

## **Mostly Discussed Research areas in Human Resource Management (HRM) – A Literature Review**

**Mansoor Hussain<sup>1</sup> and Mushtaq Ahmad<sup>2</sup>**

<sup>1</sup> Corresponding Author - *M.phil scholar, Army Public College of Management and Sciences (APCOMS), Rawalpindi, Pakistan, University of engineering and technology (UET) Taxila, Pakistan*  
Corresponding Address: CB-194, Lane-3 Sherzaman Colony Tulsa Road Lalazar, Rawalpindi, Cantt, Pakistan  
E-mail: [mansoor618@yahoo.com](mailto:mansoor618@yahoo.com)

<sup>2</sup> M Phil Scholar  
*Army Public College of management and sciences (APCOMS) Rawalpindi, Pakistan*  
*University of Engineering and Technology (UET), Taxila Pakistan*  
E-mail: [mstq.ab@gmail.com](mailto:mstq.ab@gmail.com)

---

### **ABSTRACT**

*This field of HRM is still in its evolutionary phase and it is difficult to identify any crystal clear framework to retrofit the existing strewn perspectives. Available literature shows that HRM is a system that strives to achieve a dynamic balance between the personal interests and concerns of people and their economic added value. In this study all those papers which are published in prominent HR journals were scanned and those published during last five year period were kept under sharp focus. Papers pertaining to the field of HRM and organizational performance were categorized and examined in detail. Categorization of the literature according to various dimensions enabled the researcher to explore new areas that are not adequately covered in the literature; hence this study is a structured overview covering significant aspects. It was found that HRM is an area that continues to evoke a lot of debate and body of work in HRM is relatively small, and most of the questions are sorely in need of further attention.*

**Keywords:** *Human Resource Management(HRM) , Organizational Objectives, HR Outcomes, standardize, organizational knowledge, HRM framework*

---

### **1. INTRODUCTION**

Human resource management (HRM) is making the best possible use of individuals for achieving the organizational objectives. The definition was developed in late twentieth century; thereafter employee motivation and job satisfaction came under focus instead of mere rational administration (Hartel, Fujimoto, Strybosh and Fitzpatrick 2007). In present day world organizations all over the world are facing critical challenges and survival has been linked with the development of new capabilities. There is a need to find opportunities through these emerging challenges like globalization, change management, investment in human capital, growth etc. Human resource strategies can be used as a vibrant tool vital towards success. Strategic alignment of human capital can best be achieved through effective HR practices. Management of the human capital has assumed added significance after realization of the fact that people are assets of strategic importance. The concept of personnel management is no more relevant in the context after evolution of strategic concept of human resource management. After this paradigm shift of the emphasis human resource policies are being aligned with business strategies. According to resource-based view organizations can attain competitive advantage with the help of value created by them which is exceptional and perfectly inimitable (Baker, 1999). Sources like economies of scale, technology, natural resources etc are often considered vital towards achieving competitive advantage but resource based view states that these can be easily imitated. In this backdrop HR practices may prove to be a major cause of sustainable competitive advantage (Lado & Wilson, 1994). Analyses of available literature on the subject provides critical insights and shows that HR practices if employed appropriately can prove to be a vibrant tool towards enhancing the level of organizational performance. Most organizations operate on a piecemeal basis, responding to sudden emergent pressures, and are subject to a

variety of powerful internal political pressures which contribute to inconsistencies among their policy choices. Most of the literature in the area of human resource strategies ignores the actual process by which the strategies are formed and concentrates instead on the chosen policies and practices. This is an important gap. In fact, most researchers in this field measure the firm's plan of action purely by its choice of HR practices; indeed, that is typically how they represent the HR strategy itself (ie different HR objectives are very often ignored). In other words, researchers tend to focus exclusively on the combination of individual HR practices that a firm does or does not adopt; it is a particular combination of practices which assigns the firm to one strategy category or another; the specification of strategic objectives, the problems of policy implementation, and the nature of the arguments that might link policies to objectives are usually not explored in any depth. In this study researcher will focus on available literature in various journals pertaining various HR practices and organizational performance with a view to facilitate future research by identifying significant areas and gaps in the body of knowledge. Available literature reveals that, HRM is entire system of values, policies and practices which focuses on maximizing the performance of people in organizations, with a view to achieving a dynamic balance between the personal interests and concerns of people and their economic added value.

