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A Sustainability Perspective on Flexible HRM: How to Cope with Paradoxes of Contingent Work **

Based on a sustainability perspective we offer a research framework that allows discussion of the relationship between positive and negative effects of flexible HRM. Sustainability, as an umbrella concept, aims to integrate three perspectives: economy, ecology and society. The relationships between these perspectives are characterized by paradoxical tensions. Following Ehnerts’ approach of “Sustainable HRM”, we use coping strategies from paradox theory in order to discuss paradoxical tensions within research findings on flexible HRM. We conclude that the adapted usage of Sustainable HRM offers a starting point for more sophisticated research into the relationship between the positive and negative effects of flexible HRM.

Key words: flexible HRM, flexibility, Sustainable HRM, sustainability
(JEL: M12, M14, J21, J50)

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Introduction

Flexibility is an important goal of Human Resource Management (HRM) (Boxall & Purcell, 2011; Guest, 1987). ‘Flexibility’ is generally seen as the ability of organizations to cope with the dynamics and the uncertainty of their environments by rapidly changing their organizational routines or resource bases. Flexibility is not a passive reaction to changes in the environment, but refers to the ability of organizations to proactively engage with their environments and to make changes in order to be successful (Gerwin, 1993; Sanchez, 1995). Since organizational environments have become more complex and dynamic, organizations increasingly use HRM practices that enhance their flexibility, such as contingent work, part timers, temporary work or contract work (Kalleberg, 2000).1

Much research has been carried out on the question of how flexibility can be achieved within HRM (e.g., Mayne et al., 1996; Wright & Snell, 1998; Lai et al., 2008). In general, this research stream assumes that flexible HRM has economic merits and is therefore an appropriate and legitimate goal of HRM. However, as we shall see, the debate over flexible HRM has been accompanied by criticism of the negative side-effects of flexible HRM practices. Researchers with sociological backgrounds have extensively discussed job insecurity, which has increased in parallel with the increase in flexible working practices (Beck, 2000; Cooper, 2008; Doogan, 2001; Hesseling & van Vuuren, 1999; Lambert, 2008). Researchers who are more interested in psychological effects have focused on the increase in job stress, burn-out rates, mental ill-health (e.g., employment-related depression) and physical health problems (e.g., chronic back pain) (Docherty et al., 2002; Strazdins et al., 2004).

Flexibility in HRM can therefore be an ambiguous concept: on the one hand, it is an essential element of strategic HRM and a prerequisite for competitive advantages, while on the other hand, flexible HRM has been criticized for its negative effects on workers and society. We argue that these two perspectives follow different research streams and different perspectives, broadly presenting a managerial and a non-managerial perspective. Both research streams have been discussed separately and have remained mutually incomprehensible within certain limits (see, for example, the discussion about ‘flexicurity’, see Wilthagen & Tros, 2004). Furthermore, the differentiation between the ‘hard’ and ‘soft’ approaches of flexible HRM (Truss et al., 1997; Roan et al., 2001) has hindered integrated discussions within the managerial perspective. Therefore, the discussion surrounding flexible HRM lacks analytical frameworks for an integrated discussion of the positive and negative effects of flexible HRM.

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1 Statistics show that work practices which are aimed at enhancing numerical flexibility has increased: Part-time employment, for instance, has increased for male employees from 5.1 percent (1994, men) up to 8.9 percent (2011, men), respectively for female employees from 19.7 percent (1994) up to 26.3 percent (2011). Other statistics, e.g. about temporary employment, are similar (see OECD, 2011). It should be noted here that flexible work practices also encompass “functional flexibility”, for which statistics (e.g. about expenses on employee development) are more open for interpretation.
These findings challenge researchers to conduct more integrated research on flexible HRM. However, the theoretical conceptualization of flexible HRM cannot easily deal with critical comments from other perspectives. A research framework which overcomes these limitations can be found in the concept of Sustainable HRM (Ehnert, 2009). Inherent in this approach is the recognition of paradoxical tensions between and within the perspectives of sustainability. In transferring and adapting this idea to the debate surrounding flexible HRM, it is possible to overcome the limitations of previous discussions on flexible HRM. Therefore, the adapted usage of Sustainable HRM offers a starting point for more sophisticated research into the relationship between the positive and negative effects of flexible HRM.

This paper aims to illustrate a potential avenue for research on HRM by integrating the ideas of sustainability and flexibility. It offers an opportunity to anchor the debate surrounding flexible HRM in a wider societal concept with an inherent ethical foundation and to discuss several paradoxical tensions and contradictions which arise from the issue of flexibility within a theoretical research framework.

The paper is structured as follows: First, we give an overview of the discussion surrounding flexible HRM. Thereafter, we discuss the shortcomings and limitations of the debate on flexible HRM. Thereby, we show that by differentiating the non-managerial and managerial approaches as well as the segmentation into hard and soft approaches of flexible HRM are not deemed to be appropriate research frameworks for the discussion of flexible HRM. This points us towards developing a more holistic and integral framework in our paper. After depicting the general understanding of corporate sustainable development and its paradoxical character, we introduce Sustainable HRM as a general foundation for our research framework. We elucidate the usage of our framework by depicting some exemplary and somewhat counterintuitive findings in the research field of flexible HRM. Some brief conclusions are presented at the end of the paper.

Flexible HRM: Introducing the concept

Flexibility is a research topic which has been at the forefront of the HRM discourse from the very beginning (Knox & Walsh, 2005, p. 57). In general, flexible HRM refers to the ability of an organization to adapt their human resources (employees and HRM practices) in accordance with changes in their environment (e.g., Wright & Snell, 1998). This ability is mainly based upon flexible workforce structures (Geary, 2006; Kalleberg, 2001, 2003; Knox & Walsh, 2005; Purcell & Purcell, 1998; Reilly, 1998).

