaufman (2001) mentions that the term “human relations” has been used at least a decade before Mayo and his colleagues. Key ideas of the Human Relations movement are “the importance of informal work groups, the practice of output restriction by employees, and the nonlogical nature of many aspects of workplace behaviour” (Kaufman 2001, p. 512). The Human Relations movement has been criticised for being “normative” and “value-laden” because of the focus on the human aspect (humanisation of work). One of the arguments is that the criteria for what is regarded as being “humane” are influenced by values rather than rational reasoning (e.g. Staffelbach 1990). However, Black and Margulies (1989) understand the Human Relations perspective as instrumental in the sense that “humans are instruments that are used in the achievement of organisational effectiveness” (p. 18). Employee participation, for instance, is regarded as one means to increase employee satisfaction and to reduce an individual’s resistance towards change processes (Black and Margulies 1989).⁵ Before more recent trends in HRM practice and research are reviewed, the development of the German HRM field is taken as an example for showing the changing concerns for HRM in the past decades as well as the underlying rationalities.

3.2.2 *HRM in Germany as an Example for Changing Concerns*

The development of HRM in Germany is taken as an example to illustrate different periods in HRM practice, key concerns, and the underlying key assumptions (see Table 3.1). However, it has to be taken into account that in comparison to the USA or UK this process started with a time-lag in Germany because of World War II (Stieß 2005). Not every German company has gone through these different development periods (Scholz 2000), because the categories have been produced ex-post by scholars. Developments in other countries may have been similar but not the same as institutional and cultural contexts are different.⁶

In the period of *administration*, formal tasks like recruiting, retrenchment, paying wages, or employee participation were the key concerns (Bisani 1995; Schanz 2000; Scholz 2000). It was easy to replace employees because tasks were simple and many employees were available on the labour market (see Table 3.1). Demand for better qualified employees was rising when requirements of consumers on the consumer markets increased and highly qualified employees became scarce. From that time on, one of the key tasks for HRM was to ensure the supply of qualified and motivated people (Klimecki and Gmür 2001). This development and the increasing importance of the personnel function for a company’s success

⁵For a comparison of the Human Relations and the human resource perspective, see Black and Margulies (1989, p. 19).

⁶See, for example, for HRM in Northern Europe: Brewster and Larsen (2000). These and other publications have shown that the understanding of HRM has also to be viewed in its cultural and institutional context. For a comparison of HRM in the USA, Japan, and Germany: see Pudelko (2006).

Table 3.1 Historical overview of changing key concerns in HRM

Year	Development period	Characteristics of the period and underlying key assumptions	Key concern
1945–1960	File maintenance and administration	Employees are available on the labour markets and easily replaceable; simple tasks Employees as cost and production factors Notion of success: cost minimisation Rationality: economic efficiency	Formal administrative tasks such as paying wages, writing labour contracts Emphasis: labour law
Since 1960	Acceptance and legitimacy	Changing conditions on the labour market; increasing demands concerning employee skills and motivation Rationality: economic and social efficiency	Increasing specialisation; additional HR tasks Emphasis: occupational training and development
Since 1970	Implementation and integration	Increasing importance of HR departments because of developments in HR development and employee participation (co-determination)	Increasing integration of corporate politics and personnel economic decisions
Since 1980	Consolidation and reflexion	Employees as key factors for economic success and “knowledge carrier” value creation through HRM (competitive factor); first approaches of Strategic HRM	Emphasis: HR planning Increasing alignment of strategy, organisation and HR development
Since 1990	Restructuring and decentralisation	Notion of success: value creation and maximisation; sustained competitive advantage Recession; high unemployment rates; lean management, business reengineering Employees as entrepreneurs	Emphasis: supply with qualified and motivated employees
Since 2000	Integration of human resource competence	Increased significance of knowledge transfer, competences; labour shortage; global competition for talent Employees as valuable resources and “competence carrier” Notion of success: sustained competitive advantage AND long-term viability Rationality: increase efficiency of HR deployment (create more value with the same people)	Increasing flexibility but also changing work values (individualisation); increasing importance of line managers for HR (decentralisation), internationalisation, globalisation Emphasis: every manager as a human resource manager Emphasis: professionalisation of employees and HRM, virtualisation

Source: adapted and extended from Bisani (1995), Gaugler (2004), Schanz (2000), Scholz (2000)

contributed to its *acceptance and legitimacy* (Klimecki and Remer 1997; Remer 1997).⁷ HRM's strategic importance increased when employees were discovered as carriers of competence and knowledge in the period of *consolidation and reflection*. The period of *restructuring and decentralisation* was characterised by recession and corporate restructuring. Only in the recent period of *integration of human resource competence* (see Table 3.1), the importance of highly qualified employees was rising again and labour markets became tight for certain professions (such as health care, engineering, education, or IT).⁸

In summary, the understanding of workers or employees as cost and production factors only developed towards the understanding of employees as key factors for economic success and as “knowledge carriers” (see also Sect. 2.3.1). Labour and skills shortages as well as increasing demands for high quality work contributed to the rising importance of employees for economic success. The emphasis in managing employees or human resources changed in the course of these developments (see Table 3.1). While formal administrative tasks were dominant in the beginning, occupational training and development became more important with increasing demands concerning the skills and motivation of employees. This inward turn was followed by efforts to align corporate and HR strategy. In the beginning, the rationalities underlying this development were dominated by economic efficiency. However, with skilled labour becoming short and with corresponding changes in societal values, the importance of social efficiency increased (see Table 3.1).

From their historical review, Klimecki and Gmür (2001) deduce two dominant roles of HRM which are still of importance for defining the HRM function today: First, HRM as a sub-function with the objective of contributing to organisational performance objectives (see also Sect. 2.3.3). Second, HRM which understands itself as a function which has the task to compensate and balance side and feedback effects from corporate activities. These two roles of HRM as well as the underlying and competing rationalities which are economic rationality (instrumentalism) and relational rationality (humanism) (see, e.g. Paauwe 2004, 2007) have become prominent. The following section continues the historical analysis by reviewing the developments which may help understanding the recent emergence of Sustainable HRM.

3.3 Strategy- and Resource-Orientation in Strategic HRM

Three major trends can be identified that have influenced the development of HRM (see also Martín-Alcázar et al. 2005b; Schuler and Jackson 2005) and its strategy- and resource-orientation. Shifts have been noted from:

⁷Legge (2005) refers to this struggle of personnel managers in the UK as the “credibility gap” (p. 51).

⁸The latest influence, the financial crisis in 2008/2009 contributes to loosening this pressure – at least temporarily.

- Personnel management to Strategic HRM (Guest 1987; Lundy 1994)
- External factors to internal firm resources (Wright et al. 1994, 2001)
- National to international and global perspectives on HRM (Brewster and Suutari 2005; Brewster et al. 2005; Wright et al. 2005a)

The concern for sustainability, the debate of the business–society relationships, the question of a company’s responsibility for society (CSR) (e.g. McWilliams et al. 2006; Whetten et al. 2002), and the quest for sustainability in HRM (e.g. Paauwe 2004) are interpreted as a fourth and most recent trend influencing HRM practice and theorising.⁹

3.3.1 *From Personnel Management to Strategic HRM*

The HRM concept¹⁰ – has swiftly spread throughout Europe and other parts of the world.¹¹ Early HRM conceptual frameworks with a strong influence on the theoretical developments on the HRM landscape are the Harvard approach (see Fig. 3.2; Beer et al. 1984, 1985) and the Michigan approach (see Fig. 3.3; Devanna et al. 1984; Tichy et al. 1982, 1984; Fombrun et al. 1984).¹²

The Harvard approach is regarded as the “soft” and “developmental humanism” oriented model for HRM as opposed to the “hard” and “utilitarian-instrumentalism” model (see Hendry and Pettigrew 1990; Legge 2005). Beer and colleagues (1984) look from a general management perspective at HRM choices, outcomes and long-term consequences and describe how HR choices can have long-term consequences on: individual well-being, organisational effectiveness, and societal well-being (see Fig. 3.2).

The Michigan approach was designed adapting Chandler’s (1962) idea of “structure follows strategy” (see Tichy et al. 1982). One of the key assumptions is that HRM must be aligned to a company’s strategy and organisation structure. Second, Tichy and colleagues have identified the key factors influencing performance as visualised in the human resource cycle (see Fig. 3.3). Selection, appraisal

⁹The specialisation and desegregation of HRM into different subfields is indicated by a number of similar acronyms such as International HRM (IHRM), Strategic International HRM (SIHRM), Global HRM (GHRM), and Strategic Global HRM (SGHRM) – and, as in this study, Sustainable HRM.

¹⁰For an overview on the origin of HRM: see, for example, Kaufman (2001), Ouchi (1991).

¹¹The “birth date” of personnel management as an academic discipline in Germany is dated back to 1961 when the first Annual Meeting of Business Professors dealt with the topic “Work and wages as a topic of Business administration” (Gaugler 2004; Klimecki and Gmür 2001; Krell 1998; translated from German by the author). In comparison to other organisational functions, the personnel department or HRM function has a long tradition of struggling for acceptance (see, e.g. Legge 2005; Klimecki and Gmür 2001; Remer 1997).

¹²For reviews on conceptual Strategic HRM frameworks: see, for example, Ackermann (1987), Wright et al. (1992).

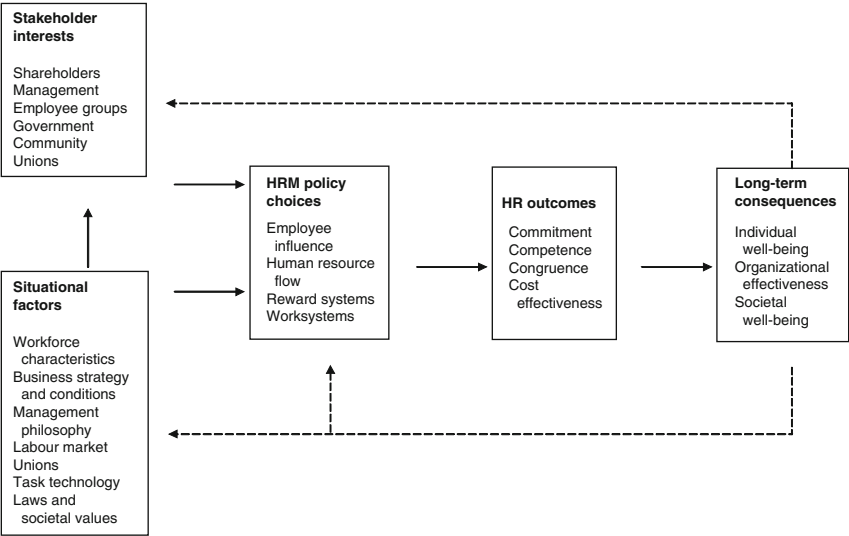


Fig. 3.2 The Harvard approach
Source: Beer et al. 1984, p. 16; Used with permission

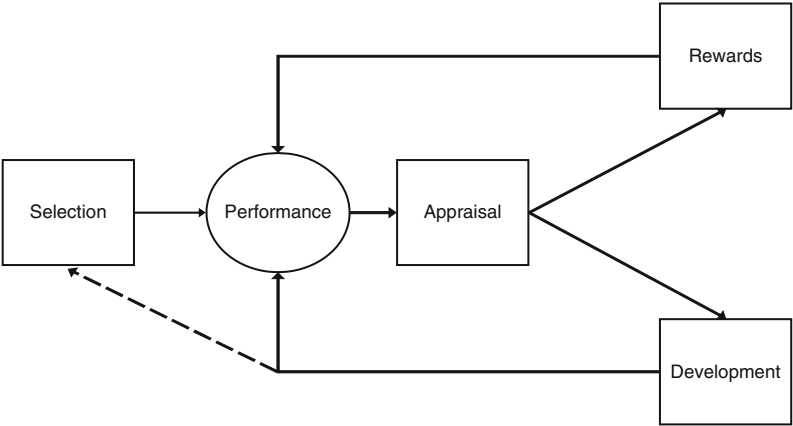


Fig. 3.3 The human resource cycle of the Michigan approach
Source: Tichy et al. 1982, p. 50; Used with permission

(motivating), rewards, and development of people are regarded as being highly interdependent HR activities.

Both, the Harvard and Michigan approach, considerably shaped the development of HRM models and the understanding of the HRM role in the field – also on the European side of the Atlantic. At the end of the 1970s, Strategic HRM received particular attention because of the development of an administrative personnel management to a human resource management approach, and because internal

organisational factors were considered as being increasingly important (Martín-Alcázar et al. 2005b).¹³

What is known as HRM and as Strategic HRM today, started off as personnel management (e.g. Legge 1978).¹⁴ Personnel management has been characterised as a short-term oriented, “firefighting”, and a reactive approach to managing people (see Lundy 1994, p. 687) while the concept of HRM is conceptualised as proactive and long-term oriented. Much has been written about the differences between personnel management and HRM (e.g. Legge 2005; Lundy 1994). Guest (1987) compared the stereotypes (key assumptions) about personnel management and HRM concerning the time and planning perspective, psychological contract, control systems, employee relations perspective, preferred structures, HRM role, and the understanding of success (evaluation criteria) (see Table 3.2). Guest’s (1987) overview indicates that at least the stereotypes of personnel management and HRM suggest that HRM is the “better” choice. But, the author concludes that

Table 3.2 Stereotypes about personnel management and HRM

Approach Category	Personnel management	Human resource management
Time and planning perspective	Short-term Reactive Ad hoc Marginal	Long-term Proactive Strategic Integrated
Psychological contract	Compliance	Commitment
Control systems	External controls	Self-control
Employee relations perspective	Pluralist Collective Low trust	Unitarist Individual High trust
Preferred structures/systems	Bureaucratic/mechanistic Centralized Formal defined roles	Organic Devolved Flexible roles
HR roles	Specialist/professional	Largely integrated into line management
Evaluation criteria	Cost-minimization	Maximum utilization (human asset accounting)

Source: Guest (1987, p. 507)

¹³This development is described in the vast majority of academic research in HRM. But, Kaufman (2001) asserts that this statement is exaggerated in the literature. Instead, he shows that HR practices other than administrative tasks existed in the management of employees in the USA even before WWI. He also shows that strategic thinking on HRM can be traced back in scholarly work as early as the 1920s. For Germany, there is no consistent analysis of HRM from its beginnings until 1945 (Drumm 2000). But, the origin of HRM in Germany is seen in small firms where the owner took care of all HR-relevant tasks for a small number of employees. In the period of industrialisation, wage offices emerged in middle and larger-size companies (Gaugler 2004).

¹⁴See Kaufman’s (2001) historical review on early antecedents of Strategic HRM.

“other approaches are equally legitimate and likely in certain contexts to be more successful” (p. 508).

While earlier HRM literature juxtaposed “hard” and “soft” HRM models (e.g. Truss et al. 1997) or “instrumentalism” and “humanism” (see Paauwe 2004, 2007), Legge (2005) asserts that recent research recognises both: “it is not a question of ‘either’/‘or’, but of ‘both’/‘and’” (p. 19). She continues her analysis by suggesting that Boxall and Purcell (2003) have integrated this “both”/“and” position into their definition of Strategic HRM. These authors as well as other European scholars (e.g. Paauwe 2004) indicate that the traditional focus on financial performance as in indicator for strategic success is insufficient. Instead, the notion of strategic success in HRM needs to be extended because the understanding of it becomes more complex.

Boxall and Purcell (2003) recently recommended an extension of the strategic goals of HRM: They understand viability and sustained competitive advantage as “ultimate business goals” (p. 7), but labour productivity (cost effectiveness), organisational flexibility (short-term responsiveness and long-term agility) and social legitimacy (employment citizenship) as critical HR goals. However, they do not consider the side and feedback effects of HRM on itself, i.e. the self-induced social impact. Recent research on (Strategic) HRM and performance focuses on High Performance Works Systems (HPWS) or High Commitment Management (HCM) (Becker and Gerhart 1996; Huselid 1995). In parallel to the shift towards a more strategic understanding of HRM (on strategy and HRM see also Sect. 2.3), developments in strategic management have shifted from external (market-based) towards internal (resource-based) factors to explain sustained competitive advantage. To conclude, Strategic HRM scholars have already started opening the notion of strategic success and it looks as if this process has not yet come to an end.

3.3.2 From External Factors to Internal Human Resources

The concern for the importance of human resources for corporate success has its theoretical roots in the human capital perspective or human capital theory (Becker 1964; Lepak and Snell 1999). Human capital theory has further contributed to the importance of employees and their skills and competencies as “human capital” and of HR training and development as an investment into a “human capital pool”.¹⁵ Despite the theory’s contribution for the acknowledgement of the value of human resources, Schuler and Jackson (2005) point out the problem of the theory that “people are of value to the organization to the extent they make it productive” (p. 23). As a consequence, “organizations make decisions about investments in people just as they make decisions about investing in machinery” (Schuler and Jackson 2005, p. 23).

¹⁵For the definitions on human capital see Sect. 2.3.1.

The theoretical “breakthrough” of the strategy- and resource-orientation of HRM is linked to the emergence of the resource-based view (RBV) of the firm in Strategic Management research (Barney 1991; Barney et al. 2001; Wernerfelt 1984; Nelson and Winter 1982; Peteraf 1993). The RBV was developed as a reaction to the strong structure–conduct–performance paradigm of industrial organisation (IO) economics (Porter 1980; Dierickx and Cool 1988).¹⁶ Focusing on internal factors such as human capital, the RBV allows explaining long-term differences in the profitability of companies which could not be traced back to industry differences (Peteraf 1993).

Barney (1991) defined firms as “bundles of productive resources” following an idea from Penrose (1959).¹⁷ Barney (2002) assumed that these bundles are different for different firms (resource heterogeneity) and that some of them are costly to copy or inelastic in supply (resource immobility). To be a source of sustained competitive advantage, resources of the firm must be valuable, rare, and inimitable (Barney 1991). Recently, the RBV has been extended by the dynamic capabilities (DC) approach to organisational behaviour (Teece et al. 1997). The basic assumption of this approach is that value creation depends on building capabilities which generate sustained competitive advantage. The authors define dynamic capabilities as the “firm’s ability to integrate, build, and reconfigure internal and external competencies to address rapidly changing environments” (Teece et al. 1997, p. 516). The RBV focuses on the link of corporate strategy to a company’s internal resources (Wright and McMahan 1992; see also Sect. 2.3.3). In the RBV, resources are valuable if they contribute to a company’s efficiency and effectiveness (Barney 2002).

In HRM theory, the RBV has swiftly found a fertile ground for application and further development (e.g. Boxall 1996, 1998; Kamoche 1996; Lado and Wilson 1994; Ridder et al. 2001; Wright et al. 1994) and has become one of the most influential and popular theoretical perspectives in Strategic HRM (Boselie et al. 2005; McMahan et al. 1999; Wright et al. 2001). Another focus of the debate is the relationship between HRM and corporate strategy (Barney et al. 2001). Wright et al. (1994) have proposed a model for how HRM practices contribute to both developing human resources and to isolating them. The RBV provides the basis for interpreting human resources as a pool of skills (human resource pool) and these can be the source for a competitive advantage (Wright and McMahan 1992). Wright and colleagues’ (1994) model illustrates the influence of HR practices on the human capital pool and HR behaviour and thus creating a sustained competitive advantage.

Both, employees and HRM have been identified as potential sources of sustained competitive advantage. This results in increased corporate efforts to recruit and retain highly qualified and motivated employees (e.g. Ridder et al. 2001). These employees are often scarce (see Sect. 1.2.1). But, from the perspective of the RBV this is an advantage – at least for the company having access to these resources.

¹⁶For a comparison of IO and RBV paradigms: see, for example, Wolf (2005).

¹⁷On the definition of “resources” in the RBV see Sect. 2.3.1.

If all companies have equal access to talent or skilled employees, this would – according to the theory – not lead to a competitive advantage (Ridder et al. 2001).

But, the exploitation or deployment of resources for a firm's competitive advantage addresses only one strategic objective of the RBV. Grant (1991) explicitly points out that another important task is to identify resource gaps and to invest in and develop a firm's resource base: "This includes replacement investment to maintain the firm's stock of resources and to augment resources in order to buttress and extend positions of competitive advantage as well as to broaden the firm's strategic opportunity set" (p. 131). Investing in a company's resource base is a strategic activity, i.e. the future competitive advantage is taken into account (Grant 1991). Grant (1991) asserts that "harmonizing the exploitation of existing resources with the development of the resources and capabilities for competitive advantage in the future is a subtle task" (p. 132). To conclude, human resources can but do not have to be a source of sustained competitive advantage – appropriate resources have to be identified, exploited, or developed (e.g. Ridder et al. 2001). One of the limitations of the RBV is that it does not deal with the "origin" of human resources mentioned as important from a sustainability perspective (Müller-Christ 2001). Second, although the aspect of developing a "resource base" is inherent in Grant's (1991) model this does not explain *how* the human resource base can be developed.

3.3.3 *From National Perspectives to Global HRM*

The internationalisation and globalisation¹⁸ of HRM is another example in HRM where theoretical advances follow developments in corporate practice.¹⁹ Although some authors have suggested that globalisation is a myth (see the special issue of the *J Int Manage* 9(4), 2003), the majority of international management and IHRM scholars probably agree with Stevens and Bird (2004) that globalisation is an important phenomenon which *can* be traced and differentiated with regard to important management aspects from companies operating only at a local level.²⁰ The importance of globalisation and internationalisation has also been asserted in HRM literature (e.g. Mendenhall et al. 2003) and HRM scholars have kept calling for considering the impact of internationalisation on HRM (e.g. Jackson and Schuler 1995; Scherm 1999). In the past decade, the conceptual landscape in this area of research has become a rich and diversified field with competing approaches on International HRM, Global HRM, Strategic International HRM or European HRM (for an overview see, e.g. Brewster et al. 2005; Dowling et al. 2008;

¹⁸Weber and Festing (1999) define globalisation as a "process of a company [...] which increasingly extends and integrates its activities on global markets" (p. 439; translated from German by the author).

¹⁹Important articles in this field have been published in *The International Journal of Human Resource Management*.

²⁰For a review of the field International Management see, Werner (2002).

Morley 2004). Weber et al. (1999) have identified three research approaches of International HRM:

- Cross-cultural perspective of International HRM
- International comparative HRM perspective
- HRM in multinational corporations

Comparative HRM deals with the differences in managing people in different countries, and International HRM refers to “the worldwide management of people” (Brewster 2002, p. 129). Recently, globalisation has been recognised as a new phenomenon requiring existing HRM models to change towards a “Global HRM” (e.g. Brewster and Suutari 2005; Brewster et al. 2005). The relativist observation that HRM is not the same in every cultural and institutional context²¹ has brought forward a number of books for different regions in the world such as Europe, Eastern Europe, Middle-East, Asia-Pacific, or Africa. Globalisation and internationalisation are often mentioned as reasons for an increase in the complexity of HRM practice (e.g. Scherm 1999; Weber and Festing 1999).

The key challenges²² for HRM are the following: First, competing on highly competitive global markets, MNEs today are often facing the demand of becoming more and more efficient and of defending their competitive advantage. Brewster and colleagues (2005) identified efficiency-orientation in the sense of cost rationalisation as one of the key drivers influencing organisational strategy. According to survey and case study results, high outsourcing of business processes and high centralisation have found to be the main elements of efficiency (Brewster et al. 2005). Second, increased diversity (in terms of culture, sex, and age) of global workforces challenges HRM in several ways (see Barkema et al. 2002). McMahan et al. (1998) have pointed towards the importance of diversity for Strategic HRM for building a sustained competitive advantage, based on the assumption that a firm’s diversity is valuable, rare, inimitable, and non-substitutable. The third challenge is that the search and competition for talent has become global (see Sect. 1.2.1). A recent study explored how leading companies in the USA, Europe, and Asia develop and sustain “talent pipelines” (Stahl et al. 2007). The researchers identified, empirically, a set of HR practices which have the objective of solving the problem of labour or talent shortage (see Table 3.3).

This list of “best practices” of talent management shows that the key areas to cope with the problem are recruitment and staffing, training and development as well as retention management. According to the authors, most companies in their study apply a “talent pool strategy” (Stahl et al. 2007): “the company recruits the best people and then places them into positions rather than trying to recruit specific people for specific positions” (p. 10). This talent pool strategy can be interpreted as

²¹ For instance, HR practices such as downsizing have been found to differ across cultures (e.g. Segalla et al. 2001).

²² Surveying HR executives Mendenhall et al. (2003) identified further key issues such as enhancing global business strategy, aligning HR issues with business strategy, designing and leading change, building global corporate cultures, and developing global leaders (p. 264).

Table 3.3 Synopsis of talent management best practices*Recruitment and staffing*

- Talent pool strategy rather than hiring for specific positions
- Close relationships with leading business schools and universities
- Highly selective hiring
- Compelling “employee value proposition” and strong emphasis
- Focus on values and cultural fit, not just job-related skills and experience
- Continuous assessment of both performance and potential, using multiple inputs
- Grading against competency profile of successful leaders
- Use of talent inventories for selection and succession purposes
- Different talent pools (executive, specialist, etc.) with different career paths

Training and development

- Leadership development is top priority and deeply ingrained in culture
- Promotion-from-within policy
- Continuous assessment of training needs and feedback (360° reviews)
- Individual development plans linked to succession planning process
- Job rotations and international transfers as career development tools
- Line manager involvement (coaching, mentoring, job shadowing, etc.)
- Use of open job posting system and internal talent marketplace

Retention management

- Continuous monitoring of attrition rates by performance level
- Highly competitive compensation, particularly long-term wealth accumulation
- Personalized career plans and broadening assignments
- Senior management attention
- Flexible working arrangements and other work-life balance practices
- Diversity programs designed to develop, retain, and promote diverse talent

Source: adapted from Stahl et al. (2007, p. 21)

a development towards increased resource-orientation of top companies and also towards the understanding of “human resources as a strategy” (Remer 1997; see also Sect. 2.3.1). To achieve the objective of attracting and retaining talent, the companies increase their efforts for being recognised as an “employer of choice” by applying global branding strategies, by integrating training and development practices into their cultures, and by involving managers at all levels (also senior and line management). To retain talent the companies are making efforts which can be subsumed by the following quote: “Our findings suggest that more and more companies [...] are coming to understand the value of creating an environment in which everyone feels comfortable and confident to contribute” (Stahl et al. 2007, p. 21; see also Table 3.3). In this period of global competition for talent falls a movement which raises the question if recent developments point towards the extension of Strategic HRM by a sustainability approach.

3.3.4 *From Strategic to Sustainable HRM?*

The emergence of research linking sustainability and HRM (see Sect. 1.3) falls into a period where the competition for talented and motivated employees becomes more important for many global companies (see Sect. 3.3.3), where the rational planning approach to Strategic HRM seems to meet spatial and temporal limitations, and where those responsible for HRM in organisations are challenged by ambiguous choice situations, contradictory demands, and strategic tensions (see Sect. 1.2.3). But, which factors influence this development and raise the recent interest in sustainability and HRM? Several indicators support the assumption that the quest for sustainability in HRM can be interpreted as one of the most recent trends influencing HRM practice and theory.

One indicator is that the general academic interest in Europe and elsewhere in the topic “sustainability” seems to be rising recently. This is reflected in an increasing number of universities including sustainability and/or related issues such as CSR and ethics in their curricula and of university institutes specialising in these topics (for a review see Jones-Christensen et al. 2007). Jones-Christensen and colleagues (2007) have conducted a study on university curricula and sustainability. Their findings suggest that universities and business schools have firstly integrated international programmes keeping up with business developments since the 1990s and next they have started integrating topics such as sustainability into their curricula. Jones-Christensen and colleagues (2007) surveyed the *Financial Times* top 50 global business schools in Europe and the USA, and 24 of the 44 respondents have centres or institutes for sustainability.²³ In consequence, it seems that after the internationalisation and globalisation movement, the development towards sustainability and social responsibility is the next important one for HRM. Also in the HRM field itself, well-respected scholars have started using the term “sustainability” in a context other than sustained competitive advantage (see Sect. 2.4.4). For instance, Legge (2005) has observed that ethical considerations concerning stakeholders have become more important in the recent HRM debate because of stock markets and NGOs speaking “in the language of the ‘triple bottom line’” (p. 4). The developments in the business–society relationship (see Whetten et al. 2002) and corporate scandals are certainly an important impact factor on this discourse but several additional developments can be identified.

In the literature on sustainability and HRM, several further trends²⁴ are mentioned which – according to the scholars – have contributed to the relevance of sustainability for HRM (see Sect. 2.4): intensive work (see Sect. 2.4.1), internationalisation and globalisation and diversity (see Sect. 3.3.3), demographic trends,

²³ On the debate whether universities should integrate these debates into their existing curricula or offer separate courses see: Jones-Christensen et al. (2007).

²⁴ Wolf (2004) mentions several internal and external megatrends such as technological developments, political and legislative changes, social megatrends, and globalisation which have to be considered for Strategic HRM and their potential effects anticipated.

labour market developments, the lack of quality which has been observed in some educational systems (see OECD 2004, 2005) and the recent changes concerning the employment relationship and its impact on the psychological contract – this list is not claimed to be exhaustive. The following sections focus on demographic developments and aging workforces, tight labour markets, and changes in the employment relationship.

Demographic trends and aging workforces. Some experts expect an increase in labour shortage for several Western countries because of demographic trends (i.e. reduced birth rates, aging workforces). First, the birth rate in Germany as well as in other European countries is insufficient to reproduce the population. Second, for several reasons younger workers are preferred by employers. Additionally, an increasing number of older workers chose to retire at an earlier age because according to von Eckardstein (2004) they want to get rid of work-life constraints and they can afford enjoying free time. Although consequences of the demographic development such as aging workforces do not yet influence corporate HRM, von Eckardstein (2004) suggests a proactive and sustainable HRM to prevent negative effects. He proposes to maintain the working ability of older workers.

Tight labour markets. Supply with skilled and motivated people is a central concern for HRM research (Backes-Gellner 2004). Labour markets are important corporate environments offering pools of potential future employees. Despite the internationalisation and globalisation processes, labour markets are mostly nationally shaped due to legislative particularities and societal developments (see Oechsler 2004b). For instance, for the German labour market, labour shortages have been announced repeatedly (e.g. BDA 2000; DIHK 2001; Landsberg and Wehling 2002; Reinberg and Hummel 2003). The key arguments are that the number of young employees entering the job market declines due to demographic developments while older workers retire at an earlier age. Additionally, those job seekers available do often not have the necessary or right qualification which can lead to the situation of high unemployment rates and labour shortage at the same time. Those who are talented and do have the skills and competencies requested by employers can often choose between different job offers. As worldwide demand is greater than supply of talents and as the same companies are competing for the same pool of talents (Stahl et al. 2007), employee expectations have changed (e.g. Price Waterhouse Coopers 2007). Employees expect more from their employers than just offering a good salary – they do for instance expect a support in reaching work-life balance.

Employment relationship. Another driver of sustainability which has not been mentioned in prior literature has become known under the term “new employment relationship” which means that the relationship between employees and employer is no longer a life-long one or even long-termed but instead a contract-like economic exchange (Tsui and Wu 2005; for reviews see Roehling et al. 2000). Under the competitive pressure of modern business life, many companies have argued that they can no longer guarantee the jobs of their employees as it has traditionally been the case (see De Vos et al. 2005a), and workforces have been reduced in many companies to save costs and to gain flexibility (Tsui and Wu 2005). In consequence,

employees' self-responsibility for their careers and employability have increased (e.g. Baruch 2001; Benson 2006; Brown et al. 2003; Fugate et al. 2004) and their loyalty towards employers has been observed as declining. This is one reason why Tsui and Wu (2005) argue based on results from a survey in the USA that the new employment relationship is economically not as attractive as its proponents suggest. The authors suggest that the mutual investment employment relationship is more promising with regard to performance. In the context of the employment relationship (see Sect. 3.3.4), research on the "psychological contract" contributes to understanding the exchange processes between employers and employees. Rousseau (1995) has defined psychological contracts as consisting of individuals' beliefs about the terms and conditions of this exchange. These obligations and promises are often not fixed in formal contracts and instead they are unwritten and even unspoken expectations. The nature of psychological contracts in Rousseau's definition is subjective and observer-relative. Employers' and employees' cognitive schemas and the interpretations of these expectations may differ (De Vos et al. 2005a). Understanding the psychological contract, how it is created and developed over time is of importance for understanding the expectations of newcomers towards the organisation (De Vos et al. 2005a), for avoiding the strong emotional feelings and thus the social and financial costs associated with psychological contract breach (Turnley and Feldman 1999a,b, 2000; Wolfe Morrison and Robinson 1997), and for understanding how to motivate and retain employees (De Vos et al. 2005b). De Vos and colleagues (2005b) have identified five areas which are the content of the psychological contract: career development, job content, financial rewards, social atmosphere, and respect for private life. From a sustainability perspective, new light is shed on the topics of employment relationship and psychological contract. Understanding psychological contracts and the sensemaking processes involved in these exchanges is of importance for attracting and retaining talents. Young talents today might be expecting their employers to be sustainable.²⁵

Rising interest in concepts such as paradox, duality, and dilemma in the HRM field (see also Paauwe 2007): the theme of the International Dutch HRM conference in 2007 was "In search of Balance: Managing Dualities" and a Special Issue on the topic is under preparation in *Personnel Review*. Karen Legge (1995, 2005) and Paul Evans (e.g. Evans and Doz 1989) were two of the scholars starting off this debate in HRM. Legge (2005) included many thoughts about paradoxes, ambiguities, and tensions into her work. Paauwe (2007) asserts: "we are finding increasing evidence of the dualities and paradoxes entailed in HRM today" (p. 40). Indeed many examples can be found which have moved from "either/or" to "both/and" perspectives (see Table 3.4).

The aspects addressed in this section have been chosen because they seem to have an impact on the human resource base and on the future availability of highly skilled employees. The developments outlined indicate that the shifts towards a strong strategy and resource-orientation of HRM might be extended by a shift

²⁵I am grateful to Prof. Andrew Templer, Canada, for drawing this issue to my attention.

Table 3.4 Examples for dualities in HRM

Examples Category	“Either” focus on one pole	“Or” focus on the other pole	Juxtaposing one vs. the other	“Both/and” perspectives
Rationality	Soft, humanism (Beer et al. 1984; Guest 1987)	Hard, instrumentalism (Tichy et al. 1982)	Soft vs. hard models (Truss et al. 1997) Instrumentalism vs. humanism (Jackson 2002)	Economic rationality AND relational rationality (Paauwe 2004); value AND values (Wright and Snell 2005)
HR strategy	External, market-based	Internal, resource-based	External vs. internal; market vs. resource-based	“Stakeholder-based” (outside-in) AND “resource-based” (inside-out) (Paauwe 2004)
Mode of theorising	Best practice (Pfeffer 1994)	Best fit (Lengnick-Hall and Lengnick-Hall 1988)	Best practice vs. best fit	Best practice AND best fit (Boxall and Purcell 2003)
Psychological contract ^a	Control	Commitment	Control vs. commitment (Arthur 1994)	Control AND commitment (Boselie 2002)
Employee relations perspective ^a	Low trust	High trust	Trust vs. control (Bijlsma-Frankema and Costa 2005)	Trust AND control (Möllering 2005)
Spatial dimension	Local, national HRM	Global, international HRM	Global vs. local	Global AND local (see Brewster 2002)
Temporal dimension	Short-term (personnel management)	Long-term (Strategic HRM)	Short- vs. long-term (Tichy et al. 1982)	Short- AND long-term (Sustainable HRM)

Source: compiled by the author

^aCategories are inspired by Guest (1987, see Sect. 3.3.1)

towards an interest in and understanding for sustainability. This section also points towards an increasing interest in paradoxes, dualities, and dilemmas in HRM research. In the next step, theoretical perspectives are reviewed which have considerably shaped the identity of the Strategic HRM field.

3.3.5 *Theoretical Perspectives in Strategic HRM*

Martín-Alcázar and colleagues (2005b) highlight that pioneering works of Strategic HRM scholars such as those from Galbraith and Nathanson (1978), Schuler (1981), or Davis (1981) were criticised for their lack of theoretical foundation (e.g. Bacharach 1989; see also Sect. 1.3.3.1). This critique ended up in efforts to improve the theoretical foundation for Strategic HRM research. In the 1990s, theoretical frameworks and explanations followed (for reviews see Ackermann 1987; Wright and McMahan 1992; Jackson and Schuler 1995; Special Issues of the *International Journal of Human Resource Management* 1997 and *Human Resource Management Review* 1998). Many publications in HRM literature focus on the appropriate theory input and are less concerned with the process of theory development itself (e.g. McMahan et al. 1999; Wright and McMahan 1992).²⁶ Exceptions are the articles from Klimoski (1991) and Lynham (2000). HRM scholars agree widely that the theoretical foundation of HRM research needs to be improved by “theory-driven” research²⁷ (e.g. Guest 1997; Legge 2005; McMahan et al. 1999, p. 118).

Theories in HRM research include a large number of approaches: behavioural theories (e.g. motivational theories), evolutionary theories (e.g. population ecology), leadership theories, institutional economics (e.g. personnel economics), learning theories, political perspectives (e.g. Foucault’s approach), resource-based perspectives, and social systems theory (Gaugler et al. 2004b; McMahan et al. 1999).²⁸ Wright and McMahan’s (1992) seminal article on the state of theory development

²⁶For example, in the German HRM literature a fierce debate exists about the disciplinary nature of HRM and whether personnel economics or behavioural theories constitute the “best” input for theorising in HRM (Alewell 1996; Backes-Gellner and Pull 2005; Martin 2004; Weibler 1996; Weibler and Wald 2004, 2005). Personnel Economics is a research field applying economic principles to understand and explain HRM practices such as motivation, training, recruitment, or teams (Backes-Gellner 1993, 2004). For a critique see Martin (2004), Schanz (2000). Suggestions have been made to reconcile both positions (Grieger 2005; Nienhüser 1996; Süß 2004, 2005).

²⁷In (Strategic) HRM theory the term “theory-driven” is often used differently than in management and organisation research. While HRM theorists focus on “how many boxes” are included into one model to explain HRM (and which also need to be measured). However, for the understanding of organisation and management theorists on a theory-driven approach see Weick (1992).

²⁸For a more in depth analysis of possible theoretical perspectives for HRM: see also the Special Issue in *management revue* on “Theoretical Perspectives for Human Resource Management: the German Discussion” (Weber and Kabst 2004). For further elaborations in the German literature see also Drumm (2000, pp. 9–24), Klimecki and Gmür (2001, pp. 37–68), Festing et al. (2004), Weber (1996).

in Strategic HRM research has influenced and inspired a large body of literature. The authors reviewed six theoretical approaches from organisation theory, finance, and economics that have been used in Strategic HRM research including a behavioural approach, RBV, cybernetic systems, agency and transaction cost theory, resource dependence approach/power models, and institutional theories. McMahan et al. (1999) revisited this work and expanded their conceptual model of theoretical frameworks based on an extended analysis of the state of art in the field. They added the perspectives of population ecology, strategic reference points, human capital theory, and the Foucauldian perspective (see Fig. 3.4).

All theoretical approaches addressed in this overview play an important role in Strategic HRM. Not on McMahan and colleagues' list (1999) are the stakeholder approach and the AMO framework.²⁹ These two theoretical approaches have made important contributions to HRM theory. In an overview on 104 empirical articles, Boselie and colleagues (2005) have identified contingency theory, RBV and the AMO (abilities/motivation/opportunity to participate) framework as the three most frequently used theories in Strategic HRM. Contingency theory and RBV investigate performance effects at the organisational level, whereas the AMO framework focuses on the individual level (Pauwwe 2007).

Agency theory (Jensen and Meckling 1976) focuses on the relationship between principals (e.g. owners) and agents (e.g. managers) of a company. The problem which is also of interest for HRM is that the goals of principals and agents are assumed to be conflicting and that it is problematic for the principal to control the

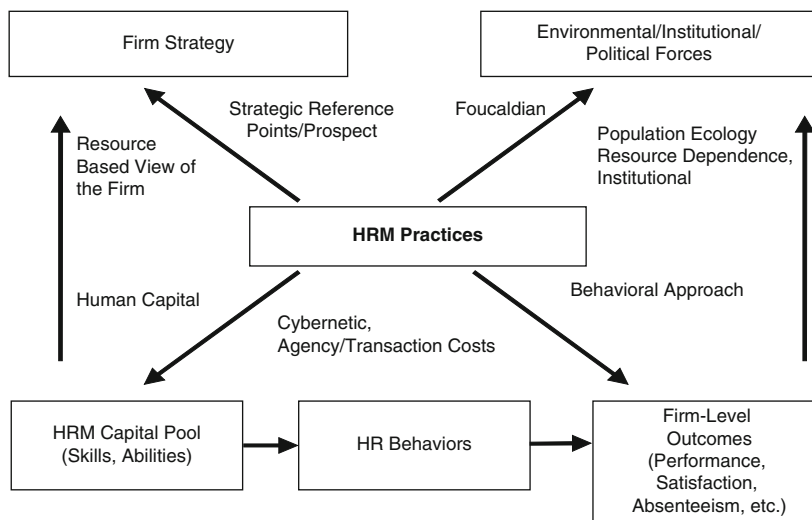


Fig. 3.4 A conceptual model of theoretical frameworks for studying Strategic HRM

Source: adapted and extended from McMahan et al. 1999, p. 105; Wright & McMahan, 1992, p. 299. Used with permission

²⁹For an overview on the AMO framework see, for example, Boxall and Purcell (2003).

agent's performance. *Transaction cost theory* (Coase 1937; Ouchi 1980; Williamson 1981) is built around the question of how the governance structures in organisations need to be designed which take bounded rationality into account and protect against opportunism. For HRM this theory shifts the focus to understanding implicit and explicit contracts in employer–employee relations (see Wright and McMahan 1992). *Stakeholder theories* (Freeman 1984, 1999) have become popular in HRM through application of Kaplan and Norton's (1992) Balanced Scorecard where three groups of stakeholders are taken into account: customers, employees, and shareholders (see Boselie 2002). The proponents of stakeholder theories conceptualise organisations as being related to multiple groups in their organisational environments such as employees, customers, shareholders, etc., which have a "stake" in the company. Prominent examples applying this theory are from Ulrich (1997), Pfeffer (1997), Paauwe (1994), or Tyson (1999). The *Behavioural approach* emphasises on employee behaviour as the mediator between strategy and organisational performance (Schuler and Jackson 1987a; Wright and McMahan 1992). Further examples are from Huselid (1995) and Guest (1997).³⁰

Some HRM scholars argued for using *social systems theories* (Luhmann 1964, 1984) as a conceptual foundation for HRM (e.g. Mayrhofer 1996, 1997, 2004; Mayrhofer and Steyrer 2004; Remer 1978). For instance, Mayrhofer (2004) advocates using a "grand" theory for the theoretical foundation of HRM.³¹ Remer (1978) is an early advocate of a systems theory perspective for HRM based on Luhmann (1964). The author distinguishes the basic elements "function" and "structure". Function refers to the goals of designed activities and structure to the characteristics of the organisation (e.g. power relationships) and of the employees or the human resources (e.g. skills, motivation). According to Mayrhofer (1996, 2004), systems theorists assume that there are clear limitations to the managers' design possibilities.

Institutional theories focus on the organisation as being embedded in its institutional context (DiMaggio and Powell 1983; Meyer and Rowan 1977; Scott 1995; Selznick 1996). Scott (1995) defines institutions as consisting "of cognitive, normative, and regulative structures and activities that provide stability and meaning to social behaviour. Institutions are transported by various carriers – cultures, structures, and routines – and they operate at multiple levels of jurisdiction" (p. 33). Institutional theories propose that companies sharing the same environment will become more similar or "isomorphic" over time (e.g. DiMaggio and Powell 1983). DiMaggio and Powell (1983) differentiate three types of isomorphism:

³⁰ Boselie (2002) points out that the term "behavioural theory" is misleading because it does not refer to the corresponding literature in work psychology. For discussion of a behavioural orientation in HRM see, for example, Schanz (2000).

³¹ For the discussion about an overarching theory for HRM see Bisani (1995), Drumm (2000). Boselie (2002) asserts that most HRM scholars are eclectic in their approach to HRM theorising and do not regard one theory as superior to others.

- Coercive – the company is forced to adapt to particular practices.
- Mimetic – practices are imitated because they are perceived as leading to success.
- Normative isomorphism – the company attempts to achieve legitimacy in its external environment.

In HRM, institutional theories have been applied to describe and explain the differences in HRM across different European countries (e.g. Gooderham et al. 1999) and to explore the regulations and limitations which labour laws or labour markets have on organisational HRM practices (Brewster 2004; Hendry and Pettigrew 1990). These approaches, however, have been criticised for not being able to explain the processes behind these influences and for the assumption that HRM is a passive recipient of the influence from institutional environments instead of actively recognising changes in institutional environments (Van Gestel and Nyberg 2007).

The *resource dependence approach* (Pfeffer and Salancik 1978 [2003]; Boyd 1990) conceptualises companies as dependent on valuable resources (such as financial or human resources) from their environments to facilitate the company's functioning. The resource dependence approach has become one of the most influential theoretical approaches in shaping the understanding of organisations and their environments. The theory has been so successful that looking back on this development Pfeffer and Salancik (2003) posit:

My colleague and co-author Jerry Salancik was fond of saying, “success ruins everything”. To some extent, the very success of resource dependence theory has also been a problem. The idea, seemingly now widely accepted, that organizations are constrained and affected by their environments and that they act to attempt to manage resource dependencies, has become almost so accepted and taken for granted that it is not as rigorously explored and tested as it might be. In fact, the original work may not even be read. The book has been out of print for a long time. (p. xxiii)

Pfeffer and Salancik (2003) conclude that the resource dependence theory has gone through a process of social construction because of this success, and he encourages (young) researchers *not* to accept the strong metaphor of resource dependence but to question the theoretical content of the approach and to test it empirically. In HRM, the resource dependence approach is often presented as a power theory, not as a resource-based theory (e.g. Nienhüser 2004a).

In conclusion, Strategic HRM has become a multi-theoretic, highly specialised, and desegregated field of research (Gaugler 2004; Martin and Nienhüser 1998; Wright and Boswell 2002; Wright and Gardner 2004). Drumm (2000) sees the HR field as grouped around “theoretical islands” (Drumm 2000) or “provinces of meaning” (Matiaske and Nienhüser 2003).³² However, theoretical concepts such

³²For an empirical analysis of bibliographies in publications from 1991 to the year 2000 to identify the theoretical foundation (or “provinces of meaning”) applied in the German field see Matiaske and Nienhüser (2003). For a survey among international HRM scholars see Martín-Alcázar et al. (2005a).

as paradox, duality, or dilemma are missing in the traditional canon of theoretical perspectives in HRM.

3.4 Modes of Theorising in Strategic HRM, Strategy and Performance

One of the most important questions in Strategic HRM focuses on the relationship between corporate strategy, HRM, and performance. The objective is to find models which allow explaining and predicting the contribution of HRM to organisational performance. Particularly in the US dominated HRM research, the concept of performance is mainly interpreted as financial performance or organisational efficiency with indicators such as shareholder value, productivity, or return on investment (Paauwe 2004). The reason for the interest in financial performance can be seen in the origin and historical development of HRM practice (see Sect. 3.2). As HRM developed from an administrative to a more strategic function, investments into people such as HR development and training were frequently questioned by corporate finance departments and had to be justified with regard to their contribution to the shareholder or value to the organisation. Research interests were shaped by the struggle of HR executives and scholars justifying why or that people are important for corporate success and last but not least to sustained competitive advantage (see Sect. 3.2). Since early works from Huselid (1995), for instance, the HRM-performance topic has become one of the dominant areas in Strategic HRM research. Until today, one of the main difficulties is to provide metrics and research designs which are appropriate to measure the complex relationships between HRM and organisational performance (e.g. Wright et al. 2005b).

The understanding of the Strategic HRM concept is influenced by what Delery and Doty (1996) termed “modes of theorising”. All modes of theorising deal with varying basic assumptions about the relationships between HRM and organisational performance and with predictions about how HRM can influence organisational performance.³³ Delery and Doty (1996) distinguish a universalistic, contingency, and configurational perspective on HRM. Brewster (1999) emphasises a fourth mode of theorising; the contextual paradigm.³⁴ Universalistic and contingency

³³For recent reviews on HRM and performance see for example, Wright and Boswell (2002), Gmür (2003), and Guest (2001), and for more critical views on this stream of research see, for example, Paauwe (2004).

³⁴Brewster (1999) has drawn attention to the terminological discrepancies between his definitions of the universalistic and contextual paradigms and those used by Delery and Doty (1996) or Wright and McMahan (1992). Brewster’s (1999) objective was “not to categorise the different research perspectives used in studying Strategic HRM, but to identify the different paradigms which underlie these perspectives” (p. 46). He uses the term “paradigms” deliberately in Kuhn’s (1970) sense in order to underpin that different worldviews and research traditions influence the way of conducting research in HRM and Strategic HRM.

perspectives are primarily underlying US originated research while configurational and contextual perspectives have their main proponents in Europe (for reviews see Brewster 1999; Martín-Alcázar et al. 2005b; McMahan et al. 1999; Wright et al. 2005b). In a recent review, Martín-Alcázar and colleagues (2005b) integrate all four “modes of theorising” for categorising Strategic HRM research:

Those four “modes of theorizing” represent four different approaches to the same research question, each of them emphasizing a specific dimension of the reality of SHRM. This criterion allows a complete and systematic classification of the literature, because the four perspectives together show a spectrum that encompasses all possible approaches. (Martín-Alcázar et al. 2005b, p. 634)

The latter conclusion raises doubt because this position would leave no options for future theoretical or paradigmatic innovations. One of these paradigmatic novelties has been suggested by Colbert (2004). He added a “complexity perspective” as an alternative by drawing together the modes of theorising and the levels of abstraction in the HR system into one framework. Additionally, Schuler and Jackson (2005) point out that the categorisation universalistic, contingency, configurational, and contextual is not clear cut:³⁵

the configurational perspective is conceptually indistinguishable from the earlier contingency perspective. Studies that have been cited in the literature as examples of the configurational perspective could just as easily be cited as examples of the contingency perspective. (p. 22)

However, as the four modes of theorising have been broadly received in the literature they are reviewed in the next sections with emphasis on their understanding of strategic success.³⁶

3.4.1 The Universalistic Approach (“Best Practices”)

Scholars who investigate Strategic HRM from a universalistic perspective, also called “best practices” or “one best way approach”, are interested in the direct link between HR practices and firm performance. Universalists assume that best single or sets of HR practices exist and that these contribute directly to better organisational performance (Becker and Gerhart 1996; Pfeffer 1994). According to Becker and Gerhart (1996), these practices must “either improve efficiency or contribute to the growth of revenue” (p. 780). Or, as Brewster (1999) asserts:

This [universalistic] paradigm assumes that the purpose of the study of our area of social sciences, HRM, and in particular SHRM [...], is to improve the way that human resources

³⁵ Guest (1997) provided an alternative categorisation for Strategic HRM but concerning theoretical approaches. He differentiates normative, descriptive, and strategic HRM theories.

³⁶ Colbert’s (2004) suggestion has not yet been widely received and therefore not included into this review.

are managed strategically within organisations, with the ultimate aim of improving organisational performance, as judged by its impact on the organisation's declared corporate strategy [...], the customer [...] or shareholders [...]. (p. 47)

Studies on single practices address, for example, the impact of recruiting and selection methods (e.g. Terpstra and Rozell 1993), or of compensation (e.g. Gerhart and Milkovich 1990) on organisational performance. Studies on multiple practices deal with “high performance work systems” (e.g. Appelbaum et al. 2000; Orlitzky and Frenkel 2005).³⁷ The relationships between variables are assumed to be linear and generalisable. According to Martín-Alcázar and colleagues (2005b), dominant theoretical frameworks applied in the universalistic perspective are agency theory and transaction cost theory with the objective of reducing opportunistic behaviour and management costs. Furthermore, universalistic propositions have been built on the basis of human capital theory (see Sect. 3.3.2) which is based on the assumption that valuable knowledge, skills and abilities will lead to higher organisational performance (see Martín-Alcázar et al. 2005b).

