



SHRM Research: A Literature Review of Definitions, Variables, and Connections

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Abstract

Over the past 30 years, strategic human resource management (SHRM) has been extensively studied for its effects on organisational performance. However, there is still debate among the field over the impact's mechanism. The comprehensive review of the literature on SHRM theories is the main topic of this essay. The goal is to present the literature review of SHRM research by delineating definitions, locating variables, and establishing their connections to SHRM. The review's conclusion indicates that the variables considered in diverse research are organisational performance, human resource outcomes, and business strategy. The mechanism that mediates the link between the human resource management system and organisational performance is discovered to be the human resource outcomes.

Key words: SHRM, business strategy, organization strategy, Frame works.

1.0 Introduction

A recent study area and business administration practise, strategic human resource management (SHRM), originated in the middle of the 1980s (Kaufman, 2015). Given the significance of the strategic performance of human resource management (HRM), its academic relevance has been receiving more attention internationally (Jackson, Schuler, & Jiang, 2014). According to recent studies, the main component that results in human resource management systems is company strategy (Andersen et al., 2007; Muduli, 2012; Collings et al., 2010; Bao et al., 2011). Several research also suggested that HRM has a direct impact on organisational performance (Guthrie et al., 2009) and human resource outcomes (Youndt and Snell, 2004, Takeuchi et al., 2007, Guthrie et al., 2011). It is conceivable to describe SHRM as the horizontal consistency

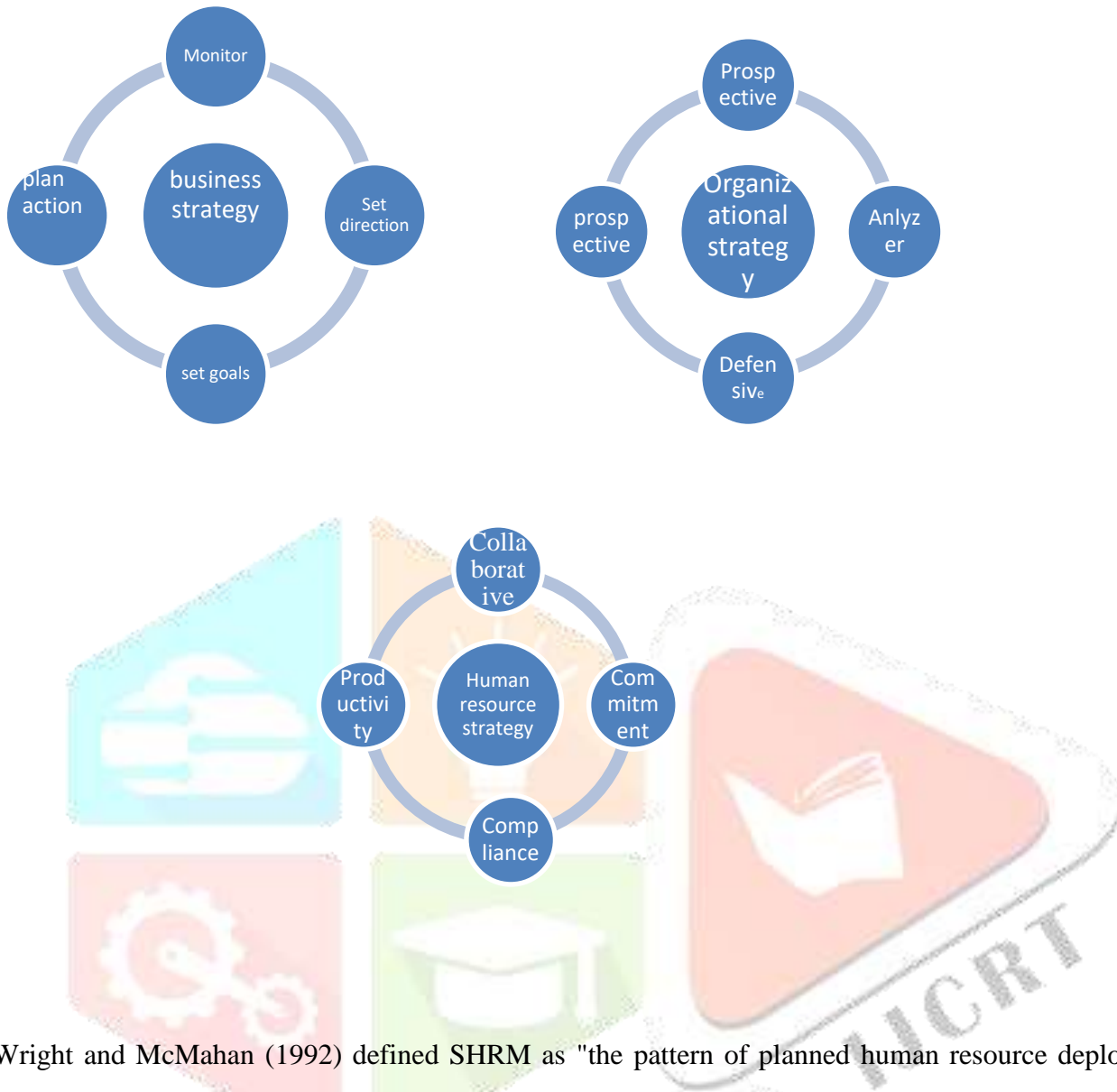
among the various HRM practises and the vertical relationship between HRM practises and organisational strategy (Wright & McMahan, 1992). Since seminal research to the most recent advancements discovered, the scientific field of SHRM has significantly varied with this new performance strategy of the human resource area. According to Lengnick-Hall, Lengnick-Hall,(1988) the addition of new organisational variables resulted in the inclusion of more complicated studies, which are determinant to the better knowledge of this search field.

