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in the Evolution of Human Resources

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Abstract

This paper discusses a new evolutionary approach to Human Resource Management (HRM) and presents a development-oriented typology of HRM. It argues that 'Human Resources' are continuously evolving in organizations and that HRM can and must intervene in the emergent evolution process in order to influence the speed and direction of the development. HRM can either enhance or hinder the dynamics of evolutionary change of the qualifications and motivations of the workforce. It may also influence the development path of the 'Human Resources'. The paper stresses that organizations should implement either a flexibility or stability enhancing HRM-strategy, depending on the organizational need for adaptation of the workforce to changing conditions for organizational problem solving. Developing a new typology, the paper combines the organizational need for adaptation and various HRM-strategies.

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[1]   This paper is a revised version of a paper presented by the authors at the VIIth IFSAM (International Federation of Scholarly Associations of Management) World Conference in Götheborg, Sweden in July 2004.

1   Introduction

The concept of evolution in this paper describes and explains the process of change of 'Human Resources' in organizations. The concept is considered to be one of the four important paradigms of change in social sciences and organization theory (Van de Ven/Poole, 1995). The evolutionary approach to change is a perspective, which draws our attention to certain traits of the processes of change. Many evolutionary theories or approaches in social sciences draw on the seminal work 'The Origin of Species' of Darwin (1859). Darwin developed and promoted the idea that various species come into existence as certain traits are inherited through intergenerational, evolutionary processes. Lamarck (1809) stressed earlier that new traits could be acquired and spread in a population through adaptation and learning processes of its individual members. Spencer (1876) first used the notion of evolution to describe and explain social change and later scholars such as Campbell (1965) promoted the utility of evolution theory and the distinction of variation, selection and retention in the contemporary social sciences.

Many evolutionary theories in the social sciences have been modified and tailored to the particularities of the context in which they were used. For example, Hannan/Freeman (1977) fruitfully promoted the application of evolution theory in order to describe and explain the process of change in populations of organizations. They maintained that some organizations cease to exist since they are unable to adjust their structure (organizational inertia) to changing requirements while new founded ones emerge at the same time in the population with a new 'blueprint'. Their new organizational 'blueprints' are variations and might be more in tune with the changed requirements of the environment and therefore their ability to solve problems would have been more enhanced. In the

long run, the organizations with the 'old blueprints' in the population would be supplanted by organizations with the 'new blueprint' as the new ones would have a higher chance for survival in the competitive environment of markets. McKelvey/Aldrich (1983) used the concept of evolution in order to describe and explain the change of particular 'organizational competencies' (comps) as problem solving routines. They argue that 'comps' vary and are selected and retained as existing organizations adapt themselves to changes in the environment in order to meet new challenges. Organizations are perceived to be able to intentionally change certain organizational competencies. Being more effective for organizational problem solving processes than other 'comps', these competencies will eventually spread within the organizational population due to imitation and learning processes.

However, adopting an exclusively intraorganizational perspective, Weick (1979) used evolution theory in order to model and explain the process of change of collectively shared mental maps in organizations. Burgelman (1991) applied the premises of evolution to shed light on the process of strategy change as strategic processes in organizations are modelled as variation, selection and retention of competing strategic concepts. Drawing on the theoretical tradition with focus on intraorganizational change, Klimecki/Gmür (1998; 2001) used evolution theory in order to describe and explain the process of change of 'Human Resources' and to grasp the role of Human Resource Management (HRM) for organizational change and performance. Their evolutionary model of HRM intends to describe and explain the change process of 'Human Resources' as an emergent process in a detailed and structured way as well as to stress the importance of intervention of the HRM in the evolution process. The aim of this paper is to present and discuss a modified version of Klimecki/Gmür's (1998; 2001) evolutionary model of HRM. We will develop various propositions based on the evolutionary model of

HRM, which should trigger further discussion and empirical research. Moreover, the paper proposes a new typology of HRM that is related to the evolutionary model of HRM. The typology that combines HRM-strategy with the adaptive requirements of organizations can be considered as a tool for categorizing the HRM of organizations. In the conclusion the implications of the evolutionary model and typology for further theory-building, empirical research and management practices will be discussed.

2 Evolution of Human Resources

In the context of the increasing prominence of the 'resource based view' in Strategic Management (Barney, 1991; Peteraf, 1993), 'Human Resources' also gained attention as the workforce and its individual members became considered to be an important resource, which have important impacts on the competitive advantage of organizations (Cappelli/Singh, 1992). The 'Human Resources' are considered to be one particular type of resources, which should be utilized, in order to contribute to the solution of the problems of the organization as an effective and efficient 'collective actor' (Coleman, 1982). 'Human Resources' can be considered as the key resource of an organization as individual actors apply all other resources and determine their utility and use for the organization (Klimecki/Gmür, 2001: 102). Hence, 'Human Resources' are important components, which might contribute to the sustainable competitive advantage of an organization (Wright et al., 1994). However, it is important to define the term 'Human Resources' more precisely. In most definitions the following two characteristic features of individual are explicitly or implicitly stressed since these are the two components which determine the utility of the workforce: qualification and motivation.

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Hence, in a rather abstract sense one can see qualifications and motivations as the two key ingredients of the term 'Human Resources'. However, individual actors have to draw on their qualifications and motivations as they act as agents of the organization and contribute to the organizational problem solving process. 'Qualification' can be defined as the bundle of capabilities, experience, and knowledge on which individual actors draw while they act on behalf of the organization as a collective actor. 'Motivation' can be defined as a factor that drives and directs human action towards certain ends (Klimecki/Gmür, 2001: 106 p.). It has to be underlined that both components are equally important for organizations and management since qualifications and motivations jointly determine the action capability of individuals.

