

TAYLOR, HRM, STRATEGIC HRM WITH JOBS, EMPLOYEE PERFORMANCE, BUSINESS PERFORMANCE RELATIONSHIP: HR GOVERNANCE THROUGH 100 YEARS

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ABSTRACT

This study defines SHRM as employee/business performance relationship. Employee performance has an impact on performance of business departments in this model; and, performance of business departments have an impact on firm performance. In addition, American model of SHRM defines SHRM with HR system approach. Because HR system establishes HPWS in organizations, and HPWS has an impact on individual performance. Secondly, basic divergence between HRM and SHRM is that HRM practices are individual in HRM, and HRM practices are interrelated in SHRM. and HRM is interested with employee performance while SHRM is interested with firm performance. Thirdly, American SHRM is toward configurational perspective and universalistic perspective. Configurational perspective is due to HR system and HPWS approach, and HRM has an impact on firm performance without moderators in universalistic perspective. On the other hand, European HRM is toward contextual perspective, and Asian HRM is toward contingency perspective.

Keywords: Taylor, HRM, SHRM, Employee/Firm performance, Theory of SHRM

JEL Codes: M10, M12, M14, M16

INTRODUCTION

This paper argues definition strategic HRM, and it discusses American model of strategic HRM (SHRM).

I. FREDERICK W. TAYLOR and HRM

Frederick W. Taylor determined organizational principles for firms. It is job analysis and HRM principles. Taylor is interested with and focused on “job”. He observed organizational turmoil in American firms, and he advised to do job analysis and human resource management (HRM) so that employees effectively do their jobs. This is definition of HRM: employees effectively do their jobs.

There are two dimensions to increase employee effectiveness at job: one is organizational, and the other is employee side. Taylor developed job analysis technics in organization side; and he developed HRM principles in employee side to increase employee effectiveness at job. Taylor’s focus was employee effectiveness. He aims to increase employee effectiveness to increase firm performance (this sentence is identified as definition of SHRM in this study).

Taylor’s HRM principles are:

1. staffing
2. training

3. compensation
4. control

Taylor aimed to increase employee efficiency at job via HRM practices above (This is the definition of human resource management at this study).

II. HRM and EMPLOYEE PERFORMANCE: HRM PRACTICES

Major purpose of HRM is to increase employee performance. HRM apply of several practices to increase individual performance. Secondly, HRM aims to achieve expected organizational attitude and behaviours in organizations. Those behaviours are such as motivation, satisfaction, commitment, citizenship, trust. Thirdly, HRM establish relationship between firm and employees. HRM practices enable firm management to establish employee relations such as career planning, training activities, compensation programs.

HRM is to increase employee performance so that employees efficiently do their jobs. Because this is efficiency of production factors. There are 4 production factors in business activities. They are, raw materials, human resources, capital and knowledge. Firm management aim to increase efficiency of four; however, HRM aim to increase efficiency of one: human resources. HRM apply of HRM practices to increase employee efficiency and individual performance.

HRM practices are: HR planning, staffing, training, performance appraisal, compensation, reward, career planning, job security and health, industrial relations and personel management. HRM use these practices to increase individual performance so that employees efficiently do their jobs at work. Therefore, it is expected that, individual performance of employees increases firm performance. This is definition of SHRM in this study.

In addition, HRM is to increase individual performance; therefore, HRM practices are individual and separate in HRM. However, SHRM focuses on firm performance; therefore, HRM practices are interrelated in SHRM.

Employee performance and individual performance are related with business department in firm management. Business departments are such as supply, marketing, production, stock, logistics, finance etc. Employees implement jobs inside these departments. Performance of each business department increase, if all employees do their job responsibility efficiently at work. So, total performance of business departments increases performance of firm. This is SHRM. SHRM is relationship between individual performance, firm performance and business departments. HRM aims to increase employee performance to increase performance of business departments. and performance of business departments increases firm performance. It assumes that this relation between individual performance, business departments and firm performance describes SHRM in this study.

SHRM is defined as to achieve firm performance through individual performance of employees. Therefore, HRM is toward to individual performance, and SHRM is toward to firm performance. Therefore, HRM is interested with individual performance, and SHRM is interested with firm performance. Moderator between HRM and SHRM, or between individual and firm performance is business departments. Individual performance increases performance of departments such as stock, production, marketing, and performance of business departments have an impact on total firm performance. Therefore, HRM has specific and narrow perspective on employees and employee performance, while SHRM has total perspective on firm performance.

III.SHRM: EMPLOYEE PERFORMANCE AND BUSINESS PERFORMANCE RELATIONSHIP?

SHRM can be defined as employee/firm performance relationship. Moderator between employee performance and firm performance is business departments. In SHRM, it assumes that HRM practices have an impact on employee performance.

Organizational positions are business departments in job departmentation such as supply, production, marketing, finance etc. For example, job is to do sale in marketing department; and human resources is marketing manager. It is HRM's duty to find and appoint marketing manager for marketing department. If all human resources do their jobs efficiently in marketing department, so, performance of marketing department increases. Therefore, major focus of HRM is "efficiency". Increasing efficiency of employees. So, HRM can be defined as to increase efficiency of employees at job. So, HRM apply several practices to increase employee efficiency. Major sign of efficiency is performance; individual performance.

Therefore, if all employees in organization efficiently do their jobs in business departments, total performance of firm increases. This is definition of SHRM: relationship between employee and firm performance. First part in this definition (if) is related with employee performance, and second part in this sentence (total) is related with firm performance. This relation between individual performance, business departments, and firm performance describe SHRM in this study.

