Human resources and industrial relations
Commonalities and differences

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Abstract

A diversity of opinion exists about the definition, intellectual boundaries, and major premises of the fields of human resources management (HRM) and industrial relations (IR). To help provide a common frame of reference for discussion and debate on the symposium topic, I endeavor in this paper to flesh out a consensus position on these matters. The method used is largely historical. Based on a review of the origins and evolution of the two fields from the early 20th century to the present day, I show that human resources (HR) up to the early 1960s was typically considered to be a subfield of IR. In more recent years, however, HR has largely severed its links with IR and now is widely regarded as a separate, sometimes competing and sometimes complementary field of study. In the last part of the paper I use this historical analysis, together with a review of the literatures in the two fields and the findings and conclusions of the other papers in this symposium, to identify both the commonalities and differences that distinguish the two fields in terms of their approach to science building (research) and problem solving (policy/practice). © 2001 Elsevier Science Inc. All rights reserved.

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1. Introduction

Before fruitful discussion and debate can take place on the symposium topic “What can HR Learn from IR?” an agreement needs to exist on what the terms human resources (HR) or, equivalently, human resources management (HRM) and industrial relations (IR) represent in...
terms of subject matter and intellectual content. As I will describe in more detail below, a considerable diversity of opinion currently exists on this matter. Some researchers, for example, claim IR subsumes HR, while others maintain the opposite. Yet, others believe the two fields are largely separate entities with little overlap in subject matter and research agendas.

In this introductory essay I try to sort out these conflicting viewpoints and work toward a consensus. Section 2 examines the historical evolution in the meanings and definitions of the two fields from the time of their birth in the late 1910s to the present day. I document that up to the early 1960s HR was widely perceived to be a subfield of IR, but that afterwards the two fields have largely been regarded as separate entities. The next section then examines the factors behind this evolution in IR and HR — when and why they emerged as distinct fields of study and practice, the common and divergent points that separated them in terms of science building (research) and problem solving (practice/policy), the factors that precipitated the break-up of IR and HR and HR’s emergence as a separate field, and the contemporary status of the two fields. Finally, in the last section I use the preceding evidence to deduce what I believe are the essential positive and normative premises that form the respective paradigms underlying the two fields.

The focus, it should be noted, is on the American experience, although other English language literature is referenced. The reader is alerted to the fact that the definition and interpretation of the HR and IR terms in other countries, such as in the United Kingdom, sometimes diverge from American usage (see Guest, 1987; Legge, 1995; Storey, 1992), and the evolution of events and ideas discussed here are likewise in important respects specific to this country.

2. Defining HR and IR

As described more fully in a moment, the fields of HRM and IR as both subject areas in university curriculums and vocational areas of practice in the business world were born in North America in the late 1910s to early 1920s. In the beginning a plethora of names were used to describe this broad subject area. Names commonly encountered include employment management, labor management, personnel management, personnel administration, labor relations, industrial relations, industrial relations management, and employment relations. The term ‘human resource management’ was not used, as far as I can tell, but the more general term ‘human resources’ was already employed to connote the idea that the nation’s labor input is embodied in human beings and represents a form of capital good that can be augmented through various forms of private and public investment, such as education, training, and public health programs (Commons, 1919, p. 129).

During the 1920s certain of these terms gained ascendancy and others largely disappeared and, at the same time, a consensus slowly emerged about their meaning and content. All of these terms somehow dealt with work, employment, and relations between employers and employees. The umbrella term used to describe the entire area of study and practice was industrial relations. It subsumed all aspects of work, included problems and issues affecting both employers and employees, dealt with the practices of both employer and worker
organizations, and covered all employment relationships regardless of union status (Hicks, 1941; Social Science Research Council, 1928).

IR, in turn, was widely regarded as having two major subdivisions within it. The first dealt with the management of labor, the second with collective bargaining and methods of workforce governance (Russell Sage Foundation, 1919). Terminology converged relatively quickly with respect to the former and by the mid-1920s most writers used the labels personnel management or personnel administration (e.g., Scott & Clothier, 1923; Tead & Metcalf, 1920). As the name implies, personnel management approaches the study of work and employment from the employer’s perspective. It focuses on the goals of employers, the practices employers use to attract, retain, motivate, and develop the labor input of workers, tends to see workers as a means to an end (e.g., to achieve greater profit, organizational effectiveness), and emphasizes individual relations and modes of dealing between employers and employees.

A consensus term for the latter area of IR took longer to develop, but by the mid-1930s labor relations had become common (e.g., Watkins & Dodd, 1938). As envisioned at the time, labor relations approaches the subject of work and employment from the employee’s perspective. The emphasis is on the goals and needs of workers, examines the problems and issues they face in the work world, explains why individual workers may be at a power disadvantage vis a vis the employer, and tends to emphasize and advocate collective forms of dealing between workers and employers through trade unions.

The term “industrial relations” was thus broadly construed and was generally seen as subsuming “personnel management” within it. At the famous nonunion Hawthorne plant of the Western Electric (the site of the Hawthorne experiments by Elton Mayo and colleagues), for example, the title of the person in charge of the corporate employment function was “Vice President of Industrial Relations” (Roethlisberger & Dickson, 1939) and, likewise, scattered across several dozen cities were local organizations of personnel managers called “Industrial Relations Associations,” e.g., the Industrial Relations Association of Chicago (Personnel, August 1940).

The meanings and boundaries of these terms remained largely unchanged up to the early 1960s. Indicative is the following passage, quoted verbatim from the 1958 edition of the Handbook of Personnel Management and Labor Relations, written by three prominent scholars and one practitioner (Yoder, Heneman, Turnbull, & Stone, 1958). They state (p. I-22):

In current practice, careful usage employs the terms personnel management or personnel administration to refer to the management of manpower within a plant or agency, and the terms emphasize employer relations with individual employees, in such activities as selection, rating, promotion, transfer, etc. In contrast, the term labor relations is generally used to describe employer relations with groups of employees, especially collective bargaining — contract negotiation and administration. Industrial relations, or employment relations, in recent years, has come to be used as the broadest of these terms, including the areas of both personnel management and labor relations. “Industrial relations” or “employment relations” thus describes all types of activities designed to secure the efficient cooperation of manpower resources.
That IR at this time had the broad usage ascribed to it by Yoder et al. (1958) is illustrated by several examples. In 1945, for example, Cornell University established the New York State School of Industrial and Labor Relations — the program title still in use today. Although (for reasons to be discussed shortly) most people today would assume that this title means the program focuses mainly on organized (unionized) employment relationships, the original meaning is that the program pertains to all aspects of work and covers both organized and unorganized employment relationships (the meaning of IR) but with an emphasis on unions and collective bargaining (the meaning of “labor relations”). Another example is the title of the Industrial Relations Research Association (IRRA), an organization founded in 1947. The intended broad and inclusive meaning of IR is indicated by the statement of Purpose in the organization’s original constitution (IRRA, 1994, p. ix): “The purposes of this Association are: 1. the encouragement of research in all aspects of the field of labor — social, political, economic, legal, and psychological — including employer and employee organization, labor relations, personnel administration, social security, and labor legislation....” As a third example, through most of the 1950s it was widely accepted that the new fields of human relations and industrial sociology, and Elton Mayo, Chris Argyris, William Foote Whyte and other researchers in them, were also part of the larger field of industrial relations (Kaufman, 1993; Miller & Form, 1951; Wilensky, 1954).

What was standard terminology in 1960 is no longer so today. Over the ensuing four decades the labels attached to these various fields and subfields have taken on new meanings and new labels have appeared and old ones threaten to disappear. One notable trend is the replacement of the old term “personnel management” with the new one “human resource management.” The terms “human resources” and “management of human resources” can be found scattered in various writings prior to the 1960s but they never achieved widespread currency nor were used as a substitute term to describe the field of personnel management (Marciano, 1995). According to Strauss (2001), the human resource term was first used in this substitute sense in the mainstream literature in 1964 when Myers, Pigors, and Malm (1964) renamed their personnel readings text to Management of Human Resources: Readings in Personnel Administration and, the same year, Wendell French (1964) published the first edition of his text The Personnel Management Process: Human Resources Administration. Their inspiration for using the HR term came from two identifiable sources. The first is a published lecture (cited by French, 1964, p. 5) given in 1958 by economist E. Wight Bakke titled “The Human Resources Function.” In it Bakke clearly defines the HRM function in terms of the management of people in organizations and articulates many of the main themes of contemporary HRM (Bakke, 1958). The second, as noted by Strauss, is that Myers, Frederick Harbison, and other economists/IR scholars were doing research in the late 1950s on the role of labor as a factor in economic growth and in that context used the “human resource” term in various publications (e.g., Human Resources for Egyptian Enterprises, by Harbison & Ibrahim, 1958).

For the next 10 years or so the “personnel” and “human resources” terms were largely used interchangeably. Then, beginning in the early 1980s, sentiment started to shift rapidly in favor of the HR term. In 1989, for example, the major professional association for
personnel managers changed its name from the American Society for Personnel Admin-
istration to Society for Human Resource Management. This shift was mirrored in industry
where titles such as Vice President of Personnel and Vice President of Industrial Relations,
the most common titles through most of the 1960s, were replaced by Vice President of
Human Resources. Likewise, in the world of academe nearly all business schools by the
mid-1990s had renamed their majors and courses from “personnel” to “human resources
management” and almost all textbooks had dropped the “personnel” term in favor of HRM
(Strauss, 2000).

Accompanying the name change was also a gradual shift in outlook about both the
philosophy and conceptualization of the field. The new outlook is well captured by
HRM is distinct from PM [personnel management] in the following ways. First,
whereas PM implies human resources are expenses, HRM indicates an organizational
emphasis on human resources as organizational assets. . . Second, PM signifies a group
of discrete human resource administrative subfunctions and maintenance activities that
are reactive, passive, and secondary to the other significant business functions. HRM
on the other hand indicates a proactive approach, an integration of human resource
subfunctions, and an enhancement and expansion of the function, position, and
strategic importance of HRM within the organization.”