Proposition 1: Qualifications and motivations are the two main determinants of the action and problem solving capability of individual actors. In an abstract sense, motivations and qualifications of the workforce are the 'Human Resources'.

HRM should ensure that the qualifications and motivations of the workforce can and will be employed in order to create utility for the organization so that the individual actors can act as efficient and effective agents of the organization and positively contribute to the organizational problem solving process.

Drawing on the basic principle of evolution theory developed by Darwin (1859) and Lamarck (1809), one can model the process of permanent change of qualifications and motivations, i.e. the 'Human Resources'. Changing qualifications and motivations of individual actors imply always changes in the structure of the workforce. The portfolio of available qualifications and motivations for the organizational problem solving process will therefore change over time (Klimecki/Gmür, 2001: 103).

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Hence, the focus of the evolutionary model of HRM is on the intraorganizational level and the model deals with the change process of the qualifications and motivations within organizations.

> *Proposition 2: The qualifications and motivations of individual actors in organizations change over time and the structure of available qualifications and motivations in the workforce changes accordingly.*

However, this change of qualifications and motivations can be modelled as an evolutionary process in order to structure the change process itself. The sequences of the change process of 'Human Resources' can be internally differentiated into the process of variation, selection and retention of qualifications and motivations (Klimecki/Gmür, 1998; 2001). In this perspective, the sequences of change in qualifications and motivations are modelled according to the premises of evolution theory.

Variation

Variations are any departures from the routine, tradition or configuration of a resource and the higher the frequency and scope of variations the greater the opportunity for change (Aldrich, 1999: 22 p.). Variation of 'Human Resources' means that new kinds of qualifications and motivations, which are available for an organization, will emerge over time. For example, individuals in an organization may undergo training & development and obtain new qualifications and develop new motivations. This learning process of individual actors underlines the fact that even if there are no changes in the workforce, as some contracts might be terminated and new individuals might be recruited, there might be nevertheless a change of the qualifications of individuals and the workforce. In addition, the termination of some work contracts and the recruitment of new indi-

vidual actors who might possess qualifications that have been formerly unavailable in the organization may trigger a variation of qualifications in the structure of the workforce. Motivations, which are necessary for actions of individuals, can also vary in many respects. For example, Derr (1986) distinguishes various basic career aspirations as motivations for action. Individual actors working for an organization might develop new career motivations or individual actors who enter the organization might have different and new kinds of career motivations. Hence, it should be noted that not only qualifications might vary but also motivations might undergo a variation process. Employees may acquire new skills and better qualifications and adopt different career motivations accordingly.

Selection

Those forces, which selectively eliminate certain variations and promote one certain variation, generate the selection process (Aldrich,1999: 26). Now, while the variation of qualifications and motivations occurs at the level of the individual actor, the selection process has impacts on the structure of the workforce of an organization since some qualifications and motivations have a higher chance of being positively selected. Individual actors endowed with the qualifications and motivations that are useful for the organization will have a higher chance to enter, advance and remain in the organization and contribute to the organizational problem solving process. Some members of the workforce might have a better chance to acquire resources from the organization and to advance more rapidly and continuously. According to evolution theory, those qualifications and motivations will be positively selected and spread within the population of the workforce or subpopulation (differentiated in terms of departments and occupations) of an organization, which help to successfully solve organizational problems. It is important that over the course of time, in an organization, similar qualifications and motivations

might dominate the workforce or subpopulations. However, it is important to mention that organizations are likely to possess various levels of internal differentiation of the workforce. In order to ensure that the positively selected qualifications and motivations, i.e. the 'Human Resources', do not change immediately after they are selected, some mechanisms are in place to ensure that there is retention of the qualifications and motivations necessary for the organization's success.

Retention

Retention on the evolutionary sequence occurs when "selected variations are preserved, duplicated, or otherwise reproduced" (Aldrich 1999: 30). Hence, in the third and last evolutionary sequence, i.e. the retention process, the positively selected qualifications and motivations are enforced in the organization for certain duration of time. This process ensures some kind of stability within the structure of 'Human Resources' of an organization. Retention in the studies of 'Human Resources' means that individuals with useful qualifications and motivations for organizational problem solving processes are encouraged to remain in the organization. In addition, retention also means the entry of new individual actors with qualifications and motivations similar to those possessed by the successful incumbents of the organization, as some of them may leave the organization. However, even though mechanism of retention like power structures etc. ensures that the positively selected 'Human Resources' are not immediately 'threatened' by negative selection, a further change in the composition of the qualifications and motivations of the workforce is inevitable.

Figure 1

The Evolution of Human Resources in Organizations
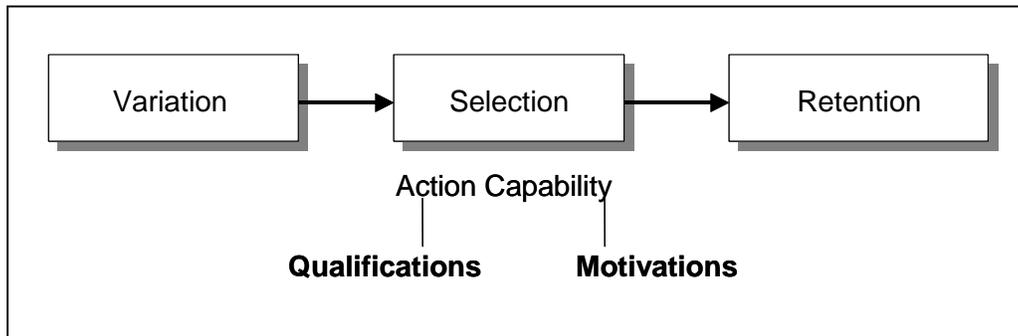
Source: Own Figure.