## 2. LITERATURE REVIEW

This part of study literature review includes available research relating to the dimensions identified in introduction. The material incorporated in this chapter is taken from different resources. Significant dig outs from research already done related to above mentioned issues are reproduced below:-

Author	Year	Source/journal	Findings and conclusion
Tharenou And others	2007	Human resource management review	Study concluded that research on training and organizational-level outcomes differs as a function of the outcome variables which are categorized as:- 1. HR outcomes 2. Organizational performance outcomes 3. Financial or accounting outcomes 4. In case of publicly listed companies stock market outcomes
Katou and Budhwar	2010	European Management Journal	Business strategies, managerial style and organizational culture moderate HRM policies. Moreover, it was found that HRM policies do not have a direct impact on organizational performance, but their impact is fully mediated by employee skills, attitudes, and behaviour.
Steinmetz	2011	Human Resource Management Review	There is a need to standardize the process of research particularly in the field of HR. Researchers need to develop a process in which development of questionnaire, administration of questionnaire and structuring of comparable measures should follow the same way. Results of such a research cannot be generalized without a process which is close to uniformity.
Minbaeva	2008	International Business Review	Study concluded that if HRM practices are used to develop competencies that are firm specific and creation of organizational knowledge than these can also contribute to sustained competitive advantage.
Turner, Huemann and Keegan	2008	International Journal of Project Management	For optimum performance project assignments should be linked with career development so that employees may feel that specific project assignments are likely to create opportunities for development. HRM practices in contemporary organizations most of the times overlook needs of stake holders in favour of the organization. Fairness and justice assume added significance towards HRM practices.(Greenwood,2002)

Gooderham and Nordhaug	2010	Human Resource Management Review	Institutional context is highly relevant in Practices of HRM. HRM framework is essentially required which should be able to incorporate contextual factors in question. Few suggested are:- 1. Culture 2. Legislation 3. Role Of The State 4. Trade Union Representation institutional context
Werbel, and DeMarie	2005	Human Resource Management Review	HRM practices including performance appraisal, compensation, selection practices, and training and development practices can be clustered as a means to communicate to the employees regarding various skills and behaviours required to create and sustain a competitive advantage

Author	Year	Source/journal	Findings and conclusion
Lengnick-Hall and Others	2009	Human Resource Management Review	With the growth of strategic HRM role that HRM has towards organizational effectiveness is becoming more significant. Collins and Smith (2006) concluded that HR practices have a great impact towards organization's social climate, which leads to knowledge exchange resulting into improved organization performance.
Mcgunnigle	2000	Employee Relations journal	Organizations embarking upon the correct HRM approach shall tend to recruit individuals with most desirable behavior to fit with cultures. Consistent recruitment and selection procedures get relevant in the context. Training and developmental programs can further supplement the commitment.
Maxwell and Farquharson	2007	Employee Relations journal	Bowen and Ostroff's (2004) concluded that "the strength of the HRM system affect organisational effectiveness." HRM is said to have a central role in business performance as per the theory (Richard and Brown Johnson, 2001). Thus HRM strategies are deep rooted in business needs with a firm integration with business strategy.
Harris	2007	Employee Relations journal	Developing HR practices meant to make the most of individual performance have never been accorded significance in public service. There are ill-defined boundaries about HR responsibilities of managers at various levels and specializations each with different perspectives.
Othman and Poon	2007	Employee Relations journal	Relationship of HRM practices is comparatively stronger with management orientation than competitive strategy. Strategy can be manipulated or changed with more ease than orientation of the management. Therefore HRM practices can contribute to a great extent towards organizational performance orientation remains in the right direction.
Tissen and others	2010	The International Journal of Human Resource Management	In the recent past a wide range of studies suggested a positive relationship between HRM and the performance of organizations (including Guest 1989; Clark 1993; Paauwe and Richardson 1997; Guest 1997; Gelade and Ivery 2003). The majority of this literature is increasingly regarded as being outdated. It is viewed as 'first generation' research in which the importance of HRM is recognized, yet little or no attention is placed on what is known as the causal process between HRM and the functioning of the organization.