While the statistical strength of the universalistic perspective has been noted (see Brewster 1999) and also its contribution to a better understanding of the relevance of human resources for organisational performance (Martín-Alcázar et al. 2005b), the approach has been criticised for its often narrow questions lacking broader relevance for developing theory and practice (Brewster 1999) and for its ignorance of synergistic interdependencies, for its implicit denial that different combinations of HR practices (parallel configurations) could be equally efficient and for its lack of theoretical foundations (Martín-Alcázar et al. 2005b). One might add that the universalistic perspective has offered valuable insight into Strategic HRM research but offers only a very simple model of Strategic HRM from a positivist stance. An example for this simple model is Wright and colleagues' (1994) model of HRM and sustained competitive advantage. While the universalistic view dominates the US American HRM research tradition, the contingency approach has influenced scholars on both sides of the Atlantic.

3.4.2 *The Contingency Approach (“Best Fit”)*

Proponents of a contingency perspective deny that best practices can be identified and question a direct, stable link between HR practices and performance. The levels of analysis are comparable to the universalistic perspective, i.e. either single or multiple practices and their link to performance (Martín-Alcázar et al. 2005b). Similarly in the universalistic perspective, synergies or integration of HR practices are ignored from a contingency point of view. Alternatively, the effects of HR practices are assumed to depend on third variables (“contingency variables”)

³⁷ For a short review and critique on High Performance Work Systems (HPWS) see Wright and Gardner (2004).

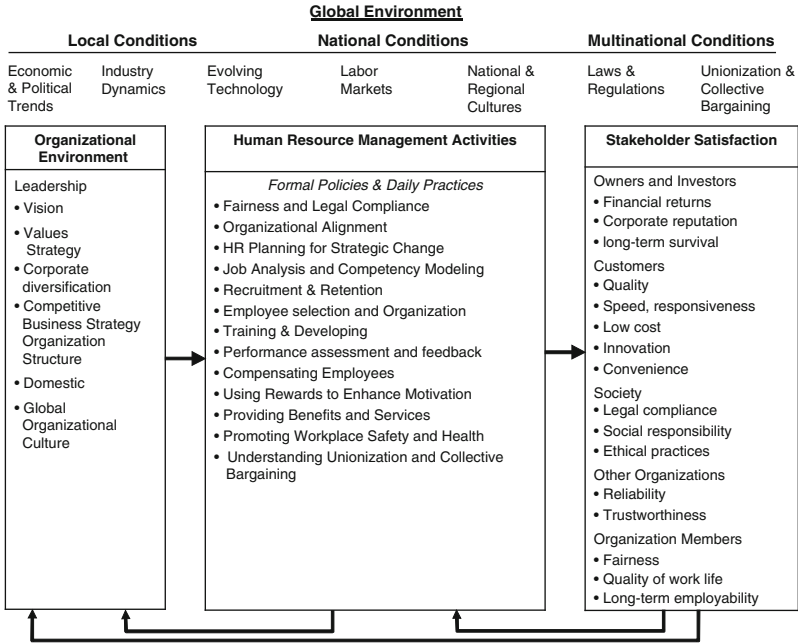


Fig. 3.5 Contextual and dynamic framework for Strategic HRM
Source: adapted from Schuler and Jackson 2005, p. 25; for the latest version see Jackson et al., 2009: p. 15

moderating the link between HRM and performance (Delery and Doty 1996), i.e. variables considering corporate strategy, internal, and external environment (see Fig. 3.5; Schuler and Jackson 1987b; Jackson and Schuler 1995).

The first kind of variables addresses strategic contingencies and explains effects of HR practices on performance with the fit of the practices to business strategy (Lengnick-Hall and Lengnick-Hall 1988). Some of this research is based on early works from Schuler and Jackson (1987a,b) and has been extended by Lado and Wilson (1994), Wright et al. (1994), or Wright et al. (2001). Other studies focus on the organisational and environmental variables to explain the relationship between HR practices and performance (for an overview see Martín-Alcázar et al. 2005b). The underlying model is a generic contingent or fit model, therefore, this approach is also called “best fit” approach. The Michigan approach from Fombrun and colleagues (1984) (see Sect. 3.3.1) is one of the early HRM fit models. The objective is to achieve a tight fit between strategy, structure and HRM policies. The basic idea is that a tight horizontal or vertical “fit” or alignment is necessary for an organisation to be efficient and effective (Wright and McMahan 1992).

The understanding of strategy (pattern, plan) in Wright and McMahan’s (1992) definition (see Sect. 2.3.3) includes the concept of horizontal and vertical “fit” (Wright 1998) which is widely accepted in HRM research. Horizontal fit refers to all HR activities being aligned with each other and vertical fit to the alignment of

HRM with a firm's strategic goals (Wright 1998). Based on a review, Wood (1999) differentiates four forms or types of fit (adapted from Paauwe 2004, p. 93):

- Strategic fit: the fit between HRM strategies and the corporate strategy (comparable to vertical fit)
- Environmental fit: the fit between HRM strategies and the organisation's environment
- Organisational fit: the fit between coherent sets of HRM practices (HRM systems/bundles) and other organisational sub-systems
- Internal fit: the fit between HRM practices as coherent bundles, i.e. the fit in the HRM system itself

When organisational environments started changing more rapidly in the 1990s, the idea of "fit" got severely challenged; concerns were raised that this perspective is not adaptable enough to change (Becker and Gerhart 1996) and several authors proposed that organisations need to increase their flexibility with the help of human resources and HRM (e.g. Ferris et al. 1998). Referring to Delery and Doty (1996), Martín-Alcázar and colleagues (2005b) point out that interdependencies or parallel configurations are ignored from a contingency perspective. Brewster and Hegewisch (1994) address the first of the above limitations of the contingency approach as follows:

However, contingency approach has come under attack in the corporate strategy literature. [...] A major critique is that it allows little role for managerial action other than that of identifying the current position and matching strategy to it. Many of the "contingency school" of HRM writers fall into a form of strategic determinism in which management's task is essentially not more than to establish the "fit" of HRM to a given – usually corporate-strategy driven – scenario. (p. 4, cited after Festing 1999, p. 29)

Overall, the assumption that it is important to achieve different forms of fit can lead to the situation that HRM departments end up restructuring and adapting to an ever changing business environment (see Boselie et al. 2005). Recent research from a fit perspective has become more specific with regard to the link between HR practices and particular organisational outcomes (Roehling et al. 2005). According to Martín-Alcázar and colleagues (2005b), theoretical frameworks applied to explore contingency relationships are mainly behavioural theory, RBV, institutional theory, transaction cost theory, social capital theory, and resource dependence theory.

3.4.3 The Configurational Approach ("Best Bundles")

From a systemic perspective, configurational researchers assume that it is possible to identify different but equally efficient "HRM patterns" or HRM systems which affect organisational performance. HRM systems are defined as "a multidimensional set of elements that can be combined in different ways to obtain an infinite number of possible configurations" (Martín-Alcázar et al. 2005b, p. 637). The central idea is to

identify “ideal” HRM patterns which do not necessarily reflect empirically observable phenomena. This holistic approach makes several new assumptions in comparison to the universalistic and contingent ones. First, it is presumed that ideal HRM systems must be internally coherent as well as consistent with an organisation’s environment. Second, the relationship between HRM patterns and organisational performance is regarded as synergistically interdependent rather than linear. Third, the HR function is conceptualised as a complex and interactive system. Fourth, the idea of “best practices” is rejected and replaced by the idea of “best bundles” based on the systemic principle of equifinality which assumes that different combinations of HR practices can lead to the same organisational results and thus be equally efficient (Delery and Doty 1996; Delery 1998). Theoretical foundations of the configurational approach rely mainly on systems thinking (see Martín-Alcázar et al. 2005b).

3.4.4 The Contextual Approach

The contextual approach proposes to study Strategic HRM from a broader perspective analysing Strategic HRM internally but also in its cultural, social, economical, institutional, politic, legal, technological, and competitive context (Brewster 1999). The main contribution of the approach is to reconsider the relationship between Strategic HRM and its context, i.e. in its macro-social framework (Martín-Alcázar et al. 2005b). This relationship between Strategic HRM and its context is assumed to be a reciprocal one, meaning that Strategic HRM is not only influenced by its context but it also shapes and affects its context (Paauwe 2004).³⁸ This broader model tries to offer a more complex explanation of Strategic HRM by focusing not only on performance but also on the interplay between Strategic HRM and its external and organisational contexts (Brewster 1999): “Strategies are not just explained through their contribution to organizational performance, but also through their influence on other internal aspects of the organization, as well as their effects on the external environment” (Martín-Alcázar et al. 2005b, p. 638). The objective of the contextual approach is not primarily performance but to understand “what is contextually unique and why” (Brewster 1999, p. 48).

The proponents of this approach follow several assumptions distinct from those of the previous three approaches. First, a broader notion of Strategic HRM is adopted going beyond the organisation and including also governments, societies, or regions. Second, it is taken into account that organisational objectives can also be detrimental for organisations or for the society. Third, it is assumed that different actors in organisations can have different interests (Brewster 1999). Strategic HRM is understood as a function which goes beyond the responsibility of HR executives and points towards the importance of all other managers and particularly line

³⁸For more references on the contextual approach see Martín-Alcázar et al. (2005b, p. 638).

managers as managers of human resources (see Martín-Alcázar et al. 2005b; Currie and Procter 2001; Whittaker and Marchington 2003). Martín-Alcázar and colleagues (2005b) argue that the contextual model criticises many of the assumptions of rational and normative theoretical frameworks and that the theoretical basis used in contextual approaches is near to the literature on industrial relationships. Methodologically, the contextual approach is largely descriptive and uses simple statistical methods.

Recently, Paauwe (2004) proposed a framework for a “Context Based Human Resource Theory” (CBHRT). The author has built his “Human Resource Based Theory of the firm” on the RBV highlighting that people are valuable, rare, inimitable, and non-substitutable and thus meet the requirements RBV demands for resources that contribute to sustained competitive advantage (see Fig. 3.6). The CBHRT is conceptualised in the tension of economic rationality (or instrumental rational, based on criteria efficiency and effectiveness) and relational rationality (or value rational, based on criteria of legitimacy and fairness). Paauwe (2004) defines relational rationality as “establishing sustainable and trustworthy relationships with both internal and external stakeholders” (p. 91). In other words, the model shows the tension between the competitive-driven market-based demands (called PMT in the model) and the socio-political, cultural, and legal context of the firm (called SCL in the model) (see Fig. 3.6).

The proactive element in Paauwe’s (2004) model is the understanding of a *room for manoeuvre* (or for strategic choices) for the dominant coalition (i.e. those actors involved in the PMT and SCL dimension and in the company itself). However, the author asserts that this room for HRM for strategic choices is not very large because of the contextual influence. The contribution of the CBHRT model is the emphasis

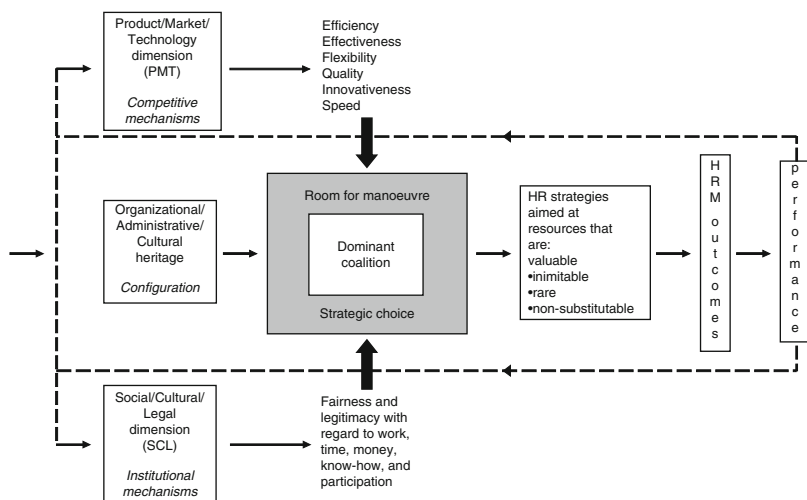


Fig. 3.6 The contextually based human resource theory

Source: adapted from Paauwe (2004, p. 91) building on Paauwe (1994, 1998); Used with permission

of the tensions between PMT and SCL as prior HRM models focus on the right hand side of the model, only (Paauwe 2004). With his model, Paauwe (2004) picks up Boxall and Purcell's (2003) quest for integrating "social legitimacy" as a critical objective for Strategic HRM (see Sect. 3.3.1). Building on the main contributions and limitations of the four modes of theorising, Martín-Alcázar and colleagues (2005b) have developed an integrative model for SHRM.

3.4.5 The Integrative Approach

The integrative approach summarises the main contributions of the universalistic, contingency, configurational, and contextual approach and builds them into one model (see Fig. 3.7; see also Sect. 2.3.3). The model in Fig. 3.7 illustrates the key contributions of the four different models of theorising in Strategic HRM theory (Martín-Alcázar et al. 2005b): The contribution of the universalistic model is to help revealing the strategic importance of HRM (see Sect. 3.4.1). The contingency perspective adds taking relationships with the organisational environment into account (see Sect. 3.4.2). The configurational approach analyses internal relationships in HR systems and adds the idea of synergies between HR practices, policies, and strategies (see Sect. 3.4.3). The contextual approach analyses HRM in its macro-social environment and take reciprocal relationships between HRM and its

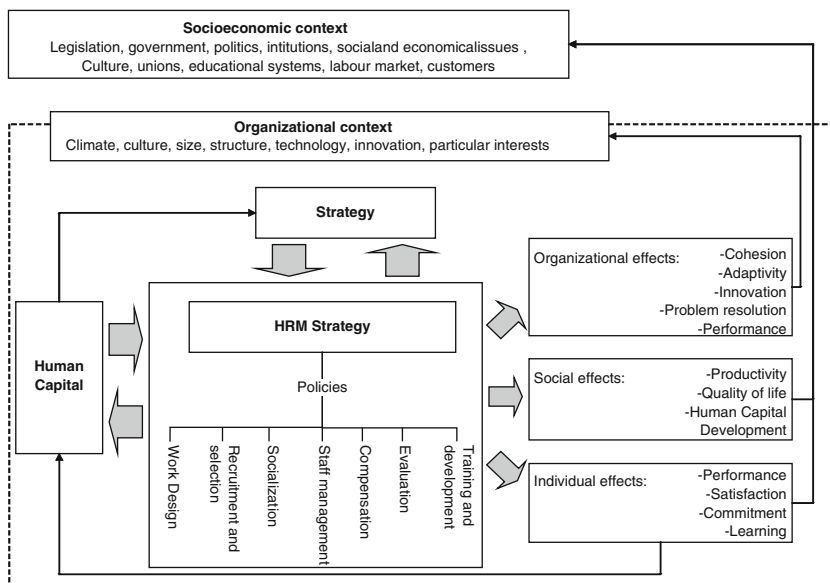


Fig. 3.7 An integrative model for Strategic HRM

Source: Martín-Alcázar et al. 2005b, p. 651; Used with permission

environments into consideration by explicitly outlining that Strategic HRM also influences its context (see Sect. 3.4.4). Furthermore, this influence is not always regarded as being positive. The integrative model of HRM thus represents the “state of art” on key assumptions in Strategic HRM theorising. Reviewing the current state of art in Strategic HRM reveals that the field is not only multi-theoretical but also multi-paradigmatic. If Sustainable HRM is conceived of as an “extension” of Strategic HRM the question arises in which way the elements identified in Chap. 2 can extend existing Strategic HRM theory (see Sect. 3.1).

3.5 Challenges for Strategic HRM from a Sustainability Approach

Chapter 2 identified three links between sustainability and Strategic HRM for further study: the ability to sustain the HR base from within, the attempt to extend the notion of strategic success, and the idea of integrating short- and long-term aspects (see Sect. 2.6). In this section, these elements and characteristics are taken to compare prior Strategic HRM literature and modes of theorising (see Sect. 3.4) and to identify “blind spots” in Strategic HRM theory from a sustainability lens. A blind spot is a metaphor for limitations and can be imagined as follows: “blind spots are similar to those that afflict drivers of motor vehicles. Once one is aware that they exist, it is possible to develop alternative interpretive and action strategies” (Moberg 2006, p. 414). Not becoming aware of the blind spot might lead to what Evans and Génadry (1999) call “strategic blind spots”. Luhmann (1993) and Moberg (2006) describe the danger of tapping into a “blind spots trap” when an actor is unaware of the blind spot. The first “blind spot” identified here focuses on the ability of HRM to sustain the HR base from within.

3.5.1 “Blind Spot” Concerning the Ability to Sustain the HR Base from Within

One of the key research questions for Strategic HRM research concerns the active development of human resources: “How does a firm actively build and continuously renew strategic human and organizational resources to fuel competitive advantage?” (Colbert 2004, p. 343; see also Boxall and Purcell 2003). Some of the answers given in Strategic HRM research have been indicated in Sect. 3.3 from the perspective of human capital theory and RBV and in Sect. 3.4 from different models of theorising in Strategic HRM. The key difference to Sustainable HRM lies in the assumptions about the origin of human resources and in the understanding of human resources and the HRM–environment relationship.

Concerning the “origin” of human resources, Strategic HRM literature is strongly influenced by the interpretation of human resources as a “pool of skills” (see Sect. 3.3.2) and labour markets as a “pool of resources” (see Müller-Christ 2001). Prior approaches on sustainability and HRM partially adapted this assumption (see Sect. 2.4). This situation becomes problematic as soon as human resources are scarce. From the perspective of the RBV, scarce human resources are not necessarily problematic because they can contribute to developing sustained competitive advantage (see Sect. 3.3.2). But, in the SRM literature, the assumption is raised that in recent years not only labour becomes short but also the ability of the “sources of resources” to reproduce and supply new resources. Even if this assumption cannot be followed for every institutional context, the problem of the RBV is that human resources per se are not valuable. They become valuable only if they can be used to produce for the markets (see Boxall 1998).

A new impulse comes from the SRM literature which conceptualises organisational environments (including labour markets, education systems, etc., as “sources of resources” (see Sect. 2.4.3). While it is beyond the concern and potential of this work to analyse the reasons for labour shortage,³⁹ one key argument raised in the literature on SRM should be followed. Based on economic theories, labour shortage is commonly interpreted as a “market failure” (e.g. Linnehan and De Carolis 2005) and as a resource allocation problem (e.g. Backes-Gellner 2004). From this perspective, efforts to cope with labour shortage concentrate on improving HR recruiting and HR retention activities (e.g. Backes-Gellner 2004). These are very important HR activities and their potential is not fully exploited in HRM practice, however, from a sustainability perspective this “administration of shortages” is insufficient.

In SRM literature, the assumption is raised that human resource pools are not “given” by labour markets to which companies have to adjust (Müller-Christ 2001; Müller-Christ and Hülsmann 2003a). Instead, it is made the case that human resource pools and the sources of these resource pools are influenced by HR practices and strategies – although often only indirectly. This position parallels concerns raised from proponents of the contextual approach who have already pointed out that the effects of HRM are not always positive (see Sect. 3.4.4). It has also been suggested that feedback loops of some HR activities can affect organisations at a later point in time and have an effect on future strategic abilities due to previous cost-cutting activities such as downsizing which cause a shortage of highly skilled and motivated HR (e.g. Evans 1999; Wright and Snell 2005).

From a sustainability lens, this raises the need for a more reflective approach to HRM and for controlling self-induced side and feedback effects of HR activities on employees, on the HR base, and on the future HR base. But, as the future HR base cannot be captured conceptually, the attention is shifted to the sources of resources.

³⁹For instance, Cappelli (2005) argues for the US labour market that labour shortage caused by demographic developments are not the key challenge but instead changes in the employment relationship.

The role of reflexivity (Luhmann 1995) for HRM is looked at to raise the awareness that HRM practices and strategies can also lead to unintended and unwanted outcomes and repercussions which have to be controlled to assure an organisation's viability and strategic abilities. Moreover, in HR practice and research, sustainability is linked almost exclusively to micro level issues such as occupational health and safety, work-life balance, or diversity, and social responsibility. However, sustainability is also a strategic issue and raises the need for a more reflective HRM model.

The second aspect refers to the understanding of human resources. In Sect. 2.3.1, the problem about defining human resources has been addressed. In conclusion, for this study, human resources are conceived of as valuable resources and subjects with a value in their own. Additionally, it is assumed that human resources can *create* a strategy (see Sect. 2.3.1). The next aspect refers to the understanding of strategic success in HRM which is dominated by the quest for a contribution of HRM to corporate financial performance.

3.5.2 “Blind Spot” Concerning the Understanding of Strategic Success

Table 3.5 summarises some of the key aspects in Strategic HRM literature concerning the understanding of strategic success and the role HRM has to play in this (for the description of the relationships mentioned in the first column of Table 3.5 see Sect. 3.4). The identity of the HRM role as depicted in the models of theorising is strongly shaped by the desire to contribute to corporate performance. From the universalistic stance, the HRM role is to identify and create best practices. The role of HRM in the contingency approach is being concerned with producing a “fit” or an alignment between HRM and corporate strategy – and the direction of achieving this fit is usually based on the assumption that HRM has to contribute to corporate strategy. The HRM role of the configurational approach is to create “best bundles” or particularly efficient and effective combinations of HR practices (see Table 3.5). Paauwe (2004) understands the role of HRM in his CBHRT (see Sect. 3.4.4) as an “enabler of strategic options” (p. 180). Authors pursuing the contextual approach are also more critical towards the role of HRM and acknowledge potentially detrimental effects of HRM (see Sect. 3.4.5). In criticising HRM literature, Brewster and Larsen (2000) have pointed out that:

HRM concepts are often written about as if they must describe something *positive and desirable*. This is reflected in the choice of words and thematisation of problems, such as when referring to “hidden assets”, “wealth creators”, “futuring power”. This in particular applies to publications of a normative, tool-oriented type, though even critical texts often operate with the a priori assumption that HRM “must be good for some”. Therefore the critical literature mainly discusses who these “some” are rather than whether the paradigmatic point of departure is erroneous altogether. (p. 5; italics in original)

Table 3.5 Understanding of success in the modes of theorising and the HR role

Approach Category	Universalistic approach (“best practices”)	Contingency approach (“best fit”)	Configurational approach (“best bundles”)	Contextual approach
Key references	For example, Pfeffer (1994, 1998) Direct linear and universally generalisable relationship between “best practice” and firm performance; achieving success with people (additive)	For example, Lennick-Hall and Lennick-Hall (1988) Third (“contingency”) variables mediate the relationship between HRM and firm performance Alignment between HRM and corporate strategy (idiosyncratic)	For example, Delery and Doty (1996), Delery (1998) Ideal type configurational HRM patterns or HR systems (“best bundles”) influence firm performance (patterned)	For example, Brewster (1999), Paaume (2004) HRM is integrated into a “supra-system”, i.e. into its socio-economic context
Understanding of HRM role	Identify and create best practices	Produce “alignment” between HRM and corporate strategy; adaptivity	Create “bundles” (high performance works systems)	HRM as an “enabler” of strategic options
Model of organisational effectiveness	An organisation is effective to the extent that it adapts as many best practices as possible	An organisation is effective to the extent that it is judged excellent relative to other similar organisations	Identical outcomes can be achieved by different HR systems; another combination of HR practices may be equally efficient	Organisational performance is just one criterion; the focus lies on understanding contextual uniqueness
HRM–environment relationship	Satisfying internal and external customers (unidirectional)	Stakeholder relations	Stakeholder relations	Reconsideration of the relationship between HRM system and its macro-social context (mutual relationships)

Source: compiled by the author

^aCategory is inspired by Martín-Alcázar et al. (2005b, p. 640)

One of the reasons for this situation could be the temptation and desire of HR executives and researchers to legitimise their own professions in addition to supporting HR executives in their sometimes weak positions towards other functions. HRM in particular has suffered for a long time as not being accepted as an important corporate function in comparison to other functions such as finance or marketing (see, e.g. Klimecki and Remer 1997; Legge 2005). In seeing HRM as a positive concept per se, the danger lies in denying or ignoring self-induced feedback effects of HR practices and strategies on companies themselves and on future HRM situations.

Next, Table 3.5 illustrates the model of organisational effectiveness underlying the four modes of theorising. The dominant rationality underlying these assumptions is the economic rationality with the criteria of efficiency and effectiveness (see also Paauwe 2004). The relational rationality outlined in Paauwe's (2004) model forms a duality with economic rationality but is not always recognised (see also Sect. 3.4.4). While efficiency and effectiveness are appropriate measures of success for short-term cycles, the substance-oriented understanding of sustainability has been suggested as a long-term measure for strategic success (Hülsmann 2003). This understanding of HRM and strategic success, and HRM role in this process has important impact on where scholars draw the boundaries of HRM. Whereas, the boundaries of HRM in the first three models of theorising are relatively clear cut, the contextual approach takes another view and reconsiders the relationship between HRM and its macro-social context as mutual (see also Sect. 3.4.4). For instance, proponents of the contextual approach have advocated including line managers into HR tasks (see Martín-Alcázar et al. 2005b). Taking sustainability into account extends the boundaries of HRM by including the sources of resources, by conceptualising a mutual resource relationship between HRM and these sources, and by offering a broader understanding of strategic success. Strategic success refers to more than performance - it also refers to sustaining the viability of the "origin" of HR, i.e. a co-existence of these organisational environments and HRM.

3.5.3 *"Blind Spots" Concerning the Temporal Dimension*

It was suggested in Chap. 2 that sustainability research holds the idea of integrating the future and the present for Strategic HRM (see Sects. 2.2.3 and 2.6.3). The challenges for resourcing strategies addressed in Sect. 3.3.3, have also indicated that recently, the focus of attention seems to shift to the temporal dimension:

Globalization is reshaping the competitive landscape. It is sparking new technologies, markets, industries, and criteria for competitive success and survival. It is speeding up industry life cycles by accelerating the *pace* and the *rhythm* at which firms must develop new technologies and produce and roll out new products and services on a global scale to stay competitive. To cope, firms are focusing on fewer activities individually and competing collectively in constellations that pool the complementary assets necessary to compete

globally. [...] Differences in time zones and in the perception and value of time across cultures further confound the management challenge. (Barkema et al. 2002, p. 919)

It has been claimed that organisational change and restructuring processes are becoming faster and faster due to new technological developments, etc. (e.g. Barkema et al. 2002) and that time has become a more and more important concept (e.g. Helmse and Ettkin 2000). Equally, the literature review in this chapter has hinted at some points towards the importance of the temporal dimension for Strategic HRM. The importance of the concept of time becomes apparent concerning the time frame of reference for making choices (time horizon)⁴⁰ and concerning the time cycle for human resources.

The *time horizon* for making choices in Strategic HRM is a “long-term” oriented one – long-term as opposed to the short-term orientation of a personnel management approach as depicted in Guest’s (1987) of contrasting stereotypes (see Table 3.2 in Sect. 3.3.1). The classical HRM models, the Harvard and the Michigan approach have already taken the temporal dimension into account (see Sect. 3.3.1). The Harvard approach describes the long-term consequences of HRM referring to individual well-being, organisational effectiveness, and societal well-being (Beer et al. 1984). The meaning of the notion “long-term” is interpreted in Tichy and colleagues’ (1982) article as a period of a 10- to 20-year time horizon. At that time, the answer to the challenge of having supplies with human resource talent coming was HR planning (Tichy et al. 1982; see also Lengnick-Hall and Lengnick-Hall 1988 and the overview in Sect. 3.2.2), but, in today’s complex and dynamic environments HR planning has reached its limits. The authors of the Michigan approach also mentioned that short- and long-term goals need to be balanced (Tichy et al. 1982). This idea of balancing “short- and long-term” goals recurs in Strategic HRM, for instance, as the idea of short-term responsiveness and long-term agility (Boxall and Purcell 2003) or of short-term external HR management strategy and long-term internal HR management strategy (Nienhüser 2004b).⁴¹ Recent research in HRM has taken the temporal dimension into account when measuring HRM performance (Rogers and Wright 1998; Wright and Haggerty 2005). These authors assert that time frames can be stakeholder specific.

The *time cycle* for human resources is also a recurring topic in HRM (see also Sect. 3.4). The problem for HRM is to justify why their “results” take a much longer time than that of other functions in a firm. Global competition between companies is often used as an argument for shorter measures of success. But, the difficulty for those concerned with managing human resources is that keeping pace with these changes in space and time (see Legge 2005) seems to be nearly

⁴⁰Ebert and Piehl (1973) define time horizon as the “distance into the future to which a decision-maker looks when evaluating the consequences of a proposed action” (p. 35).

⁴¹The importance of balancing a short- and long-term perspective has been broadly recognised in management research (e.g. March 1991; Riis and Pedersen 2003). For the discussion on economic short-termism see, for example, Lavery (1996).

impossible because people cycles are longer than financial capital market cycles (Paauwe 2004):

In particular, where HRM strategies are concerned, it is important to emphasize the long-term perspective, because the time cycle for people resources is longer than that for financial or technical resources. There must be a vision of the future and a focus on concerns (for example building up leadership skills, and competences) that are broader, more long-term oriented, and less problem-centred than the short-term delivery of business goals. (Gratton et al. 1999, pp. 21–22)

Pfeffer (1998), for example, has argued that the HR practices he suggests are long-term oriented and that by going the way of understanding people as a source of competitive advantage, it takes longer to achieve competitive advantage but he believes that it is more enduring. Overall, developing talent to line or top managers can take up to five, six years or even longer. The development of skills and qualifications take time – time which is often not available in organisations – or which is at least perceived as not being available.

If it is true, that change becomes faster and faster and time scarce, it also becomes important to think about the underlying conceptualisations of time (see also George and Jones 2000) in Strategic HRM research. However, the author of this study found that attempts to clarify the concepts of “time”, or “long-term”, or “future” in Strategic HRM or sustainability research are rare. Accordingly, the author searched in strategy and time research as many theoretical underpinnings of Strategic HRM research built on Strategic Management. Mosakowski and Earley (2000) reviewed the application and understanding of time in dynamic strategy research and the temporal reference points of strategic decision-makers. As no similar publication has been found for the field of Strategic HRM, key findings of this article are reviewed to draw conclusions for the understanding of time in Strategic HRM. Based on a review of time literature, Mosakowski and Earley (2000) proposed five categories for analysing temporal assumptions in strategy research: (1) nature of time (real or epiphenomenal), (2) experience of time (objective or subjective), (3) time flow (novel, cyclical, or punctuated), (4) time structure (discrete time, continuous time, or epochal time), and (5) temporal referent point (past, present, or future). First, the authors’ findings suggest that diverse time perspectives are applied in strategy research. Second, assumptions about the concept of time in strategy research remain mostly implicit. However, Mosakowski and Earley (2000) have identified future-orientated perspectives as turning up in nearly all strategy research and they interpret this as the researcher’s “shared interest in the usefulness of strategy ideas for managerial behaviors in the future” (p. 803). This concern is a commonality between Strategic HRM and sustainability research. Third, in the strategy research reviewed, the individual actor’s perspective is often neglected and thus ignores how actors subjectively perceive time. The authors conclude from their review:

The relevance of a multifaceted view of time will only be enhanced as strategy research and business practice continue to spill across national and cultural boundaries. Researchers and

managers alike must confront their implicit temporal assumptions and view their expanding world through different temporal lenses. (Mosakowski and Earley 2000, p. 808)

Although scholars in the area of HRM are concerned with an organisation's long-term viability (e.g. Paauwe 2004), the dimension of time has been a neglected variable in developing HRM theories and models until recently (e.g. Wright and Haggerty 2005). Wright and Haggerty (2005) assume a three to four year temporal lag which is not included in current theoretical models. They have pointed out that some theories such as the RBV include the concept of time but explore it only indirectly (see also Freiling 2001a,b). The implicit temporal assumptions in the RBV are manifested in the concept of "unique historical conditions" and in the concept of "path dependence" (Dierickx and Cool 1989; Arthur 1989). Unique historical conditions have been found to give an organisation a sustained competitive advantage because an organisation can profit from a being the first in its industry, also called first mover advantage (Barney 2002). For example, Thom and Zaugg (2004) have pointed out that companies being the first in their industries to develop an understanding for Sustainable HRM can create a sustained competitive advantage (see also Sect. 2.4.2). The concept of path dependence suggests that a company can build competitive advantage on the acquisition and development of resources in earlier time periods:

In these earlier periods, it is often not clear what the full future value of particular resources will be. Because of this uncertainty, firms are able to acquire or develop these resources for less than what will turn out to be their full value. However, once the full value of these resources is revealed, other firms seeking to acquire or develop these resources will need to pay their full known value, which (in general) will be greater than the costs incurred by the firm that acquired or developed these resources in some earlier period. (Barney 2002, p. 166)

Wright and Snell (2005) also point out the aspect of temporality, i.e. the problem of the interconnectedness between short-term choices and performance objectives for an organisation's long-term perspective or viability. Time-horizon in HRM decision-making is reported to be rather short than long-term oriented: descriptive studies show that many HR managers cope by focussing on the short term and operational challenges, becoming what Evans (1999) has called "servants of senior management". This closes the loop in this chapter and shifts the attention back to the development from "either"/"or" to "both/and" positions that has been identified in this chapter – revealing major paradoxes and tensions in HRM and an increasing discussion of dualities in the field (see Sect. 3.3.4). From the review of literature in Chaps. 2 and 3, three key paradoxes are deduced for this study.

3.5.4 Key Paradoxes for Sustainable HRM

The first key paradox addresses the problem that organisations need to deploy employees efficiently and effectively to reach organisational objectives and to remain competitive. But, simultaneously the development of qualified and

motivated employees who are needed for future problem-solving takes time (see Sect. 3.5.1). One of the main problems in making an investment into the future workforce is that many companies report today, that they are underlying continuous change and restructuring processes (see Sect. 2.4). Under these conditions it is nearly impossible to predict which skills, competencies, and qualifications are needed in the future. This first key paradox addresses the ability of Sustainable HRM to sustain the HR base from within and is called “efficiency-substance paradox” or “consumption-reproduction-paradox” (similar to Remer’s (2002) “efficiency-existency-dilemma”) and is located at the individual, organisational or HRM systems level.

The second key paradox addresses the individual employee level and the ability of employees to perform, regenerate and develop themselves. Here, this paradox is called the “performance-regeneration-paradox” (similar: to the problem addressed in the work-life balance literature). The performance-regeneration-paradox describes the general dilemma of an employee to invest, time and energy into work processes. Simultaneously, however, every hour invested into work cannot be invested into regeneration or other activities. Regeneration, however, is necessary to retain mental and physical health or the capability to be creative and productive over time.

Both paradoxes become particularly salient when the temporal dimension is taken into account and when short- and long-term aspects are considered (see Sect. 3.5.3). The third paradox is a short-long-term paradox: HR practitioners find themselves faced with contradictory demands between short-termed profit making (e.g. labour-cost pressure) on the one hand and long-term organisational viability on the other (e.g. Paauwe 2004; Wright and Snell 2005). One of the most important tasks for organisations is to balance exploitation of resources and simultaneously develop future business opportunities (e.g. March 1991). For HR executives the challenge lies in deploying employees efficiently today, to provide them enough room for regeneration and work-life balance; simultaneously, HR have to be “reproduced” which goes beyond the traditional understanding of HR development and encompasses a more long-term oriented perspective on sustaining access to highly skilled and motivated people. Although the concept of sustainability addresses the idea of integrating short- and long-term management aspects it is often not explained if there are further possibilities to reconcile the short- vs. long-term duality and *how* it should be realised.

3.6 Critical Summary and Conclusions

For this chapter, four objectives have been formulated (see Sect. 3.1). The first objective was to provide a short introduction into the historical roots of HRM and to analyse how developments have influenced changing concerns and rationalities in HRM. Although it is often mentioned in Strategic HRM literature, that the strategy turn of HRM has taken place in the post-WWII era, the literature review showed that early views of a strategic paradigm for HRM can be traced back to the

beginning of the twentieth century (see Sect. 3.2). Both, a social and an economic rationality have influenced HRM since its early beginnings – the focus on the “human” aspect of HRM, the foundation of which was laid by the Human Relations Movement and the interest in efficient and effective management practices as explored by Frederic Taylor and Henry Fayol. The short history of HRM in Germany pointed towards aspects which have influenced the rising interest in highly skilled and motivated employees, in a professional way of managing human resources, and in the contribution of HRM to corporate success. Employees – originally considered primarily as cost and production factors (and costs had to be minimised) were recognised as valuable resources and as a source of competitive advantage. The underlying rationality of pure economic efficiency was extended by the rationality of human efficiency and recently by Paauwe’s (2004) relational rationality. The search for a new rationality for HRM can be interpreted as one of the reasons why some scholars have eagerly embraced the idea of sustainability for HRM. However, up to this point, the substance-oriented understanding of sustainability as it has been described in Chap. 2 does not yet appear in HRM theory. This research gap is going to be further addressed in Chap. 5 where a Sustainable HRM model is developed.

The second objective of the chapter was to understand the strategy- and resource-orientation in Strategic HRM and to reach a better understanding of the developments which may have contributed to the emergence of Sustainable HRM (see Sect. 3.3). The shift – if it can be interpreted as a shift – in attention from personnel management to HRM and next to Strategic HRM has heightened the interest in the long-term and strategy-orientation in HRM (see Sect. 3.3.1). This development must be viewed in the context of an increasing demand for highly skilled labour. Recent research reviewed in that section points towards “both/and” instead of “either/or” solutions – such as both economic and relational rationality. This is an overlap with the concerns raised in the literature on sustainability and HRM reviewed in Chap. 2. Financial performance is no longer the only measure for performance in HRM but critical goals in HRM include, for example, social legitimacy which (further) opens up the boundary of the HR function for the interest of external stakeholders and for sources of resources.

The next shift in HRM theory – the attention from external factors to internal resources of the firm – was induced among others by the breakthrough of the RBV in Strategic Management (see Sect. 3.3.2). The RBV has been broadly received in HRM theory and interprets human resources as a pool of skills that can be deployed for achieving sustained competitive advantage. From the perspective of the RBV theory a labour or skills shortage is not threatening – at least for those companies who have access to these pools because they can hope to develop and sustain a competitive advantage. However, for those companies where labour or skills are scarce this is no consolation. The RBV points towards the necessity to identify “resource gaps”, to invest in and to develop a firm’s resource base. But, one of the difficulties in this process is to anticipate which resources or skills are going to be needed in the future. This seems particularly problematic in faster changing management situations induced by developments from within the companies or

from their environments. Another difficulty is to find adequate resourcing strategies for attracting and retaining skilled human resources. To conclude, the RBV allows a dual understanding of the notion of success in Strategic HRM (see Sect. 3.3.2). Grant's (1991) ideas are very similar to the understanding of balancing resource consumption and resource reproduction, but, according to the understanding in the literature on SRM, current economic rationality needs to be extended because the RBV neglects the origin of resources and their specific conditions of development, reproduction, and regeneration (see Sect. 2.5.3).

The third shift discussed in this section, the shift from a national to an international and global focus on HRM (see Sect. 3.3.3), indicates that the problem of finding adequate resourcing strategies has become a global one. Although global competition for talent is one of the currently most important challenges for MNEs competing on a worldwide scale for the same "pool" of talent or human resources. The companies have reacted by developing "talent pipelines" where HR practices in the area of recruitment and staffing, training, and development as well as retention management play a major role. Developing these talent pipelines is leading to an important turn: It is no longer the search for having the right person at the right time in the right place (recruitment for a specific position) but it is the search for a future "problem-solving potential" (Remer 1997). This talent pool strategy can be interpreted as a development towards increased resource-orientation of top companies and also towards the understanding of "human resources as a strategy" (Remer 1997; see also Sect. 2.3.1). As Remer (1997) asserts, strategy and perhaps also corporate objectives are influenced by human resources and the task of HRM is no longer to adapt to corporate strategy but to help creating it.

The question about the next important shift for HRM and theory development being a shift from Strategic to Sustainable HRM was discussed in this chapter. This is one of the assumptions underlying this study. First cues for why this may happen have been collected in Sect. 3.3.4. Potential drivers for sustainability are, for instance, the socio-political development in the past decade with a rising interest in topics such as sustainability, corporate sustainability, and ethics. While some universities and business schools have separate institutes for these topics, others have started integrating them into their curricula. The second indicator, the interest for sustainability in Strategic HRM had already been outlined in Chap. 2. However, the understanding of sustainability is dominated by the social responsibility-oriented interpretation (see Sect. 2.5.1). Third, several factors have been identified as influencing the human resource base in a quantitative and qualitative way (demographic trends, tight labour markets, quality of education systems, intensive work, changing work values, higher employee expectations, and changes in the employment relationship). These developments might contribute to a rising interest in Sustainable HRM because they seem to have an important impact on the quality and quantity of human resources available in the future.

The third objective of the chapter was to explore the understanding of strategic success in HRM. The four ways (or models) of theorising on the relationship between HRM, strategy, and performance have been reviewed (see Sect. 3.4). The objective of this elaboration was to describe and understand assumptions

about the notion of strategic success in HRM and about the link between strategy and HRM (see Sect. 3.1). All four models of theorising are characterised by the ambition of HRM scholars to provide evidence for the contribution of HRM to organisational and especially financial performance. Differences between the four approaches refer on the one hand, to the way HRM contributes to performance (and how this can be measured) and on the other hand, to the underlying paradigmatic assumptions. The integrative approach and model has been presented and will be chosen as a foundation for developing the Sustainable HRM model (see Sect. 3.5; see also Sect. 1.5.2).

The last objective of Chap. 3 was to understand the limitations of Strategic HRM theory from a sustainability perspective (see Sect. 3.1). To reach this objective, the key elements and characteristics of a sustainability approach to HRM identified in Sect. 2.6 were used to analyse the modes of theorising in Strategic HRM described in Sect. 3.4. As soon as sustainability is recognised as being an important indicator for strategic success (see also Chap. 2), tensions become visible which may have been ignored in HRM research before. Although paradoxical tensions and dualities have been recognised in Strategic HRM (e.g. Legge 2005; Paauwe 2007), it is not yet systematically addressed in HRM theory as to how to cope with the tensions.

Chapter 3 points towards the necessity to view the sustainability-HRM link from a paradox perspective. “Paradox theory”⁴² or the literature on paradoxical phenomena such as paradox, duality, and dilemma offers valuable ideas to expand thinking into the sustainability-HRM link which go beyond those addressed in prior literature on this topic. This lens is chosen for developing a conceptual framework because it addresses some of the same limitations in HRM theory as sustainability literature and because it can help describing, understanding, and theorising on the challenges a sustainability approach brings along for HRM theory.

⁴²The terms “paradox theory” and “literature on paradoxical phenomena” are used synonymously here.

Chapter 4

Paradox Theory as a Lens of Theorising for Sustainable HRM

In Chap. 2, the notion of sustainability has been opened up for HRM and possible links to HRM theory were identified. In Chap. 3, Strategic HRM literature has been reviewed from a sustainability perspective to identify “blind spots” in the theory development of the HRM field (see Sect. 3.5). Although Chaps. 2 and 3 serve as basis for developing a conceptual model for a sustainability approach to HRM, this chapter explores paradox theory as a lens of theorising for Sustainable HRM. The term “paradox theory” refers to organisational literature on paradoxical phenomena – i.e. for this work the literature on paradoxes, dualities, and dilemmas. Although “paradox theory” is not a theory as, for instance, the RBV, the theoretical elements presented in this chapter constitute a part of interim struggles of organisation and HRM scholars to apply paradox and related concepts for theory development (see Sect. 1.5.2). The literature on paradoxes, dualities, and dilemmas is regarded as one school of thought. Although there are subtle differences between these concepts, several similar elements can be identified which justify studying them together and integrating them into one lens.

4.1 Objectives and Structure of the Chapter

Four objectives are addressed in this chapter. The first objective addresses the research gap concerned with the general lack of theory development and theory application in HRM (see Sect. 1.4.1): The objective is to raise awareness for the theorising process itself and for the influence of paradigmatic positions in the philosophies of science. To reach this objective some of the basics on theory development are reviewed. Second, this chapter focuses on comparing the nature, similarities, and differences of the terms paradox, duality, and dilemma in order to identify a common lens or lines of thought (see Sect. 1.4.1). Third, this chapter aims at identifying the key contributions and limitations of prior research on these concepts and depict their utility for theorising on HRM. The fourth objective is to

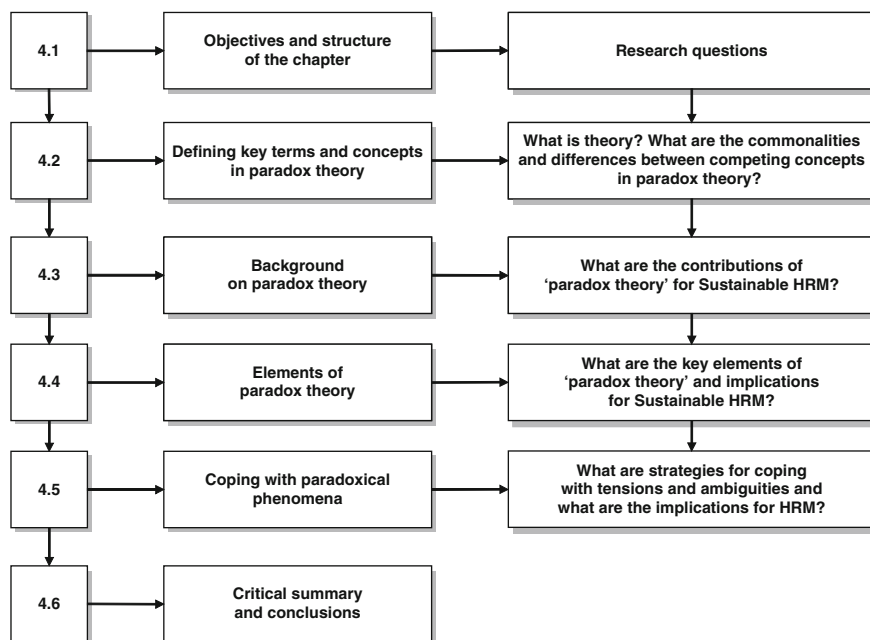


Fig. 4.1 Structure of Chap. 4

Source: compiled by the author

advance theory development in HRM by using the concepts of paradox, duality, and dilemma. The similarities between the concepts suggest that tensions, reinforcing cycles, and ambiguities are created in situations where each of these concepts plays a major role (see also Sect. 1.2.3). Subsequently, the fifth objective of the chapter is to identify coping strategies for dealing with paradoxical phenomena and with their consequences. These objectives are intermediate steps providing the third theoretical part before developing a conceptual framework in Chap. 5.

This chapter is structured into five main sections (see Fig. 4.1). After this introductory section, key terms and concepts concerning theory, theorising, and paradox theory (paradox, duality, dilemma) are defined and differentiated from each other (Sect. 4.2). In the third section, background on the applications of research using contradictory phenomena is provided. More precisely, literature on paradoxes, dualities, and dilemmas is reviewed and its origin, relevance, characteristics, and key elements are described (Sect. 4.2). Fourth, the key elements of paradox theory are identified. These elements are paradoxical tensions, reinforcing cycles, and coping with paradoxical phenomena (Sects. 4.3 and 4.4). In the fifth section, coping strategies are described which are proposed in the literature to cope with the paradoxical tensions involved (Sect. 4.5). Finally, the contribution of paradox theory as a lens for theorising on HRM and sustainability is summarised and critically appreciated (Sect. 4.6).

4.2 Defining Key Terms and Concepts in Paradox Theory

Key terms and concepts relevant for this chapter are paradox, duality, and dilemma. Some scholars use paradox and duality (e.g. Eisenhardt 2000), some duality and dilemma (e.g. Evans et al. 2002) in an interchangeable way, while others point out subtle differences among these concepts (e.g. Johnston and Selsky 2006). However, before the state-of-art on paradox theory is presented, the theory on developing theory provides the meta-theoretical background for this.

4.2.1 *The Notion and Nature of Theory and Theorising*

The notion of theory is not clearly defined in the literature (e.g. Sutton and Staw 1995; Wolf 2005; Weick 1995). Possible interpretations of theories refer to theories as models, as systems of universal statements, as systems of hypotheses, as results of cognitive activities, and theories as intersections of individual research activities (Wolf 2005, pp. 2–6, after Schanz 1988). These theories are characterised by consistent “if–then statements” as a basis for explaining and understanding (Wolf 2005). According to DiMaggio (1995), theories are social constructions and theorising is a socially constructed process. This acknowledgement of subjectivity is also reflected in Feldman’s (2004b) statement: “Let us be clear: theory is often in the eye of the beholder. What is theory to one reader may not be theory to another” (p. 565).¹ Or, as Klimoski (1991) points out: “Theoretical ideas are just too diverse to force into a single mould. Theorizing is idiosyncratic” (p. 267). Van de Ven (2006) asserts that theory is a “mental image or conceptual framework that is brought to bear on the research problem” (p. 10). This definition shows that related concepts such as frameworks, models, or heuristics are sometimes used synonymously to the term theory (see also Klimoski 1991; Sutton and Staw 1995), whereas some scholars differentiate between them (e.g. Dörner 1994; Osterloh and Grand 1995). The terms “theory” and “theoretical approach” are often used synonymously; the latter can also refer to a group or “family” of theories with similar lines of thinking (Wolf 2005).

The notion of theory adapted for this study refers to the most constitutive understanding of the terms as social constructions, i.e. theories are understood here as being inherently subjective. Different theoretical approaches describing and explaining the same phenomenon in social life can co-exist and often different schools of thought can provide a deeper insight into one phenomenon if viewed together (see Poole and Van de Ven 1989).² The terms “theory development” and

¹This article about theory is one of a series of papers on advice for publishing provided by Daniel C. Feldman in his function as an editor of the *Journal of Management* (see Feldman 2004a, b, 2005a, b).

²This is also one of the key assumptions of interdisciplinary research (see, e.g. Matiaske 2004).

“theory building” are usually applied synonymously in the literature (see, e.g. Dubin 1976).³ In this study, the terms theory development and theorising are used synonymously. Frameworks and models are differentiated from theory but both can be part of a theory and both are part of the theorising process (see Weick 1995). Models are characterised by formal logical conclusions (see Wolf 2005) and frameworks are “de-tuned theory” (Klimoski 1991, p. 256). A framework encompasses the elements of interest but statements on the relationships are only at a very basic level and preliminary (Klimoski 1991). The understanding of what theory is leads to different ways of developing theory. But not much is known about how these tacit (Weick 1999), cognitive, mental processes are conducted:

Theories stem from the dark and chaotic areas of the human brain, from fantasy, from a dream, from a sudden idea, and therefore their production seems to be less rationally penetrable, less “formalisable”, and less teachable than the methods of theory testing. (Dörner 1994, p. 344, translated from German by the author)⁴

Selecting and building or developing theory is a critical research activity (Eisenhardt 1989; Van de Ven 2006), distinct from theory testing (Dörner 1994; Snow and Thomas 1994), and with substantial influence on how a study is conducted and on its results. A difference has to be made between the “context of discovery” and the “context of justification” (Chmielewicz 1979; Ladyman 2002) or between developing and testing theory. Popper (1969) in his approach of critical rationalism tends to exclude the problem of theory development by concentrating on the logical analysis of theory testing (Dörner 1994; Ladyman 2002). The latter should contribute to identifying relationships as true or false whereas the context of discovery aims at creating new knowledge (Chmielewicz 1979). While a large number of methods and evaluation criteria are discussed for how to test theories (e.g. Shadish et al. 2002; Snow and Thomas 1994),⁵ the art of developing theory remains somewhat fuzzy and unexplored. Theory building or theory development “methods” or more exactly heuristics⁶ are rarely described – which can lead to the impression of “anything goes” (see also Dörner 1994).⁷

Reflections on the way from early thoughts on a research phenomenon to the development of hypotheses and theories often remain obscure; sometimes, only anecdotal evidence is given in the preface of a study (Bortz and Döring 1995). From the perspective of the researcher interested in theory development, the problem occurring in this process is that:

³For core terms and concepts on theory development in an applied field as HRM, see: Lynham (2000).

