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Human resource management: Past, present, and future



What is being called human resource management (HRM) today has had a long and checkered history. A number of key changes in the social and economic environment have affected the evolution of HRM, some of which we will highlight in the following sections. Although many of the historians of HRM begin with the 19th century, which was a period of rapid industrialization in the U.S., we start our review much earlier with the development of tribes and, later, apprenticeship and independent contractor systems of the late medieval period (Dulebohn, Ferris, & Stodd, 1995; Ling, 1965). One reason for this is that we want to highlight the changes in the employment relationship over time. This brief historical overview is not meant to be exhaustive; instead, it provides a context for appreciating the strides we've made in what we now call "HRM." In this special issue, we focus on HRM past and present. Note that there will be a companion to this special issue later this year that will focus on HRM present & future.

1. "Early beginnings": 1400s–1700s

Historically, HRM probably was the earliest evolved management function, predating other functions such as finance, accounting, and marketing. Although unrecorded, the actual managing of human resources doubtless has occurred since the first organization of people into functioning units such as tribes. As tribes formed and, particularly, as they evolved from hunting and then farming, a division of labor undoubtedly arose with recognition of differing productivity of individuals. This development was a form of division of labor in which different persons occupied different roles in the productive society. Craftspersons who could develop tools for farmers and be supported by the productivity of others engaged in farming doubtless emerged, and a natural division of labor arose. In short, the productivity of various crafts and occupations varied, and trade evolved to take advantage of these variations. Whether managed through the natural functioning of a market and a market allocation of productive roles, or the human resource management of a tribal leader, the issues of managing human resources emerged.

In the late 18th century the Industrial revolution began in Europe and spread to the U.S. This revolution completely changed the way that individuals earned a living, and led to a shift from an agricultural to an industrial or manufacturing society. Human skills and craftwork were replaced with machines, and the factory system was born (Dulebohn et al., 1995). Factories and manufacturing greatly improved production, and altered employment relationships. For instance, these systems replaced the self-employment independent contractor system and created permanent wage earners who were employed by organizations. At the same time, it resulted in the rationalization of work and another division of labor. Workers who had been skilled contractors became the tenders of machines and performed highly specialized routine tasks. The new manufacturing system also created the need to supervise large numbers of workers, and management practices tended to be autocratic and paternalistic (Dulebohn et al., 1995). Management expressed little concern for the safety or welfare of workers, and workers were controlled with force and fear (Slichter, 1919). This approach to management continued until the end of the 19th century.

2. "Personnel": 1800s

Around 1800, an English factory owner named Robert Owens altered a number of aspects of the employment relationship and developed "welfare to work" systems in order to improve both social and working conditions for workers (Dulebohn et al., 1995). In particular, he taught that his workers' temperance and cleanliness improved working conditions, and refused to employ young children (Davis, 1957). In some cases, these practices evolved into more elaborate paternalistic systems where workers were provided with company housing, company stores, company schools, apprenticeships, pensions, life and accident insurance, hospitals, and libraries (Davis, 1957). Welfare-to-work systems can be defined as "anything for the comfort and improvement, intellectual or social, of the employees, over and above wages paid, which is not a necessity of the industry or required by law" (U.S. Bureau of Labor, 1919, p. 8). These new systems were designed to promote good management and worker relations, increase productivity, and avert worker conflict and unionization (Dulebohn et al., 1995). Not surprisingly, these practices set the stage for

many of the employee benefits that are used to attract, motivate, and retain workers today. They have also become the norm for many benefit systems in Western nations.

In the era following the civil war (1860s), labor-management disputes began to occur. Employers wanted to thwart unions and believed that changes in working conditions would enhance performance (Dulebohn et al., 1995). As a result, welfare-to-work programs escalated, but these programs were actually designed to benefit businesses not workers. As these programs grew in scope in the late 1800s, organizations hired welfare secretaries to administer them, and eventually the role of welfare secretary evolved into the employment manager and, at a later point in time, the “personnel manager”. The primary functions of this role were to hire, fire, discipline, and reward employees, which meant that line managers no longer had to focus on managing and retaining the workforce.

Many organizations began to enact paternalistic practices, but some employers were mistreating employees, which led craftworkers and others to join protection societies later known as labor unions (Scarpello, 2008). As might be expected, employers fought the growth of unions and took a number of steps to curtail unionization, including court injunctions or forcing applicants to sign yellow dog contracts indicating that they would not join a union.

3. “Labor relations/human relations”: 1900s–1970s

With the advent of manufacturing, employers sought ways of enhancing efficiency and productivity. Engineers (e.g., Frederick Taylor), Industrial and Organizational Psychologists (e.g., Lillian Gilbreath), sociologists (e.g., Max Weber), and Management scholars (e.g., Henry Fayol) focused on strategies for enhancing organizational efficiency, and developed new approaches to managing workers. For instance, the Scientific Management approach fostered by Frederick Taylor (1947) emphasized the rationalization of work by studying the job scientifically, breaking it down into components, and determining the one best way to perform the job. This approach diminished worker autonomy and stressed that employees should be supervised closely to ensure that they performed the job exactly as expected. At the same time Max Weber (1927) suggested that organizational efficiency could be improved by using legitimate rules and authority systems.