Eventually, new variations will emerge as new qualifications and motivations 'challenge' the already existing qualifications and motivation in an organization. However, as long as the old qualifications and motivations are more appropriate than the new ones for organizational problem solving, these 'Human Resources' will remain dominant and the new variations of qualifications and motivations will have only a small chance to be positively selected.

> *Proposition 3: The change process of qualifications and motivations of the workforce can be modelled as an emergent evolutionary process for the following two reasons. First, variations in qualifications and motivations are either positively or negatively selected. Second, positively selected variants will be retained.*

It is important to stress that according to Aldrich, (1999: 33) the processes of variation, selection and retention occur simultaneously rather than in sequence. However, for analytical purposes the evolutionary process is portrayed as three following sequences. Nevertheless, it

should be clear that these processes are permanent, ongoing phenomena in organizations, i.e. while some variants are selectively retained, already new variants emerge and compete with the older ones for selection and retention. From these arguments, it should be clear that the configuration of the 'Human Resources' of an organization is continuously evolving. This means that the qualifications and motivations of the individual employees who act on behalf of an organization change over time. Accordingly, the structure of the qualifications and motivations in the workforce change over time. Hence, this evolution process can be modelled as an emergent and 'natural' process and the most appropriate qualifications and motivations for problem solving may eventually dominate the organization. However, this will take some time and involves 'trial and error' which increases the chance that the whole organization can be negatively selected in the market environment. Hence, in many organizations the evolution process does not undergo a quasi natural and pure random 'error and trial process' which includes a relatively high chance for the organization of being 'selected out' by market forces, but management is rather proactively seeking to manage explicitly or implicitly the evolution of the 'Human Resources' in a way that is perceived to be optimal for maintaining the organizational problem solving capacity. In the next paragraph, the idea of intervention into the evolution process by HRM is discussed in more detail.

3   Managing the Evolution of Human Resources

As mentioned above, the change process of 'Human Resources' in an organization can be described as an emergent evolutionary process. However, HRM can intervene in the evolutionary process of the 'Human Resources' in order to make differences in favour of directives of an or-

ganization (Klimecki/Gmür, 2001: 111). Nevertheless, it is important to acknowledge the limitations of HRM while at the same time stressing the possibility of influencing the direction of the development of the 'Human Resources'. The possibility of intentionally influencing the evolution process of motivations and qualifications in an organization depends certainly on the position and role of the HRM-department and HRM-function. In some and still too many organization, the decisions of recruiting and training of individual actors are exclusively made by line managers. Nevertheless, representatives of the HRM-department can make a difference, as decisions involving the management of 'Human Resources' may have to be jointly made by line managers and professional HR-managers. HR-professionals can have the power to issue directives, advice line managers or can veto decisions concerning the 'Human Resources'. In other words, the possibility to influence the evolution process of the qualifications and motivations of the workforce systematically depends on the HRM-department's institutionalized power. Hence, the outcome of the evolution process, in terms of the HR-portfolio, which is available at a certain point in time for an organization, does not have to be completely determined by the decisions of representatives of a professional HRM. Nevertheless, given the important role of the professional HRM in large corporations, one can assume that HRM can at least play a critical role in systematically managing qualifications and motivations.

Proposition 4: HRM can intervene in the emergent evolutionary process of HR in organizations.

Hence, it makes sense to theoretically and conceptually distinguish a purely emergent evolutionary process of variation, selection and retention of 'Human Resources' from an evolutionary process, which is intentionally influenced by HRM. Klimecki/Gmür (1998, 2001) use the term

'activating' to refer to the carefully managed process of variation of qualifications and motivations. Moreover, by the term 'directing', they stress the actively managed process of selection of the activated qualifications and motivations. Last but not least, the process of 'binding' describes the actively managed process of retention of positively selected 'Human Resources'. From this, one can bundle various HRM-practices according to their primary impact on the evolutionary process (Klimecki/Gmür, 1998; 2001).

