



ITS STRENGTH, AS WELL AS ITS PRESENCE, IS VITAL: MANAGING HR SYSTEMS AS A PROCESS

Melih Şükrü ECERTAŞ

Gebze Technical University, Turkey

Oya ERDİL

Gebze Technical University, Turkey

Received: Dec 12, 2021

Accepted: March 22, 2022

Published: June 01, 2022

Abstract:

Within the scope of organizational behavior, human resource management has been among the most popular research areas for nearly half of a century. The relationship between human resource management and organizational performance is one of the most attractive topics for researchers and business practitioners. Researchers, who have focused on different human resources management "contents" (job satisfaction, organizational commitment, performance appraisal, incentive wage systems, etc.) for a long time, not only have argued in the last 20 years that the content alone is not enough, but also emphasized the importance of the "process" of applying these contents. The "HRM System Strength" theory, which Bowen and Ostroff introduced in 2004, inspired by Mischel's (1982) Strong Situation approach and Kelley's (1967) covariance model of attribution theory, stands out as the most remarkable of the above-mentioned "process" focused studies. HRM System Strength focuses on the common opinion of the employees about what is expected from them by the organization, and its basic proposition is that the company has a strong HR system depending on how distinctive its HR practices are, how consistent they are, and to what extent it has consensus among employees. In this article, we will discuss in detail the concept of HRM system strength, its underlying theories, its 3 sub-dimensions and its relationship with other related HR applications.

Keywords:

Human Resource Management System Strength, Attribution Theory, Situation Strength

1. Introduction

Organizations continue to exist with a certain strategy that is aligned with their aims and objectives. The greater the importance of external-oriented decisions such as market and customer strategy, the greater the importance of internal-oriented actions such as organizational growth. After 1980, "human resources," which were previously viewed as a cost element, began to be analyzed from a strategic standpoint (Devenna, Fombrun and Tichy, 1981, Baird and Meshoulam, 1988).

The primary goal of human resource management has always been to improve organizational performance. Guest's (1987) new strategic framework pioneered this new method in Human Resources management, bringing a new viewpoint to the phrase "people management." By the 1990s, the link between human resource management and organizational performance has become one of the most popular research topics. The most important issue in the interaction between organizational performance and people management has been called high performance work systems (Huselid, 1995). Huselid (1995) emphasized selection and recruitment methods, performance management and incentive payment systems, talent development, and brought attention to the fact that such specialized approaches boost productivity in high performance work systems. Employee participation in decision-making processes (Levine and Tyson, 1990), employee training (Bartel, 1994), profit sharing with employees (Kruse, 1993), teamwork within the context of comprehensive job design (Macy and Izumi, 1993), and high commitment (Arthur, 1994) are examples of high-performance work systems that increase productivity.

By the 2000s, even though many different subjects in human resource management came to the fore both in academia and in business practice, the "black box" attempted to be explained in the relationship between

organizational performance and human resources has not yet been fully resolved. When the studies conducted until 2003 were thoroughly analyzed, it was observed that the relationship between HR management and performance was studied empirically (Wright and Gardner, 2003) in a comprehensive manner, while the role of "psychological processes" were overlooked (Wood, 1999). The "HRM Process" approach can be said to have arrived at this point. In 2004, Bowen and Ostroff emphasized the significance of the "process" of how HR procedures are viewed by employees, as well as the "contents" of this human resources activity. A strong atmosphere is created when employees have a shared vision of what is expected from them and which behaviors are rewarded by the firm. To generate this strong climate, HR policies must be unique, that is, clear, understandable, and rational, and must be implemented in a fair and consistent manner by all implementing managers in consensus. The authors' "HRM System Strength" approach emphasizes the notions of "strong climate," "distinctiveness," "consistency," and "consensus." In this study, we will go through the HRM System Strength method in depth and look at how it relates to other organizational behavior principles.

2. HRM System Strength as a concept focused on “process”

As previously stated, thousands of various "applications" in the field of Human Resources Management were proposed between 1984 and 2004. Young et al. (1996) presented the top examples from five major studies in their study where the best of these were assessed (Arthur, 1992; Delaney, Lewin & Ichniowski, 1984; Freund & Epstein, 1984; Huselid, 1995; McDuffie, 1995; Pfeffer, 1994).