Author	Year	Source/journal	Findings/conclusion
Keegan, Huemann and Turner	2011	The International Journal of Human Resource Management	Various HRM responsibilities of managers especially in project oriented companies is a concern that is not given the attention by HRM literature. More clear and specific elaboration of responsibilities in contemporary organizations can increase performance at each level manifolds.
Shen and Zhu	2011	The International Journal of Human Resource Management	More and more organizations seek to improve their performance by using appropriate HRM policies and practices. Due to the importance of CSR to business, it is important for HRM policies and practices to address both the firm's strategic needs and the interests of internal and external stakeholders
Gellatly and others	2009	The International Journal of Human Resource Management	Employee commitment should be considered as a resource by the organizations which can be used to uphold the workforce capabilities providing sustained advantage over competitors. HRM practices can be used as a tool to inculcate the desired commitment among the employees limiting their desire to leave the organization and demonstrate higher citizenship behaviour
Teo, Clerc and Galang	2011	The International Journal of Human Resource Management	Investment in human resources (HRs) through embracing human capital enhancing (HCE) human resource management (HRM) system is positively linked to organizational performance. Moreover, Front line employees are strategically significant and important source of competitive advantage.
Zanko	2008	The International Journal of Human Resource Management	Legge's (1978) argued that HRM requires power and influence to be effective and implement its agenda. Its true role, perceptions and problem solving abilities will then be understood by line management.
McKenna and others	2010	The International Journal of Human Resource Management	Modern HRM practices afford an opportunity to gain increasing control over line managers, other employees and their behaviour. Critical approaches to management imply the need for scepticism about the purposes of the global transferability of HR ideas and practices. Moreover, rather than focusing on whether practices can be transferred, the barriers to transfer, or how they are transferred, a key theme in a critical approach is how work is designed and people are managed to achieve the control necessary within organisational, economic and societal contexts (Delbridge 2009).
Dany, Guedri and Hatt	2008	The International Journal of Human Resource Management	In order to strengthen the link between HRM and performance, decision making should rely upon HRM specialists in consultation with line managers. In addition to this there should be judicious distribution of roles and responsibilities between both.
Azmi	2011	The International Journal of Human Resource Management	Effectiveness of HRM function is invaluable to achieve organizational performance through HR practices. Author found four dimensions of SHRM fit 1. Fit between HRM and corporate strategy 2. Fit between HR roles and position 3. Fit within HRM function 4. Fit between HRM and other functional Areas
Martins	2007	Management Decisions	It is not possible to achieve high levels of performance with out communicating the roles with clarity. If belief of staff runs contrary to actual expectations of senior managers than desired performance level can not be met.
Luoma	2008	Management Decisions	Simply matching the HR practices with product/market strategies is no more relevant after advocates of resource based theory lay emphasis on competencies and behavior as

			vital towards creating competitiveness. Those HR practices need more attention which can develop and maintain the requisite competencies and behavior.
Appelbaum	2011	Management Decisions	After globalization and ever expanding organizations there is a need to adopt strategy and structures with cross cultural operability to optimize the efficiency. This will warrant the need to redefine HR strategies to increase or maintain organizational performance.
Gbadamosi	2007	Management Decisions	Committed employees are taken invariably as heart of the organization. Commitment towards organization is a predominant tool towards organizational performance and effectiveness.
Moideenkutty, Al-Lamki and Murthy	2009	Management Decisions	High-involvement HRM practices have positive relation ship with subjective and quantitative measure of organizational performance. This means that organizations that implement highly selective staffing, realistic training, performance management practices and employee empowerment are likely to have higher performance.