This view is widely repeated in textbooks and professional publications, has spawned
a new and rapidly growing subfield called strategic HRM, and in the eyes of most
participants has contributed to a major strengthening of the field. But, less often
remarked upon, this conceptualization of HRM also creates problems. Is HRM, for
example, a generic activity done by all business organizations with employees, or does it
connote one specific approach or philosophy to people management (e.g., a “human
capital,” strategic approach)? If the former, the term would seem to include a plethora
of alternative approaches (or “strategies”) to people management, rather than just one
(e.g., some firms will practice HRM in a nonstrategic, administrative manner; others will
take a strategic “cost-minimization” approach; and yet others will take a strategic
“high-performance” approach); if the latter then presumably some other label (personnel
management?) must be used to describe the people management function at “non-
HRM” organizations (e.g., the many organizations that find it profitable to manage
people in a nonstrategic, cost-minimizing approach). Likewise, if HRM is conceptualized
as a strategic, human capital approach to people management, the very concept of
“HRM strategy” becomes either contradictory or considerably narrow in application —
contradictory in that “strategy” implies choice over alternative people management
approaches but if HRM is defined as a human capital approach there is only one
approach to choose from; narrow in that if choice is to indeed be exercised as part of
“strategic HRM” then this choice process is (by definition) confined to alternative
employment practices within the human capital model. Also troublesome, the new HRM
term leads to a conflation of positive and normative analysis in that HRM scholars are
at once asked to objectively examine “what is” in the world of work while maintaining
a commitment to “what should be.”
A second major shift in terminology that occurred post-1960 was in the popular interpretation of the meaning and intellectual boundaries of IR. As noted previously, through the 1950s IR was typically defined very broadly to subsume “all aspects of work” and both union and nonunion employment relationships. For reasons explained in the next section, over the next four decades the term increasingly took on a much narrower meaning that equated it (largely) with labor relations — which is to say the study of unions and collective bargaining and the activities/functions that go with these in the world of industry. This viewpoint was already well developed by the late 1970s, for example, per the observation of Strauss (1978, p. 535) that, “collective bargaining represents industrial relations’ central core” and was reaffirmed two decades later when Strauss and Whitfield (1998, p. 5) observed that, “Until recently academic industrial relations in most countries focused primarily (but not exclusively) on union–management relations.” This metamorphosis in meaning of the IR term is well captured in Thomas Kochan and Harry Katz’s (1988) popular textbook *Collective Bargaining and Industrial Relations*. Although the title clearly links IR with unionized employment relationships, in the first sentence of the book they define the field broadly per historical convention as “a broad, interdisciplinary field of study and practice that encompasses all aspects of the employment relationship.” But, then, in the third sentence they introduce this qualifier, “Within this broad field industrial relations professionals have historically given special attention to relations between labor and management,” and after this statement the remainder of the book is devoted to collective bargaining topics.

To be sure IR, at least in the academic world, never completely lost its broader focus (Wood, 2000) and, indeed, in recent years (per the Strauss & Whitfield, 1998 quote; see also Fiorito, 1997) efforts have been made to give more attention to personnel/HRM issues and nonunion employment relationships. This trend is evident, for example, in the annual programs of the IRRA, which, 20 years ago, were heavily oriented toward union topics but which now feature a more eclectic, balanced range of work-related subjects. A number of IR academics have in recent years also called for a broader, more expansive conception of the field (Kochan, 1998). These broadening efforts notwithstanding, outside a small fraternity of IR academics the popular interpretation of “industrial relations” is now firmly associated with labor–management relations and, perhaps secondarily, issues associated with national labor policy and various workforce/employment problems. Recognizing this reality, a number of people in IR now favor renaming the field “employment relations” (ER) in an effort to give it a more contemporary image and broader intellectual domain (Lubanski, Due, & Madsen, 2000). [The ER term appeared contemporaneously with the IR term in the late 1910s but never achieved widespread usage.] A number of academic programs and textbooks have made this switch (e.g., Bamber & Lansbury, 1998).

The ultimate implication for the term “industrial relations,” and for the academic field it represents, is still unclear, however. Three alternative scenarios are discernible.

- In the first scenario the term “industrial relations” is used equivalently to “labor relations” and HR and IR become, in effect, alternative subfields in the broader study of work and employment. In this scenario, HR and IR are seen for the most part as complement subjects but with some overlap of focus (e.g., HRM courses include a modest amount of
coverage on union-related topics and IR courses include a modest amount on the goals, structure, and operation on business firms). This approach is suggested in the growing proliferation of titles of various organizations and books that now include both the HR and IR labels, such as the University Council of Industrial Relations and Human Resources Programs and the text *Human Resource Management and Industrial Relations* (Kochan & Barocci, 1985) The clear implication of this terminology is that HR and IR represent distinct but related areas of teaching and research.

- A second scenario is that the term “industrial relations” is reestablished in its broader meaning as “all aspects of work,” or that the substitute term “employment relations” succeeds at this task. In this vein, it is worth noting that outside the US the IR and ER terms have more successfully maintained their original broad meaning, as evident in the large HRM component found in programs and membership of the International Industrial Relations Association (IIRA). Possibly American IR can rebuild using this international foundation.

- A third scenario, and one much the opposite of number two, is that that term “industrial relations” (and “employment relations”) gradually fades from sight and that HR (or HRM) becomes the name of the broad field of study. In this scenario — now evident in many HRM textbooks, the term “industrial relations” is dropped altogether and “labor relations” is used whenever unionized employment relationships are discussed. But, since the unionized sector of the economy in the US is now a small and shrinking share of total employment, even the “labor relations” term will be used less and less. Hence, in this scenario the HR or HRM label comes to dominate as the descriptor of the field of study and, going further, is increasingly seen as representing the study of the entire employment relationship. This reversal of roles is clearly evident in the definition of HRM recently offered by Ferris, Barnum, Rosen, Holleran, and Dulebohn (1995 p. 1): “Human resource management is the science and practice that deals with the nature of the employment relationship and all of the decisions, actions, and issues that relate to that relationship.”

3. The historical evolution of HR and IR

Since there is a diversity of viewpoints and some confusion about the meaning of the HR and IR labels and the subject areas they represent, it is useful to take a closer look at the historical evolution of the HR and IR fields in order to better understand their juxtaposition today. The reader should note that the account provided here of the origins and development of the IR and HR fields is in certain important respects quite different relative to oft-cited research works on the subject (e.g., Dulebohn et al., 1995; Lawrence, 1985; Ling, 1965; Marciano, 1995; Wren, 1994) and most textbook accounts.

The fields of HR and IR had their genesis in the concept of *labor problems* (Kaufman, 1993). Beginning in the last quarter of the 19th century, public concern began to grow about the conditions of labor in this country and the adversarial, sometimes violent relations between employers and their workers. This period was marked by large-scale immigration, the development and spread of the factory system, long periods of recession and
depression, and the emergence of a wage-earning labor force. Out of this confluence of factors developed numerous problems and maladjustments that came to increasingly occupy and worry public opinion. Collectively known as "labor problems," these maladjustments included an apparent growing hostility between employers and workers (evidenced by growing numbers of strikes and acts of violence), widespread inefficiency and waste in industry brought on by stupendously high rates of labor turnover, haphazard management methods, and worker "soldiering" on the job (standing around or working as little as possible), and often deplorable conditions for workers, including poverty-level wages, 12-hour workdays, primitive health and safety conditions, and autocratic and often discriminatory treatment by managers. These concerns came to a head in the World War I (WWI) years when the production demands of a wartime economy, the political drive "to make the world safe for democracy," and the "Red Scare" associated with the Bolshevik revolution in Russia most clearly exposed the contradictions and shortcomings of the existing industrial order.

It was in the years immediately preceding WWI that the previously mentioned terms, such as "employment management," "personnel management," "industrial relations," and "employment relations," first appeared and only during the 1918–1920 period that they came to connote a new movement in industry and field of study in academe. The common denominator of these terms was that they represented an attempt to reform the employment system used in American industry and put it on a more scientific and humane footing. By the early 1920s, as earlier indicated, the term "industrial relations" was widely used as the descriptor for the entire field of study. As seen at the time, IR covered all aspects of work and, in particular, focused on the causes and solutions to labor problems. A consensus also emerged among academic writers that improved IR (i.e., reduced labor problems) could best be accomplished along three broad avenues of reform. These were collectively known as the employers' solution, the workers' solution, and the community's solution to labor problems (Watkins & Dodd, 1940). The employers’ solution involved the science and practice of personnel management, the workers’ solution was trade unionism and collective bargaining, and the community’s solution was protective labor legislation and social insurance. None of these methods sought to replace capitalism, private property, or a market economy; they sought only to make capitalism and markets operate more efficiently and equitably.

Through the 1950s the concept of IR succeeded in serving as the umbrella concept that brought together people with otherwise disparate interests and perspectives on the work world. The common denominator that brought people together under the IR banner was rejection of two principles of the traditional employment model: (1) the "commodity" conception of labor and (2) the "autocratic authority/unrestricted rights" model of management. Thus, the personnel manager in industry, the social worker in a settlement house, the trade unionist, and the university professor teaching a labor/personnel course could all agree on the importance of treating workers as human beings and in providing channels for due process and employee voice and they all found common ground within IR through their commitment to the cause of employment reform and the use of man-made institutions (e.g., firms, unions, government) to improve the efficiency and equity of the labor process. But,
there were also within IR numerous tensions and rivalries that made this coalition of reformers a fragile one and that ultimately led to its splitting apart.

At its founding the academic and practitioner wings of IR were dominated by two quite different groups. The IR practitioners were largely from the ranks of industry, composed principally of personnel managers and, secondarily, of management consultants and writers. The academic wing, on the other hand, was composed primarily of institutional-oriented economists specializing in labor economics, along with a smaller cadre of scholars and adjunct faculty drawn from psychology, sociology, political science and business administration. This diverse grouping contained at the very birth of the field the seeds of its eventual dissolution.

