3rd Definition of SHRM: HR Systems Approach

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Introduction

- This study discusses 3rd definition of strategic human resource management (SHRM).
- The other two definitions are related with strategic management and firm performance.
- 3rd definition is related with HR systems approach.
- HR systems approach is suggested by American scholars in 1990s. Most important of them is Mark Huselid.
I. Literature

• Human resource management (HRM) witnessed theoretical discussion between 1980 and 2000. It is development phase of HRM.

• Firms began establishing HRM departments in their organizations during 2000s.

• Todays, firms applying HRM practices in HRM departments.
• Currently, SHRM faces same progress. SHRM has theoretical development phase currently, between 2000-2020.

• Gradually firms started to apply SHRM in their organizations. There isn't specific SHRM departments. Firms have HRM departments, and PM and SHRM operate inside HRM department.
II. 3rd Definition

- There are two dominant definitions of SHRM so far.
- First is made by Devanna, Tichy and Fombrun in 1981 and 1984. They related HRM with strategic management. HRM are to involve with firm-level business strategies. Strategic fit approach is important in 1st definition. It is related with external fit.
- 3rd definition, HR systems, is related with internal fit.
• 1990s witnessed black box discussion. What makes connection between HRM and firm performance?
• This study intends to job performance and individual performance. Black box between HRM and firm performance is, maybe, job performance and individual performance.
• In summary, two definitions relate HRM with top-level of organizations.
• If HRM is involved with top-level management, performance, strategy, decisions; it is strategic human resource management.
• This study targets to make 3rd definition of SHRM.
• Definition is related with HR systems.
• HR systems approach is suggested by Huselid, MacDuffie and others in 1990s.
• American HRM tends to HR system notion in management of HR.
• Thus, HR systems approach is American view to HRM.
• 3rd definition relates HRM with HR systems. HRM applies interrelated HRM practices to improve individual performance. and It is assumed that individual performance affects firm-level performance.

• HRM practices are separate and individual in HRM. However, HRM practices are interrelated in HR systems and in SHRM.

• For example, performance management, career management, talent management are examples of HR systems practices. Those practices are developed after 2000s, and represents HR systems in organizations.

• For effectively applying HR systems, HR managers and professionals must have system thinking in HRM. Because they would apply HR systems. Thus, they must have HR system thinking.
3. Discussion

- HRM has resources concept. SHRM has strategy concept.
- If HRM is involved with top management and firm strategies, it is SHRM.
- HRM is functional, and it applies HRM practices. SHRM has system approach and it applies interrelated HRM practices. SHRM increases firm performance through people of organization.
- SHRM is related with job performance. Again, HRM also is related with job performance. HRM aims to increase job performance. While SHRM aims to increase firm performance through job performance.
Model of SHRM

- SHRM is related with job performance. Again, HRM also is related with job performance. HRM aims to have impact on job performance of employees. While, SHRM aims to achieve firm performance through job performance.
- This is SHRM model of this study:

  ![Diagram](Figure 1. Model of SHRM)
Conclusion

- Finally, HRM is related with three matters: resources, asset, and capital.
- Employees are human resources, human assets, and human capitals in HRM.
- In human asset approach, employees are intangible assets of organizations.
- By these qualifications, employees enable company to achieve organizational goals.
Thanks for listening,

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