The debate surrounding flexible workforce structures refers mainly to Atkinson’s (1984) groundbreaking conceptual framework of the flexible firm. In this framework, Atkinson distinguishes different employee groups in organizations: First, the core group, in which employees are employed full-time and have extensive job security; second, the first peripheral group, in which employees have full-time contracts but less job security than core workers; and third, the second peripheral group, in which organizations use agency or temporary contingent workers or part-time workers for special projects with short-term and task-specific contracts.

There are different forms of externalized labor, which have been called flexible staffing arrangements (Houseman, 2001), contingent employment (Carnoy et al., 1997,
p. 29-31) or non-standard work arrangements (Davis-Blake et al., 2003). This is not to say that these peripheral employees do ‘peripheral work’ (Bidwell, 2009). While they are not usually engaged in the key decision-making processes in the organization (with the exception of consultants), we have to recognize that they often do highly skilled and knowledge-intensive work. It is analytically reasonable to separate peripheral workers into low-skilled and high-skilled groups (Bidwell, 2009; Marler et al., 2002).

The internal hierarchy of the workforce can contribute to flexible HRM in the following ways (Atkinson, 1984; Dyer, 1998, pp. 227-229):

- **Functional flexibility**: Functional flexibility refers to the capability of employees to adapt to changing situations. Know and Walsh (2005) offer a brief example from the hotel industry: reducing job segmentation of employees enables hotels to use the same employees in different contexts such as the hotel bar or the reception. This implies individual learning abilities as well as broad skill bases of employees, which can be applied in different contexts.

- **Numerical flexibility**: Numerical flexibility refers to flexible staffing arrangements and indicates the ability of organizations to adapt their numerical workforce structure to new requirements in a time-sensitive manner. Temporary employment agencies, for instance, provide workers which can be released at short notice and hence offer the ability to quickly adapt the workforce upon current requirements (such as decline in sales) (Vidal & Tigges, 2009).

- **Financial flexibility**: Financial flexibility focuses on the employment costs of organizations. These cost structures can be designed to be flexible through the automatic adjustment of remuneration in relation to current competitiveness. This can be achieved through assessment-based pay or performance-related pay in place of fixed salaries. In addition, numerical flexibility allows organizations to pay for defined tasks and solutions, meaning that organizations only have to pay for work which they actually need.

The debate surrounding flexible HRM and its limitations

From the very beginning of the flexibility debate, the question has arisen whether flexibility is ‘good’ or ‘bad’ (Salvati, 1989, p. 43; see also Prieto, 1993, p. 615). Indeed, the biased statement made by Pollert (1991b, p. 9) that the flexibility debate generally follows the basic assumption that “rigidity is dysfunctional; flexibility, functional” falls short. Instead, there are both positive and negative research findings concerning flexible HRM. However, why is it not possible to answer the question of whether flexibility is positive or negative? Certainly, the complexity of the phenomenon results in one (valid) answer. However, this answer does not help us in coping with flexibility as a research topic. For scientific purposes, it is necessary to identify the principles and logic which lie behind the difficulty of integrating and understanding the negative and positive research findings.

Research findings regarding flexible HRM follow different perspectives and are based upon different (and more or less implicit) underlying frameworks or principles. The debate about flexible HRM is mainly based upon two underlying principles: First, as we argue, the research stream of flexible HRM is divided into non-managerial and
managerial perspectives. Second, the managerial perspective of flexible HRM is, within itself, based upon a soft and a hard model of HRM (Truss et al., 1997). In our quest to elaborate upon a research framework which offers the opportunity to integrate different research findings and to foster more reflexive research on flexible HRM, we will depict these two underlying principles in the following part of our paper.

The non-managerial versus the managerial perspective

As we contended above, the debate surrounding flexible HRM generally follows two different perspectives, namely a non-managerial and a managerial perspective. Researchers from the non-managerial perspective focus primarily on the societal or political consequences of flexible HRM. Therefore, they are especially interested in the negative side effects of flexible HRM and not, for instance, in positive effects like the competitiveness of nations.² From a sociological viewpoint, for instance, scholars describe how organizations react to environmental changes and what consequences their reactions may have for workers and for society. Sennett (1999), for instance, described the fundamental upheaval at IBM, its consequences for HRM practices and the subsequent consequences for society and employees. Other researchers with sociological backgrounds have conducted extensive discussions of job insecurity which has increased simultaneously with the increase in flexible work practices (Beck, 2000; Cooper, 2008; Doogan, 2001; Hesseling & van Vuuren, 1999; Prieto, 1993; Kalleberg, 2003, 2009; Kalleberg et al., 2003; Lambert, 2008). Furthermore, some researchers, such as Pollert, take a more political stance with her main allegation that the interests of the capital class are promoted through the concept of flexibility (Pollert, 1988, 1991a, 1991b). Others are more interest in psychological effects of flexible HRM such as increased stress or burn-outs of employees (Docherty et al., 2002; Strazdins et al., 2004).

Researchers from a managerial perspective are interested in the effects of flexible HRM on the competitiveness of organizations. The contribution of flexible HRM to organizations’ ability to cope with complex and dynamic environments is a pivotal theme. Flexible HRM can be defined as the internal capability of a firm to adapt their HRM when required because of internal (different business strategies) or external reasons. This encompasses the reconfiguration of HRM practices (coordination flexibility) and the multiple uses of employees (resource flexibility) (Wright & Snell, 1998, p. 761). In other words, flexibility is a meta-competence of HRM which contributes to the achievement of the strategic goals of a firm and has its merits in helping organizations to be competitive (Procter et al., 1994).