Activating

HRM can actively influence the process of variation of HR by fostering the emergence of new and multiple qualifications and motivations in the workforce (Klimecki/Gmür, 2001: 114). This process ensures that new qualifications and motivations become intentionally activated for the organization. For example, depending on the design of the HR-recruitment procedure, the HRM-practice can influence the supply of the organization with new kinds of 'Human Resources'. In other words, the principles of recruitment can either stress the importance of existing qualifications in the organization or new types of qualifications and motivations. Moreover, the design of training &development can trigger new kinds of qualifications and motivations and ensure the availability of multiple qualifications and motivations regarding individual actors and the workforce. Last but not least, employees can be relocated within an organization to suit the need of various divisions and sections of the organizations so that they can add new kinds of qualifications and motivations. However, these three HRM-practices, depending on their particular design, can primarily influence the variation process of 'Human Resources' by generating somewhat new qualifications or motivations. In addition to activating, it is also important to select the most appropriate qualifications or
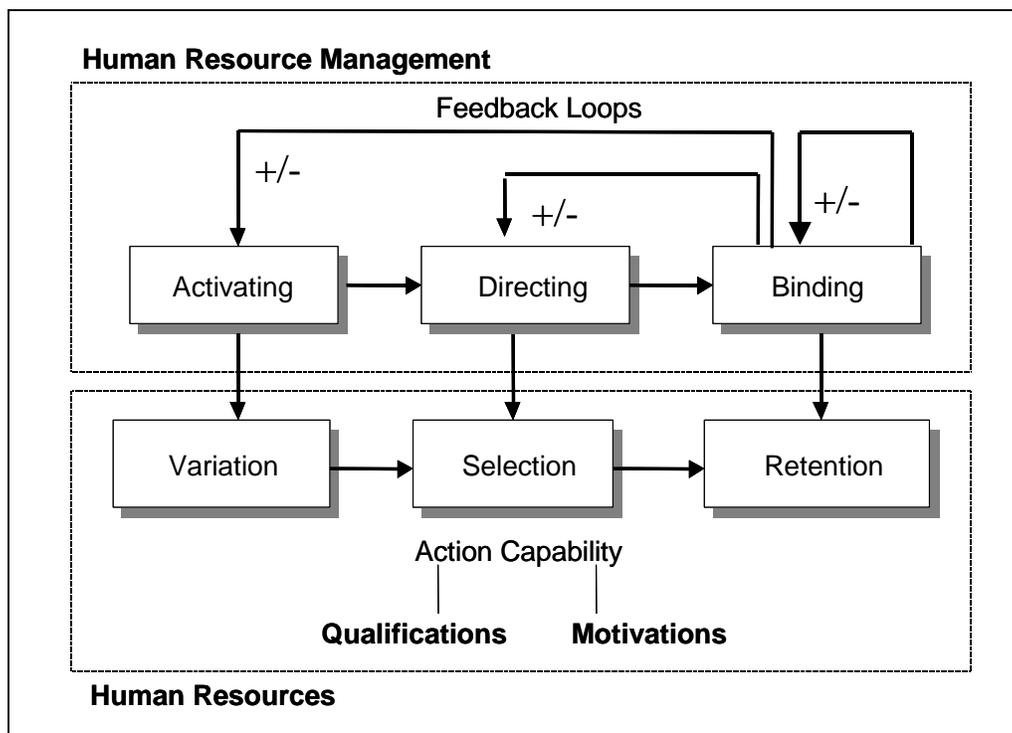
motivations for the organizational problem solving process (Klimecki/ Gmür, 2001: 115).

Directing

HRM can also actively influence the selection of qualifications and motivations for the organization. Managing this 'internal selection processes' (Riedl, 1975), HRM can intentionally 'direct' the development of the 'Human Resources' in order to maintain or increase the organizational problem solving capability. It seems that the design of the assessment and career options in particular as well as the design of the compensation system can influence the internal selection process (Klimecki/Gmür, 1998; 2001).

Figure 2:

Managing the Evolution of Human Resources

Source: Klimecki/Gmür (2001: 113), modified.

These HRM-practices are particularly responsible for fostering certain qualifications and motivations over others. It should be clearly noted that a coordinated and systematic selection of certain 'Human Resources' within an organization is possible only if the HRM-department possesses a powerful position. Individuals who are endowed with certain qualifications and motivations, which are considered as being useful for the organizational problem solving process, should be positively selected. An appropriate 'internal selection process' can equip the organization with efficient 'Human Resources' in order to successfully deal with external challenges. This 'internal selection process', in addition to the active intervention in the variation process, ensures that the selection pressures of the 'external environment' do not negatively affect the organization. In addition, the socialization process as well as the design of the organizational processes of suspension and dismissal will influence the internal selection process of 'Human Resources' (Klimecki/Gmür, 2001: 115). Individual actors, who do not have the needed qualifications and motivations for organizational problem solving and who are not willing or able to learn and adapt accordingly, might be asked to leave the organization. In the context of directing, HRM can actively govern the process of internal selection of appropriate qualifications and motivations for the organization. Hence, this process also can – depending on the design of the HRM-practices mentioned above – foster the spread of new kinds of qualifications and motivations in the organization or may obstruct it. However, it is the task of the internal selection process to filter the most appropriate qualifications and motivations and support their diffusion in the organization (Klimecki/Gmür, 2001: 115). Last but not least, the positively selected qualifications and motivations have to be retained for their continuing utility generation for the organization.

Binding

HRM can also actively influence the process of retention of the selected qualifications and motivations so that the likelihood of their maintenance and application in the problem solving process as well as their reproduction for the organization can be increased. It seems that the incentive-system as well as the career system in particular will influence the likelihood of an individual actor with appropriate qualifications and motivations to remain in the organization and apply their assets for organizational problem solving and utility generation (Klimecki /Gmür, 2001: 116). Moreover, the generation of emotional attachment and commitment to the organization can support the maintenance of important 'Human Resources' for the organization. In an Darwinian (1859) intergenerational view, HRM can design the selection process and internal promotion process in such a manner that the new entrants resemble largely the same kind of useful qualifications and motivations of those individuals who already act on behalf of the organization. This aspect refers to the so called 'feedback loops' of the HRM-system which will be now explained in further detail.