There is a plethora of applications that can be considered "benchmarks." However, the problem of how these procedures are seen within the organization remains unresolved. Bowen and Ostroff (2004) established their "HRM System Strength" approach by combining Mischel's (1982) approaches to "situational strength" and the co-variation model of attribution theory (Kelley, 1967). While HRM activities are viewed as a communication flow from the employer to the employee (Guzzo and Noonan, 1994), this method investigates how these practices are perceived by employees in a similar manner. Employees make mental connections to human resource management practices. Human resource management systems are classified as either strong or weak based on the degree of distinctiveness, consistency, and consensus among employees.

3. Dimensions of HRM System Strength

In the simplest words, Bowen and Ostroff's (2004) method is concerned with how "anticipated" behaviors that everyone "accepts" are "clearly" conveyed by the organization and how "consistent" its field practices are. Ten years later from the unique study, Bowen and Ostroff (2016) reviewed the studies on HRM system strength and they identified a fundamental distinction between their original argument and many other studies in the same literature. Originally, "HRM System Strength" was an organizational-level phenomenon, whereas "Perceived HRM System Strength" was studied at the employee-level. The three primary aspects of human resource system strength, which are "distinctiveness", "consistency", and "consensus", as defined by Bowen and Ostroff, will be addressed in detail below, along with their sub-dimensions.

3.1. Distinctiveness

In the literature, it is well explained that differentiated human resource practices improve an organization's overall performance (Hilltop, 1996). The effectiveness of an HR application that fails to capture the employee attention and has neither an appeal nor a purpose is subject to debate. It is the framework that focuses on the organization's human resource strategies with regards to recruiting and engaging personnel. Bowen and Ostroff (2004) discuss four essential mechanisms that contribute to the "distinctiveness" of human resource practices, which are namely visibility, understandability, legitimacy of authority, and relevance.

3.2. Visibility

It refers to the extent to which employees are aware of the company's human resource policies. There is a positive correlation between apparent human resource procedures and employee performance.

3.3. Understandability

Effective human resource communication requires clarity and simplicity. It is crucial for employee performance and motivation. Internal signals concerning the company's management methods that are incomprehensible would undermine the organization's cohesion. It is self-evident that complex messages that are visible to everyone but are incomprehensible will cause more harm than good. For example, using a reward system including an incentive model on which only the sales managers who built it have knowledge does not benefit the sales force or boost the company's revenue.

3.4. Legitimacy of authority

Implementing human resource practices with status and prestige is significant and meaningful in terms of corporate governance. The fact that human resource managers have authority within a corporate decision-making system indicates that employees will pay increased attention to the messages they send (Andersen, Cooper and Zhu, 2007). Human resource managers have genuine authority bestowed by the corporation; this demonstrates the formality of the organization's roles, expectations, and practices.

3.5. Relevance

This is the condition in which human resource objectives are congruent with business strategy. Human resource management policies that are unrelated to the organization's primary goals and strategies cannot be anticipated to be sustainable and lead to a deteriorating corporate climate.

Table 1. Dimensions of HRM System Strength

Distinctiveness	Consistency	Consensus
Visibility	Instrumentality	Agreement among HR decision
Understandability	Validity	makers
Legitimacy of authority	Consistent HR messages	Fairness
Relevance		

3.6. Consistency

Consistency is critical in human resource procedures, as it is in any other discipline, and numerous researches have been conducted on this subject (Baron and Kreps, 1999; Kooji et. al., 2013). Regardless of time or circumstance, in any situation where cause-effect relationships exist, the company's attitudes and behaviors toward employees must be consistent. Instrumentality, validity, and consistent HR messages are the sub-dimensions of consistency.

3.7. Instrumentality

As behaviors and their outcomes become more consistent, employees notice the principle of instrumentality more frequently. It establishes a distinct, unambiguous understanding of the cause-effect relationship between expected behaviors and the corresponding outcomes. Instrumentality can also be defined as the degree to which employees' behaviors are directed toward desirable behavior patterns.

3.8. Validity

Human resource strategies are designed to achieve specific goals, but if those goals are not met, they lose their consistency and reliability. In summary, validity refers to the degree to which human resource practices accomplish what they are anticipated to achieve.

3.9. Consistent Human Resources Messages

The human mind is continually looking for consistency. In other words, two distinct approaches should not conflict with the fundamental objectives. Consistency is critical for persuasion in employer-to-employee communication. It is a case of sending consistent messages incessantly.

3.10. Consensus

Consensus is a positive aspect in the development of a strong corporate culture and organizational climate. It is beneficial for employees to agree on what is expected from them and to see this from all managers in a consistent manner.