The non-managerial and the managerial perspectives both discuss relevant aspects of the flexibility phenomenon. Therefore, they can be interpreted as different views of the same phenomenon which together complete the whole picture, in the same way as the multiparadigm perspective in organizational theory (Gioia & Pitre, 1990). However, in order to avoid fragmentation and provincialism, we need theoreti-

² Economic macro-effects are not the main interest of societal-oriented research endeavours. Such themes are discussed more intensively in economic theory (see, for example, Kleinhecht, 1998) and are excluded from our paper.
cal approaches which are principally able to integrate different perspectives. This would allow grasping the “whole picture”, even if it is an ambivalent and contradictory picture. However, in fact, the non-managerial and managerial perspectives are discussed separately, which can prevent discussions between these separate discourses. Salvati labeled this phenomenon as “incommensurability of the various aspects, or dimension, of flexibility” (Salvati, 1989, p. 44). This is not to suggest that the managerial perspective have failed in integrating the “non-managerial insights”. Rather findings between and within both perspective have failed to integrate their findings to a consistent picture about flexible HRM. This can be seen by discussing internal inconsistencies within the managerial perspective in the next section of the paper.

The hard and soft models of flexible HRM

Not long after its inception, research on HRM was acknowledged as being divided into a ‘hard’ and a ‘soft’ model. The hard model is characterized by its calculative, quantitative approach to the strategic contributions of HRM and addresses challenges such as strategic fit (between HRM strategy and business strategy) or internal fit (between HRM practices themselves) (e.g., Tichy et al., 1982). This approach is also intertwined with direct and tight managerial control over human resources, which “is widely acknowledged to place little emphasis on workers’ concerns” (Guest, 1999, p. 5). According to Truss et al. (1997), the tightness of the hard model of HRM can be traced back to its roots in scientific management and McGregor’s ‘Theory X’.

In contrast, the soft model is a broader approach to HRM. In terms of the consequences of HRM practices, the soft model incorporates not only organizational effectiveness, but also individual and societal effects (e.g., Beer, 1985). While the hard model focuses on strategic perspectives, the soft model is more engaged with the human aspect of HRM. The soft model rests upon McGregor’s ‘Theory Y’ and emphasizes the motivation, commitment, involvement and participation of employees. The main assumption of this approach is that employees will work most efficiently when they are motivated and committed to the organization (Truss et al., 1997).

The hard and the soft models of HRM offer different approaches to the phenomenon of flexible HRM. Researchers have argued that the different forms of hard and soft HRM are related to different forms of flexible HRM: Systems such as flexible staffing arrangements (use of temporary staff agencies or part-time contracts) aimed at enhancing numerical flexibility have more in common with the hard model of HRM (Guest, 1987, p. 514; Kalleberg, 2001; Knox & Walsh, 2005; Truss et al., 1997, p. 54). By contrast, the soft model of HRM is primarily associated with behavioral and skill-based flexibility.

The negative effects of flexible HRM on workers or society are usually related to the ‘hard’ versions of flexible HRM (e.g., Lambert, 2008). The critics of such practices are based on following arguments: flexible practices which reduce job security or entail lower wages for contractual or temporary workers are obviously applied in order to achieve the business objectives of the firm and to fulfill performance criteria. Therefore, firms can easily be criticized for failing to strike a balance between the interests of employers and employees and for pursuing unethical practices if they use flexible HRM strategies (Kochan, 2008; Winstanley et al., 1996a, p. 6, 1996b, p. 189).
Positive aspects of flexible HRM, however, are related to the soft model of HRM. Highly committed employees are more motivated to learn in order to enhance their behavioral repertoires and their 'technical' skill bases. Additionally, the soft model of HRM includes conceptual ideas such as training, employee involvement, participation programs and job enlargement, which can all be seen as part of employee development. In accordance with this, Guest noted that “employee flexibility is only feasible if employees at all levels display high organizational [sic] commitment, high trust and high levels of intrinsic motivation” (Guest, 1987, p. 514). It is possible to denote this system as a 'soft' component of flexible HRM. These systems of flexible HRM generally have positive connotations.

Limitations of the hard and soft approaches

However, is it appropriate to posit that negative effects and thereby ethical concerns only arise in hard forms of flexible HRM? We allege that the differentiation of a ‘negative hard’ and a ‘positive soft’ approach to flexible HRM does not serve to illustrate the ethical value of different forms of flexibility. We have four reasons which underpin this argument.

First, firms often use different forms of flexibility and combine what we have labeled ‘hard’ and ‘soft’ models of flexible HRM. For instance, Knox and Walsh (2005) revealed that in the hospitality industry firms use different combinations of soft- and hard-oriented approaches to flexible HRM (with an overall emphasis on numerical flexibility). It is hence not possible to separate the ‘good’ firms using ‘soft’ forms from the ‘bad’ firms using ‘hard’ forms of flexible HRM (such as the fast food industry: see Royle, 2005, 2006). This is in line with Atkinson’s (1984) model of the flexible firm, as he differentiated between the core workers (soft forms of flexibility) and the peripheral workers (hard forms of flexibility) within a firm.

Second, to posit that soft models of flexible HRM are more ethical than hard forms ignores the negative effects that soft forms of HRM can have for employees. For instance, the additional tasks and the enhanced performance expectations of employers using high-performance work places (HPWS) or empowerment can lead to stress, burn-out and mental ill-health, such as employment-related depression (Docherty et al., 2002).

Third, the soft model of flexible HRM is not an ethical approach which focuses on employees’ well-being as an outcome in its own right. Instead, the soft model follows a means-end rationality and focuses on the goal of delivering a productive workforce for business purposes. Consequently, scholars from the perspective of ‘critical HRM’ have criticized soft forms of flexible HRM as a more subtle approach to management control than hard forms of HRM, which share the one-sided management-orientation of the hard model (for this argument, see Guest, 1999, p. 9; for an example, see Blyton & Thornbull, 1992). Therefore, both the hard and the soft approaches to HRM share a managerial perspective of HRM, which is illustrated best by Prieto (1993, p. 621):

However, behind this there is a clearly defined feature which pragmatically links all the flexibilities together. This is that each is premised on the assumption that managerial
alone has the power and the authority to determine the way in which the work-force is structured, rewarded and organized.

