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# Fifth Definition for Strategic HRM: HRM Involvement

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This study aims to contribute to development of SHRM field. Because personnel management and human resource management are in practice by firms, however, firms do not apply strategic HRM yet. There are four definitions of SHRM so far. This study presents a new approach for the development of the field. It is HRM involvement. HRM involvement is related to appointment of managers and board of directors. Because board of directors appoints managers in firms, HR must be member of board of directors. Because managers achieve firm performance (market share and profit), and Board of Directors appoints managers. Therefore, HRM manager must be involved with board of directors to affect appointments. This study uses semantic content analysis and systematic review methods as a research methodology. To conclude, organizations may apply strategic HRM through strategic HR Directors at top level, appointment of C-level Executives and HRM involvement.

*Keywords:* Strategic HRM, HRM involvement, board of directors, appointment of managers.

## Introduction

This study aims to contribute theoretical development of strategic HRM. Because SHRM is not applied by global firms. 5th definition is related to HRM involvement, which is to affect appointment of managers at top management. HRM departments are to be involved with top management to affect appointment of managers. Therefore, HR must become member of board of directors. Aim of fifth definition is to put SHRM into practice (SHRM: strategic human resource management).

There are accepted four definitions of SHRM so far: strategy dimension, firm performance dimension, HR system, and human capital. Strategy dimension is related to HRM involvement, i.e., HR strategies must fit to top strategies. Therefore, HR department is to be member of board of directors to affect top level strategies. Internal fit and external fit are important in fit approach. In firm performance dimension, individual performance and performance of managers are important to achieve firm performance. Further, HR system improves individual performance of employees, and it affects firm performance via individual performance. Human capital is related to employee skills, and it affects products of firm to increase firm performance.

HRM departments are to affect appointment of managers at top level. Top level means board of directors, because board of directors in organizations implement appointments in firm structure. In summary, so far there are three definitions of strategic HRM: strategy, performance, and HR system. In the final step, there is discussion of human capital dimension in development of strategic HRM. Uysal (2022a) also discussed managers dimension in strategic HRM. Because managers achieve firm performance via their individual performance. Sustainable HR is related to corporate performance, and it relates functions of HR with corporate performance (Faisal, 2023).

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Sustainable HR, therefore, is related to strategic HRM. Therefore, talent management is key to achieve organizational performance for firms. For example, because line managers are important in effective management of firm.

Aim of this study is to contribute theoretical development of strategic human resource management (Strategic HRM). Because for the past 40 years, strategic HRM is a field that is not practiced by firms yet. Researchers say HR systems and human capital may put SHRM into practice. HR system is related to HRM involvement through internal fit and external fit. Internal fit is related to bundles of HRM practices; external fit is related to involvement of HRM department with top management in HR-related decisions. To apply HR system in organizations line managers are to have system mentality in their mind, because managers are to apply HR system.

This study makes two practical definitions for the theoretical development. First definition of strategic HRM is related to appointment of C-level executives (Uysal, 2023a), second definition of strategic HRM is related to board of directors. Definition of board directors is related to HRM involvement; and definition of C-level executives is related to performance. Because C-level executives manage the corporates and managers increase firm performance, and HRM involvement exists in board of directors. Accordingly, those two new definitions may contribute to theoretical development of strategic HRM field.

In addition, firms may implement strategic HRM by establishing strategic HR Director position at top level management. Further, in addition to corporates, smaller firms may apply strategic HRM via establishing strategic HR Director position in HRM department as supervisor role like personnel supervisors.

## First Definition: Appointment of C-Level Executives

C-level executive is related to performance and talent management. Therefore, CHRO must be involved with appointment of C-level executives. Because duty of CHRO is to track talents inside organizations. For example, it applies career planning for talents. Duty of CHRO is to pick up talents for next positions in organization. Talent managements are related to career planning and succession planning. CHRO may implement strategic HR Director role also, or corporates may establish separate strategic HR Director position at top level.

In addition to talent management role CHRO also involved with appointment of managers at top level. Business units are finance manager, marketing manager, accounting manager, etc. in organizational structure, and those managers achieve firm performance in units. Therefore, HR manager or CHRO is to be involved with appointment of managers. For example, regional sales director may affect market share in its region, and market share means more giro. Market share and giro reflects profits in organizations, because if all regional directors increase market share of company’s products in their region, performance of firm increases due to giro and profits.

There may be three new roles for CHRO position: talent management, HR systems, appointment of managers, and becoming strategic HR Director role. If separate role, strategic HR Directors implement talent management, HR systems, and involved with appointments of managers either at top level or inside HRM department.

## Second Definition: Board of Directors

HR managers are to be member of board of directors, because HR managers or CHRO is to affect appointment of managers at top level due to HRM involvement role. Definition of HRM involvement is to intervene HR in appointment of managers at top level management. HR must be involved with appointment of managers in firms and appointment of executives in corporates, because line managers affect firm performance in business units, and C-level executives affect firm performance at top level.