**Review enabled the researcher in developing the following understanding:-**

2.1 This field is still in its evolutionary phase and it is difficult to identify any crystal clear framework to retrofit the existing scattered perspectives.

2.2 Business performance will be improved only when the right fit between business strategy and HR practices is achieved

2.3 Specific combinations of HR practices can be identified which generate higher business performance but these combinations will vary by organizational context.

2.4 Claims that a universal best practice HR strategy has been identified are premature. It is unlikely that adopting a specified set of HR policies is the high road to organizational success. Even the large amount of empirical work that has been done has not identified all the general components such a set of policies would contain

2.5 How something is done is often more important than what is done, and we need to pay much more attention to how clusters of HR policies are adopted and implemented as well as to the specific contexts in which policy innovation is attempted

2.6 The way in which organizations treat their employees is at the heart of their success

2.7 HR function is no more being taken as administrative activity rather it has assumed a central role in overall organizational activities. It is one of the main pillars which supports entire organization

2.8 True essence of context needs to be understood for firm implementation of HR policies. Contextual factors are being given more importance by researchers all over

2.9 It is imperative to have a strategy for any organization but at the same time even the best crafted strategy cannot ensure success. Chances of success increase manifolds when there exists a vibrant and realistic implementation mechanism. Success comes through interplay of numerous factors with dominant role of HR.

2.10 A growing number of studies have complex measures of HR practices. These are often used in multi-variate analyses, which also incorporate background variables like capital/labour ratios, firm size, industrial sector, and so on. But they only rarely include other direct measures of managerial effectiveness. This omission might mean that all aspects of managerial effectiveness are being represented just by the HR variables

2.11 There is an upward trend towards alignment of human resource initiatives with goals of organization with a view to achieve business success.

2.12 In essence the research on effectiveness of HRM can be captured by a number of questions:

- 2.12.1 What is effectiveness in the HRM perspective?
- 2.12.2 What are its indicators?
- 2.12.3 What are its predictors?
- 2.12.4 Can it be specified or measured?
- 2.12.5 Can it be related to particular perspectives, environments, behaviors or structures?
- 2.12.6 Is it a constant, or an ideal?
- 2.12.7 Does it change with time and organizational maturity?
- 2.12.8 Can it be sought, gained, enhanced, or lost?
- 2.12.9 Why is one organization effective at one time with particular set of HR practices and not at another with same practices?

### 3. DESIGN/METHODOLOGY

In this research all those papers which are published in prominent HR journals were scanned and those published during last five year period were kept under sharp focus. Papers pertaining to the field of HRM and organizational performance were categorized and examined in detail. Papers were qualitatively classified in accordance with selected dimensions. Process enabled the researcher to carry out a systematic review and explore new dimensions and those not adequately covered in the existing literature. It is a structured overview adequately reflecting upon salient and most pertinent aspects.

### 4. FINDINGS/RESULTS

A deep analysis of available literature enabled the researcher to explore new dimensions which are real contribution to the body of knowledge. It has been found that there is an increasing trend towards integrating traditional HR functions into wholesome strategic approach to human capital management. Some integration opportunities include:

- 4.1 Aligning employee goals with corporate goals
- 4.2 Linking reward and recognition programs to performance
- 4.3 Targeting learning and development toward performance gaps
- 4.4 Identifying skills and competencies of top performers for retention and succession planning

### 5. OTHER SIGNIFICANT FINDINGS ARE AS UNDER: -

5.1 Past research amply reflects that impact on performance will be far greater when HR practices are used in conjunction with each other instead of employing these in isolation. In other words, bundles of practices will result into more dramatic changes.

5.2 The strongest impact of HR practices can be observed in those organizations that have strong leadership able to differentiate between performances and give performance messages

5.3 It is imperative to carryout an ongoing goal review and get feedback from managers. The goals can be manipulated keeping in view various organizational and contextual factors.

5.4 Organizations usually operate on a piecemeal basis, by resorting to inconsistent choices of policies as a result of various pressures. Most of the literature in the area of human resource strategies ignores the actual process by which the strategies are formed and concentrates instead on the chosen policies and practices. This is an important gap.