⁴On deductive and inductive theory building: for example, Westermann (2000).

⁵For German language literature on theory testing: see, for example, Dörner (1994), Opp (2002), Roth and Holling (1999), Schnell et al. (2005).

⁶For theory development heuristics in psychology see, for example, Dörner (1994).

⁷Further exploratory methods are for example, case study research (e.g. Eisenhardt 1989) or Grounded Theory (Glaser and Strauss 1967).

by developing theory, something new is created, and it is not known in advance how the result will look like. For this reason, theory cannot be developed by following a fixed pattern. (Dörner 1994, p. 386; translated from German by the author)

However, a large body of literature has tried to find ways of structuring the theory development process and of suggesting how this process can be facilitated (e.g. Bacharach 1989; Dubin 1976; Dörner 1994; Gioia and Pitre 1990; Lewis and Grimes 1999; Poole and Van de Ven 1989; Weick 1989, 1999). Different ways of theory development are mentioned in organisational literature (e.g. Van de Ven 2006), while elaborations in HRM primarily focus on the “right” theory input (see, e.g. Wright and McMahan 1992; McMahan et al. 1999) and less on the theorising process itself. Weick (1989) suggests that theory is developed by “disciplined imagination” (Weick 2002) or “disciplined reflexivity” (Weick 1999). This is one of the paradoxes in developing theory; the researcher has to be creative and controlled at the same time. The creative element of theorising is also expressed in Dörner’s quotation above. Ladyman (2002) asserts: “If there is one thing that has been learned from the twentieth century debates about scientific method it is that the generation of scientific theories is not, in general, a mechanical procedure, but a creative activity” (p. 74). Hitherto, theory building is a complex, creative cognitive process which involves reconciling ambiguities and paradoxes on the part of the researcher (Poole and Van de Ven 1989).

In theory development, observations relying on previous literature, common sense, and experience are combined intuitively (e.g. Eisenhardt 1989; see also Dörner 1994), building theories from case study research in an iterative process with empirical data collection (e.g. Eisenhardt 1989; Yin 1994), from a greater variety of field research methods (e.g. Snow and Thomas 1994), developing grounded theory (e.g. Glaser and Strauss 1967), by using heuristics such as analogies or metaphors (Dörner 1994), or by following the objectives of the research process (description, explanation, prediction, design) (e.g. Dubin 1976). The objectives of theory development differ with regard to the underlying philosophical framework. From a positivist and critical realist stance, developing theory aims at describing, explaining, and predicting real world phenomena and at generating true knowledge (Dubin 1976; Whetten 1989). In applied research areas like management and HRM, a fourth theory development step is design with the purpose of deducing implications for practitioners (Dubin 1976; Klimoski 1991; Whetten 1989; Weber and Kabst 2004; Wolf 2005).⁸

“Describing” has the objective of focusing on aspects of a problem which have been neglected before (Klimecki and Gmür 2001). “Explaining” aims at searching for the causes for practical problems. Theories have the function to help scholars and practitioners to predict future incidents more reliable than experience. “Critiquing” refers to pointing out if the current situation is suboptimal with regard to achieving certain objectives.⁹ Improved design of practices and strategies is the

⁸See Van de Ven (2006, p. 3): the activity in theory development is abduction rather than induction or deduction.

⁹For the debate on how far this critique may go (see, e.g. Schanz 2000).

application-oriented function of theory development (Klimecki and Gmür 2001; Schanz 2000). The underlying research paradigm is functionalist – the dominant position in HRM. However, this is not the only way to develop theory as the section on the multi-paradigm theory development approach has indicated (see Sect. 1.5.2).

Weick (1999) observed an “inward turn” (p. 797) and a reflective period on paradigms (see Sect. 1.5.1) and theorising after the *Academy of Management Review* (1989) special issue. Vivid discussions followed about what theory is or what it is not (e.g. DiMaggio 1995; Sutton and Staw 1995; Weick 1995), about what constitutes a theoretical contribution to the literature (e.g. Feldman 2004b; Whetten 1989), about the objectives of theory building (e.g. Dubin 1976; Klimoski 1991; Nienhüser 1996), about the best way of developing theory (e.g. Drumm 2000; Nienhüser 1996; Wolf 2005; Van de Ven 2006), about the criteria for evaluating good theory (e.g. Klimoski 1991; Wolf 2005), and about the “right” theory input, i.e. the basic theories used for theorising (e.g. Ghoshal 2005; Nienhüser 1996). More recently, the understanding of what theory is and what can be achieved with it has become more modest in the light of shifts in the philosophies of science (see Sect. 1.5.1). This has contributed to a more modest application of knowledge created from theory development processes and reduced overly excessive truth claims. From this section follows for the literature review on paradox theory that these efforts are subjective scholarly attempts to describe, explain, understand, and predict organisational phenomena. Interesting about paradox for theorising is that the concept allows creating new knowledge by considering opposing viewpoints and incompatible positions and raising awareness for their co-existence.

4.2.2 *The Notion and Nature of Paradox*

Paradox is a term with a long history and with multiple meanings influenced by diverse disciplines such as philosophy, sociology, psychology, and anthropology (see Lewis 2000; Poole and Van de Ven 1989). In the etymological sense of the word, a paradox can be traced back to the Greek words *para* (“contrary”) and *doxa* (“the accepted opinion”). According to the Oxford English Dictionary a paradox is “a statement or tenet contrary to received opinion or expectation; often with the implication that it is marvellous or incredible” (Erickson and Fossa 1998, p. 147). Poole and Van de Ven (1989) describe this general meaning of paradox as follows:

In general parlance, many writers use the term loosely, as an informal umbrella for interesting and thought-provoking contradictions of all sorts. In this sense, a paradox is something which grabs our attention, a puzzle needing a solution. (p. 563)

Poole and Van de Ven (1989) distinguish two more meanings of the term paradox: rhetorical and logical paradoxes (see also Table 4.1). The meaning of paradox in rhetoric “designates a trope which presents an opposition between two accepted theses” (Poole and Van de Ven 1989, p. 563). The absurdity of logical paradoxes is that they can contradict themselves (Erickson and Fossa 1998). A key characteristic

Table 4.1 Paradox: meanings, definitions, and applications

Type of paradox	Definition (source) and examples
Ordinary language paradox	According to the Oxford English Dictionary a paradox is “a statement or tenet contrary to received opinion or expectation; often with the implication that it is marvellous or incredible” (Erickson and Fossa 1998, p. 147)
Logical paradox	“In logic, paradox has a narrower, specialized meaning. A logical paradox ‘consists of two contrary or even contradictory propositions to which we are led by apparently sound arguments’ (van Heigenoort 1972, p. 45). Taken singly, each proposition is incontestable, but taken together they seem to be inconsistent or incompatible” (Poole and Van de Ven 1989, p. 563; italics in original) Example: Liar paradox (“I always lie”) (for this ancient philosophical paradox see Poole and Van de Ven 1989, p. 563)
Rhetorical paradox	“In rhetorical studies paradox designates a trope which presents an opposition between two accepted theses” (Poole and Van de Ven 1989, p. 563; italics in original) The purpose is often to “shock” the audience (see Poole and Van de Ven 1989)
Social paradox	“Paradox is the simultaneous existence of two inconsistent states, such as between innovation and efficiency, collaboration and competition, or new and old” (Eisenhardt 2000, p. 703) “‘A paradox is an idea involving two opposing thoughts or propositions which, however, contradictory, are equally necessary to convey a more imposing, illuminating, life-related or provocative insight into truths than either factor can muster in its own right. What the mind seemingly cannot think it must think; what reason is reluctant to express it must express’ (Slaatte 1968, p. 4)” (cited after Cameron 1986, p. 545) Example: “action: structure paradox” in organisation and management studies (Poole and Van de Ven 1989)
Philosophy of science paradox	Paradox as a mental concept, socially constructed, observer-relative: “[...] a paradox is an agreement among local interpreting observers that a certain duality of actual behaviours is inconsistent” (Johnston and Selsky 2006, p. 187) Examples: paradoxes of organising, learning and belonging (Lewis 2000). Paradox as “two sides of the same coin” (Lewis 2000, p. 761)

Source: compiled by the author; more examples in Lado et al. (2006, p. 117), Lewis (2000), Poole and Van de Ven (1989)

of the paradox definition is that oppositions or contradictory, mutually exclusive elements are involved operating simultaneously and creating tensions (Cameron 1986; Eisenhardt 2000). However, Erickson and Fossa (1998) assert that it cannot be claimed that paradoxes are always true or false and they suggest that “the paradoxicality of the paradox lies essentially in the questionable character of its appearance, quite apart from the reality of its truth value” (p. 149). Poole and Van de Ven (1989) highlight that paradoxes in social theories are “not strictly logical paradoxes. [Instead,] tensions and oppositions between incompatible positions must be considered” (p. 565). As a consequence, coping with social paradoxes requires adapted methods different from those coping with logical paradoxes (Poole and

Van de Ven 1989). They suggest that this may happen by taking space or time into account.

In management and organisation literature, the term paradox has either been used in just one of the meanings depicted in Table 4.1 (e.g. Lewis 2000) or scholars have tried to use different meanings of the term simultaneously to “generate a richer understanding of organizational phenomena” (Lado et al. 2006, p. 117; see also Luhmann 1993; Poole and Van de Ven 1989). The latter path is followed in this study. First, paradox is used in the “ordinary language” sense to describe tensions or oppositions that have been detected in HRM theory. Erickson and Fossa (1998) derive from the general or lay meaning of paradox some characteristics which they believe paradoxes have in common: Paradoxes are all somewhat incredible, absurd, and appear ridiculous, incongruous or unreasonable to the listener, and there is always an element of surprise. This perceived absurdity or incongruence, however, is essential but not sufficient to identify a paradox – the statements still have to be true and must not originate from a lack of knowledge (Erickson and Fossa 1998). Second, paradox is used as an analytical tool to analyse tensions on the sustainability–HRM link and to identify the key oppositions or dualities for Sustainable HRM. The “philosophy of science paradox” (see Table 4.1) points towards one of the tensions the concept of paradox may create for organisational theorists in the context of diverse positions in the philosophy of science (see also Ford and Backhoff 1988; Johnston and Selsky 2006).

The term paradox can be distinguished in nature from similar terms such as “duality”, “dilemma”, “antinomy”, “contradiction”, and from “observed tensions”.¹⁰ Paradox and duality differentiate in the sense that paradox is a broader notion allowing more than one contradictory couple creating the tensions as, for instance, illustrated in Cameron and Quinn’s (1988) competing values framework. And, the difference between paradox and dilemma is that in a paradox “no choice need be made between two or more contradictions. Both contradictions in a paradox are accepted and present. Both operate simultaneously” (Cameron 1986, p. 545). According to Erickson and Fossa (1998), the difference between an antinomy (Greek: *anti nomos*; opposing the law, i.e. the contradiction of law with itself) and paradox is frequently described as follows:

An antinomy is a logical contradiction, or extreme variety of paradox in which there is contradiction between two principles or inferences each of which seems equally necessary or reasonable but which cannot both be true. A frequently occurring distinction is that an antinomy is inconsistent, whereas a paradox may be only seemingly so. (Erickson and Fossa 1998, p. 12)

Paradox and contradiction (lat. *contradictio*) differentiate in the sense that paradoxes can be contradictory but do not necessarily have to (see Table 4.1). According to

¹⁰For other related terms such as oxymorons, dichotomies, antagonisms, etc., see Neuberger (2002, p. 338) or Erickson and Fossa’s (1998) “Dictionary of paradox”. In contrast to paradoxes, oxymorons only appear contradictory but it cannot be said if they are true or false (e.g. “square circle” or “honest thief” (Erickson and Fossa 1998, p. 146).

Luhmann (1993), the roots of paradox are in rhetoric and not in logic. He states that logic has never been very “friendly” (p. 292) to paradoxes but that in logic paradoxes are only subsumed under the category of contradictions with the ideal objective of proposing that there are no contradictions (*Widerspruchsfreiheit*). But as outlined in this section, paradoxes can encompass oppositions or contradictions. In the following two sections, the terms duality and dilemma are going to be defined and characterised in more detail.

4.2.3 *The Notion and Nature of Duality*

While organisation and management scholars have provided abundant lists of definitions and literature on paradox, definitions of the term duality are relatively scarce. The definition of duality is often provided in the context of describing the differences between paradoxes and dualities (e.g. Eisenhardt 2000; Evans 1999). It seems important to address this gap in the literature because the understanding of the notion and nature of dualities is not at all trivial and in particular when it comes to differentiating the concept from related terms such as dualisms. Similar to paradox, the concept of duality also has a long history in disciplines such as philosophy or psychology (see Evans and Doz 1991). Etymologically, the term duality can be traced back to its Latin roots *dualitas*. Two meanings of duality can be differentiated for this study. First, duality characterises the symmetry of an object such as the brain. In this ordinary language meaning the Compact Oxford English Dictionary defines duality as “the quality or condition of being dual”.¹¹ Second, duality is used to describe “an opposition or contrast between two concepts or aspects”.¹² In the sense of the second and more particular meaning Evans and Doz (1991) define dualities as “*complementary* oppositions” (p. 221). The authors provide examples for dualities in organisations such as “vision and reality”, “decentralisation and centralisation”, or “change and continuity”.

Referring to Sydow and Windeler (2003, p. 69), Möllering (2005) outlines the following characteristics of a duality: First, the two poles of a duality “assume the existence of the other, refer to each other and create each other, but remain irreducible to each other” (p. 284). Assuming the existence of the other means that each pole of a duality requires that the other is also present. Referring to each other means that there is a reflexive relationship between the two poles of a duality. Creating each other means that one pole of a duality produces the other and vice versa. And, finally the last characteristic of a duality is that the two poles remain irreducible to each other meaning that one pole can and should not be perceived as a subcategory of the other (Möllering 2005). For instance, when trust and control is conceptualised as a duality:

¹¹<http://www.askoxford.com> (accessed 12/07/2007).

¹²<http://www.askoxford.com> (accessed 12/07/2007).

[...] either side of the trust/control duality as well as the duality as such always leaves the actor with irreducible social uncertainty and doubt. This is not an unintended side effect, but another core assumption associated with conceptualizing dualities like structure/agency or trust/control. In order to make sense, dualities have to be somewhat open ended, but such contingency is potentially bewildering to the actors concerned. (Möllering 2005, p. 295)

The term duality can be differentiated from dualism and contradiction. Dualities are sometimes confounded with dualisms (lat. *dualis*, twofold, containing two).¹³ Frequently mentioned as an example for a duality in organisational literature is the Eastern teaching of “yin and yang” (e.g. Lewis 2000). But this is a dualism in the sense that the two underlying principles are not deducible from each other, i.e. they are two independent principles. All teachings that are based on a dualism (contrary to monistic or pluralistic explanatory models) refer to two different concepts (see also Möllering 2005). However, the difference between dualities and dualisms remains a debated one in philosophy as Möllering (2005) points out:

The difference between a dualism and a duality perspective is subtle, but important. For instance, philosophers have debated whether “body” and “soul” form a dualism (humans have a body on the one hand and a soul on the other) or a duality (to be human, the body needs a soul and the soul needs a body). (p. 284)

In this study, duality is defined as two opposing poles. These poles are characterised by their co-existence, by referring to each other and creating each other, but also by remaining irreducible to each other. In comparison to paradox, the term duality thus suggests that only two instead of several different aspects of a problem are opposing each other (see Sect. 4.2.2). The term dilemma comes into play when choices must be made.

4.2.4 The Notion and Nature of Dilemma

From its Greek etymological roots “A lemma is something taken for granted (from Greek *lambanein*, to take), and a dilemma is a “double lemma”, or rather a kind of “double-take” between two alternatives each of which issues in equally undesirable consequences” (Erickson and Fossa 1998, p. 50). But Neuberger (2000) points out that the consequences of both alternatives can also be desirable. Different types and meanings of dilemmas can be differentiated: (1) logical dilemmas, (2) rhetorical dilemmas, (3) social dilemmas, and (4) moral dilemmas (see Table 4.2).

Generally, dilemmas can be defined as: “A situation in which a difficult choice has to be made between two alternatives, especially when a decision either way will bring undesirable consequences”.¹⁴ Or, as Cameron (1986) defines it: “A dilemma is an either-or situation, for example, where one alternative must be selected over other attractive alternatives” (p. 545). Dilemmas are characterised firstly by a situation

¹³For example, Müller-Christ (2007, p. 137) uses the terms duality and dualism synonymously and understands duality as contradictory poles (and not as complementary oppositions).

¹⁴<http://www.askoxford.com> (accessed 12/07/2007).

Table 4.2 Dilemma: meanings, definition and applications

Type of dilemma	Definition (source)	Examples of application
Logical dilemma	<p>The dilemma has the following logical form: Either A or B, If A, then C. If B, then D. Therefore, C or D (Erickson and Fossa 1998, p. 50)</p> <p>(a) Constructive dilemma: If p, then q. If r, then q. Either p or r. Therefore q</p> <p>(b) Destructive dilemma: If p, then q. If r, then q. Either not-p or not-r. Therefore not-q (Rehfus 2003, p. 300)</p>	<p>(a) Prisoner's dilemma (Rehfus 2003, p. 300)</p> <p>(b) Decision-making dilemma (e.g. Hülsmann 2003)</p>
Rhetorical dilemma	“Like quandaries and predicaments, - requires us to choose between equally repugnant courses of action” (Erickson and Fossa 1998, p. 50)	
Moral dilemma	Dilemma as a moral conflict situation of one or several actors (Prechtl 1999, p. 114)	<p>Ethical dilemmas in (International) HRM (Grossman and Schoenfeldt 2001; Wooten 2001)</p> <p>Cultural dilemmas (Hampden-Turner and Trompenaars 2000; Trompenaars and Hampden-Turner 1997)</p> <p>Leadership dilemmas (Neuberger 1995, 2000, 2002)</p>
Social dilemma	“Social dilemmas describe paradoxical situations in which individual rationality – simply trying to maximize individual pay-off – leads to collective irrationality (Kollock 1998)” (Cabrera and Cabrera 2002, p. 692)	<p>Resource-dilemma; “Tragedy of the commons” (Hardin 1968)</p> <p>Knowledge-sharing dilemma (Cabrera and Cabrera 2002)</p>

Source: compiled by the author

where a choice actually has to be made; and secondly, the choice has to be made between two equally desirable or undesirable alternatives (Neuberger 2000). In logic, constructive and destructive dilemmas are differentiated. Constructive dilemmas lead to the same result whatever alternative is chosen; while destructive dilemmas lead to impossibility (Rehfus 2003; see also Table 4.2). In the logical meaning of a dilemma, a third alternative is excluded (*tertium non datur*) (see Fontin 1997).

The expression ‘horns of a dilemma’ which is quite frequently used in dilemma theory (e.g. Hampden-Turner 1990) stems from medieval philosophy and the

phrase *argumentum cornutum*. The sense of it is that it does not matter which alternative of two possibilities a person chooses, the “bull will always let you fly” (Erickson and Fossa 1998, p. 50). But in the rhetorical meaning, it is possible to “escape between the horns” and to destroy a dilemma by indicating a third alternative (Erickson and Fossa 1998). An example for such a third alternative is to separate both “horns” of a dilemma temporarily (see, e.g. Poole and Van de Ven 1989). In the case of moral dilemmas the choice has to be made between two (or more) moral requirements which cannot be pursued simultaneously: “An agent regards herself as having moral reasons to do each of two actions; but the agent cannot do both (or all) of the actions. The agent thus seems condemned to moral failure; no matter what she does, she will do something wrong (or fail to do something that she ought to do)” (Stanford Encyclopaedia of Philosophy 2007).¹⁵ Moral (or ethical) dilemmas and social dilemmas are often discussed in HRM and management literature (for prominent examples see Table 4.2).

One of the well-known examples of social dilemmas has been described by Hardin (1968) under the term “tragedy of the commons” (see also Table 4.2). Using the example of herders letting their cows graze on shared property, Hardin (1968) illustrates that what is individually rational does not have to be collectively rational and in the long run affects also individual rationality. Hardin criticises strategies of maximisation which are rational at an individual actor’s level but which produce externalities and are therefore irrational at a collective level (which is finally also irrational for the individual). The “tragedy of the commons” is usually referred to as a *resource dilemma* given that “collective cooperation leads to a serious threat of the depletion of future resources” (Van Lange et al. 1992, p. 11, after Cabrera and Cabrera 2002, p. 693). Hardin’s resource dilemma problematises the problem of short- vs. long-term rational behaviour. In the short run, individually rational economic behaviour following a cost–benefit logic can become collectively irrational on a long-term basis (Seidel 1994).

In this study, the term “dilemma” is used in the sense of logical dilemmas, moral dilemmas, and also in the sense of social dilemmas (see Table 4.2). According to Müller-Christ (2007) a logical dilemma appears when decision-makers consider sustainability and efficiency because both concepts follow different economic logics as the author asserts (see also Sect. 2.5.3). Moral dilemmas, for instance, could appear for employees when making decisions about whether to stop working and spend time with families and friends (as promised) or to continue working and achieve the project goals (as planned). Social dilemmas are relevant for this study because this type of research has dealt with the problems of individual rational choices leading to collectively irrational choices that are – in the long-run – also individually irrational (see Cabrera and Cabrera 2002). Comparing the three core concepts used in this work for theorising on sustainability and HRM, several similarities and differences can be observed.

¹⁵Online version: <http://plato.stanford.edu/entries/moral-dilemmas>; 2nd paragraph of the entry “moral dilemma” (accessed 02/11/2007).

4.2.5 *Comparison of Concepts and Conclusions*

It has been suggested for this study to view the literature on paradoxical phenomena as one lens of theorising on Sustainable HRM despite subtle differences between the concepts (see Sect. 4.1). To illustrate why thoughts from research on all three concepts are applied, the concepts are compared in this section concerning their similarities and differences. All three concepts are characterised by the co-existence of contradictory forces (“poles”) or (“horns”) which operate simultaneously (see Table 4.3). Paradoxes have been characterised by oppositions or contradictory, mutually exclusive elements which operate simultaneously and create tensions (see also Sect. 4.2.2). It has been advanced that the concept of paradox is applied as an analytical tool in this study (see Sect. 4.2.2). Using paradox as an analytical tool is similar to what Rothenburg (1979) termed “Janusian thinking” (after Cameron 1986, p. 547), or holding two or more opposites together in the mind accepting their coexistence. In this sense, “paradox is a mental construct. It exists only in the thoughts or interpretations of the individual” (Cameron and Quinn 1988, p. 4). As Rothenburg (1979) has investigated, this way of thinking enables creative insights and scientific progress.¹⁶ In comparison to the term duality, the notion of paradox can include more than one contradiction (see Sects. 4.2.2 and 4.2.3). This characteristic of paradoxes is used in this study for the development of the conceptual framework in Chap. 5 and to illustrate that dualities are important for analysing oppositions but too simplistic if the analysis of an HRM system is concerned. In HRM systems, multiple opposing forces operate simultaneously (see Sect. 3.5) and this is what the concept of paradox, but not the concept of duality, can cover (see also Table 4.1).

The concepts of paradox, duality, and dilemma also indicate similar theoretical elements; tensions, reinforcing cycles, ambivalence and ambiguity (see Table 4.3). Paradoxical tensions can be caused by more than one opposition, whereas the tension in a duality is created by two opposing forces only. The key difference between paradoxes, dualities and dilemmas is that the latter concept involves a choice situation. In other words, what is a paradox or duality today, can become a dilemma in any instant if action has to be taken:

“Paradox differs from each of these concepts [dilemma, irony, inconsistency, dialectic, ambivalence, or conflict] in that no choice need be made between two or more contradictions. Both contradictions in a paradox are accepted and present. Both operate simultaneously. (Cameron 1986, p. 545)

Another difference between the concepts is the relationship of the two (or more) poles. In a paradox, the relationship between the poles is characterised as contradictory (see Sect. 4.2.2). In a duality, the two poles are conceived of as being complementary (see Sect. 4.2.3; see also Table 4.3).

¹⁶For an overview see Cameron and Quinn (1988).

Table 4.3 Comparison of commonalities and differences of competing concepts

Key terms and concepts	Paradox	Duality	Dilemma
Similar elements and characteristics	Co-existence of contradictory forces (“poles”)	Assumes the existence of two opposing “poles”	Simultaneous existence of two “horns” of a dilemma
	Tensions between two or more poles	Tensions between two poles	Tensions and ambiguities between the “horns” in a difficult choice situation
	Reinforcing cycles (fostering inertia)	Spirals, waves, cycles, pendulum swings	Ambivalence, ambiguities
	Ambivalence, ambiguities	Ambivalence, ambiguities	Can be “real” (<i>tertium non datur</i>) or “socially constructed” phenomena
	Can be “real” or “socially constructed” phenomena	Can be “real” or “socially constructed” phenomena	
Differentiating characteristics	Two or more contradictions which operate simultaneously (pluralist, can be dualistic but don’t have to)	Two contradictions only Relationship between the poles is complementary	Choice must be made, action cannot be avoided
	Relationship between the poles is contradictory	No choice needs to be made	
	No choice needs to be made		
Application in this study	Lens for theorising and analytical tool ant to develop a conceptual framework	Link to HRM research (“duality theory”)	Describe HRM choice situations when paradoxes or dualities operate and create tensions
	Paradox as a metaphor		

Source: compiled by the author

At that point it might be useful to come back to the observer-relative nature of the three concepts just outlined above. One person might view a situation as paradoxical while another person might view the same situation as inherently consistent. Frequently, comparisons between Japanese and Western cultures have been quoted as an example. What can be a puzzle for the Western observer would be none for the Japanese (Johnston and Selsky 2006). In this sense, “[. . .] a paradox is an agreement among local interpreting observers that a certain duality of actual behaviours is inconsistent” (Johnston and Selsky 2006, p. 187). The assumption about whether a paradox is a “real” phenomenon existing in social reality or whether

it is socially constructed by observers (scholars, managers) (see Sect. 4.2.2) is important because of the differing implications for coping with these phenomena.

To conclude, similar elements in the three concepts discussed in this section are the concepts of tensions, reinforcing cycles, ambivalence and ambiguity. The main difference is the question whether choices have to be made or not. In this study, the concept of paradox is applied as a lens of theorising for Sustainable HRM (Table 4.3; see also Sect. 4.2.2). The concept of duality is applied to make the link to existing research in HRM and to identify and analyse key dualities in Sustainable HRM. Finally, the concept of dilemma comes into play when managerial choices need to be made in HRM (see Table 4.3). In the following section, research which has applied the three concepts is reviewed to identify the key contributions and limitations of prior research on these concepts and to depict their utility for theorising on HRM.

4.3 Background on Paradox Theory

Approximately 20 years ago, concepts such as paradoxes, dualities, or dilemmas have become a major concern for scholars of organisation and management theory (e.g. Cameron and Quinn 1988) and International HRM (e.g. Evans and Doz 1989), but their broader application for theorising in HRM remains scarce or implicit (Evans et al. 2002). These ancient, often philosophical concepts have been introduced into organisational research as analytical tools and as a basis for finding new explanations on situations of increased change, turbulence, and competition (e.g. Cameron and Quinn 1988; Eisenhardt 2000). Based on the assumption that HRM in many companies is increasingly challenged by strategic tensions (see Sect. 3.3.4), the theory, or on the concepts of paradox, duality and dilemma is reviewed to present prior applications and conceptualisations as a basis for further theorising efforts.

4.3.1 Applications of Paradox Theory

Paradox is relevant for researchers to understand and make sense of various organisational phenomena (see, e.g. Johnston and Selsky 2006 or Special Issue, *Academy of Management Review* 25(4)). Against the background of reviewing evolving organisational forms, Child and McGrath (2001) conclude that “paradox is likely to be a core theme of postmodern organizational design” (p. 1144). Following a symposium at the Academy of Management conference in 1985, Cameron (1986) published a journal paper on *Effectiveness as paradox*, and Quinn and Cameron (1988a) edited a volume on *Paradox and transformation* which have become often-cited contributions (for book reviews see Berlinger and Sitkin 1990; Gannon 1990). This first collection of ideas and possibilities on what paradox is and on how to thrive on paradox in organisation theory was followed by

a number of publications such as *Paradox and performance* (Denison et al. 1995), complemented by practitioner-directed books such as *The age of paradox* (Handy 1994; Price Waterhouse Change Integration Team 1996) or *Managing on the Edge* (Pascale 1990). Poole and Van de Ven (1989) described how to use paradox for theory development; a journal paper which has also received considerable attention in the literature and inspired, for example, articles on organisational identity (e.g. Fiol 2002), on organisational crises and change (Eisenhardt 2000; Raisch 2005), and on paradoxes in theorising within the resource-based view (Lado et al. 2006). The concept of paradox has been applied to study:

- Organisational change, success and failure
- Paradigmatic changes in organisation and management research
- Development of conceptual frameworks

Concerning the first application, scholars in the field of organisation theory have started using paradox increasingly as a metaphor or an analytical tool to explain findings from Peters and Waterman's (1982) *In Search of Excellence*.¹⁷ The key insight from this study was that on a long-term basis, those companies were most successful which were capable of reconciling tensions. Organisation scholars have frequently used paradox to explain organisational success and failure (e.g. Peters and Waterman 1982; Probst and Raisch 2005). From a paradox lens, those companies are assumed to be successful which have the ability of managing across mutually exclusive but simultaneous opposites (Cameron 1986; Raisch 2005). Similarly, Miller (1990) explored how successful companies failed because they over-excessively focused on what they perceived as factors of success; a phenomenon which he called "Icarus paradox"¹⁸ or "paradox of success" (see also Handy 1994).¹⁹

This idea of a "success syndrome" has also been picked up in research on organisational change (e.g. Probst and Raisch 2005; Tushman and O'Reilly III 1996; Tushman and O'Reilly III and Tushman 2004). These scholars suggest that "patterns" can be observed empirically in the way success often precedes failure. Probst and Raisch (2005, p. 93) have identified four reasons for corporate failures of formerly successful companies: (1) excessive and fast growth (sales growth, large number of acquisitions, intensive investment in growth areas), (2) uncontrolled change (endless restructuring, loss of corporate identity), (3) autocratic leadership (powerful, overly ambitious CEOs, blind faith in them, weak boards), and (4) an excessive success culture (strong competition between employees, high degree

¹⁷For a discussion of how this book shaped the sensemaking of managers and academics about how companies may achieve excellence: see Colville et al. (1999).

¹⁸The author compares corporate behaviour with the Greek myth of Icarus who used self-designed wings of wax to fly. Overenthusiastically, he flew too near to the sun and crashed when the wax melted.

¹⁹Some scholars have also proposed that leaders sometimes have to change their companies radically to remain successful (Fiol 2002; Tushman and O'Reilly III 1996), and that they have to master both incremental and revolutionary change simultaneously (Tushman and O'Reilly III 1996).

of employee stress, poor communication). To avoid failure, Probst and Raisch (2005, p. 99) propose that companies should pursue sustainable growth (limited growth at a firm specific “optimum rate”), stable change (both stability and change), shared power (a “healthy” balance between CEO and board powers, and a “healthy” organisational culture with both trust and competition, i.e. an overall balanced approach. Although these recommendations sound intuitively appealing, their transfer to practice and “shaping” companies in the way organisational design theorists suggest is not that simple. One of the difficulties for prediction is that organisations and their environments do not develop the same way in the future they have developed in the past. For instance, Lepak and Snell (1998) predict great changes for HR coming from information technologies which might influence that “HR in the 21st century may look dramatically different from HR in the past” (p. 231).

Concerning the second type of application, paradox was introduced to challenge linear cause-and-effect thinking and assumptions on equilibrium (Quinn and Cameron 1988b) based on the – particularly in the USA – dominant paradigm of logical positivism. Scholars of paradox also have inspired and have been inspired by criticism of logical positivism as a dominant lens of enquiry in organisation and HRM research. As indicated already in the section on a multi-paradigm approach to theory development (see Sect. 1.5.2), the application of paradox in social theories favours a pluralistic approach (Eisenhardt 2000; Lewis 2000; Lewis and Kelemen 2002). To describe and understand the contradictory demands and tensions that individuals and companies face in a modern business world, interpretivist, critical and postmodern perspectives have become increasingly popular (Lewis and Kelemen 2002). In this sense, “[...] a paradox is an agreement among local interpreting observers that a certain duality of actual behaviours is inconsistent” (Johnston and Selsky 2006, p. 187). However, as Johnston and Selsky (2006) assert: “There is no dominant view of paradox in organisation studies but instead a tension between realist and constructivist views” (p. 183; see also Lado et al. 2006). The authors point out that some dualities or paradoxes mentioned in organisational research are not necessarily contradictory. Instead, they argue the dualities or paradoxes occur only if a certain frame of reference is used (Johnston and Selsky 2006).

The third application of ideas on the concept of paradox is the development of conceptual frameworks which is actually also one of the major challenges in paradox research (Ofori-Dankwa and Julian 2004) because the concept is difficult to grasp and visualise in a meaningful way. Several scholars have proposed first solutions for this problem. For instance, Lewis (2000) has identified theoretical elements (tensions, reinforcing cycles, and managing paradoxes) and integrated them into one conceptual framework. Building on Quinn and Rohrbaugh (1983), Cameron and Quinn (1988) have outlined a “competing values framework” to visualise paradoxes of organisational effectiveness (see Fig. 4.2). This framework allows viewing criteria of organisational effectiveness “as *competing* rather than as compatible and congruent” (Cameron 1986, p. 544; italics in original). Competing criteria cannot be maximised simultaneously. If one “pole” of the two is maximised, trade-offs have to be expected concerning the other one. Building on this framework, Cameron (1986) assumes: *To be effective, an organization must possess*

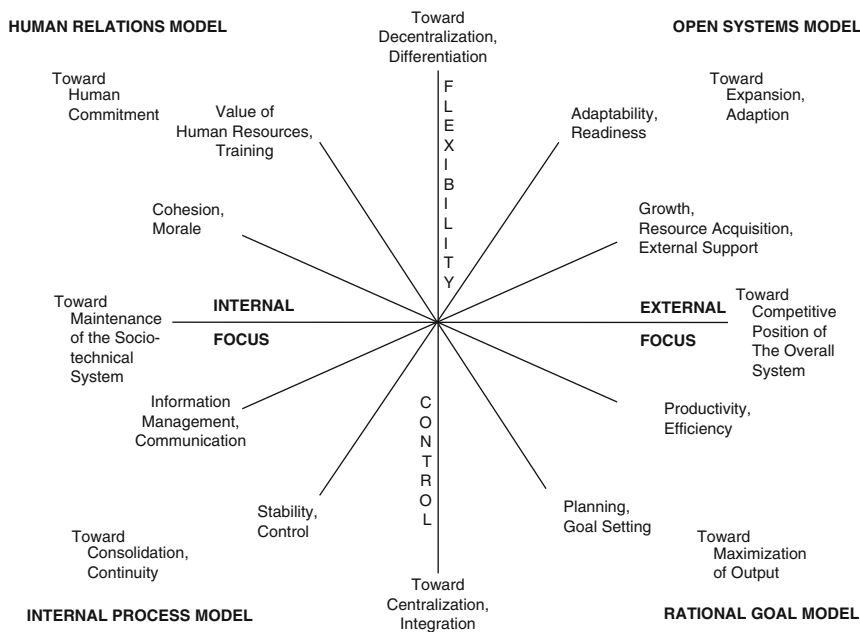


Fig. 4.2 Competing values framework

Source: adapted from Cameron and Quinn (1988, p. 11, based on Quinn and Rohrbaugh, 1983)

attributes that are simultaneously contradictory, even mutually exclusive (p. 545; italics in original). Examples for these mutually exclusive elements are, for instance, companies which foster highly specialised roles and at the same time highly general roles; or expanding the scanning of organisational environments to make informed choices and simultaneously reducing the amount of information in order to maintain the ability to make decisions (see Cameron 1986). The advantage of this framework is that it is able to visualise more than one paradoxical tension which allows illustrating at least a part of the complex reality decision-makers have to face (see Fig. 4.2; see also Cameron and Quinn 1999). The competing values framework has also been applied in HRM research. Panayotopoulou et al. (2003) have used the framework to develop a new HRM model and to make new assumptions about the link between HRM and firm performance (on this link see Sect. 3.4).

4.3.2 Applications of Duality Theory

Inspired by the literature on paradoxical phenomena in organisation theory, a number of publications have focused on the idea of two poles or forces opposing each other and have reduced the concept of paradox to that of dualities.²⁰ The core

idea of duality theory is that complex organisations face dualities such as “rational (hard) vs. normative (soft)”, “vision vs. reality”, “decentralisation vs. centralisation”, “change vs. continuity”, etc. (Evans 1999, p. 325; Evans and Doz 1991, p. 219), or “stability vs. change” (Harter and Krone 2001; Leana and Barry 2000). The concept of duality has been applied to study:

- “Wavelike” or “pendulum like” patterns of changing management modes
- Development of a duality-based management paradigm and the development of “duality theory” for HRM

Regarding the first application, Hoskisson et al. (1999) and Barley and Kunda (1992) diagnosed “swings of pendulum” in strategic management theory and research paradigms. The first approach dealt with shifting positions between internally and externally oriented management modes, whereas the latter analysed normative and rational paradigms. Hoskisson and colleagues (1999) describe how they understand the shifts in managerial and scholarly attention from internal to external perspectives and back again: In the early development of the field, scholars such as Chandler (1962) and Ansoff (1965) emphasised a contingency perspective (strategy-structure fit) and a resource-based framework (focus on internal strength and weaknesses). The next “pendulum swing” is described as the development toward the IO paradigm and an external focus (Hoskisson et al. 1999) and then back again with the resource-based view and its focus on the internal resources of the firm (see also Sect. 3.3.2). Hoskisson and colleagues (1999) conclude that these pendulum swings have been necessary for strategic management research to accumulate new knowledge (theories and methodologies). Sustainable HRM takes also the “origin” of human resources into account. But these “origins” are often outside the organisation. In this sense, sustainability could induce another “shift”, i.e. again the focus on the external organisational world.

Barley and Kunda (1992) identified surges of “rational vs. normative” rhetorics of control in the American managerial discourse and have linked the timing of new waves to cycles of economic prosperity and decline. From the nineteenth century, these authors analyse shifts between the period of industrial betterment (normative rhetorics) to scientific management (rational rhetorics), shifting next to the Human Relations movement (normative), to systems rationalism (rational), and finally to the discourse on organisational culture (normative) (Barley and Kunda 1992). Concerning Sustainable HRM the conclusion here is that it does not make sense to try and exclude normative or rational positions. If a multi-paradigm “both/and” approach is adopted, both positions need to be accepted – and their tensions reconciled (for HRM, see Paauwe 2004 on this tension).

Both applications add to the previous observation and suggest that scholars and practitioners have been going through learning processes in understanding their

²⁰This reduction is not regarded as appropriate here because the concept of paradox is perceived as providing the greater potential for illustrating complexity and several dualities operating simultaneously.

complex “realities” and research objects. To use the pendulum metaphor, the pendulum does not swing back to the starting point; it swings back but at a higher level. Bansal (2005) has shown that the interpretation and understanding of sustainability changes over time. In this work, the tensions between different interpretations of sustainability are outlined to increase transparency on the reasoning and the underlying rationales. The author tries to juxtapose all three understandings of sustainability in acknowledging their contribution and in identifying potential tensions and paradoxes for HRM. Sustainability as a social responsibility in HRM can be interpreted as an “opposing pole” for “economic rationality”. While this might not be so surprising – viewing it through the lens of paradox and duality, the upsurge of CSR in practice and research could be interpreted as what Evans et al. (1991) call “pendulum swings” from one pole to another. A period of economic downsizing and cost-cutting strategies is “answered” by a period of increased stakeholder demands and care. Preferably, the author of this study applies the metaphor of “spiral” instead of pendulums. Spirals signal a loop-like development over time and a progress. The metaphors of “cycles” or “spirals” have been used to illustrate, for instance, organisational learning processes (e.g. Hampden-Turner 1990). The notion “waving” or “sequencing” (Hampden-Turner 1990) suggests the shape of the movements between paradoxical poles. If this waveform is observed over time, it can be interpreted as part of a cycle, spiral, or helix (see Hampden-Turner 1990). Evans and colleagues (1991) have suggested that an organisational pendulum swings over time from one pole (or “desirable quality”) to the opposite pole.

Concerning the second application of the notion of duality, Paul Evans and several colleagues developed what they call “duality theory” for HRM on the assumption that organisations consist of and face “opposing forces” (Evans 1999, p. 331). Based on empirical research in the 1980s, the scholars involved were surprised to find that MNEs were overwhelmed by the difficulties created by opposing forces or “dualities” (Evans 1991; Evans and Doz 1991; Evans and Lorange 1991). Intrigued by the idea of dualistic forces operating in complex organisations, Evans and Doz (1991) and Evans (1999) assert that organisations since the 1990s are increasingly confronted with rapid changes or “waves” of change because of developments in the global business arena:

The proverbial organizational pendulum, once swinging leisurely over a generation from one desirable quality to its opposite now gyrates from arc to arc. Organizations are besieged by the paradoxes that these dualities create. (Evans and Doz 1991, p. 219)

Evans and Doz (1991) assume that dualities are the reasons for paradoxes in organisations, that these dualities can be observed in and described for organisational realities. Evans (1999) picked up the idea of changing management modes and looks at the development of the field of management and organisation over time. He asserts that in the past hundred years management modes or “ideologies” have shifted like “organisational pendulums” (Ouchi 1989) or in a wavelike manner from one opposite of a duality to another (Evans 1999). Evans and Doz

Table 4.4 Development of post-war management paradigms

Period	1950/1960	1970/1980	1990/. . .
Management metaphor	Structuring (providing order)	Fit, matching, consistency	Dynamic balance between dualities
Nature of the environment	Relatively orderly and stable	Incrementally changing with increasing competition	Turbulent, complex, highly competitive
Focus of management attention	Structure and systems:	Strategy and management processes:	Innovation, flexibility, and organisational capabilities:
	Planning systems	Strategic management: matching environmental threats and opportunities to internal strength and weaknesses	Integrating decentralised subsidiaries/ business units
	Budgeting systems		Creating teamwork among strong individuals
	Organisational structure Information systems	Organisation: ensuring consistency between the 7Ss	Planning opportunism Partnerships between competitors
Focus of HRM attention	Job evaluation	Fitting jobs to people Job design: matching technical and task specifications to social needs	Focusing on diversity

Source: Evans (1991), Evans and Doz (1991, p. 222)

(1992) have described three post-war periods and the development towards a duality-based management paradigm (see Table 4.4).

The authors distinguish periods with the metaphors (1) “structuring”, (2) “fit” or “matching”, and (3) “balancing dualities dynamically” dominated management practice and research. For the first period until the 1970s, Evans and Doz (1991) identify a rational, mechanistic management paradigm prevails and building on the assumption that the most effective structure (or “one best way”) for an organisation can be found (Evans and Doz 1991). At that time, however, business environments were relatively stable and managers could focus on planning activities (e.g. Koontz and O’Donnell 1976). For the 1970s, Evans and Doz (1991) observe the turn of practice and research towards the idea of matching or “fit” (Leavitt 1965) and the contingency view that structure should fit with or follow strategy (e.g. Chandler 1962). Increasing competition changed business environments and strategic management activities focused on strategic planning, i.e. the process of “matching” environmental threats and opportunities to strengths and weaknesses of the organisation. HR activities focused on matching people with positions, i.e. to get the right people into the right place at the right time, and instead of seeking order, management activities focused on increasing short-term performance and effectiveness (Evans and Doz 1991; see also Table 4.4).

About ten years after their first publications on this topic, Evans and colleagues (2002) suggest that the opposing forces have not received sufficient attention in HRM research and outline the following challenges for Strategic HRM theory:

- The dominant “fit” paradigm in Strategic HRM theory is questioned.
- Shortcomings or “blind spots” which arise from overemphasising the maximisation of efficiency and effectiveness and of going to extremes are indicated.
- Increasingly blurred boundaries of HRM and new roles for HRM.

The dominant perspective in both Strategic Management and in Strategic HRM research assumes that organisations have to achieve a “fit” or alignment with their environments (for an overview of the “fit” paradigm in HRM see Sect. 3.4.2). Evans’ duality perspective attempts to challenge the basic assumptions underlying the “fit” paradigm (Evans 1999; Evans and Génadry 1999). Evans (1999) asserts:

At the heart of mainstream HRM and personnel management is an assumption that it is possible to achieve a fit or match between individual needs and organizational goals. Thus most definitions of HRM place the emphasis on “matching”, “coherence”, “optimization”, “integration”, with a focus on how to fit the individual to organizational strategies and goals through the use of selection, development and reward methods, or how to translate changing strategic direction into reality through the use of such methods. (p. 326)

Evans (1999) does not question the fit paradigm per se – on the contrary, he sees the value of this paradigm for HRM but only from a short-term perspective. The author asserts that dominant fit models in the field have ignored the contingency framework. Evans and Génadry (1999) argue that in the long run the choices made under fit assumptions are not appropriate or can even be dysfunctional for organisations themselves.

One reason for this is that the “fit” is unstable, particularly in “hypercompetitive” (D’Aveni 1995), fast changing business environments. Another reason is that choices have to be made which often result in dominant management styles and strategies (Goold and Campbell 1987). But these choices can have dysfunctional effects developing over time. These effects are often only identified in situations of crisis or failure analysis. Some organisation scholars doubt that the “fit” model is appropriate and alternatives are suggested how organisations or HRM should respond to environmental change. For instance, Lengnick-Hall and Beck (2005) suggest considering “robust transformation” as an alternative and to develop an “internal resilience capacity” within the organisation. Remer (2001) also explains why a fit approach is not appropriate under the condition of rapidly changing organisational environments. The author assumes that management approaches which have been offered as “consistent” are inconsistent and contradictory instead. He suggests that strategy and structure of an organisation have to follow different logics because companies increasingly need to orientate their survival to their external environments (Remer 2001; see also Evans and Doz 1992).

Evans (1999) extends his critique of basic HRM tenets by challenging the focus on maximising organisational effectiveness and performance. As outlined in Chap. 3, many HRM authors regard organisational effectiveness as one of if not the most

important objective HRM has to contribute to (e.g. Roehling et al. 2005; see also Sect. 3.4). Evans (1999) suggests that from a duality perspective “the boundaries of the HRM domain become increasingly blurred” (p. 334). In particular, he points towards two topics which are still debated in HRM research today: First, he advocates that it does not make sense or is even impossible to separate strategy from HRM. Second, Evans (1999) asserts that separating line and function could be counterproductive (see also Sect. 3.3.1).

Evans (1999) does not suggest that the duality lens is the “right” one and superior to universalistic or contingency claims. Instead, he advances the duality perspective as an additional school of analysis where “opposites are not viewed as ‘either/or’ choices,²¹ the appropriateness of which depend on a particular context (as in contingency theory), but dualities that must be reconciled and dynamically balanced” (p. 369). Early publications on duality theory seem to favour a dynamic balance approach to deal with what is regarded as opposing forces (e.g. Evans and Doz 1991). But later publications of these scholars view the term “balance” in a more critical light and suggest focusing instead on the term tension (e.g. Evans 1999).

As outlined in Sect. 4.2.5, the notions of paradox and duality are often not used to bring the problem of choice to the foreground. But what is the “right” choice under the circumstance of opposing poles facing each other? Luhmann (2005) describes this problem as follows: “The classical notion that good decisions are correct decisions and that correct decision can be reached by rationally calculating means and ends is in the process of being dismantled” (p. 85).²² This limitation of making choices in a rational (one best) way is addressed by research on paradox and duality. Instead, it is suggested that there are a “myriad” of possibilities to choose from – and several options might have to be realised simultaneously (“both/and” perspectives). The attention is shifted to the problem of making choices in dilemmatic situations.

4.3.3 Applications of Dilemma Theory

The notion of dilemma points towards difficult choice situations (see Sect. 4.2.4). Hampden-Turner and Trompenaars (2000, pp. 345–348) have outlined what they comprehend as the intellectual and different disciplinary origins of dilemma theory. Among these are scholars who have influenced systems thinking such as Humberto R. Maturana and Francisco J. Varela (e.g. Maturana and Varela 1980) who have

²¹Either/or choices go back to Michael Porter’s work on strategies and competitive advantages. Porter (1980) suggested that companies should either compete on cost leadership or on quality leadership rather than “being stuck in the middle”.

²²Luhmann (1993) suggests three possibilities to reduce the complexity of paradoxes for decision-making: to differentiate between behavioural or decision premises and decisions (structural level), between decisions and absorption of uncertainty (process level), and between rationality and motivation (action).

inspired the authors' own research. "Dilemma theory" has also been used to increase understanding of cultural diversity (e.g. Hampden-Turner and Trompenaars 2000; see similarly Hofstede's (2001) bi-polar cultural dimensions). The concept of dilemma has also inspired what is called "dilemma management" approaches (e.g. Fontin 1997; Grimm 1999; Hülsmann 2003; Remer 2001).

Remer (2001) argues that the literature on contradictory phenomena (such as paradox, duality, dilemma) have not yet fallen on fertile grounds and picked up by a larger part of the scientific community because prior suggestions lack theoretical foundation and he suggests social systems theory as a theoretical basis. Building on the principle of "equifinality" or functional equivalence (Gresov and Drazin 1997), he develops ideal types or configurations for management systems²³ depending on their organisational environments. In this perspective, dilemma management is a matter of finding adequate configurations of a management system with particular focus on the relationship between different elements of this system (Remer 2001). Hülsmann and Berry (2004) emphasise that this dilemma management questions consistency and strategic fit between systems and their environments.

Thus Remer's (2001) dilemma management refers to the dilemma of "opening" (external or environment orientation) and "closing" (internal or systems orientation) of the organisational system. The systems theoretic idea of organisations being in a permanent process of "opening" and "closing" their organisational boundaries (Luhmann 1964). "Opening" is important because organisations need resources or input from their environments to survive and "closing" is necessary because the organisation needs to maintain its identity and sense (Kubicek and Thom 1976; Starbuck 1976). This dilemma management questions traditional means-ends logics and is based on the assumption that "means" (such as people or human resources) can also become ends or strategies themselves (see Klimecki and Remer 1997; Remer 1997). In this understanding of human resources people do not (only) *realise* a company's strategies but also *generate* them (Remer 1997). The ideas of paradox, duality and dilemma theory have travelled and inspired first publications on SRM (Ehnert et al. 2006; Hülsmann 2003; Müller-Christ et al. 2007) and on sustainability and HRM (Ehnert 2007a,b; Ehnert and Dorenbosch 2007).

In summary, Sect. 4.3 has outlined important prior applications of paradox, duality, and dilemma in organisational, HRM, and sustainability research. If these elaborations are used to further understand the developments in HRM outlined in Chap. 3 (which might leads towards a "sustainability approach" for HRM, several conclusions can be drawn. First, the "pendulum swings" have also influenced changing concerns and rationalities in HRM (see Sect. 3.2). Normative and rational as well as internally and externally directed positions compete. Second, the shifts described towards more strategy- and resource-orientation are only a "snapshot", i.e. a short period of time in the overall pendulum or spiral movement. Trends in HRM theory to foster "both/and" positions are going into the right direction of coping with dualities that are abundantly present in HRM. However, it is criticised

²³On management systems: see Remer (1988, 2002).

here that the focus of attention is usually directed towards one duality only (see Sect. 3.3.4). But this offers only a small part of the whole picture. These dualities can be interpreted as being part of a paradoxical larger whole. To enhance understanding of what is called “paradox theory” in this study, the key elements of this theory need to be elaborated on.