3.11. Agreement Among Human Resource Decision Makers

Employees in firms have social interactions with a variety of supervisors from various departments daily. The fact that they are all in agreement on human resource policies will also improve the employees' perception of "consensus."

3.12. Fairness

It refers to the employees' perceptions that they are treated "fairly" within the organization. The concept of "justice" has been thoroughly researched in human resource literature and has been established as one of the crucial elements in practical implementations (Kee et. al., 2004; Beugre, 1998; Lavelle et.al., 2009). Performance appraisal is quite common in human resource practices, and by promoting equal and comparable appraisal among employees, the fundamental notion of justice is enhanced, hence increasing the organization's overall performance (Kavanagh et. al., 2007).

4. The Drivers of HRM System Strength Theory

4.1. Organizational Climate

Business strategies and human resource policies of an organization should be congruent and linked. As illustrated by Bowen and Ostroff; the human resources policy of an innovation-oriented company should also support the innovation strategy. Also, the human resource policy of a customer satisfaction-oriented company should also be focused on the services provided to the customers. Indeed, whatever dominating climate exists in the culture of the firm, employees' expectations will be established within the context of that climate. When we view culture as a collection of the company's assumptions and values, we may see it as both a precursor to the human resource system and a mediator of the link between human resources and performance (Denison, 1996). While organizational beliefs and values influence human resource practices, they also shape the norms that govern individual and organizational performance (Bowen and Ostroff, 2004).

Bowen and Ostroff determined that organizational climate is a more appropriate term for their theory based on organizational culture and organizational climate studies (Denison 1996; Schneider, Salvaggio, & Subirats, 2002) since they desired to tackle human resource management system strength from a multidimensional perspective, that is, both at the individual and organizational level.

4.2. Situational Strength

Bowen and Ostroff used Mischel's "situational strength" technique to determine whether the organizational climate is weak or strong. According to this definition, a scenario is considered "strong" if it results in a "conformity" interpretation in the mind of the individual, and "weak" if it results in an "ambiguity" interpretation (Mischel and Peake, 1982). It is believed that organizational culture creates a "strong situation" by directing employees toward unambiguous ideals and goals, and uniting minds, around common denominators (Bowen and Ostroff, 2004).

4.3. Attribution Theory

Among the attribution theories that address how people make meaning of the events they experience in their brains, Kelly's covariance model in 1976 served as a foundation for Bowen and Ostroff's development of the HR System strength approach. In terms of explaining the cause of something, the theory of covariation examines whether the cause exists in multiple conditions or not (Kelly, 1973). These causal attributions are classified into three categories.

1. congruence: Does the owner of the conduct always exhibit the same behavior? Is the cause-and-effect relationship time-independent?
2. distinctiveness: Can that specific activity be viewed clearly? Do it always have the same cause-effect relationship when examined by someone who is not familiar with the subject?

3. consensus: Do other individuals in a comparable scenario behave similarly in a similar cause-effect situation?

As can be seen from the three frameworks above, Kelly (1967) describes the causal attributions of behaviors. On the other hand, Bowen and Ostroff advocate for a "strong situation" based on these three characteristics.

5. The Impact of HRM System Strength

As previously said, success is ultimately determined by the effect of human resource investigations on organizational performance. Along with financial aims, organizations have more qualitative human resource targets. Employee motivation, commitment, and satisfaction can all be used as instances of such human resource objectives. Hauff, Alewell, and Hansen (2016) discovered that a robust human resource management system improves a company's ability to achieve its human resource goals.

Change management is crucial for organizational development. Businesses that can reinvent themselves during challenging times emerge stronger. Employee support for change enables the organization to refresh itself, grow, and compete more effectively in the market. Employees contribute favorably to the organization's demand for change in organizations with a robust human resource management system (Alfes et al., 2019). Additionally, change occurs only in the presence of strong leadership. At times, when managers dispute over their leadership style, the company's change and progress may fail. However, in firms with a robust human resource management system, followers of the leaders retain their motivation and can keep up with the company's growth despite this paradoxical leadership struggle (Jia et al., 2018).

Employees' perceptions of management methods as distinctive, consistent, and consensus-building have been found to be favorably connected with emotional commitment (Sanders, Dorenbosch and Reuver, 2008; Cafferkey et.al.,2019; Bos-Nehles, Conway and Fox, 2021). Meyer and Allen's (1991) perspectives on organizational commitment are extremely important for understanding human resources and their performance. The "normative commitment" relates to the employee's obligation to remain in the organization, whereas the "continuance commitment" refers to the perceived costs associated with leaving the organization. On the other hand, "affective commitment" refers to an individual's emotional affiliation with an organization (Meyer and Allen, 1991).