As I have argued elsewhere (Kaufman, 1993), these diverse individuals and groups tended to form two distinct schools of thought in IR. In one school, which I have called the “personnel management” (PM) school, were contained those people who for intellectual or vocational reasons were primarily interested in the “employers’ solution” to labor problems of personnel/HRM. They tended to take an “internal,” inside-the-firm perspective on the cause of labor problems, to emphasize building a community of interest between labor and management, and to see the principal route to accomplish this task as improved management education and practice. Although some members of the PM school took a relatively liberal perspective on the role of trade unions and government regulation, in practice the large majority sought to minimize the influence of both (Hicks, 1941; Tead & Metcalf, 1920).

The second school of thought, which I have labeled the “institutional labor economics” (ILE) school, contained a diverse group of academics and reformers that for various reasons emphasized the workers’ solution of trade unionism and the community’s solution of protective labor legislation and social insurance to labor problems. They tended to take an “external,” outside-the-firm perspective on the cause of labor problems, to emphasize the inherent conflict of interest and power imbalance between the employer and individual worker, and the need for institutional forms of power balancing and joint governance in the employment relationship through collective bargaining and labor legislation. Although members of the ILE school also advocated the employers’ solution of improved personnel/HRM practices and published major research on the topic (Commons, 1919, 1921; Slichter, 1919a, 1919b, 1920), they nonetheless strongly believed that improved personnel/HRM was by itself insufficient and unbalanced and would fail in the long run if collective bargaining and labor legislation were not used to put a floor under market competition and police the unscrupulous and grasping among the employer class.

In the early years these diverse perspectives coexisted under the IR label. Several reasons account for this. First, through most of the 1920s the reform impulse emanating from the WWI years continued to provide a common bond and community of interest for both PM and ILE proponents. A second factor was that people in both groups were impressed with, and contributed to, the progressive management philosophy and new HRM programs pioneered by the companies in the Welfare Capitalist wing of employers (see my accompanying article). Also important was that trade unionism during the 1920s entered a period of decline and quiescence, thus largely removing from active consideration a highly divisive issue. And finally, community of interest in the academic wing was promoted by the low disciplinary
walls that then existed among work-related scholars and the inclusive, broad-ranging research interests of the institutional labor economists who dominated the field. Because this latter point is important to the story that follows, additional elaboration is merited.

To a degree largely unappreciated today, up to the 1950s the discipline of economics dominated both teaching and research in IR and, more particularly, the subfield of personnel/HRM. At the time, economics was regarded as the foundational discipline for the study of business, courses in business administration (e.g., marketing, finance) were often considered to be “applied economics,” and the greatest number of full-time faculty teaching in business schools had an economics degree (Bossard & Dewhurst, 1931; Kaufman, 2000).

Thus, with respect to the teaching of IR and personnel/HRM, courses were typically offered in two different venues. One was in a “labor problems” course offered by an Economics department, often located in a College of Arts and Sciences; the second was in a course in personnel management offered through a college of commerce or business administration. The former had the largest enrollments, was nearly always taught by a full-time faculty member with an economics degree, provided a broad-ranging treatment of labor problems and the three solutions thereto, generally approached the subject from a social science perspective, and not infrequently was presented in a way that was favorable to the workers’ interests and critical of business and profit-making. Typical texts by labor economists were Introduction to the Study of Labor Problems (Watkins, 1922) and The Labor Problem (Estey, 1928).

The personnel/HRM course, on the other hand, provided a more in-depth treatment of the full range of functional activities associated with the employment staff activity in companies (e.g., recruitment, compensation, training, etc.), approached the subject from a management perspective, and was more vocational and less “social” in orientation. A modest amount of attention was given to collective bargaining and labor law. The personnel course was commonly considered to be “applied labor economics” and, hence, was often taught by a labor economist (Brissenden, 1926). However, business schools also recruited faculty with an industrial psychology background to teach the course and part-time instructors and adjunct faculty from the ranks of industry. (Management itself was not a well-developed academic field of study at the time and thus “management” faculty were unavailable.) Typical texts were Personnel Administration by Tead and Metcalf (1920) and Personnel Management by Scott and Clothier (1923). Tead was a management consultant and adjunct faculty member at Columbia University, Metcalf was a former political science professor who became a management consultant and director of the Personnel Research Federation, Scott was a professor and consultant in industrial psychology, and Clothier was a personnel practitioner.

A similar pattern was repeated in research on IR and personnel/HRM. From the beginning of academic writing on labor problems and solutions thereto, economists were at the forefront. The first step to be explored was the workers’ solution to labor problems of trade unionism and collective bargaining, commencing in 1886 with the publication of Richard Ely’s The Labor Movement in America (Ely, 1886) and culminating in a series of acclaimed works by colleagues John R. Commons and associates at the University of Wisconsin. The second solution to be explored in the academic world was the community’s, again led by Ely.
and, particularly, Commons through the founding of the American Association for Labor Legislation in 1906 and various works on labor law and social insurance (e.g., *Principles of Labor Legislation* by Commons & Andrews, 1916).

Last to be explored was the employer’s solution. This topic was first addressed in broad outline by nonacademics, such as Frederick Taylor in his various writings on scientific management (e.g., “A Piece Rate System: A Partial Solution to the Labor Problem”), and consultants to management, such as Meyer and Daniel Bloomfield, Robert Valentine, and Ordway Tead. It was only in 1919, however, that the first substantive scholarly writing appeared on the new philosophy and practice of personnel/HRM. The former was described and motivated by Commons in his book *Industrial Goodwill*, the latter in two major articles in the *Journal of Political Economy* (one of the discipline’s premier scholarly journals) by, respectively, economists Sumner Slichter and Paul Douglas (Douglas, 1919; Slichter, 1919a). Then, 10 years later, influential assessments of the state of personnel/HRM in American industry were authored by economists William Leiserson (1929) and Slichter (1929). Although extant histories of the field of personnel/HRM (e.g., Wren, 1994) cite writers such as Hugo Munsterberg, Vilfredo Pareto, and Elton Mayo as the primogenitors of academic research on personnel/HRM, during the first decade of the field’s life the contribution of noneconomist academics was modest (see Rossi & Rossi, 1925, showing that Commons had more personnel-related studies cited in the literature than any other academic writer, and far more than Mayo et al.). This fact reflected, on one hand, the dominant position of economics as a discipline in the study of business and the broad domain of topics considered as falling within the field of labor economics in this period (not only market allocation of labor but also allocation and utilization in firms) and, on the other, the relatively underdeveloped nature of rival disciplines in the organizational and behavioral sciences and the narrow, technique-oriented research agenda pursued by industrial psychologists during this period (described in more detail shortly).\(^1\)

Although the PM and ILE schools were both self-consciously part of IR in the pre-WWII years, even at this early date there were tensions and fault lines that would later widen and deepen until the two schools split apart in the 1960s. Illustrative of this tension is the observation of Frank Stockton (Stockton, 1932, p. 224), dean of the business school at the University of Kansas, that: “Labor economics men, who have the social point of view, coupled perhaps with an anti-management complex, look with suspicion upon personnel management as a means of driving labor and eliminating trade unionism. They disdain personnel further because of its apparent lack of theory. The personnel instructor, on the other hand, thinks that he at least is working in terms of reality, and may be inclined to dislike the fault-finding tone of labor economists and to belittle the socioeconomic approach to industrial questions.” Stockton’s comments are echoed by other writers. On the ILE side, for example, economist Paul Ellsworth described personnel management and other such commerce courses

\(^1\) As I have argued elsewhere (Kaufman, 1998, 1999a), Commons should be considered the “father” of the broad field of IR and Commons and the duo Tead and Metcalf the “fathers” of the subfield of personnel/HRM.
as “an intellectual desert” (Lampman, 1993, p. 84), while on the PM side one commerce professor (Dowrie, 1928, p. 82) implored economists to “come down out of the air of abstract speculation” and deal with concrete, practical subjects.

These cleavages in the 1920s were then exacerbated by subsequent developments and events. First to be mentioned are the Great Depression and the surge in trade unionism unleashed by the New Deal labor policies of the Roosevelt Administration. During the 1920s there was a relative consensus among both PM and ILE proponents that the Welfare Capitalist experiment in progressive management was a positive development and one that promised improved IR (Leiserson, 1929; Slichter, 1929). This consensus shattered in the 1930s, however, when the economic depression forced all but the most progressive companies to repeatedly cut wages, lay off employees, speed up the pace of work, and take a more authoritarian approach to management. The proponents of the ILE school interpreted these events as clear evidence that the PM approach could not be counted on to deliver improved IR, that “external” economic forces are far more important than “internal” management practices in determining IR outcomes, and that the individual worker needs protection against the superior power of employers. Then, starting in 1933, the new Roosevelt administration sought to promote economic recovery by stabilizing and raising wages through greater collective bargaining, restrictive wage and hour laws, and social insurance programs (unemployment and old age insurance). The net result was a surge of union organizing and strikes, the spread of collective bargaining across American industry, and greater government intrusion in corporate labor policy. While the ILE camp looked on these developments as a needed step to stabilize the economy and protect the workers’ interests (Kaufman, 1997b; Kaufman & Lewin, 1998), the PM camp saw them as destructive to good management and efficient plant operation and, in the long run, a “lose–lose” for all sides (Hicks, 1941). These quite divergent perspectives thus contributed to a significant weakening of the bonds that united the PM and ILE schools in IR.

These bonds were further strained by intellectual and ideological differences arising out of the Hawthorne experiments and the development of the “human relations” movement. The most prominent interpreter of the Hawthorne experiments — Harvard Business school professor Elton Mayo — and the subject of “human relations” were both considered in the 1930s–1940s to be within the field of IR (Kaufman, 1993). But several aspects of Mayo’s writings, the interpretation of the Hawthorne experiments contained in the influential book Management and the Worker by Roethlisberger and Dickson (1939), and the positions staked out by later human relations writers, considerably antagonized the ILE camp. For example, Mayo (1945, p. 59) disparaged economic theory as holding an “absurd” view of human behavior (e.g., an “economic man” that is only motivated by pecuniary considerations) and caricatured economists as believing that society is best organized as a “rabble” of unconnected individuals. Second, Mayo and Roethlisberger and Dickson treated certain (alleged) findings of the Hawthorne experiments as new discoveries (e.g., restriction of output, the importance of informal work groups) when, in fact, labor economists had earlier written extensively on the subject (Commons, 1913, 1919; Mathewson, 1931) Third, Mayo and other human relations writers seemed to suggest that unions hindered workplace
cooperation and integration and were unnecessary if companies properly took care of workers’ psychosocial needs. And, fourth, from an ILE point of view the human relations school placed far too much stress on psychosocial determinants of behavior and neglected the influence of markets and other forces from the external environment (Arensberg et al., 1957, pp. vii–x; Dunlop, 1950).

