

# Gürhan Model for SHRM: Explorative Study

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Various studies explore strategic HRM. Two definitions dominate the theory yet in strategic human resource management (SHRM): Wright and McMahan (1992), and Devanna, Fombrun, and Tichy (1981). Gürhan model benchmarks those models with performance and strategy dimensions. Performance and strategy enable firms to achieve organizational goals. In SHRM definition, HRM contributes to firms' organizational objectives. Third dimension in the model is system. System increases impact of HRM practices on individual and firm performances. To conclude, Gürhan model combines variables of American HRM style: performance, strategy, system.

*Keywords:* strategy, system, performance, SHRM, model

## Introduction

International human resource management (IHRM) is related to expatriate management and MNCs (multinational companies); and strategic international human resource management (SIHRM) is related to organizational performance of local subsidiaries of MNCs. This study discusses concept of SIHRM.

In addition, 21st century would witness industry 5.0 near future in 2020s and 2040s. What kind of products firms produce in industry 5.0; and how does HRM react for industry 5.0? Industry 4.0 is open to global competition; there is globalization effect in industry 4.0 and severe competition emerges for industry 4.0 among firms due to technology and capital congruence.

Further, this study argues for Gürhan model in strategic human resource management (SHRM). Gürhan model is based on performance and strategy variables. Performance variable is related to Wright and McMahan (1992); and strategy dimension is associated to Michigan model by Devanna, Fombrun, and Tichy (1981). Because performance and strategy enable HRM departments to impact on firm performance, in American HRM, HR makes innovations, and those innovations increase performance of firm. Therefore, there are linear relations in American HRM between HR and performance. So, performance of intellectual capitals affects firm performance. Thus, in industry 5.0 to become competitive, firms are to invest in intellectual capitals.

## Gürhan Model and SHRM

There are several HRM models: Huselid model, Guest model, Brewster model, Michigan and Harvard models, Sparrow model, Australian model, Warwick model, others.

Huselid model is symbolized with high performance work systems (HPWSs). Harvard model advocates HR systems in management of HR. Michigan model argues strategic management in HRM (Devanna, Fombrun, & Tichy, 1981; Devanna, Tichy, & Fombrun, 1984). Harvard model also supposes personnel relations of Elton

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Mayo. Guest tends to importance of organizational behaviours in HRM. Organizational behaviours have positive impact on individual performance. Warwick model is in favor of contextual perspective in HRM. Brewster (2007) aims to develop European style of HRM, which tends to industrial relations.

In addition, Gürhan model intends to performance (individual performance). It is expected that firms apply HRM practices in structure to increase individual performance. Employees work for organizational departments and individual performance of employees has impact on performance of departments. And performance of departments increases firm performance. In addition, Gurhan model is based on two other factors: OBs (organizational behaviours) and talent management. OBs have positive impact on individual performance, and HR applies talent management in organizations to fulfill empty organizational positions.

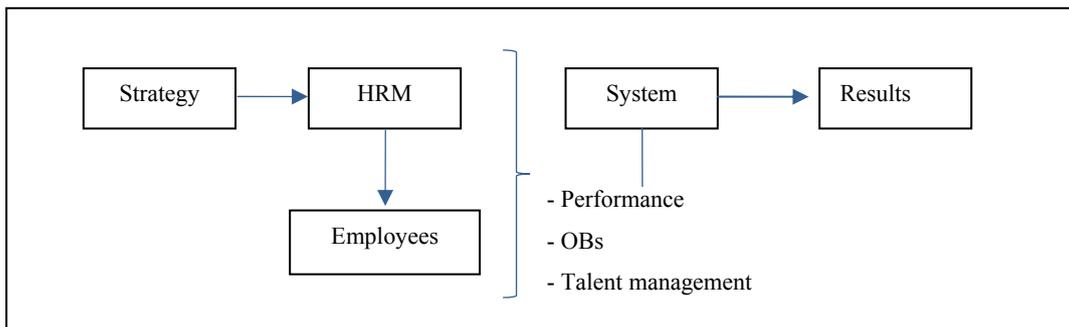


Figure 1. Gürhan model of SHRM.