4.4 Elements of Paradox Theory

Several elements of paradox, duality, and dilemma theory have been identified for this study (see also Sect. 4.2.5): (1) paradoxical tensions, ambivalence, and ambiguities, (2) reinforcing cycles, and (3) strategies to cope with these phenomena (Lewis 2000).²⁴ The concept of tensions has been identified implicitly (e.g. Poole and Van de Ven 1989) or explicitly (e.g. Lewis 2000) as a central concept and key element of paradox theory (see also Cameron 1986; Eisenhardt 2000; Evans 1999; see also Sect. 4.2.2). Ambiguities and ambivalence for the actor can be created in paradoxical situations (Eisenhardt 2000). A second element of paradox theory is the concept of reinforcing cycles (Lewis 2000). The third element of paradox theory is the way of coping with paradoxical phenomena and their consequences.

4.4.1 *Paradoxical Tensions*

The absurd, contradictory nature of a paradox and the simultaneous appearance of mutually exclusive elements are regarded as the reasons for creating tensions (Cameron 1986; Eisenhardt 2000). Lewis (2000) understands tensions as the “underlying sources of paradox” (p. 761) and she defines paradoxical tensions as “cognitively or socially constructed polarities that mask the simultaneity of conflicting truths. Unlike continua, dilemmas, or either/or choices, paradoxical tensions signify two sides of the same coin” (p. 761). However, this definition of paradoxical tensions would use the term tensions synonymous with what has been identified as “poles” of a paradox or duality or as “horns” of a dilemma (see Sect. 4.2). Many authors assume implicitly or explicitly that dual tensions are underlying paradoxes (Evans 1999; Ofori-Dankwa and Julian 2004); this also depends on the ontological viewpoint (see Sect. 4.2). Also, the author of this study understands tensions as being created between the poles of a paradox, duality or dilemma.

Two basic assumptions can be found in paradox literature about why tensions occur: Some authors interpret paradoxes and thus also tensions as an evidence of failure (for an overview see Harter and Krone 2001). However, following Harter and Krone (2001), it is assumed in this study that “the presence of oppositional

²⁴A fourth element, identified by Lewis (2000) is how to cope with paradoxical tensions and ambiguities. This element is going to be presented and discussed in the next section.

forces is inherent in our social realities” (p. 256). Tensions created by oppositional forces cannot be avoided (see also Eisenhardt 2000); instead, they have to be actively dealt or coped with. Tensions are not per se “negative” or “positive”. For example, Cameron (1986) writes about “creative tensions”, whereas Lewis (2000) understands tensions as negative dynamics. Equally, Evans and colleagues (2002) mention “destructive tensions” (p. 80). Depending on how tensions are dealt with paradoxes can foster inertia or fuel organisational change; a characteristic that is used in organisation and management research to explain organisational failure and success (see Eisenhardt 2000).

The concept of tensions has been widely used in organisational research to describe and analyse opposing or contradictory situations in organisations. In strategy research, Regnér (2003) has examined the “everyday” tensions between a company’s periphery (i.e. people working at the boundaries of an organisation such as salespersons) and its centre (people working at the centre of an organisation such as finance department). Regnér quotes one manager who experienced the tension in form of a resistance against ideas in his department from the corporate centre:

The resistance was incredible. We were looked upon as pariah in the beginning, something that they tried to isolate, and if that did not work they tried to incorporate it and degrade it. Or else it was slandered. (Manager at Pharmacia quoted in Regnér 2003, p. 76)

Regnér (2003) found that strategy creation at the periphery was different from strategy creation at the centre of an organisation.²⁵ At the centre, deductive and rational planning approaches were preferred methods of strategising whereas people used inductive thinking and trial and error methods at the periphery. The latter approach turned out as being extremely important for creating new strategies and new knowledge on the company’s organisational environment. In his research on formal and informal networks, Nelson (2001) interprets the “centre–periphery pattern as a source of creative tensions” (p. 819). He found that informal networks in contrast to hierarchies allow dissonance and the “co-existence of diverse – even opposing – forces” (p. 819) and as such foster diversity instead of suppressing dissent.

This research points towards one important implication for studying paradoxes in Sustainable HRM. If central and rationally planned strategies have their limits it might be important to check whether there are “boundary spanners” (Aldrich and Herker 1977), “linking pins” (Organ 1971) or boundary roles persons at the peripheries of HRM which can contribute to a more inductive approach to strategy making. These boundary role persons could be, for instance, HR people which are responsible for recruiting talent and which represent the company at fairs or workshops to get contact to potentially new employees. These people might have a completely different understanding about HR strategy and about what talents expect from their future employers. It is expected in this study, that the factors

²⁵The literature on organisational boundaries deals among others with the tensions created by “opening” and “closing” activities of organisations (e.g. Gebert and Boerner 1999) and with the organisation-environment tension (e.g. Lynn 2005).

influencing emergent HR strategies are contextually unique (see also Sect. 2.3.2). For HRM, Evans (1999) even suggests that HRM research should focus on the concept of tension instead of performance:

Duality theory leads us to focus on the tensions that are involved in any attempt to achieve fit or matching, tensions which are also the key to understanding development, learning and change processes. (p. 332)

What is not always stated explicitly in both organisational and HRM research is that people (employees, managers, etc.) are those who have to cope with paradoxical tensions. Therefore the author of this study assumes that there is a link between the concept of paradoxical tensions and the concept of job tension. The concept of job tensions received a lot of empirical attention conceived of as one of the consequences of role stress. Job tension can be defined as “a negative psychological experience based on job-related anxiety” (Örtqvist and Wincent 2006, p. 13). In that sense, job tension is a psychological reaction to working life conceptually similar to job satisfaction with the difference that job tension refers to feelings of discomfort (Örtqvist and Wincent 2006). In their literature review of about 300 articles, Örtqvist and Wincent (2006) identify among others the studies examining tension as a consequence of role stress. All eight studies have found a positive relationship between three aspects of role stress (role ambiguity, role conflict, role overload) and job tension. The correlations between role conflict and job tensions were the strongest (Örtqvist and Wincent 2006).

The tensions of interest for this study are those caused by paradoxes, dualities or dilemmas. But it is assumed here that paradoxical tensions create also job tension and add to role ambiguity if perceived by individual actors. If paradoxical tensions and job tension can be related, this would advance understanding how individuals and workgroups are affected by these phenomena – and how they are coping with the tensions. Although this cannot be elaborated on in this study, this seems to be a possibility for future enquiry on tension. In summary, paradoxical tensions cannot be completely avoided in organisations. On the contrary, it is assumed here that these tensions and ambiguities they might create for individuals are important indicators which allow detecting and analysing paradoxical phenomena actors have to face in HRM practice. In that sense, tensions are not per se “negative” as indicated in the beginning of this section. Instead, the creative force of tensions can be thrived on for coping actively with the paradoxes, dualities, or dilemmas involved. Besides tensions, two further concepts appear frequently in the literature on paradox (see Eisenhardt 2000) related to tensions: ambiguity and ambivalence.

4.4.2 Ambiguity and Ambivalence

The concept of ambiguity (lat. *ambiguitas*, multiple meanings) appears repeatedly in the literature on paradoxical phenomena. Evans (1999) assumes that “ambiguity is the reactive face of the HRM subject to the oppositions of duality” (p. 333). In this interpretation, ambiguities are a reaction of individuals to paradoxical

tensions. Legge (1995, 2005) suggests that HR managers see themselves as “victims of ambiguity” (Legge 2005, p. 64) between capitalism and patriarchy and that they are confronted with these ambiguities on a daily basis. This problem between normative ambitions of how HR managers should act and how they act under the daily pressure of efficiency receives new attention if looked at from a sustainability perspective. Before this line of thoughts is followed, the concepts of ambiguity and ambivalence are more closely examined.

The psychological concept of “tolerance for ambiguity” has been suggested as being important for individuals to manage paradoxical tensions (Müller-Christ and Weßling 2007). Gebert and Boerner (1999) suggest that tolerance for ambiguity promotes openness in an organisation. The difficulty here is that both concepts – ambiguity and tolerance for ambiguity – are used as generalisable concepts. For example, the concept of ambiguity has been used as a generalisable concept in cultural research included in the cultural dimension of “high versus low uncertainty avoidance” (Hofstede 2001). The uncertainty avoidance index is supposed to measure the attitude towards uncertainty from people of different cultures. For example, Germany scores quite high on this index which can be interpreted that Germans are trying to avoid or control uncertainty. Denmark is an example for a European country scoring low on the index. This result is interpreted in the way that people from this country are comfortable with ambiguity, chaos, and willing to take unknown risks. Members from these countries are suggested to have a higher tolerance for ambiguity (Hofstede 2001). Still, the idea of ambiguity as a generalisable concept can be challenged because ambiguities (of the same person) depend on particular contexts and on the individual actor’s perceptions and sense-making process. But it is important not to neglect ambiguity when it appears because Wright (2007) asserts that ambiguities make sensemaking more difficult. Unstructured and complex sensemaking and decision-making situations are no longer the task of top managers but of more and more highly skilled, self-managing employees. Henry Mintzberg mentioned already in 1973 that this raises the need for “skills in decision-making under ambiguity” (Mintzberg 1973, p. 191). Recently, it has also been suggested that the company itself should take care to reduce ambiguity for its employees (e.g. Buller and McEvoy 1999).

Eisenhardt (2000) uses the term ambivalence to describe that “pluralistic and changing organizations have positive and negative (as well as intended and unintended) outcomes for employees and organizations” (p. 703).²⁶ By reviewing studies on organisational change and resistance to it, Piderit (2000) turns to the question of how the organisational need to foster ambivalent attitudes can be reconciled with the desire of individuals to minimise the effects of ambivalence which are so difficult to bear. She concludes by highlighting the need to understand employee responses and in particular resistance to change over time. Again, the importance of the temporal dimension comes to the fore. Therefore, a third core

²⁶On tensions and ambivalence see Piderit (2000).

element of paradox theory has been identified: the dynamics of “(self-)reinforcing cycles” (Eisenhardt 2000; Lewis 2000).

4.4.3 *Reinforcing Cycles*

Lewis (2000) identified reinforcing cycles as another theoretical key element of paradox and they are characterised by the co-existence of opposing poles or horns (see Sect. 4.2.5). Paradox scholars have used metaphors like spirals, waves, cycles, and pendulum swings to describe the dynamics created by polar oppositions (see Sect. 4.3). Reinforcing cycles take developments over time into account (see also Luhmann 1993; see Sects. 3.5.3 and 4.2.4).²⁷

Again, attention is shifted here to the concept of time and how it is conceptualised (see also Sect. 3.5.3). Legge (2005) points out the limitations of the linear and cyclical views of time: “The former suffers from a naivety that overemphasises the uniqueness of the present and the latter from a cynicism that is sceptical of any real underlying change” (p. 356). Instead, she suggests that the idea of “spiral time” (Filipcova and Filipec 1986) incorporates both ideas (linearity and cycles). As a consequence, “the short term [can represent] a single twist of a longer term spiral” (Blyton and Turnbull 1994, p. 12 cited from Legge 2005, p. 357). Looking at paradoxical tensions, self-reinforcing cycles are conceived of as phenomena which occur repeatedly over time in a loop-like manner because paradoxes, dualities and dilemmas cannot be resolved once and for all.²⁸

The regular reappearance of a cycle is not problematic itself, however, in analogy to what has been said about tensions in Sect. 4.4.1, organisation scholars differentiate between positive and negative reinforcing cycles. Lewis (2000) understands reinforcing cycles as referring to the negative dynamics of paradox.²⁹ But Eisenhardt (2000) understands self-reinforcing cycles as being positive:

Positive feedback loops emerge to drive people, groups, and organizations into spirals of increasing or decreasing pluralism and change. These loops can have consequences that occur at different points in time, and so intersect in unpredictable ways. (p. 703)

²⁷For the role of time in organisational change processes see: Van de Ven and Poole (2005). On organisational change see: Van de Ven and Poole (1995) for ideal type theories of social change (life cycle, evolution, dialectic, teleology); Colville and colleagues (1999) for the appropriate tempo of change, and Van de Ven and Poole (2005) for studying four approaches to change and their respective conceptualisations of time. (1) time as a medium; (2) transaction view of time; (3) time as a social construction; temporal predispositions of people; for example, sensemaking over time; (4) time as a variable of the change process. Lastly, for reviews on episodic and continuous change see: Weick and Quinn (1999).

²⁸On self-reinforcing feedback loops, see also McKinley and Scherer (2000), Ofori-Dankwa and Julian (2004), Van de Ven and Poole (1995).

²⁹It is assumed here that there is no universal way to measure “negativity”.

Also, in the literature on organisational learning cycles are taken into account (e.g. Lewin 1947; Argyris and Schön 1978). The challenge for managers is to cope with paradoxical tensions in a way which creates a learning cycle instead of getting stuck in a dysfunctional reinforcing cycle.

In summary, this section has brought forward three key elements of paradox theory: paradoxical tensions, ambiguities and ambivalence, as well as reinforcing cycles. However, a fourth key element is missing to make the theoretical aspirations complete: theory about how to cope with paradoxical phenomena and their “products”. The problem with paradoxes, dualities, and dilemmas is that they cannot be avoided because it is not possible to reconcile opposing forces forever. Instead, the tensions they create have to be accepted and coped with permanently.

4.5 Coping Framework for Paradoxical Phenomena

Lewis (2000) suggests that paradoxes are an important reason for dynamics and transformations in organisations, but that they can also lead to inertia and paralysis.³⁰ Whether paradoxes foster change or lead to inertia depends on how they are “managed” (Czarniawska 1997). But Lewis (2000) points out that paradoxical tensions and reinforcing cycles cannot be managed in the sense of that these phenomena could be controlled. Instead, they can only be coped with. Coping is defined here as the combination of efforts to reconcile, use constructively, master, or accept paradoxical phenomena and to tolerate, reduce, minimise, avoid, or overcome the paradoxical tensions which strain or exceed an organisation’s (human) resources and those of individual actors concerned. This definition has been developed based on stress and coping research where individual coping is defined as “efforts... to manage (i.e. master, tolerate, reduce, minimize) environmental and internal demands, and conflicts among them, which tax or exceed a person’s resources” (Lazarus and Launier 1978, p. 311 cited from Stahl and Caligiuri 2005, p. 604; see also Sect. 2.3.1). In this section, a coping framework is outlined which juxtaposes strategies for coping with paradoxical phenomena and tensions. The framework is based on the idea of “logical” (e.g. Poole and Van de Ven 1989) and “psychological” coping strategies (e.g. Bartunek 1988; see also Lazarus 1980) for coping with paradoxical phenomena and their consequences.

The first category, logical coping strategies, is based on a categorisation from Poole and Van de Ven (1989) because these authors assert that they have offered “a logically exhaustive set of relationships opposing terms can take in the social world” (p. 565). The author of this study adds the second category, psychological and in particular emotion-focused coping strategies, to the framework because the prior section on the elements of paradox theory has revealed that paradoxical phenomena are accompanied by tensions, ambiguities, and ambivalence raising emotions. These emotions may affect the ability of individuals to make choices in

³⁰On inertia and change see also Lewis (2000) and Weick and Quinn (1999).

paradoxical situations (see Sect. 4.4). The relevance of psychological coping strategies in paradox theory has been pointed out before by Bartunek (1988) but this has to the author's knowledge not been linked systematically to logical coping strategies, before.

4.5.1 *Logical Coping Strategies*

Logical coping strategies refer to all “modes of coping” (Poole and Van de Ven 1989) which aim at dealing cognitively with paradoxical phenomena and their consequences. In paradox, duality and dilemma literature rarely a distinction is being drawn whether the paradox, duality, dilemma or the products of these phenomena (tensions and ambiguities) have to be coped with. While paradox, duality, dilemma can be “real” or “perceived” phenomena, the products are observer-dependent. As outlined in Sect. 4.3, some situations might be perceived from one person as paradoxical or dilemmatic but not from another. But “real” paradoxes, dualities, or dilemmas are assumed to be interpersonally existent (see also Müller-Christ 2007). Different modes of coping have been proposed by Poole and Van de Ven (1989), by Evans and Doz (1991), by Evans (1991), and by Hampden-Turner (1990). But it is important to note that the choice depends on the application context and the paradoxical phenomena addressed:

[...] opposites are not viewed as “either/or” choices, the appropriateness of which depends on a particular context (as in contingency theory), but dualities that must be reconciled or dynamically balanced. (Evans 1999, p. 328)

Poole and Van de Ven (1989) proposed four “modes of paradox resolution” (p. 565), i.e. four general ways of theorising on social paradoxes:

- (1) Opposition: accept the paradox and use it constructively
- (2) Spatial separation: positioning the poles of a paradox at different levels of analysis
- (3) Temporal separation: the poles of a paradox are considered one after the other
- (4) Synthesis: introduction of new terms for reconciling a paradox (p. 566)³¹

Logically, paradox and tensions can also be ignored or denied or the four cognitive modes of coping can be combined (see Table 4.5). *Ignorance*, i.e. ignoring one of the poles from a paradox or *denial*, i.e. denying oppositions between the poles are both not regarded as constructive coping methods. Therefore, these are no appropriate alternatives from a management perspective (see, e.g. Müller-Christ 2007). While ignorance negates a paradox, denial can be expressed by perceiving contradictory poles as being complementary. In both situations, tensions are cognitively, perceptually or emotionally avoided or escaped from (withdrawal). Ignorance or

³¹While Poole and Van de Ven (1989) have specifically applied these four modes of coping to inspire scholars how to use paradox as a lens for theorising other scholars have used them, for instance, to develop organisational design strategies (Raisch 2005).

Table 4.5 Framework for logical and psychological coping

Alternative logical modes of coping	Examples	Potential effects on tensions	Psychological (emotion-focused) coping strategies
<i>Opposition:</i> accept the paradox and poles and use them constructively and simultaneously	<i>(Re) Framing</i> (Bartunek 1988; Hampden-Turner 1990)	Tensions remain and opposing forces operate simultaneously	<i>Confronting:</i> by accepting, tolerating, or bearing the tensions
	<i>Balancing</i> by compensating opposing forces around an equilibrium (Remer 2001) or by counterintuitive action (Ofori-Dankwa and Julian 2004)	Tensions are faced and their co-existence accepted; this may create an “edge of chaos” (Eisenhardt 2000)	<i>Facing the tension:</i> by re-evaluating the situation (expectation change) or by using humour, irony (Erickson and Fossa 1998; Hatch and Ehrlich 1993; Hampden-Turner 1990)
<i>Spatial separation:</i> separating the poles of the oppositions to different locations and clarify the levels of analysis	<i>Layering</i> by building dualistic properties into the firm (Evans and Doz 1991), e.g. building on local cultures (differentiation) and using effects from global integration (Brewster 2002)	Tensions are avoided in the same location but tensions occur simultaneously between different locations	<i>Avoidance:</i> emotional tensions may be reduced by avoiding confrontation of oppositions at one location
<i>Temporal separation:</i> taking the temporal dimension into account by separating the poles temporarily in the same location	<i>Sequencing:</i> “pendulum swings” (Evans et al. 1991), “waving” or “cycling” (Hampden-Turner 1990) between the poles	Tensions are avoided at one point in time and coping is delayed to the future	<i>Avoidance:</i> emotional tensions may be reduced by avoiding confrontation of oppositions at one point in time
<i>Synthesis:</i> new perspective which eliminates the opposition between the poles	<i>Synergizing</i> (Hampden-Turner 1990)	Reducing, absorbing, compensating, or overcoming the tensions (tensions are reduced verbally and eliminated temporarily; new tensions have to be expected; action is delayed to the future)	<i>Absorbing</i> or overcoming emotions at least temporarily
	<i>Integration</i> by “building the future into the present” (Evans 1999, p. 333) (Abstracting at a higher (meta-) level (Remer 2001) by introducing new terms (Poole and Van de Ven 1989))		

Source: compiled by the author; logical modes of coping from Poole and Van de Ven (1989)

denial might therefore be the most comfortable solution for an actor because it creates an illusion of consistency. But the tensions have to be faced if the objective is to cope constructively with a paradox. Table 4.5 summarises the main coping strategies of the framework and provides examples from the literature as well as assumptions about how the coping strategy can affect tensions.

Opposition refers to learning to live with the paradox that has been identified. For dealing constructively with paradoxes at the cognitive level, the first step is to identify, define, accept (Hampden-Turner 1990) and understand the phenomenon (Poole and Van de Ven 1989). One technique for identifying paradox is the “framing” or “contextualising” technique described by Hampden-Turner (1990). He suggests to “make *each side* [of the dilemma, the author] *in turn the frame or the context for the other*” (p. 121). Müller-Christ (2007) uses a similar method to frame the value context of efficiency and sustainability.³² In this process, the challenge is to identify whether there are one or more polar oppositions and to understand the nature of the underlying concept and the relationship of the oppositions. Eisenhardt (2000) asserts:

Rather than compromising [...] vibrant organizations, groups, and individuals change by simultaneously holding the two [inconsistent] states [of a paradox]. This duality of coexisting tensions creates an edge of chaos [...]. The management of this duality hinges on exploring the tension in a creative way that captures both extremes, thereby capitalizing on the inherent pluralism within the duality. (p. 703)

Inconsistencies are a part of social processes and cannot be avoided (see Neuberger 2000). Opposition or accepting inconsistencies is the second step after identifying the paradox. Poole and Van de Ven (1989) assert: “One of the most useful products of the first approach is the discovery of underlying tensions and inconsistencies, and a heightened awareness of their potential” (p. 571). Actors confronted with the tensions have to accept, tolerate, or bear them and the emotions that may be linked to this. These emotions could be coped with, for instance, by re-evaluating the situation (expectation change) or by using humour (see Table 4.5). In the sustainability discourse (see Müller-Christ 2007), one frequently mentioned coping strategy which is based on opposition is what Remer (2001) describes as “balancing”. Using the metaphor of a diver, Remer (2001) understands balancing in the sense of opposing forces which are compensated around a state of equilibrium. What starts off as an opposition with co-existing tensions could end up as some kind of synthesis and as eliminating the tensions (at least temporarily) in an advanced balancing process (see also Table 4.5). Evans (1999) presents another idea for opposing the poles of a paradox (or a duality): the layering technique to “build the future into the present” or by “building dualistic properties into the firm” (Evans and Doz 1991; Evans 1999; Evans and Génadry 1999) – both are suggested to be of particular importance for HRM (see also Brewster 2002, p. 131). In summary, discovering tensions in an opposition allows the theorist – and also the practicing manager – to decide which step to take

³²On the preconditions for reframing see Bartunek (1988) and Moberg (2006). See also Goffman (1974).

next. Alternatives are spatial or temporal separation of the poles, synthesis, or combinations of these modes of coping can be chosen to cope with the paradox.³³

Spatial separation is a mental technique of splitting a paradox and of shifting the “poles” to different levels of analysis (Poole and Van de Ven 1989). In organisational design, this spatial separation can be imagined as being a physical separation of the poles to different locations of the organisation (Raisch 2005). This approach is appropriate when it is assumed that one “horn” is situated at two different levels of analysis. Examples for making use of spatial separation at different levels of analysis are approaches making use of “micro and macro”, “individual and society”, “global and local” or “centralisation and decentralisation” in their analysis (see also Table 4.5). In approaches using spatial analysis research questions such as “How do global HRM practices influence local ones and vice versa?” or “Who is responsible for sustainability: individuals, companies, or the society?” emerge. The challenge of spatial separation of a paradox is to understand the relationships between the different levels of analysis (Poole and Van de Ven 1989). But before this can happen appropriate levels of analysis or physical locations have to be chosen (Poole and Van de Ven 1989). If a paradox is separated physically to different locations of a company, different structures (for instance in organisational peripheries and centres) may allow for reaching dual objectives efficiently and simultaneously. The paradox or duality of centralisation and decentralisation still exists, but each “horn” is pursued consistently in another part of the same organisation. The challenge of spatial separation is to integrate what has been achieved in contrarily designed parts of the company (see Raisch 2005). The paradox still operates and has to be reconciled at some point in the decision-making process. In practice, mentalities from people working in these contrarily operating locations might struggle finding a common solution when their mentalities collide. At this point, the tensions that are avoided in the same location become apparent when actors from the “opposing locations” interact. Emotionally, it might be comfortable for the actors to avoid or reduce the tensions by placing the poles into two different locations but as soon as the poles collide, the tensions have to be confronted and coped with.³⁴

Temporal separation refers to the method of separating the “horns” or “poles” of a paradox temporarily (Poole and Van den Ven 1989). The poles of a paradox operate one after the other, in different time periods but influence each other and sometimes provoke a shift to the other pole. Poole and Van de Ven (1989) identified three possible relationships between contradictory forces which are separated temporarily:

- (1) The conditions for one pole are *influenced* by the other pole.
- (2) The conditions for one pole are *created* by the other pole.
- (3) Both poles influence each other *mutually*.

³³This order does not have to be understood as a step-by-step progression but as alternatives to choose from.

³⁴Ehnert et al. (2006) provide examples for the tensions which may arise between “efficiency” and “sustainability” (see also Sect. 2.5.4).

Section 4.3 described several research examples where temporal separation of, for instance, normative and rational positions were observed. Multiple metaphors have been used to describe different temporal separation approaches; “waving”, “cycling”, “pendulum swings”, “balancing”, “oscillating” (see Sects. 4.3.2 and 4.4.3). Separating a paradox or two or more co-existing oppositions temporarily raises challenges for the theorist and the practitioner. In theory development, the key challenge is to describe and understand the transition points when a phenomenon shifts from one pole to another (Poole and Van de Ven 1989). In practice, the key problem of separating the poles of a paradox temporarily is that one pole is neglected at that period of time. If a paradox, duality or dilemma has been identified the challenge is to determine the point in time when the management focus should be turned to the other pole.

As described in Sect. 4.3.2, Evans (1999) has pointed towards the dilemma of managing the temporal duality and understands the “temporal tradeoff between short- and long-term orientation” (p. 333) as one of the most important dualities with which the field of HRM is confronted:

Whereas the notion of fit may allow us to capture the match with a specific context at a particular point in time, duality theory recognizes that this context is likely to change in the future. Since organizational adjustment may take considerable time, that change must be anticipated - the future must be built into the present. (Evans and Génadry 1999, p. 371)

Other scholars have also pointed out that HR practitioners find themselves in permanent tension between short-termed profit making (e.g. retrenchment or downsizing because of labour-cost pressure) on the one hand and long-term organisational viability on the other (Wright and Snell 2005; see also Paauwe 2004). Oechsler (2000b) adds to this critique that contemporary HRM conceptualisations tend to neglect dynamic changes of corporate environments (see also Chap. 3). This author argues that many HR conceptualisations are based on the assumption of stable corporate environments although this situation has changed considerably in the past two decades and in the course of internationalisation and globalisation of the economy (see also Dowling et al. 2008). For the actor’s emotional coping, tensions from a paradox are reduced if the paradox is separated temporarily. The following cognitive coping mode is cognitively and emotionally more demanding.

Synthesis is an approach to coping with a paradox which tries to resolve it at a higher level. For example, in theory development, new theoretical concepts can help reconciling a paradox – but quite possibly a new paradox is going to be created (see Poole and Van de Ven 1989). *Abstracting* is also an attempt to synthesise but the tensions are reduced only verbally and eliminates them temporarily. However, the disadvantage of abstracting is that action is delayed to the future, i.e. that choices which are unattractive from a short-term perspective are postponed. But Müller-Christ (2007) points out that abstracting can make sense in corporate policy if another form of coping cannot be immediately realised. Another example for a synthesis in organisation structures are matrix or network structures (Poole and Van de Ven 1989). But this approach with synthesized contradictory demands is even more challenging for employees because they are

permanently confronted with the tensions created by these demands (e.g. Raisch 2005). In a synthesis, tensions are reduced – verbally (abstracting) or actively (synergizing, integrating) – and eliminated at least temporarily. But as real paradoxes cannot be resolved once and for all, new tensions have to be expected that have to be dealt and coped with.

As has been suggested in the introduction to this section, it is assumed here that psychological coping strategies should be considered in addition to logical coping strategies. The reason is based on the findings which suggest that social paradoxes might be accompanied by psychological tensions (see Cameron and Quinn 1988; Argyris 1988; see also Sect. 4.4). These emotional consequences can be feelings of discomfort, distress, dissonance, or pain. People affected by contradictory phenomena also need to cope with them emotionally (see also Sect. 4.4). It is assumed here that the tensions and ambiguities created by social paradoxes raise the need for psychological (in particular emotion-focused) coping strategies because if these tensions are not coped with emotionally they may lead to inertia of the choice-making of individuals and to dysfunctional effects for HRM or the organisation.

4.5.2 Psychological Coping Strategies

Psychological coping strategies can be problem or emotion-focused (see Stahl and Caligiuri 2005). While problem-orientation is regarded here as equivalent to the logical coping strategies discussed in the prior section, emotion-focused coping strategies are efforts to regulate emotions that result from confrontation with paradoxical phenomena, tensions and ambiguities. While a large number of emotion-focused coping strategies exist in stress research (see Stahl and Caligiuri 2005), suggestions are rare in paradox research. Emotion-focused coping strategies of individual actors have the objective to reduce the symptoms of distress and the uncomfortable feelings arising from tensions or ambiguities and to maintain a person's well-being. Research from Harter and Krone (2001) can be interpreted as an example for emotion-focused coping with paradoxical tensions at the psychological level. Harter and Krone (2001) examined the paradox of stability and change and the tensions arising when companies (in this case agricultural cooperatives) are trying to cope with changing organisational environments. Cooperatives need to adapt to their organisational environments in order to survive economically but simultaneously they need to maintain their participatory organisational form:

Certainly, tensions between the demands of a democratic workplace and the demands of the marketplace are reconcilable. But as the tensions continuously occur, they must be consciously and creatively addressed. Otherwise, producers of cooperatives may fail economically while retaining their democratic principles or fail ideologically while retaining economic vitality. (p. 263)

In their case study, Harter and Krone (2001) found that tensions created by a changing situation can be reconciled by discourse – i.e. by people talking to each

other – because this helps the parties involved to reduce anxiety and uncertainty and to improve identifying themselves with the change and innovation process. As a practical implication to reconcile the tensions, the authors suggest:

Rather, we should encourage workers to stay with the paradox and discover links that give meaning to opposing forces. Another thing to be learned from this case study is the importance of managerial recognition of individual and organizational defence mechanisms against anxiety and uncertainty that, at a largely unconscious level, structure and form managerial and organizational responses to change. (Harter and Krone 2001, p. 271)

This quote points towards the importance of emotion-focused coping strategies for paradoxical situations. Further examples for emotion-focused coping strategies are ignorance, escape or fantasising about escape, avoidance, and humour (e.g. Hatch and Ehrlich 1993; see also Table 4.5).

It is assumed here that emotion-focused coping strategies are helpful in paradoxical situations as the individual may experience feelings of helplessness and of not being able to control a situation – factors which have been identified as enhancing stress symptoms and spirals (Lazarus 1980). These stress spirals can be similarly dysfunctional as the self-reinforcing cycles described in Sect. 4.4.2. Lazarus (1980) has found that in these situations emotion-focused coping can be effective in maintaining a person's mental well-being. Hatch and Ehrlich (1993) have investigated humour as an indicator for paradoxes and ambiguities as a means to cope with paradoxical situations. Hampden-Turner (1990) suggests using humour for reconciling dilemmas: "The admission that dilemmas even exist tends to be difficult for some companies, and discussion may show strain or embarrassment" (p. 109). He asserts that humour can reduce the tensions for the actors involved. Clearly, emotion-focused coping strategies have their limitations because paradoxical tensions cannot be resolved. Emotion-focused coping can contribute to reducing the symptoms of feeling the distress tensions and ambiguities may create – and are very important for individuals to stay active and capable of making sense and choices.

To conclude, several logical and psychological strategies can be identified for coping with paradoxical phenomena and tensions. If actors are aware of the tensions and if counterintuitive action is taken to cope with the tensions; it is important to make the process transparent because inconsistencies are still widely felt as creating distrust and as leading to a lack of credibility.

4.6 Critical Summary and Conclusions

This chapter has contributed to four objectives (see Sect. 4.1). The first objective addressed the general lack of theory development and theory application in HRM by raising awareness for the theorising process (see Sect. 4.2). To reach this objective, the chapter has started with a digression on theory about theory development, on theory development processes, and on how paradigmatic positions in the philosophies of science influence the production of academic knowledge. The second objective was to identify and describe the conceptual basis of "paradox theory" (see Sect. 4.2).

To reach this goal, the nature, similarities, and differences of the terms paradox, duality, and dilemma were compared and delimited from related concepts. This section revealed subtle differences between the concepts arising from their disciplinary and etymological origins. At the same time, similarities between these concepts have been identified which allow – according to the author’s assumption – to include them into one school of thought or lens of theorising. All three concepts, paradox, duality, and dilemma are characterised by creating tensions, reinforcing cycles, ambivalence, and ambiguities. Viewing them together in one lens of theorising is regarded as enriching the conceptual foundation of this stream of literature. This is one of the important contributions of this chapter for this study. It also corresponds with the multi-paradigm approach chosen (see Sect. 1.5.2).

The third objective of the chapter was to continue preparing paradox theory as a lens of theorising for HRM (see Sect. 4.3). This objective has been reached by reviewing the historical background, relevance, and examples how paradox and duality have been applied in prior organisational and HRM literature and by analysing the corresponding contributions and limitations for theorising on HRM. First and foremost, the message of the theory on paradoxes, dualities, and dilemmas is that tensions cannot be avoided in everyday organising and managing. Coping with tensions creates new contradictions and new side and feedback effects (Neuberger 1992). Paradoxes and tensions have been realised in HRM before (Legge 2005; see also Sect. 3.3.4). Legge (2005) raises the concern that HR managers are suffering from a “credibility gap” if they practice one way but have promised the other before. Paradox theory offers a chance for coping with this problem. If the tensions and ambiguities are actively managed, i.e. overtly identified, discussed, and dealt with – then this might contribute to credibility and employee trust. The tensions are *there*; they cannot be avoided, but what can be changed in HRM is the way of coping with them.

The fourth objective was to identify and depict the key elements of paradox theory, i.e. by shedding more light on the similarities of all three concepts that had been identified before. The key theoretical elements derived from the similarities of the concepts are tensions, reinforcing cycles, and coping with the paradoxical phenomena – or rather with their consequences (see Sect. 4.4). Each of these elements and the relationships between them has been described. Assumptions from the literature about the relationships between the concepts have been supplemented by the author’s assumptions. This analysis was continued in Sect. 4.5 with the objective of identifying and describing potential coping strategies for dealing with tensions, reinforcing cycles, ambivalence, and ambiguities. The review on paradox, duality, and dilemma research reveals several contributions of importance for the topic sustainability and HRM. Firstly, a paradox and duality perspective can help understanding the downsides of a short-term oriented fit or contingency perspective and shifts the focus to a short- *and* long-term perspective by what Evans (1999) calls “building the future into the present”. Ehnert (2006a,b) asserts that sustainability and paradox research address some of the same concerns for Sustainable HRM. Second, an analytical objective of theorising from a paradox perspective on sustainability and HRM is to create awareness for the “blind spots”

of extant theorising on the topic and to move the blind spot created by an individual theoretical lens or a particular frame to another less disturbing place (see Sect. 1.4.2). The important assumption is that blind spots can be corrected by a process which is called “reframing” in organisation and psychological literature (Bartunek 1988). In other words, original frames are replaced by new perceptual frames. Of course, new “blind spots” will be created by the new perspective or frame which is subject to be shifted by future research.

In conclusion, paradoxes and dualities are useful and strong metaphors for understanding the complexity of social phenomena and for making fascinating “thought trials”. The concept of paradox can lead to a more complex and richer description and understanding of organisational phenomena and of the key paradoxes (or dilemmatic choice situations) in Sustainable HRM. However, there is the danger with this kind of literature that much is called paradoxical which is not (see also Berlinger and Sitkin 1990). Second, paradox does not explain how people in their daily practice deal successfully with tensions, ambivalence, or ambiguity. One possibility is to use Weick’s (1993, 1996) sensemaking approach (see also Wright 2005, 2007; Weick et al. 2005).

Concerning the concept of duality the question arises whether dualities do reflect organisational complexity well enough and whether this concept leads to useful implications for HRM? In global HRM research, for instance, the utility of duality theories for explaining findings has been explored and the importance of co-existing complementarities noted (Brewster et al. 2006). But Brewster (2002) also asserts:

For the organization, the many factors which influence the choice of “global vs local” HR practices and policies means that there are a myriad ways in which dysfunctional or ineffective decisions can be taken; and perhaps a recognition that, in this immensely complex area, there may be no “right solutions”. Rather, the organization may find an ongoing need to pay careful attention to organizational policies and to be prepared continually to review them. (p. 17)

Another point of criticism addresses the metaphors used in paradox theory such as spirals, cycles, pendulum swings, etc. Metaphors are omnipresent in management literature and they are used to make abstract concepts more understandable or to convey messages to practitioners by using comparisons. According to Styhre (2005) a metaphor is in the etymological meaning of the word “a trope that ‘transports’ something” (p. 73). In paradox research, metaphors are used very frequently as shown in this chapter. By using comparisons such as organisations “cycling” or “oscillating” between extremes or contradictory poles the objective is that writer and reader share a certain picture which allows the reader to follow the writer’s (sometimes otherwise abstract and complex) line of argumentation. However, Styhre (2005) asserts that “In many cases, metaphors serve to impose a certain perspective on the organization which the management writer advocates” (p. 73). The problem associated with this is that after some time metaphors can become unquestioned which makes it difficult for researchers to see possibilities beyond used schemes of thinking. If paradox, duality, or dilemma (or similar terms) become theoretical blinders instead of advancing thinking – this is the limit of

paradox theory. From an analytical point of view it seems helpful to reduce paradoxes to dual oppositions. However, in organisational practice people are faced with diverse dual oppositions, i.e. multiple sources of tensions that they have to make sense of. Lewis (2000) has also underscored that avoiding simplistic distinctions and the creation of bi-polar constructs is important, it also seems that the function of managers as “helmsmen” to steer the “course of the ship” (e.g. Hampden-Turner 1990) is overestimated in some publications which points to another limitation of the paradox metaphor.

In summary, the literature on paradox, duality and dilemma offers some common points of critique with the literature on sustainability and HRM (see Chap. 2). Both criticise the overexcessive focus of HRM on organisational effectiveness and performance as criteria for strategic success and the potential blind spots created through maximisation of these criteria. The challenge for researchers and HR executives is to find and design a contextually and culturally appropriate balance for a Sustainable HRM. The requirement for further research is to take the organisational context into account for developing appropriate and proactive HRM strategies and practices. This is based on the assumption that HR activities differ across various institutional and cultural settings (see Sect. 3.3.3). Individual, corporate, or societal actors are regarded as active and interdependent. Directly or indirectly, these actors influence each other and the interdependencies are extremely complex. Particularly for a practical application of this idealist concept it is necessary to take important factors such as industry, size of company, type of employees, etc., into account. This chapter was the last of three literature review chapters which have laid the foundation for developing a model for Sustainable HRM and a conceptual paradox framework.

Chapter 5

Conceptual Model for Sustainable HRM and a Paradox Framework

Based on the literature review in Chap. 2 theoretical links between sustainability and HRM have been identified: Sustainability shifts the focus towards the ability of HRM to sustain the HR base from within and for organizational viability, extends the notion of strategic success and leads to consider how to balance short- and long-term (side and feedback) effects. Using these ideas blind spots have been spotted in Strategic HRM literature in Chap. 3. SHRM theory requires a better understanding of the “origin” of human resources, of the rationalities underlying HRM choices and of how to define strategic success from a sustainability perspective, and finally, of how to integrate or balance short- and long-term effects. Chapter 4 has provided the theoretical foundation for applying paradox theory to HRM and in particular to Sustainable HRM. In this chapter, the key findings of Chaps. 2–4 are brought together and are used to develop a conceptual model for Sustainable HRM as well as a conceptual framework from a paradox perspective.

5.1 Objectives and Structure of the Chapter

The objectives of this chapter are twofold. First, the insights from Chaps. 2 and 3 are linked by developing a conceptual model for Sustainable HRM which should help in describing what Sustainable HRM is and in understanding why corporations might want to engage in Sustainable HRM. Second, adding the insights from Chap. 4 a conceptual framework is developed from a paradox perspective. This framework helps understanding how key paradoxes and the underlying paradoxical tensions operate and how they can be actively coped with, in Sustainable HRM. Options which allow for thriving on the paradoxes’ creative potential for Sustainable HRM are searched for. This chapter aims at answering the following research questions which are the overall questions of the study raised in Sect. 1.4.1:

- How can Sustainable HRM contribute to attracting, developing and retaining highly qualified human resources over time?

- How can a paradox perspective contribute to understanding and coping with paradoxical tensions in Sustainable HRM?

Before the parts of the conceptual framework and model for a Sustainable HRM are outlined from a paradox perspective, it seems helpful to go back swiftly to the meta-theoretical level of analysis which has been sketched out in Chaps. 1 and 4. The conceptual framework and model in this section are developed following the idea of multi-paradigm enquiry (see Sect. 1.5.2). The result is a pluralist model and framework valuing opposing positions and theoretical perspectives.

Chapter 5 is structured into four main sections (see Fig. 5.1). This introductory section is followed by remarks on what has to be paid attention to for developing a conceptual framework from a paradox perspective (Sect. 5.2). In the third section, a model for Sustainable HRM is developed (Sect. 5.3). This model brings together the most important contributions from Chaps. 2 (sustainability) and 3 (HRM). The objective of this model is to contribute to understanding how sustainability can extend Strategic HRM and to illustrate the key paradoxes outlined in Sect. 3.5. In the fourth section, some basic strategies are outlined regarding how to cope with the paradoxical tensions illustrated in earlier sections and chapters (see Sect. 5.4). Chapter 5 is concluded by a summary of the key contributions of the model and framework, by pointing out their limitations, and by moving from the conceptual part of the study to its exploratory part (Sect. 5.5).

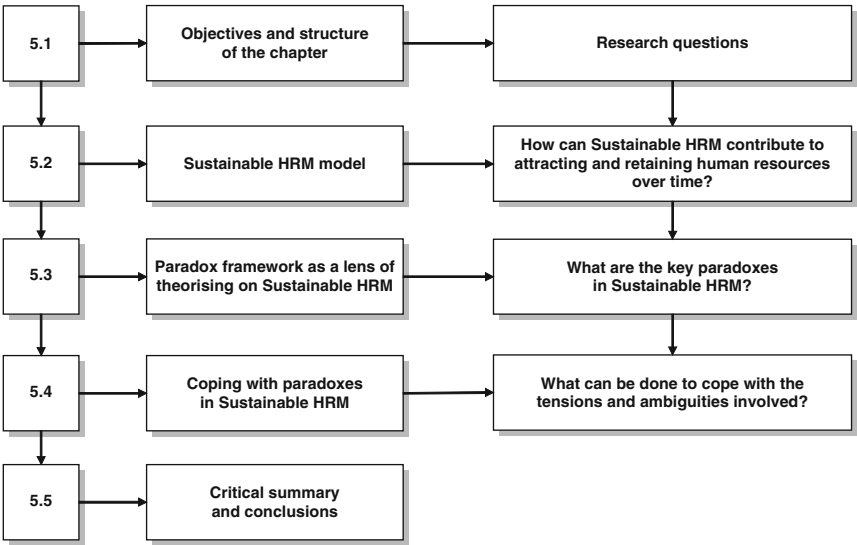


Fig. 5.1 Structure of Chap. 5
Source: compiled by the author

5.2 Sustainable HRM Model

The discussion on the philosophies of science has indicated (see Sect. 1.5.1) that scientific knowledge in the social sciences is not “innocent”. Instead, scientific knowledge is subjective and theories as well as categories are socially constructed (Van de Ven 2006). Model builders are expected to be critically reflexive and to inform about whose interests are served in a model considered to represent a partial account of reality (Van Maanen 1995). As outlined in the working definition on Sustainable HRM (see Sect. 2.6.4), the first key objective of Sustainable HRM, as it is conceived of here, is to contribute to organisational performance by efficient deployment of human resources. This is the “traditional” goal of Strategic HRM (see Sects. 2.3.3 and 3.4). The interests served are those of the shareholders; in some HRM models key stakeholders (see Sect. 3.4). The second key objective of Sustainable HRM is to contribute to attracting and retaining its most important resource: the human resource. This has been described as the “ability to maintain the HR base from within” (see Sect. 2.6.1). In this sense, it is assumed here, that HRM contributes to a company’s long-term viability (see Chap. 3). However, it has also been assumed that the two kinds of logic underlying these objectives follow different rationales (see Sect. 2.5.4).¹ Chapters 2 and 3 have concluded with the statement that if sustainability is taken into account as an objective, paradoxical tensions need to be reconciled (see Sects. 2.6 and 3.5).

5.2.1 *Extending a Strategic HRM Model for Sustainable HRM*

The extension of the model is based on the multi-paradigm approach and the model is also problem-oriented (see Sect. 1.5.2). The objectives of multi-paradigm enquiry have been depicted as encouraging greater awareness of theoretical alternatives and as fostering greater understanding of plurality and of paradoxes in organisations (see Sect. 1.5.2). In Chaps. 2 and 3, tensions between different interpretations of sustainability as well as the key paradoxes for HRM have been outlined. Both aspects are addressed in the model. The problem-oriented nature of the approach consists of choosing concepts and theories which are useful for understanding the link between sustainability and HRM and how Sustainable HRM can contribute to maintaining access to human resources. The basic problems addressed by the Sustainable HRM model are the problems of labour shortage (see Sect. 1.2.1), of self-induced side and feedback effects threatening the long-term availability of human resources (see Sect. 1.2.2), and of paradoxical tensions for HRM (see Sect. 1.2.3).

As Sustainable HRM is conceived of as an extension of Strategic HRM (see Sect. 2.6.4), Martín-Alcázar and colleagues’ (2005b) integrative model (see Sect. 3.4.5) has been chosen as a basis for a model of Sustainable HRM. Extending an

¹This assumption is based on the conceptual work done in the author’s institutional environment.

existing model allows viewing the key contributions from Strategic HRM theory and juxtaposes them to what can be expected from a sustainability perspective. The second reason for choosing the model lies in the multi-paradigm approach to enquiry chosen as a basis for theory development (see Sect. 1.5.2). By developing this model, Martín-Alcázar and colleagues (2005b) have provided an example for a multi-paradigm approach to theorising because the key contributions of the four modes of theorising have been integrated into this model (see Sect. 3.4.5): The strategic importance of HRM is underlined from the universalistic (“best practice”) perspective (see Sect. 3.4.1). The consideration of HRM in its organisational environments is a contribution of the contingency (“best fit”) perspective (see Sect. 3.4.2). Internal synergies and identification of “best bundles” and the idea of synergies between HR practices, policies, and strategies have been described as the contributions of the configurational approach (see Sect. 3.4.3). Paauwe’s (2004) model has been described in Sect. 3.4.4 as an example for the contribution of the contextual approach which analyses HRM in its macro-social context and considers reciprocal and potentially detrimental relationships between the two.

Paauwe’s (2004) model also integrates the duality between what he calls “relational rationality” and “economic rationality” (see Sect. 3.4.4). This is of relevance for Sustainable HRM because relational rationality refers to establishing sustainable and trustworthy relationships with internal and external stakeholders. While Paauwe (2004) juxtaposes a relational in addition to an economic rationality, the literature on SRM proposes that economic rationality itself is dual if sustainability is considered to sustain organizational viability (see Sect. 2.4.3). These two theoretical ideas are juxtaposed here in one model because both point towards the importance of extending the notion of strategic success in HRM and because a more complete picture of the theoretical diversity is provided. The model integrates relational rationality and opposes a dual notion of economic rationality: efficiency and the substance-oriented understanding of sustainability (see also Sect. 2.5.4). The consequence is an extended notion of strategic success for Sustainable HRM based on the assumption that HRM needs to balance both “values” and “value” as well as “efficiency” and “substance”.

Three parts of Martín-Alcázar and colleagues’ (2005b) integrative model are highlighted from a sustainability perspective to illustrate how Sustainable HRM can extend Strategic HRM and to explain how the concept can contribute to attracting and retaining human resources over time. This provides the possibility to deduce first design implications for how to use sustainability as a “deliberate strategy”. The extension of the model is divided into two parts. The first part of the model focuses on extending the notion of strategic success and on the underlying rationales. The objective of this part is to point out the importance of reconciling opposing rationales (social responsibility, efficiency and substance-oriented understanding of sustainability; see Sect. 2.5.4). The second part of the model sheds light on the relationship between HRM strategy and corporate strategy and on the basic strategies of Sustainable HRM. These strategies aim at building the ability of HRM to maintain the HR base from within, first, by investing on the HR base and second by

controlling dysfunctional or self-induced side and feedback effects on the HR base and the “sources of resources” (see Sect. 2.6.1). These basic strategies point towards the importance of the HRM–environment relationship (see also Sect. 3.5.1). Therefore, this part of the model also deals with the relationship of Sustainable HRM to relevant environments and to the “origin” of human resources (see Sects. 2.6 and 3.5).

Boselie (2002) also points towards the distinction between content and process-based HRM models. HRM models which focus on the input and outcomes of the transformation process (such as the studies of HRM on performance, see Sect. 3.4), are content-based while process-based HRM models focus on the transformation process itself (Boselie 2002).² The model in this study is content-based in the sense that both input and output of Sustainable HRM are discussed. Additionally, the model is assumed to be dynamic and developing. The transformation process, i.e. the process-based part of the model is taken into account in the sense that the questions of how and why Sustainable HRM might be formed is discussed.

5.2.2 Model Part 1: Extending the Notion of Strategic Success

The following categorisation of sustainability tries to oppose social responsibility, efficiency, and substance-oriented positions in one HRM model by viewing the two rhetorical debates (normative and rational) not as alternatives but as co-existing positions (see also Oliver 1997). Following prior literature, it is also assumed that tensions are created not only between normative and rational positions but also between efficiency- and substance-oriented interpretations of sustainability (see Sect. 2.4.3). The understanding of sustainability developed here builds on the assumption that competing views have to be considered to tap the full potential of sustainability as a concept for HRM practice. The author argues that conceptualising both kinds of logic as a duality gives richer insight into the possible relation and tensions between different justifications for sustainability. It is reasoned that these different justifications could lead to the same managerial decision in HRM but for a different reason (see also Sect. 2.5.4).

The first part of the model tries to highlight that there are possible tensions between efficiency- and a substance-oriented understanding and between social responsibility and economic rationality. The first group of tensions can be interpreted as the “dilemma of success” (Hülsmann 2003) or as the trade-off between short- and long-term corporate success and the reproduction of the corporate resources. It is in the self-interest of the company that this dilemma is reconciled (Hülsmann 2003). The second group of tensions is created by the different kinds of

²Examples for content-based models in HRM are Arthur (1994), Huselid (1995), or Schuler and Jackson (1987a) and for a process-based model Tyson (1999).

logic as regards societal values and corporate reason. These tensions have been described in the literature as the relationship between business and society (e.g. Whetten et al. 2002; Windsor 2006). This academic debate on social responsibility and economic rationality is not new and the tensions have become obvious in the sometimes emotionally laden debates between the proponents of these different positions.

Table 5.1 illustrates how different interpretations of sustainability extend the notion of success in Strategic HRM (see also Sects. 2.6.2 and 3.5.2). Two basic interpretations of sustainability are differentiated: the interpretation of sustainability as a value and as an economic principle. While sustainability as a social responsibility focuses on the objective of providing social legitimacy, accountability, and on the objective of dealing with uncertainty, the objective of interpreting sustainability as an economic principle is sustained competitive advantage, long-term viability, having long-term access to the HR base (see Table 5.1; see also Sect. 2.5). These three positions cannot be maximised simultaneously and contradictions between them are illustrated in the model. Paaue (2004) has outlined how economic rationality can be supplemented by a relational rationality. This section has added to this prior research by extending the notion of strategic success by a substance-oriented and a relational rationality.

