

Eduard Gangler, Walter Oechsler, Wolfgang Weber (eds.):

Handwörterbuch des Personalwesens (HWP)

Enzyklopädie der Betriebswirtschaftslehre (EdBWL), Volume 5

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The *Handwörterbuch des Personalwesens* is the most used and wellknown encyclopedia in personnel management in Germany. Its 3rd edition (2004), 12 years after the 2nd edition is completely reworked, a new book, as practically all authors have changed. The HWP is part of the *Enzyklopädie der Betriebswirtschaftslehre EdBWL*, a series of encyclopedias, of which Vol. II on *Management and Organization (Handwörterbuch Unternehmensführung und Organisation (HWO))* and Vol. X on *Leadership (Handwörterbuch der Führung (HWFü))* are of particular relevance as they cover fields that link closely to personnel management. This competition within the family partly explains the selection of articles, e.g. why the article *Basis of personnel management in organization theory* disappeared and the most important topic *Leadership (Führung)* remains limited to five articles.

To a large extent this volume reflects the status of the personnel profession in Germany, or rather what the mostly academic authors think it is or should be. The HWP does not and is not intended to give a realistic picture of the personnel management profession in Germany today. As personnel management is not, or only in parts, a social science but seeks to give guidance for action this is acceptable for most readers (*Weber*, in the HWP).

Personnel management in Germany is widely influenced by co-determination.

In the day-to-day life of modern corporate organizations, the transition to more cooperation-dependent forms of work organization and the delegation of decision-making responsibility down to the individual employee frequently means that co-determination in interaction with decisions taken by the employer at top level appears too formalistic, unwieldy, superficial and practically irrelevant. Consequently, in many companies reactive, ex post co-determination is being replaced by an ongoing incorporation of employee representatives in joint information, learning and decision-making processes, wherever this appears objectively necessary, and irrespective of whether participation is required by law. Against the background of formal legislation, which remains, as it were, in reserve, the precise nature of the role played by the works council is left to negotiated agreements adjusted to the actual situation within the framework of a cooperative corporate culture. This permits informal modification of the statutory provisions at any time. Personnel experts in top management regard the works council as the most and increasingly important part of co-determination, rather than co-determination in the supervisory board and certainly rather than that of union delegates. This is particularly visible in connection with work place co-determination.

This development of cooperative management-works council interaction has a direct effect on HRM policy making, i.e. the relationship of the company with its individual employees. Structural reorganization, including the introduction of direct participation, leads to a more cooperative culture which, in consequence, brings about a greater participation of works councils in HRM development. Due to co-determination, consultation or information rights in defined areas works councils' in-

volvement in different areas of HRM policies has been quite variable over time. Participation has been traditionally high in remuneration schemes and working time but low, for example, in corporate culture development. A recent example of this is the numerous “employment contracts” in German companies, which compensate employment security for existing jobs against labour cost reduction.¹

The title of the Handbook remained *Handwörterbuch des Personalwesens*, despite the fact that it is not really a Wörterbuch but an Encyclopedia and that *this intranslatable term* is also no more the most commonly-used word in the academic field nor more widely in Germany. Perhaps *Personnel Administration* in its old English meaning comes closest to the used term.

The central article with the editors as authors is *Personnel Administration* (Gaugler/Oechsler/Weber). Whereas the same article in the 2nd edition covers the field and makes reference to many topics, the new article puts the subject into a wider framework (organization), gives a philosophical perspective to labour (personal litigation), covers the historical dimension of the field (professionalization) and includes new academic approaches and concepts (personnel economy and strategic human resources). It also gives a feeble justification for the term *Personnel Administration* which is supposed to represent interdisciplinarity. In fact, it is old-fashioned and represents continuity.

More interesting, *Personnel management* (the term mostly used in the articles) is seen as part of business administration, inspired by neighbouring disciplines such as psychology, sociology, pedagogy and legal sciences.

It may be worthwhile to review the central part of the *Handwörterbuch*, the articles starting with *Personnel*.

In *Personnel Selection* (Schuler), comparing the new edition with the 2nd edition, we find a shift from the perspective of a human resource management to that of a psychological specialist, including the validity of particular instruments of selection; the assessment center received a separate article. This change of authors meant a shift from a more practical perspective to a more academic one. The separate, new article on *Assessment Centers* (Kompa), however, is less concerned about validity and efficiency but in a refreshing way elaborates on the critical aspects of this instrument, e.g. the simulation effect introduced to allow line managers to participate in the assessment.

Several articles separated the planning aspect from the main article, e.g. *Personnel Development* and *Planning of Personnel Development* became separate articles. There is now also *Personnel Placement* and *Planning of Personnel Placement*. This makes the planning aspect more prominent. It may be doubted, however, whether this leads to more enlightenment of the reader. As an example we may compare the articles *Personnel Reduction* (Kammel) and *Planning of Personnel Reduction* (Kadel). Looking at the definitions of the subject, Kadel sees Personnel reduction as part of Personnel planning. Kammel defines Personnel reduction only by “giving people back to the labour market” and re-

¹ Weitbrecht, Hansjörg: Human Resource Management and Co-determination. In: Müller-Jentsch, Walther/Weitbrecht, Hansjörg (eds.): *The Changing Contours of German Industrial Relations*. Rainer Hampp Verlag, München, Mering 2003: 57-80.

lates it directly to personnel policy, Kadel sees all kinds of other means to reduce staff quantitatively. Kammel questions planning in Personnel reduction and therefore in his text does not even refer to *Personnel Reduction Planning*. In legal aspects Kammel refers to the *Works Constitution Act* in general but not to *Planning of Personnel Reduction*, where the specifics of this issue are presented in detail. And vice versa: In *Planning of Personnel Reduction* we find a well described process, however, without any reference to *Personnel Reduction*. Concluding: it was not a wise decision to separate planning and realization aspects. In this case Kadel's article would have been enough.