Human resource management (HRM) is strategic in organizations. It affects organizational results through employees. HRM applies HR system to increase individual performance and firm performance. HR system is related with individual performance, OBs, and talent management. Finally, strategy, system, and HRM practices aim organizations to achieve expected organizational results.

### Contingency Towards European HRM

Brewster (2007) argues European HRM. According to Brewster, there must be European HRM, because Europe is culturally distinct than USA. There are Brewster model, Guest model, and Warwick model in European HRM. Australia, in addition, might be model for strategic HRM. There is personnel management in Europe; HRM has USA origin. Therefore, there might strategic personnel management in European HRM. This is first specific of European HRM.

Further, with impacts of Germany, European HRM has firm performance orientation. European HRM adopts firm performance orientation, which is similar to American HRM. This is second specific.

Firm performance orientation has universalistic perspective and it is linear relations between HR and firm performance. On the other hand, European HRM possesses contextual perspective. Context is industrial relations. This is third specific. Third and most specific of European HRM are industrial relations, because trade union and legal infrastructure were very strong in European economy during 19th century. In addition, personnel management started in Europe in 19th century.

To conclude, this study specifies three qualities for European HRM: industrial relations, firm performance orientation, and personnel management origin. Universalistic perspective has firm performance orientation, which is based on innovation. In American HRM, human resources make innovations and the firm achieves higher firm performance. Therefore, for European HRM, European workers know how to make innovations to

achieve firm performance. For example, as an HR, Steve Jobs developed smart phones, it is innovation, and it makes Apple company No. 1 in markets. Americans make innovation in their organizations via brainstorming and whistle blowing methodologies.

### **Concept of SIHRM: Issues and Trends**

Concept of SIHRM is related with expatriate and performance of subsidiaries. HRM is local and it is related with applying HRM practices. IHRM is related to expatriate management and MNCs. How do MNCs achieve performance in international operations? SIHRM concept searches for the answer. MNCs send expatriates for abroad operations such as Toyota. Toyota has plant in Sakarya, Turkey. Managers are from Japan. SIHRM searches for how Japanese managers could increase performance of Sakarya subsidiary or Hewlett Packard has operations worldwide such as HP Turkey, HP Hungary, HP Vietnam, etc. Expatriate managers are to increase performance of local subsidiaries.

To increase performance of subsidiaries in SIHRM notion, cultural adaptation is required, because culture is key factor in international human resource management and in Hofstede's approaches (2011). Hofstede (2011) explored impact of societal culture on organizational culture. Therefore, expatriates in abroad operations are to adapt culturally into local national culture to become successful in international operations. For instance, a Spanish automaker established plant in Bursa city, Turkey. However, the firm is not successful due to market integration and cultural factors. There was a conflict management between Spanish employees and local employees.

### **Human Resource Management and Industry 5.0**

There are four industrial revolutions at this moment: industry 1.0, 2.0., 3.0, and 4.0. Global economy experiences industry 4.0 started in 1990s. Industry 1.0 belongs to England in 19th century; industry 2.0 and 3.0 belong to USA economy through 20th century; industry 4.0 started with globalism and Washington Consensus in 1990s. There are isomorphism threats in industry 4.0. Each economy produces similar products and customers have customer choice dilemma and there exists severe competition. Industry 4.0 is ending today; and industry 5.0 would start at 2020s and 2040s. How would firms compete on industry 5.0? Answer might be human resource management and intellectual capital. Intellectual capitals are human resources of firm.

This study explores industry 5.0 with human resource management perspective. What would HRM make for competition? HRM is core competence of firm, and HR is intellectual capital. These two prominent factors of HRM make a company competitive, because HR may pursue differentiation strategy in competition, and there are isomorphism threats in global economy.

### **Conclusion**

How does HR become strategic in organizations? Because in SHRM, HRM or HR is strategic. If HR is associated with top-level strategies, which is called as strategic integration, HR becomes strategic. Secondly, there is resource based theory in HRM by Barney (1991). HRM theory is based on Barney's (1991) resource-based concept. Employees are resource and capital (asset approach) in SHRM. Therefore efficiency of resources gains priority. Effective HR enables firms to achieve organizational objectives, because SHRM is that HR enables firm to achieve organizational goals.

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