So, SHRM is toward firm performance, and HRM is toward employee performance. Theoretical assumptions of this study is that three moderators set up relationship between HRM and SHRM:

1. Individual performance
2. Business departments
3. Firm performance

It assumes that individual HRM practices, and interrelated HRM practices, and positive organizational attitude and behaviours have an impact on individual

performance, and individual performance has an impact on firm performance through business departments.

There are 8 SHRM practices to increase employee and firm performance together. They are: interrelationship among HRM practices, individual HRM practices, performance management, human capital, job descriptions, HR governance, strategic partner, and HR system. Most important SHRM practice might be “interrelated HRM practices”. Because it establishes an HR system in organization. And it provide of external fit between HRM and firm objectives. and it has an impact on individual employee performance.

IV. THEORY of SHRM

American scholars identify SHRM with system approach. Scholars define SHRM with HR system. American scholars tend to that HR system increases individual performance in organizations, and it increases firm performance.

Secondly, American scholars define SHRM with firm performance. They say that SHRM is, HRM practices has an impact on firm performance.

Therefore, American model of SHRM is, might be,:

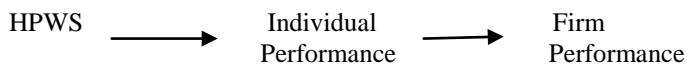


Figure I. American model of SHRM

The most important SHRM practice is maybe, interrelated HRM practices. Because interrelated HRM practices has bigger impact on individual performance, and it builds HR system and HPWS in firms.

In addition, this study suggests its own SHRM model. It is:



Figure II. SHRM model of this study.

V. CONCLUSION

To conclude, there are 2 major differences between SHRM and HRM. Firstly, HRM practices are individual in HRM. However, HRM practices are interrelated in SHRM.

Secondly, HRM is interested with employee performance, and SHRM is interested with firm performance.

In addition, there are 4 perspectives in HRM to define SHRM:

1. Universalistic perspective (American)
2. Contextual perspective (Europe)
3. Contingency perspective (Asia)
4. Configurational perspective (American)

American definition of SHRM has universalist and configurational perspective. They identify SHRM with HR systems and human capital. Configurational perspective includes HR systems thinking. and Universalist perspective assume direct relationship between SHRM and performance without moderators. Therefore, universalist perspective requires human capital and internal fit thinking in management of human resources. These two perspective question how HRM affect organizational performance. American answer is human capital, internal fit and HR systems. HR systems is a set of internally aligned HRM practices.

European SHRM tends to contextual perspective. Because environment, society, and institutions and their law are important in European business. and contextual perspective includes institutions and environment concepts. Therefore, stakeholders are important in European SHRM. In American firms, shareholders are more important.

Asian firms tend to contingency perspective in HRM-performance relationship. They need moderators to increase impact of HRM on performance. Those moderators can be such as innovation, resource-based model, competence, total quality. In USA, there aren't moderators between HRM and performance link. Because American firms already are innovative, resource-based, competence. Therefore, American firms consider direct relationship between HRM and performance.

Biography: Gürhan Uysal is associate professor at Ondokuz Mayıs University, School of Business in Samsun, Turkey. He earned B.A degree at Hacettepe University, Ankara, Turkey, in 1991 and PhD degree at Hacettepe University in 2005. He obtained MBA degree at Adelphi University, New York, in 1998. His research interests focus on human resource management fields. His studies are published on scholarly refereed journals and international academic conferences.

Appendix A: Program and Curriculum of HRM Departments in Business Schools

This appendix argues an establishment of department of Human Resource Management in business schools.

Structure of HRM program

This program is based on three majors: Foundation courses, Major courses, and Specialization courses.

Foundation courses are core business courses such as marketing, management, accounting. Major is built on HRM interests such as personnel management, international HRM, HR planning, staffing, training and others. Elective courses are able HRM students to specialize in a business discipline. Therefore, HRM students obtain dual career opportunity. One is related with HRM major, the other is a business discipline.

Courses

There are foundation, major, and specialization courses in this curriculum. Number of courses is 40, and credits to complete this program is 160 credits. Each course is given to 4 credits.

Foundation courses are: management and organization; organizational behaviours; organizational psychology; strategic management; business policy; introduction to business; international business; marketing management; principles of marketing; principles of accounting; financial accounting; production management; business law; quantitative methods; principles of statistics; business statistics; research methodology; principles of economy; micro economy; macro economy.

HRM courses are: personnel management, human resource management, strategic human resource management, international HRM, research methodology in HRM, HR planning, staffing, training, performance evaluations, reward management, career management, compensation, industrial relation, labor law. First two-year courses are business courses, and third and fourth year courses are HRM courses.

There are 6 elective courses in this HRM curriculum.

Curriculum

First Year

Fall	Spring
Introduction to Management	Business Statistics
Principles of Economy	Quantitative Methods
Principles of Marketing	Financial Accounting
Principles of Accounting	Business Law I
Introduction to Statistics	Macro Economy

Second Year

Fall	Spring
Management and Organization	Marketing Management
Production Management	Strategic Management
Research Method I	Labor Law
Organizational Psychology	International Business
Organizational Behaviour	HRM

Third Year

Fall
Personnel Management
Strategic HRM
International HRM
Research Method II
Specialization I

Spring
Research Method in HRM
HR Planning
Staffing
Training
Specialization II

Fourth Year

Fall
Performance Evaluation
Career Management
Compensation
Specialization III
Specialization V

Spring
Reward Management
Industrial Management
Health and Security
Specialization IV
Specialization VI

This program and curriculum of HRM departments prepare HRM students to professional HR career. Therefore, this program educates future HR professionals in business schools.

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