These positions sat badly with many ILE proponents, particularly the new group of labor economists who had come to dominate labor economics and IR by the late 1940s. Important names include John Dunlop, Clark Kerr, Richard Lester, and Lloyd Reynolds. While these labor economists were more analytic and conversant with neoclassical economic theory, they nonetheless practiced an interdisciplinary, “social science” approach to labor issues that gave equal emphasis to the operation of labor markets and institutions, including firms (Kaufman, 1993). Indeed, it was this group of labor economists who founded the IRRA and organized most of the IR institutes and centers founded in the decade after WWII. But their interdisciplinary sympathies notwithstanding, these economists felt a strong antipathy to human relations on both intellectual and ideological grounds and evinced a disinterest toward behavioral science research in general. As a result, they mirrored in reverse form many of the shortcomings that Mayo and colleagues had been charged with, e.g., excessively simplistic characterizations of the human relations position, overemphasis of the external environment and neglect of internal psychosocial forces, and bias in favor of collective bargaining (Dunlop, 1950; Kerr & Fisher, 1957). In addition, these economists largely controlled the IRRA and through programs and publications communicated to the PM side that they were second class citizens in the IR field and not entirely welcome.

A final set of factors contributing to weakened bonds between the ILE and PM schools was the trend toward disciplinary specialization and science building in academe and the concomitant professionalization of the personnel function in industry.

With respect to the latter, although personnel practitioners continued to have a strong identification with IR into the 1950s, signs of disaffection began to appear a decade earlier and gradually spread. In part, they came to develop a growing sense of professional identity (or “trade consciousness”) with the vocation of personnel administration and their functional role as managers, and at the same time began to feel increasingly uncomfortable with the IR label and its tacit recognition that the relations between employers and employees are often adversarial and conflictual (Spates, 1944). One clear sign was that over time an increasing number of local personnel associations replaced the “industrial relations” term in their titles with “personnel” or some equivalent label.

A growing specialization and division of labor was also underway in the academic world that over time substantially weakened the community of interest holding together the disparate disciplines under the IR label. Economics, for example, was gradually becoming more analytical, dominated by neoclassical microeconomic theory, and focused on markets. But up to the 1950s a person could obtain a PhD in economics and nonetheless specialize in “institutional” aspects of the subject related to business administration. It was partly for this reason that economists were able to dominate business schools and teaching and research in personnel management. Illustrative is the
fact that three of the most prominent names in personnel management in the 1950s had Economics PhDs — Charles Myers, Dale Yoder, and Herbert Heneman, while several other economists (Bakke, Slichter, Neil Chamberlain) were noted authorities on the practice of management. [George Strauss, a personnel textbook author and prominent writer on human relations/organizational behavior in the 1960s, also had a doctorate in economics, as did his coauthor Leonard Sayles.]

But economics in the 1950s began to shed the interdisciplinary and institutional parts of its domain, particularly under the influence of the “Chicago School” of George Stigler, Milton Friedman, and Gary Becker (Kaufman, 1993). Labor economics was in the process transformed into applied neoclassical microeconomics with an emphasis on rational behavior, competitive markets, and econometric investigation of large-scale data sets. This new focus largely cut off the link between labor economics and management and, indeed, the subject of management and personnel/HRM became terra incognita to most labor economists trained after the 1950s. Of equal significance for the long run future of IR, the new generation of labor economists also had much less commitment to and interest in trade unions and collective bargaining, causing many to disassociate from the field of IR altogether.

Even greater changes were happening on the management side of academic IR. As noted, industrial psychologists were involved in the field of personnel management from the earliest days and, indeed, they considered it “applied psychology” much as the economists considered it “applied economics” (Kingsbury, 1923). But the psychologists primarily focused on measurement issues and a narrow range of “technical personnel procedures” (quoting Kornhauser, 1948, p. 172), such as selection tests and job analysis, causing them to have only a “narrow technician’s role” (quoting Leavitt, 1961, p. 25). Illustrative are the titles of articles in the first issue of the journal Personnel Psychology, established in 1948: “Vision Tests for Precision Workers at RCA,” “Interest Tests Reduce Factory Turnover,” “Testing Programs Draw Better Applicants,” and “An Attitude Survey in a Typical Manufacturing Plant.”

The seeds of change were sown, however, by the Hawthorne experiments and, more generally, the application of theories in the behavioral sciences to the study of business organizations and the performance of work. The Hawthorne experiments were important not only for the knowledge they produced but also for stirring the interest of other behavioral scientists in workplace issues. Suddenly in the 1940s “human relations” became a very hot subject and a number of academics, such as George Homans, Conrad Arensberg, William Foote Whyte, and Eliot Chapple, with a background in social psychology, sociology, and anthropology became interested in studying people and small groups in factories and other work organizations. In their research, the environment external to the organization (e.g., competitive market forces, labor law, the class structure of society) was typically treated as a “given” so attention could be centered on the internal social system in the plant and the nature of the psychosocial interactions among workers and between superiors and subordinates (Arensberg et al., 1957; Whyte, 1950). Indeed, the attention was placed so closely on individual and small group behavior that many features of the organization and its structure were also overlooked.
By the late 1950s the human relations movement had fallen into some disrepute for certain of its overly simplistic or too enthusiastic claims. But as human relations waned, a new field was born that was to have a major impact on both IR and personnel management. This new field was organizational behavior (OB). OB began to coalesce as a separate field of study in the late 1950s and gained recognized, independent status by the mid-1960s (Strauss, 1974; Whyte, 1965). Today it is a large and thriving study area taught in every university business school. OB (and its applied offshoot organizational development, OD) is essentially a fusion of two earlier streams of research. The first is human relations; the second is the branch of management thought dealing with organizational structure and administration. The central point made by early researchers in OB, such as Chris Argyris, Whyte, Rensis Likert, and Douglas McGregor, was that effective organizational performance requires that organizations be designed and operated in a way that best fits and makes use of the psychosocial needs and properties of the human beings who manage and work in them. McGregor (1960) thus developed the “Theory X and Theory Y” typology of human work motivation in order to make the case for a managerial style that was less command and control oriented, while Likert (1961) used earlier research of Kurt Lewin on effective leadership styles to make the case for more participative organizations. All of these new people and ideas, while strengthening management thought and practice, also caused the PM side to evolve a separate, increasingly independent set of research and teaching interests that had a dwindling link to IR.

The developments just outlined had both positive and negative implications for the field of IR. The positive is that the 1945–1960 period was a “Golden Age” for the field (Kaufman, 1993; Strauss & Feuille, 1981). IR was widely regarded as one of the fastest growing and most exciting fields of study in universities. As a consequence of the mass unionization of American industry in the two decades following the New Deal and the wave of labor–management conflict that erupted after the end of WWII, state legislatures rushed to set up over two dozen IR schools and institutes. Examples include the IR programs at Cornell, Rutgers, Wisconsin, Illinois, Minnesota, and UC-Berkeley. Consistent with the broad interpretation of IR, these programs included faculty and courses from a diverse range of disciplines, including law, history, economics, sociology, psychology, and management, and from both the ILE and PM sides of the field. Usually they were located outside of business schools in order to maintain neutrality between the interests of labor and management. A survey of IR programs in the 1950s found that the four “core” courses in the curriculum were labor economics, personnel management, labor law, and collective bargaining (Estey, 1960). The full representation of the PM side in IR is further illustrated by the IR program at Cornell University. Students in the early 1950s could take courses in eight “concentrations”: collective bargaining; mediation and arbitration; human relations in industry; industrial and labor legislation and social security; labor market economics; labor history, organization and management; personnel management; and industrial education.

But the Golden Age also was weighted down by a number of negatives — the ideological disputes over trade unionism and human relations, divergent theoretical and disciplinary approaches to studying employment issues, and the centrifugal forces coming from intellectual specialization and division of labor. The tensions and cleavages these forces created
finally proved too great, and the community of interest too weak and tenuous, and the IR field began to split apart in the late 1950s (Kaufman, 1993). Part of the dissolution process was a general pulling back of faculty into their home disciplines, evidenced by much reduced participation in IR in the 1960s by scholars from sociology, law and history. Another part of the dissolution process, however, was the secession of the PM school from IR and its gradual emergence in the 1980s as a rival field of study under the HR (or HRM) label. I now turn to this process.

In hindsight, the establishment and consolidation of HR as a separate field of study was a major blow to the fortunes of IR. But at the time when this process first began in earnest (the early 1960s), most observers were only dimly aware it was taking place and few among the ILE side expressed much concern. One important reason is that business schools in this period continued to be regarded by many academics as something of an academic backwater and personnel management was held in particularly low regard.

The low status of business education in American universities has already been remarked upon in the context of the 1920s. But this situation persisted through the 1950s. Arnold Weber (1987), an IR center director and later president of Northwestern University, states in this regard, “When I received my PhD in economics from MIT in 1958 and went to teach at a business school, it was something like running away with a bareback rider at the circus…. Business schools had courses in window display design and turret lathe set ups, and all those pragmatic things.” (p. 19). Moreover, within business schools, few courses had lower status than personnel management. In their influential report on business education in the late 1950s, Gordon and Howell (1959) remark that “next to the course in production, perhaps more educational sins have been committed in the name of personnel management than in any other required course in the business curriculum” (p. 189). Also illustrative are these
comments by Weber (p. 15), “When I studied labor relations at Illinois in 1950–1951, there were a few students at the institute who were taking personnel; they were déclassé by definition. I would approach these fellows and quizically ask why they were going into personnel. . . . They always gave one of two answers that were descriptive of the field: (1) ‘I did it in the Army,’ or (2) ‘I like people.’”