5.5 Concept of fit is central to literature; several HR policies can only form an HR strategy provided it has an internal and external fit. Internal fit refers to consistency among set of HR policies in question and external fit is their congruence with firm's policy apart from HR.

5.6 It is important to engage the employees with motivation and ability in discretionary behavior through consistent HR policies.

5.7 Effectiveness of HRM policies largely depend on organizational culture, that requires a managerial style which is decentralized and expertise oriented.



5.8 HRM policies cannot affect organizational performance directly. Their impact is mediated by certain other factors including employee skills, attitudes, and behaviour.

5.9 Resource-based view of the firm became a central theme HR function in HRM literature during the 1990s. HR was considered as an asset adding value to firm thereby providing competitive advantage. Knowledge is considered as a source of competitive advantage that organizations can use SHRM to exploit.

5.10 Talent management is considered as core competency in the domain of HR expertise. Management of people with unique and valuable capabilities taken as strategic human resources has been established as a key role for the corporate HR function

## 6. CONCLUSION

The clear point made by management scholars who are deeply involved in organizational study is that good should not be considered as good enough as that line of thinking leads the organizations towards a state of decline and blocks the road to greatness. The challenge for today's managers is to move from "effectiveness" to "greatness" to increase the potential of the modern organization. HRM is an area that continues to evoke a lot of debate body of work in HRM is relatively small, and most of the questions are sorely in need of further attention. It is fashionable to raise questions about the viability of HRM because the research stream had mixed results. Criterion measures of HRM have not fully evolved fully therefore these cannot be utilized to compare organizations and evaluate the effects of HR practices.

## 7. RECOMMENDATIONS

An effort has been made in this research to close gap in research by examining the effects of HR practices. The results assist managers in finding appropriate HR practices. Few pertinent recommendations are:-

7.1 Significance of SHRM as an important tool of successful organizations when suitably aligned with organizational goals stands affirmed. Bundling of HR practices should facilitate the attainment of strategic objectives which are in larger organizational interest. In other words employees may be used as source of strategic competitive advantage.

7.2 It is imperative to build supportive organizational culture for HR practices, focusing on enhancing performance.

7.3 There is a need to narrow down the scope of ongoing research to those components of HR practices identified as feasible for organizational functioning and further refine the mechanics of their application.

7.4 Test of leadership lies in resorting to those HR practices that are likely to raise the performance to a new height. Therefore leadership should have clear vision and communicate these visions to the employees.

7.5 Concept of fit as perceived by researchers as highly pertinent, but how to achieve that particular fit needs further exploration. Synergetic effects of internal and external fit will equal the desirable level of organizational effectiveness.

7.6 In order to further the frontiers of knowledge it is recommended that some standardized framework accepted all over be evolved while making an effort to strike a kind of uniformity among key contextual factors. This will further expand the generalizability of results.

7.7 It is recommended that there is a need for research methods which offer remedies to the two major problems of the past:

7.7.1 Practitioners' access to and use of relevant research findings,

7.7.2 Researchers' access to and experimentation with "real world" situations.

7.8 More realistic relationships between researchers and practitioners would create a larger, more interactive community of interest among the producers and consumers of organizational research in the field of HRM. This could be achieved through researcher/practitioner partnerships based on mutual understanding of the benefits to be derived from research with engineering of effectiveness as its focal point.