Employees' emotional identification with the organization will be achievable only if the organization communicates clearly what is expected from employees and which behaviors are rewarded, and whether the organization's approach towards anticipated behaviors is consistent and equitable throughout.

6. Conclusions and Discussion

We may assert that the value of human resource management models in establishing a sustainable competitive advantage has grown in popularity over the previous three decades. Numerous human resource management applications are discussed above as "content" studies. However, in this study, we attempted to emphasize the relevance of "process" studies in addition to content-oriented human resource management research. Numerous studies have demonstrated that the same human resource management procedures produce inconsistent results due to changes in the employees' perception processes of human resource management practices within the organization. The HRM system strength theory places a premium on how well managers interact with employees in practice, rather than on the quality of the "content" of these studies. Assume that we establish difficult targets for all employees using a variety of key performance indicators. Are the staff fully aware of the objectives set for them? Are these reasonable targets? Are the objectives aligned with the organization's overall strategy? Are the managers' behaviors toward employees similar when they implement and evaluate these goals?

Let us be certain that if we receive affirmative responses to these questions, our performance management system's contribution to our company's organizational success will significantly grow.

References

- Alfes, Kerstin, et al. "Perceived human resource system strength and employee reactions toward change: Revisiting human resource's remit as change agent." *Human Resource Management* 58.3 (2019): 239-252.
- Andersen, K. K., Cooper, B. K., & Zhu, C. J. (2007). The effect of SHRM practices on perceived firm financial performance: Some initial evidence from Australia. *Asia Pacific Journal of Human Resources*, 45(2), 168-179.
- Arthur, J. B. (1992). The link between business strategy and industrial relations systems in American steel minimills. *Ilr Review*, 45(3), 488-506.
- Arthur, J. B. (1994). Effects of human resource systems on manufacturing performance and turnover. *Academy of Management journal*, 37(3), 670-687.
- Baird, L., & Meshoulam, I. (1988). Managing two fits of strategic human resource management. *Academy of Management review*, 13(1), 116-128.
- Baron, J. N., & Kreps, D. M. (1999). Consistent human resource practices. *California Management Review*, 41(3).
- Bartel, A. P. (1994). Productivity gains from the implementation of employee training programs. *Industrial relations: a journal of economy and society*, 33(4), 411-425.
- Beugre, C. D. (1998). *Managing fairness in organizations*. Greenwood Publishing Group.
- Bos-Nehles, A., Conway, E., & Fox, G. (2021). Optimising human resource system strength in nurturing affective commitment: Do all meta-features matter?. *Human Resource Management Journal*, 31(2), 493-513.
- Boselie, P., Dietz, G., & Boon, C. (2005). Commonalities and contradictions in HRM and performance research. *Human resource management journal*, 15(3), 67-94.
- Bowen, David E., and Cheri Ostroff. "Understanding HRM–firm performance linkages: The role of the “strength” of the HRM system." *Academy of management review* 29.2 (2004): 203-221.
- Cafferkey, K., Heffernan, M., Harney, B., Dundon, T., & Townsend, K. (2019). Perceptions of HRM system strength and affective commitment: the role of human relations and internal process climate. *The International Journal of Human Resource Management*, 30(21), 3026-3048.
- Delmotte, Jeroen, Sophie De Winne, and Luc Sels. "Toward an assessment of perceived HRM system strength: scale development and validation." *The International Journal of Human Resource Management* 23.7 (2012): 1481-1506.
- Denison, D. R. (1996). What is the difference between organizational culture and organizational climate? A native's point of view on a decade of paradigm wars. *Academy of management review*, 21(3), 619-654.
- Devanna, M. A., Fombrun, C., & Tichy, N. (1981). Human resources management: A strategic perspective. *Organizational Dynamics*, 9(3), 51-67.
- Ferris, G. R., Arthur, M. M., Berkson, H. M., Kaplan, D. M., Harrell-Cook, G., & Frink, D. D. (1998). Toward a social context theory of the human resource management-organization effectiveness relationship. *Human resource management review*, 8(3), 235-264.
- Freund, W. C., & Epstein, E. (1984). *People and productivity: The New York Stock Exchange guide to financial incentives and the quality of work life*. Irwin Professional Publishing.
- Guest, D. E. (1987). Human resource management and industrial relations [1]. *Journal of management Studies*, 24(5), 503-521.
- Guzzo, R. A., & Noonan, K. A. (1994). Human resource practices as communications and the psychological contract. *Human resource management*, 33(3), 447-462.
- Hauff, S., Alewell, D., & Katrin Hansen, N. (2017). HRM system strength and HRM target achievement—toward a broader understanding of HRM processes. *Human Resource Management*, 56(5), 715-729.
- Hiltrop, J. M. (1996). The impact of human resource management on organisational performance: Theory and research. *European Management Journal*, 14(6), 628-637.
- Huselid, M. A. (1995). The impact of human resource management practices on turnover, productivity, and corporate financial performance. *Academy of management journal*, 38(3), 635-672.
- Huselid, M. A., Jackson, S. E., & Schuler, R. S. (1997). Technical and strategic human resources management effectiveness as determinants of firm performance. *Academy of Management journal*, 40(1), 171-188.
- Ichniowski, C., Shaw, K. L., & Prennushi, G. (1995). The effects of human resource management practices on productivity.