Personnel’s low reputation was a product of longstanding problems — its dearth of intellectual substance, the fragmentation of the subject area into a congeries of functional specializations (e.g., selection, compensation, training) with little theoretical or conceptual connection one to the other, and the nonstrategic, primarily administrative role it played in most (but not all) business organizations. In this vein, management expert Peter Drucker (1954) commented, “Yet everything we know today about personnel administration was known by the early twenties, everything we practice now was practiced then. . . . Personnel administration is largely a collection of incidental techniques without much internal cohesion. . . . it is partly a file clerk’s job, partly a housekeeping job, partly a social worker’s job and partly ‘firefighting’ to head off union trouble or to settle it” (pp. 274, 275). These shortcomings were much in evidence two decades later. Examining the state of the personnel function, for example, Fred Foulkes (1975, p. 71) concludes, “In many companies, the responsibilities of personnel departments have been confined to insignificant kinds of activities. The staffs of these departments have rarely been consulted on matters of corporate policy. They have only implemented rather than participated in the development of strategy. They have developed and implemented too many personnel programs not closely enough related to the objectives of the company.” Foulkes goes on to note that as of the mid-1970s only 150 of the Harvard Business School’s 39,000 graduates were employed in either a personnel or IR position, explaining (p. 74), “Many of them [the graduates] feel that the personnel field is ‘low status’ and ‘bad news.’”

But, gradually, personnel’s fortunes began to pick up (and IR’s head down hill). A variety of factors account for this trend. One is the change in the name of the field from “personnel” to “human resource” management. Although the change in names was partly cosmetic and driven by a quest for greater legitimacy and status, it nonetheless connoted a more expansive and substantive mission to the field. A second is the dramatic increase in workplace regulation/legislation (e.g., antidiscrimination, affirmative action, pension administration, etc.) that most companies delegated to personnel/HR to handle. A third is the decline in power and membership of the organized labor movement that allowed personnel/HRM to shift from a focus on labor relations to subjects such as organizational change and development. Job opportunities also shifted to the nonunion sector, leading to growing enrollments in university HR courses and programs. And, finally, personnel/HRM’s potential was demonstrated by a small group of companies that bucked conventional practice in the 1950s–1960s and implemented personnel/HRM in a strategic, proactive manner (Foulkes, 1980; Jacoby, 1997; Meyer, 1976).

Of most importance to the improved fortunes of personnel/HRM, however, were two other developments — the successful application of behavioral science research to issues of management and organizational design, and the development and implementation of the strategic management concept. Regarding the former, Dunnette and Bass (1963) state, “many
of the leading schools of business and industrial administration have shifted from the descriptive study of current personnel practices to the application of principles of the social sciences to the analysis of organizational problems. ... The behavioral sciences are making rapid strides and are moving to a central position in the study of industrial behavior.” A decade later James Martin (1975) echoed this observation. He states (p. 150), “Personnel administration and management as taught in collegiate schools of business changed drastically during the 1960s. This change stemmed in large part from two 1959 foundation-sponsored studies of business schools, which argued persuasively that business school curricula should incorporate more of the behavioral sciences.” Martin goes on to examine the publications in both academic and practitioner personnel publications and finds evidence that behavioral science research was increasingly being integrated into personnel theory and practice. The five most cited academic authors in the practitioner literature, for example, were all behavioral scientists: Herzberg, McGregor, Porter, Maslow, and Argyris.

Out of the behavioral science research on organizations done in the 1950s–1970s grew a new model of organizational design and management. Variants include the sociotechnical model developed by Eric Trist and colleagues in the United Kingdom (Trist, 1981) and the “high-commitment” or “high-performance” model developed by Louis Davis, Richard Walton, and others in the US (Davis, 1966; Kaufman, 1997a; Walton, 1974). This model features a flattened organizational hierarchy, employee participation, gain sharing, extensive communication, formal dispute resolution, and an egalitarian culture and promised higher organizational performance through a strategy emphasizing mutual gain and effective utilization of human capital for competitive advantage. This new model was a boon to the personnel/HRM field on three counts (Beer & Spector, 1984) — its emphasis on competitive advantage through people was a natural fit with the new “human resource” perspective sweeping the field; successful implementation of the new model rested on effective HRM policies and practices and thus heightened the perceived importance of personnel/HRM as an academic and practitioner subject; and the model’s apparent success in generating both improved financial performance and worker job satisfaction gave it and personnel/HRM an aura of progressivism and “wave of the future.”

Personnel/HRM was also dramatically impacted by the development and popularization of the strategic management concept. As I document in my accompanying article in this symposium, the strategy concept and the gains to be had from adopting an integrated package of personnel/HRM activities were clearly recognized as early as the 1920s and had become widely articulated among practitioners by the 1950s. But outside a small range of companies these ideas were not aggressively pursued, nor did academics do much with the subject. The situation changed dramatically, however, in the early 1980s. Strategic management — earlier

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3 For example, in the practitioner-oriented Personnel Handbook (Mee, 1951) one reads this statement on the very first page (p. 3, emphasis in original), “the detailed work of employee testing, of job evaluation, or other day-to-day personnel operations is of little value unless these activities are welded together in a carefully planned, well-integrated, efficient, and effective program to help achieve the objectives of the business. Therefore, an essential prerequisite to the development of a personnel program, or any other program, is a clear-cut understanding of business objectives.”
called strategic planning and earlier still “policy,” originated out of work by Michael Porter, H. Igor Ansoff, and others. It was soon thereafter imported into personnel/HRM. In one of the earliest contributions, for example, Devanna, Fombrun, Tichy, and Warren (1982, p. 11) say of the traditional personnel function, “The recent popularity of human resources management is causing major problems for traditional personnel departments. For years they have been explaining their mediocre status by bewailing their lack of support and attention from the CEO.” They then go on to outline a new approach, saying: “Whether the human resources component survives as a valuable and essential contribution to effective management will largely depend on the degree to which it is integrated as a vital part of the planning system in organizations. In large part, the management of HR must become an indispensable consideration in both strategy formulation and strategy implementation.”

The next two decades witness a veritable explosion of writing and research on strategic HRM in the academic world and a major reorganization and reorientation of the HRM function in many companies (McMahan, Bell, & Virick, 1998). The outcome appears mixed. Without question, the strategy concept has helped provide a conceptual base for the field that it previously lacked, ties HR practices more closely to overall business objectives, and achieves a better integration of the various functional personnel activities of compensation, selection, etc. It has also led to creative empirical research, such as the impact of alternative HRM practices on firm performance (Becker & Huselid, 1998). On the downside, despite all the modeling there are few concrete hypotheses obtainable from this literature, the discussion has been inordinately focused on the high performance HRM system even though these practices are probably not a good strategic fit for many companies, and the functional personnel subjects still exist as largely unconnected, autonomous subjects. One must also note that most HRM textbooks remain heavily descriptive and lacking of theoretical content, and despite a decade of change the HRM function at many companies still appears to have a marginal status. In an article in the Harvard Business Review, David Ulrich (1998, p. 124) asks, “Should we do away with HR?” He then answers, “I must agree that there is good reason for HR’s beleaguered reputation, it is often ineffective, incompetent, and costly; in a phrase, it is value sapping. Indeed, if HR were to remain configured as it is today in many companies, I would have to answer the question above with a resounding ‘Yes — abolish the thing.’” This is exactly the conclusion many companies made in the early 1920s after several years experimentation with personnel departments (Douglas, 1922) and, apparently, the underlying fundamentals have not appreciably changed.

Despite its longstanding intellectual and practical shortcomings, the HR (PM) side of the field enters the 21st century with an air of forward momentum and intellectual energy. The same is much less true for what remains of IR (the ILE side). Since the Golden Age in the 1945–1960 period, IR as a field of study and practice experienced a slow but cumulatively significant decline to the point some have questioned its long run survival. Indicative is the query of Weber (1987, p. 257) “Will IR institutes and the study of industrial relations go the way of home economics?” and the statement of Strauss (1989, p. 9), “Short of an unexpected resurgence of union victories academic IR will have to make major readjustments. Otherwise it may follow the example of the Cigarmakers and Sleeping Car Porters, both leaders in their
IR in the 1960–1980 period experienced a period of slowing intellectual momentum and a “hollowing out” in its base of active participants. Then, in the 1980s and 1990s the fortunes of the field nosedived, leading to a sense of crisis and widespread angst over its long run prospects. The hollowing out of IR stemmed from the dwindling base of active academic participants. Groups from sociology, law, history, and human relations/industrial psychology that were active in the field in the 1950s largely withdrew to their home disciplines by the early 1970s (Kaufman, 1993). The same was true even among the labor economists who had been the largest and most active group of participants. Part of the hollowing-out process reflected disappointment over the relatively meager payoff to interdisciplinary collaboration, while another part reflected the allure of more exciting research opportunities and theoretical developments in the home disciplines (e.g., human capital theory in economics, the development of OB and OD in management). But another part also reflected the field’s preoccupation with and ideological commitment to collective bargaining.

From the very beginning of the field, the academics on the ILE side had advocated more extensive collective bargaining and protective labor legislation. But Commons and colleagues of the “first generation” also believed that progressive nonunion employers had an important and constructive role to play (Commons, 1919, 1921; Kaufman, 2001). The most effective approach to improved IR, they thought, was to have the leading edge of progressive employers — mostly nonunion — establish and move forward the upper limit of “best practice” in employment practices and conditions and then use collective bargaining and labor legislation to establish and gradually advance a floor of minimum standards that all others had to follow. Thus, while Commons and colleagues were “pro-collective bargaining” they could also be at the same time “pro-employer.” But this was markedly less true for later generations of IR scholars.