Fourth, a distinction can be made between rhetoric and reality. Truss et al. revealed in their empirical study that the rhetoric of firms has a great deal in common with the soft model of HRM, while the reality – that is, what the firms are actually doing – can frequently be described with the hard model (Truss, 2001; see also Legge, 1995). Keenoy (2007, p. 3) cut right to the heart of the matter by contending that:

HRMism finds no contradiction in embracing the learning organization, ‘employability’ and knowledge workers (which promote individualism) while simultaneously adopting a raft of performance measurement initiatives designed to institutionalise a resource-based view of labor (which engender performativity).

**Sustainability: A new perspective on theorizing HRM**

In order to avoid fragmentation and provincialism in the discussion of flexible HRM, frameworks and theoretical approaches are required which offer an integrated and holistic picture, even if the resulting picture is then more complex. However, the differentiation between the non-managerial and managerial perspectives and the fragmentation into hard and soft approaches of flexible HRM has not yet provided a framework for an integrated discussion of the consequences of flexible HRM. Instead, the differentiation plays a part in contributing to the difficulties of conducting discussions which integrate the managerial- and non-managerial-oriented insights into the flexibility phenomenon. Therefore, we need a conceptual framework which provides an opportunity to connect flexible HRM with the strategy of the firm (and therefore with the merits of flexible HRM in contributing to the overall flexibility of the organization) but also with wider environmental effects (e.g., on the worker and society). As we argue, an appropriate starting point for flexible HRM can be found in the discussion of Sustainable HRM.

The conceptual idea of ‘sustainability’ or ‘sustainable development’ is rooted in world-wide problems such as pollution, the overpopulation of the earth and economic inequality between and within different groups of people (e.g., Meadows, 1974). As business organizations are recognised as components of these problems – either as the cause or as part of the solution – they were involved in this debate from the very beginning (e.g., Brundtland, 1987). While organizational and managerial scholarly writing has engaged with the subject of sustainability in particular from the mid-1990s onwards (Gladwin et al., 1995; Sharma & Vredenburg, 1998; Shrivastava, 1994, 1995), HRM researchers have been more reserved. The discussion of sustainability in HRM began with the discussion of “sustainable work systems” (SWS), which addressed questions of sustainability on the level of individual workplaces (Docherty et al., 2002).

Recently, Sustainable HRM as a conceptualization within the field of HRM has received more attention in scholarly writing (Ehnert, 2006, 2009; Pfeffer, 2010; Zaugg, 2009). In the following part of our paper, we will primarily draw upon the conceptualization by Ina Ehnert. She defines Sustainable HRM as follows:

Sustainable HRM is the pattern of planned or emerging human resource strategies and practices intended to enable organizational goal achievement while simultaneously repro-
ducing the HR base over a long-lasting calendar time and controlling for self-induced side
and feedback effects of HR systems on the HR base and thus on the company itself (Ehn-
ert, 2009, p. 74).

Although we cannot incorporate the entire framework of Sustainable HRM developed
by Ehnert (2009) into our study, we will pick up on several core ideas of this ap-
proach. Basically, we refer to sustainability as the main foundation of our conceptual
framework and moreover to the “paradox theory as a lens of theorizing” (Ehnert,
2009, p. 123). First, we will outline our understanding of corporate sustainable de-
velopment. Thereafter, we will elaborate the paradoxical character of Sustainable HRM
and strategies for coping with it.

The main foundation: Corporate sustainable development

‘Sustainability’ is something of a buzzword which is not only used in different con-
texts but also often vaguely and interchangeably (Moon, 2007, p. 297). For instance, in
strategic management, ‘sustainability’ is applied as a kind of ‘viability’: firms have a
‘sustainable’ competitive advantage when their competitors, for instance for reasons
of tacitness, complexity or due to specific organizational competencies (Reed & De-
Fillippi, 1990), are unable to imitate the advantage of the first firm (Barney, 1991). The
use of sustainability in order to indicate the viability of firms in competitive environ-
ments encompasses a time-based perspective which is inherent in all definitions of
sustainability (Ehnert, 2009, p. 73).

However, in contrast to the strategic use, the most common definitions of sus-
tainable development encompass also a value-laden perspective which goes beyond
time as a core characteristic. Therefore, the presumably most frequently cited defini-
tion of sustainable development does not originate in strategic management or even in
economic theory, but rather in the United Nation’s ‘Report of the World Commission
on Environment and Development’ (Brundtland, 1987):

Humanity has the ability to make development sustainable to ensure that it meets the
needs of the present without compromising the ability of future generations to meet their
own needs.

In the early stages of the discussion, the main themes which arose with regard to sus-
tainable development were primarily related to ecological issues and the natural envi-
ronment (Ehnert, 2009, p. 36). The management and organizational literature has en-
gaged with the ecological perspective (Shrivastava, 1994, 1995), but the contribution
of these researchers to the understanding of the sustainable development of organiza-
tions remained limited until Gladwin et al. (1995) made a case for paying more atten-
tion to societal issues of sustainability. Meanwhile, it is – in accordance with the initial
idea of the Brundtland Report – well recognised that sustainable development en-
compasses at least three interconnected perspectives, namely the economic, environ-
mental and societal perspectives (Bansal, 2005; Dyllick & Hockerts, 2002; Gladwin et
al., 1995).