Explanations for why companies would engage in or link sustainability and HRM can be derived from institutional, stakeholder, resource-based, and systems theory as well as from a resource dependence approach (see Table 5.1; see also Sect. 3.3.5). In sustainability research, institutional theories have been used in combination with resource-based theories as an explanation for why companies commit to sustainable development and how this understanding develops over time (see Sect. 2.6.3). Juxtaposed, these theoretical alternatives provide a “fuller picture” to understand Sustainable HRM and to derive explanations for why companies might link HR activities to sustainability (see Table 5.1).

5.2.3 Model Part 2: Basic Sustainability Strategies to Maintain the HR Base

This section has the objective of explaining how Sustainable HRM can contribute to maintaining the HR base from “within” over time (see Sect. 5.1). Human resources have been acknowledged as very particular resources (see Sect. 2.3.1) which have to be managed differently from other corporate resources because of their mobility, regeneration, well-being needs, etc. For people, regeneration and well-being are very individual processes because workload and challenges which might be very motivating for one person could have a reverse effect on another. The dual task of maintaining the HR base of an organisation from within and of deploying human resources efficiently and effectively is seen as one important element of Sustainable

Table 5.1 Reasoning for sustainability from different theoretical frameworks

Meaning of sustainability	Sustainability as a value			Sustainability as an economic principle	
Definition	Sustainability is a social responsibility			Reduce HR consumption or create more value from available resources (efficiency-oriented understanding)	Balance of HR consumption and reproduction = 1 (substance-oriented understanding)
Resource problem	Willingness of organisational environments to provide resources (resource dependency)			Efficient and effective resource deployment	Ability of organisational environments to provide resources
Key objective	Social legitimacy, accountability; deal with uncertainty			Sustained competitive advantage; long-term viability	Long-term access to human resources (substance); viability of sources of HR
Key theoretical framework	Institutional; resource dependence approach			Resource-based view	Social systems theory; economic ecology
Key drivers ^a	Expedience, sanctions	Social obligation	Taken for granted	Competition	Labour/skills shortages
Logic ^a	Instrumentality	Appropriateness	Orthodoxy	Rational, functional/instrumental	Rational, functional/instrumental
Key explanation	Regulative	Normative	Cognitive	Cost reduction; value creation; sustained competitive advantage	Corporate self-interest to sustain its human resource base

Source: compiled by the author

^aThe marked categories and content on the left-hand side are adapted from Scott (1995, p. 35)

HRM (see Sect. 2.6.1).³ As this endeavour can become a huge task for a single company, some companies might have to cooperate to face this challenge. Controlling side and feedback effects of HRM activities on employees, the resource base, and the “sources of resources” is another possibility to sustain the HR base from within. Table 5.2 illustrates four different basic sustainability strategies at the HR systems level and concerning the sources of resources (i.e. the “origin” of human resources). The table provides first examples and should not be regarded as an exhaustive list. Further examples are going to be generated from the exploratory website analysis.

As it is assumed that companies are experienced when it comes to efficiency-related strategies, the focus is on basic sustainability strategies which help developing the ability of HRM to sustain the HR base from within (i.e. to contribute to solving the problem of labour and skills shortage) and which help reducing the impact of HRM on its HR base (i.e. to contribute to solving the problem of self-induced side and feedback effects). In this regard, basic sustainability strategies refer to:

- Developing the human resource base and the sources of resources
- Controlling self-induced side and feedback effects on the HR base and on the sources of resources
- Developing mutual resource exchange relationships
- Sustaining social legitimacy (see Table 5.2; see also Chaps. 2 and 3)

The workforce and individual employee levels as well as the HRM–environment level have been chosen as levels of analysis (see also Sect. 1.2.2). For example, to develop the HR base appropriate HR activities need invest in HR training and development. A basic sustainability strategy to develop the sources of resources addresses all HR activities which can contribute to their viability. This is based on the assumption that not only the viability of the company or HR system needs to be sustained but also the sources of resources (see also Sect. 2.4.3).

This is also one reason for the next basic sustainability strategy: to control self-induced side and feedback effects on the HR base and on the sources of resources (see Table 5.2). This reflexive strategy addresses all activities which help controlling side and feedback effects of work on employees and which help sustaining the ability of employees to regenerate such as providing support for individuals to achieve a balance between private and work life. In HPWS (see Sect. 3.3) this objective might collide with the idea of deploying highly skilled employees for as long as possible (e.g. socially appreciated long working hours; permanent availability of high potentials via electronic devices) to make best use of the

³In a similar vein, Grant (1991) acknowledges the dual objective of simultaneously exploiting resources and developing a firm’s resource base. March (1991) refers to this task as balancing exploitation of resources and simultaneously developing future business opportunities, and Remer (2001) calls it the dilemma of ensuring short-term economic success vs. long-term problem-solving ability (efficiency–existency dilemma). But, neither Grant nor March has considered the viability of the “sources of resources” and its link to organizational viability.

Table 5.2 Basic sustainability strategies to foster the ability of HRM to maintain HR

Sustainability strategy	Developing the HR base and the sources of resources	Controlling self-induced side and feedback effects on the HR base and on the sources of resources	Developing mutual HR exchange relationships	Sustaining social legitimacy
Level of analysis				
Workforce and individual	Investing in HR training and development	Controlling side and feedback effects of work on employees	Caring for employee relations (e.g. reproduction of loyalty, trust, sense, identity; psychological contract)	Employee well-being, health, ethics, etc.
	Investing in HR regeneration and HR care (e.g. offering support to sustain employee's work-life balance)	Caring for the conditions of HR regeneration and health	Caring for relations to potential employees and understanding their specific conditions of development, reproduction and regeneration and their values (e.g. by employer branding)	
HRM-environment (sources of resources, i.e. "origin" of HR)	Contribution to viability of sources of resources (i.e. education systems) Investing in the "origin" of human resources	Controlling self-induced side and feedback effects on the sources of resources and on the conditions of reproduction	Creating "resourcing partnerships"	CSR

Source: compiled by the author

resources. What may serve a company's interest in the short run might have a reverse effect if employees suffer from work-related stress symptoms or health problems (see also Sect. 1.2.2). The challenge from the perspective of HRM is to find individual solutions because requirements may differ. If the temporal aspect is considered, the challenge for HRM is that it is unpredictable which side and feedback effects occur and at what time and how they intersect (see also Sect. 4.4.3).

The third basic strategy is to develop mutual HR exchange relationships (see Table 5.2). This strategy shifts the attention towards the relationship between current and potential employees and their employers (employee relations).

resources and questions the assumption of HR pools which only have to be “exploited”, for instance, by building “talent pipelines” (see Sects. 1.2.1 and 2.6.1).

Second, the model illustrates examples for the organisational, social, and individual effects which Sustainable HRM might have as well as the potentially different underlying rationalities for these activities. The key paradoxes and tensions have been described in Sect. 3.5.4. In the model, these paradoxes are visible between the efficiency- and substance-oriented rationality and between the social responsibility and efficiency-oriented rationality – which is the second difference to prior HRM models (see Fig. 5.2). These competing positions between social responsibility, efficiency, and the substance-oriented understanding of sustainability create paradoxical tensions because the positions cannot be maximised simultaneously. But, all three co-exist – or even have to co-exist – to allow for a long-term access to the corporate HR base and to control for self-induced side and feedback effects. Implicitly, the model takes the temporal dimension into account because the different arrows present loops and feedback loops (see Fig. 5.2; see also Sect. 2.6.4).

The paradox framework developed in the next section, however, makes explicit use of the concept of time.

5.3 Paradox Framework as a Lens of Theorising on Sustainable HRM

The paradox framework developed here has the purpose of making the key paradoxes and tensions in Sustainable HRM visible: (1) the “consumption-reproduction-paradox” (or efficiency-substance-paradox), (2) the tensions between the underlying relational and economic rationalities, and (3) the tensions between short- and long-term aspects (see Sect. 3.5).

5.3.1 Developing a Paradox Framework for Sustainable HRM

Paradoxes have been characterised as statements which appear incongruous, absurd, or unreasonable, which include two or more contradictions operating simultaneously and where no choice needs to be made (see Sect. 4.2.2). The concept of paradox has been chosen as an “overarching” concept for contradictory phenomena because of two reasons. First, because the concept of paradox allows theory enrichment (see Poole and Van de Ven 1989). Second, because single bi-polar or dualistic oppositions have been observed as being too simple (e.g. Brewster et al. 2006; Lewis 2000) with the danger of biasing the frames of reference of actors and making them reluctant to change (Bartunek 1988; Lewis 2000). The advantage of bi-polar oppositions – which facilitates making sense of social realities – would then come at a high price: ignorance of the complexities involved in paradoxical choice situations.

The challenge of developing the paradox framework for this study is to represent the key tensions and dilemmas for Sustainable HRM without being too simplistic or extensive. Lewis (2000) depicts three ways of representing paradox: through mapping, theorising, and conceptualising. Mapping stands for identifying paradox in the literature or in a field study. Theorising focuses on “developing a frame that encompasses opposites, enabling a more complicated understanding of their coexistence and interrelationships” (Lewis 2000, p. 774; see also Poole and Van de Ven 1989). Conceptualising paradox refers to illustrating the idea of “both/and” instead of “either/or” choices (Lewis 2000). Ofori-Dankwa and Julian (2004) point out that the framework of Quinn and Rohrbaugh (1983) is a successful example for this (see Sect. 4.4.1). Progress in prior research has not only been made on mapping and theorising paradoxes (e.g. Lewis 2000; Quinn and Cameron 1988a; Poole and Van de Ven 1989) but also on conceptualising them (Ofori-Dankwa and Julian 2004). However, Ofori-Dankwa and Julian (2004) point out that “the conceptualization of paradox is difficult because of its inherently fractal quality: there are dual paradoxes and multiple tensions within any paradoxical situation” (p. 1450).

Conceptualising a framework from a paradox perspective has to fulfil the following requirements: First, the framework should illustrate the idea or “both/and” (Ofori-Dankwa and Julian 2004). Second, for this study, the framework should show the key paradoxes and tensions which have been identified for Sustainable HRM: (1) the tensions between deploying human resources efficiently and sustaining the human resource base and the “origin” of human resources (2) tensions between dual economic rationality (efficiency and substance) in addition to a relational rationality (social legitimacy), and (3) short- and long-term effects (see Sect. 3.5.4). Third, the conceptual framework should effectively visualise developments over time. The framework should also illustrate the tensions in Sustainable HRM and should indicate that appropriate coping strategies have to be chosen.

5.3.2 *Illustration of the Framework*

The conceptual framework focuses on evaluating broad outcomes of HR activities on a longer-term basis; micro and macro levels of analysis are considered. On the macro level of analysis, the practical focus lies on raising awareness of HR executives and corporate managers for the dual problem of HR deployment and “resourcing” and on the organisation’s future HR access to qualified and motivated HR (HR base). On the micro level of analysis, unintended and unwanted outcomes of HR decisions on employees are considered with the particular focus on employee health.

The spiral on the left-hand side of the model symbolises that developments over time operate between the poles of the different paradoxes and create tensions (see Fig. 5.3). The tensions illustrated in the model on the left-hand side are the tensions between relational rationality (Paauwe 2004) and economic rationality (see also

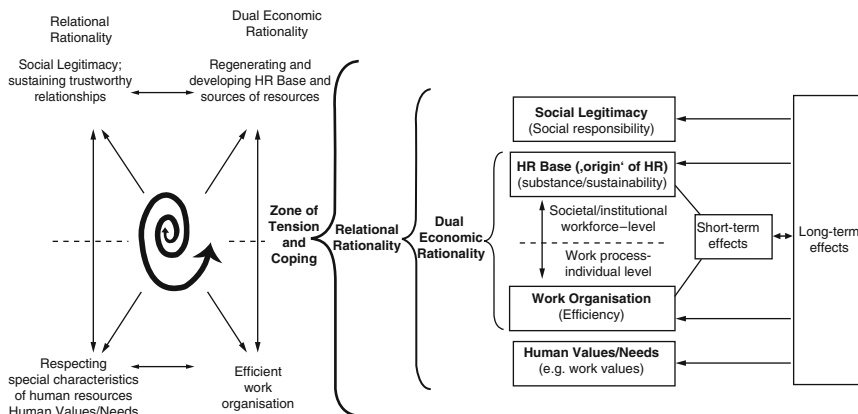


Fig. 5.3 Paradox framework for Sustainable HRM

Source: compiled by the author

Sect. 5.2.2). One difference to Paauwe's (2004) model is that economic rationality is composed of a dual notion of success: efficiency and sustainability. The transition point between shifting from on one pole to another is influenced by the availability of human resources – this is at least one of the assumptions in SRM literature. Tensions operate between them as illustrated in the Sustainable HRM model in Sect. 5.2. The right hand side of the model illustrates the tension between short- and long-term aspects. In the centre of the model, the tasks of the HR work system and organisation to sustain the human resource base and the sources of resources from within are illustrated.

This framework allows for shifting between “blind spots” in Strategic HRM concerning the notion of success, its resource-orientation, and concerning the lack of an explicit use of the concept of time in many HRM models. Blind spots concerning the notion of success are shifted because the model illustrates opposing rationalities (one relational and two economic rationalities) on the right hand side of the model (see Fig. 5.3). Blind spots concerning the resource-orientation are shifted because the model addresses on the left hand side, firstly, the tensions between regeneration and development of HR, sources of resources and respecting the special characteristics of human resources and secondly, the tensions between social legitimacy and an efficient work organisation. As further arrows between these positions suggest, more than these tensions have to be expected.

The model accordingly summarises these different tensions in a “zone of tension and coping” in the middle of Fig. 5.3. This also suggests that coping strategies need to be applied in Sustainable HRM operating at the individual and workforce level. At the workforce level, sustainability can be interpreted as a concept to “build the future into the present” (see Sect. 4.5). This and further alternatives are described in the following section which brings together selected coping strategies illustrated in Sect. 4.5 and the model and framework depicted in this chapter.

5.4 Coping with Paradoxes in Sustainable HRM

In Chap. 4, different logical and psychological coping strategies have been suggested. In this section, they are linked to the problems described in the Sustainable HRM model (see Sect. 5.2) and to the paradox framework (see Sect. 5.3) to produce, first, general coping strategies for dealing with paradoxes in Sustainable HRM.

5.4.1 Exemplary Coping Strategies for Sustainable HRM

The key paradoxes addressed here are those between economic and relational rationality, between efficiency- and a substance-oriented understanding of sustainability, and at a more general level the problem for addressing both short- and long-term effects (see Table 5.3). Building on the logical and psychological coping strategies, coping strategies for Sustainable HRM are developed exemplarily. Ignorance and denial are again excluded as strategies because they do not lead to a fruitful way of dealing with paradoxes in Sustainable HRM (see Sect. 4.5). Hence, opposition, spatial or temporal separation, and synthesis are considered here (see Sect. 4.5.1). (Re)Framing, a form of opposing the poles has been used to develop the Sustainable HRM model (see Sect. 5.2) and the paradox framework (see Sect. 5.3) and is therefore not considered again in Table 5.3. “Layering” is used as an example for spatial separation and “sequencing” for temporal separation. Synthesis can be “physical” if it is about “integrating” the paradoxes in HRM. “Abstracting” is also an effort to synthesise the paradox but at a verbal level only and real (“physical”) coping postpones action to the future. If the logical modes of coping and the paradoxes are juxtaposed, several examples for potential coping strategies can be considered (see Table 5.3).

Balancing is a coping strategy which opposes the poles of a paradox and emphasises their co-existence (see Sect. 4.5.1). For instance, to balance the deployment of human resources with their reproduction and regeneration, HRM can provide time (e.g. shorter-working hours or regenerative activities) for employees to compensate for performance. Efficiency and sustaining the substance are balanced in the same HRM system. The problem about *balancing* oppositions is that the tensions co-exist and operate in the same location at the same time, i.e. the actor’s ability for Janusian thinking and their emotion-focused coping strategies are particularly challenged (see also Sect. 4.5.2). To avoid this challenge, the poles can be separated into different locations at the same time (i.e. layering; see Sect. 4.5.1). Layering is a form of spatial separation for HRM and is applied in companies which have, for instance, different departments for CSR (or sustainability) and for HRM. If tensions need to be avoided simultaneously between different locations in the same HRM system, the poles can be separated temporarily (see Table 5.3). However, if this *sequencing* leads to possible solutions such as a “period of sustainability” and next a “period of efficiency” the problem is that action for one pole

Table 5.3 Examples for coping with paradoxical phenomena in Sustainable HRM

Cognitive mode of coping	Economic and relational rationality	Efficiency and substance-oriented understanding of sustainability	Short- and long-term effects
Opposition	<i>Balancing</i> : balance economic objectives and social legitimacy (e.g. value creation and employee wellbeing and health)	<i>Balancing</i> : balance HR deployment “consumption”) and HR reproduction and regeneration over time by compensating “units” of deployment for “units” of reproduction (e.g. demand high performance and provide time for employees to regenerate and to develop skills)	<i>Balancing</i> : balance short- and long-term effects (e.g. performance as well as self-induced side and feedback effects in HR controlling or even in all HRM processes)
Spatial separation	<i>Layering</i> : special departments for CSR and HRM	<i>Layering</i> : different locations responsible for HR deployment and “reproduction” (e.g. line management and HRM; or external “resourcing partnerships” for HR reproduction)	<i>Layering</i> by “building the future into the present” in different locations
Temporal separation	<i>Sequencing</i> : focus on economic rationality in competitive times and on social responsibility when legitimacy is threatened	<i>Sequencing</i> : focus on economic rationality in busy seasons and on HR reproduction in calmer times	<i>Sequencing</i> : separate the time when to focus on short- and when to focus on long-term effects
Synthesis	<i>Integrating</i> : integrate social responsibility into all HRM and line management processes	<i>Integrating</i> : integrate HR reproduction-oriented aspects (HR regeneration and development) into all HRM processes and activities	<i>Integrating</i> (temporal layering): “building the future into the present” in the same location (e.g. considering short- and long-term effects in all HRM decisions)

Source: compiled by the author

(perhaps HR regeneration and development) might be delayed until a point in time where it is too late and for instance side and feedback effects such as employee's health problems overrule (see Sect. 5.2.3).

The most challenging coping strategy, however, can be a synthesis. While *abstraction* is only a verbal synthesis that avoids immediate action (see also Sect. 4.5.1), *integration* is a form of synthesis which requires efforts to overcome the tensions at one point in time and in one location from all actors – i.e. in one choice. Integrating sustainability would require that the poles and also the tensions and oppositions involved are considered in every HRM sensemaking or decision-making process (see also Table 5.3). Integration also has its limits and is not necessarily the “best” coping method as the difficulties of integrating global and local HRM practices show.

But, as actors have to face challenges with every coping strategy, which one is appropriate for a company that decides to implement Sustainable HRM? It is assumed here that appropriateness of the preferred coping strategy depends on several factors such as:

- Company size, industry, institutional and cultural context
- Time horizon available to deal with the paradox
- Ability of the actors for “Janusian thinking” (see Sect. 4.2.5) and for coping with the emotional consequences of the different coping strategies and to make this process transparent and credible

Company size, industry, institutional and cultural context are relevant because they influence the values of actors and the attractiveness of values such as social responsibility (see also Sect. 3.4.4). These factors also influence the understanding of the actors about the concept of time (see Sects. 3.5.3 and 4.4.3). The second factor, the available time horizon is an ambiguous factor. As time has a subjective and an objective component (see Sect. 3.5.3), assumptions about time and about the appropriate or available time horizons are culture-specific (e.g. House et al. 2004). The linear thinking about time and about past, present, and future, dominant in Western cultures, clearly meets limitations when paradoxes need to be understood because it overemphasises the present as Legge (2005) has asserted. The concept of cyclical times, instead, allows change over time (see Sect. 4.4.3).

The third factor, the ability of the actors involved is regarded as an important one to successfully implement active coping strategies for paradoxes, dualities, and dilemmas – and the tensions involved – in HRM. If HR managers, line managers, and employees cannot make sense of the (sometimes counterintuitive!) coping strategies, and if they suffer from the consequences of the tensions and ambiguities (see Sect. 4.5.2), successful coping is not possible and might even increase resistance.

To conclude, coping with paradoxes in Sustainable HRM needs to be made transparent and in a credible way. Sense (rationale) must be given to the actors involved within and outside of the company and thus facilitate their sensemaking processes. It has also been suggested in Sect. 4.6 that Weick's (1993, 1996) sensemaking theory could help extending paradox theory concerning the cognitive

modes of coping and concerning the emotions evolved in the process. Here are some first ideas on this possible path for future theory development. Paradox theory points towards the limitations of rational decision-making because simple “either/or” choices cannot be made – at least if both or more poles of a paradox are recognised. Theory on sensemaking defined as meaning making suggests how people interpret cues in dilemmatic situations, i.e. in situations where choices must be made and where no simple either/or choices are possible. Weick (1993) suggests that making good choices in these situations requires good sensemaking. Paradox theory could serve as a mental frame for interpreting the cues in dilemmatic or paradoxical situations and to help answering one of the key sensemaking questions “what’s going on here?” (Weick et al. 2005, p. 412). While paradox theory is useful for describing and explaining why choice situations become more difficult, why people can be paralysed in these situations and what can be done about it, sensemaking theory provides ideas about how people intuitively draw meaning from cues in dilemmatic choice situations and how they remain able to take actions.⁴ If actors external to the organisation are involved (such as actors from the sources of resources), sustainable relationships need to be developed because these can contribute to long-term resourcing partnerships (see also Sect. 5.2.3).

5.4.2 Developing Sustainable Resourcing Relationships

The term “sustainable resourcing relationships” is defined here as all relationships between HRM and parties internal and external to the organisation which allow HRM durable access to human resources but which include that HRM also contributes to sustaining the sources of resources. The key characteristic of a sustainable resourcing relationship lies in its mutuality and in the co-existence of HRM and of those providing the resources. The term “talent pipeline” in prior literature (see Sects. 1.2.1 and 3.5.1) is different in the sense that a pipeline suggests a one-way approach. In this picture, HRM “draws in” or “absorbs” human resources from its critical environments but – in an ecological sense – does not contribute to reproducing them (see also Sects. 2.6.1 and 3.5.1). This is an efficient but not sustainable way of developing a resourcing relationship. But, in a sustainable resourcing relationship where paradoxical phenomena and tensions are recognised instead of being ignored, the calculus is not so easy any more. Instead, contributions in a mutual resourcing relationship have to be balanced or compensated for, because results cannot be maximised simultaneously for all parties (e.g. for employees and employers) (see also Chap. 4).

⁴See also Weick and Roberts (1993) who have suggested the concept of “collective mind” to explain organisational performance in situations which require utmost reliability of all actors involved, i.e. which aim at failure-free performance.

5.5 Critical Summary and Conclusions

In this chapter, insights from Chaps. 2, 3, and 4 have been combined. The key contributions of this chapter have been:

- To extend a model from Strategic HRM in order to illustrate the differences between a sustainability approach to HRM and Strategic HRM and in order to develop of Sustainable HRM model
- The development of exemplary basic sustainability strategies for HRM
- The development of a paradox and a coping framework for Sustainable HRM

To answer the research question on how Sustainable HRM can contribute to attracting and retaining human resources over time (see Sect. 5.1), the Sustainable HRM model has been used as a basis for providing, first, examples for sustainability strategies inspired by the literature on SRM (see Sect. 2.4.3). Basic sustainability strategies for HRM are to develop the human resource base from within, to enhance self-reflexivity of HRM by controlling self-induced side and feedback effects, to develop mutual resource exchange relationships – in particular with resourcing partnerships, and to make efforts for sustaining social legitimacy in order to retain the “licence to operate” (see also Sects. 2.6.2 and 5.2.3).

One important difference between the Sustainable HRM model developed here and prior HRM models is the strategic objectives linked to it. Traditionally, the literature on HRM and performance in Strategic HRM focuses on financial outcome measures of performance (see Sect. 3.4). Slowly, recently, and mainly in the European context, scholars have picked up objectives and measures going beyond the financial bottom line (see Sect. 3.4). For instance, Boxall and Purcell (2003) added social legitimacy as a critical goal for HRM. In sustainability research, scholars traditionally measure more than financial performance such as for instance social performance criteria (see Sect. 2.2.3).

The Sustainable HRM model developed here considers a broader context for managing human resources. The idea is to add to answering the question of how HRM can contribute to attracting, developing, and retaining highly qualified human resources over time by considering the “origin” of these resources in the socio-economic context and the viability of the sources of these resources (see also Sect. 2.6). As illustrated in the model and framework, the blind spots identified for Strategic HRM (see Sect. 3.5) have been shifted.

The limitation of this Sustainable HRM model lies in inconsistencies which have to be expected in any model acknowledging paradox and plurality. Another problem also remains for Sustainable HRM, that HR planning cannot absorb and keep pace with shifts in fast changing business environments and that it is impossible for HR managers to know exactly which skills will be needed in the long-term future. This makes investments into the HR base and sources of resources difficult. But, if it is combined with the idea that human resources can also create corporate strategy (and not only implement them; see Sect. 3.3.3) – the problem becomes less threatening for corporate viability – on the contrary because this is a chance for

unique organisational developments using the creativity of one of the most important resources many organisations are having: people.

The paradox framework in Sect. 5.3 picked up several key characteristics of the Sustainable HRM model and attempted to illustrate the “blind spots” in Strategic HRM and in sustainability theorising (see also Sect. 3.5). Making the blind spots visible is the first step of a (re)framing process with the objective of making the paradoxes potentially “manageable” (see Sect. 1.4.1). As the limits of “managing” paradoxes – in the traditional sense of controlling them has been explained in Chap. 4, the next step was to propose first possibilities as to how the tensions can be actively coped with. Several general coping strategies have been used to give a picture of the possibilities including their advantages and disadvantages (see Sect. 5.4). The final conclusion from the paradox and coping framework is that there are no “best” or ideal solutions to cope with the tensions. Instead, contextually appropriate cognitive (and emotion-focused) coping strategies have to be chosen depending on the company size, industry, the corresponding institutional and cultural context, the time horizon available for dealing with a paradox, and the ability of the actors involved for “Janusian thinking” and for coping with the emotions from tensions and ambiguities. For HRM, the key task in this process is to make the paradoxes and tensions transparent in a credible way – instead of avoiding or hiding them. This task also involves, for instance, absorbing tensions by legitimising trade-offs and by developing sustainable resourcing relationships.

Overall, this chapter has provided a very important contribution for the foundation of a sustainability approach to Strategic HRM and towards the more systematic inclusion of paradoxical phenomena, tensions, and coping strategies in HRM theory. The model and framework presented in this chapter form part of what has been introduced as “interim struggles” (Weick 1995) or approximations in the development of a theory on Sustainable HRM. Both, model and framework are not “theory” but part of what needs to be done to develop a theory (see Sect. 1.5.2). The underlying assumptions in both model and framework form a basis for future theoretical and empirical research and also to mirror the findings of the following exploratory part. As announced in the introduction to this work, the conceptual part of the study is complemented by an exploratory analysis to help the understanding about how the concept of sustainability linked to HR-related issues emerges in corporate practice and how the companies convey their awareness of the paradoxical phenomena.

Chapter 6

Method

This study understands itself as being conceptual and exploratory. The importance of exploratory research has been highlighted in the literature on theory development and on research methodologies (e.g. Eisenhardt 1989; Glaser and Strauss 1967). The central objective of exploration is systematic data collection on a research phenomenon in order to provide the basis for developing theory and discovering hypotheses (Glaser and Strauss 1967) or propositions. Different heuristics (search strategies) have been suggested to systematise exploratory research (e.g. Bortz and Döring 1995, 2002; Dörner 1994).¹

The exploratory part of the study is perceived as being qualitative in the sense that qualitative research can be defined as “a set of interpretive material practices that make the world visible” (Denzin and Lincoln 2005b, p. 3).² Qualitative research is often based on the following assumptions: reality is socially constructed (Berger and Luckmann 1967); the context and its particularities have to be observed to improve understanding of one particular case; and it is assumed that the results refer to a single case which makes the findings not easily transferable to similar situations (see, e.g. Denzin and Lincoln 2005a). Therefore, the findings have to be interpreted bearing the corresponding context in mind.

6.1 Objectives and Structure of the Chapter

The methodology, i.e. the underlying worldview or position in the philosophies of science (methodology), for this study has been outlined in the introduction (see Sect. 1.5.1). In this chapter, the corresponding method chosen for the exploratory

¹On exploratory research in combination with content analysis: see Atteslander (2003, p. 58).

²The role of the researcher in this visualisation process is interpretative and could be described by the *bricoleur* metaphor (Denzin and Lincoln 2005b). The idea behind this metaphor is that researchers have learned to borrow from many different disciplines.

part is described. Other than methodology, the understanding of the term “method” refers to the tools that have been used for data collection and analysis (e.g. Corner 2005). While the literature review in Chaps. 2–4 focused on the understanding of the sustainability–HRM link from a theoretical perspective, the exploratory part was designed to connect these findings to organisational practice.

The general exploratory objective of this work is to improve the understanding about how companies interpret and apply the concept of sustainability and how they communicate the link between sustainability and HRM (see Sect. 1.4.2).³ The first objective of this chapter is to describe and justify the investigative steps and decisions that were undertaken to reach the exploratory objectives as well as the benefits and limitations of this approach. Second, this chapter attempts to illustrate how qualitative content analysis can be used to analyse websites. Websites are an important means of corporate communication which rarely seem to be taken into consideration for HR-relevant studies (for an exception see, e.g. Point and Singh 2003). This is surprising because the Internet has become very popular in the past decade as an important source of information. Information from company websites and documents is also very frequently used in sustainability research because companies use the Internet to communicate their sustainability strategies (see, e.g. Isenmann et al. 2007).

Although the author does not want to argue for the exclusive application of websites as a source for data analysis, it is argued here that the Internet could provide material for researchers that may help in exploring new fields where little empirical research has been done before – such as Sustainable HRM – if the websites provide the requested information and if the limitations of the methods and data are well recognised. It is also suggested that Mayring’s (2003a) content analysis can be a useful method for analysing corporate websites because this method allows analysing communication within its context and drawing meaning from both – the content and its contextual surroundings. Accordingly, one contribution of the exploratory part of the thesis is to use qualitative content analysis in a new area of application and to depict its utility for theorising in HRM.

Chapter 6 is structured into four main sections. After this introductory section, the choice of the material which has been collected and of the data analysis method are justified (Sect. 6.2). In the third section, theory on qualitative content analysis is introduced, the benefits and limitations of qualitative content analysis are outlined, an overview on the process of content analysis is given, and the procedure of coding and analysing the text extracted from the websites is described (Sect. 6.3). The chapter ends with a discussion on how to evaluate qualitative research in general and the findings of this exploratory part in particular (Sect. 6.4).

³The research goal is *not* to reconstruct “objective social structures” as is the intention of objective hermeneutics (see, e.g. Kromrey 2002). For an overview on objective hermeneutics, grounded theory, and content analysis see the handbook edited by Flick et al. (2003).

6.2 Choice of Material and Data Analysis Method

Research on sustainability and HRM has emerged only recently and therefore no “standard procedures” exist for investigations on this topic. In the fields merged in this study (sustainability, HRM, and paradox research), a great variety of different research methods are applied – particularly if all subfields of these different areas that overlap with topics relevant for Sustainable HRM are taken into consideration. Although all three areas are in different stages of development, it can be claimed that quantitative and positivistic ways of enquiry are dominant over qualitative and interpretive forms (see also Sect. 1.5.1). However, in the past two decades the interest in qualitative and interpretive research is rising because of the limitations of quantitative methods. Qualitative research “provides a narrative of people’s view(s) of reality and it relies on words and talk to create texts. Qualitative work is highly descriptive [. . .]” (Gephart 2004, p. 455). In this sense, qualitative research tries to develop constructs from the way concepts are in use instead of imposing a single external-researcher-derived meaning or truth on those who are using the concept (see Johnson et al. 2006). In recent years, the controversial debate between proponents of quantitative and qualitative methods has shifted to the position that more and more authors understand the choice between qualitative and/or quantitative research methods as a question of appropriateness instead of “right” or “wrong.” Particularly when it comes to investigating new research topics, qualitative methods offer a form of enquiry which is more appropriate for exploratory research. For instance, Mendenhall et al. (1993) have made a strong point for qualitative enquiry in emerging fields of research as an important source for theory development.

As a possible form of representation for the sustainability–HRM link, corporate websites and company documents have been chosen as material for exploration. The choice for a qualitative, exploratory part was based on the nature of the research object and on the state of the art on the research topic (see Sect. 1.5.2). To the author’s knowledge, no study has previously investigated and compared the website content on sustainability as a “concept-in-use” (Gephart 2004, p. 455) and its link to HR-related topics made by European MNEs. Prior website analyses have touched topics that are of importance in Sustainable HRM such as “diversity” (Point and Singh 2003) or “work–life balance” (Mescher et al. 2006), but these authors do not take the concept of sustainability into account in their analysis. Prior exploratory research on Sustainable HRM has not investigated how sustainability is applied for HR-related topics and how this is communicated on corporate websites (see Chap. 2). For the study at hand, a qualitative content analysis seems to be appropriate as a method for analysing the website material.

6.2.1 *Websites of European MNEs with an Expertise in Sustainability*

In qualitative research, non-reactive data such as written texts (newspaper articles, etc.) are a legitimate base for further analysis. Peräkylä (2005) calls these data

“naturally occurring materials” (p. 869) and asserts that the researcher “is in more direct touch with the very object that he or she is investigating” (p. 869). The author views this as the key difference to interviews because interviews “consist of accounts given to the researcher about the issues in which he or she is interested. The topic of the research is not the interview itself but rather the issues discussed in the interview” (Peräkylä 2005, p. 869). He recommends using naturally occurring materials if the researcher is interested in understanding what people do instead of what they say and how they do it. The author provides an example of a researcher interested in “strategies used by journalists in interviewing politicians [. . .], it might be advisable to tape-record broadcast interviews rather than to ask journalists to tell about their work” (p. 869).

In this work, the exploratory research interest lies in understanding how companies interpret and apply the concept of sustainability, what companies do to communicate the link of sustainability and HR issues and how they justify their activities, and to produce examples on the representation of the sustainability–HRM link on corporate websites (see Sect. 1.4.2). Websites can be interpreted as communications of companies to the public or their stakeholders. Stakeholders of interest in this case are potential or current employees of the organisations who might use the website as a source of information. The HR practices and strategies mentioned on the websites do not have to be consistent with actual or perceived HR activities.⁴ Implemented strategies and practices are more likely to be documented in company reports, which have therefore also been included in the analysis.⁵ Websites can also be interpreted as forming a part of the organisational discourse (see Mescher et al. 2006). Discourse contributes to creating social reality in the way that “discourses produce concepts – categories, relationships and theories – through which we understand the world and relate to one another” (Hardy et al. 2000, p. 1234).⁶

Websites are non-reactive data. Non-reactive data can help revealing theories of practice (*Alltagstheorien*) (Bortz and Döring 1995, p. 335). Additionally, these data are openly accessible and the method allows comparing a larger number of “cases” from different national backgrounds in one study. Furthermore, for this study the resources for conducting field research such as exploratory case studies have not been available. From the point of theory development, the data sources chosen, i.e. corporate websites, do not necessarily reflect the realities as they *are* in companies but about how companies want these realities to be communicated to the public. Corporate websites and company documents (such as Annual Reports and Sustainability Reports) allow an insight into the representation of corporate strategies and policies.

⁴On “actual” and “perceived” HRM practices and strategies see Wright and Nishii (2006).

⁵The content of, e.g. annual reports depends also on the respective legal requirements for disclosure (Point and Singh 2003).

⁶In recent years, discursive perspectives have received more attention also in fields like strategy research (e.g. Laine and Vaara 2007). See also Czarniawska (2001) on the logic of representation vs. the logic of practice vs. the logic of theory.

The author searched for corporations that claim to have an interest in and have developed an understanding for sustainability, who could therefore be regarded as “experts” in the area and who have started linking this concept to HR-relevant issues on their websites. The World Business Council for Sustainable Development (WBCSD) calls itself today’s largest and most influential global network for sustainable development in the business world and therefore offered a potential pool of cases.⁷ The WBCSD represents about 180 international companies from more than 30 countries and 20 industrial sectors with approx. 12.1 million employees (WBCSD 2006). The network has members on all continents, in different industry sectors, and understands itself as a network for companies committed to sustainable development, eco-efficiency, innovation, and CSR. The WBCSD is also one of the leading networks in publishing on eco-efficiency, eco-effectiveness or socio-efficiency, and socio-effectiveness. Therefore, it has been assumed that its members provide a sample of companies with an interest in and knowledge about sustainability. It can, however, not be assumed that all organisations interested in the link sustainability–HRM are organised in this network, or that all of the members of WBCSD link sustainability to HR issues.

The companies’ websites had to fulfil three criteria to be included in the analysis. First, the website or company documents had to reveal that the organisation explicitly or implicitly makes the link between sustainability and HR issues. This step contained the first interpretation effort in the sense that a choice had to be made whether the company linked sustainability and HRM explicitly, implicitly, or not at all. In the first round, the author’s intention was to approach the data with an open mind and understanding for how sustainability is defined and used in corporate practice and how the link to HR-related issues is represented on corporate websites. Based on the literature review, a broad range of HR topics was accepted as being included into the analysis. The difficulty in this process was that on their websites some companies use the concept of “social responsibility” (in the context of CSR), “sustainability”, or “sustainable development” and, partially, they are using these concepts interchangeably and synonymously. In addition, the companies link the same HR-relevant topics to these different theoretical concepts. The author has made the decision to include the websites into the analysis because an overlap between CSR and sustainability had been noted in prior literature (see Sect. 2.2.2).

The second criterion for websites to be included into the analysis was that the information about sustainability and HR issues on websites or in documents should be more than just short statements, allowing a more in-depth interpretation and qualitative content analysis. Third, the analysis was restricted to European member companies because a first analysis of member companies from other continents had revealed that the contextual differences (such as legal requirements, values, etc.) between Europe and other areas of the world lead to a different emphasis concerning sustainability topics (e.g. a stronger emphasis on human rights or different health and safety concerns). However, when analysing the findings, it

⁷Websites of the WBCSD members can be found on: <http://www.wbcd.org>.

must be taken into consideration that also within Europe important contextual differences or particularities exist in HRM (see Gooderham et al. 1999; Communal and Brewster 2004). Additionally, all companies are MNEs, i.e. they do have to deal with further sustainability topics when operating outside the boundaries of the European Union (such as, e.g., human rights). Only websites of companies that fulfilled all three criteria were selected for further analysis.

At the time of the main data collection (September 2006, and January/February 2007), the WBCSD had 82 European member organisations. The data were collected by the author herself and independently by a second person to control for inter-coder differences. Some companies have more than one website for different geographical areas; in this case, the website of the company's headquarters was chosen. If the website was available in more than one language, the English version was preferred over others for ensuring better comparison of wordings and for avoiding translation errors at least on the part of the author. Each of the 82 websites of the European WBCSD members was investigated to find out whether there were any statements linking the idea of sustainability to HR-relevant activities. As it was assumed that also similar terms could have been used for this link such as notions taken from the CSR discourse, it was avoided to use the search function on the websites. This was also avoided because the hyperlinks and connections between different sub-parts of the websites were included in the sixth step of the content analysis as a part of the explication technique. To make the websites comparable, they had to be structured concerning their content. Techniques from qualitative content analysis were used to pre-structure and to analyse the material.

6.2.2 Qualitative Content Analysis as a Method for Data Analysis

As soon as the decision was made to conduct a website and documentary analysis instead of a field study or survey, the question of how to analyse these data shifted to the foreground. In the literature, several alternatives are suggested to analyse written texts or “naturally occurring materials” such as corporate websites: among others (1) “free” text analysis, (2) discourse analysis, and (3) qualitative content analysis. Peräkylä (2005) argues that free text analysis or as he calls it “an informal approach may, in many cases, be the best choice as a method in research focusing on written texts” (p. 870). The author explains that:

In many cases, qualitative researchers who use written texts as their materials do not try to follow any predefined protocol in executing their analysis. By reading and rereading their empirical materials, they try to pin down their key themes and, thereby, to draw a picture of the presuppositions and meanings that constitute the cultural world of which the textual material is a specimen. (Peräkylä 2005, p. 870)

Discourse analysis deals with the social construction of reality through texts. Discourses are on the one hand the “product” and also the “producer” of social

practices (Zanoni and Janssens 2003). Several different approaches to discourse analysis exist in different disciplines such as linguistics or social psychology (for an overview see Peräkylä 2005). For instance, Mescher and colleagues (2006) have used both a content analysis and discourse analysis to analyse websites on work–life balance. But, although it is recognised that websites can be interpreted as forming a part of the organisational discourse, discourse analysis itself attempts to investigate power relationships and this goes beyond the research objectives of this study.

In the content analytical literature, several competing methods exist (see Atteslander 2003; Fröh 2001; Kromrey 2002). Due to the nature of the non-reactive material which could not be influenced by the researcher, free text interpretation had been combined with qualitative content analysis techniques (for the latter see Mayring 1983, 2003a; Mayring and Gläser-Zikuda 2005). This method has proven successful in various contexts of application in different German fields of research because it allows being adapted to the particular research problem (see Mayring 2003a; Mayring and Gläser-Zikuda 2005) and because the method allows analysing the content of texts or communications in a systematic way as well as developing theory and propositions (see Mayring 2003a). Concerning the latter aspect, the qualitative content analysis builds on Glaser and Strauss's (1967, 2005) research. Glaser and Strauss (1967, 2005) developed a "grounded theory" approach and suggested methods and processes of generating theory: "Generating a theory from data means that most hypotheses and concept not only come from the data, but are systematically worked out in relation to the data during the course of the research" (Glaser and Strauss 1971, p. 6). Their approach does not aim at finding a general set of hypotheses but at capturing the complex reality in a "conceptually dense diagnose" (see Kromrey 2002). The authors do not suggest a "recipe" or fixed method on how to generate theory: "Our principal aim is to stimulate other theorists to codify and publish their own methods for generating theory" (Glaser and Strauss 1971, p. 8). For their research, they have used extensive data collection, permanent data analysis, and immediate feedback of the analysis with the data. Sub-steps of this approach are theoretical sampling, coding, writing memos, developing basic concepts, arranging of memos, and theoretical writing, i.e. the summary of the theoretical results for publication (see Glaser and Strauss 2005).

For this study, qualitative content analysis is a useful and appropriate method in designing the coding sheet and in structuring the material from corporate websites and documents. The key task of content analysis is the theory-guided generation of categories (Atteslander 2003) with the objective of, for instance, developing theory, propositions, and classifications (Mayring 2003a). "Theory-guided" means that every decision in the content analytical process is made on the basis of or by consulting the state of the art in the respective field of research. Qualitative content analysis follows systematic rules of analysis that are important for the quality of the analysis: First, the material is analysed in its communication context. Second, the content analysis is rule-based. Third, the analysis is evaluated according to pre-defined criteria (Mayring 2003b).

6.3 Qualitative Content Analysis of Corporate Websites

The objective of content analysis is to analyse texts or other material of communication in a systematic way; not only concerning its content but also the context or the latent sense of the material (Mayring 2003b). These documentations of communications can also be websites and written material provided by the organisation, such as company documents. This communication is embedded in social situations or contexts, and content analysis is also based on models of communication with a sender and a recipient of the text (see Atteslander 2003). The analysis of websites and company documents in this study is primarily interested in gathering more information about how the “senders,” i.e. the companies, convey their understanding of sustainability and HR-related issues. In this study, “recipients” of this communication could be for instance imagined as being potential or future employees of the company.

6.3.1 *Advantages and Limitations of Qualitative Content Analysis*

Qualitative content analysis offers several advantages, but also limitations of the method have to be taken into account when evaluating the informational value of the findings and their generalisability. Mayring (1995, p. 213, 2003b) mentions the following advantages of qualitative content analysis:

- Access to reality via subjective interpretations of verbal or non-reactive material.
- Systematic, rule-based and step-by-step process with the help of pre-determined techniques such as structuring, explication, and summarising.
- A system of categories to structure and analyse the material that is developed during the data analysis in various feedback loops.
- Qualitative content analysis, which allows processing large data quantities.
- Quantitative steps of analysis (such as frequency analysis or more sophisticated statistics), which can be combined easily with qualitative ones.
- Evaluation criteria like inter-coder reliability, which can be applied to the method because qualitative content analysis follows pre-defined rules.

These advantages of qualitative content analysis are sought to contribute to more precise findings than “free” text interpretations (Mayring 1995), i.e. text interpretations that do not follow systematic guidelines. The advantage of content analysis from non-reactive data is that the data collection process is not influenced by those who are being researched, e.g. they cannot respond in a socially desirable way (Petermann and Noack 1999). The disadvantage of a website and documentary analysis is that those who are researched cannot respond at all and that no additional information can be assessed that is not publicly available.

Qualitative content analysis has also been criticised frequently. The proponents themselves see the limitations of the method in its strength. Qualitative content

analysis is a systematic method but this systematic process might not be adequate for every research problem, as the danger could be that the procedure is too static or inflexible for exploration. For instance, Mayring (2003a, b) recommends for very open explorative research problems the use of more open approaches like grounded theory (Glaser and Strauss 1967) or a combination of methods. Additionally, Mayring (2003a) points out: “The actual classification of text material to content analytical categories remains a process of interpretation – even if controlled by content analytical rules” (p. 7; translated from German by the author). In a similar vein, Kromrey (2002) points out that the “objective” element in qualitative content analysis is the systematic way of data acquisition, but other than that the method remains subjective – but he remarks that this applies also to other research methods. Finally, interpretations of text material remain always “unfinished,” as the material could always be used for further (re)analysis (Mayring 2003a, p. 34).

6.3.2 Overview on the Process of Qualitative Content Analysis

Mayring (2003a) differentiates three main techniques for analysing data, i.e. summarising, explication, and content-based structuring (for a more in-depth account of these techniques see Mayring 1995, 2003a). Following pre-defined content analytical rules, “summarising” has the objective of reducing the material up to its main content, the product of which is a clearly arranged text. The summarising technique is preferred whenever the focus of the analysis is on the content of the material and whenever a short text reflecting this content is needed (Mayring 1995). The objective of “explication” is not to reduce the material but to collect further data on its context in order to improve understanding of the material. Mayring (1995, 2003a) makes a distinction between a “narrow” and “broad” context analysis. The narrow context analysis adds material from the direct environment of the text to help interpreting it. The broad context analysis includes also information beyond the text to enhance its understanding such as material on the communicating party and its socio-cultural background. Finally, content-based “structuring” aims at arranging the material according to pre-defined dimensions and categories that are deduced from theory (Mayring 1995, 2003a). For this study, a combination of the three content analytical techniques has been chosen. Most importantly, here was the structuring technique because it was used to develop a coding sheet that supported data collection from the websites and the summarising technique to reduce the material collected.

Due to the non-permanent nature of websites – i.e. part of the websites can be changed or deleted over time – data collection and also a large part of the data analysis have to be made simultaneously. This data collection and analysis process followed Mayring’s (1995) general content analytical model, which was adapted to the research objectives of the study and to the material available. The adapted model included the steps illustrated in Fig. 6.1. The first five steps of this process

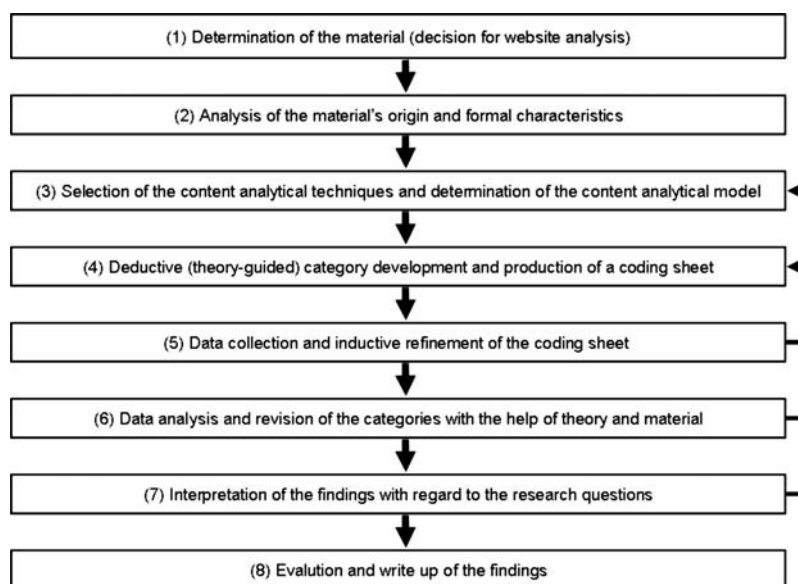


Fig. 6.1 Content analytical process model of the study

Source: adapted and extended from Mayring (1995, pp. 210–212, 2003a)

had to be made simultaneously, while the last three steps could be done after the data were collected from the websites.

The *first* step of this process was to determine the material for the exploratory part of the study, i.e. to choose corporate websites for analysis as described in Sect. 6.2 (see Fig. 6.1). The *second* step was to analyse the origin and formal characteristics of the websites. Mayring (1995) points out that this is an important step in the research process. In qualitative content analysis, every text is perceived as being part of a “communication chain” (Mayring 2003a, p. 27). The *third* step was to select the content analytical techniques and to determine the content analytical model (Fig. 6.1). The structuring technique was chosen to extract and collect material from the websites and for preparing the development of a coding sheet.

In order to pre-structure the material from the websites, deductive categories were produced in the *fourth* step informed by the literature review conducted in Chaps. 2, 3, and 4 and included into a coding sheet. At that point of the qualitative content analysis, Mayring (1995, 2003a) recommends to formulate for every category a definition, anchor examples, and coding rules. The objective of the coding rules is to guide the analysis of the material. Definitions and anchor examples were not produced at that point because data collection was supposed to be exhaustive for the categories that had been produced and because the author could not influence the content of the material. The coding rules were kept simple because the main interest focused on the content of the websites. Two main coding rules were produced: First, the website material was included into the coding sheet whenever one of the deductive categories appeared as a key word on the websites.

Second, the website material was also included whenever additional keywords appeared on the websites which could be drawn into the existing categorisation. At that point, it was checked whether the original categories had to be revised or extended, i.e. if necessary a new category was produced. The final coding sheet contained two main sections and was developed for pre-structuring the website material. Mayring's (2003a) "structuring" technique was applied, which is one of the most important content analytical techniques and the "explication" technique. The material for explication was determined; hyperlinks and characteristics of the websites were chosen for narrow context explication; and analysis of documents (PDFs) provided on the websites were chosen for broad context explication. However, in some cases even more material needed to be included, for instance, when the websites displayed "theories of practice". In that case, further sustainability and HRM literature was used to provide a further background for a broad context explication.

The *fifth* step was to collect the data, i.e. to extract as well as copy and paste the text material from the websites into the coding sheet following the coding rules. The material of some websites could not be stored or copied and pasted into the coding sheet. In that case, the material was typewritten manually. The coding sheet was refined in this process, and if necessary the categories were adapted accordingly. Data from the websites and company documents (i.e. HR policies, Sustainability Reports, CSR Reports, or Annual Reports) were coded and analysed.

The *sixth* step was to analyse the website material company documents and to identify examples representative for the categories. The coding sheet allowed finding the corresponding examples rather quickly without using software for qualitative content analysis.⁸ The structuring technique foresees to start off data analysis by marking the places of finding (*Fundstellenbezeichnung*) (Mayring 1995, 2003a). Places of finding were marked by using the search function of the text processing software and different colours for different categories. The passages that contained examples for the corresponding category were extracted from the material. Further categories were inductively developed from the material.