Personnel Decision Making (Conrad) is a new article in the 3rd edition. *Staff Structure* (Kosssbiel) also is one of the rare new articles. And indeed it represents a very interesting approach to analysing and developing personnel resources to adapt to the external environment. It includes the potential and looks for structure of personnel as well as to behaviour. The approach is rather mathematical, which leads to a higher specificity with respect to plasticity, flexibility, invariance and coherence. At the end we find a link to *Personnel Planning* as an instrument of the formation of the staff structure. The rather traditional article *Personnel Planning* (Mag), however, does not give a hint on *Staff Structure*.

To sum up, the 3rd edition in general has become

1. more theoretically oriented, thereby more precise and specific,
 2. less comprehensive regarding the administrative aspect of personnel management,
 3. up to date with new developments,
 4. more open to neighbouring academic fields, thereby broader in its perspective.
1. The more theoretical approach is represented in new articles such as *Approaches to Evolution Theory in Personnel Management* (Klimecki/Gmür), *Approaches to Institutional Economics in Personnel Management* (Backes-Gellner/Schmidtke), *The Theoretical Foundation of Personnel Management* (Weber), *Behavioural Science in Personnel Management* (Reber), (Schauenberg), *Knowledge Management* (Probst/Gibbert/Raub).

The Weber article gives a general understanding of theory in personnel management. As personnel management aims for the shaping of organizations, the academic field procures knowledge on these fields (and gives concrete guidance for action). To understand this mode of action, theory is needed. As in general the approach from practical problems to theory is adequate (but not from theory to practical guidance) a multitude of theoretical designs will be necessary. Economic theories dominate the field, which is in its theoretical development, however, still at the beginning.

2. The reduction of administrative aspects of personnel management is well demonstrated by the omitted articles compared to the 2nd edition. There is no more:

- *Personnel dossier* (The index gives references to *Employee, Management and Personnel information systems*. This makes the search more specific and less administrative as the old edition.)
- *Personnel Expenses* cannot be found any more. (The article is now *Personnel Cost and Expenses*, left out is *Planning of Personnel Cost*).
- *Employee Communication* is left out and is even without any reference in the index.

- *Administration* disappeared in the *Handbuch*, probably not in reality. (Reference is made to *Personnel information systems*, which definitely sounds better, but does probably not cover the totality of the daily burden).

On the other hand the field is upgraded by some additions, and is seen as contributing more to business performance. Interestingly enough *Strategic Human Resource Management* (Wright/Gardner), focusing on High Performance Work Systems, is the only article in English using only English citations. And ironically to help German speaking readers it is followed by *Approaches to Strategy in Personnel Management* (Wolf), which is still searching in the variety of concepts. This means, there is a subject developing, strategy in status nascendi; *Strategic Personnel Planning* of the 2nd edition disappeared.

3. Several articles catch up with new developments and new issues. One good example of this change in the 3rd edition is: *Mergers and Acquisitions, Personnel Economics in..* (Töpfer/Ullrich). This article is new, and it represents a current issue. It presents innovative approaches to bring the human resource function new solutions (use of EFQM due diligence in the Pre Merger phase) and seeks links to other academic fields (Organizational culture, Post Merger Integration). It also links this practical issue to many items in the *Handwörterbuch*.

4. It is one of the striking new features, that in several articles other academic fields are more extensively covered, e.g. *Approaches of Micropolitics in Personnel Management* (Neuberger), *Organizational Culture* (Maurer), *Organizational Learning* (Pawlowsky/Neubauer). One field is definitely covered much more than before: Industrial Relations. There are new items on *Works Constitution* (Gerum), *International Industrial Relations* (Engelhard/Specker), *Conciliation and Mediation* (Gutzeit) together with the ones that already existed in the 2nd edition: *Employers' Associations, Employee-Management Relations, Employee, Work Director, Collective Action and Law on Collective Action*, and four articles on *Labour Law*. The article on *Unions* (Müller-Jentsch) now covers much more sociological and political aspects, including the critical phase trade unions are in at this time. This coverage of industrial relations may be triggered by the fact that two of the three editors are active in this field, contrary to most of their colleagues. Not reflected in the volume is the effect that Co-determination has on the status of personnel management and their impact on strategic management as described above.

Due to the long production phase of such a volume most of the cited literature ends in 2001 or 2002, except for some citations in the legal sections of the handbook.

The *Handwörterbuch des Personalwesens (HWP)* in its 3rd edition definitely has improved compared to the 2nd edition. It is completely renewed and updated. Therefore it keeps its place as the standard reference in the academic field as well as in the day-to-day practice of human resource departments in Germany.

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