Although the Brundtland Report focuses primarily on the ‘macro-level’ of society
as a whole, the three perspectives can be drawn on the ‘meso-level’ of the sustainable
development of organizations. In a management context, the three perspectives have
been labeled differently as, for example, the triple bottom line of ‘people – planet –
profit’ (Elkington, 1994). In the following comprehensive view, we draw on the labeling of Bansal (2005) and briefly outline ‘economic prosperity’, ‘societal equity’ and ‘environmental integrity’:

- **Economic prosperity**: The delivering of goods and services through the economy and the capacity of organizations is essential for the individual well-being and prosperity of humanity. Therefore, organizations have to pay attention to basic economic requirements (e.g., profitability, liquidity) and to ensure their viability over time by maintaining their competitiveness in dynamic environments (Dyllick & Hockerts, 2002);

- **Societal equity**: Societal equity focuses on the quality of life of humankind in present and future generations. This encompasses the aim “that all members of society have equal access to resources and opportunities” (Bansal, 2005, p. 198). In addition, organizations are challenged to create ‘sustainable’ workplaces with fair employment conditions (Docherty et al., 2009) in order to foster social integration and reduce inequality and discrimination (Gladwin et al., 1995, pp. 36-37).

- **Environmental integrity**: According to Bansal (2005, p. 198), “the environmental integrity principle ensures that human activities do not erode the earth’s land, air, and water resources”. Business organizations contribute to environmental integrity by reducing emissions or the degradation of the environment (ecological footprint) or by producing ecologically oriented services and goods (“business case for corporate sustainability”: Hart & Milstein, 2003; Salzmann et al., 2005).

Researchers have purported that these perspectives are intertwined. For instance, Bansal (2005, p. 198) declared that “each of these principles represents a necessary, but not sufficient, condition; if any one of the principles is not supported, economic development will not be sustainable”. Although we agree with this statement in general, we would like to stress that this characteristic of interconnectedness is more complicated than it is suggested here. Instead, the concept of sustainable development is inherently characterized by complexities and paradoxical tensions which arise between and within the ‘economic’, ‘ecological’ and ‘societal’ elements (e.g. Ehnert, 2009). The next section will elaborate on this understanding (for a broad literature review of paradox theory, see Ehnert, 2009, p. 123-162).

**Paradoxical tensions as core characteristics of Sustainable HRM**

Paradoxes are inherent in different organizational concepts such as organizational identity (Fiol, 2002), organizational learning (Smith & Tushman, 2005) or innovation (Andriopoulos & Lewis, 2009). Eisenhardt described paradox as “the simultaneous existence of two inconsistent states, such as between innovation and efficiency, collaboration and competition, or new and old” (Eisenhardt, 2000, p. 703). Similarly, Smith and Lewis (2011, p. 382) recently defined paradox as “contradictory yet interrelated elements that exist simultaneously and persist over time”. The paradoxical character of corporate sustainable development emerges mainly because it refers to different underlying logics, namely economic and ethical (normative) logic (Ehnert, 2009, p. 142). Economic logic is grounded in means-end rationality. Ethical logic, which is inherent especially in the societal and environmental dimension, posits normative requirements...
with regard to the behavior of corporations, which limit and constrain economic behavior and 'must' be regarded as moral obligations while pursuing business strategies.

These paradoxical tensions are also incorporated in Sustainable HRM. For that reason, Ehnert (2006, 2009) grounded her approach of Sustainable HRM explicitly on the insight that HRM theory and practice entail several paradoxes. According to her perspective, HRM encompasses two fundamental paradoxical tensions (Ehnert, 2009, p. 167-172):

1. The tension between normative and means-end rationality: Means-end rationality values HRM with regard to its impact on the achievement of organizational objectives such as, for instance, competitiveness or profit. Therefore, HRM practices are valued as means to achieving predetermined ends. The normative point of view values HRM in reference to an ethical theory (used as a context of justification) (Greenwood, 2002; Kozica, 2011). The normative viewpoint – following a deontological perspective of ethical universalism – states that HRM practices are ethical if their consequences respect the dignity of all human beings and hence are principally acceptable (Legge, 1998, p. 23; Winstanley et al., 1996a; Winstanley & Woodall, 2000a, 2000b; Kozica 2011; Lefkowitz, 2006). The sustainability perspective expands this ethical universalism to incorporate the intrinsic value (“Eigenwert”) of nature, thereby claiming that actions are ethical if they also respect the dignity of all natural beings (see also Gladwin et al., 1995). Practical occurrences – like the usage of flexible work practices – can be valued from both perspectives, i.e., normative or business-oriented means-end rationality (see also Freeman, 1994, p. 412; Werhane & Freeman, 1999; Sandberg, 2008). These perspectives, however, are incompatible, and they cannot be fully integrated into an inclusive logic (Ehnert, 2009, p. 68). Hence, the normative dimension and means-end rationality exist in mutual conflict.

2. The tension between efficiency and substance orientation: HRM can increase its efficiency by resource exploitation. Intensifying work – e.g., by using additional working hours, imposing additional tasks upon employees, increasing the pace of work or eroding the boundaries between work and social life (e.g., by expecting employees to always be accessible via phone/ email) – contributes to the achievement of the (short-term) performance objectives of organizations. However, corporations are also challenged to maintain their human resources. Kira (2002, p. 29) stresses that corporations should “create work that regenerates, rather than consumes, employees’ resources.” This refers to human resources at different levels: individual employees (e.g., health, well-being), the organization (e.g., maintaining trust and balanced psychological contracts) and society (e.g., the organization’s influence on a stable employment market) (Brödner & Forslin, 2002, p. 23). Although maintaining this resource base is the sine qua non for the enduring success of organizations, the balance between exploiting human resources and their ‘maintenance’ is characterized by tensions – not only with regard to short-term and long-term efficiency but also with regard to the general balance between efficiency (exploitation) and substance orientation (maintenance). Therefore, we can ask questions, for example, about the extent to which organizations should reasonably exploit their resources and the extent to which they should contribute to maintaining the substance of their human resources (which is also an individual and political issue). This question, to date, lacks convincing answers.
Strategies for addressing paradoxical tensions in Sustainable HRM

Following a paradox lens a main question is how to cope with paradoxical tensions (see Smith & Lewis, 2011; Lewis, 2000; Poole & van de Ven, 1989; Clegg et al., 2002). According to Ehnert (2006, p. 14)

… the main objectives of Sustainable HRM [sic] are (1) to balance the ambiguities and the duality of efficiency and sustainability over a long-lasting calendar time, (2) to sustain, develop, and reproduce an organization’s human and social resource base, e.g., with the help of mutual exchange relationships, (3) to evaluate and assess negative effects of HR activities on the HR base and on the sources for HR.

