

Review on Strategic Human Resource Management Systems

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ABSTRACT

It has been well recognized for its impact on organizational performance for over 30 years that strategic human resource management (SHRM) has been observed. Human resource systems instead of individual HR practices are an important characteristic of strategic human resource management research. Literature reviews on theories of SHRM are the focus of this paper. Using SHRM studies as a framework, we explain the meanings, identify the variables, and explain how they affect SHRM. In order to accomplish a strategic objective, HR systems must influence (1) employee knowledge, skills, and abilities, (2) employee motivation, and (3) opportunities for employee engagement. A review of the literature suggests that organizational performance, organizational strategy, human resource management systems, and human resource outcomes are the variables used in various studies. A link between human resource management and organizational performance is found to be mediated by human resource outcomes. Furthermore, the review suggests actionable steps to improve the conceptual clarity and refinement of HR systems research, focusing both on analyzing systems at different levels of analysis, as well as conceptualizing, HR systems should measure, combine, and analyze practices.

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INTRODUCTION

Strategic human resource management (SHRM) consists of deploying and developing human resources in order to help an organization reach its goals. Rather than individual HR practices, human resource systems are becoming more important in strategic human resource management (SHRM). It is important to note that SHRM evolved from human resources management, which focuses on human resources from the perspective of an organization,

rather than individuals. SHRM plays an important role in supporting the business [1].

Researchers generally agree that instead of focusing on individual practices, HR systems should be the focus since employees are exposed to a set of inter-related HR practices rather than one at a time. An organization's human resource practices may influence a variety of other practices.

Studies consistently show that HR systems (in general) are positively associated with performance. Although this assumption is widely agreed upon, it remains unclear whether it holds true in the area of interactions and synergy within systems. Thus, despite there being a considerable amount of literature on HR systems, we seem to understand little about the "systems" element.

Specifically, the purpose of this study is to review and compare empirical studies concerning HR systems over time so as to assess the direction in which the field has moved forward in addressing these issues. A consensus has not yet been reached on how to integrate (synergistic) HR practices despite

agreement on the interactive nature of HR practices.

Importance of SHRM

By using the SHRM, you can achieve your business objectives. In order to foster a positive work environment, SHRM aligns HR policies and programs with the company's business strategy.

As well as reducing turnover and improving productivity, SHRM programs can help businesses to save money.

1. A performance management system can help businesses improve employee performance by tracking and improving it.
2. The SHRM can assist employers in developing their workforce by providing training and resources and identifying employees' development needs.
3. In order to create a positive workplace, SHRM can help businesses manage their employee relations in an effective manner.
4. A compensation and benefit program that attracts and retains employees can help employers reduce turnover.
5. Enhance employee performance and create a positive work environment to improve productivity: HR can help businesses improve productivity.

Types of SHRM Systems

Involvement, commitment, and high performance are all conceptualized as HR systems. Others study HR systems that are targeted for customer service or teamwork [2] rather than using general labels such as HR system or HR bundle.

HR systems can be classified at different levels: HR policies represent an organization's stated intentions regarding the kinds of HR practices it wishes to implement, while HR practices reflect its actual HR activities.

Performance Management

Enhancing employee performance by creating performance tracking systems.

Training and Development

The ability to identify employees' development needs and provide them with training and resources to help them achieve their goals.

Compensation and Benefits

Retaining and attracting employees through compensation and benefits programs.

Employee Relations

Creating a positive work environment by managing employee relations.

SHRM can include a variety of programs and policies. In accordance with the company's goals and employees' needs, specific programs and policies will vary. The study analyzes HR systems from five points of view: intended HR systems, manager-rated HR systems, employee perceptions, and employee attitudes.

Intended HR System

Key informants, such as HR managers or higher-level managers, rate the organizational-level HR system designed by Nishii and Wright [3]. Human resources systems are associated with organizational outcomes when they are studied with the assumption of homogeneity. Increasing group variability can be reduced by mostly using descriptive measures for higher-level constructs. In this case, the organization serves as an item source, a group referent, descriptive items, and scales that emphasize frequency rather than agreement (such as presence, coverage, and Likert scales).

Manager-Rated HR System

It is possible to take two theoretical approaches when HR systems are rated by line managers. The relationship between group-level HR systems and group-level outcomes is explained by a homogeneity assumption, and variability in manager-rated HR systems is explained by a heterogeneity assumption. The increased number of multilevel studies makes such within-group effects relevant. Cross-level or multilevel theories are typically used to study HR systems intended, implemented, and employee perceptions [3].

SHRM Practices

It is important to examine specific relationships between HR practices to advance our understanding of HR systems, and we should stop focusing exclusively on the broad overall construct. According to Delery and Gupta [4], there may be different outcomes for different ways of combining in order to capture synergies.

Weighting

In weighting, practices are ranked according to their importance in explaining outcomes, based on factors such as context, type of employees, and outcome. As an explanation for human capital, training may be relatively strong, while rewards are likely to be more influential when explaining motivation. Changing HR practices over time may have an impact on a system, so timing is crucial.

Depending on the practice, some outcomes might be impacted immediately (e.g., reward for performance), whereas others may take longer (e.g., skill acquisition).

Configurations

An organization's configuration focuses on what practices are usually combined. Human resources systems should follow different (equally effective) profiles and deviating from them will reduce effectiveness. Based on configurational theories, these assumptions are derived from the assumption that the relationships between HR practices in a system are nonlinear and synergistic [5]. SHRM has long embraced the configurational approach, but little is known about HR practices in configuration and the consequences of these configurations. HR practices can be clustered or analyzed using cluster analysis or related techniques, and by deviating from the optimal profile or cluster, the consequences of this deviation can be examined.

Interactions

It is the interaction approaches that specify how different practices affect one another, testing the principle that one practice can only succeed if the other is effective. Human resources research typically assumes interaction between practices, but this knowledge is limited, and Interaction effects are rarely examined in studies, and few predictions are made about the types of interactions involving practices. Gardner et al. [6], among other things, distinguish between linear and quadratic interaction effects, and for each of these, differentiate strengthening, weakening, and reversing effects [6]. Theory-driven combinations of HR practices should be chosen in order to examine interactions.

Necessary and Sufficient Practices

To increase knowledge about HR systems, it is also helpful to consider which practices make the variation between average and good performance in the system. Researchers have developed a hierarchy of practices, which can provide insight into which combinations lead to which effects in a system. Identifying core practices and peripheral practices using fluff sets qualitative comparative analysis, based on the premise that some practices are necessary to achieve a given outcome, but may not be sufficient. For HR systems to be efficient and cost-effective, it is important to know which practices are necessary and which are not. Studying HR systems rarely considers the costs associated with HR practices. There may be better ways of achieving the same effect with fewer, less expensive practices.

CONCLUSION

SHRM plays an essential role in organizational performance, according to the findings of this study. Numerous studies have shown that organizations' performance, human resource management, and business strategy are the variables studied by SHRM researchers. Synergies between HR practices within a system have not been proven in most research to date. In order to better understand the "system" component of HR systems, problems in conceptualization, measurement, and the integration of practices must be addressed. This framework can give insight into future research and provide more specific theories and evidence by developing small uncertainty and rigor in the development of measures on how practices interact within human resources systems, what practices are important, what practices are not, how time affects HR system performance, and how different levels of HR systems work.

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Conflict of Interest

The authors declare that there is no conflict of interest.

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