

**Ph. D. Project Proposal**  
**Tilburg University, Faculty of Social Sciences.**  
*Department of Human Resource Studies*

# **Consistency among Multiple HRM practices: Conceptualisation, Measurement and Effects**

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## **3. Introduction of the research problem and research questions**

This research project focuses on the development and validation of a method for measuring consistency among practices in the management of employees, a field often referred to as Human Resource Management (HRM). With the increasing importance of the 'human factor' in modern organizations, HR-issues have become more salient to organizations that believe that people are their most important asset in achieving organizational goals.

Different streams of HR-consistency research can be identified, often divided in the categories 'external consistency' and 'internal consistency'. Both streams of research are in development because of the notion that in the case of external consistency the alignment of HRM practices (e.g. selection, training, pay, appraisal, job security, participation) with business strategy results in positive outcomes.

This research project focuses on the concept of 'internal consistency'. The idea central to internal consistency is the positive outcomes generated by consistent combinations of multiple HRM practices, where the effect of the whole is greater than the sum of its parts. Many authors already outline the idea that sets of consistent HRM practices can reinforce employee attitudes and behaviour (e.g. Wright & McMahan, 1992; Ichniowski et al., 1996; Guest, 1997; Baron & Kreps, 1999; Ostroff & Bowen, 2000; Boselie, 2002), but also that inconsistent combinations can be 'deadly' (Becker, Huselid, Pickus & Spratt, 1997) or create 'double binds that drive people crazy' (Schneider, 1999). Baron & Kreps (1999) describe the

desirability of internal consistency in terms of the desirability of messages sent out to employees being simple (by following the same principles) and supportive of the same theme. By HRM practices being internally consistent, employees know what is expected of them and what they can expect in turn.

Academic research on the effects of multiple HRM practices often proclaims to study internal consistency by defining sets of congruent HRM practices as a system. More specifically, it is suggested that systems of 'high commitment practices' increase organizational effectiveness by creating conditions where employees become highly involved in the organization and work hard to accomplish the organization's goals (Arthur, 1994; MacDuffie, 1995; Whitener, 2000). However, with the exception of Whitener (2000), researchers study the effects of high commitment HR systems on measures of organizational effectiveness without investigating the relationship between high commitment HRM practices and aspects of employee commitment. Stated is that very little is known about how and through which processes HRM practices influences organizational performance (Guest, 1997; Becker, Huselid, Pickus & Spratt, 1997; Ostroff & Bowen, 2000). Intermediate processes that ultimately affect performance outcomes are referred to as the 'black box' of the HRM-outcome link (e.g. Wright & Gardner, 2003). Unlocking the 'black box' means identifying HR-objects that are relevant to employee performance. Ostroff & Bowen (2000) state that an HR system is believed to be a complex set of practices that is designed to influence employees' attributes that are purported to be the mediating mechanism that links HRM practices and performance outcomes.

This proposal identifies the employee attributes of development, well-being and motivation to be general goals of HRM activities in creating employee commitment to the organization. Following Guest (1997) and Ostroff & Bowen (2000), it is expected that within the variety of HRM practices that an organization holds, different 'bundles' of HRM practices or configurations of internal consistent HRM practices are reinforcing and complementary towards these three different objects that link HRM and outcomes. This is shown in figure 1:

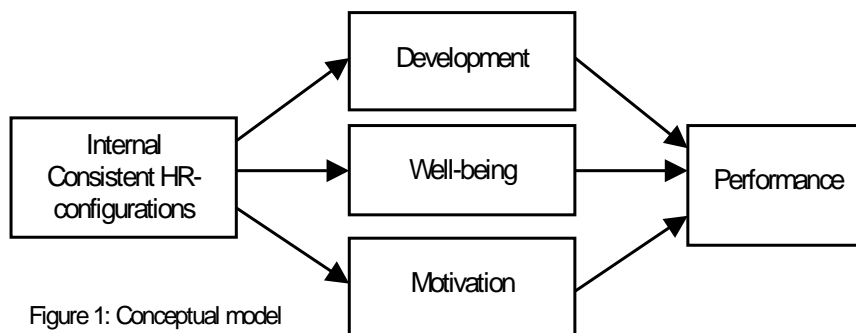


Figure 1: Conceptual model

Another focus of the research project is the conceptualisation of different configurations of internal consistent HRM practices towards employee development, well-being and motivation. In search for a clear rationale or clear rationales for the way any one practice reinforces the effectiveness of others, no explicit theories for the combined effect of HRM practices are present. Much of the effort done to identify internal consistent practices is by seeking statistical justification for fitting practices afterwards (Guest, 1997; Youndt, Snell, Dean & Lepak, 1996; Huselid, 1995). The statistical justification however raises questions on what the explanation of effects of internal consistency is. This study will concentrate on constructing a theory-driven framework for HR-consistency.