The *seventh* step was to interpret the website material with regard to the research questions and to write up the findings. Whenever it made sense in the course of writing up the material, frequency analyses have also been conducted, which is an additional content analytical technique (see Mayring 2003a). Following the idea of the explication technique, the context of the interpretation and understanding of sustainability, as it was represented on the websites, was taken into account when analysing and comparing the definitions. An act of interpretation from the researcher's point of view is the assumption that companies that hyperlink topics such as "sustainability" to "our employees" implicitly or explicitly make the connection between sustainability and HRM (what has been described as the sustainability–HRM link). The understanding and meaning of sustainability operated as a context for the following analysis.

⁸For qualitative content analysis software see Mayring (2000, 2003a, pp. 100–108).

Finally, the *eighth* step was to apply the pre-defined quality criteria for qualitative content analysis in order to evaluate and identify strength and limitations of the exploratory part. In research reality, this process has been iterative including multiple alterations between theory and material indicated by the reverse arrows in Fig. 6.1.

6.3.3 *Inductive Category Development and Deductive Category Application*

The development of inductive and deductive categories (see Fig. 6.1) is the central task of qualitative content analysis (Mayring 2003a). Deductive categories were produced to design a coding sheet for collecting the material from the websites, and inductive categories were produced from the website material. According to Reinhoffer (2005), categories are descriptive patterns for analysis. Categories are more abstract than the material that they attempt to structure. For this study, the focus was on structuring the content of the websites; accordingly, the categories chosen were content-related and based on prior literature.

Prior literature has provided categories on how HR practitioners interpret the link between sustainability and HRM. But, the objective of this study was to understand how companies communicate what they are doing to link sustainability and HRM and why. Practitioner literature available on the websites of the WBCSD and the findings provided by Zaugg et al. (2001) published in Thom and Zaugg (2004) were used to produce the first categories and to support the development of a coding sheet. Zaugg et al. (2001) sent a mail questionnaire to all members of eight European HRM associations in Switzerland, Germany, Italy, France, Spain, Austria, United Kingdom, and The Netherlands to learn more about the understanding of sustainability in HRM practice. In this, 1,016 of 6,420 companies and institutions returned the questionnaire. Among others, the respondents were asked to associate freely on the expression “sustainability in HRM.” The practitioners connected about 300 different terms which the scholars clustered into 20 categories. These categories linking “sustainability and HRM” in the understanding of HR practitioners have been used as a point of departure to develop the coding sheet: HR development, employee skills, strategy/planning, leadership/consulting, remuneration systems, value orientation, HRM exclusive HR development, workplace/working conditions, involvement/loyalty, employee well-being, relationships/stakeholder, context, culture/structure/management, progress/innovation, stability, quality, corporate development, controlling, and information/communication (Thom and Zaugg 2004, p. 227). The authors indicate that the respondents did not differentiate clearly between categories and HR practices because of the free associations requested in the questionnaire. To adapt the categories to the research objectives of this study, some had to be deleted or modified: categories going beyond the research objectives were deleted, others were included. The resulting list of categories linked to sustainability and HRM was included into the coding sheet.

Further HR website material was not included into the analysis because it does not indicate per se whether the companies link it to the idea of sustainability or not. The website content was used as text material when the categories appeared as key words on the websites. The coding sheet, categories, and coding guidelines were refined after collecting approx. 20–30% of the material from the websites to cover the issues that the companies associated with sustainability and HRM. The new list of categories included the following key words: HR development (employee or talent development and training); employability, lifelong learning, employment; demographic trends, aging workforce; employee health and safety; employee well-being; quality of life; work–life balance; employee satisfaction; employee relations; employee involvement and participation; gender and cultural diversity; careers; performance, remuneration, reward systems; motivation; leadership values; strategy, strategic planning; value orientation; ethics, care and social responsibility; justice, human rights and global mobility/International HRM.

The coding sheet was designed in an iterative process with the conceptual part of the study during the first two periods of data collection. The data from the websites were used to refine the coding sheet. A coding sheet for each of the companies was created to structure and store the texts of the websites and to facilitate analysis of the material. The first section of the coding sheet was designed to collect background information on the companies and basic data. These included the hyperlink to the main website and the date of data collection, the industrial sector(s) in which the organisation operates, the number of countries and continents in which the organisation and its subsidiaries are located, the worldwide number of employees, and the hyperlink to the key financial indicators. The hyperlinks were collected to facilitate future searches on the websites and to document the sources of origin of the material.

The second section of the coding sheet was designed to support investigation of the first exploratory objective, i.e. to produce examples on the representation of the sustainability–HRM link on corporate websites (see Sect. 1.4.2). This section contains information that could be extracted from the websites and company documents on the explicit or implicit link between sustainability and HRM issues. Specifically, material was collected on the following:

- The definition, understanding and application of sustainability
- The hyperlinks to the website on sustainability and HR issues
- The contact persons for sustainability or for sustainability and HR
- The key HR practices and strategies related to sustainability
- The objectives and drivers for linking sustainability to HR activities
- Paradoxes, dualities, or dilemmas involved

Information on the context of these data were collected; for example, where the information has been placed on the website, if it had the form of a CEO mission statement or that of a corporate strategy, policies, or principles, whether the information was also included in some sort of company report and whether the practices and strategies mentioned were intended or implemented.

Every website search process started on the main website, and then hyperlinks were followed up to the topic of sustainability and HR issues. The list of categories was used to decide whether the material on the websites was copied and pasted into the coding sheet or not. If the search was not successful, the search function was used. A total number of 234 pages (90,352 words) of data were extracted from the websites and 54 additional company documents were collected. The company documents are PDFs provided on the websites for downloads such as Sustainability, CSR, Annual Reports, or HR policies (if linked to sustainability).

6.4 Evaluating Qualitative Content Analysis

Assessing the quality of research is important because researchers want and need legitimacy to carry on with further research. Traditional criteria to evaluate (mostly quantitative) research in social sciences are objectivity, different forms of reliability (“stability and accuracy of the measurement and continuity of the measuring conditions”), validity (“if the measures measure what needs to be measured”) and generalisability (e.g. Friedrichs 1999; Yin 1994).⁹ These criteria are widely used for testing theories in management and HRM research. They are based on the assumption of methodological monism and understand the role of the researcher as a neutral observer. Some qualitative scholars do not only question this neutrality but they do also demand to be consciously subjective when interpreting data and when interacting with the research objects/subjects (e.g. Denzin and Lincoln 2005b). In qualitative research, a large variety of evaluation criteria have emerged with different assumptions about the nature of truth, representation, or reality inspired by different positions in the philosophies of science (Johnson et al. 2006).

For qualitative content analysis, Mayring (2003a) suggests the use of specific criteria for qualitative content analysis such as “inter-coder reliability” or “semantic validity.” Inter-coder reliability refers to the coding of the material by more than one person and the comparison of the coding results as described, for instance, in Point and Singh (2003). This has been done in this study (see Sect. 6.2.1). Semantic validity refers to the correctness of the reconstruction of the material’s meaning, which can be checked with the help of experts (Mayring 2003a). The reasons for deducing these specific criteria for qualitative content analysis from traditional criteria of validity and reliability are two-fold.¹⁰ First, qualitative researchers are seeking for legitimacy of the findings from quantitatively oriented peers, from research granting bodies, and from reviewers evaluating their work for potential publication. Second, Mayring (2003a) also mentions the connectivity of qualitative and quantitative research as a reason (see also Mayring 2001). Mayring (2005) discusses the possibilities to generalise findings from qualitative content analysis.

⁹For an overview of threats to validity see Van de Ven (2006).

¹⁰For further evaluation criteria see the overview in Mayring (2003a, p. 110).

The suggestion of these specific criteria, however, does not pay attention to the concern which Johnson and colleagues (2006) raised recently. They observe as well that both the assessment of good quality in qualitative research and the acceptance of qualitative research by (quantitatively dominated) mainstream researchers have become problematic (Johnson et al. 2006). The scholars bring the debate on this issue to the point of asking whether quality criteria for qualitative and quantitative research are universal and applicable across different research contexts (or philosophies of science), or whether particular evaluation criteria have to be applied for qualitative research that are consistent with the underlying philosophy of science. The authors argue that “appropriate” evaluation criteria should be chosen for each philosophical position:

Given this context, it is crucial that management researchers are able to deal with the ensuing uncertainty caused by the profusion of philosophical perspectives, research techniques, modes of presentation, etc. evident here by being able to assess qualitative management research fairly, using the *appropriate* evaluation criteria in a reflexive manner. (p. 134; italics in the original)

In the case of qualitative content analysis this leads to a puzzle. According to Mayring (2003a), qualitative content analysis follows the interpretative paradigm. The interpretivist paradigm tries to understand the processes of social interactions, i.e. the perspective of the subject instead of a researcher-imposed perspective. But, the evaluation criteria suggested by the author follow a different paradigm. The philosophy of science underlying Mayring’s (2003a) understanding of interpretivism could be labelled what Johnson and colleagues (2006) following Alvesson and Deetz (2000) call “neo-empiricism.” Contrary to Mayring’s position, constructionists would for instance argue that “categories are not, however, neutral resources of description” (Peräkylä 2005, p. 874). This refers less to the content of the categories but to how categories are being used.

However, the problem about “consistency” is that it might breed intolerance and lack of understanding for the “other” perspective. This is also one reason why a multi-paradigm approach has been advocated for in this study (see Sect. 1.5.2). When arguing for consistency of world views and quality criteria, it has to be taken into account that this could increase instead of decrease oppositions between different positions in the philosophies of science and that alternative positions trying to bridge between competing paradigms may not exist – but they do (see Denzin and Lincoln 2005b). While the question of how to assess qualitative research is none that can be settled definitely and certainly not in this thesis, it is an important one for future HRM research. The corresponding research communities have to agree on how they want qualitative research to be evaluated – from a universal or from a pluralist stance. There are good arguments for both sides and many of them have been exchanged and discussed in fields that use qualitative methods. The universal position relies on objectivity, reliability, validity, and generalisability across different paradigmatic positions. The pluralist stance would allow different assessment criteria that have to be consistent with the corresponding philosophies of science as Johnson and colleagues (2006) suggest. But, this would also be a big step for HRM research

because it reduces comparability of research results and could foster disintegration of research communities. For the practice of HRM research, the implication is that scholars might have to become more careful in using qualitative research methods that have been developed from different philosophical stances. It has to be transparent in the piece of research which positions have been chosen and why and which assessment criteria are considered.¹¹

¹¹This debate is also important because many research careers and tenures rely on the number and quality of publications in a field as a measure of academic performance. But those who assess research (editors, reviewers) are peers choosing the quality criteria themselves. This contributes to the problem that young and experienced researchers do what they have to do to publish in what is regarded as high quality or “top tier” journals – and this is sometimes not what they might be convinced of as being a contribution to knowledge (see Macdonald and Kam 2007 for an interesting, recent and controversial article on the problem of “quality” and “gamesmanship” in *Management Studies*).

Chapter 7

Findings on the Representation of the Sustainability–HRM Link on Corporate Websites

7.1 Objectives and Structure of the Chapter

The purpose of this chapter is to present and interpret the exploratory findings from the websites and company documents which have been generated by using the qualitative content analysis method (Chap. 6). The representation of the sustainability–HRM link as represented on corporate websites and as being communicated to important stakeholders such as current and potential employees is explored. It is of particular interest to interpret the findings concerning the “theories-in-use”, i.e. to reveal some of the underlying assumptions about the link between sustainability and HRM (see Sect. 6.2.1).

The first exploratory objective of this chapter is to understand the representations of the definition, understanding, and application of sustainability on corporate websites (see Sect. 1.4.2). This contributes to understanding the concepts-in-use on sustainability at the corporate level and provides the context for the link between sustainability and HRM. To achieve this objective, the websites have been searched systematically for their definition and understanding of sustainability (see also Sect. 6.2.1). The second exploratory objective is to understand how companies communicate what they are doing to link sustainability and HRM, how they justify it and to produce examples on the representation of this link (see Sect. 1.4.2). This objective connects the exploratory part of the study to the reasoning for sustainability and HRM outlined in Chaps. 2 and 5. It is explored how European members of the sustainability network WBCSD represent their understanding of the importance of sustainability for HRM on their websites. The examples are produced for the following areas: the reasoning for linking sustainability and HRM, the objectives which companies claim to pursue with a sustainability strategy, the theories-in-use or basic assumptions on the key drivers, and the HR activities which are regarded as linking sustainability and HRM.

The third exploratory objective is to give first indications how the website material could be used to advance theorising on sustainability and HRM (see Sect. 1.4.2) by developing a practice-based model of Sustainable HRM.

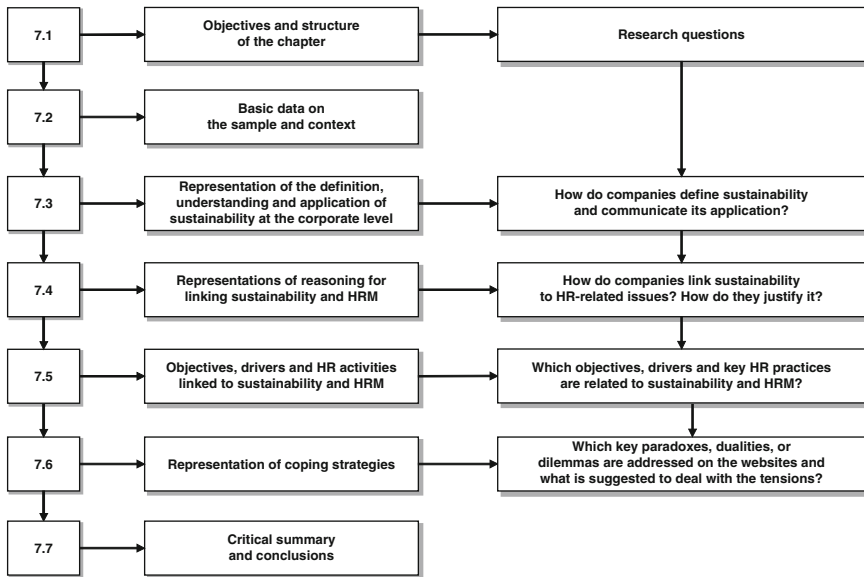


Fig. 7.1 Structure of Chap. 7
Source: compiled by the author

This practice-based model illustrates the “theories-in-use” or basic assumptions about relationships between drivers of sustainability, objectives, and HR practices linked to sustainability and HRM. The fourth exploratory objective of this study is to understand if and which paradoxes, dualities, or dilemmas the companies address on their websites concerning the sustainability context as well as how the companies suggest to deal or to cope with them (see Sect. 1.4.2).

This chapter is structured into six main sections and along the following key aspects deduced from the literature review parts of the study (Chaps. 2, 3 and 4): definition of sustainability, reasoning for sustainability, objectives of and drivers for sustainability and HRM, HR activities related to sustainability and HRM, and the paradoxes, dualities, and dilemmas addressed on the websites (see Fig. 7.1). This deductive procedure meets limitations when confronted with the website material. As the researcher has no influence on the kind of information provided on the websites and whether it fits to the issues that are being studied, the inductive approach inherent in the qualitative content analysis is required here. Impulses from the material were included to supplement and challenge conceptual, deductive categories and dimensions.

After this introductory section, the next section contains basic information on the sample which has been chosen for the website and documentary analysis and on its composition. This section also provides information about the context of the material by focusing on the function of websites as a means of stakeholder communication (Sect. 7.2). In the third section, the definition and understanding of sustainability is analysed in the corporate context as it is applied and represented

on corporate websites and in company documents (Sect. 7.3). The fourth section is dedicated to the representation of reasoning for the sustainability–HRM link (Sect. 7.4). The fifth section elaborates on the HR-related objectives and drivers of sustainability and the corresponding key HR activities (Sect. 7.5). Sixth, the websites are searched for paradoxes, dualities, or dilemmas in the sustainability context and for coping strategies as represented on the websites (Sect. 7.6). In the last section of this chapter, the main results are summarised and consequences for the conceptual part of this work are drawn (Sect. 7.7; see Fig. 7.1).

7.2 Basic Data on the Sample and Context

The websites of 50 European member organisations of the WBCSD have been selected as a sample for further analysis (see Sect. 6.2.1). Of the total number of websites (82), 32 had to be excluded because they contained no explicit or implicit link between sustainability and HRM issues on the websites and in the company documents, or because only very short statements were provided (see Sect. 6.3.2). The majority of the websites excluded focus on the link between sustainability and environmental issues and neglect linking sustainability to HR topics (see Appendix 1). This can be explained by the historical development of the WBCSD network. In its beginning, many of the companies joined the network because of environmental concerns or legal pressures and only in recent years the social dimension of sustainability has become increasingly recognised. For instance, Novo Nordisk (DK) describe this development as follows: “Our first reports dealt solely with environmental issues, but over the years our reports have developed to include social and socio-economic aspects and sustainability issues in general” (Novo Nordisk, DK, accessed 26/01/2007).

7.2.1 Composition of the Sample

All 50 corporations are multi-nationals with their headquarters located in 15 different European countries (see Appendix 2). The sample was composed of 11 German, 8 Dutch, 6 British, and 5 French companies as well as 3 each from Denmark and Norway, 2 from Finland and Sweden, and 1 each from Croatia, Greece, Ireland, Italy, Portugal, and Russia (see Table 7.1). The number of countries in which these European MNEs are represented worldwide varies from being represented only within Europe to up to 140 countries all over the world. The number of employees worldwide per company ranges from 2,300 to 344,900 based on the numbers from the year 2005. Seven companies employed less than 10,000 people in 2005, 13 companies employed between 10,000 and 50,000 people, 17 companies between 50,000 and 100,000 people, and 13 companies had over 100,000 employees in the year 2005 (see Appendix 2).

Table 7.1 European WBCSD members included in the analysis

Headquarters	Companies
Croatia	Podravka
Denmark	Brodrene Hartmann, Novo Nordisk, Novozymes
Finland	Fortum, Stora Enso
France	Gaz de France, L'Oréal, Lafarge, Renault, Veolia Environnement
Germany	Adidas, Allianz, BASF, Bayer, Continental, Degussa, Deutsche Bank, E.ON, HeidelbergCement, Henkel, Volkswagen
Greece	Titan Cement
Ireland	CRH
Italy	Italcementi Group
The Netherlands	ABN AMRO Bank, Akzo Nobel, Royal DSM, Heineken, ING Group, Royal Dutch Shell, Royal Philips Electronics, TNT
Norway	Det Norske Veritas, Norsk Hydro, Statoil
Portugal	EDP (Electricidade de Portugal)
Russia	Sistema
Sweden	Skanska, SKF
Switzerland	ABB Group, Hoffmann-La Roche, Holcim, KPMG International, Novartis
United Kingdom	BG Group, BP, Deloitte Touche Tohmatsu, Rio Tinto, Vodafone

Source: compiled by the author

The 50 organisations of the sample operate in diverse industries: energy (18.6%), healthcare, building, finance (10.2% each), chemicals (8.5%), consumer goods, automotive industry (6.8% each), paper and packaging, telecommunication, auditing (3.4% each), banking, insurance (5.1% each), and “others” such as sports industry or electronic sector (8.5%) (see Appendix 2). Regarding the application of sustainability as a concept at the corporate level some of these organisations are pioneers in their countries or industry sectors (e.g. Podravka, Sistema) whereas others have taken over a leading role in their industries (e.g. Adidas; Holcim).¹ In short, the idea of sustainability seems to attract many users in different contexts, i.e. companies in Europe differing with regard to company size, industry, or dissemination. The context for this information is the medium in which they are embedded – corporate websites and documents.

7.2.2 *Websites as a Means of Stakeholder Communication*

In qualitative content analysis, the context of a communication is taken into account when interpreting the material (see Sect. 6.3.2). The communication on websites is usually unidirectional from sender to recipient, i.e. the communication follows a simple communication model from communicator to text to the recipient of the text. But, on 32 of the 50 websites companies tried making way for bi-directional communication in that they offered a contact possibility for the “recipients” of communication interested in sustainability or social responsibility issues linked to HRM. For example, Adidas tries to encourage their website users to give them

¹Key financial indicators of these organisations have not been included in this analysis.

feedback on their Sustainability Report: “Do let us know what you think by writing to us at sustainability@adidas.de” (Adidas, D). In one case (L’Oréal, F), the website contained specifically a remark that interested parties should not try and contact the company for interviews with the managers or for sending questionnaires because the company receives too many enquiries. Instead, L’Oréal tries to provide extensive information to frequently asked questions on its website. In particular, the following websites offered contact to a person responsible for:

- Sustainability and human resources (SKF, E.ON, HeidelbergCement).
- Social responsibility or CSR (Podravka, Novo Nordisk, Stora Enso, Adidas Group, Deutsche Bank, Titan Cement, Akzo Nobel, Norsk Hydro, BG Group, Vodafone).
- Sustainable development in general (Brodrene Hartmann, Novozyme, BASF, Degussa, Henkel, ABN AMRO, Skanska, Hoffmann-La Roche, Holcim).
- Corporate responsibility and sustainable development (ING Group).
- Sustainability and strategy (Allianz).
- Corporate communications or corporate relations (Fortum, Gaz de France, Continental, CRH, Italcementi, Heineken, Det Norske Veritas, Rio Tinto).
- A general web contact form was offered or no contact possibility at all (Statoil, Sistema, BP, Deloitte, Renault, Bayer, Volkswagen, Royal DSM, Royal Dutch Shell, Royal Philips, EDP Group, ABB, KPMG, Novartis).²

It appeared that most websites were produced by the companies themselves. But this cannot be stated definitely, unless some information has been marked on the websites. Some companies have used consulting companies such as Price Waterhouse Coopers to help them setting up the content of their websites.

As has been pointed out previously, the websites are communications between, for instance, the companies in their role as employers and potential or current employees as one important stakeholder group. Further important stakeholder groups addressed by the websites on the companies’ commitments to sustainability are shareholders, suppliers, clients, partners (of alliances), local communities, non-governmental organisations (NGOs), media, and authorities. Objectives of the “open” and “continuous” stakeholder dialogue (or “stakeholder communication channels”) on sustainability are transparency, legitimacy, trust, and accountability with the ultimate of good, continuous stakeholder relations and of maintaining the “licence to operate”. To add credibility to these claims, many companies of the network commit themselves to financial, ecological, and social monitoring tools such as the United Nations Global Compact initiative. In summary, corporate websites are an important tool for stakeholder dialogue which becomes particularly apparent when studying the companies’ statements on sustainability. Exemplarily, Lafarge’s CEO communicates that he takes stakeholder concerns into account and

²In order to facilitate reading of the text, the links to the websites and access dates have not been provided in the text but in the appendices. However, examples are given in the text by providing the names of the companies.

that the company is interested in continuously exchanging views with different stakeholder groups:

Our sustainable development policy implies permanent exchanges and dialogues. With our stakeholders, who keep a critical eye on our actions and results. And in a logic of global and local partnerships, to benefit from the best expertises. (Bruno Lafont, Chief Executive Officer (CEO), Lafarge, F, accessed: 30/09/2006)

Difficulties in this attempt are going to be outlined in the section on tensions and paradoxes. Before, however, it is explored how companies define and represent their understanding of sustainability on the websites. For the reasons explained in the methods section, the corporate level is taken into account first (see Sect. 6.3.2), before the attention is shifted to the HR-related issues linked to sustainability.

7.3 Representations of the Definition, Understanding and Application of Sustainability

The first exploratory objective of this chapter is to understand how European members of the sustainability network WBCSD define, understand, apply, and represent sustainability on their websites (see Sect. 7.1). For this purpose, the websites have been searched for the contexts of providing the sustainability definition (e.g. corporate policies), the definition of sustainability or related concepts, and the objectives of and justifications for applying sustainability. This contributes to understanding the concepts-in-use on sustainability at the corporate level and provides the context for understanding the link between sustainability and HRM.

7.3.1 Concepts-in-Use and Customised Application of Sustainability

The three main concepts-in-use on the websites are sustainability, sustainable development, and (Corporate) Social Responsibility. 13 companies use the concept of “sustainability”, 20 the concept of “sustainable development”, and 13 the concept of “CSR” or “social responsibility (SR)”. Additionally, one company, Novartis (CH), has chosen the concept of “Corporate Citizenship (CC)”; one used CC in connection with CSR (Sistema, RUS), and Royal DSM (NL) applies the term “sustainable entrepreneurship” in the context of sustainable development. Despite a different labelling, these websites have been included into the analysis, because they mention the same HR issues as those companies referring to the notion of “sustainability” and sometimes the companies seem to use these concepts interchangeably. Also, overlaps between these concepts have been recognised in prior literature (see Sect. 2.2.2). Table 7.2 illustrates exemplarily sustainability definitions provided by the companies, the objectives they mention for the corporate level, and the reasoning for sustainability.

Table 7.2 Exemplary corporate definitions of sustainability, objectives and reasoning

Definition of key concept (key concept in <i>italics</i> in the definition)	Objectives (reasoning)
“To Novo Nordisk, corporate <i>sustainability</i> is about innovation, opportunity and planning for the long term. It implies a more inclusive view of a business and its role in society; one in which engagements with stakeholders are not just used to legitimise corporate decisions, but rather the foundation for doing business and driving commercial growth” (Novo Nordisk, DK, accessed 30/09/2006)	Improving quality of life More than legitimacy (innovation/efficiency-oriented reasoning)
“Stora Enso uses <i>sustainability</i> as the umbrella term to describe responsible business operations that include economic, environmental and social responsibility” (Stora Enso, FIN, accessed 30/09/2006)	Responsibility (social responsibility-oriented reasoning)
“The notion of <i>sustainability</i> can only be effective if it is firmly integrated into organizational and management systems. We have therefore created structures to promote sustainable business activities – from strategic planning to implementation” (BASF, D, accessed, 31/01/2007)	Sustainable performance Safety, health (impact control)
“We associate the term <i>sustainability</i> with forward-looking actions - and the related goal is being able to pass on a healthy environment as well as stable economic and social conditions to coming generations” (Deutsche Bank, D, accessed 30/09/2006)	Stable economic and social conditions (impact control)
“For Henkel, <i>sustainability</i> means future viability. We are convinced that sustainable development must give equal priority to economic, ecological and social goals” (Henkel, D, accessed 31/01/2007)	Corporate viability
“As we see it, <i>sustainability</i> is founded on the following basic principles: maintaining a long-term balance between the economic, environmental and social systems, taking responsibility for one’s own actions at all levels: regional, national and global, [and] ensuring transparent communications and fair cooperation” (Volkswagen, D, accessed 30/09/2006)	Responsibility for actions (impact control)
“ <i>Sustainability</i> is integral to all aspects of our business. We strive to balance economic, environmental and social objectives and integrate them into our daily business decisions to create value for all our stakeholders” (ABB Group, CH, accessed 30/09/2006)	Value creation (economic and social performance) (efficiency-oriented reasoning)

Source: compiled by the author

Differences in defining sustainability are subtle and customised, i.e. adapted to the company’s individual problem-solving situation. On most websites, the context for the section on sustainability has been integrated into a corporate policy statement or communication of the corporate strategy. In particular those companies who have chosen the concept of CSR or SR provide a statement on their “commitment” to a responsible way of doing business. In the next step, the definitions of these terms, the objectives, drivers and reasoning provided on the websites have been compared to understand the meaning of the concepts for the companies of the WBCSD network and their “theories-in-use” (see also Table 7.2). Although the companies use a similar vocabulary to address their concerns it is assumed here that diverse understandings underlie these constructs. Thus, the idea of sustainability

seems to attract many users but meanings are adapted to different contexts depending on the company size, industry, key challenges, etc. (see also Sect. 5.2.4).

7.3.2 Objectives of and Reasoning for Sustainability at the Corporate Level

Additionally to or instead of defining sustainability, the companies provide the reasons why they have picked up the idea of sustainability for forming their corporate strategies. Following the logic developed in the previous section, at the corporate level, the companies pursue various objectives with applying sustainability as a business principle:

- Value creation, performance and long-term success
- Obtaining legitimacy for managerial action (“licence to operate”)
- Strengthen a company’s reputation and image
- Creating accountability and transparency
- Improving the quality of life for employees and societies
- Creating trust and trustworthiness

Sustainability is primarily interpreted as a value and as a social responsibility (Table 7.2; see also Sect. 2.5.1). Concerning the social dimension of sustainability, the companies communicate that they are feeling responsible for their employees, for the communities, and some also affirm their commitment to the societies in which they operate. Again, some companies link the social responsibility aspect to performance considerations with the help of the concept of “social performance” (e.g. Novozymes, DK; ABN AMRO, NL; Holcim, CH).

Some companies mention that they are afraid of losing their “licence to operate”, i.e. the support from important stakeholders or social legitimacy which would inhibit them from doing their daily businesses:

The trust of our key stakeholders – shareholders and employees, patients and customers, [...] and the communities in which our facilities are located – is essential. Our “licence to operate” is based on our ability to generate sustainable value. (Franz B. Humer Roche, Chairman and CEO; Hoffmann-La Roche, CH, accessed 06/02/2007)

By displaying a co-operative attitude and the willingness to consider stakeholder views, the companies are trying to create trust. Some companies such as Shell or ABN Amro have learned from their corporate scandals and try to re-create their stakeholders’ trust:

We believe that accountability and transparency are of paramount importance if we are to build trust among our stakeholders . . . ABN AMRO is committed to promoting sustainable development actively across our industry and in business in general. We believe this will help to raise the standards of international business and restore trust among stakeholders, following the crisis of confidence in corporate integrity. (ABN Amro, NL, accessed 01/02/2007)

These and other attempts of trying to convince corporate stakeholders of the companies' values, objectives, and ways of doing business provide the context of understanding how these companies see themselves – as being dependent on important, powerful stakeholder groups and as being in interdependent relationships with them – and hence, how the companies understand sustainability as a way of developing good and continuous stakeholder relationships. Shell, for instance, communicate their awareness that the company has to control side and feedback effects (“impact”) of their business activities on the society and environment:

For our business this is about engaging with our stakeholders to better understand and manage the impacts, both positive and negative, that our operations and products have on society and the environment today, and to identify business opportunities for the future. [...] Making sustainable development part of the way we work means learning to look at all aspects of our business through a new lens. This lens lets us see the world through the eyes of our stakeholders and helps us to understand the many ways, good and bad, that our business activities affect and are affected by society and the environment. (Royal Dutch Shell, NL, accessed 02/02/2007)

The material from the websites indicates that the companies use sustainability as an idea or business principle to develop corporate strategies and policies, that many companies go for a customised approach to defining and implementing sustainability, and that sustainability is mainly interpreted as a value or “social responsibility” – even if the reasoning for sustainability could also be explained from an economically rational perspective. However, it seems that differences in applying sustainability and concepts that are regarded as similar are subtle and that the full potential of sustainability as a concept for HRM cannot be tapped by pursuing the approaches and understanding described in this section. This assumption is further examined and illustrated in the following section.

7.4 Representations of Reasoning for Linking Sustainability and HRM

The second exploratory objective of this study is to understand how companies communicate what they are doing to link sustainability and HRM (see Sect. 7.1). Examples are produced on how the WBCSD members represent the sustainability–HRM link on their websites and how they justify it. The hyperlinks on the websites are used to make assumptions on this link explicit – an attempt to understand the implicit and underlying theories in use and assumptions of the companies.

While the idea of sustainability seems to be quite plausible when it comes to dealing with natural resources, the companies' views differ when it comes to describing how they see the context between the social component and sustainability or between sustainability and HRM. Some organisations link sustainability in HRM to various issues around social responsibility, others emphasise the strategic potential of sustainability for their companies and also for HRM. From the material collected on the websites it became apparent that none of the companies

had used a definition for “Sustainable HRM” and that only one company (L’Oréal) has used a similar term “sustainable human resources policy”. Hence, an indirect approach was taken to find an answer to the question by exploring how the terms “sustainability” or “sustainable development” were defined on the websites or in the documents, how and where on the website (context) the link was made between sustainability and HRM. As the analysis of objectives reveals, companies have social and economic reasons for using sustainability linked to HRM.

7.4.1 Social-Responsibility as a Reason for Linking Sustainability and HRM

Companies with a focus on social responsibility provide immediate access to HRM topics from their main websites via the hyperlinks “(corporate) social responsibility” (HeidelbergCement; CRH; Sistema; KPMG International). Others via the hyperlinks “(corporate) social responsibility” and next “people” (Deloitte Touche Tohmatsu), “employees” (Podravka, Novo Nordisk, Stora Enso, Vodafone), “staff” (Deutsche Bank), or “workplace” (E.ON). Exemplarily, the following quote reveals more about the reasoning for sustainability in HRM:

Social responsibility is about caring for people. For Novo Nordisk, this applies to the people whose healthcare needs we serve as well as to employees. It also considers the impact of our business on the global society and the local community. (Novo Nordisk, DK, accessed 26/01/2007)

This quote interprets social responsibility (and thus implicitly the HRM role) as a caring one (see also ING Group; Holcim). In some cases, this could be interpreted as a paternalistic attitude towards employees (see also Sect. 3.2). Some companies expand the aspect of social responsibility to the support of local communities (e.g. Italcementi) or to the responsibility for their employees’ families (e.g. Titan Cement). On the Renault website it is asserted that HRM plays a vital role in realising sustainability in the company:

There can be no sustainable development without its adoption in every aspect of the company’s activities. In order to implement sustainable development, Renault relies on 3 policies in particular: Its human resources policy, which deals with the social aspects, [. . .]. In this context, Renault employees are at the heart of the Group’s success, and the Human Resources policy is decisive in maintaining and improving its performance and sustainable development. (Renault, F, accessed 30/01/2007)

The companies apply social responsibility for different topics. For instance, Novozymes define social responsibility as “integrating social, human rights and health & safety considerations into our daily business” (accessed 30/09/2006), whereas companies like Continental emphasise that their activities go beyond business aspirations: “the Company and its employees are committed to supporting societies worldwide with projects that promote the public good” (accessed 31/01/2007). BASF take a goal- and performance-oriented approach to social responsibility:

“We want to continuously improve our performance in the field of social responsibility. Therefore we have set ourselves concrete goals” (accessed 31/01/2007). These goals encompass among others developing trustful relationships with local communities, being accepted as an attractive employer, and offering equal opportunities for all employees.

Particularly, pharmaceutical companies like Bayer emphasise that they interpret social responsibility as contributing to improving people’s quality of life. Several companies also address the issue of self-responsibility, particularly when it comes to employee development and career issues. For example, Fortum asserts: “every Fortum employee must have the opportunity to learn and develop, but, at the same time, he/she is personally responsible for his/her own learning and development” (accessed 30/09/2006). Mainly, the companies declare their responsibility for their employees’ health, safety, and development as well as for the communities in which they operate. On some websites, this social responsibility understanding of sustainability is expanded by a more strategic and proactive understanding of sustainability.

7.4.2 Strategic Potential as a Reason for Linking Sustainability and HRM

It can be interpreted from the websites that the companies which extend the responsibility-oriented understanding of sustainability by a strategic understanding of sustainability for HRM relate this to a more resource- and performance-oriented position. For example, on the website of Lafarge it is pointed out:

Integrating sustainable development into performance appraisal: The Lafarge Group does not believe that sustainable development should be the exclusive preserve of a handful of company specialists. Each manager has to be made aware of his responsibilities and understand the strategic benefits of this approach. (Lafarge, F, accessed 29/01/2007)

From the websites it can be interpreted that the companies understand the importance of human resources for (long-term) corporate success. For instance, Adidas assert:

Our people are crucial to our success. Achieving our goal to be the global leader in the sporting goods industry depends on the talents, enthusiasm and dedication of our employees. (Adidas, D, accessed 30/01/2007)

The notion of “long-term” can be interpreted as one indicator for a more strategic aspect of sustainability. Wherever the notion of “long-term” appears on other websites, the companies differ with regard to what it refers to (see also Sect. 2.4.5). Three groups of concepts can be identified. First the notion of long-term refers to (mostly financial) measures of performance such as “long-term business/corporate value” (Brodrene Hartmann; Deutsche Bank; Italcementi; ABN Amro; Hoffmann-La Roche) “long-term economic/commercial success” (Bayer; Deutsche Bank; Volkswagen), “long-term performance”, “long-term sustainable growth” (Novozymes), and “future viability”. Overall, the companies assume that sustainability

as they understand it for their businesses leads to economic advantages or sustained competitive advantage. For instance, Hoffmann-La Roche formulate: “For Roche, sustainable development holds the key to long-term success”. The assumption underlying the causal link between sustainability and sustained corporate performance is, however, just one of several possible ones.

Strongly associated with the financial outcomes, companies use the notion of “long-term” also with regard to the conceptual or strategic aspect, for example, in the context of “innovation, opportunity, and planning for the long term” (Novo Nordisk), “long-term vision” (Renault), “long-term corporate policy” (Volkswagen), or “long-term strategic goals” (Italcementi), “long-term strategy” (Hoffmann-La Roche). In that sense, it is communicated on the websites that the companies interpret sustainability (or sustainable development) as a long-term strategy. “Strategy” is mainly used in the meaning of “plan” (see also Sect. 2.3.2) Finally, some companies use the notion of long-term also for the ecological and social aspects (Stora Enso) such as “long-term quality of life” (Brodrene Hartmann) or to the “long-term balance” of economic, ecological, and social goals’ (Volkswagen).

Long-term success is also connected to the availability of engaged, skilled, and motivated employees – today and in the future (see Table 7.3. But, the reasoning behind this understanding is often (again) social responsibility-oriented like in the case of Deutsche Bank:

Deutsche Bank’s employees create the basis for our long-term success in 70 countries worldwide. Therefore, responsibility for our staff is just as central to our social commitment as is the respect for the countries and cultures in which we operate. (Deutsche Bank, D, accessed 30/09/2006)

Overall, the statements on the long-term aspect of sustainability on the websites are somewhat vague. The companies do not really describe in numbers of years what “long-term” means to them. An exception can be found on the website of Hoffmann-La Roche. The company associates its understanding of “long-term” with their product development time of 12 years. Overall, the representations of the sustainability concept remain focused on an indefinite point in the future and it becomes sometimes difficult to differentiate the rhetoric on sustainability and strategy from what strategic management scholars have suggested in their approaches to strategic planning.

Although the sustainability definitions do not refer explicitly to the link between HRM issues and sustainability, this link is made indirectly when companies lead from the sustainability website to HR-related issues and to the objectives they want to achieve by applying their understanding of sustainability to corporate processes and strategies. However, the full potential of sustainability as a strategy for HRM as described and explained in Chap. 2 does not seem to be tapped. There are still some companies which link sustainability and strategy but not sustainability, strategy and HRM (e.g. BASF). These companies equate the social dimension of sustainability with social responsibility, only. This interpretation of sustainability is focused more on the present than on the future and thus lacks to use the potential of sustainability as a concept for dealing proactively with the HR base.

Table 7.3 Sustainability and the objective of becoming employer of choice

HR-activity (category)	Examples
Investing into employees or talent and knowledge	<p>“Podravka’s strategy is to be an ‘employer of choice’: [...] as an employer of choice Podravka invests into its employees and new knowledge, builds tendency towards learning and a desire for knowledge, encourages ambitiousness, enterprising spirit, desire to win, self confidence, professional behaviour, success and business morale” (Podravka, Croatia, Sustainable Development Report 2005, p. 17)</p> <p>“People – investing in the talent and diversity of the member firms’ current and future workforce” (Deloitte Touche Tohmatsu, UK, accessed 09/02/2007)</p> <p>“Employer of Choice: An engaged and talented staff helps make our business successful, hence our commitment to creating an inspiring, healthy and inclusive work environment. We continually invest in our employees and in developing our current and future leaders. Read more about diversity and inclusion, employee engagement, and our whistleblowing policy” (ABN AMRO, NL, accessed 30/09/2006)</p> <p>“Improve and streamline communication concerning Novo Nordisk and its career opportunities as an employer of choice” (Novo Nordisk, DK, accessed 30/09/2006)</p> <p>“SKF want to be an attractive employer, offering fulfilling careers, with opportunities for development and progression” (SKF, S, accessed 30/09/2006)</p>
Offering career opportunities	
Attractive and challenging work environment	<p>“Attracting and motivating employees: In a highly competitive labor market, the Group must always have the skills it needs. Renault implements policies intended to position the Group as an attractive employer and to cultivate an environment that is both demanding and congenial. The objective is to attract the best recruits and motivate them throughout their professional lives” (Renault, F, accessed 30/09/2006)</p>
Cultural diversity	<p>“Our objective is to become one of the world’s most attractive employers. [...] We try to create a working environment which is as attractive as possible – somewhere our employees feel at home and can develop freely” (E.ON, D, accessed 31/01/2007)</p> <p>“For L’Oréal, developing a sustainable human resources policy means adopting the following objectives: Recruitment of talented people from multi-cultural backgrounds and encouragement of diversity, [...]” (L’Oréal, F, accessed 27/01/2007; bold in original)</p> <p>“To ensure its long-term success in this environment, Henkel relies on employees whose experience, talents and skills reflect the diversity of its markets and customers” (Henkel, D, accessed 31/01/2007)</p>
Gender diversity, equal opportunity employer, advancement of women	<p>“In the company’s talent pool for senior managers, more women were recruited in 2005, which means it is likely that more women will be ready to move into senior management positions in coming years. The company does not favour quotas, but seeks to nurture the best talent for any job” (Novo Nordisk, DK, accessed 30/09/2006)</p> <p>“An exemplary equal-opportunity employer. For Roche, equal opportunity means treating all employees equally” (Hoffmann-La Roche, CH, accessed 06/02/2007)</p> <p>“Holcim is an equal opportunities employer and makes no distinction on the grounds of gender, sexual orientation, race or religion. [...] We work hard to ensure that we are an attractive employer” (Holcim, CH, accessed 30/09/2006)</p>

(continued)

Table 7.3 (continued)

HR-activity (category)	Examples
Fostering reputation as a socially responsible and trustworthy employer	<p>“We can only be successful if we enjoy the trust and support of our neighbors. This is why we work at all sites to be recognized as a dependable partner and an attractive employer that takes its social responsibility seriously” (BASF, D, accessed 30/01/2007)</p> <p>“By operating in this way [responsible way and good reputation; the author], we also strengthen our image as an interesting employer, which in part secures our success also in the future” (Fortum, FIN, accessed 30/09/2006)</p>
Family-friendly employer and working mothers-friendly employer	<p>“Global HR focuses on the following goals: [...] to make the Adidas Group the employer of choice [...]. We were re-audited in 2004 and awarded the official certificate as a Family-Friendly Employer” (Adidas, D, accessed 30/09/2006)</p> <p>“[...] There are various projects throughout the Group to make it easier for mothers and fathers to return to work. E.ON Energie offers staff part-time employment during parental leave to gradually reintroduce them to working life. [...] five or six years parental leave with a re-employment guarantee [...]; tax-free voucher[which] can be used to pay for childcare and school fees, school meals and sports; [...] free childcare in the form of trained babysitters [...]” (E.ON, accessed 31/01/2007)</p> <p>“In the United States, Bayer Corporation is a leading employer when it comes to promoting the interests of working mothers” (Bayer, D, accessed 31/01/2007)</p>
Paying attention to employees’ work–life balance	<p>“We are also seeing the emergence of new attitudes about work, with many employees seeking more flexibility. Even those happy to pursue an established development path expect a healthy work–life balance, as well as excellent rewards. And everyone expects – quite rightly – to work in a positive environment with opportunities to progress” (KPMG, CH, accessed 30/09/2006)</p>
Succession planning; talent pool	<p>“A successful company must be able to rely on an excellent management team and highly trained employees. By encouraging our employees in a targeted way, we create the basis for sustainable succession planning. Wherever possible, positions are being filled from among our own ranks with highly skilled and operationally experienced employees. [...]” (HeidelbergCement, D, accessed 30/09/2006)</p>
Job satisfaction; motivation	<p>“The image of Fortum as an employer is very important for attracting new people to and retaining competent employees in the company and for maintaining a high level of job satisfaction. Increasing focus is given to developing the company’s employer image from both an internal and external viewpoint. The image is monitored continuously through internal job satisfaction surveys, the results of which are used to direct actions towards a pleasant working atmosphere” (Fortum, FIN, accessed 30/09/2006)</p>
Remuneration, employee benefits	<p>“Remuneration plays a key role in retaining, motivating and attracting employees. Our remuneration policy and practices are designed to foster outstanding value creation and reinforce a culture of performance and innovation. [...]” (Hoffmann La Roche, CH, accessed 06/02/2007)</p> <p>“At ING compensation means more than just pay. ING believes in offering reward programs that include flexible benefits and great learning and development possibilities. Even though the way in which ING compensates its staff can differ around the world, a general criterion that is applied worldwide is that compensation should be linked to performance. [...]” (ING, NL, accessed 02/02/2007)</p>

Source: compiled by the author

Similarities with regard to understanding sustainability, its meaning for HRM and the topics that are related to it are not very surprising as these organisations form a part of the WBCSD network, i.e. the organisations influence each other on their understanding of sustainability by exchanging information and common workshops. Other factors which might contribute to similar understandings of sustainability and its meaning for HRM are the support of the same consultancies for the construction and approval of the websites and the sustainability strategy (e.g. Price Waterhouse Coopers is mentioned frequently) as well as the use of standardised instruments or guidelines. These instruments and guidelines are, for example, the Occupational Health and Safety Assessment Series (OHSAS) 18001, the Social Accountability 8000 (SA 8000) standard developed by the Council on Economic Priorities Accreditation Agency, the CSR Guidelines for multi-national enterprises produced by the Organisation for Economic Cooperation and Development (OECD), United Nations' Universal Declaration of Human Rights, the International Labor Organization's fundamental principles on rights at work, the OECD Guidelines for Multi-national Enterprises, and the Global Sullivan Principles. On the websites, the companies use their reporting on sustainability issues according to these instruments and guidelines as a way of convincing their stakeholders of their accountability and trustworthiness.

In this section, examples have been produced on the representation of the reasoning for linking sustainability and HRM. Depending on the reasoning for sustainability, different objectives are linked to sustainability and HRM. Next, examples are produced on the objectives pursued, the drivers for this development mentioned on the websites, and the key HR activities which the companies link to sustainability and HRM.

7.5 Objectives, Drivers and HR Activities Linked to Sustainability and HRM

The website analysis reveals that the companies pursue objectives which can be summarised into the following categories:

- Attracting talent and being recognised as an “employer of choice”
- Maintaining a healthy and productive workforce
- Investing into the skills of the current and future workforce
- Creating employee trust, employer trustworthiness and sustained employment relationships

As the examples to illustrate these categories will show, the categories intersect and relate to each other. Based on the literature review and content analysis, several key areas of HR activities have been identified where the companies engage in to achieve these objectives (see also Appendix 3):

- Employee or talent development and training (in 41 cases)
- Health, safety and well-being (in 41 cases)

- Equal opportunities and (gender and cultural) diversity (in 34 cases)
- Ethics, care and social responsibility (in 34 cases)
- Workplace quality and work–life balance (in 16 cases)
- Employee relations (in 14 cases)
- Remuneration (in 13 cases)
- Other HR-related issues (such as human rights, job satisfaction, motivation, demography, IHRM, labour cost reduction/restructuring, employee survey, employment, trade unions, careers)

Further issues mentioned on the websites are human rights and ethics with a focus on bribery and corruption. These have been excluded from the analysis because these are felt to go beyond the central topic of this work. It is assumed here, that the quantitative numbers mentioned in brackets suggest relative importance only. A large number of HR activities related to sustainability have the objective of making best use of human resources (economic point of view) or of treating employees well (social responsibility point of view). In the following sections, examples for HR activities are presented that have been extracted from the websites. These examples help illustrating how the companies currently understand the sustainability–HRM link and the language they use to convey this message to their stakeholders.

7.5.1 Attracting Talent and Being Recognised as an “Employer of Choice”

One of the main objectives for linking sustainability and HRM is to attract and retain the best and brightest people by becoming the most highly ranked and attractive employer in the corresponding industries. Twenty companies in the sample use sustainability linked to HR practices which can be subsumed under the category “attracting and retaining talent and becoming employer-of-choice” (see Table 7.3). On their websites, the following HR activities (linked to sustainability) are related to the objective of attracting talent and of being recognised as an employer of choice:

- Investing into employees or talent and their knowledge
- Offering career opportunities
- Offering an attractive and challenging work environment
- Cultural and gender diversity
- Fostering the company’s reputation as a socially responsible and trustworthy employer
- As a family-friendly or a working mothers-friendly employer
- As an employer who takes employees’ work–life balance seriously
- As an employer who cares for employees’ job satisfaction and motivation
- For remuneration and employee benefits (see Table 7.3)

Drivers for this development are employees becoming scarce, an increasing diversity of workforces in global companies, and changes in work values, especially

from young recruits. Explicitly, L'Oréal asserts that a "sustainable human resources policy" includes the objective of recruiting talented people from culturally diverse backgrounds. But focusing on cultural diversity is just one of the (personnel marketing) strategies how MNEs try to position themselves to be attractive for talented recruits. Other strategies of employers are to assure that they invest into employees, offer career opportunities or an attractive and challenging work environment, appreciate gender diversity, take care of special requirements of families or working mothers, and convey being socially responsible or trustworthy employers (see Table 7.3). Often, employers mix several of these strategies to attract and retain talented people. For instance, ABN AMRO state:

Being an employer of choice encompasses many aspects: an open and welcoming culture offering equal opportunities; a safe, healthy and stimulating workplace; a transparent organisation with transparent target setting; and fair and competitive compensation. (ABN AMRO, NL, accessed 30/09/2006)

This company also asserts that being an employer of choice is one of the key measures for their sustainability performance. This is particularly interesting because this Dutch bank had to suffer from severe reputation damage when a corporate scandal was released in the press. But now the bank presents itself as an employer of choice and as interested in the most talented employees:

Engaged, able and qualified employees who feel fulfilled and energised, and who embrace our business strategy and culture, help make our business successful. That's why ABN AMRO needs to be an employer of choice with the ability to attract, enthuse and retain the most talented staff. (ABN AMRO, NL, accessed 30/09/2006)

The competition for talented employees has become harder and sustainability is used as one possible strategy in making employers more attractive for recruits – mostly this understanding of sustainability is social responsibility-oriented. But, sustainability becomes also useful if applied as an economic logic because it can help interpreting why employers today are trying to understand talented recruits and their values. In the language introduced in the sustainability literature, employers have started understanding the specific conditions of development, reproduction and regeneration of resources (*Eigengesetzlichkeiten*) and intrinsic values (*Eigenwertigkeiten*) of recruits (see Sect. 2.4.3).