> *Proposition 5: HRM-practices can be logically bundled according to their primary impact on the evolutionary process. In terms of polyvalence the same HRM-practice can play a primary role in more than one evolutionary sequence.*

Feedback Loops

Adjustments of the design of the HRM-practices in the activating, directing and binding HRM-bundle have an important impact on the 'Human Resources'. The change of the HRM-practices in the three HRM-bundles triggers and determines the development path of the 'Human

Resources'. Similar to Weick's (1979) notion of 'feedback loops' in his evolutionary model of collectively shared mental maps, HR-managers can learn from the impact of their decisions on the organizational portfolio of the 'Human Resources' and consider their experiences or decision-making in order to improve the design of the HRM-practices. According to Klimecki/Gmür (1998; 2001), positive 'feedback loops' will confirm the validity of the previous design of the HRM-practices and therefore no significant changes will be made. This will mainly lead to the reproduction of existing qualifications and motivations as the emergence of new variations will not be particularly fostered either by training &development or recruitment. In the Darwinian (1859) view of evolution as an intergenerative process, retention would be primarily guaranteed since the recruitment criteria for new entrants will not be changed. If positive feedback loops dominate the HRM-system, variation will be kept to a minimum, as the new members are likely to have same or similar qualifications and motivations as the leaving actors do. In Lamarckian (1809) view, retention is maintained by the design of the training &development in such a manner that newly recruited employees will acquire similar motivations and qualifications to those in the existing workforce. However, negative feedback loops will lead to changes in the design of the HRM-practices (Klimecki/Gmür, 2001: 113). This has impacts on the 'Human Resources' and will very likely foster the generation of new qualifications and motivations as well as their positive selection and retention. Negative feedback loops increase the flexibility of the HRM-system and therefore are likely to change the qualifications and motivations of the whole workforce (Klimecki/Gmür 2001: 113).

The intervention of HRM in the evolution process of 'Human Resources' have impacts on the structure of motivations and qualifications of the workforce of an organization at a given point of time. It is particularly important to clarify which kind of impact on the HR-portfolio is of interest to

HRM in the context of an evolutionary approach. The term 'Human Resource portfolio' refers to the structure of the 'Human Resources' and therefore the qualifications and motivations of the workforce of an organization at a certain point in time (Odiorne, 1984). The structure of the portfolio, which is useful for an evolutionary approach to HRM, can be distinguished in terms of its heterogeneity considering the workforce as a whole as well as the variety of qualifications and motivations of individual actors. Heterogeneity refers to the diversity of qualifications and motivations in the workforce. Variety refers to the diversity of qualifications and motivations of individual actors (Wright/Snell, 1999). Both components of the 'Human Resources', by and large, determine the adaptability of the 'Human Resources' of an organization. It can be assumed that with increasing heterogeneity and variety, the capability of the workforce to adjust to changing requirements will be higher. In the context of an evolutionary model of 'Human Resources', it is important to stress that this Human Resources portfolio is of transitory character and will change more or less intensively in the course of time.

> *Proposition 6: The available 'Human Resource' portfolio of an organization at a certain point in time is the result of emergent evolutionary processes and active interventions into the evolution by HRM.*

> *Proposition 7: The 'Human Resource' portfolio of an organization can be distinguished in terms of the heterogeneity of the qualifications and motivations of the workforce and the variety of qualifications and motivations of individual actors.*

In the above propositions, we outlined the idea that HRM could intervene into the emergent evolution process of 'Human Resources' and that the various HRM-practices could be 'bundled' according to their

primary impact on the sequences of the evolution process. This will have impacts on the portfolio of qualifications and motivations of the individual actors as well as on the portfolio of qualifications and motivations of the workforce. In the next step, we will discuss the intervention of HRM into the evolution process of qualifications and motivations in a more holistic way and present two ideal-types of HRM-strategies. The two HRM-strategies are characterized by their overall 'architecture' in relation to the three HRM-bundle and the feedback loops described above.

4   Human Resource Management Strategy

It has been already stressed that individual HRM-practices could be 'bundled' together according to their impact on the sequences of the evolution process of 'Human Resources'. In this section we would like to propose the distinction of two different kinds of HRM-strategies. HRM-strategy can be defined as a concept which considers and integrates all HRM-practices in terms of ensuring an "internal fit" in order to achieve a certain goal. In this manner, drawing on the evolutionary model of HRM, we include all three HRM-bundles and the feedback loops into HRM-strategy in a holistic manner. In this context, 'stability' and 'flexibility' are two antagonistic principles for designing the HRM-strategy (Klimecki/Gmür, 2001: 103 pp; Wright/Snell, 1999). The first principle is based on the idea that resources continue to be managed in the same way as they have been managed in the past and that the intervention into the evolutionary process of HR is designed in such a manner that variation, selection and retention ensure the reproduction of existing and narrowly defined qualifications and motivations. Even though this will foster the efficiency of the resource deployment, this involves the risk of

a low adaptability to changing circumstances. In contrast, the 'flexibility'-principle enhances a high capability of adjustment of resources to changing requirements in order to safeguard long-term effectiveness rather than short-term efficiency because variation, selection and retention are designed to ensure the production of new and broadly defined qualifications and motivations (Klimecki/Gmür, 2001: 104).

The 'architecture' of a flexibility enhancing HRM-strategy contains HRM-practices in the 'activating bundle', which are designed to increase or to maximize the emergence of new qualifications and motivations, i.e. triggering variation. In addition, this kind of HRM-strategy contains HRM-practices in the 'directing bundle', which is designed to select those individual actors who possess a high variety of qualifications and motivations. The HRM-practices also ensure that there is a rather high heterogeneity of qualifications and motivations in the workforce. Moreover, promising individuals with new kinds and a high variety of qualifications will be positively selected. Accordingly, the design of the HRM-practices will be regularly evaluated and changed if necessary. This means that, according to a Darwinian (1859) evolutionary intergenerational view, negative feedback loops to the various HRM-practices ensure a change of the motivations and qualifications of the workforce as new individuals enter while others exit the organization. In a Lamarckian (1809) view, the negative feedback loops ensure that the members of the organization acquire new qualifications and motivations due to a certain design of training & development. Considering the binding process, this kind of HRM-strategy can foster the retention of individual actors who do possess not only a high variety of qualifications or motivations but who are also able and willing to learn new capabilities. These individuals are motivated to remain in the organization due to better career prospects and financial incentives. Due to the 'internal fit' of the design of the three HRM-bundles and the feedback loops, this kind of HRM-strategy can