The events and intellectual ideas unleashed by the Depression and New Deal of the 1930s caused a shift of attitude in the ILE camp that was at once more favorable of collective bargaining and less favorable toward nonunion employers. This shift in philosophy was mirrored in the decade’s most far-reaching and transformative piece of labor legislation, the National Labor Relations Act, which not only made it public policy to protect the worker’s right to join a union and collective bargain but also made it public policy to encourage exercise of this right. Trade unions were now favored on two counts (Kaufman & Lewin, 1998) — they introduced “industrial democracy” (also called “industrial jurisprudence”) into the workplace, thus replacing autocracy with joint governance and due process, and they helped promote macroeconomic recovery and long run growth by taking wages out of competition (stemming the ruinous process of deflation in the early 1930s) and boosting household purchasing power and aggregate demand (through bargaining for higher wages). Not only were nonunion employers suddenly suspect because they appeared to stand in the way of accomplishment of both goals, their efforts at union avoidance struck many as retrograde and antisocial. Personnel management acquired the same stigma, since many employers only seemed to give it emphasis when the threat of unionization loomed (Harris, 1982).
As already described, due to the spread of collective bargaining across major swaths of American industry and the host of new issues and problems it raised, research in both the ILE and PM schools of IR in the 1950s was heavily oriented toward the study of unions and labor–management relations. But while the PM school explored management and organizational aspects of labor–management relations, the ILE school went in the opposite direction and downgraded the management side (and the behavioral sciences) and instead focused primarily on the practice of collective bargaining and the operation of unions. The exemplar of the ILE viewpoint is Dunlop’s *Industrial Relations Systems* book. Published in 1958 and intended to provide a conceptual framework for the field, it focused on establishment of the rules of the workplace through the tripartite interaction of employers, unions, and government. The framework emphasized “external” forces of markets, technology, and law and embedded the model in the context of labor–management relations, in the process omitting nearly any reference to nonunion employers, to the philosophy and practice of management, or concepts and findings from the behavioral/organizational sciences.

When the PM school left IR in the 1960s, what remained was largely the truncated version of the ILE school that emerged out of the 1940s–1950s. This model is “truncated” in the sense that the “employers’ solution” to labor problems in general, and the contribution of the progressive nonunion employer in particular, largely disappeared as an active research subject and topic of discussion in the field. This research and policy stance, while a “winner” in the context of the 1950s, looked increasingly less so as the field moved into the 1970s and 1980s.

Although union membership increased modestly in the private sector and substantially in the public sector from 1960 to 1979, the overall share of union employment in the economy dropped steadily. Then, during the Reagan years of the 1980s the bottom seemed to drop out. Total union membership and density (percent unionized) declined sharply, reflecting a combination of lackluster organizing of new members and tremendous loss of existing members from plant closings and downsizings brought on by global competition, deregulation, and a pro-management shift by government policymakers. Adding to the sense of crisis in labor–management relations, public and political opinion turned more critical of collective bargaining and in the public eye trade unions were far less often viewed as a protector of the underdog and more often seen as a stodgy special interest group that too often harms competitiveness through inflated labor cost and burdensome work rules (Troy, 1999). Indicative of the state of affairs in IR versus HR at this time, “big books” of the 1980s in HR included best-selling titles with upbeat messages such as *In Search of Excellence* (Peters & Waterman, 1982) and *High Involvement Management* (Lawler, 1986), while the fare in IR was far more gloomy and limited in mass appeal, such as the account of the demise of the American steel industry in *And the Wolf Finally Came* (Hoerr, 1988).

The long-term decline of the labor movement, culminating in the crisis years of the 1980s, took down the field of IR with it (Kaufman, 1993; Strauss, 1989). As job opportunities in labor–management relations disappeared, student enrollments shifted toward HR courses and programs. A number of universities reacted by eliminating or downsizing their freestanding IR centers and institutes, while others were folded into existing management departments. Faced with few good academic job prospects, the number of doctoral students majoring in IR dropped sharply. These adverse trends also impacted the other major organizational home for
IR in the US — the IRRA. Its membership began a long-term decline in the 1980s and continued to do so through nearly all of the 1990s (in marked contrast to both the HR Division of the Academy of Management and the Society of Human Resource Management, both of which enjoyed sizable membership growth).

For the field of IR, the 1990s offered evidence for both optimists and pessimists. With respect to the latter, the share of the workforce organized continued to shrink, until at the turn of the century less than 1 in 10 private-sector workers were union members. Although the influence of the union movement on national employment relations is larger than this number suggests, a field with labor–management relations as its core subject area is nonetheless threatened with marginalization. Likewise, IR enrollments continued to slide, additional IR programs were phased out or consolidated into management/HRM programs, and IRRA membership further declined. Finally, the pool of intellectual talent in IR grew smaller as few new PhDs majored in IR, a number of top-flight labor economists and researchers from allied fields (e.g., law, sociology) gradually severed their connection, and major intellectual contributors from years past continued to leave the field through retirement and death.

But there were also promising signs for the future. Despite the close association IR has developed with labor–management relations, the field has always taken in a much wider domain of work-related subjects and, indeed, can still lay modest claim to its original jurisdiction of “all aspects of work.” Thus, as collective bargaining declines as a research and teaching subject, attention in the field shifts to other areas. Recent IRRA research volumes, for example, have been devoted to subjects such as disabilities in the workplace, HR practices and firm performance, the older worker, government regulation of the employment relationship, and dispute resolution. Other topics have also commanded considerable attention in the IR field, such as strategic IR, comparative analysis of national systems of employment relations, new forms of work organization and the high-performance workplace, reform of American labor policy, work and family balance, and training and workforce skills development. Also of note, IR academics continue to be key players in charting national labor policy, as exemplified by their extensive representation on the Clinton-appointed Commission on the Future of Worker–Management Relations (Dunlop Commission).

Finally, the decline in the field has forced IR scholars to fundamentally reexamine and rethink the positive and normative premises that form the foundation of the field. With regard to the former, a positive development has been a proliferation of new theoretical frameworks that in various ways frame the field more broadly than labor–management relations. These models, and a considerable body of new empirical research in the field, also place far more emphasis on management as a dynamic force in IR (e.g., Ichniowski, Kochan, Levine, Olson, & Strauss, 1996). The common denominator that makes these studies part of IR is that they focus on the employment relationship, the joint and sometimes conflicting interests of employers and employees, and the role of institutions in structuring and mediating this relationship. Within this broad framework, different models often emphasize different key features of the employment relationship, such as strategic choice (Kochan, Katz, & McKersie, 1986), firms and markets as social control mechanisms (Godard, 1998; Hills, 1995), IR systems as alternative modes of workforce governance (Weiler, 1990), firms as alternative configurations of HRM practices (Begin, 1991; Gospel, 1999), the labor
process (Knights & Wilmott, 1990), and the juxtaposition of efficiency and equity (Barbash, 1984; Meltz, 1989). Although not as yet tapped by IR scholars in a significant way, two large and growing bodies of literature in economics also provide the potential for strengthened IR theory. The first is work in the economics of personnel (Lazear, 1999; the Gunderson paper in this symposium), the second is in the economics of organization and new institutional economics (Barney & Ouchi, 1986; Marsden, 1999; Williamson, 1985).

Rethinking the normative premises of the field has also proceeded, but more slowly and with greater hesitancy. Many participants maintain a philosophical commitment to joint governance and, more particularly, the principle and utility of collective bargaining (Kochan, 2000). Others take a more qualified or even critical perspective on collective bargaining but, typically, tread lightly in research and dialogue in order not to jeopardize their good standing in the field. This ideological commitment (or constraint) is both a strength and weakness for the field. On one hand, it helps establish IR’s independent identity as a field, establishes a community of interest, and guides research on practice and policy; on the other it limits the ability of the field to reverse its long-term decline, to attract new participants, and to consider new employment practices and policies that may serve the social interest but in some way conflict with the organizational interests of the union movement. The nonunion employer thus remains a highly charged and ticklish subject in IR (Godard & Delaney, 2000; Kaufman, 2001). On one hand, IR risks irrelevance if it does not include the nonunion system of employment relations in its domain, particularly since many of the nation’s most innovative and progressive employers are largely or completely unorganized. But, on the other, the value premises that have infused the field since the days of the New Deal hold that collective bargaining and trade unionism are the preferred system of determining the terms and conditions of employment. Out of this contradiction are born many of the field’s current day problems and controversies.

4. Commonalities and differences

This survey of the historical origins and evolution of the HR and IR fields provides the “data points” for discriminating both their commonalities and differences as academic subject areas. Additional data points are provided by the companion articles in this symposium, published articles by other scholars (e.g., Beer & Spector, 1984; Guest, 1987; Kochan, 1998) that describe the salient features of the two fields, and two recent Handbooks of HRM that provide contrasting HR and IR approaches to the subject (Ferris, Rosen, & Barnum, 1995; Lewin, Mitchell, & Zaidi, 1997). In keeping with the statistical analogy, I claim only that the propositions described below (and as summarized in Table 1) are useful generalizations and an accurate statement of central tendency or “mean value.” Clearly “outliers” and exceptions in the literature can be found to each statement, particularly so to the extent employment-related research done by scholars outside of HR/IR per se is included within the domain of analysis (e.g., organizational behavior and theory, labor economics). Also, for reasons of space and expositional coherence subdivisions and schools of thought within the two fields are at best lightly touched upon (see Legge, 1995; Marciano, 1995; Storey, 1992; Strauss,
Finally, note that the IR paradigm discussed here is the more narrow, post-1960 version rather than the expansive “all aspects of work” version that preceded it.

First the common points. HR and IR share a common focus on the world of work. Each is concerned with the process of work, how it is organized and structured, the relationship between employers and employees, and the impact the processes and institutions of work have on the human beings engaged in it and on the broader economy and society.

A second common point is that both HR and IR give attention to all three solutions to labor problems: the employer’s, the workers’ and the community’s. Although HR emphasizes the role and contribution of management, unions and government legislation are also considered. Likewise, although IR emphasizes the role and contribution of unions and government labor policy, management is also viewed as an important actor.