It is possible to highlight "Achieving HR implementation and execution" among the themes because, according to the authors, there is still much to learn about the role of policy implementation and strategic practises of human resource management and their link to organisational performance, given that most studies have not been able to adequately demonstrate the significance of the personal unit to the achievement of strategic goals. Although some analysts would argue that HRM itself is inherently strategic in nature, the term "Strategic Human Resource Management" (SHRM) is used to emphasise the strategic character of a particular approach to talent and organisation management. As a result, the phrases HRM and SHRM are frequently used synonymously. Over the past thirty years, HRM/SHRM has experienced tremendous growth. Its antecedents can be seen in 1980s American literature, which reframed people concerns away from notions that portrayed people-management as an afterthought that could be handled ad hoc, reactively, or managed through formal institutions like collective bargaining and regulation (Beer *et al.* 1985).

Instead of emphasising the function that human resource management plays in supporting the business from an individual perspective, SHRM has evolved to focus on human resource management from an organisational perspective (Liao, 2005). The primary study scenario demonstrated how business strategy and human resource management connect with organisational success (Bao et al., 2011; Shameem, 2011;). Different human resource management (HRM) systems, including control HRM (Arthur, 1994), high-commitment HR systems (McClellan and Collins, 2011), high-performance work systems (Selden et al., 2013), and innovative HRM systems, were used in earlier studies of SHRM (Ichniowski et al., 1997). To optimise profit through people, they all have the same goal despite being various HRM systems as described above (Lepak et al., 2006; Su and Wright, 2012). According to Boxall and Mackey's explanation in 2007, there is a connection between various HRM systems and employee empowerment, skill development, and motivation.

This article's goal is to give a review of previous research on strategic human resource management (SHRM) studies in order to clarify the terms, factors, and connections between them that are linked to SHRM. (fig 1).

Fig:1 CONCEPTUAL MODEL



Wright and McMahan (1992) defined SHRM as "the pattern of planned human resource deployments and activities intended to enable an organisation to achieve its goals" based on an analysis of SHRM thinking and research (p. 298). They pointed out that to do this, HRM practises must be horizontally coordinated and congruent with one another as well as vertically linked to the strategic management process. The authors continued by noting that the primary factors influencing decisions about human resource practises, the make-up of the human capital resource pool (i.e., skills and abilities), the description of necessary human resource behaviours, and the effectiveness of these decisions in light of various business strategies and/or competitive environments are the main variables of concern in SHRM. (pp. 298–299).