enhance the flexibility as well as the adaptability of the 'Human Resources' of an organization to changes in the organizational problem solving process. In contrast, the architecture of a rather 'stability enhancing' HRM-strategy is designed to increase the deployment efficiency of the 'Human Resources' in the existing organizational problem solving process and to maintain and foster the replication and application of already available qualifications and motivations. The architecture of the stability oriented HRM-strategy contains an 'activating bundle' which is designed to increase or maximize the generation of the same or similar qualifications and motivations which are already available to the organization and which are considered as useful. In addition, the HRM-strategy contains a design of the HRM-practices in the 'directing bundle', which selects individual actors who possess a low variety of qualifications and motivations and are therefore more specialized. The HRM-practices can also ensure that there is a relatively low heterogeneity of qualifications and motivations in the workforce and subpopulations of the workforce. In addition, the HRM-practices, which primarily influence the retention sequence, can ensure that a large number of employees with similar qualifications and motivations remain in the organization. The design of the HRM-practices will not change much once they are implemented (positive feedback-loops). As a result, the stability and therefore the efficiency of the 'Human Resources' of an organization can be maximized.

Proposition 7: HRM-strategies can be distinguished according to the architecture of the various HRM-practices and the feedback loops into a flexibility or stability enhancing HRM-strategy.

It is important to emphasize that these two HRM-strategies are rather ideal-type than real-type descriptions. The existing HRM-strategy in an organization is probably somewhere between the two extreme poles de-

scribed above. Nevertheless, the ideal-type distinction is useful in order to contrast the HRM-strategy of a given organization with the two archetypal HRM-strategies discussed above.

However, it is not the fact that one of these two kinds of HRM-strategies is – regardless of the context of the organization – always the best way of designing HRM. It is the degree of adaptability of the 'Human Resources' to changing problem solving necessities that should be taken into consideration (Klimecki/Gmür, 1998; 2001). Given that there might be time periods in which organizations are confronted with rapid changes of the problems that they face (e.g. in highly volatile market environments), it is obvious that in order to 'survive' the external selection pressures, the organization must be able to adapt the internal problem solving processes quickly. Hence, the 'Human Resources' or qualifications and motivations of the individual actors and the workforce must be quickly and easily adjustable to the new organizational problem solving routines. It is therefore highly advantageous to pursue a flexibility enhancing HRM-strategy since this kind of architecture of the HRM allows - at least theoretically - a relatively quick adjustment of the 'Human Resources' to changing requirements. The flexibility of qualifications and motivations of individual actors and the workforce ensures the important 'requisite variety' (Ashby, 1970) of the organization. However, if an organization is confronted with problems that do not change significantly within a certain period, a more stability enhancing HRM-strategy can be of higher utility to the organization. This kind of HRM-strategy can increase the efficient deployment and use of the 'Human Resources', i.e. the individual actors can contribute more efficiently to the relative constant internal problem solving routines.

Proposition 8: The HRM-strategy for an organization should be designed according to the organizational need for adaptation of the workforce and hence the qualifications and motivations of the individual actors.

Proposition 9: The flexibility-enhancing HRM-strategy is more suitable if the organization is confronted with problems that change rather rapidly. On the other hand, if problems and therefore the problem solving routines of the organization remain constant, a stability-enhancing HRM-strategy can be more appropriate.

As mentioned above, an organization can be confronted, for a certain period in time, with rapidly changing problems that require an intensive adjustment of the organizational problem solving routines and therefore a relatively high flexibility of the qualifications and motivations of the workforce. The same organization, however, can find itself in a relatively stable context, which does not require an intensive adjustment of the organizational problem solving routines and qualifications and motivations. In addition, there can be certain types of organizations (e.g. industries) that share the same – either relatively stable or dynamic contextual situation. It is, therefore, reasonable to assume that the HRM will be more successful if the design of the HRM is adjusted to the change dynamics of the organizational context.

Klimecki, et al. (1994) and many others do emphasize that it is the general tendency that the change dynamics of problems organizations are confronted with is accelerating. Hence, the need of 'adaptable organizations' (Staber/Sydow, 2002) and a 'development oriented management' (Klimecki, et al., 1994) is becoming increasingly acknowledged. Management is confronted with the permanent challenge to reconfigure vari-

ous resources and to develop flexible management systems in order to maximize the adaptability of the organizational problem solving routines. But, at the same time, organizations have to maintain the necessary efficiency of the problem solving capabilities. Hence, the principles of both 'flexibility' and 'stability' have to play a role in designing management systems (Klimecki, et al. 1994). However, it is also important to acknowledge that at a certain point in time one principle can be more important than the other and must be more emphasized in the HRM design. Hence, for the design of the HRM-architecture, both principles have to be considered and their merits depend on the contextual situation of the organization (Klimecki/Gmür, 2001: 104).

If we consider the distinction of the two HRM-strategies and dichotomize the importance of adaptation of the workforce to changing requirements, we are able to develop a typology of Human Resource Management.