A third common point is that both HR and IR recognize that labor is embodied in human beings. This fact has both positive and normative implications. In terms of science building, both HR and IR researchers necessarily consider basic psychological processes, such as motivation, cognition, and emotion, in constructing theories and testing hypotheses. The two fields differ in the extent of attention given to human psychology, with HR researchers from an OB/OD background on one end and IR researchers trained in neoclassical labor economics on the other, but all sides have a “model of man” explicit or implicit in their research. HR and IR are thus both a social science (Kaufman, 1989, 1999b). From a normative point of view,
recognition of the human quality of labor leads HR and IR researchers to subscribe to certain fundamental ethical principles and human rights. They may differ on the specifics, and not always honor the principles in the breach, but core elements are likely to include freedom of mind and body, freedom of association, respect for the individual, fair treatment, and opportunities for development of the human potential.

A fourth common point is that both fields recognize a tension exists in satisfying, respectively, the human goals of fairness, self-actualization, and other such normative values and the economic/organizational goals of maximum effectiveness and efficiency. This tension is built into the term “human resource,” connoting as it does the human essence of the labor input but also its fundamental role as a resource in production. (British writers characterize these conflicting imperatives as the “soft” and “hard” sides of HR/IR. See Truss, Gratton, Hope-Hailey, McGovern, & Stiles, 1997.) A major goal of each field is to discover “positive-sum” solutions to labor problems that achieve greater economic efficiency and organizational effectiveness in ways that also promote greater satisfaction of employees’ human needs and aspirations.

A fifth common point is that both HR and IR are largely applied, multidisciplinary fields of practice — just as they were when the fields first emerged in the late 1910s (see the Mitchell paper in this symposium). To date researchers in neither field have successfully developed a general, integrative theory or conceptual framework that guides and structures research on the central workplace issues of interest. Theories and models exist, to be sure, but they are largely drawn from other allied disciplines, are lower to middle range in breadth and depth of generalizability, and are often applied in a piecemeal fashion to specific topics. The strength of both HR and IR is insight and investigation on practice and policy, the correlative weakness of each is intellectual/conceptual shallowness and atheoretic descriptiveness.

And, finally, a sixth common point is that both HR and IR have normative “blind spots” in their research agendas and problem-solving recommendations. By seeking to promote the employer’s solution to labor problems, HR inevitably takes on the interests and perspectives of management. In doing so, HR researchers lose a certain degree of objectivity and neutrality, leading to a number of problems such as neglect of research issues that reflect badly on management, adoption of a managerialist ideology and approach to theorizing, and advocacy of practices and policies that favor management interests over those of employees (see the Delaney and Godard paper in this symposium). IR is guilty of the same sins, but in the opposite direction. IR researchers, by emphasizing the workers’ and community’s solutions to labor problems, become unduly critical or neglectful of management, often have a predisposition to favor “collectivist” solutions to labor problems, and too frequently turn a blind eye to the abuses and shortcomings of unions and government.

Because of these normative blind spots, both fields lack a sufficient sense of contingency with respect to their preferred means to resolve labor problems. For example, many HR researchers become so advocacy of strategic, “high involvement” HRM that they lose sight it is neither appropriate for nor practiced by the majority of companies, while IR researchers similarly seem to advocate collective bargaining and union representation as a broad-brush policy without adequate consideration of the benefits and costs across different employment
situations. The mixing of normative and positive also leads to a confusing mélange of descriptive, prescriptive, and conceptual analysis.

Now for the differences. Although the subject of both HR and IR is the world of work, they take different approaches to the subject reflecting their respective roots in the PM and ILE schools of the 1920s. For example, HR and IR differ in the subject areas that are the focus of research (see the Mitchell paper in this symposium). Not surprisingly for a field that emphasizes the employers’ solution of personnel management, the bulk of HR research is on management-oriented topics, such as the role of the human resource function in the company, the theory and practice of functional activities associated with HRM (e.g., compensation, employee selection), and the impact of employee behaviors and attitudes on the organization and attainment of organizational goals. Conversely, the bulk of research in IR is focused on the employee side of the employment relationship and deals with topics broadly related to the workers’ and community’s solutions to labor problems. Included are topics such as workers’ wages and other conditions of employment, the operation and impact of labor organizations, and public policy toward labor. A modest amount of research in each field “crosses over” into the other, but even here the theoretical and methodological approach typically differs (often related to the next point).

Another dimension that separates HR and IR is with respect to the “internal” versus “external” approach to studying the world of work (the Mitchell, Gunderson, and Voos papers in this symposium). HR researchers, as a rule, look for the source of labor problems inside the employing organization. This approach calls attention to factors such as organizational structure and culture, management practices, small group interactions, and individual psychological differences. Consistent with this perspective, HR researchers tend to come from internal-oriented disciplines and fields, such as psychology, organizational behavior, and management.4 IR scholars, on the other hand, typically look for the cause of labor problems in conditions outside the employing organization. Their “external” orientation calls attention to factors such as business cycles, competitive market forces in product and labor markets, the class structure of society, and the structure of the nation’s business and labor law. In keeping with this perspective, IR scholars as a rule come from disciplines and fields, such as economics, law, history, political science and the macro side of sociology, that deal with conditions and events that transcend individual enterprises and people.

While the external versus internal characterization remains valid as a useful generalization, developments in both HR and IR fields are making it an increasingly fuzzy line. HR research, for example, has become more “external” oriented in the last decade as greater attention is paid to the determinants of business/HRM strategy and “open systems” theories of organizational design, while IR has become more sensitive to the “internal” dimension as attention shifts to high performance employment systems and the impact of HR/IR practices on firm performance. Theoretical developments in economics, such as transaction cost

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4 Strauss (2001) notes, for example, that in 1999 18 of the 21 members of the Executive Committee of the HR Division of the Academy of Management also belonged to the Society for Industrial and Organizational Psychology (SIOP). Only four belonged to the IRRA. By way of contrast, 201 of the academic members of the IRRA report that their disciplinary affiliation is economics while only 26 report organizational behavior.
economics and principal–agent and asymmetric information models, are also helping to foster a more internal perspective in IR.

HR and IR also differ with respect to particular assumptions made about the employment relationship in the course of conducting research and building models. One such assumption, for example, concerns end goals. In HR, the end goal presumed in science-building research and toward which practice and policy are aimed is, typically, achievement of maximum organizational effectiveness/efficiency. The fact that HR is focused on the employer’s solution to labor problems necessarily imparts to the field a managerial perspective. And the end goal of management is to operate the business organization in as an efficient and effective manner as possible. HR recognizes, of course, that other “stakeholder” interests also have to be considered, and certainly HRM scholars are committed to promoting the welfare of employees, but as noted below the common presumption is that through enlightened management and alignment of objectives the end goal of maximum organizational effectiveness/efficiency will serve the interests of all parties to the employment relationship, thus making separate and independent consideration of employee goals largely redundant. In IR, on the other hand, the end goal presumed in research and practice/policy recommendations takes a more overtly plural form. IR researchers take as an end goal that business organizations should be run effectively and efficiently, but they also take as an end goal that the interests of employees should be protected and advanced independently of what is good for business organizations. (This statement is true of IR researchers in the ILE tradition; it is much less true of IR scholars steeped in neoclassical labor economics.) IR thus seeks to optimize a weighted average of effective organizational performance and employee well-being. IR differs from HR in this respect because IR historically has placed great emphasis on the workers’ and community’s solutions to labor problems, as well as the inevitability of a conflict of interest between workers and management, and these assumptions naturally lead IR researchers to place greater independent weight on employee interests.

The difference in end goals between HR and IR gives rise to another distinctive feature that separates the two fields. As previously described, both HR and IR recognize the humanness of labor and the importance of distinctly human values and aspirations in the work world, such as fair treatment and opportunities for self-actualization. But they differ in the assumptions made about how these human values, and employee interests in general, are to be attained and protected. Typically, modern-day HR researchers assume that the bulk of employers will be led over the long run to promote the interests of employees and work toward accomplishment of fundamental human values for two reasons: managers recognize (or come to recognize) that doing so leads to greater organizational effectiveness, and because managers are ethical people and subscribe to the basic ethical principles outlined earlier. In this schema, meeting employee interests and human values is accomplished indirectly (or instrumentally) through good management. HR researches recognize, of course, that not all employers practice positive-sum employee relations, so some role exists for government legislation and unions, but implicitly this role is often regarded as a costly, second-best (“necessary evil”) solution that on net harms the long run interests of firms and, often, employees.

IR researchers, on the other hand, believe that managers, no matter how ethical or professional, will in many situations be led by the goal of organizational effectiveness and
survival to implement HRM practices that are inimical to employees, human values, and the social interest. The reason, they believe, is that competitive market forces and various kinds of market failures (e.g., externalities, public goods, principal–agent problems, employer domination of labor markets) provide firms both the pressure and the ability to treat workers in ways that are variously exploitative, callous, or unfair — in the process harming organizational effectiveness and economic efficiency (see the Voos paper in this symposium). Given that employee interests and human values are independent end goals in IR, and the view that employers cannot always be counted on to promote and protect these goals, IR researchers are inevitably led to the conclusion that collective bargaining and government legislation are not only necessary supplements to and constraints on the practice of HRM but, on net and if not overdone, have a positive impact on the overall economy and business sector.

This last point leads to another fundamental dividing line between HR and IR. This line concerns the extent to which a unity of interest versus a conflict of interest characterizes the employment relationship (see the Lewin, Voos and Delaney and Godard papers in this symposium). To IR researchers, a conflict of interest between the goals of employers and workers is fundamental to the employment relationship. From their perspective, the employment relationship is inherently “mixed motive.” In this view, incentives for cooperation and mutual gain exist and can be further strengthened through good management practices, but even in the best managed workplace the interests of employers and workers diverge at key points. Contemporary HR researchers, on the other hand, take a more optimistic view. Several decades ago, most writers on personnel management openly acknowledged the existence of a significant conflict of interest and counseled that HR needs to mediate this conflict by being an “honest broker” and, when necessary, the “employee advocate” to management (Myers & Pigors, 1965). In recent years, however, this perspective has been increasingly replaced by one portraying HR’s mission to be that of a “business partner” seeking to strategically align employee behaviors with the organization’s business goals (Wright, Dyer, & Takla, 1999). In this formulation, conflict of interest among stakeholders is downplayed and pictured as neither inherent nor unalterable. Rather, the job of HR is to help top management maximize organizational performance by strategically choosing selection, compensation, training, and employee relations policies that promote “alignment” and a unity of interest. The result, it is thought, will be a “win–win” for employers and workers.