Finally, the measurement of consistent HRM practices is still discussed in recent literature. Wright & Gardner (2003) argue that regarding the level of analysis of HRM practices, most research has concentrated on identifying sets of HRM practices at the organizational level by using single-respondent measures of sets of HRM practices. But the assumption that HRM practices are invariable across large groups of jobs within organizations is not feasible, as Lepak & Snell (2002) pointed out. This suggests that lowering the level of analysis could give a more accurate insight in the variation of sets of HRM practices within organizations and across job groups or (business) units. Additionally, gathering data by using single-responses of HR-managers on which HRM practices are in place, probably gives no accurate reflection of reality. Such single-respondent measures of sets of HRM practices are subject to, for instance, the respondent's degree of accurate information. Therefore, Guest (1999) and Wright and Gardner (2003) have proposed to measure HRM practices through individual employee perceptions, since employees are the focal unit HRM practices aim at. As such, the research project will focus on the perception of employees on HRM practices.

Taken together, this research project aims at the development and validation of a theory-driven method for measuring internal HR-consistency towards employee outcomes as development, well-being and motivation. Further, it examines the contribution of consistency among HRM practices to employee performance.

With the notion there is little agreement among researchers on (1) what theoretical basis can be given for consistent combinations of HRM practices (MacDuffie, 1995; Guest, 1997; Ostroff & Bowen, 2000), (2) also very little has been done to test internal consistency (Purcell, 1999), and (3) little is known on which consistent HRM practices lead to which outcomes (Dyer and Reeves, 1995; Becker & Gerhart, 1996), this leads to the following research questions:

#### **4. Research problem**

The research problems central to this proposal are:

- ❑ Which different theoretical approaches to different configurations of internal consistent HRM practices can be identified and what are the implications for the conceptualisation of HR-consistency?
- ❑ How to measure the consistency among HRM practices?
- ❑ What is the effect of internally consistent HRM practices on employee outcomes and organizational performance?

#### **5. Elaboration of the research problems**

Working towards the development of an instrument for measuring consistency among HRM practices, three studies involve conceptualisation, a pilot study and the main study testing the effect of HR consistency on performance outcomes. These studies are reviewed below.

### **Study 1: CONCEPTUALISATION OF INTERNAL HR-CONSISTENCY**

#### **Background**

In defining which consistent configurations of HRM practices are related to the specific objects of development, well-being and motivation, different theoretical approaches can be taken. Working towards a conceptualisation of HR-consistency, some theoretical insights with respect to the combination of HRM practices that already have been made, are described in short here.

First, Guest (1997; 2001) refers to the variants of expectancy theory (e.g. Vroom, 1964) as a useful theory with respect to explaining the effects of HRM practices on employee outcomes through the enhancement of motivation. Variants of expectancy theory agree on the proposition that high performance at the individual level, depends on the motivation plus possession of the necessary skills and abilities and an appropriate role and the understanding of that role (Guest, 1997, p. 268). For the consistent combination of HRM practices Guest states there is a case for building on the variants of expectancy theory to combine three sets of practices concerned with competence (e.g. training and development practices or

staffing practices), motivation (for example job security, individualized reward systems) and role utilization (for example involvement practices, job design practices).

Second, Tsui, Pearce, Porter & Tripoli (1997) and Tsui & Wang (2002) treat several HRM practices as 'inducements' provided by the employer for expected contributions by the employee in four employment relationships approaches. For the primary conceptual foundation for the employment relationship framework Tsui et al. (1997) use exchange theories (e.g. Blau, 1964). Based on these theories HRM practices could be divided in job-focused and organization-focused HRM practices. Job-focused HRM practices (e.g. pay and short-term investments as job-related training) are consistent in a way they resemble an economic exchange that focuses employee attention on the work unit by formal goal setting, and rewarding unit performance. Organization-focused HRM practices (e.g. job security, participation, and career planning) are consistent in a way they resemble a more social exchange indicating the employer's investment in employees and in return investments of employees (e.g. learning new skills, investing in social relationships, flexibility) in the organization. This shows that by building on expectancy theory or exchange theory different bundles of consistent HRM practices arise towards different objects.

For the development of an instrument, more insight in different theoretical approaches is required. To review the work already done in this field, this study provides an inventory of different theoretical approaches towards HRM and its outcomes. The aim is to conceptualise this inventory of consistent HRM practices towards employee development, well-being and motivation.