## REFERENCES

- Baker, D. (1999). Strategic human resource management: performance, alignment, management. *Library Career Development*, 7(5), 51–63.
- Franc, Danya, o., Guedrib, Z., and Hatta, F. (2008). New insights into the link between HRM integration and organizational performance: the moderating role of influence distribution between HRM specialists and line managers. *The International Journal of Human Resource Management*, 19(11), 2095–2112.
- Gellatly, I.R., Hunter, K.H., Currie, L.G., and Irving, P.G. (2009). HRM practices and organizational commitment profiles. *The International Journal of Human Resource Management*, 20(4), 869–884.
- Gillian Maxwell, G., and Farquharson, L. (2007). Senior managers' perceptions of the practice of human resource management. *Employee Relations Journal*, 30(3), 304–322.
- Gooderham, P., and Nordhaug, O. (2010). One European model of HRM? Cranet empirical contributions. *Human Resource Management Review*, 21, 27–36.
- Hartel, C.E.J., Fujimoto, Y., Strybosch, V.E., and Fitzpatrick, K. (2007). *Human Resource Management: Transforming Theory into Innovative Practice*, Frenchs Forest, NSW: Pearson Education Australia.
- Hall, M.L., Hall, C.L., and Andrade, L., and Drake, B. (2009). Strategic human resource management: The evolution of the field. *Human Resource Management Journal*, 19, 64–85.
- Harris, L. (2007). The changing nature of the HR function in UK local government and its role as “employee champion”. *Employee Relations Journal*, 30(1), 34–47.
- Katou, A., and Budhwar, P. (2010). Causal relationship between HRM policies and organisational performance: Evidence from the Greek manufacturing sector. *European Management Journal*, 28, 25–39.
- Keegan, A., Huemann, M., and Turner, J.R. (2011). Beyond the line: exploring the HRM responsibilities of line managers, project managers and the HRM department in four project-oriented companies in the Netherlands, Austria, the UK and the USA. *The International Journal of Human Resource Management*, 1, 1–20.
- Lado, A. A., and Wilson, M. C. (1994). Human resource systems and sustained competitive advantage: A competency-based perspective. *Academy of Management Review*, 19(4), 699–727.
- McGinnic, J.P., Jameson, S.M. (2000). HRM in Hotels: focus on commitment. *Employee relations journal*, 22(4), 403–422.
- McKenna, S., Richardson, J., Singha, P., and Xu, J.J. (2010). Negotiating, accepting and resisting HRM: a Chinese case study. *The International Journal of Human Resource Management*, 21(6), 851–872.
- Minbaeva, D. (2008). HRM practices affecting extrinsic and intrinsic motivation of knowledge receivers and their effect on intra-MNC knowledge transfer. *International Business Review*, 17, 703–713.
- Othman, R.B., and Poon, J.M. (2000). What shapes HRM? A multivariate Examination. *Employee Relations Journal*, 22(7), 467–484.
- Shen, J., and Zhub, C.Z. (2011). Effects of socially responsible human resource management on employee organizational commitment. *The International Journal of Human Resource Management*, 22(15), 3020–3035.
- Steinmetz, H., Schwens, C., Wehner, M., and Kabst, R. (2011). Conceptual and methodological issues in comparative HRM research: The Cranet project as an example. *Human Resource Management Review*, 21, 16–26.
- Tharenou, P., Saks, A., and Moore, C. (2007). A review and critique of research on training and organizational-level outcomes. *Human Resource Management Review*, 17, 251–273.
- Tissen, R.J., Deprez, F.R.E., Burgers, R.G.B.M., and K. Montfort, V. (2010). ‘Change or hold: reexamining HRM to meet new challenges and demands’: the future of people at work: a reflection on diverging human resource management policies and practices in Dutch organizations. *The International Journal of Human Resource Management*, 21(5), 637–652.
- Turner, R., Huemann, M., and Keegan. (2008). A Human resource management in the project-oriented organization: Employee well-being and ethical treatment. *International Journal of Project Management*, 26, 577–585.
- Teo, S.T.T., Clerc, M.L., and Carmen Galang, M.G. (2011). Human capital enhancing HRM systems and frontline employees in Australian manufacturing SMEs. *The International Journal of Human Resource Management*, 22(12), 2522–2538.
- Werbel, J.D., and Demarie, S.M. (2005). Aligning strategic human resource management and person–environment fit. *Human Resource Management Review*, 15, 247–262.
- Zanko, M., Badham, R., Couchman, P., and Schubert, M. (2008). Innovation and HRM: Absences and politics. *The International Journal of Human Resource Management*, 19(4), 562–581.