This point then raises the issue of power in the employment relationship. From an IR perspective, not only are the interests of employers and employees at least partially in conflict, employers are most often the more powerful of the two parties due to their superior financial resources, the existence in normal times of more job seekers than jobs, and the legal authority employers have (absent collective bargaining and legislative/judicial restrictions) to unilaterally discipline and discharge workers. For these reasons, the employer is frequently able to dominate the employment relationship, particularly with regard to employees in the lower ranks of the organization, with less education or skills, or from disadvantaged ethnic or social groups. The result is often substandard or inequitable wages and terms and conditions of employment for these workers and/or insensitive treatment and lack of equity and due process in the resolution of disputes. IR recognizes that these conditions do not characterize all firms and, indeed, many pay above-market
wages and treat employees with dignity and respect. But IR also believes that these conditions are fragile and can easily deteriorate when the economy goes into recession or new management takes over. When this happens, the close community of interest often disappears and the stronger party (management) unilaterally institutes changes in terms and conditions of employment that are at the expense of the weaker party (employees).

HR researchers also recognize the role of power in the employment relationship, but tend to look at it differently. They also note that the exercise of power can have harmful consequences in the employment relationship. The focus, however, is typically on uses of power that interfere with organizational effectiveness, such as unduly autocratic or non-participative leadership styles, intra-organizational political battles, and lack of empowerment of front-line employees. The solution to these problems, however, is not to eliminate the exercise of power or have unions or government regulate the employment relationship, for these only trade one source of organizational ineffectiveness for another. Rather, the best approach is to recognize that power can be a positive force that energizes the organization and gives it strategic direction. Accordingly, from an HR perspective, the key challenge is to have management use and structure power in a way that promotes maximum organizational effectiveness; when this is accomplished power will be used responsibly and for the good of both managers and workers. When organizational effectiveness is the goal, for example, managers are led to empower front-line workers so they have greater participation in decision making and day-to-day operations. Likewise, to maintain an egalitarian, “unity of interest” culture managers will insure that wages and working conditions match or exceed what other employers provide and that discipline and discharge are done in an equitable manner.

Another characteristic that distinguishes HR and IR regards the causes and appropriate resolution of conflict between the employer and employee (see the Lewin paper in this symposium). From an HR perspective, a certain level of conflict and disagreement in organizations is inevitable since people have different goals, perceptions, and emotional make-ups. But organizations, like machines, run better with a minimum of internal friction. Where there is friction (conflict), HR looks to management as both the cause and the solution. Serious, dysfunctional conflict typically arises, in the HR view, from poorly thought out or executed management decisions. When management is professional, uses HRM practices to align company and employee goals, treats employees as partners and valuable assets rather than expendable commodities, and administers employee relations in a fair and open way, conflict will be kept at a minimum level and the organization and its members will prosper. Further, management can actually use conflict resolution to promote closer integration and unity of purpose by involving employees in the process and structuring it as an exercise in consensus building and problem solving, as opposed to an adversarial “we against them” struggle.

IR takes a less sanguine view of conflict in the workplace. IR perceives that workplace conflict is an inevitable and frequently occurring feature of the employment relationship that reflects not only the clash of divergent goals and interests between the company and worker but also the inevitable tension existing between “order givers” (management) and “order takers” (employees). IR also believes that the costs and inequities of workplace conflict fall disproportionately on employees, given that management has the stronger
power position and controls the organization. As HR maintains, good management practices can significantly reduce the amount and severity of workplace conflict, but IR believes this option will fall short of solving the problem. One reason is that management often reacts to conflict by trying to deny or suppress it; another is that many employees are afraid to voice their concerns and problems for fear of management retaliation. In order to ensure both procedural and distributive justice, IR researchers believe that government and unions have an important role to play in dispute resolution, either by regulating company-created dispute resolution systems, providing employees with an opportunity for redress through courts and regulatory bodies, or by replacing employer-created plans with ones determined through collective bargaining. From an IR perspective, consensus building and voluntary resolution of disputes are to be encouraged through management initiative, but these should not be allowed to serve as a façade hiding the exercise of autocratic power and arbitrary and capricious decision making.

I come, finally, to the last difference separating HR and IR — one that has been woven throughout this essay and represents the cusp of the divide between the two fields. This difference has to do with the role and relative importance of management, trade unions, and government in achieving a prosperous and humane employment relationship.⁵ As a generalization, HR gives greatest weight to the role and importance of management and explicitly or implicitly believes that unions and government should be distinctly secondary players. HR’s position reflects its relatively optimistic assessment of what good management can accomplish and negative assessment of the contribution of unions and government. In America’s full employment, fast-growing economy of recent years this perspective resonates relatively well. IR, on the other hand, recognizes the crucial role played by management but nonetheless gives greater weight to the role and importance of unions and government — not as the “dominant partners” in the employment relationship but rather as a balancing force in the economy and essential supplement to and constraint on management. IR’s position reflects its view that competitive market forces and structural sources of inequality will cause companies to adopt economically inefficient and/or ethically unjust employment practices unless a floor is placed under management practice by collective bargaining and government

⁵ The typology of HR and IR developed here differs in at least one important respect from that advanced by a number of other writers (e.g., Beer & Spector, 1984; Storey, 1992). They combine IR and personnel management together and then contrast these “traditional” approaches with a new approach called HRM (or strategic HRM). The presumed difference between the two schools of thought is that IR/personnel are reactive, defensive, and cost centered while HRM is proactive, strategic, and human capital oriented. This characterization is problematic at both the conceptual and factual level. With regard to the latter, numerous examples from the early IR/personnel literature can be found that indicate scholars in these fields also emphasized these purported HRM premises and, further, that a number of companies put these precepts into practice (see, for example, the case studies reported in Balderston, 1935). At a conceptual level, defining HRM in this manner narrows the theory and practice of HRM to only one system of employment management (some variant of the high performance paradigm) rather than a portfolio of alternative systems and strategies. But many firms continue to operate their employment staff function in fairly traditional ways (e.g., a cost-centered, nonstrategic administrator of personnel programs and activities), while others make a strategic decision to pursue a “low road” employment policy emphasizing (say) low wages, few benefits, contingent workers, minimal due process protections, and union avoidance (Marshall, 1991).
regulation. The contemporary challenge for IR, and the source of its present-day difficulties, is how to implement this strategy in a way that meets the needs and interests of the 21st-century workforce and preserves the competitiveness of individual firms and the nation.

To a degree the difference in perspectives between HR and IR arises naturally out of the scientific division of labor that separates the two fields, but to a degree it also reflects underlying normative positions. What is largely unrecognized in today’s literature is that these cleavages are not recent phenomena but go back to the common birth the two fields in the late 1910s.

5. Conclusion

In the introduction to this essay I noted that a good deal of controversy and uncertainty exists as to the definitions and intellectual domains of HR and IR as fields of study and how the two fields relate to each other. Largely through an historical analysis of the two fields’ respective origins and developments, I have tried to shed further light on these matters. My claim is that HR and IR in North America both have common roots in the late 1910s and arose in universities and the business world as a progressive reform movement aimed at increasing the efficiency, justice, and humanity of the workplace. This progressive heritage still provides a common ethos for people in the two fields, as exemplified by the continuing effort of researchers and practitioners to craft better solutions to a host of employment-related problems.

The HR and IR fields are also distinguished, however, by numerous differences in their approach to research and practice. When the fields were born in the late 1910s, three alternative “solutions” (or strategies) to employment problems were advanced: the “employer’s,” the “workers’,” and the “community’s.” HR and IR envision a role for all three, but the emphasis differs. The HR field focuses on the “employer’s” solution of personnel/HRM, makes increased organizational effectiveness the primary goal, and examines the role management and HRM practices can play in this process. IR also considers organizational effectiveness an important goal but emphasizes, in addition, the independent importance of protecting and promoting the interests of employees. Hence, while IR views employers as an important actor in the employment relationship, considerable attention is also given to the workers’ solution of trade unions and collective bargaining and the community’s solution of labor legislation and social insurance. Numerous other differences also separate the two fields, such as HR’s “internal” versus IR’s “external” approach to workplace research and problem solving, the dominance of the behavioral/organizational sciences in HR research and economics and law in IR research, the emphasis given to unity of interest versus conflict of interest in the employment relationship, and the role of power and conflict in the workplace.

Out of these differences come numerous opportunities for fruitful exchange and dialogue between people in the two fields — a process the papers in this symposium hopefully stimulate and move forward. For this dialogue and exchange to be truly fruitful, however, scholars on both sides have to give greater recognition to the fact that the different assumptions separating HR and IR are only specialized tools for investigation and do not represent a full or universalistic explanatory model for studying the employment relationship.
The reality of the work world is that most employment relationships represent a mix or blend of HR and IR assumptions, with some corresponding more closely to the IR view, some more closely to the HR view, while many others are in the middle. Thus, while I believe that the division of labor between HR and IR can be a useful intellectual source of productivity in research, one has to use both models with a clear recognition that their applicability is situationally contingent and therefore a matter to be determined through empirical investigation and not as an invariant, a priori theoretical or normative commitment (Kaufman, 2001).

An implication of this viewpoint is that HR and IR are really parts of a larger field, one that prior to the 1960s was called “industrial relations” and subsumed both of the PM and ILE schools. Today this intellectual confederation has largely dissolved, leaving HR and IR as separate and competing fields. In the final analysis, however, HR and IR are at least as much complements as substitutes in analyzing and solving workplace problems and therefore need to be seen as partners in a larger intellectual enterprise. If the name “industrial relations” no longer works, scholars need to find another term and then rebuild cross-disciplinary dialogue and supporting institutions so the field once again can claim jurisdiction to be the study of “all aspects of work.”

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