## **Methodology**

To determine the conceptual structure of the concept of internal consistency we make use of facet analysis. Based on different theoretical approaches, this analysis is conducted to screen topics concerning HR and work practices and their relation with development, well-being, motivation within existing (empirical) literature and instruments. For an extensive screening the following guidelines are used:

- Literature and instruments are used within the field of organization of labour, Human Resource Management, social policy, work governance models.
- Literature and instruments can also concern other aspects than only HRM practices
- The instruments can range from questionnaires, interview methods, to checklists

For each theoretical concept of internal consistency towards the three separate objects, HRM practices listed in the various instruments will be identified. Finally, in this qualitative research consistent sets of HRM practices and measures are clustered.

## Product

A product of this study is a first review article on the concept of consistency:

ARTICLE 1: CONCEPTUALIZING CONSISTENCY AMONG HRM PRACTICES

## Conceptual Model Study 1

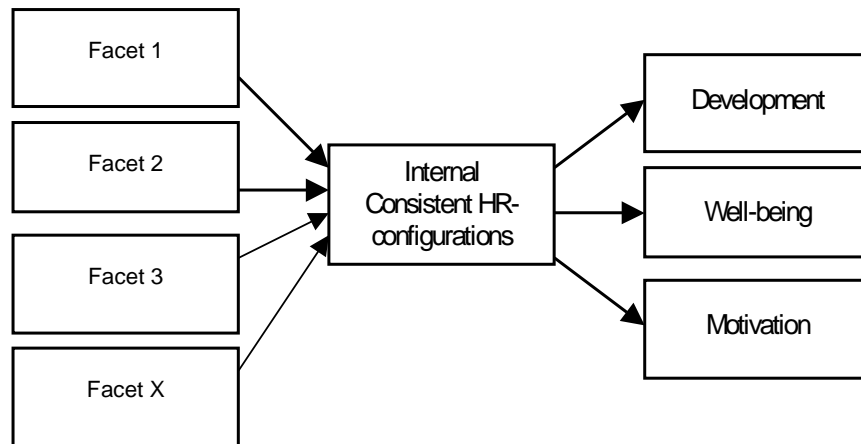


Figure 2 Conceptual model Study 1

## Study 2: PILOT PROJECT: MEASURING INTERNAL CONSISTENCY

### Background

After study 1 proposes which HRM practices theoretically constitute consistent sets of HRM practices towards employee development, well-being & motivation, the focus of study 2 is on the measurement of internal HR-consistency.

As noted above, consistency among HRM practices towards objects as employee development, well-being and motivation could serve as theoretical framework for identifying the link between consistency and performance outcomes. But how do we measure the different HRM practices? Do employees perceive the same HRM practices to be consistent towards these three objects?

Testing the reliability of different internal HR-consistency configurations towards these three objects of consistency is the main focus for the development of a measure for consistency among HRM practices.

This study contains a pilot project concerned with the development and testing the reliability of an instrument and procedure to empirically grasp the concept of HR-consistency as perceived by one of the stakeholders, namely the employees affected by them.

## **Methodology**

A pilot study will be conducted to develop a reliable instrument and validate the measurement of the concept of internal HR-consistency set out in study 1. Through self-reports, a sample of 300 employees will be studied on their perception of HRM practices in their organization. To ensure that the instrument will be applicable to a wide range of employees, we will use a stratified sample, stratified according to sex, age, job level, company size and working for a profit or non-profit organization. Employees are selected within this sampling frame.

Also the objects of development, well-being and motivation at an individual level will be studied by using commonly accepted scales. When possible, these first data will be collected through data collection within master thesis projects.

Internal consistency will be measured both directly and indirectly. Indirectly, by examining if theory-driven consistent configurations of HRM practices promote the objects of development, well-being and motivation. Directly, by asking employees which consistency among HRM practices promote the three proposed employee outcomes. Both methods are used to strengthen the concept of consistency.