The new design of jobs and the resultant autocratic management systems spawned even greater levels of conflict between workers and organizations. In the 1930s the National Labor Relations Act, the Norris-LaGuardia Act (1932), the Wagner Act (1935), and other laws led to the growth of unions. As a result of increased unionization and use of scientific management principles, personnel departments grew and focused on job analysis as the basis for employee selection, training, job evaluation, and compensation. In addition, The Wagner Act defined the New Deal industrial relations system and “declared that the goal of public policy was to encourage the practice of collective bargaining, to eliminate labor's inequality of bargaining power, and introduce democratic rights of ...due process to industry” (Kaufman, 1993, p. 61). In view of these policies, industrial relations (IR) departments emerged in organizations in order to manage collective bargaining agreements (Dulebohn et al., 1995).

World War II created an exceptional demand for labor and slowed temporarily the growth of unions (Dulebohn et al., 1995). The war brought wage freezes and prohibited strikes, but following the war there was an increased need for HRM. The post-war era brought renewed interest in unions, and workers were determined to recover their lost wage increases. In addition, federal labor laws and wage controls created an increased demand for personnel departments. In addition, the growing power of unions and labor unrest resulted in the passage of the Taft Hartley Act. The act was designed to equalize power between labor and management. During the 1940s and 1950s, unions represented 47% of the U. S. labor force, and 95% of companies had at least one union (Dulebohn et al., 1995). At the same time, employers began to hire more educated personnel managers because of the constraints posed by unions and the need to manage unionized workforces.

In the 1930s, employment managers began to argue that conflict was not inherent in labor relations, but was caused by poor management and work systems. As a result, researchers conducted a series of experiments to examine the effects of different work systems on worker productivity (Roethlisberger & Dickson, 1939). These researchers found that the social elements and workers' needs had an important impact on the output and workers' well-being. This new approach was labeled the Human Relations movement, and emphasized that workers have social needs. The Human Relations approach broadened the view of HRM beyond the individual and the job, and stressed the work group and social structures of organizations (Dulebohn et al., 1995; Scarpello, 2008).

In the 1950s, the Human Relations movement in the field of HRM challenged the assumption that people did not want to work, and it stressed that human resources made important contributions to organizations. As a result, the term “personnel management” was replaced with the label “human resource management”, which emphasized that human resources were assets to organizations. In the 1960s and 1970s, the Human Relations approach evolved into the Quality of Work Life (QWL) era. This approach attempted to satisfy the interests of employees and organizations by stressing both employee well-being and productivity. For example, management developed new programs that underscored job enrichment and career development; in addition, new policies were designed to improve workers' quality of work life in order to enhance their satisfaction and commitment to organizations.

During this era, managers also developed programs that focused on labor-management cooperation and promoted collaborative efforts to improve workers' quality of work life. The QWL era was facilitated by legislation that highlighted fair employment practices including Civil Rights Acts (1964), Occupational Safety and Health Act (1970), and Employee Retirement Income Security Act of 1974). The passage of these acts, and the development of new QWL programs, promoted the need for professional Human Resource managers and new forms of HRM policies and practices in organizations.

4. “Strategic HRM”: 1980s to present

All of these above-mentioned changes and challenges prompted the development of a “new” HRM function (Kochan, Katz, & McKersie, 1986). This new function is much more of a strategic partner in organizations due to the recognition that human resources are critical to the functioning of organizations in the service and knowledge economies. In addition, the late 20th century saw an increased reliance on employee-relations, and HRM was called on to foster a sense of trust in the relations between managers and workers (Dulebohn et al., 1995). American organizations began to stress non-unionized HRM practices and to adopt many of the Japanese management principles that emphasized employees as critical resources that can give organizations a competitive advantage. As a result, HRM has evolved from a “personnel” function to a human relations, then labor relations, then industrial relations, and most recently strategic HRM function.

In the articles that follow, this evolution of the field is further articulated in terms of both general and specific events. To set the stage for examining our roots, Kaufman (2014-in this issue) traces the development of HRM from the labor problem that surfaced in the 19th century to the multifaceted strategic HRM/industrial relations/personnel economics nature of the field today. Similarly DeNisi, Wilson and Biteman (2014-in this issue) review the history of HRM throughout the 20th century but focus on how this evolution of the field is characterized in terms of the HR research – practice gap. In an interesting twist, Boudreau and Lawler (2014-in this issue) trace the evolution of the field from a *perceptual* rather than historical perspective. Based on survey data from HR leaders spanning two decades, they share their findings regarding the changing role of HRM based on the evolution of *perceptions* regarding the progress of the field of HRM.

The next two articles focus on specific issues/problems that are fundamental to the evolution of our field. Nkomo and Hoobler (2014-in this issue) explain the shift in HRM with respect to our societal and thus organizational ideologies regarding “diversity”. As a nation, we’ve evolved from a “white supremacy” view of diversity that characterized the early 20th century to an “inclusion” orientation that emerged in the early 21st century. Gowan (2014-in this issue) focuses on the history of unemployment research and how we, as a field, have evolved from a job-loss research focus to a stress focus to, more recently, a career growth focus.

The last article is relevant to our current reincarnation as a “strategic partner” in organizations today. Sikora & Ferris (2014-in this issue) propose that the real issue facing strategic HRM is HR implementation. Using social context factors, they explain how the success of HRM is not a matter of “strategy” but rather a focus on the line managers responsible for implementing those HR strategies. Notably this article focuses on the current challenges facing the field, which is a nice segue for the second volume of our special issue which will focus more so on HRM in terms of the present and future. It is our hope that these special issues will foster additional research on the fundamentals of HRM and lead to a better understanding of the significance and contributions of the field as a whole.

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