Margolis and Walsh (2003, p. 283) have emphasized that “social and economic tensions should serve as a starting point for new theory and research”. In their opinion, “theorists must undertake the task of working out the principles and guidelines for managing trade-offs” (Margolis & Walsh, 2003, p. 284). This is in line with the propositions of Poole and van de Ven (1989, p. 563) to “look for theoretical tensions or oppositions and use them to stimulate the development of more encompassing theories”, and Lewis (2000, p. 764) that “paradox management entails exploring, rather than suppressing, tension”.

Therefore, we need to address the paradoxical character of Sustainable HRM explicitly and reflexively in order to handle the relevant issues in an appropriate manner. But how can we achieve this? Literature has proposed different ways for dealing with paradoxes (for an overview see Smith & Lewis, 2011). Supposedly the most widely used approach is the typology from Poole and van de Ven (1989, see also Smith & Lewis, 2011, p. 385). This typology consists of four generic, logically exhaustive strategies which can be applied for coping with paradoxical tensions (Poole & van de Ven, 1989; see also Ehnert, 2009, pp. 153-158 and 176-179):

“Opposition: Accept the paradox and use it constructively”: It is not always possible or appropriate to solve paradoxical tensions. Instead, it can be reasonable to use these tensions to juxtapose insights from different, irreconcilable perspectives and to address the tensions arising between them explicitly. In doing so, it is inevitably necessary to be aware of the juxtaposition and the underlying different theoretical foundations of each of the antagonisms;

• “Spatial separation: Clarify levels of analysis”: Paradoxical tensions can be reconciled through initially clarifying the levels of the antagonisms (e.g., micro-macro, individual-society) and then discussing the interrelationship between these levels;

• “Temporal separation: Take time into account”: A sometimes elegant solution to the need to reconcile paradoxical tensions is the recognition of the underlying temporal perspective. This usually refers to a short-term orientation versus a long-term perspective;

• “Synthesis: Introduce new terms to resolve the paradox”: While the strategies discussed thus far confirm the presence of paradoxical tension in general and focus on the differences between both sides, it may sometimes be appropriate, necessary and – surely – possible to reconcile these paradoxical tensions through introducing “new concepts or new perspectives” (Poole & van de Ven, 1989, p. 567). This points towards theoretical development.
In addition to corporate sustainable development, the four strategies for coping with paradoxical tensions are an essential component of Sustainable HRM. Taken together, Sustainable HRM as a conceptual approach to theorizing HRM offers a rich theoretical foundation for several research questions relating to personnel management. Sustainable HRM is receptive to different kinds of research methods because it encompasses normative and economic prescriptive elements (what corporations should do as a result of their moral obligations and/or economic perspective) and offers theoretical conceptions for the discussion of the paradoxical effects of HRM. Therefore, Sustainable HRM is an appropriate analytical framework for discussing flexible HRM, which overcomes the limitations of the non-managerial versus managerial perspectives and the dichotomy of the ‘soft versus hard’ approach to HRM. Illustrating this contention is our main concern in the part of our paper which follows.

A sustainability perspective of flexible HRM

Flexibility is a multifaceted phenomenon and has positive and negative effects for employees and firms as well as society as a whole. As we have previously argued, human resources researchers have not delivered an appropriate framework for discussing flexible HRM. In the following, we show how introducing the logic of sustainability offers a promising starting point which helps to further develop the debate surrounding flexible HRM. We take up the idea of Sustainable HRM and propose a research framework for the scientific discourse on flexible HRM. This framework integrates the three perspectives of corporate sustainable development (economic, societal and ecological) with the idea of strategies for coping with paradoxical tensions. It is premised on four elements:

- First, flexible HRM is understood as the internal capability of organizations, which contributes to their competitive advantage. At the operational level, flexible HRM entails the dimensions of numerical, functional and financial flexibility.

- Second, the discussion of corporate sustainable development adds a value-laden element to the discussion of flexible HRM. In addition, research findings on the negative and positive effects of flexible HRM can be conjugated to the perspectives of corporate sustainable development (economic, societal and ecological).

- Third, paradoxical tensions can principally arise between and within the three perspectives of corporate sustainable development (this will be illustrated in more detail in the remainder of our article). The fundamental paradoxical tensions lie between normative and means-end rationality and between efficiency and substance orientation. Further, paradoxical tensions can arise between and within different forms of flexibility (e.g. numerical flexibility and functional flexibility).

- Fourth, these paradoxical tensions require not only conscious recognition but also strategies with which to handle them. Four coping strategies are presented, which offer as different ways to address the paradoxical tensions in flexible HRM: ‘opposition’, ‘spatial separation’, ‘temporal separation’, and ‘synthesis’.

Taken together, these elements form our framework, which is depicted in the Figure 1.
This framework offers a starting point for sophisticated research into the relationship between different research findings about positive and negative effects of flexible HRM. Research should start with identifying paradoxical tensions. Our framework shows where these paradoxical tensions principally can arise (namely between and within different perspectives of flexible HRM and of sustainability). It should be noted that the framework not assumes that each possible tension actually arise. This question is rather empirical or should be answered by intensively analyzing and interpreting current research findings. Once paradoxical tensions have been identified, the coping strategies offer four different possibilities to engage with these paradoxes (namely opposition, spatial separation, synthesis, temporal separation). This opens potential avenues for further discussing positive and negative effects of flexible HRM on economy, society and environment.