The general objective of all employers is to create a positive image of themselves as attractive employers to attract and retain a highly skilled and motivated workforce. They companies do this because they are convinced that their success and performance is directly linked to the quality of their workforce:

ING wants to be an attractive and stimulating employer. Our business success is directly linked to the motivation and performance of our 115,000 employees. We aim to be a good employer, a great place for employees to work and a company they can be proud of. (ING Group, NL, accessed 30/09/2007)

Sustainability is applied in two main contexts. Either, sustainability is used as a value in corporate cultures to attract talent which share the same values as a means of reaching the objective of becoming employer of choice by building an employer

branding strategy. This way of using sustainability is also connected to the objective of strengthening a company's reputation and image for current and future employees, maintaining legitimacy for managerial action, and creating trust ("licence to operate"). For example Hoffmann-La Roche assert:

The trust of our key stakeholders – shareholders and employees, patients and customers, the medical and scientific community, regulatory and other public authorities and the communities in which our facilities are located – is essential. Our "licence to operate" is based on our ability to generate sustainable value. (Hoffmann-La Roche, accessed 06/02/2007)

Sustainability is used as a concept when (often implicitly) the link is made between the importance of human resources for corporate success and the objective of securing access to human resources by becoming an employer of choice (see Table 7.3). But, how do the companies know if they have succeeded in becoming an employer of choice? Instead of relying on the number of recruits as an indicator, the MNEs assert that they evaluate internally and externally if they are and if not how they could become one of the most attractive employers. Internally, employee surveys are being used to measure job satisfaction, etc., to find out employees' expectations. Externally, a variety of newspapers and journals publish rankings regularly and also some institutes grant prizes for particular employer efforts. For instance, Deloitte Touche Tohmatsu (UK) announces:

During the past five years, DTT's member firms have been recognized as employers of choice on more than 30 occasions. (Deloitte Touch Tohmatsu, UK, accessed 09/02/2007)

These 30 occasions have been places in different "employer of choice" or "best places to work" rankings all over the world and also a "work & life award" granted to the company in New Zealand.³ Similarly, E.ON makes public:

We are particularly proud that E.ON Ruhrgas was once again named one of the best employers in Germany and Europe by the Great Place to Work© Institute Europe in 2006. (E.ON, D, accessed 31/01/2007)

The results of internal and external evaluations are again used for personnel marketing purposes on their websites to attract recruits and to retain those people who are already working for the company. For instance, Continental describe their objective in building and using their reputation and image of being a "responsible" employer:

We are placing a particular focus on our reputation as an attractive employer. It is our goal to achieve a top position in the employer ranking among new graduate recruits. Our personnel marketing supports our efforts through focal activities in Asia, Germany, Eastern Europe and the U.S.A. (Continental, D, accessed 31/01/2007)

³More rankings (e.g. in financial magazines) and awards exist in different countries worldwide. A popular "Best places to work" ranking in Germany is, for instance, published in the "WirtschaftsWoche"; others are from magazines such as Business Week and from Human Resource Consultancies. Well-known awards are granted by a number of institutions such as the EU or the Great Place to Work Institute.

The efforts described in this section are part of what is also called “employer branding” (Sparrow et al. 2004). Global MNEs have started viewing recruits as “customers” to which they try to “sell” their brand as a good employer. The companies make huge efforts in attracting recruits by understanding what matters to them and how to reach them (Hieronimus et al. 2005). It cannot be confirmed by this study that recruits actually do seek for sustainable employers but it can be stated that MNCs included in the sample present themselves deliberately as sustainable and/or socially responsible employers which allows the conclusion that they believe that talents are looking out for this.⁴ For example, KPMG international assert:

KPMG strategy to attract the best, brightest people [...] With many graduates and qualified employees citing CSR as a priority, our commitments are helping us to attract, develop and unite great people. CSR projects enable our employees to learn from challenging experiences; gain fresh perspectives; enhance their skills; and work with a broad range of people - including senior colleagues. (KPMG international, CH, accessed 30/09/2006)

Secondly, cultural, age, and gender diversity is used to attract and retain talents. Gender diversity addresses the “equal opportunity” debate and the concern to provide the same possibilities to female and male employees with regard to salary or career development. As multi-cultural employers, cultural diversity is an important issue for the companies because of the chances and challenges stemming from a diverse workforce. In the next section it is examined, how companies interpret this link between sustainability and HRM and which objectives they want to achieve.

7.5.2 Retaining a Motivated and Healthy Workforce

Most frequently, the topic of “health and safety” is mentioned on the websites. 45 companies include these and similar topics in the context of sustainability and HR issues. The following themes are subsumed under the category “maintaining a healthy workforce”: employee wellbeing, work–life balance, or job stress (see Table 7.4). On their websites, the following HR activities are linked to the objective of retaining a motivated and healthy workforce:

- Health and safety issues
- Ergonomic workplace conditions
- Keeping the workforce fit
- Reducing and preventing stress
- Employee wellbeing
- Work–life balance (see Table 7.4)

⁴The recent Price Waterhouse Coopers (2007) report points towards the same development.

Table 7.4 Sustainability and the objective of maintaining a healthy workforce

HR-related activity	Examples
Health (creating employee awareness for their health; promoting a healthy lifestyle)	<p>“Principle no. 1: Health and safety in the workplace: endeavour to secure health and safety in the workplace by means of cleaner technologies, procedures and practices as well as by the development of competencies and efforts to change attitudes among the employees” (Brodrene Hartmann, DK, excerpt from the sustainability principles; accessed: 25/09/2006)</p> <p>“[...] The company also has NovoSund, a prevention programme that aims to inspire and enable employees and their families to adopt healthier lifestyles and reduce their risk of developing chronic diseases like diabetes. [...]” (Novo Nordisk, DK, accessed 30/09/2006)</p> <p>“Challenge and involvement in a healthy and safe work environment is essential for us. [...] We all strive to create a developing, healthy and inclusive working environment and respect for health and safety must never be set aside. In our daily operations we must all strive to prevent occupational hazards and diseases and follow best practices. [...] We will report openly and honestly on our occupational health and safety performance on a regular basis” (Novozymes, DK, excerpt from the people policy; accessed 30/09/2006)</p> <p>“Keeping our employees healthy is a permanent priority for L’Oréal. Whether it is a question of accidents at work or occupational illnesses, the group intends to pursue the implementation of preventive measures, namely: Removal of biomechanical causes by phasing out packing lines that involve a lot of manual intervention. Increasing awareness and training initiatives for employees and management. – Carrying out job and design ergonomics studies.[...]” (L’Oréal, F, accessed 30/09/2006)</p> <p>“Protecting and promoting health is an obligation that doesn’t stop at the factory gate and this is why we also work closely with external institutions to improve prevention and screening services in the communities in which our sites are located. This also benefits us in the long term” (BASF, D, accessed 31/01/2007)</p>
Safety (reducing risk of work accidents, injuries, fatalities)	<p>“[...] For the organisation as a whole, with the target of a continuous decrease in occupational injuries, efforts focus on prevention. This means that employees are encouraged to report incidents, such as improperly functioning machinery or unsafe conditions” (Novo Nordisk, DK, accessed 30/09/2006)</p> <p>“Every Fortum employee has the right to work without risking his/her health, but, at the same time, he/she is always also personally responsible for his/her own safety and for the safety of his/her fellow workers. Neglecting to follow the occupational safety regulations and instructions, and the use of protective equipment is always a serious matter, which immediately results in corrective action” (Fortum, FIN, excerpt from the safety guiding principles, accessed 30/09/2006)</p>

Ergonomic workplace conditions (reduce risk of occupational illnesses)	<p>“Employee well-being and occupational health and safety (OHS) are seen as top priorities at Stora Enso. The vision is for Stora Enso to be a top performer and quality leader in occupational health and safety within the forest industry worldwide” (Stora Enso, Finland, excerpt, accessed 30/09/2006)</p> <p>“In recent years, Renault has made particular efforts to improve ergonomics. [...] The Group is pursuing a recruitment plan designed to place an ergonomist on every site. [...] ergonomic analysis of workstations is applied at all Renault industrial sites worldwide. [...] The Group is also implementing an active health policy that includes cardiovascular disease screening, information campaigns (tobacco, alcohol, healthy eating, etc.) and a stress clinic” (Renault, F, accessed 30/09/2006, bold in original)</p>
Keeping fit	<p>“In aging societies, it will be more important than ever for companies to ensure that their employees remain fit. Henkel has prepared for this by establishing targeted health promotion programs and providing continuous training for employees of all ages. The health programs of the Henkel companies are designed to take national and cultural factors into account” (Henkel, D, accessed 31/01/2007)</p>
Stress (reducing and preventing stress)	<p>“[...] Renault places particular emphasis on stress screening. Renault was one of the first companies in France to set up a program, run on a voluntary basis, which aims to quantify the problem of stress in order to prevent it more effectively. [...]” (Renault, F, accessed 30/09/2006)</p>
Wellbeing	<p>“Principle no. 2: The well-being of employees and their families: endeavour to secure the well-being of employees and their families by means of relevant local initiatives, practices and procedures that are in keeping with local traditions, conditions and needs” (Brodrone Hartmann, DK, sustainability principles; accessed: 25/09/2006)</p>
Work-life balance	<p>“In 2005, we continued our work aimed at advancing well-being in the workplace and fitness for work. [...] The occupational health service arranged courses and events to promote health and well-being, and carried out physical examinations. In addition, the Business Units had their own projects aimed at maintaining and improving well-being in the workplace” (Fortum, FIN, safety guiding principles, accessed 30/09/2006)</p> <p>“It is not always easy to balance work and private life. This presents a daily challenge for families with children in particular. We fully appreciate that there is life after work. People can only remain mentally and physically healthy and perform well in their day-to-day work if they achieve the right work-life balance. E.ON helps its staff to combine their jobs with leisure and family commitments and strives to cater for each individual’s situation. We offer teleworking, sabbaticals and flexitime. We enable employees to work part time wherever possible. [...], the company offers extended parental leave with</p>

(continued)

Table 7.4 (continued)

HR-related activity	Examples
	<p>a re-employment guarantee, a mentoring system for parents on leave, and various childcare facilities” (E.ON, D, accessed 31/01/2007)</p>
	<p>“Measures to react to an employee survey saying that more and more employees find it difficult to achieve a healthy work–life-balance. [...] We address this by offering flexible working, promoting video or teleconferences to reduce travel, organising midweek meetings to avoid weekend travel, and an e-mail Code of Conduct to improve efficiency” (Royal Dutch Shell, NL, accessed 30/09/2006)</p>
	<p>“[...] Roche has a long tradition of respecting its employees and their need to strike a healthy balance between their personal and family responsibilities and their careers. Wherever possible, we meet employees’ requests for special working arrangements, and we attach great importance to helping our employees reconcile the needs of family and profession. This can be seen in our support for childcare arrangements and our affirmative action for women. There are a variety of working arrangements (including part-time, flexitime, sabbaticals and parental leave for men and women) and facilities for childcare [...] that help employees combine their career and family roles. [...]” (Hoffmann La Roche, CH, Business Report 2005, accessed 30/09/2006)</p>
	<p>“We appreciate the importance of mental as well as physical health. [...], we created a working group to identify stress problems and solutions, and to address life work balance. [...], have initiated employee wellness programmes in recognition of the value of employee fitness and life balance. [...]” (BG Group, UK, accessed 30/09/2006)</p>

Source: compiled by the author

From a sustainability perspective, it does make sense to make efforts to retain and maintain a healthy and productive workforce once talented and motivated employees have been recruited – in particular if the company expects a shortage of qualified people in the future, for instance, due to demographic developments as E.ON describe:

[. . .] In spite of all this, demographic change is making it increasingly difficult to attract and retain well-qualified staff. In the medium term, the number of specialists and managers on the labor market will decrease. We are therefore making a huge effort to recruit new highly qualified employees and ensure talented individuals already at the company stay with us, thus safeguarding our future. (E.ON, D, accessed 31/01/2007)

Several reasons are presented on the websites for the implementation of health and safety measures. First, companies have to follow legal requirements. For some, this seems to be the only reason to engage in health and safety issues. Other companies communicate that their efforts are going beyond legislative requirements. For instance, Allianz promotes that they are offering their staff a healthy working environment as one of their sustainability goals; a commitment which they have made in 2002 following the Global Compact principles set up by the United Nations. And Bayer communicates:

[. . .] Since 1994 we have also played an active role in the global Responsible Care initiative set up by the chemical industry, which endeavors to continuously improve the safety of employees and local communities and the level of health and environment protection – and whose standards often exceed the legal requirements. (Bayer, D, accessed 30/09/2007)

This quotation reveals that Bayer interprets “human health” and “health protection” in analogy to “environment” and “environment protection”. This understanding of health can be found also on further websites. It can be explained by the WBCSD members’ original interest and expertise in environmental issues. Health is treated like a natural resource which must not be “polluted” or damaged. Second, the focus on health and safety measures is triggered by demographic trends and aging workforces which make it necessary to support employees in protecting their health preventively and thus maintaining their ability to perform:

[. . .] Because the workforce is getting older on average, new forms of health management, and continuing education have to be tested in order to stabilize the performance level of older employees. (Allianz, D, accessed 30/09/2007)

Employers assert that they are feeling responsible for their employees. For instance, according to Continental (D), caring for employee health reflects the company’s responsibility for their employees. Some companies commit themselves to providing a safe and healthy work environment because they want to contribute to their image of being an employer of choice and of attracting talent. The importance of individual health has grown in recent years with public health care systems being under financial pressures combined with a growing awareness for individual prevention and promotion of a lifestyle which includes fitness, wellbeing,

and quality of life. Again, many companies use a mix of reasoning for health and safety like Novo Nordisk:

Ensuring workplace quality is not only a serious responsibility for any business, but also a key factor in attracting and retaining a highly qualified workforce. A growing body of research shows the effects of organisational structures and management practices and approaches on workplace productivity, stress and absenteeism. There is an emerging generational gap, with newer members of the workforce having higher expectations for work/life-balance. This underscores the importance of creating workplaces that do not contribute to excessively high employee turnover and burnout. An important factor that determines the quality of the workplace is health and safety at work. (Novo Nordisk, DK, accessed 30/09/2007)

The reasoning for health and safety measures is predominantly justified from social responsibility reasoning and purposefully or not the economic reasoning for maintaining a healthy workforce is neglected or short-sighted on the corporate websites. Short-sighted in the sense, that health protection is used in analogy of environment protection from an efficiency-oriented perspective. But, the strategic potential of maintaining a healthy workforce is not addressed by this line of argumentation; i.e. the substance-oriented reasoning is neglected.

While some companies reveal a deeper understanding of that they need to maintain a healthy workforce and sustain their employees' ability to perform, others are merely motivated by transferring legislative developments into practice. In Europe, these legal requirements are influenced by the growing pressures in many public health systems where cost-saving becomes more important and where the employer (and also employees) is made responsible for making a contribution to this.

Again for others, health care is part of their business and accordingly they are trying to express their expertise in this area:

A healthy workplace takes account of the physical environment, such as physical attributes of the workplace and measures to prevent occupational injuries such as appropriate shift lengths, as well as psychological factors such as job stress, job security and employability, management practices, non-discrimination, empowerment and the opportunity to use skills. (Novo Nordisk, DK, accessed 30/09/2006)

Data on health and safety are collected for monitoring and control purposes and to check whether the implemented measures have been successful. In analogy to environmental management systems, many companies use standardised instruments to monitor health and safety data such as OH8000 and integrate them into their Health and Safety Management Systems (HSMS). The companies argue that these integrated management systems "help units to recognise the most important sustainability aspects of their operations, develop action plans and follow-up on performance on a regular basis" (Stora Enso, accessed 30/09/2006).

From a universal stance, companies like Novo Nordisk (DK) or Brodrene Hartmann (DK) promote global health and safety standards for their workforces with the objective of establishing high standards and being leading in the corresponding industries. However, for many of these MNEs this poses a major challenge because they are facing different health and safety standards in different countries worldwide. Therefore, some companies point out that they are adapting to

local customs. Again others convey that they are trying to reconcile both, global standards and adapt to local practices:

Everyone has the right to work in a safe environment. This has been recognised the world over and as a global Group, our operations have to comply with a wide range of different legal and cultural imperatives. Naturally, practices and procedures will vary from one facility to another, but the core requirements remain the same. These core requirements are fully explained in a set of Corporate Guidelines for Health, Safety and Environment for facilities of the adidas Group. These guidelines especially help facility management of mainly administrative offices to manage health and safety issues in an effective way. Furthermore, larger administration facilities of the adidas Group and the very few production sites owned by the Group have comprehensive risk, health, safety and environmental management systems coordinated by local facility management. (Adidas, D, accessed 30/09/2007)

Health and safety indicators which the companies also use to measure their social performance are for instance frequency of occupational injuries, frequency of work-related accidents, frequency of fatalities, and sickness absences. These rates are usually sought to be as low as possible, below a certain industrial benchmark, or as in the case of accidents and fatalities they are aimed at being zero. These measures are of relevance in particular for production companies such as those in the oil, cement, automobile, or construction industry:

We go for Zero incidents. The integrated protection concept aims to avoid incidents of any kind. With regard to health protection, this means avoiding work-related health problems, with regard to work safety, the avoidance of accidents, and for corporate protection, uninterrupted operating processes. With our “zero philosophy” goal, we are taking a consistent path, thereby closely involving the management structures from all levels, as well as all other employees, in our safety culture. (Continental, D, accessed 30/09/2007)

This quotation reveals also the economic reasoning for the company’s interest in health and safety; every accident or illness causes costs for the company which can possibly be prevented. But, health and safety management systems are also an attempt to include suppliers or subcontractors into efforts to maintain a healthy workforce, to save costs, and to maintain the companies’ reputations (see Table 7.4). The focus on maintaining a healthy workforce allows considering what needs to be done in order to continue having people who are physically and psychologically able and willing to perform. The next objective addresses the cognitive prerequisites for performance, i.e. the development of skills, qualifications and competencies of the workforce.

7.5.3 Investing in the Skills of the Current and Future Workforce

The website analysis indicates that employee or talent development and training is a key topic for the sustainable-HRM link. The topic is mentioned and related to sustainability in HRM on 41 websites (see also Appendix 3). The statements vary from short policy statements (e.g. Novozymes; EDP Group) to extensive descriptions of development and training policies and practices on the

websites and company documents (e.g. L'Oréal; Continental). In the context of sustainability and HRM, the companies mention the following HR activities which can be summarised under the category of investing in a skilled current and workforce:

- Education
- Life-long learning
- HR training and development programmes; some of them individually tailored others for different employee groups or management levels (e.g. Fortum; Lafarge; L'Oréal; Volkswagen)
- Dilemma training (e.g. ABN AMRO; Det Norske Veritas; TNT)
- Vocational training programmes or apprenticeships (e.g. L'Oréal; Bayer; Continental; Volkswagen)⁵
- Talent management and internal succession management programmes (e.g. L'Oréal; Adidas; Continental; HeidelbergCement)
- Career development for employees and sometimes also for their partners (e.g. L'Oréal; Renault)
- Mentoring
- Employment (see Table 7.5).

The companies cooperate with – often internationally well-renowned – universities to provide these training and development programmes (e.g. Podravka; L'Oréal; Allianz; TNT; Statoil), or they are founding corporate universities, business schools (e.g. Lafarge; E.ON; Volkswagen; Heineken; ING Group; Statoil), and management development centres (e.g. L'Oréal; HeidelbergCement; Royal DSM; Sistema; SKF), for this purpose. This could be interpreted as cooperation between the organisation and one of its “sources of resources”. In some companies, training and development activities are complemented by e-learning programmes (e.g. Renault; Henkel; Heineken; Phillips). Possibly, not every company mentions all of its HR development practices and strategies in the material analysed; therefore, the above list has an illustrative rather than representative character.

Relating to sustainability, several objectives of development and training activities can be identified. Some companies use their websites and reports to communicate that they are doing their best to provide their employees with the technical, managerial and social skills and competencies needed to deal successfully with the tasks of the present or future. Others emphasise that they train their employees by raising awareness for sustainability-related topics such as human rights, health, safety and security (e.g. Det Norske Veritas). Companies either see themselves as being responsible for training and development activities (e.g. Bayer) or they emphasise the self-responsibility of employees. Differences can be observed with regard to which employees are included (all or just high potentials), what kind of development or training is offered, which parties are seen as being responsible for

⁵The “dual system”, a combination of school and corporate vocational training, is a particular characteristic of the German apprenticeship system.

Table 7.5 Sustainability and the objective of having a skilled workforce

HR-related activity (category)	Examples
Education	<p>“Renault is also involved in training unskilled young people, as part of an agreement with the French ministry of labor” (Renault, F, accessed 30/09/2006)</p> <p>“Investing in education and science today pays off in the long term in terms of competitiveness and social prosperity. This is why BASF promotes activities all over the world that provide access to education or develop knowledge networks” (BASF AG, D, accessed 30/01/2007)</p>
Life-long learning	<p>“Roche is also actively involved in various professional and vocational training and development programmes in the natural sciences, technology and healthcare” (Hoffmann-La Roche, CH, accessed 30/09/2006)</p> <p>“Learning also contributes to an increase in performance and motivation. We have a global employee learning strategy that aims to develop staff at all levels in our organisation. We also shape our learning and development programmes to equip our employees with the skills they need to meet the changing business and organisational conditions they face” (ABN AMRO Bank, NL, accessed 30/09/2006)</p> <p>“[...] the Group ensures that continuing education packages are no longer limited by a specific age cut-off, but are also offered to older employees” (Allianz Group, D, accessed 31/01/2007)</p>
HR training and development	<p>“One of [...] four personnel policy challenges: “High level of qualification of employees and part-time, lifelong learning processes in order to keep pace with changes in technology and the world of employment” (Continental, D, accessed 31/01/2007)</p> <p>“Today, lifelong learning is an essential part of remaining employable until retirement age. So continuous professional development is in the interests of both employer and employee. That is why we support a strategy of lifelong learning for everyone from apprentice to top manager, not only when the company is flourishing but also when times get tough” (Volkswagen AG, D, accessed 30/09/2006)</p> <p>“L’Oréal set up a Corporate Continuing Education Department in order to make career development a real lever for the group’s growth strategy” (L’Oréal, F, accessed: 30/09/2006)</p> <p>“Podravka systematically invests in its staff and develops its own employee education programmes. How much attention we devote to education and staff was confirmed by the founding of Podravka’s Academy of Management – POMAK, which represents the first Croatian school of management in embryonic form. Our company is cooperating with Zagreb’s Faculty of Economics in this endeavour. POMAK is fostering managerial knowledge and skills among our employees, so as to successfully realise Podravka’s business goals” (Podravka Food Industry, Croatia, accessed 30/09/2006)</p>
Vocational training	<p>“Allianz promotes training and continuing education for staff, respects their diversity as an international company, and creates equal opportunities” (Allianz Group, D, accessed 31/01/2007)</p> <p>“Renault welcomed more than 5,850 apprentices and interneers at all levels. It also recruits corporate volunteers every year” (Renault, F, accessed 30/09/2006)</p>

(continued)

Table 7.5 (continued)

HR-related activity (category)	Examples
Talent management	<p>"In 2005, we established the Shell Project Academy to share best practices and increase professionalism and consistency in the way we manage large, complex projects. [...]" (Royal Dutch Shell plc., NL, accessed 30/09/2006)</p> <p>"Bayer has traditionally focused heavily on vocational training programs for young people. Each year on average, about 1,000 youngsters enter such programs at the German sites of Bayer AG and its affiliates" (Bayer Group, D, accessed 31/01/2007)</p> <p>"Our people and their talents are critical to our continuing commercial success. [...] The first step is to identify the common challenges [...] to identify, recruit and retain the most talented people and develop career opportunities for them tailored to the specific needs of our company" (Adidas Group, D, accessed 30/09/2006)</p> <p>"[...] to enhance client service and increase personal satisfaction: [...] Strategic talent management to develop future global leaders: DTT's member firms' strategic talent management efforts focus on identifying and developing those partners who exhibit the potential for global leadership in client service and practice management roles" (Deloitte Touche Tohmatsu, UK, accessed 30/09/2006)</p> <p>"Talent management: Continuation and expansion of the two global talent pools within Corporate Leadership Talent Management, the Lighthouse programme for senior managers, and the Greenhouse programme for younger manager potentials" (Novo Nordisk, Denmark, accessed 30/09/2006)</p>
	<p>"SKF want to be an attractive employer, offering fulfilling careers, with opportunities for development and progression. An internal resource for employee development is the SKF College, which provides leadership training to managers who have international potential" (SKF, S, accessed 30/09/2006)</p>
	<p>"Just like athletes, employees of the Adidas Group need a training plan to build on their strengths, overcome their own challenges and improve their technique to achieve their goals. We 'Go for Gold' [...]" (Adidas Group, D, accessed 30/09/2006)</p>
	<p>"Mentoring is an increasingly important instrument for professional and career development at Novartis, complementing a broad array of corporate learning" (Novartis AG, CH, accessed 30/09/2006)</p> <p>"Mentoring Program: Experience is shared between experienced managers and young new executives" (Continental, D, accessed 31/01/2007)</p>
Employment	<p>"[...] Reciprocal Mentoring Program, which was piloted with four teams comprised of senior management members and top potentials. [...] both the senior and junior participants can learn from each other" (Royal Philips Electronics, NL, 30/09/2006)</p>
	<p>"[...] The basic principle: nobody must face a job-loss situation alone. Included in the recommendations: planning two to three years ahead, setting up local employment units to help employees find a job, providing aid with geographical mobility, [...]" (Lafarge, F, accessed 02/03/2007; bold in original)</p> <p>"Objectives: To pursue an active employment policy to support growth, prepare for the demographic shock in Europe and continue to improve productivity in an increasingly competitive global market. [...]" (Renault, F, accessed 30/09/2006)</p>

Source: compiled by the author

development and training, and the measures to evaluate it. However, it has to be noted critically not all companies show that they are interested in more than developing the present workforce.

In summary, the range of activities related to sustainability and HRM and to the three main objectives is diverse. None of the websites explains explicitly why these particular HR activities – and not others – have been addressed under the heading of sustainability. This can be interpreted as an uncertainty about which HR activities to choose. In analogy to dealing with natural resources two general core strategies have identified: First, to reduce the impact on human resources (e.g. on people's health and well-being) (see Sect. 7.5.2). Second, to invest into the skills and ability to perform of the current and future workforce (see Sect. 7.5.3). The third option which the companies have chosen is to attract talent and to be recognised as an employer of choice (see Sect. 7.5.1). All three strategies together form an important contribution to the ability of a company to sustain the human resource from within (see Sect. 2.6.1). But, not all companies have explicitly stated on their websites that they are actually using these strategies. This contributes to supporting the initial assumption that the full potential of sustainability for HRM has not yet been tapped (see Sect. 1.3.3.2).

The next observation which can be made from the websites is that although not every company has chosen the same “mix” of HR activities as being related to sustainability and HRM the HR activities mentioned are very similar and also the arguments presented. Similarities could be explained by the fact that all organisations are members of the WBCSD, i.e. of the same sustainability network. Thus, it could be said that the corporations share a common knowledge base on sustainability and HR and that they have a socially constructed common ground of what they think is related to sustainability and HRM. This common ground has been created by reciprocal discourse (e.g. in common workshops and conferences) or by the use of consultancies. But, not all of the topics are included on every website. From the author's prior searches on corporate websites, the number of HR activities has increased over the past years (see Sect. 1.3). This suggests that the interest in the link between sustainability and HRM is rising. Variances may also be due to different understandings of sustainability, institutional or legal requirements, industry sectors, or company sizes. For example, in companies from construction sector health and safety are of particular importance as damage can lead to bad injuries or even death of workers (see also Sect. 7.5.2). The key findings from this section are summarised in a practice-based model.

7.5.4 Practice-Based Model for the Sustainability–HRM Link

The model was developed to summarise and visualise the key findings of the exploratory part of the study (see Fig. 7.2). This development is based on some of the key assumptions as they are represented on corporate websites. The model helps structuring the findings as well as assumptions in corporate practice about the relationships between internal and external drivers for sustainability in HRM,

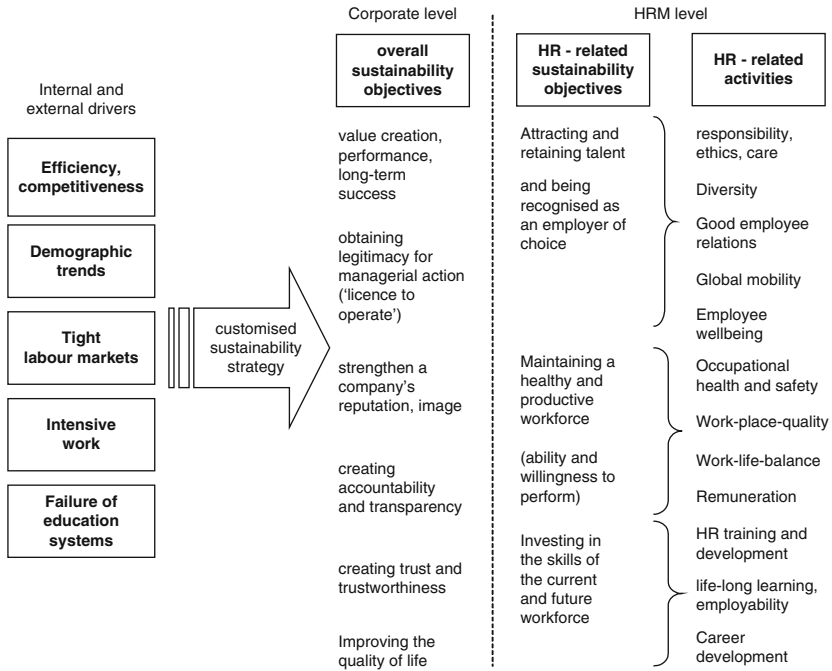


Fig. 7.2 Practice-based model for the representation of the sustainability–HRM link
Source: compiled by the author

sustainability objectives at the corporate level, HR-related sustainability objectives, and HR-related activities which have been linked to the idea of sustainability on the websites and in the company documents. Also, the model is an example for the concepts and theories-in-use (see also Chap. 6) which can be extracted from the websites. First, the model illustrates assumptions from the websites about the key internal drivers for linking sustainability and HRM (see Fig. 7.2).

Competitiveness is mentioned as a reason why resources need to be dealt with efficiently. “Demographic trends” are recognised as a key driver because the developments expected contribute to a shrinking and aging workforce as well as to more diverse workforces (see also Sect. 3.3.4). Those companies operating in tight labour markets (as in Germany) mention developments on the labour markets as a reason for why they engage in investing in the skills of the current and future workforce (see Sect. 7.5.3), why they increase their efforts to retain the talent they have attracted (see also Sect. 7.5.1), and that they engage in retaining a healthy workforce because of shrinking supply with appropriately skilled people (see also Sect. 7.5.2). The problems of “intensive work” are recognised in the way that balancing working and private life is one of the key topics linked to sustainability and HRM.

As outlined in Sect. 7.3.1, the companies are using a customised approach to sustainability with varying objectives – an observation which can also be transferred

to the sustainability–HRM link. Key objectives of sustainability deduced from this website analysis are value creation, obtaining legitimacy, strengthen a company’s reputation, image, creating accountability and transparency, trust and trustworthiness, and improving the quality of life (see Fig. 7.2; see also Sect. 7.3.2). The HR-related sustainability objectives and activities have been described in Sect. 7.5. These activities can be categorised into the objectives of “attracting and retaining talent and being recognised as an employer of choice” as the most preferred employer in the industry, as “maintaining a healthy and productive workforce”, and as “investing into the skills of current – but also – future workforce” (see Sect. 7.5).

Some companies outline explicitly that their understanding of sustainability or sustainable development encompasses a dynamic or processual aspect, as reflected in the following quotation: “Understanding sustainability and its implications in a societal and a business perspective is a journey towards a moving target” (Novo Nordisk, DK, accessed 30/09/2006). This journey might require coping with paradoxical tensions. But, how do the companies convey that these tensions appear and how do they suggest to cope with them?

7.6 Representations of Paradoxical Phenomena and Coping Strategies

The fourth exploratory objective is to investigate, how the companies represent their recognitions of potential paradoxes, dualities, and dilemmas in the sustainability context and how they represent their beliefs about how these tensions have to be dealt with (see Sect. 7.1).

7.6.1 Key Paradoxes Addressed on the Websites

In a direct approach, the website material collected was searched for the keywords “paradox”, “duality”, “dilemma”, and “tensions” as well as for related terms (see Sect. 4.2). No hits were found for the terms “paradox”, “dual” or “duality”, and “tension”. The term “dilemma” was used in the sustainability context on five websites:

- Financial growth and corporate responsibility
- Short- and long-term
- Shareholders and stakeholders
- Ethical dilemmas (see Table 7.6)

Except for the topic of ethical dilemmas none of the terms above is explicitly used in the context of sustainability and HRM. Implicitly, however, one of the paradoxes

Table 7.6 Examples for key dilemmas in the sustainability context

Key paradox, duality dilemma	Examples
Financial growth and corporate responsibility; short- and long-term; shareholders and stakeholders	<p>“This is what lies behind the Triple Bottom Line, which the company has adopted as a broad business principle. It ensures that decision-making balances financial growth with corporate responsibility, short-term gains with long-term profitability, and shareholder return with stakeholder interests” (Novo Nordisk, DK, accessed 26/01/2007)</p> <p>“ABN AMRO’s commitment to sustainability inevitably raises challenging dilemmas. We do not pretend to have all the answers, and current solutions may be different from the solutions of the past, but we will not avoid difficult dilemmas. Moreover, we will be transparent about our approach to resolving them” (ABN AMRO Bank, NL, accessed 01/02/2007)</p>
Ethical dilemmas	<p>“Akzo Nobel has placed a great deal of emphasis on these values in recent years. We trained 65,000 employees worldwide on our Business Principles, which form the basis for all our actions. Additional internal programs have also been implemented to help guide employee behavior, such as Risk Management, Product Stewardship, Responsible Care and Coatings Care, Occupational Health & Safety and Environmental Management. Our businesses are also guided by a number of Specific Principles designed to help them in dilemma situations. As a responsible member of society, we are committed to international agreements and codes of conduct: [...]” (Akzo Nobel, NL, accessed 01/02/2007)</p> <p>“Does this mean that CSR makes it easier to run our business? No. In fact, our journey often poses dilemmas and difficult choices for us: issues such as animal testing, workforce reductions because of restructuring and divestments, and energy efficiency” (Hans Wijers, Chairman of the Board of Management, Akzo Nobel, NL, CSR Report 2005, p. 5, accessed 01/02/2007)</p>

Source: compiled by the author

discussed most on the websites with regard to HRM is the simultaneous realisation of work and private life or career and family life. In this kind of discourse, the term “balance” is preferred (see also the performance-regeneration-paradox in Sect. 3.5.4). While the long-term aspect of sustainability is mentioned on many websites, only one company, addressed the difficulty to reconcile short-term gains and long-term profitability (see Table 7.6).

As paradoxical phenomena and the tensions involved have rarely been mentioned directly on the websites, an indirect approach has been taken to interpret the material by searching for terms which suggest that the companies recognise paradoxes, dualities, and dilemmas or that certain ways of coping with the tensions were preferred. Concerning the coping with paradoxical phenomena, attention was paid to the key terms “balancing”, “integrating”, “contradicting” and related terms. These related terms found on the websites were “giving equal priority”, “simultaneous”, and “combining”.

7.6.2 Representation of Coping Strategies on the Websites

The websites have also been searched for quotations which indicate that the companies are aware of any tensions involved. First of all, it needs to be remembered that the key concepts in use have been sustainability, sustainable development, and CSR and that the interpretation of these concepts as well as the reasoning for them are subject to the companies' individual approaches to sustainability (see Sect. 7.3). Considering as a background to interpret the material, examples have been produced for the cognitive modes of coping: denial or ignorance, opposition, spatial separation, temporal separation, and synthesis (see Table 7.7; see also Sect. 4.5.1). Additionally, it cannot be presupposed that

Table 7.7 Representation of coping with tensions in the sustainability context

Mode of coping	Coping strategy	Examples (corporate sustainability)	Examples (sustainability–HRM link)
Denial or ignorance (no coping)	Denying or ignoring oppositions	Overgeneralisation of win–win assumptions	HR paradoxes or dilemmas are rarely mentioned explicitly on the websites
Opposition	Balancing	Balancing “triple bottom line” Balancing financial growth and corporate sustainability Balancing shareholder and stakeholder interests Balancing short- and long-term interests	Supporting employees' work–life balance
Temporal separation	Sequencing	Not explicitly addressed	Supporting employees' work–life balance by offering a sabbatical
Spatial separation	Layering by “building dualistic properties into the firm”	Integrating sustainability into decentralised structures (address different aspects of sustainability in different divisions and business units)	Local differentiation, global integration of HR practices, health, safety, ethics, etc. Global recruitment and local “retention guide” to reduce turnover of high performers
Synthesis	Integrating	Integration of sustainability in all organisational and management systems as well as values and principles Integrating short- and long-term aspects	Integrated health and safety systems, etc. Integrate ethical considerations/CSR in daily business, culture and management system

Source: compiled by the author

all companies are consciously using the terms balancing, integrating, etc., in the sense they have been defined in Chap. 4. This is taken into consideration when interpreting the findings.

The first group of examples in Table 7.7 refers to corporate sustainability and the second group to the sustainability–HRM link and illustrates how the companies represent tensions on the websites. In particular, the companies indicate that they are applying the coping strategies of balancing and integrating; but they are also abstracting or negating the tensions (see Table 7.7). This section also explores, which coping strategies mentioned in the coping framework (see Sect. 4.5) have been neglected on the websites. Websites which did not address any tensions or which explicitly claim that there are “no contradictions” involved (e.g. Podravka) are interpreted as overgeneralising positive expectations (i.e. win–win assumptions) – and as ignoring or negating paradoxical phenomena. Contradictory poles are perceived as complementary. As polar oppositions are not recognised, denied, or at least not represented on the websites, this could be interpreted that the tensions involved are cognitively, perceptually, or emotionally avoided. One possible reason could be the objective to paint a positive picture about including the idea of sustainability, sustainable development, or CSR into the corporate policies or business processes – and not to raise doubts or inconsistencies.

Ignoring paradoxical tensions which are linked to sustainability, could suggest that the companies understand tensions as something undesirable or that tensions are regarded as non-existent or non-problematic. Interpreting this as “ignorance” is a view which might not always be shared in practice or research because it does not have to be forgotten that one important progress of the sustainability movement is that companies are becoming aware of more than financial indicators for their long-term existence and success: the importance of environmental and social factors (see also Chap. 2).

The term “balance” is frequently mentioned regarding two topics on the websites (see Table 7.7). At the corporate level, the topic is “balancing the triple bottom line” and at the HRM or individual level of analysis the key topic is “work–life balance”. Further examples relate to balancing financial growth and corporate sustainability, shareholder and stakeholder interests, short- and long-term interests. Examples on balancing work and private life have been produced and discussed in the sections on objectives and HR activities linked to sustainability and HRM (see Sect. 7.5). In Sect. 7.5.1 it was illustrated that the work–life balance topic is used to attract talent and to be recognised as an employer of choice. This can be interpreted as a sign from companies to talented recruits that they do understand their work values and requirements – and that the companies are ready to respond to these requirements. In Sect. 7.5.2 it has further been illustrated that work–life balance is also very important to retain talent in the company. For example, consultancies like KPMG who traditionally suffer from a bad reputation when it comes to the work–life balance of their employees address the topic on their websites to convey that they understand and they the company is prepared to offer support for employees to facilitate balancing work and private life.

Concerning the idea of a “triple bottom line” approach the companies express their assumption that economic, social and environmental aspects are interdependent and that all three aspects – economic viability, social responsibility, and environmentally soundness – have to be pursued simultaneously. Some companies offer very general statements like “We strive to find balance between economic, social and environmental aspects in all our operations” (Fortum, F). More precisely, Novo Nordisk announce on their website:

This is what lies behind the Triple Bottom Line, which the company has adopted as a broad business principle. It ensures that decision-making balances financial growth with corporate responsibility, short-term gains with long-term profitability, and shareholder return with stakeholder interests. (Novo Nordisk, DK, accessed 26/01/2007)

Henkel, for example, assert that they give equal priority to economic, ecological and social goals:

We are convinced that sustainable development must give equal priority to economic, ecological and social goals. Henkel strives towards a balance that will safeguard and strengthen its competitiveness in the globalized marketplace. Because only economically successful companies will be able to contribute to effective environmental protection and social progress. (Henkel, accessed 31/01/2007)

The way to realise this is according to Henkel a permanent “dialogue” and reconciliation of interests. Concerning the idea of integrating short- and long-term aspects (see Sect. 2.2.3), surprisingly, not a very high awareness for this idea is represented on the websites. The companies do point out the importance of the temporal aspect of sustainability which they perceive as a future and long-term oriented concept. However, if they refer to integrating short- and long-term aspects of sustainability, financial measures (and not the development of resources) are shifted to the foreground. For instance, Novo Nordisk addresses the issue that according to their understanding of sustainability “short-term gains and long-term profitability” have to be balanced. Shell addresses the aspect of balancing short and long-term aspects:

In the current version of our Business Principles (revised 2005) we state As part of the Business Principles, we commit to contribute to sustainable development. This requires balancing short and long term interests, integrating economic, environmental and social considerations into business decision-making. (Shell, NL, accessed 02/02/2007)

And Hoffmann-La Roche assert that they “try” to balance the triple bottom line in all of their activities:

The idea that economic, social and environmental interests are not separate, but dynamically interdependent, is central to this definition, and we try to balance these interests in everything we do. (Hoffmann-La Roche, CH, accessed 06/02/2007)

Although most definitions address a social, economic and environmental dimensions, the quotes indicate that there are differences with regard to the underlying assumptions how these dimensions can be integrated or balanced and whether they are contradictory or not. “Balancing” in the sense of opposing poles and of compensating opposing forces simultaneously would mean that the companies are

aware of tensions which need to be reconciled. But, the excerpts from the websites do not always inform whether the companies actually recognise tensions or whether they are just imitating and reproducing the language used in the sustainability community (see also Sect. 2.2.3).

Sequencing, the possibility to separate oppositions temporarily is not explicitly addressed for the sustainability context; for the HRM context one example is that the company offers sabbaticals to its employees, i.e. time for (intensive) work and private life are separated temporarily (see Table 7.7). *Spatial separation* (such as *layering*) is used for example for differentiating sustainability and related HR practices locally and at the same time integrating practices (such as health, safety, ethics) globally. Another example is provided by ABN Amro; the bank with a decentralised structure integrates sustainability locally, i.e. they are applying spatial separation linked to integration:

Given our decentralized structure and the very local aspect of the main sustainability issues we deal with, our success in the field of sustainability is mostly based on the involvement of our Divisions and Business Units.

In this context, we try to integrate sustainability aspects in the key positions and management tools, rather than limiting the approach to a network of specialists. [...] The bank has taken an increasingly proactive role in initiating dialogue with different stakeholders [...] to examine social and environmental areas of concern and find the best possible solutions. [...] This illustrates the bank's belief that sustainability criteria must be integrated explicitly and structurally into its decision-making processes. (ABN Amro, NL, accessed 01/02/2007)

The last group of coping strategies refers to *synthesis*. Basically, two different coping strategies can be identified. First, those companies who verbally abstract the tensions at a higher level – and thus delay coping (see Sect. 4.5.1). Second, companies who assert that they integrate sustainability into their daily business and decision-making processes, organisation structures, and corporate cultures. Some of the latter describe quite detailed on the websites how they seek this integration (see Table 7.7; see also Sect. 7.5.2). The term “integrating” is very frequently used on the websites and statements like the following are frequently made:

At Degussa, sustainable development is an integrated part of all of our business processes. Thus, economical, ecological and societal aspects are given equal consideration decision making processes - in the interest of today's and future generations. (Degussa, D, accessed 30/09/2006)

Companies like Degussa assert that they integrate sustainability into everything they do or into their way of operating, into their values, culture, or management systems:

In this context, we try to integrate sustainability aspects in the key positions and management tools, rather than limiting the approach to a network of specialists. [...] The bank has taken an increasingly proactive role in initiating dialogue with different stakeholders [...] to examine social and environmental areas of concern and find the best possible solutions. This illustrates the bank's belief that sustainability criteria must be integrated explicitly and structurally into its decision-making processes. (ABN Amro, NL, accessed 01/02/2007)

At the HRM-level, the examples concerning “integration” usually refer to integrated health and safety management systems or to ethical considerations (see also Sect. 7.5.2). But, the integration effort does not necessarily refer to integrating polar oppositions but as the following example suggests it refers to risk and cost reduction:

The integrated protection concept aims to avoid incidents of any kind. With regard to health protection, this means avoiding work-related health problems, with regard to work safety, the avoidance of accidents, and for corporate protection, uninterrupted operating processes. (Continental, D, 31/01/2007)

Regarding ethical issues, the companies are aware of ethical dilemmas (see also Sect. 7.6.1). Det Norske Veritas assert that they carry out dilemma training with the objective of “handling difficult situations”.

In summary, each of the coping strategies (balancing, integrating) could be a verbal *abstraction*, i.e. a mere rhetorical trick to satisfy shareholders and stakeholders. But, this assumption is certainly not justified as a closer look into the companies’ annual reports and sustainability reports suggests. However, in particular the idea of a “long-term balance” raises the suspicion that the tensions (short- and long-term aspects) are recognised but not actively coped with. Instead, it seems that undesired activities and decisions are delayed to the future.

7.7 Critical Summary and Conclusions

In this chapter, the key findings of the qualitative content analysis from corporate websites and company documents have been presented. The result is a picture of how companies represent and communicate the link between sustainability and HRM which gives some insight into how companies struggle in using sustainability for HRM and reveals some “theories-in-use”. Section 7.2 provided basic data on the companies and on the context of the material analysed. The sample is composed of 50 companies, all European members of the sustainability network WBCSD. These companies have been selected for analysis because the websites and company documents contained links about how the companies understand the link between sustainability and HR-related issues. The websites and company documents present a snapshot of the sustainability–HRM link but cannot be necessarily compared with “real” or “observed” HR practices. Current and potential employees are important recipients of the messages and the findings have to be interpreted in this light. The material analysed informs about the company’s rhetoric and public reasoning but social realities might be different.

The first exploratory objective was to understand how European members of the sustainability network WBCSD define, understand, apply, and represent sustainability on their websites (see Sect. 7.1). The 50 companies offer a diverse understanding of sustainability and sustainable development, defining the terms according to their particular contexts (see Sect. 7.3). Although similar trends can

be traced on the websites, sustainability cannot be regarded as a universal construct. Subtle differences can be found between the sustainability definitions and overlaps to the notions of sustainable development and CSR are revealed by the concepts sometimes applied interchangeably on the websites. The companies specify objectives such as improving quality of life for employees and societies, responsibility, stable economic and social conditions, corporate viability, economic value creation, social legitimacy, creation of accountability and transparency, and creating trust and trustworthiness as the reasons why they apply sustainability at the corporate level. Chapter 7 replicates the situation as described by Thom and Zaugg's survey (2004) which indicated that the interpretation of the term sustainability in HRM practice is very heterogeneous, that different meanings are connected with this concept and that it is apparently applied as a concept or mental framework for a large number of HR-related problem situations. The analysis of sustainability interpretations supports the assumptions that linked to HRM sustainability is not only interpreted in a "normative", "efficiency-oriented" or "rational" way as presented in the literature review part of the paper. This does not reflect the complexity of practical sustainability definitions.

The reasoning for sustainability at the corporate level in the WBCSD network is often linked to ecological concerns and environmental management (see also Sect. 2.2.3). Therefore, the interest of Sect. 7.4 aimed at exploring the understanding of sustainability in the context of HR-related issues and the underlying reasoning. Not very unexpectedly, the reasoning for linking sustainability and HR-issues is mainly related to social responsibility reasoning and to strategic objectives (see Sect. 7.4). What is interesting to note, however, is that many companies apply sustainability for human resources in a way they have done it for natural resources. For example, the idea of reducing impact on natural resources is transferred to the idea of reducing impact on HR health and of reducing safety risks. Additionally, the idea of HR care or employee care shifts to the foreground and the reasoning mentioned for both – HR health and care – is built on social responsibility. Only, L'Oréal go far beyond and explicitly outline a sustainable human resources policy. It also becomes clear from the website analysis that social and economic objectives or reasoning cannot be easily separated from each other, that they are not always transparent in corporate communications. Rather, different sustainability understandings have to be viewed together to explore the full potential of the concept for HRM. In the end, different reasons can lead to the same decision, for example, of whether to invest in human resources or not. But for stakeholders and for corporations themselves it might be important to reflect on the actual reasoning instead of following the rhetoric of leading companies in their industry.

The third exploratory objective of Chap. 7 addressed the objectives, drivers, and HR activities linked to sustainability and HRM (see Sect. 7.5). The findings have been grouped into three different categories that reflect the key objectives: attracting talent and becoming employer of choice, retaining a healthy and motivated workforce, investing in the skills of the current but also of the future workforce, and creating employee trust, employer trustworthiness and sustained employment relationships. HR activities grouped into the first category are offers companies display

on their websites (i.e. personnel marketing). Sustainability is used to create an employer brand of the “socially responsible and trustworthy employer”. The companies’ economic interest in the activities from the second category refers to reducing costs and risks from occupational illnesses. Most companies address only activities which help developing the current workforce; others explicitly take the skills of the future workforce into account. Overall, the HR activities identified are interpreted as the search for “best practices” for a Sustainable HRM. However, the HR activities related to sustainability in HRM have been found to vary across the companies, i.e. not all companies make use of all possibilities. Accordingly, the website analysis replicates a finding from Thom and Zaugg (2004) that HR practices linked to sustainability are applied hesitantly and unsystematically (see Sects. 1.1.2 and 7.5). This finding can also be interpreted in the way that companies have different requirements according to their contextual particularities.

The question remains open why companies have nevertheless chosen similar practices. One possible explanation can be provided by institutional theory (see Sect. 3.3.5): Sustainable HR practices could be reflecting what DiMaggio and Powell (1983) call “normative isomorphism”, i.e. the company’s attempt to strive for legitimacy in its external environment. As seeking for legitimacy is an important objective of companies which pursue a sustainability strategy, this explanation seems quite likely. Furthermore, it has been noted that the companies which have been compared in Chap. 7 belong to the same sustainability network. This provides another argument that “sustainable” HR practices are chosen because of imitation. Roehling and colleagues (2005) raise the concern that these imitation strategies might be overused and that some companies might miss more effective strategies. Further research on Sustainable HRM would have to find out in more detail why certain HR practices are chosen and how exactly is the assumed and actual link between individual or bundles of “sustainable HR practices”. This universalistic or contingency research should be complemented by research from configurational or contextual perspectives.

The last exploratory objective of the chapter referred to investigating how companies represent paradoxical phenomena in the sustainability context and potential coping strategies on their websites (see Sect. 7.6). It can be concluded from the analysis that paradoxical phenomena and tensions do not yet receive the attention on the websites which they presumably have in sustainability and HRM practice. Balancing, integrating, and abstracting are preferred coping strategies – at least if the concepts applied are meant in the way described in Chap. 4. There is no doubt that the companies are aware of tensions and search for possibilities to cope with them. But, it can be questioned whether companies are aware of the paradoxical nature of some of the tensions they are experiencing and it is going to be an interesting task for future research to find out whether the statements on the websites about balancing, integrating, etc., are actually indicators for coping strategies or rather part of the corporate rhetoric to satisfy stakeholder concerns.

The content of the findings from the qualitative analysis was limited by the availability of data (see Sect. 6.2.1). Additionally, only a limited amount of the

information was used for analysis which is “unfinished” because of its inherent nature (see Sect. 6.3.1). The quality of qualitative content analysis comes from its rule-based analysis and pre-defined quality criteria (see Sect. 6.2.2). It has been pointed out and discussed in Sect. 6.4 that the choice of quality criteria in qualitative content analysis has to be consistent with the etymological and ontological background. Instead, of using traditional positivist criteria the research findings have to be considered in their particular context (e.g. communication to stakeholders) which makes replication as well as generalisation problematic (see also Sect. 6.4). In this study, quality criteria followed suggestions from the literature on qualitative content analysis (see Sect. 6.4). To ensure inter-coder reliability, the material has been collected by two different persons and supported by applying a pre-defined set of categories in a coding sheet (see Sect. 6.3.2). Semantic validity (the correctness of the reconstruction of the material’s meaning) has been checked by discussing the findings with different sustainability and HR experts. Limitations remain and are going to be discussed in the final chapter.

Chapter 8

Discussion and Conclusions

This conceptual and exploratory study on Sustainable HRM has aimed at extending the emerging literature linking sustainability and HR issues and linking the discourses on Strategic HRM and sustainability to the organisational debate on paradox theory.