- Katou, A. A., Budhwar, P. S., & Patel, C. (2014). Content vs. Process in the HRM-Performance Relationship: An Empirical Examination. *Human Resource Management*, 53(4), 527–544.
- Kavanagh, P., Benson, J., & Brown, M. (2007). Understanding performance appraisal fairness. *Asia Pacific Journal of Human Resources*, 45(2), 132-150.
- Kee, D. M., Ansari, M. A., & Aafaqi, R. (2004). Fairness of human resource management practices, leader-member exchange and organizational commitment.
- Kelley, H. H. (1967). Attribution theory in social psychology. In *Nebraska symposium on motivation*. University of Nebraska Press.
- Kooij, D. T., Guest, D. E., Clinton, M., Knight, T., Jansen, P. G., & Dikkers, J. S. (2013). How the impact of HR practices on employee well-being and performance changes with age. *Human Resource Management Journal*, 23(1), 18-35.
- Kruse, D. L. (1993). Profit sharing: Does it make a difference?. Books from Upjohn Press.
- Lavelle, J. J., McMahan, G. C., & Harris, C. M. (2009). Fairness in human resource management, social exchange relationships, and citizenship behavior: Testing linkages of the target similarity model among nurses in the United States. *The International Journal of Human Resource Management*, 20(12), 2419-2434.
- Levine, D. I. (1990). Participation, productivity, and the firm's environment. *California Management Review*, 32(4), 86-100.
- MacDuffie, J. P. (1995). Human resource bundles and manufacturing performance: Organizational logic and flexible production systems in the world auto industry. *ilr Review*, 48(2), 197-221.
- Macy, B. A., & Izumi, H. (1993). Organizational change, design, and work innovation: a meta-analysis of 131 North American field studies—1961–1991. *Research in organizational change and development*, 7(1993), 235-313.
- Meyer, J. P., & Allen, N. J. (1991). A three-component conceptualization of organizational commitment. *Human resource management review*, 1(1), 61-89.
- Mischel, W., & Peake, P. K. (1982). Beyond déjà vu in the search for cross-situational consistency. *Psychological review*, 89(6), 730.
- Ostroff, Cheri, and David E. Bowen. "Reflections on the 2014 decade award: Is there strength in the construct of HR system strength?" *Academy of Management Review* 41.2 (2016): 196-214.
- Pfeffer, J. (1994). Competitive advantage through people. *California management review*, 36(2), 9.
- Sanders, K., Dorenbosch, L., & de Reuver, R. (2008). The impact of individual and shared employee perceptions of HRM on affective commitment: Considering climate strength. *Personnel Review*.
- Schneider, B., Salvaggio, A. N., & Subirats, M. (2002). Climate strength: a new direction for climate research. *Journal of applied psychology*, 87(2), 220.
- Wall, T. D., & Wood, S. J. (2005). The romance of human resource management and business performance, and the case for big science. *Human relations*, 58(4), 429-462.
- Wood, S. (1999). Human resource management and performance. *International journal of management reviews*, 1(4), 367-413.
- Wright, P. M., & Gardner, T. M. (2003). The human resource-firm performance relationship: methodological and theoretical challenges. *The new workplace: A guide to the human impact of modern working practices*, 311-328.
- Youndt, M. A., Snell, S. A., Dean Jr, J. W., & Lepak, D. P. (1996). Human resource management, manufacturing strategy, and firm performance. *Academy of management Journal*, 39(4), 836-866.