HRM involvement is strategic partner role of HR department. HRM involvement requires talent management in organizations; therefore, HR executives are to implement talent management for HRM involvement. Talent management can be applied in organizations through succession planning.

Fifth definition of strategic human resource management (SHRM) is related to HR involvement and becomes board of directors. HR involvement is that HRM department affects top level strategies, and affects magerial decisions at top level, and affects appointment of managers at top level management. Therefore, HRM must be a member of board of directors to improve involvement. This approach is related to first definition of SHRM by Michigan School, which is maybe associated with strategic management (i.e., strategic planning of firm). At the beginning, it is discussion that HRM must be member of board of directors to affect top level strategies.

Aim of this study is to practice SHRM in organizations. Therefore, study suggests phases for practice. To apply strategic HRM in organizations it needs strategic management, HRM involvement affects appoint of managers, HR systems, human capital, and talent management. Further, firm management may start new positions. It is strategic HR Director role, or CHRO may take on new responsibilities related to strategic HRM roles.

Uysal (2023a) presented first current definition of SHRM, which might be related to appointment of C-level Executives. Second current definition is that HRM departments are to be member of board of directors to affect top level magerial decisions. Third step is strategic HR Directors positions. Global firms began setting strategic HR Directors position in organizational charts. Role of strategic HR Directors is to determine appointment of managers at top level, either appointment of C-level Executives or appointment of managers in business units. HRM departments may practice SHRM by these three steps.

Because applying strategic HRM may be more appropriate to corporates or holdings, and because they have C-level executive position, firms also may apply strategic HRM. For that, corporates may position strategic HR Directors at top management, and firms may position strategic HR Directors inside HRM department.

## Methods

This study uses two major research methods: systematic review methodology and heuristic method. Both methods are based on in-depth literature review. This study scans EBSCO database for literature review for semantic content analysis. Therefore, third method of study is semantic content analysis.

EBSCO has 26 sub-databases. Further, in systematic review method researcher may develop research questions, and it replies research questions by articles of well-known authors.

This study has qualitative research to produce scientific knowledge. Therefore, it uses systematic review method and semantic content analysis. Research questions are developed upon heuristic method. Heuristic method is built upon cognitive knowledge.

Thus, research questions of this study are as follows:

RQ 1: Fifth definition of SHRM is HRM involvement?

RQ2: HR managers are to be member of board of directors to implement HRM involvement.

RQ3: CHROs take on new roles related to strategic HRM, or strategic HR Directors are separate positions and implement strategic HRM related roles in organizations?

Research questions are replied by methods of this study such as heuristic method and cognitive knowledge.

## Discussion

There are three keywords in HRM field: performance, talents, and skills. Performance is related to corporate performance by managers and executives; talents are related to appointment of managers, and skills are related to human capital.

In American HRM competence is related to human capital, because competence includes (skills + task performance). In England scholars call it as job performance; in USA it is called as task performance. Both are related to firm performance because David Lepak, Rutgers University, defines human capital with skills. In strategic HRM employees are considered as workforce and organizational resources, i.e. core competence of firms; therefore, employee performance affects firm performance because employees are vital resources of firms (rare, not imitated). Therefore, employees become intellectual capital of firms in 21st century competition due to core competence role.

Hossain et al. (2023) find that HRM practices affect employee attitudes and behaviours in Bangladeshi context. For example, training and development and compensation and reward strongly affect employee attitudes and behaviours in Bangladesh. According to social exchange theory, positive attitudes and behaviours of employees toward their jobs improve organizational performance (Chourasia, Bahuguna, & Raju, 2023).

## Conclusion

Board of Directors are related to HRM involvement, and C-level executives are related to achieve corporate performance.

There are four performances in HRM literature: individual performance, task performance, job performance, and firm performance. According to theory, employee performance affects firm performance through job performance. Because job performance increases performance of departments through job definitions, and performance of departments in businesses may increase firm performance. In Turkey HRM practices affect firm performance; in USA HRM practices affect firm performance. Therefore, there is “effect” notion in HRM theory. A well-known article in 1992 by P. M. Wright says that HRM “affects” performance of firm, i.e. deployment.

Finally, in global perspective, firms may apply strategic HRM by positioning new roles as strategic HR Director position in organizational structure. Firms put strategic HR Director positions inside HRM department to apply strategic HRM. Corporates or holdings may put strategic HR Director at top level, title of position may become either CHRO or strategic HR Director. Major duty of strategic HR Director or CHRO or strategic HR supervisor may be HR system, HRM involvement, and talent management, because HRM involvement involves talent management and appointment of managers, because aim is to put SHRM into practice in firms. Further, in SHRM field, moderator between SHRM and firm performance is HR systems. HR system has two dimension: bundles of HR practices and managers because managers apply HR system in organizations. Therefore, managers must have HR system ability in mind. Bundles are related to internal fit and managers are related to external fit in fit approach to SHRM.

How does HRM and SHRM affect performance? What are the moderators? Individual performance of employees increases firm performance through task performance or job performance.

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