1.2 Business Strategy

The term "resource-based view" refers to a business strategy (and, by extension, an HR strategy) that prioritizes using internal resources over finding the best market position (RBV). Grant and Prahalad (1990) made the most significant contributions to this (1991). Although the analysts' focus was mostly on corporate strategy, HR will be significantly impacted by their plan. The idea of an HRM strategy is strongly related

with the method of refocusing on internal resources since it emphasises the significance of leveraging resources to obtain a competitive advantage. According to Armond et al. (2016), normative models that specify how HR policies can be integrated to the stage of development that has been achieved and the strategic guidance that the company has taken are the most widely used approaches related to the integration of the business strategy to HR policies. These approaches also come from a rational perspective.

Because people and their interactions are crucial to achieving organisational goals, SHRM attempts to study how work relations are handled in accordance with goal achievement (Legge, 2006). According to published research, there are three different theoretical stances on the SHRM study: Universalist, contingency, and configurational (Delery & Doty, 1996). According to the first viewpoint, the adoption of a particular set of best practises for the strategic planning of HR is linked to an improvement in an organization's performance (Huselid, 1995; Huselid, Jackson, & Schuler, 1997). Theorists that advocate the contingency approach argue that, in order for HR policies to be successful, they must be in line with other components of the company, such as various strategic perspectives, in order to break free from the prescription put forward by the universalist perspective (Fombrun, Tichy, & Devanna, 1984; Schuler & Jackson, 1987). The configurational perspective's ideal model would be one that showed a better level of horizontal alignment among HR subsystems (Delery & Doty, 1996; Miles & Snow, 1984; Wright & McMahan, 1992).

1.3 Organization Strategy

A stated HR strategy may or may not be the cause of the interventions that happened in a business. Some policies can be implemented without specific planning being done beforehand, and other prepared methods may never ever be implemented efficiently (Truss & Gratton, 1994). The commitment of leaderships and a properly planned and managed implementation are two important success elements for a large-scale organisational change, which is required for the successful adoption of strategic HR models, according to Kaufman (2015). In order to do this, it is essential to effectively manage planned organisational changes and to respond quickly to the cultural strain felt at all organisational levels (Guest, 1987).

Such presumptions are related to the SHRM perspective put forward by Wright & Snell (1998), which contends that HR's primary responsibility is to carry out organisational strategies. The following four categories of organisational performance measurement were suggested by Dyer and Reeves (1995): (1) The results of human resource management methods in terms of attitude (work satisfaction and organisational commitment) and behaviour may be found in Silpakorn University Journal of Social Sciences, Humanities, and Arts 29. (turnover and absenteeism) Operational effectiveness in terms of productivity and shrinkage 3) Financial results that reflect profitability and 4) Market performance as shown in the organization's share price. Zupan and Koe (2005) observed that the majority of SHRM studies examined organisational performance that was profit- or market-value-related, and they then provided indicators for more balance to

use as a measurement of organisational performance, which encompassed both objective and subjective performance.

1.4 Human Resource Management

As a result, integration, employee commitment, flexibility, and quality are the four key HRM objectives that Guest (2011) argues. The author claims that three of them are especially important for the effective application of HRM. Integration requires the internalisation of the significance of HR by managers, which would allow the implementation of strategic plans, as well as the creation of coherence between HR and the organisational strategic plans and among individual HR policies. The requirement for decentralisation and control delegation through carefully thought-out job role design is a further tenet (Guest, et.al.,2003). The operational and financial success of a firm can therefore be greatly enhanced by the appropriate application of HR strategies. Utilizing HR strategies like performance-based remuneration is related with increases in productivity, decreased turnover, increased sales, and higher profits. Additionally, the deployment of technological and strategic HR practises has previously undergone empirical testing; the results show that most businesses, such as security and clearing organisations, are effective when using technical HR practises. However, the influence on organisational results was substantially stronger in the businesses whose strategic strategies (such as employee empowerment, managerial involvement, and development) were successfully applied (De vos et al., 2017).

HRM methods are routinely implemented in a way that is inconsistent with what is intended, even in successful firms (Truss, 2014). However, there is a greater likelihood of coherence between what is planned and what is successfully implemented when there is consensus among HR experts on the identification of intended HR practises. A harmonisation of the HR area as seen by other partners leads to clearer development procedures and practises, which in turn reduces this gap. Studies on the subject are still rare and often focus on line managers' sense of duty.

