Chapter 2

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ABSTRACT

In this chapter an attempt is made to focus on the ideological and practical implications of the new people-oriented forms of healthcare management variously described as strategic human resource management, high-performance management, human capital management, or high commitment management. The chapter details the managerial and academic claims concerning the management of human resources and goes on to emphasize the impact that the literature of Human Resource Management (HRM) has had on healthcare employees and healthcare organizations. The restrictions of the applied research approaches are also highlighted and the author argues that the managerial and post-structural literature is limited in that its conceptualization of HRM and changing performances is incomplete. Also considered is a range of literature that has been used to study individual and organizational change with a labour process perspective and explains why an approach based upon the study of the disparity between the “HRM rhetoric” and the day-to-day practice, as well as how people experience and respond to that disparity within a wider frame of social, political, and economic relations, is to be preferred. As a basis for further contextualization, the powerful and privileged positions of healthcare professionals and the distinctive character of their employment relationship are considered. The chapter concludes that a more critical analysis is necessary to challenge the way in which the concept of HRM is examined by healthcare management academics and practitioners.

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During the early 1980s a central theme around the new management of human resources emerged when a number of large companies began to search for the *Competitive Advantage through People* (Pfeffer, 1994), which has changed the rules of the game with regard to personnel management and labour relations. Along with other contributions from management academics and commercial management consultants, new concepts, new strategies, and new policies emerged within organizations that were essentially employee and customer-oriented as well as enabling, innovative and productive organizations. What sparked off the enormous interest was that the employed human resources could actually be managed towards achieving greater organizational effectiveness, and a number of key criteria were identified as “best practices” that could be used as an instrument for obtaining competitive advantage and organizational success. The HRM tradition, which emerged following the publication of a number of success stories from the U.S. and the U.K. (Armstrong, 1987; Beer, Spector, Lawrence, Quinn Mills, & Walton, 1985; Fombrun, Tichy, & Devanna, 1984; Fowler, 1986; Huselid, 1995; MacDuffie, 1995; Pfeffer, 1994; 1998; Walton, 1985; Walton & Lawrence, 1985), was to promote the concept of HRM in a way unprecedented in personnel theory and administrative labour practice. Managing human resources as the greatest asset of an organization was seen to engage directly with people’s sense of self, securing an “exchange that is more than economic” (Kunda, 2006, p. 209). What is important to note is that – irrespective of organizational, sectoral, and national contexts – the management of people’s self is working in mutually consistent ways. Here, as Thompson and Findlay (1999, p. 163) note, people “are acted on, but they also have to pick up the cultural cues and construct an organizational self.”

Anyone who reads Kramer and Schmalenberg’s (1988a; 1988b) investigation of life in 16 magnet hospitals is able to discern the plausible stories of how the new management of nursing resources began to permeate the everyday perceptions and language of employees. Other researchers followed the attributes and practices described by Kramer and Schmalenberg (2002; 2003a; 2003b; 2004; 2005) and searched for what it takes to attract and retain well-qualified nursing staff within hospital organizations that had the reputation of being good places to work and giving good nursing care (Buchan, 1994; 1999; Havens, 2001; Havens & Aiken, 1999; Havens & Johnston, 2004; Lewis & Matthews, 1998; McClure & Hinshaw, 2002). The results were manifold as these magnet hospitals dealt effectively with the personnel shortage by creating administrative conditions and value-oriented HR practices which go beyond accepted standards. As the popularity of the magnet hospital approach spread within the healthcare arena, more authors joined the bandwagon of HRM, trying to emulate the magnetized examples of organizational effectiveness and success (Aiken, Havens, & Sloane, 2000; Aiken, Clarke, Sloane, Sochalski, & Silber, 2002; Cimiotti, Quinlan, Larson, Pastor, Lin, & Stone, 2005; Joyce & Crookes, 2006; Laschinger, Almost, & Tuer-Hodes, 2003; Pastorius, 2006). With respect to human subjects and organizational interests, the magnet hospital proponents seek to achieve two objectives to create enabling environments and to put development at the heart of their organizational worlds: first, to convince the potential reader or practitioner that particular “bundles” of labour management strategies and policies associated with HRM are more likely to offer organizational advantage than others; and second, to provide evidence of the link between academic studies and the prescriptive literature on organizational conditions by applying content