In the remainder of our paper, we illustrate how the framework which we have proposed can be applied to exemplary and partial counterintuitive findings regarding flexible HRM. In doing so, we can show how a previously isolated perspective on economic issues of flexibility can become more holistic through the integration of dimensions of sustainability. More specifically, the proposed framework contributes to the research on flexible HRM in two ways. First, it clarifies the analytical position for researchers addressing 'flexible HRM' as a research topic. Second, it offers strategies for dealing with paradoxical tensions between different findings regarding the effects of flexible HRM.3

3 Taking into account the limited space in this paper and the broad discussion of flexible HRM, it is not possible to discuss the research framework and all its facets. Therefore, we have chosen to elaborate on examples of paradoxical tensions. We are fully aware that this is not a systematic nor a complete elaboration of sustainable flexible HRM.
Putting flesh on the bones, or how sustainability makes a difference

Our framework provides an opportunity to tackle the relationship between the positive and negative research findings regarding flexible HRM, to discuss and to structure their (paradoxical) tensions and to elaborate on strategies with which to cope with them. In the remainder of this paper, we shall demonstrate this by briefly depicting two tensions within flexible HRM and possible strategies with which to cope with them. The first example discusses the paradoxical tension of flexible HRM within the economic perspective of sustainability. The second example discusses the relationship between different sustainability perspectives, namely the economic merits of flexible HRM and the related social dysfunctions.

Economic merits of flexible HRM: Temporal separation as a coping strategy

Temporal separation as a coping strategy

The main reason for organizations to introduce flexible HRM is their need for competitiveness in dynamic environments. Flexible HRM is not just a reaction to changes in the environment, but also a capability of organizations which contributes to their competitive advantage (Mayne et al., 1996; Wright & Snell, 1998). This is reflected, for instance, in the growing strategic use of different forms of contingent labor as part of a corporation’s flexible employment strategies (Purcell & Purcell, 1998).

Most researchers who criticize the negative side-effects of flexible HRM (e.g., risk transfer to employees, lower wages) juxtapose these negative effects with the economic merits. This follows the basic assumption that the aim of organizations’ usage of flexible HRM is to gain revenues at the expense of employees, society and the environment. This assumption might be appropriate in many cases. However, there are also some counterintuitive and somewhat paradoxical tensions within the economic dimension of flexible HRM, as the following three examples may show.

Second, some configurations of flexible HRM can have negative effects on the innovative power of organizations. Researchers have found positive evidence that the usage of contingent labor, and especially low-skilled temporary workers, is negatively correlated with innovation (Martínez-Sánchez et al., 2011; Michie & Sheehan, 2003, p. 300; Michie & Sheehan-Quinn, 2001).
Third, some researchers (e.g. Kaiser et al., 2005) have questioned the contributions of flexible HRM to preventing and coping with corporate crises. The discussion surrounding flexible HRM has largely taken for granted that flexible HRM prevents corporate crises and – when a crisis takes place – contributes to crisis management. By focusing on this assumption, Kaiser et al. revealed that this situation is more complicated than has previously been assumed and that the influence of flexible HRM on corporate crises can also be marginal.

We would like to stress that the findings depicted above are not presented as general evidence of the inappropriateness of flexible HRM. Further, the example above could also be discussed from other perspectives (e.g. we could ask whether flexible HRM hinders or fosters ecological innovations or what types of flexible HRM are more appropriate in order to make business “greener”). However, taken together, these counterintuitive findings on the economic merits of flexible HRM raise important questions, such as: How reasonable is flexible HRM from an economic perspective? How can the paradoxical tensions within the economic perspective of flexible HRM be resolved? Obviously, one possible answer is a call for more reflexive and critical research on the questions of the economic merits of flexible HRM. Sustainable HRM and the coping strategies depicted above can support this endeavor by opening avenues for reflexive research.

Building upon the insights from flexible HRM, the relationship between labor flexibility and firm performance and the negative effects on innovative power both point towards the paradoxical tension between efficiency and substance orientation of Sustainable HRM. The paradoxical tension between efficiency and substance orientation can be tackled through the strategy of ‘temporal separation’ (Poole & van de Ven, 1989, p. 565-567): While short-term flexible HRM might have positive effects on efficiency, it might have negative effects on the achievement of economic, social and ecological goals in the long run. Short term merits might include cost reduction, while the motivation losses of employees or increased burn-out rates outweigh these economic merits in the long run, thereby leading to negative effects of flexible HRM on performance. Research on flexible HRM would benefit from differentiating into long and short term effects. Theorists have tended to overlook long-term effects of flexible HRM. The temporal separation should hence be taken explicitly into account in further (especially empirical) research as well as when interpreting the previous research findings.

**Economic vs. societal: Accepting the paradox as a coping strategy**

Flexible HRM can have negative consequences for employees. These negative consequences – which have been recognized from the very beginning of the discussion on flexibility (Atkinson, 1984) – are an important topic in sociology-oriented research (e.g., Kalleberg, 2001, 2003, and more generally Beck, 2000; Sennett, 1999). Frequently, the negative side-effects of flexible HRM are juxtaposed with the economic merits. This needs clarification in two respects: first, with respect to the connection between negative societal and positive economic effects and second, with respect to the negative effects within the societal dimension of sustainability. First, some of the negative consequences – such as job stress and job insecurity – have economic as well as socie-
tal consequences. Meanwhile some of the societal imbalances provoked by flexible HRM can also be discussed under the economic perspective. When these negative effects on society and the economy are taken into account, it is reasonable to attempt to avoid the negative effects and thereby achieve organizational success. This approach can be called the ‘business case’ of sustainable and flexible HRM. However, Dyllick pointed out that although the business case of sustainability is an “important step towards corporate sustainability, it is unfortunately not enough” (Dyllick & Hockerts, 2002, p. 135). Second, similarly to the economic merits of flexible HRM, the negative effects of flexible work practices which have been put forward by several authors (e.g., Beck, 2000; Sennett, 1999) are contentious. As Doherty (2009, p. 85) has pointed out, one reason is that “arguments based on the alleged insecurity of modern employment are based on questionable empirical foundations”. In his own empirical study, Doherty revealed that, in spite of the increased flexibility and insecurity employees experience, the same employees cope with these changes better than is widely assumed, and that flexible work has remained a source of identity and social affiliation for workers (Doherty, 2009). This statement is in line with Hesselink and van Vuuren (1999), who have shown that, in spite of the associated job insecurity, flexible work offered by organizations is appropriate for workers such as high qualified ‘freelancers’ who emphasize their independence.