The following criteria for determining an effective HR strategy were offered by the tridimensional model developed by Gratton and Truss in 2003: (1) Aligning HRM with the definition of strategic goals; (2) Aligning various HR policies; and (3) Putting HR practises into operation. In this sense, HR implementation refers to the extent to which an organization's line managers and employees adhere to its policies. The adoption of HR practises is influenced by a number of societal aspects as well.

1.5 Frameworks and models for contingencies

The SHRM contingency models are founded on the idea that what is needed is a skillful alignment between HR policy and various can be located within this category, in contrast to the best practise models discussed in the preceding section. The term "contingency" in this context refers to theories that explain organisational behaviours and outcomes as being highly dependent on some internal or external environmental variable,

such as a country, technology, organisational size, industry, or the compatibility with a particular business strategy.

1.6 Various kinds of contingency frames

Here are three major categories of contingency models that relate human resources strategy to various context-related viewpoints (environment). The three kinds are: relating HRM to business structure; relating HRM to business life cycle; and relating HRM to structure and strategy.

1.7 Linking SHRM to business strategy

It is sometimes argued that an HR approach is only 'strategic' if it 'fits' with the organisation's product-market strategy and if it is proactive in this regard. Most of the theorists in this category draw on Porter's distinction between innovation, quality-enhancement or cost-reduction strategies (e.g., Schuler and Jackson 1987, or Miles and Snow 1984). For example, Schuler and Jackson (1987) suggest that where a firm has opted for innovation as a means to gain competitive advantage, this sets up certain predictable required patterns of behaviour. Prime among these requisite 'role behaviours' are creativity, a capacity and willingness to focus on longer-term goals, a relatively high level of collaborative action, a high tolerance of ambiguity and a high degree of readiness to take risks.

1.8 Business life cycle and SHRM integration

The business life-cycle method basically aims to fit decisions about human resource policies to the different needs of a firm at various levels of its life-cycle, from business start-up through early growth and maturity, and finally on to business decline. It is possible to assume that a firm will have distinct priorities at each stage. In turn, each of these various priorities needs its own unique human resource strategies. There are several instances of the "stages" or "life cycle" method in the field of SHRM (Lengnick-Hall and Lengnick-Hall 1988; Kochan and Barocci 1985). According to Kochan and Barocci (1985) and others, new businesses need recruitment and selection strategies that quickly entice the best talent, compensation plans that support this by paying highly competitive rates, training and development plans that lay the groundwork for the future, and employee relations plans that outline the fundamental structure and establish the guiding principles for the new company.

1.9 Organizational structure and strategy in relation to SHRM

The work of Fombrun *et al.*(1984) is the most well-known illustration of the strategy/structure coupling of contingency theory (1984). Their model displays a variety of "appropriate" HR options that are suitable for five different strategies from single product businesses with functional structures to diversified product

strategies paired with multi-divisional organisational forms to multi-product businesses operating internationally. The main HR policy options in the areas of selection, appraisal, reward, and growth are outlined for each of the five types of situations. For instance, a company with a single-product strategy and a corresponding functional structure is likely to have a traditional HRM strategy. Selection and appraisal procedures may very well be subjective, and reward and development procedures may lean toward the disorganized and condescending.

2.0 Methodology

The goal of this article is to review the SHRM studies in order to define the traits, pinpoint contributing factors, and use concepts and approaches that have been used in previous works of literature in order to inform the author's own empirical research. The articles featured in this review were carefully chosen from the literature on strategic human resource management, primarily from the databases of Emerald and Elsevier. This paper focuses on the systematic review of literature on theories of SHRM in order to continue the review on SHRM and attempt to provide some clarity on the topic of SHRM study. Describing the concept's defining characteristics, defining the empirical references for the concept, identifying the concept's precedents and effects, and explaining the relationship between variables. Business strategy, the HRM system, HR outcomes, and organizational performance are the factors employed in the SHRM study, and emphasis is placed on their future performance.

3.0 Results and discussion

The conceptualization and definition of SHRM qualities, as well as the determinants, outcomes, linkages, and empirical references are among the findings of the concept analysis.

4.0 Conclusion

According to the study's findings, SHRM played a significant role in the performance of the organisation. According to a large body of research, the SHRM study's key variables are organisational performance, business strategy, and procedures for managing human resources. According to the research analysed for this study, the "black box" that mediates the relationship between the HRM system and organisational performance, which is HR outcomes, also becomes apparent.

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