## **Product**

ARTICLE 2: MEASURING INTERNAL CONSISTENCY: A PILOT PROJECT

### Conceptual Model Study 2

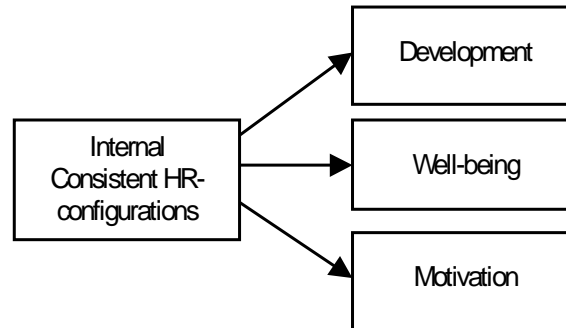


Figure 3: Conceptual model Study 2

## STUDY 3: EFFECTS OF INTERNAL CONSISTENCY ON EMPLOYEE PERFORMANCE

### Background

The final step within this PhD project focuses on the performance outcomes of the way human resource practices coexist in a consistent or inconsistent manner. Predicted is that individual performance is promoted by HRM practices being consistent towards the three objects that mediate this relationship. A major question still remaining in HRM research is how HRM practices relate to performance outcomes (Ostroff & Bowen, 2000; Guest, 1997). As noted earlier it is suggested that different theoretical mechanisms could serve as indicators of consistency among HRM practices that in turn affect different objects. The relationship between three HR-configurations towards development, well-being and motivation on the one hand and individual performance on the other hand will be tested to validate effective configurations of internal consistency examined in study 2.

### Methodology

Results from the pilot study will be used to validate the instrument and further develop the instrument. For the main testing of effects of HR-consistency configurations on outcomes employee development, well-being, motivation and ultimately performance, two case-organizations, one profit and one non-profit, will be selected to participate. To ensure that individual performance can be measured, the two organizations are selected on the basis of the use



of formal job appraisals. In each of the selected organizations a sample 200 employees will be studied.

The expectation is that by participating in the development of an instrument that can be used for own purposes concerning HR-decisionmaking, financial resources for his project could be ensured through mutual interest.

The instrument could serve as a HRM scan for organizations and, as such, improve their employee policies by giving insight in the mechanism and effects of their HRM practices.

Another goal is to establish long-term collaborations with interested organizations to keep track of the effectiveness of the instrument.

## Product

ARTICLE 3: THE VALIDATION OF AN INSTRUMENT MEASURING INTERNAL HR-CONSISTENCY AT THE INDIVIDUAL LEVEL

ARTICLE 4: PERFORMANCE-EFFECTS OF HR-CONSISTENCY AT THE INDIVIDUAL LEVEL

## Conceptual Model Study 3

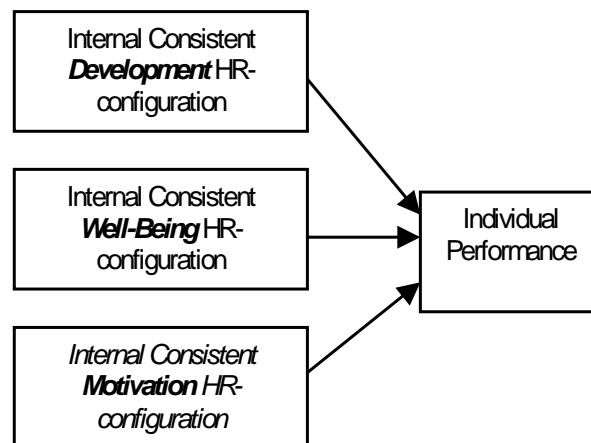


Figure 4: Conceptual model Study 3

## **6. Results & Relevance**

The most important result of the research project is a dissertation consisting of four academic articles. The practical and societal relevance of the project is mainly to establish evidence for the importance of HR-consistency and insight in how that affects the employees as well as the organization. In this way conceptualising HR-processes and visualising their effects make a contribution.

The relevance of this study lies in extending the literature on internal consistency by also taking the consistency-well-being link and the consistency-development link into account. Also relevant is linking the changing tenure to more performance-based practices to outcomes for well-being and development of employees.

Another relevant aspect is handing out HR-professionals a theory-driven framework and instrument to assess their internal HR-policy. Other stakeholders such as unions or work councils could benefit while negotiating wages and benefits in the light of consistency with other HRM practices already present.

A final point of relevance concerns the contribution to the research program of the department of Human Resource Studies (PEW) by providing tools for further research by the department.

## **7. Estimate of Costs**

Reproduction costs surveys (E 750)

## **8. Planning**

A preliminary planning for the PH. D. research project is:

### **Year 1: January 2004 – January 2005: Study 1**

- Literature Study
- Facet analysis
- Writing article 1
- Presenting papers at relevant conferences

### **Year 2: January 2005 – January 2006: Study 2**

- Pilot study
- Recruiting participants for study 3
- Writing article 2
- Presenting papers at relevant conferences

**Year 3: January 2006 – January 2007: Study 3**

- Start data collection study 3

**Year 4: January 2007 – January 2008:**

- Data-analysis
- Writing Article 3
- Presenting papers at relevant conferences

**Year 5: January 2008 – January 2009**

- Preparing dissertation
- Writing Article 4
- Presenting papers at relevant conferences

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