8.1 Objectives and Structure of the Chapter

The overarching research questions for this study addressed the following problems for HRM of attracting and retaining talented people over time (see Sect. 1.2.1), the problem of controlling or preventing self-induced side- and feedback effects of business activities on today's and potentially future employees (see Sect. 1.2.2), and the problem to cope with the tensions involved (see Sect. 1.2.3):

- How can Sustainable HRM contribute to attracting, developing, and retaining highly qualified human resources over time?
- How can a paradox perspective contribute to understanding and coping with paradoxical tensions in Sustainable HRM?
- How can sustainability be used as a “deliberate strategy” for HRM?

From the sustainability perspective developed in this work, the task of HRM is not only to ensure that the company can attract motivated and talented employees over time but also that HRM can retain a healthy workforce and people with the ability to regenerate. The way to approach these questions and to improve understanding about the emerging topic of sustainability and HRM was a mainly conceptual one extended by an exploratory part. The choice of a multi-paradigm theory development approach was guided by the assumption that co-existing theoretical alternatives provide a fuller picture of the phenomenon studied (see Sect. 1.5).

The first step in the conceptual part of the study was to open up the notion of sustainability and to identify first links with Strategic HRM (Chap. 2). Next, the literature on the evolution of HRM towards Strategic HRM was depicted, and the

theoretical “blind spots” in Strategic HRM were analysed from a sustainability perspective (Chap. 3). In Chap. 4, the concepts for developing the theoretical framework of the study were introduced: paradoxes, dualities, dilemmas, and their consequences (summarised as “paradox theory”). Chapters 2–4 provided the foundation for developing a conceptual model for Sustainable HRM and a paradox framework in Chap. 5. This chapter juxtaposed the main theoretical ideas of a Sustainable HRM approach and indicated initial sustainability strategies for HRM and coping strategies for dealing with the tensions involved. Chapter 6 then provided the method for the exploratory part, i.e. for a qualitative content analysis of corporate websites on the representation of the sustainability–HRM link. The findings of this analysis were provided in Chap. 7 and in the appendix of this work.

This concluding chapter starts by summarising the main findings of the study, by providing answers to the key research questions, reiterating the key contributions of the individual chapters to closing the research gaps, and the findings of the exploratory part are considered critically in the light of the literature (Sect. 8.2). Next, the chapter aims at discussing critically the limitations of the study, and open research questions for a potential research area are outlined (Sect. 8.3). Finally, first implications for guiding HRM practice are indicated (Sect. 8.4).

8.2 Summarising Discussion of the Findings of the Study

Initial findings have been produced in this study because Sustainable HRM is – at best – an emerging or nascent field of research. This is important to note for the judgement on the contributions to literature and practice. The contributions resumed in the following sections constitute preliminary knowledge; over-generalisations would be out of place.

8.2.1 Conceptual and Analytical Contributions

Five objectives have been depicted for the conceptual and analytical part of the study (see Sect. 1.4.1). The first objective was to open up the notion of sustainability as a concept of theorising for HRM (see Chap. 2). Second, the thesis aimed at describing and understanding the sustainability–HRM link. The third was to compare a sustainability approach to existing modes of theorising in Strategic HRM (see Chaps. 2 and 3). The fourth objective was to process the literature on paradoxical phenomena as a lens of theorising for Sustainable HRM (see Chap. 4). Fifth, the focus was placed on developing a Sustainable HRM model, and sixth on developing a conceptual framework from a paradox perspective (see Chap. 5).

The first contribution of Chap. 2 was to open up the notion of sustainability for HRM. Building on SRM literature, an alternative to the dominant understanding of sustainability as a social responsibility has inspired the understanding of sustainability in this study: sustainability as the balance of “consuming” (or deploying)

and “reproducing” human resources (see Sect. 2.4.3). It has been emphasised that the interpretation of sustainability as a social responsibility goes very well with the Human Relations movement or with Paauwe’s (2004) recent suggestion of a relational rationality for HRM, but that this interpretation has its limitations because it does not provide a new alternative to the existing arguments on the responsibility of organisations within their societies (see Sect. 2.5.4). Interpreting sustainability as a social responsibility, i.e. as a value, only makes it difficult to see the promises that sustainability holds as a new paradigm for HRM. Instead, the substance-oriented interpretation of sustainability offers an opportunity to revise the understanding of human resources, of the role of HRM, and of the importance of the relationship from HRM to its critical organisational environments (see Sects. 2.4.5 and 2.5.4). Additionally, it has been emphasised in Chap. 2 how important it is not to speak in a too general way about sustainability – but to define as precisely as possible what is to be sustained and in which application context (see Sect. 2.2.4). Applicants of sustainability for HRM have to be clear about whether they want to sustain social legitimacy, access to future human resources, the viability of sources of resources, the health of their employees, or a combinations of these objectives. The discourse around the meaning of sustainability is a particularly good example for the social construction of the understanding of a term in an academic and practitioner community (see also Sects. 1.5.1 and 6.3). The dominant discourse is currently shaped by a social responsibility-oriented understanding of sustainability for HRM – clearly an important debate that has its merits (see also Sect. 2.5.4). This debate shows that the danger lies in unreflected imitation concerning the meaning of sustainability for HRM as well as with regard to appropriate HR practices, as the exploratory part of this study has indicated (see Sect. 7.5).

For the HRM application context, Chap. 2 has contributed to raising awareness for the key arguments in the literature interpreting sustainability from a social responsibility, from an efficiency-oriented, and from a substance-oriented perspective (see Sect. 2.5). From the perspective of a multi-paradigm theory development approach (see Sect. 1.5.2), it is asserted that viewing these interpretations of sustainability together offers a more comprehensive picture and a range of possibilities for advancing the understanding of the importance of human resources for HRM and of the role HRM in advancing its ability to sustain the human resource of a company from within (Sustainable HRM) (see Sect. 2.5.4). Human resources have been defined as special resources that need to be treated differently from other corporate resources because of their special conditions of development, reproduction, and regeneration as well as needs, wants, and their mobility (see Sect. 2.3.1). An interesting analogy to natural resources, however, is the need of human resources to regenerate and the limits of absorbing physical and psychological burdens – or the impact from working life or from a lack of work–life balance. The difficulty for HRM is to find individual solutions by considering the employees’ personal requirements and resources.

The second contribution of Chap. 2 was to present an overview on existing alternative ideas on sustainability and HRM by reviewing the emerging publications on sustainability and HRM and comparing them concerning their commonalities

and differences (see Sect. 2.4). The review has shown that scholars from different cultural backgrounds (United States, Europe, and Australia) as well as from different disciplines (work psychology, HRM, and sustainability) have suggested ideas concerning the sustainability–HRM link (see Sect. 2.4.4).

Chapter 2 contributed additionally to identifying links between sustainability and HRM. The links that would make it useful for the HRM field to establish Sustainable HRM as an alternative approach have been identified by building on the key elements and characteristics of corporate sustainability (see Sect. 2.2.3) and on the similarities of the literature on sustainability and HRM (see Sect. 2.4.5). The links between sustainability and HRM, which have been used for further elaborations in Chap. 3, shift first of all the attention to the idea of fostering the ability of a system – in this case of the HRM system – to sustain its HR base from within (see Sect. 2.6.1). The literature on SRM has contributed two further assumptions to this idea. To sustain its HR base from within, a company (or in the case of this study HRM) has to reduce its impact (side and feedback effects) on human resources – and on the sources of these resources.

For the application of these ideas in the context of HRM, the question shifts to the foreground as to how working life and HRM activities impact on the HR base and what is necessary to understand the specific conditions of development, reproduction, and regeneration of human resources (see Sect. 2.4.5). While understanding these conditions has been important for HRM before, for instance, to influence employee performance (see Sect. 3.4), these conditions have become critical for the ability of an organisation to have durable access to skilled human resources because these are experienced as becoming scarce. Reproducing human resources suddenly takes a high priority. Acknowledging that managing people and retaining access to supply with talents is no activity operating in an isolated system draws attention to the “origin” of human resources, i.e. to the relationship between HRM and to the survival of critical environments, to the boundaries of HRM systems, and to the impact of HR activities on employees and on organisational environments (see Sect. 2.4.5).

The second link between sustainability and HRM addresses the idea of extending the notion of strategic success by juxtaposing existing rationalities with a substance-oriented understanding of sustainability (see Sect. 2.6.2). The third sustainability–HRM link refers to a longer term perspective on HRM and picks up the idea of integrating short- and long-term aspects (see Sect. 2.6.3). The problem of durable supply with human resources, the problem of self-induced side- and feedback effects over time, and potential relationships between them become more complex when the temporal dimension is taken into consideration. Sustainability is understood in this work as a concept with an inherent temporality firstly, because its strategy and future orientation both point towards the relevance of the time horizon transported with this idea, and secondly, because human resource “reproduction” processes take time (see Sect. 2.6.3). But, as neither sustainability research nor theories and conceptualisations in Strategic HRM have indicated *how* short- and long-term effects can be reconciled (Ehnert 2006a; see also Sects. 2.7 and 3.5.3). This research gap was further explored in Chaps. 4 and 5. Chapter 2 concluded with a working definition for Sustainable HRM. Overall, Chap. 2 has provided the

descriptive, terminological, and conceptual foundation for a sustainability approach to HRM, and it can be claimed that the emerging literature on sustainability and HRM points towards the nascence of an approach or area of research for HRM – although the current state of art the literature is only in its infancy (see also Sect. 2.7).

Chapter 3 continued the analysis of the sustainability–HRM link and provided the state of research from the perspective of Strategic HRM literature. The first contribution of Chap. 3 was to reach a basic understanding for how the key historical roots and developments have influenced changing concerns and rationalities in HRM. The overview showed that social responsibility or normative approaches to HRM have been competing with efficiency-oriented perspectives early on (humanism vs. instrumentalism): a debate which is refuelled through recent developments in CSR and sustainability literature (see Sect. 3.2.1). The understanding of employees has developed from cost and production factors to key factors of economic success and next to valuable resources and competence carriers as the German example in Sect. 3.2.2 illustrated. Managing human resources has become a professionalised and complex task requiring more than the rationalities of efficiency, effectiveness which Paauwe's (2004) has suggested extending this economic rationality with the help of a relational rationality. But, the substance-oriented understanding of sustainability, as it has been sketched out in Chap. 2, does not yet appear in these concepts.

Chapter 3 also depicted the paradigm shift towards a strategic and resource-oriented perspective on HRM. This shift started in the United States about 100 years ago, but the breakthrough of Strategic HRM is linked to the emergence and success of the RBV in the 1990s (see Sect. 3.3). This development needs to be viewed in the context of an increasing demand for highly skilled labour and talent (see Sect. 3.2). The task of developing human resources becomes more important from this theoretical perspective and can be linked to the idea of sustainability research fostering the ability of HRM to sustain the human resource from within (see Sect. 2.6.1). The contribution of Chap. 3 at this point was to delineate developments that help in understanding the recent emergence of different sustainability approaches to HR-related issues, i.e. the emergence of Sustainable HRM (see Sect. 3.3). Overall, the review of the HRM literature has shown that recent research points towards “both/and” instead of “either/or” solutions in HRM and possibly also at the increasing importance of human resources for strategy creation.

The third objective of Chap. 3 was to explore the understanding of strategic success in HRM. For this purpose, the modes theorising on the relationship among HRM, strategy, and performance have been reviewed (see Sect. 3.4) and the foundation has been laid for developing the Sustainable HRM model in Chap. 5 by building on the integrative Strategic HRM model from prior research. Strategic success is strongly linked to (financial) performance in all modes of theorising in Strategic HRM. The underlying input–process–output model sets the scene for the boundaries of HRM. In this understanding, the key task of HRM is to contribute to increasing financial performance or to make a contribution to corporate viability. Sustaining the HR base is not an issue in this literature because it is based on the assumption of having human resources available. It is the contribution of Chap. 3

for this work to understand the limitations or “blind spots” of Strategic HRM theory from a sustainability perspective (see Sect. 3.5). The key elements and characteristics of a sustainability approach to HRM (see Sect. 2.6) were applied to analyse the modes of theorising in Strategic HRM (see Sect. 3.4). Blind spots in Strategic HRM identified from a sustainability approach refer firstly to the conceptual idea of human resources being available in a “pool” of resources instead of considering where this pool of resources actually comes from and how HRM could proactively influence this process. The second blind spot lies in the understanding of success in Strategic HRM. But, as soon as sustainability is recognised as an indicator for strategic success, paradoxical tensions emerge that have to be reconciled. Chapter 3 has therefore raised the need for viewing the sustainability–HRM link from a paradox perspective (see Sect. 3.5). The third blind spot requiring more attention is the neglect of the concept of time in both HRM and sustainability–HRM research.

After introducing the sustainability–HRM link in Chaps. 2 and 3 and after identifying key paradoxes for Sustainable HRM in Chap. 3, the study continued by providing the theoretical background for developing a paradox perspective for Sustainable HRM. The first contribution of Chap. 4 was to raise the general awareness for theory and theory development processes (see Sect. 4.2). Theories are social constructions or mental images transporting important assumptions about the nature of a phenomenon. The theorising process itself is paradoxical (see Sect. 4.2.1), and recent publications on theory development and in the philosophies of science have emphasised the importance of a more modest application of knowledge and theories in the social sciences and of reducing overly excessive truth claims (see also Sect. 4.5.1). This is why this study understands itself as an offer to interpret the relationship between HRM and its HR base in a different way. Ideas are provided on how to cope with the tensions evolving in this relationship. The suggestions made offer a basis for future theoretical and empirical elaborations but are not regarded as the “truth.”

The second contribution of Chap. 4 was to define and compare the key terms of what is called “paradox theory” in this study: paradox, duality, dilemma, and related concepts (see Sect. 4.2). The differences between these concepts are subtle. Most importantly, paradox is the broadest of the three terms and has therefore been chosen as a general term covering one or more co-existing oppositions or one or more duality. The term dilemma comes into play when choices need to be made (see Sect. 4.2.5). Together, the three concepts provide a rich conceptual foundation for a “paradox theory” or paradox perspective, i.e. the contribution of Chap. 4 for analysing the sustainability–HRM link.

Chapter 4 also presented multiple examples from prior applications of the concepts in organisation and HRM theory (see Sect. 4.3) as well as the three common theoretical elements, i.e. paradoxical tensions, ambiguities and ambivalence, as well as reinforcing cycles (see Sect. 4.4). Paradoxes and tensions have been recognised in HRM theory before (see also Sect. 3.3.4). But, a paradox perspective raises awareness for the nature of paradoxical phenomena in HRM, for the co-existence of polar oppositions, for their permanency over time, and for how to deal with them. For instance, the “credibility gap” that Legge (2005)

described from which HR managers suffer (see Sect. 4.6) cannot be avoided. Instead, paradox theory proposes that tensions need to be actively coped with. A framework including the relationship between alternative cognitive modes of coping (opposition, spatial separation, temporal separation, and synthesis), the tensions arising in this process, and emotion-focused coping strategies to master emotional consequences of paradoxical tensions has been presented and illustrated with examples from prior research (see Sect. 4.5).

Fourth, Chap. 4 contributed to provide the theoretical foundation that allows creating awareness for “blind spots” in theorising on HRM and sustainability: an analysis which continued in Chap. 5. The potential of paradoxical concepts for theory development and for understanding the complexity of social phenomena was outlined in Chap. 4; paradoxes, dualities, and dilemmas are useful metaphors for understanding why and how tensions are created in organisations – or as in this study in HRM. The current state of knowledge is very useful for describing and analysing paradoxical situations and for indicating first coping strategies.

From a theory development perspective, the key limitation of paradox theory is that implications could remain at an abstract and meta-theoretical level instead of contributing to understand how people in their daily activities deal successfully with tensions, ambivalence, or ambiguity – and the limitations of abstractions have been indicated (see Sect. 4.5.1). Another limitation of paradox theory lies in its strength – the frequent application of metaphors. Paradox theory provides a number of metaphors transporting certain ideas about how organisations are or about what needs to be done to cope with paradoxical tensions. These metaphors are, for instance, “swinging like a pendulum,” “balancing like a diver,” or “cycling” or “oscillating between extremes” (see Sect. 4.5). In the discussion on paradox theory, the author of this study has asserted that its limitation would be if paradox, duality, or dilemma and the consequences related to these concepts become theoretical blinders instead of advancing thinking (see Sect. 4.6). One of these theoretical blinders could be the reduction of paradoxes to bi-polar oppositions only – instead of recognising the complexity of the situations where sense has to be made and actions have to be taken. Despite these and other limitations discussed in Sect. 4.6, the usefulness of paradox theory for Sustainable HRM is asserted in this study and also some common theoretical ground: the danger of HRM theory to focus over-excessively on efficiency and organisational effectiveness – instead of recognising, for instance, that strategic success in HRM needs to be supplemented by the opposite pole, i.e. sustainability. Chapter 4 concluded the literature review of the study by providing the theoretical lens for analysing what has been identified as Sustainable HRM in Chaps. 2 and 3.

Chapter 5 brought the conceptual ideas together. The first contribution of Chap. 5 was to develop a Sustainable HRM model based on Strategic HRM research (see Sect. 5.2). In comparison to prior HRM models, the extended version juxtaposes a dual notion of economic success (efficiency and substance) and a relational rationality. The model also highlights the tensions involved and illustrates the importance of recognising the “origin” of human resources. Second, Chap. 5 contributed to developing basic sustainability strategies that foster the ability of HRM

to maintain the HR base and the sources of resources from within: by developing the HR base and the sources of resources (investment), by controlling self-induced side and feedback effects (reflexivity), by developing mutual HR exchange relationships, and by sustaining social legitimacy. In the next step, Chap. 5 contributed to developing a paradox framework as a lens of theorising for Sustainable HRM (see Sect. 5.3). The paradox framework is able to illustrate co-existing oppositions of economic and relational rationalities and also to illustrate the idea of “both/and” instead of “either/or” choices. Furthermore, the framework emphasises the importance of understanding the development of paradoxical tensions over time in Sustainable HRM and thus raises further need for research. Finally, the last contribution of Chap. 5 was to bring together coping strategies from paradox theory and Sustainable HRM (see Sect. 5.4). General coping strategies were deduced using HRM examples and first ideas about the contexts in which particular coping strategies might be useful. The model and the frameworks are interim steps in theory development for a sustainability perspective to HRM and towards the application of paradox theory for Sustainable HRM. The conceptual part of the study was complemented by an exploratory analysis to help in understanding how the concept of sustainability linked to HR-related issues is represented in corporate practice.

8.2.2 *Exploratory Contributions*

The contribution of the exploratory part of the study is to understand how companies represent their interpretation of sustainability and HRM on their websites and in company documents. Sustainability and related terms are diverse in their meaning, and the objectives linked to it can only broadly be categorised in social responsibility and economically rational goals, as a customised approach is used by applying the idea of sustainability according to the company’s individual requirements. Hartman et al. (2007) have also pointed out the ambiguity of the term “sustainability” as it is used in practice:

The disparity in sustainability prevalence was illuminated further by the findings demonstrating the myriad ways in which the term sustainability is used within the reports. Our results point to the ambiguity of the term, and the tendency to use it to connote commitment to anything deemed important rather than specifically focused on socially related commitments. Although beyond the scope of our data, this finding may imply that wide use of the term sustainable without regard to actual CSR practices is indicative of a certain degree of inauthenticity. (Hartman et al. 2007, p. 385)

The term sustainability is indeed – and here the author agrees with Hartman and colleagues – used in myriad ways and certainly is an ambiguous term. But, as the authors explore sustainability only from a CSR perspective, they do not seem to be open to further interpretations of sustainability – some of which have been presented and discussed in this study. Whether this is a sign of “inauthenticity” or whether the understanding of sustainability from a CSR perspective rather is a quite narrow one needs to be discussed in the corresponding research community.

The second contribution of the exploratory part is to identify objectives and HR activities that allow describing and understanding the sustainability–HRM link as companies see it. This is a very important contribution because, if the situation today is compared to that a few years ago, companies have advanced in using sustainability for HR-related issues – but, unfortunately, they remain in the patterns of thinking they are used to from ecological sustainability and focus mainly on cost and risk reduction as well as impact control. However, very few companies have also addressed the concern to develop the current and future workforce, which could be interpreted as a first indicator for a substance-oriented understanding of sustainability for HRM. The findings have also illustrated with the help of examples how the companies apply HR practices linked to sustainability to achieve the objectives of attracting talent and becoming employers of choice, retaining a healthy and motivated workforce, investing in the skills of the current and also of the future workforce, and creating employee trust, employer trustworthiness, and sustained employment relationships. For example, sustainability and social legitimacy have become important attractors for young recruits who are interested in the values of their future employers.

Finally, the last contribution of the exploratory part was to understand whether and which paradoxical tensions the companies represent on their websites and which coping strategies they suggest for dealing with the tensions. Overall, tensions and paradoxes do not yet receive the attention on the websites, which they presumably have in HRM practice and linked to sustainability topics. Balancing, integrating, and abstracting are the coping strategies preferred for sustainability. Further coping strategies are missing or at least not represented on the websites. However, doubts have been raised in Chap. 7 whether all companies using these terms are actually referring to the opposition and synthesis of paradoxical phenomena or whether they are just imitating the jargon of the WBCSD network. This leads to the practical relevance and theoretical gap for further research. Overall, the exploratory part allowed complementing the conceptual part of the study by providing important findings on the corporate communication and representation of the sustainability–HRM link.

8.3 Limitations of the Study and Open Research Questions

This study has offered new insights into sustainability in HRM. However, several conceptual and methodological limitations need to be noted, and important avenues for future research are raised in the following sections.

8.3.1 Conceptual Limitations

The first conceptual limitation addresses the Sustainable HRM model and paradox framework in this study. Similar to the conceptualisations and models developed

for high-performance work systems (HPWS) (e.g. Pfeffer 1998; Huselid 1995), an idealist approach to Sustainable HRM has been taken in this study. Although this problem has been counteracted by the iterative process between the conceptual and exploratory part of the study (see Sect. 1.5), the study did not necessarily add to knowledge on the experienced realities of Sustainable HRM, such as actual or perceived HR practices (see Wright and Nishii 2006), nor to the subtle differences in experienced HRM stemming from subtle cultural and national contexts (see, e.g. Brewster and Suutari 2005; Gooderham et al. 1999). Just the representations, i.e. what is communicated as being the link between sustainability and HRM, have been researched. It was not the purpose of the conceptual part to describe “social realities” but to describe a recent phenomenon in research and practice – the emergence of sustainability idea in HRM – and to offer an alternative view to existing approaches to the topic by considering paradoxical tensions and coping strategies. Both the model and the framework have produced first ideas about sustainable resourcing strategies and about coping strategies for how to deal with paradoxical tensions in Sustainable HRM. These ideas are at a very abstract and general level. But, these ideas should not be over-generalised because it has not yet been explored how the strategies intersect with each other. For example, what might work in one HRM context might not work in another. It also lies in the nature of idealist HRM models that they may be conceptually useful but empirically non-existent. But, this brings the focus back to a more general discussion about the relationship between practice and research as well as between theoretical and empirical research.

For reasons of legitimacy and acceptance, organisational and HRM research is concerned with pursuing high-quality research. Theory development is seen as one task in the circular research process of alternating theory building and testing (see Bunge 1967). But, developing theory and advancing knowledge about a phenomenon by understanding it better is not the same as theory testing (see Dörner 1994). What is “good” theory development and research is usually agreed on by a certain scientific community and is judged with the help of the same world views underlying the research process itself. As outlined in Sect. 1.5, explicit or implicit positivism prevail in the field of HRM research (see Legge 1995). Even if similar evaluation criteria are used, outcomes can vary considerably from reviewer to reviewer (see Starbuck 2004). For example, from a positivist stance good theory is empirically testable and explains new aspects of a research problem (Atteslander 2003). Evaluation criteria for theory development differ from those on theory testing (see Dörner 1994; Klimoski 1991). Conversely, from an interpretive stance, good theory has to be interesting, authentic, useful, credible, critical, and plausible (see Denzin and Lincoln 2005a). As depicted in Sect. 1.5, this study attempted to cross the boundaries of organisational, HRM, and sustainability research and different methodological paradigms. Whether the result of this attempt is thought to be interesting, useful, plausible, etc., is up to the reader and the practitioner to decide. Finally, methodological limitations are discussed and suggestions made on how these restrictions could be improved in future research.

8.3.2 *Methodological Limitations*

A first limitation addresses the role of the researcher and the idea of formulating the theory development process as transparent and self-reflective as possible. The limit to self-reflexivity of the researcher is where cognitions, attitudes, and emotions unconsciously influence choices and when limited resources (e.g. time, access to knowledge) force the decision-making processes to come to an end. It is necessary to reflect on the nature of the knowledge created and on the nature of practical implications, but over-reflexivity can paralyse and leave a researcher unable to act (Czarniawska 2003; see also Weick 1999).

The second methodological limitation refers to the nature of the findings of the website analysis. It has to be repeated here that the findings of the exploratory analysis are not representative; the websites of the European MNEs are members of the same sustainability network with access to the same “pool of ideas” and thus not independent from each other. As a consequence, the results should not be over-generalised, and the question remains whether they should be generalised at all. The study is cross-sectional only and as such does not cover processes of change in practitioner’s reasoning for sustainability in HRM, the problems that are thought to be solved with it and HR activities that are thought to be linked to it. Nevertheless, the purpose of the exploratory part is met – to illustrate with the help of practical examples of what is represented as the link between sustainability and HRM and to provide further ideas for theory development and for empirical explorations.

8.3.3 *Avenues for Further Enquiry*

Sustainable HRM has been conceived of as an emerging strategy in corporate practice and as a potential trend for HRM research (see Chaps. 2 and 7). Major trends in HRM that have influenced the development of theory in the field have been outlined as well as the gap which Sustainable HRM attempts to close (see Chaps. 3 and 5). However, future research will show whether Sustainable HRM becomes a more widely accepted concept. Overall, a number of open research questions and implications for further theoretical and empirical research on Sustainable HRM can be derived from this work.

First, future research on Sustainable HRM could incorporate more systematically knowledge from different HRM sub-fields such as HR development, labour market studies, and research on employability, employment relationships, occupational health and safety, etc. For example, the latter is currently only loosely linked to HRM and its strategic relevance for a company has rarely been researched (see, e.g. Rudow 2004; Steffgen 2004; Ulich and Wülser 2004). A number of empirical studies in HRM literature have looked at topic such as work–life balance, diversity, employability, and health, which now appear in the context of sustainability and HRM. This literature is widely dispersed and has not been reviewed extensively in

research on sustainability and HRM. As this could lead to conflicting implications and to “reinventing the wheel” under the new label of sustainability, it is the objective of this work to draw from this existing empirical research. As this study indicates, future research should look more closely at the link between “health management,” HR regeneration, and the strategic aspect of Sustainable HRM. Furthermore, the empirical findings provided in these sub-fields could help in developing more specific sustainable resourcing strategies for HRM, not to forget the vast literature on trust, distrust, and trustworthiness which could be used for a theoretical foundation of sustainable resourcing relationships and which could add knowledge about how trust is created and lost or destroyed in these kind of relationships.

Second, future research on Sustainable HRM from a paradox lens should also review more systematically the literature on organisational change (see, e.g. Wilhelmsen and Sena 2002) and link it to the concept of time and how time is conceptualised implicitly and explicitly in different HRM, i.e. organisation theories. One important implication from this study is that the temporal dimension has been neglected in sustainability and HRM theory development – although the sustainability concept implicitly is a temporal concept. But, the paradox lens provided in this study sheds new light on the importance of the problem to cope with short- and long-term effects. As the findings from the exploratory part in this study suggest, the danger is that companies could postpone sustainability tasks to the future by using the abstracting method as a coping strategy. But, as paradox theory teaches, these release tensions only temporarily and shift the task of coping with the paradoxes to the future as well as potentially self-induced consequences, i.e. side- and feedback effects which may intersect unpredictably in the future. Empirically, it would be interesting to explore how subjective and culturally shaped time horizons influence the choice of the preferred coping strategies and which further factors might influence the choice and why. For instance, further research questions could deal with the following:

- What is the meaning of the notion of long-term in different cultures and contexts and how do these influence assumptions about the necessity of a Sustainable HRM approach?
- How can Sustainable HRM be conceptualised for fast changing business environments?

Third, for empirical research on Sustainable HRM it becomes vital to identify more companies interested in the link between sustainability and HRM and to investigate through field studies why these companies have implemented certain practices and to help them find further ways to apply sustainability as a “deliberate” strategy. As, Sustainable HRM is an emerging concept, not much is known about the empirical short- and long-term effects. Although they might be difficult to study or measure, it is vital for research on the concept itself that promises which have been made at the conceptual level (see Chap. 5) lead at least to long-term results at the practitioners’ level. Future empirical research should address the following research questions:

- How is sustainability applied in HRM decision-making situations?
- What are the practical heuristics of operationalising sustainability and of integrating it into operational and strategic decision-making processes?
- Are there any differences and similarities with regard to the application of sustainability in HRM across different cultures or nationalities?
- Why are certain HR practices chosen and what is the assumed link between individual or bundles of “sustainable HR practices”? Which outcomes can be observed empirically?

Empirical research is needed on particular companies that have developed an understanding for sustainability and HRM to expand and test the theory developed in this study, and to observe the development of Sustainable HRM over time. Methodologically, future studies should try to integrate multiple research methods such as case studies, interviews, etc. (see, e.g. Denzin and Lincoln 2005a). These studies should also be longitudinal in design and process-based (see Van de Ven 2006) in their perspective to contribute to understanding the development of sustainability in HRM over time.

Fourth, for a better understanding of the nature of sustainability as well as the reasoning for it in HRM practice, contextual factors such as cultural value orientations or institutional influences and their impact on the understanding and application of sustainability in HRM have to receive more scholarly attention. Future work should also attempt to analyse more in depth the understanding of sustainability for HRM in countries with different institutional and cultural backgrounds. Cultural and institutional contexts differ widely in Europe, and it is assumed that “tailored” solutions are needed. Internationalisation and globalisation must not be neglected when thinking about how to conceptualise and implement Sustainable HRM. Global workforces have become more diverse, and competition for talent has become global. Consequently, diverse specific conditions of development, reproduction, and regeneration of human resources and of the sources of HR have to be considered in global organisations – for example, different education systems, labour markets, or societal ideals about family life have to be considered in different countries. This raises some of the same problems for Sustainable HRM as for HRM in general in global companies: Which HR activities can be globalised and which must remain in tune with the local requirements? This question also hints at future tasks for research.

Fifth, paradox theory could also provide a useful theoretical framework to advance thinking in the work–life balance literature (e.g. Hoff et al. 2005; Jacobshagen et al. 2005; Poelmans and Sahibzada 2004), which could then be linked back to the conceptualisation of Sustainable HRM. Furthermore, the psychological coping strategies that have been suggested in this study as being important for the success of logical coping strategies should receive attention from future research. Theory and empirical findings from burnout and stress research could be looked at more systematically and searched for findings that have been produced on distress in paradoxical or dilemmatic situations. This could advance understanding the choice of cognitive coping strategies and whether this really represents a “choice” or whether this choice

is restricted by further psychological factors. It has been suggested that paradox can also be regarded as a mental concept and that “mental models” (see also Pfeffer 2005a) have to be changed or “reframed”. While this idea sounds simple, past research (and practice) has also faced the limitation that mental models cannot be easily changed. Furthermore, they are difficult to be researched empirically. Roehling and colleagues (2005) suggest that:

Perhaps the greatest challenge for future research on this topic will be the development of creative qualitative methods to accurately uncover mental models of individuals, teams, and organizations. These research methods are likely to be less traditional than current quantitative methodologies that focus more on observable behaviors and conscious attitudes. (p. 211)

Diagnosing and understanding how people cope with paradoxes, dualities, and dilemmas in their daily practice is an important topic for further research also – but not exclusively – from a sustainability perspective. Longitudinal research designs should be helpful in researching changes over time (see also Roehling et al. 2005). Further research should also give attention to the following questions: How is sustainability applied in real decision-making situations? What are the heuristics of operationalising the concept and integrating it into operational and strategic decision-making processes?

Finally, diverse philosophies of science and paradigms can create tensions, contradictions, and paradoxes within a field of research because the scholars involved find themselves confronted with opposing assumptions on their world views and on their basic research assumptions such as what is regarded as “good” or “bad” research. The contemporary academic debate surrounding ontology, epistemology, and methodology indicates that it is important for a researcher to reflect on his/her position in the philosophies of science instead of simply taking one that has been suggested from outside just because it is the most accepted one (Bechara and Van de Ven 2006). An important reason for a self-reflective approach towards paradigmatic positions is that a researcher’s basic assumptions have great influence on the product of research, the way of generating knowledge, and claims that truth influence the implications for further research (see also Hardy et al. 2001). Ghoshal (2005), for instance, asserts that scientific knowledge might impact future management practice in a self-fulfilling process.¹ Styhre (2005), who examines the process of writing in management research, points out critically that scholarly writing and research are very often based on taken-for-granted assumptions or paradigms:

Writing practices are always contingent, instituted, and contextually embedded. What is deemed to be good and appropriate writing in a field is established through negotiation and struggle. To date, writing practices have been very much based on what Pierre Bourdieu calls *doxa* and what Frantz Fanon refers to as the *unreflected imposition of culture*, shared beliefs and ideologies that are rarely expressed or problematized. (p. 22; italics in original)

¹See also the replies to Ghoshal’s last article before his death (Ghoshal 2005) in the Special Issues of the *Academy of Management Learning and Education Journal*, 4(1): particularly Donaldson (2005), Gapper (2005), Hambrick (2005), Mintzberg (2005), and Pfeffer (2005b).

Thus, the debate on a paradigmatic position is also one about dominance in a field of research and about power concerning the interpretation of the knowledge created (see also Denzin and Lincoln 2005b).² If researchers categorise themselves or each other as “positivists,” “social constructionists,” or “critical realists,” the danger seems to be that these “labels” generate and enforce stereotypes. These categories can also be a great source of misunderstanding, leading in extreme cases to the rejection of the other party’s research contributions if the underlying philosophies are beyond the scholar’s own world views (see, e.g. the debate between Gioia 2003 and Meckler and Baillie 2003a, b). The author of this study has attempted to view contributions from diverse theoretical and paradigmatic backgrounds as enriching the academic discourse on the topic (see also Sect. 1.5).

This section questioned also the understanding of the role of the researcher in HRM. The contribution to the HRM community is an attempt to increase self-reflexivity as it has been done in the discipline of organisation or strategy research. While Ulrich (1997) asserts the need for HR practitioners to be guided by HR research and theory, the author of this study questions this attitude. It could be meant in a supportive way but it could also be interpreted as a scholarly attempt to use scientific positivist knowledge as a means of dominance from research over practice (see also Sect. 1.5.1 and Ghoshal 2005). The author does not see such dominance and supports the view from Van de Ven (2006) who asks for a modest role of the researcher as an “engaged scholar.” Van de Ven (2006) describes engaged scholars as those seeking “arbitrage” effects (Friedman 2000) from the fruitful cooperation of various stakeholders in the research process. None of these parties is seen as dominant but as learning from each other. This view does not deny that a good theory and empirical research can help in supporting and improving managerial practice (see also Opp 2002). Furthermore in this process, the role of the researcher as a neutral and unbiased person is challenged (see also Fontana and Frey 2005).

8.4 Implications for HRM Practice: Sustainability as a Deliberate Strategy

The first pragmatic objective of this study was to raise awareness for the problem-solving potential of sustainability for HRM (see Sect. 1.4.3). This objective has been reached in the conceptual part of the study by outlining the possibilities to think about ways of fostering the ability of HRM to sustain the HR base from within and to extend the notion of strategic success for HRM, and by emphasising that both

²Chmielewiz (1979) emphasises the educational aspect of philosophies of science and comments sarcastically that philosophies of science theorists do not have to worry for not having enough enemies. But, as Starbuck’s (2004) career shows exemplarily, a researcher’s position in the philosophies of science can be subject to change over time depending on the individual experiences in different research environments.

short- and long-term effects need to be reconciled in Sustainable HRM (Chaps. 2, 3 and 5). Chapter 7 provided first ideas for how the problem-solving potential of sustainability for HRM is used in corporate practice, and revealed that companies have advanced at managing social legitimacy but that they need to make more efforts on HR “reproduction” and on coping with the paradoxical tensions involved in the sustainability–HRM link. To enable better problem diagnosis in practice, this study has contributed a Sustainable HRM model as well as a paradox and coping framework. HR executives can use the framework as a “mental framework” to identify key paradoxes, dualities, dilemmas and tensions, or ambiguities arising in sense- and decision-making processes for Sustainable HRM. As soon as these tensions and the underlying paradoxes are identified successfully, appropriate coping strategies can be chosen.

The second pragmatic objective was a theory-guided critique of HRM “rhetoric” on corporate websites on the sustainability–HRM link (see Sect. 1.4.3). This analysis has been provided in Chap. 7 and in Sect. 8.2.2 The third pragmatic objective was to support HR executives in applying sustainability as a deliberate strategy for HRM and how to make informed choices about coping with paradoxical tensions (see Sect. 1.4.3). The coping framework presented first practical examples. Sustainability can help “integrating the future into the present” (Evans 1999) and reconciling the dilemma between short-termed profit making and long-term availability of HR. Hence, it is important to look at existing HR practices and to figure out whether these follow primarily the logic of efficiency and of a substance-oriented or a social responsibility-oriented understanding of sustainability. As this study is conceptual and exploratory, only very general guidelines can be provided here, but for more specific implications it is absolutely necessary to study the cultural and institutional context of the respective organisation (see also Paauwe 2004). Future developments in practice and application of the ideas on sustainability and HRM in research will depend upon the nascence of something like a Sustainable HRM field, which is currently at best in an embryonic state.

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Appendix

WBCSD Member Companies, Europe

<http://www.wbcds.org/web/about/europe.htm>

Appendix 1 Accepted WBCSD European member organisations

Case	Company name ^a	Headquarters	Industry	No. of countries the company is represented in ^b	No. of employees worldwide ^b
1	Podravka	Croatia	Food and pharmaceuticals	In 17 countries, with production facilities in five different countries (Croatia, Slovenia, Poland, Czech Republic, Slovakia)	7,345
2	Brodrene Hartmann	Denmark	Packaging	11 production plants and sales offices in more than 20 countries in Europe, the Middle East, South America, North America, Asia	2,300
3	Novo Nordisk		Healthcare	Located in 79 countries, markets its products in 179 countries	23,600
4	Novozymes		Enzymes, microorganisms, biopharmaceuticals	40 different industries and 130 countries	4,000
5	Fortum	Finland	Energy	Employees in Finland, Sweden, Norway, Estonia, Poland, other countries	8,955
6	Stora Enso		Publication and fine paper, packaging board and wood products	located in more than 40 countries on five continents	46,000
7	Gaz de France	France	Energy	Europe, Canada, India, Africa	52,985
8	L'Oréal		Cosmetics	58 countries	52,403
9	Lafarge		Building materials	76 countries	80,000
10	Renault		Vehicle industry	Industrial and commercial presence in 118 countries	126,584
11	Veolia Environnement		Water, waste management, energy, transportation	65 countries	271,153
12	Adidas	Germany	Sports	More than 80 subsidiaries in Europe, North America, Latin America and Asia Pacific	25,000
13	Allianz Group		Insurance and financial sector	More than 70 countries	177,000
14	BASF AG		Chemical sector	5 continents	95,000
15	Bayer Group		Health care, nutrition and high-tech materials	Europe, North America, Asia/Pacific, Latin America, Africa, Middle East	110,200
16	Continental		Automotive supplier	35 countries	79,849
17	Degussa AG		Specialty chemicals	Research in over 50 locations worldwide	44,000
18	Deutsche Bank AG		Financial sector	1,605 settlements worldwide	65,435

19	E.ON AG	Energy		24 countries	82,647
20	Heidelberg Cement	Building materials		48 countries	41,260
21	Henkel KGaA	Home care, personal care, and adhesives, sealants and surface treatment		Represented in over 75 countries	51,724
22	Volkswagen AG	Eight automobile brands, a large number of service and sales companies, and companies in the financial sector		19 countries, four regions: Europe, Asia-Pacific, Africa and the Americas	344,902
23	Titan Cement	Building materials	Greece	Greece, USA, Southeastern Europe (Bulgaria, Serbia and FYR of Macedonia) and Middle East (Egypt)	5,599
24	CRH	Building materials	Ireland	25 countries	66,500
25	Italcementi Group	Building materials	Italy	19 countries	22,300
26	ABN AMRO Bank	Financial sector, banking	Netherlands	53 countries	110,000
27	Akzo Nobel	Human and animal healthcare; coatings; chemicals		Operating subsidiaries in more than 80 countries	61,500
28	Royal DSM N.V.	Pharmaceuticals		49 countries	21,820
29	Heineken	Brewery		65 countries	64,000
30	ING Group	Financial sector		50 countries	116,600
31	Royal Dutch Shell plc.	Energy		140 countries	109,000
32	Royal Philips Electronics	Electronic sector		60 countries	161,500
33	TNT N.V.	Transportation sector		63 countries	160,062
34	Det Norske Veritas	Providing services for risk management	Norway	300 offices in 100 countries	7,000
35	Norsk Hydro	Energy and aluminium		About 40 countries	33,000
36	Statoil	Energy		33 countries	25,644
37	EDP, Electricidade de Portugal	Energy	Portugal		14,235
38	Sistema	Telecommunications, technology, insurance, real estate, banking, retail and media	Russia	Russia and the CIS	70,000
39	Skanska	Construction-related services and project development	Sweden	Sweden, USA, UK, Denmark, Finland, Norway, Poland, the Czech Republic, Argentina	54,000
40	SKF	Rolling bearings and seals		70 countries	41,090

(continued)

Appendix 1 (continued)

Case	Company name ^a	Headquarters	Industry	No. of countries the company is represented in ^b	No. of employees worldwide ^b
41	ABB Group	Switzerland	Energy and automation	100 countries	104,000
42	F. Hoffmann-La Roche		Pharmaceuticals	Worldwide	68,218
43	Holcim Ltd.		Building materials	70 countries	60,000
44	KPMG international		Audit, tax and advisory services	148 countries	113,000
45	Novartis AG		Pharmaceuticals	Worldwide	98,788
46	BG Group	United Kingdom	Energy	20 countries over 5 continents	5,390
47	BP		Energy	73 countries	96,200
48	Deloitte Touche Tohmatsu		Audit, tax, consulting and financial advisory services	148 countries	135,000
49	Rio Tinto		Mineral resources	5 continents	36,000
50	Vodafone Group		Mobile telecommunication services	26 countries	10,620

^aDeadline for including member companies into the analysis: 10th February 2007^bNumbers are from the companies' websites or documents and refer to the year 2005

Appendix 2 Excluded organisations: No link between sustainability and HRM issues or only little information on the website

Country	Company name ^a	No sustainability and HRM link
Belgium	Umicore	No explicit mentioning of a link between HRM and sustainability; sustainability website has not been accessible; information on HRM website is very limited. http://www.umicore.com/en/
Denmark	Borealis	No explicit mentioning of a link between HRM and sustainability (just environmental issues); information on HRM is very limited; also in the company report; however issues such as ethics and responsibility (see Borealis Ethics Policy), health, security are mentioned in the company report; objective: company reputation, success. http://www.borealisgroup.com/public/
Finland	Metsäliitto Group	No explicit mentioning of a link between HRM and sustainability (primarily environmental issues and a general paragraph on corporate responsibility); information on HRM is absent (or well hidden); also in the company report; Corporate responsibility refers to issues such as ethics, human rights, anti-corruption and responsibility. http://www.metsaliitto.com/main.asp
	Nokia	No explicit mentioning of a link between HRM and sustainability (primarily environmental issues and a huge emphasis on corporate social responsibility and on ethics). From the main website http://www.nokia.com/ access to the link “corporate responsibility” to “corporate responsibility reporting” CR Report 2005 available as PDF or: http://www.nokia.com/crreport . But very interesting quotes in HRM issues (talent management, etc.) – example for an org. which could make the link or makes it implicitly
	UPM	Access from the main website http://w3.upm-kymmene.com/upm/intermet/cms/upmcms.nsf?Open&qm= menu,0,0,0 to the link “environment & CSR” CR Report 2005 has not been accessible. Assumption that there is no link between HRM and sustainability but focus on CR/CSR issues
France	AREVA	Access from the main website http://www.arevagrroup.com/servlet/ContentServer?pagename=arevagrroup_fr/home to the link “rapports annuels”; focus on environmental issues
France	EDF Group	Access from the main website http://www.edf.fr/li/Accueil-fr.html to “vos projets” http://collectivite.edf.fr/530021/Accueilfr/Pourlescollectiviteslocales/Vosprojets.html ; no other link to something which could be linked to sustainability; only environmental issues and solidarité/cohésion sociale
	Michelin	Access from the main website http://www.michelin.com/portail/home/home.jsp?lang=EN to “discover the Group”, “the Company”, to “values and strategy” to: “Our Mission: To contribute in a sustainable way to progress in the mobility of people and goods by constantly making travelling safer, easier, more enjoyable, more economical and more respectful of people and the environment”

(continued)

Appendix 2 (continued)

Country	Company name ^a	No sustainability and HRM link
		Next the link "The performance and responsibility approach" (very well hidden on this website!!!): access to the report did not work. However it can be assumed from the website that the focus is on environmental sustainability and if at all then on social responsibility
	Suez	From the main website http://www.suez.fr/indexUK.php (accessed: 20/06/2006; 30/09/2006) to "sustainable development" (1) To "4 guiding principles" (2) To "5 major challenges" The challenges then mentioned are local rootedness, market shifts, climate change, resource preservation, quality of life The main focus is on environmental issues and on long-term viability of the organization. HRM issues are not explicitly mentioned. Safety and health issues address also concerns like "drinking water quality" which goes beyond the topics analysed in the dissertation From the main website http://www.mps.it/no_visible access to sustainability and HR issues Focus on environmental sustainability; only ethics mentioned as a social issue; little information. http://www.falck.it/eng/chisiamo_gruppo.shtml From the main website no access to website http://us.st.com/stonline/ ; Too little information available as website is under construction. Potentially, link between sustainability and HR issues such as employment, attraction and retention; diversity/equal opportunities; training and development; performance and job evaluation; performance reward and recognition; employee empowerment and engagement; health and safety; human rights http://www.unilever.com/ourvalues/ ; http://www.unilever.com/ourvalues/ ; Very little information on HR and sustainability; focus on environmental issues and on human rights, ethical code, etc. http://www.grieg.com/ ; Little information, none about sustainability and HR; little organization http://www.hoegh.com/hoegh/ ; Little information, none about sustainability and HR http://www.norskeskog.com/ ; No explicit link between sustainability and HR issues; little information. Focus on social responsibility/Global Compact http://www.statkraft.com/ ; no explicit link between sustainability and HR issues; focus on environmental issues http://www.storebrand.com/ ; social responsibility concerning employees focuses on employee satisfaction survey, annual rate of absence due to illness, ethics; little information
Italy	Banca MPS FALCK Group	
The Netherlands	Pirelli STMicroelectronics	
	Unilever	
Norway	Grieg International Leif Høegh Norske Skogindustrier	
	Statkraft AS	
	Storebrand	

Portugal	CIMPOR	http://www.cimpor.pt/ ; social responsibility but no visible link between HR and sustainability. Little information
	Portucel Soporcel Group	http://www.portucelsoporcel.com/eng/index.html ; Focus on environmental issues: http://www.portucelsoporcel.com/downloads/public/annual_reports/Sustainability_Report_2005_FINAL_INGL_S.pdf
Romania	Sonae Energy Holding	http://www.sonae.pt/ ; Website not yet completed, particularly on HR
		http://www.energyromania.com/ ; Very little information; CSR issues are broadly mentioned; org. feels responsible for the people of Romania
Russia	Basic Element	http://www.basicelement.ru/ ; No link between sustainability and HR; very little information
	Gazprom	http://www.gazprom.com/ ; No link between sustainability and HR
	Acciona	http://www.acciona.com/ ; focus on environmental issues/eco-efficiency
Spain	Cementos Portland Valderrivas S.A.	http://www.valderrivas.es/Portland/HomePort.nsf/wfInicioPresentacion?ReadForm ; Seems that website is available only in Spanish, focus on environmental issues; the link between HR and sustainability is mentioned in the sustainability report as “compromise con los empleados” (p. 78) which covers issues like human rights, child work, discrimination, corruption, etc.
	Repsol YPF	http://www.repsolypf.com/comunes/archivos/Asuntos_relevantes_Responsabilidad_Corporativa_2005V2_eng_171191.pdf ; Link between HR and sustainability and issues like training and development are mentioned; but too little information for in depths analysis
Switzerland	SGS Société Générale de Surveillance Holding	http://www.sgs.com/ ; Focus on environmental issues
	Swiss Re	http://www.swissre.com/ ; “Societal development” is mentioned. Sustainability issues focus on environmental issues. Link to HRM is not visible. Information is limited
	Syngenta	http://www.syngenta.com/de/social_responsibility/employees.aspx ; With “social responsibility”, they refer to asking employees for improvements and listening to them. Not very particular
United Kingdom	Anglo American	http://www.angloamerican.co.uk/ ; No visible link between sustainability and HR. focus on environmental issues and on social responsibility (e.g. “communities”)
	Environmental Resources Management Group	http://www.erm.com/erm/main.nsf/pages/homepage?opendocument ; No visible link between sustainability and HR

^aDeadline for including member companies into the analysis: 31st January 2007

Appendix 3 Analysis of key topics on sustainability and HRM

Company	D&T	H&S	DIV	SR	WLB	ER	R	D	Others
Podravka (Croatia)	X	X	X	Z	-	-	-	-	-
Brodtrene Hartmann (DK)	X	X	-	Z	-	X	-	-	-
Novo Nordisk (DK)	X	X	X	Z	X	-	X	-	-
Novozymes (DK)	Z	Z	Z	-	Z	-	-	-	-
Fortum (FIN)	X	X	X	-	-	-	-	-	Job satisfaction
Stora Enso (FIN)	-	X	-	-	-	-	-	-	-
Gaz de France (F)	-	X	X	X	-	-	-	-	-
L'Oréal (F)	X	X	X	X	-	-	X	-	-
Lafarge (F)	X	X	X	X	-	-	-	-	-
Renault (F)	X	X	-	X	-	X	-	X	Strategy; motivation
Veolia Environnement (F)	X	X	X	X	-	X	-	-	-
Adidas Group (D)	X	X	-	X	X	-	X	-	Global mobility
Allianz (D)	X	-	X	X	-	X	X	-	IHRM; leadership values; staff reduction
BASF (D)	-	X	X	X	-	X	-	X	IHRM
Bayer Group (D)	X	-	X	X	(X)	-	-	-	-
Continental (D)	X	X	X	X	X	X	X	X	Employability; "labour cost reduction programs"
Degussa (D)	X	Z	-	X	-	-	-	-	-
Deutsche Bank (D)	X	-	X	X	X	-	X	-	Leadership and support
E.ON (D)	X	X	X	X	X	-	X	-	Employee opinion survey
HeidelbergCement (D)	X	X	-	X	-	-	-	-	-
Henkel (D)	X	X	-	Z	X	(X)	X	X	Employee surveys; restructuring
Volkswagen (D)	X	X	X	-	X	X	-	X	Employment, employability
Titan Cement (GR)	X	X	-	-	-	X	-	-	Employees' families; employment
CRH (IRL)	X	X	-	X	-	-	-	-	-
Italcementi (I)	X	X	X	X	-	X	-	-	Quality of life; welfare and employment; support of communities
ABN AMRO Bank (NL)	X	-	X	X	-	-	-	-	Dilemmas; employee engagement
Akzo Nobel (NL)	X	X	-	X	-	-	-	-	-
Royal DSM (NL)	X	X	X	-	-	-	-	-	-
Heineken (NL)	X	X	-	-	-	-	-	-	-
ING Group (NL)	X	-	X	-	-	-	X	-	Employee relations, trade unions; (dilemmas)
Shell (NL)	X	X	X	X	X	-	X	-	-