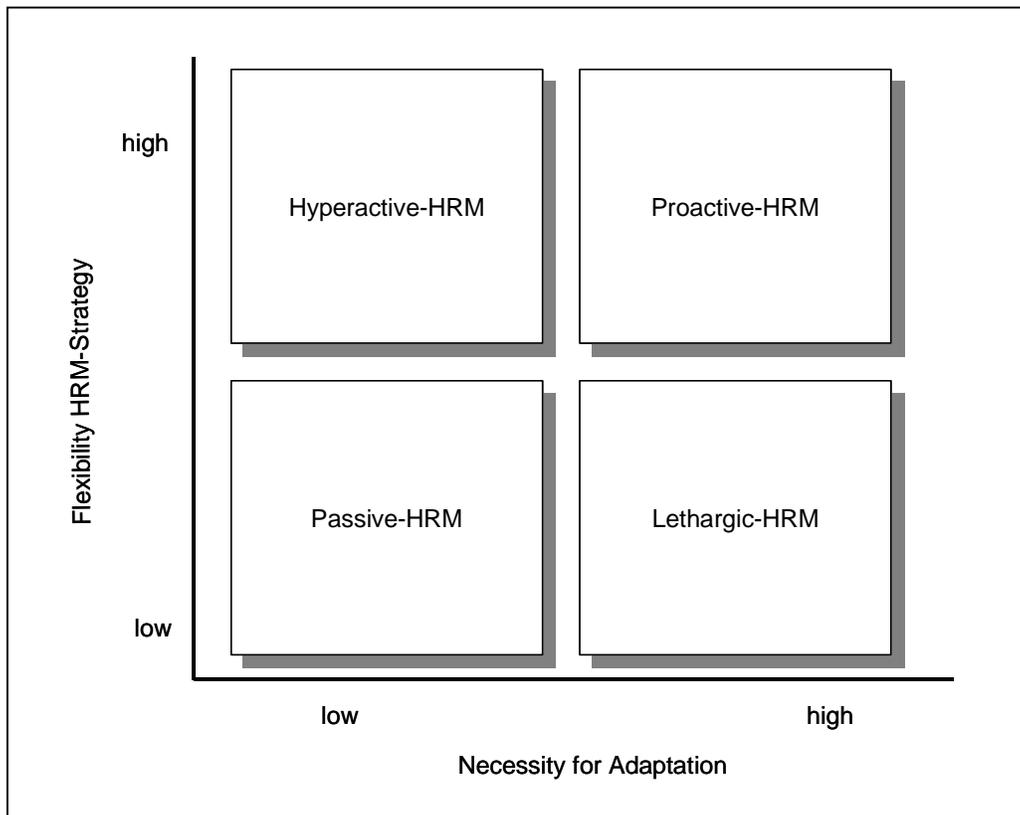# 5   A Typology of Human Resource Management

In this last section of the paper, drawing on the previous argumentation, we present a typology of HRM. In categorizing types of HRM, this typology considers both the HRM-strategy and the adaptability needs of the organization's workforce to changing problem solving routines. The typology might be used as a heuristic device in order to contrast the given type of HRM with the type of required HRM. It can be also useful in categorizing the HRM of several organizations in the same industry or several divisions of one firm in order to decipher the distribution for benchmarking and comparison purposes. The typology places the complex, aforementioned arguments into an easy to grasp four-cell matrix. The first dimension of this matrix is composed out of the dichotomy of a

high or low flexibility enhancing HRM-strategy. Moreover, it is also stressed that in terms of intensity, the need to adopt the qualifications and motivations of the workforce (i.e. 'Human Resources') to changing requirements can vary. The distinction between a low and high necessity of adaptation of the qualifications and motivations of the workforce is the second dimension of the 2x2 matrix. The two dimensional typology is therefore based on a binary distinction between a high or low flexibility enhancing HRM-strategy and a high or low flexibility requiring organizational context. Every cell of the matrix contains a certain type of HRM labelled in order to emphasize the key characteristics. In the typology we distinguish a so-called 'Hyperactive-HRM', a 'Proactive-HRM', a 'Passive-HRM' and a 'Lethargic-HRM'. In the following, we will describe these four types in detail.

The first type of HRM, the so-called ‚Hyperactive-HRM', is characterized by a high flexibility enhancing HRM-strategy. The flexibility enhancing HRM-strategy fosters the change of the qualifications and motivations of the workforce in a context where the need for the adaptation of the Human Resources is low. A HRM pursuing this strategy in the context of a relatively low need for flexibility can be called 'Hyperactive-HRM'. Obviously, this kind of HRM can trigger problems for the organization since the efficiency of the allocation of 'Human Resources' to the organizational problem solving process can be reduced as the focus is on ensuring a high change capability of the 'Human Resources'. The second type, also problematic for an organization, is a low flexibility enhancing HRM-strategy in the context of a relatively strong necessity for the adaptation of the organizational workforce's qualifications and motivations to changing conditions. This kind HRM is termed 'Lethargic-HRM'. In this case, the HRM pursues a stability-oriented HRM-strategy - even though there is a high necessity for adaptation of the qualifications and motivations of the workforce.

Figure 3:

A Typology of Human Resource Management

high	Hyperactive-HRM	Proactive-HRM
	Passive-HRM	Lethargic-HRM
low		
	low	high

Flexibility HRM-Strategy

Necessity for Adaptation

Source: Own Figure.