However, after researchers have disentangled several components of the relationship between the economic and societal dimensions of HRM, there are several cases in which the economic merits of flexible HRM are contrasted against the negative societal effects. Therefore, between the societal and the economic perspectives of corporate sustainable development, a paradoxical tension between normative and means-end rationality arises: while it can be formulated that organizations ‘must’ avoid negative effects as a moral obligation, they are also challenged to ensure their efficiency and effectiveness in order to be competitive.

In order to cope with this paradoxical tension, we propose the strategy of “accept the paradox and use it constructively” (Poole & van de Ven, 1989, p. 566). What does this mean with regard to the paradox between the economic and the societal dimensions? Considering societal consequences as unreasonable requires a normative evaluation which can be juxtaposed with the economic effects. This juxtaposition raises the paradox between means-end rationality (economic reasonableness) and normative rationality (societal unreasonableness due to its negative effects). Accepting this paradox requires that we are reflexive with regard to the role of normative discourses, namely criticizing economic decisions from a normative point of view. Normative discussions point towards problems and develop normative statements about ‘what should be.’ However, normative discussions will not necessarily develop concrete solutions. Between normative statements, which state what should be (which Thomas More named ‘Utopia’) and the praxis (what could be) is a fundamental gap. Although this gap offers a systematic starting point for considerations regarding how to bridge the gap (Margolis & Walsh, 2003), the difference between the critical normative perspective and the actual praxis cannot be abandoned. Hence, this paradox should be accepted and used constructively for further investigations.
Discussion and conclusion

To date, managerial research on flexible HRM has been characterized by a focus on economic dimensions and arguments. In contrast, sociological and psychological researchers have predominantly addressed the negative individual and societal consequences of flexible HRM. Based on this insight, our paper aimed to illustrate how the concept of sustainability enriches the research on flexible HRM by offering a more holistic and integral framework.

In our paper, we argued that research on flexible HRM benefits from the concept of sustainability. Building upon the two main pillars of Sustainable HRM – corporate sustainable development and paradox management – we elaborated upon a research framework which is able to cope with several paradoxical tensions arising from the research topic ‘flexible HRM.’ Although this research framework will not offer intuitively and readily accessible insights regarding how to handle paradoxical tensions, it offers a potential avenue for future studies and fosters more reflexive research on the phenomenon of flexible HRM. Therefore, we are confident that this framework facilitates the combination of isolated research findings to form a holistic picture (see Figure 2).

Figure 2: Applying the framework: From isolated to holistic and integral research

The sustainability framework offers the researcher the chance to address the contradictory and paradoxical findings which are inherent in research on flexible HRM. Beyond this research focus, the sustainability framework also offers (human resources) managers and other practitioners the opportunity to become more reflexive with regard to the usage of flexible HRM. Managers who introduce or enhance the use of flexible HRM face several issues. They might work on a reciprocal basis with (voluntary) freelancers and thereby increase organizational performance and become more innovative. On the other hand, they might have introduced flexible HRM practices in order to enhance organizational flexibility – and still wait for the ‘reality test’ of their implemented practices. On the other hand, however, practitioners can be accused of provoking socially detrimental effects or merely exploiting contingent workers. Furthermore, they may introduce flexible HRM in order to increase performance, but
these expectations may remain unfulfilled. Therefore, practitioners face similar problems in dealing with flexible HRM. The sustainability framework, however, helps practitioners to deal with these different findings regarding flexible HRM.

As Kiesler and Sproull (1982, p. 557) noted, “managers operate on mental representations of the world.” The way in which managers heuristically frame their environment makes a difference to how they perceive the world and how they decide on and justify their decisions and behavior. Instead of valuing flexible HRM solely from an economic perspective, practitioners can – by drawing on the proposed research framework – broaden their view. The differentiation between three sustainability perspectives (‘people – planet – profit,’ see Elkington, 1994) facilitates the recognition of several consequences of flexible HRM. Although the four coping strategies have been designed for research purposes, they can also provide practitioners with some tools to help them to be reflexive with regard to the contradictions and paradoxical tensions which arise from flexible HRM. Thereby, sustainability research helps practitioners to cope reflexively with flexible HRM.

Of course, our paper has limitations. First, the proposed framework has been illustrated using examples only. Therefore, and as this paper is conceptual, the appropriateness of our research framework will only become apparent in detailed research practice. Second, our paper has not explicitly addressed the ‘green’ issues of HRM (see, for instance, Jackson et al., 2011). Although we did not discuss this perspective in our paper, the ecological dimension of the sustainability framework adds a novel perspective to the discussion of flexibility in HRM. In addition to green issues on the level of the functional HRM perspective (like recruiting and remuneration) researchers have recently challenged the strategic perspective of green HRM (Jackson & Seo, 2010). Embracing the strategic perspective, however, requires “new models and perspectives that take into account the many interdependencies among the various elements that comprise a larger system” (Jackson et al., 2011, p. 109). Our research framework offers an opportunity to discuss the strategic as well as societal and ecological contributions and detriments of flexible HRM and the relationships between them. Hence, we conclude that the proposed framework provides important insights with regard to the ecological dimension of sustainability. This should be elaborated on in further research in greater detail.

References