A 'Lethargic-HRM' employs no change enhancing design of the HRM-practices, even though there is the need for a proactive management of the change of the 'Human Resources' in order to meet the new organizational requirements for problem solving. It is rather obvious that this kind of Human Resource Management creates problems for the organization when a high adaptation capability of the workforce is needed. The top-right cell is labelled 'Proactive-HRM' since a high flexibility enhancing HRM-strategy meets the strong need of adaptation of the workforce's qualifications and motivations. The term 'Proactive-HRM' stresses the openness and active management of a rather intensive change and development of the workforce in periods of a strong neces-

sity for organizational adaptation to changing conditions. The 'requisite variety' (Ashby, 1970) of the 'Human Resources' is fostered in order to promote the necessary potential for adaptation given circumstances where it is hard to predict the speed and direction of change of the problems with which an organization is confronted (Klimecki/Gmür, 1998, 2001). In terms of the evolutionary model of HRM, this kind of HRM should be able to increase the intensity and direct of the evolutionary change process of the workforce since it stimulates variation and maintains a frequent evaluation and change of selection criteria. Last but not least, 'Passive-HRM' refers to the type of HRM, which is based on a combination of a low flexibility enhancing HRM-strategy and a low necessity for adaptation of the organizational workforce. If there is only a low need for change there is no particular need to stimulate the change capability and process of 'Human Resources' proactively. This kind of HRM can be particularly well suited for organizations in periods of a relatively low need for change of the workforce.

Proposition 10: The HRM of organizations can be categorized into four types that *are based on a dichotomy combining HRM-strategy and the adaptability necessities of organizations.*

However, several types of HRM may be simultaneously found within large and diversified organizations. For example, the HRM of one division can be termed as a 'Proactive-HRM'' while at the same time the HRM of a different division can be allocated into the 'Passive-HRM' category. It is also important to stress that the design of the HRM of one organization or division can vary over time as either the HRM-strategy or the adaptability needs or both aspects are changing.

Proposition 11: The type of HRM may vary in large diversified organizations since there can be different HRM-strategies or different needs for adaptation of the workforce.

Proposition 12: The employed type of HRM-strategy and/or the degree of the adaptability needs of the organization and therefore the 'fit' or 'misfit' of both aspects can change in time.

In the conclusion, we summarize the arguments of this paper and discuss implications of the proposed evolutionary model and the typology of HRM for further theory-building, empirical research and management practice.

6   Conclusion

This paper proposes an evolutionary model of HRM in order to describe and explain the processes of change of the 'Human Resources' and the intervention in this emergent process in organizations. It stressed that change of the 'Human Resources' in any organization should be perceived as an emergent process on the first hand. It argued that the task of HRM should be to intervene in this emergent evolution process in order to influence it to ensure organizational development. HRM can foster the adaptation of the workforce's qualifications and motivations and hence the organization's problem solving capability while anticipating the external selection pressure in terms of an internal selection process (Weibler/Deeg, 2000: 166 pp). It was further argued that it is possible to 'bundle' HRM-practices according to their primary impact on the sequences of the evolution process of 'Human Resources'. Considering all HRM-practices in a holistic sense, one can distinguish two kinds of

HRM-strategy: a flexibility enhancing and a stability-enhancing HRM-strategy. The need for organizational adaptation to changing problems should determine whether the flexibility or stability principle should be primarily followed by HRM. If there is an intensive change of the problems with which an organization is confronted, the organizational problem solving routines must be altered and new kinds of qualifications and motivations of the workforce are needed and should be actively encouraged. If there is a relative stability of the organizational problems and no particular important change of the organizational problem solving routines is necessary, it is more important to foster the efficiency of the qualifications and motivations of the workforce. It is therefore reasonable to stabilize and reproduce the already available adequate qualifications and motivations of the workforce. Last but not least, this paper presented a typology of HRM, which combined HRM-strategy and the organizational need for adaptation of the workforce. The proposed typology allows us to distinguish between an appropriate and inappropriate architecture of the HRM and to categorize the HRM of an existing organization. The presented modified version of the evolutionary model of HRM (Klimecki/Gmür, 1998; 2001) and the typology of HRM can be used in order to understand and grasp the change process of the 'Human Resources' and to measure the design of the HRM of a given organization while contrasting it with the ideal-type HRM. Hence, the model and typology can be perceived both as heuristic devices for furthering knowledge in the HRM field.

In addition, it is important for empirical research to determine which factors primarily determine which kind of HRM-strategy is employed in a given organization and why some organizations employ a more appropriate HRM-strategy than other organizations do. In order to determine the appropriateness of the HRM-strategy of a given organization, it is important to measure the degree of the flexibility enhancing design of

the HRM-strategy and the adaptation necessity. Moreover, it is the task of empirical research to scrutinize the impacts of the design of the HRM-strategy on related aspects or – in other words – the impact on 'dependent variables'. Given the fact that this paper proposes an evolutionary approach to HRM, it is important to point out that an empirical research based on an evolutionary approach must consider the temporal factor and should adopt longitudinal and retrospective methods. It will be the task of empirical research to test the propositions, which are developed in the presented paper.

This paper concludes that the importance of HRM, whose significance is still undervalued in too many organizations, should always be considered as a 'strategic partner' for top management (Barney/ Wright, 1998). In terms of the necessity to develop and ensure a certain HRM-strategy and its implementation, it is in the interest of an organization that the HRM-department has an important role to play and can issue directives, counsel or veto decisions of line managers. According to the presented evolutionary model and typology, it is important for HR-managers to think about which kind of impact the given design of certain HRM-practices and the adopted HRM-strategy have on the evolutionary process of the 'Human Resources'. In addition, it is also important to align the HRM with the change dynamics in the organizational context in order to ensure a fit in terms of external and internal dynamics. A flexibility enhancing HRM-strategy is certainly one important component for generating the necessary 'dynamic capabilities' (Teece/Pisano, 1997) of an organization, which operates in permanent changing contexts such as 'hypercompetition' (D'Aveni, 1994). It should be clear that HRM could have an important impact on the adaptability and development of the whole organization and its problem solving capability. HRM can either foster or hinder organizational adaptability with an appropriate or inap-

propriate design of the HRM-practices designed to intervene into the evolution process of 'Human Resources'.

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