Abstract

Now a day's the business environment is totally different from the old traditional style. The main reason for this change is market competition because the business environment is getting more competitive with the passage of time. In order to address this type of competitive environment practitioners and researchers have start thinking about the improvement of organizational development with various aspects. Various types of activities have been developed to provide competitive advantage to organizations. These activities are JIT (Just in time) which aim to produce right material or products with the necessary quality and right quantity at the appropriate time. TQC (cellular working and total quality control) is another activity associated with JIT. Cellular working group combines processes and mechanics to with a multi-skilled work force to enhance flexibility.

In the same time employees management also got very importance particularly in the west as they observed the Japanese organizations. Japanese industries developed very fast and it was a threat for west. Writes and researchers in the west found that employees are one of the main assets in Japanese industry. To follow the Japanese example the west has developed their personnel department which was later on converted to human resource management. The contribution of this
work is to critically evaluate approaches and models of strategic human resource management.

1. Introduction

Generally speaking HRM is about the management of an organization's workforce. Most definitions of HRM include normative elements which states that HRM is concerned with activities that are undertaken to achieve specific goals. For example, according to Boselie (2002) "Human resource management involves management decisions related to policies and practices which together shape the employment relationship and are aimed at achieving individual, organizational, and social goals." Schermerhorn (2001) has defined HRM in the following way: "Process of attracting, developing and maintaining a talented and energetic workforce to support organizational mission, objectives, and strategies".

About the development of HRM practices De Nijs (1999) said that the main objective of HRM is to organize and utilize the functions of personal management (selection, appraisal, reward and development) in such a way, that there impact on organizational performance is maximized. Boselie (2002) stated that the success of HRM practices depends on the horizontal and vertical fit of an organization's HRM. Horizontal fit refers to the necessary integration of individual HRM practices, while vertical fit implicates the necessary match between human resource policy as a whole and the organizational strategy.

According to Michigan approach, HRM should only be concerned with maximising organizational goals. Storey (1992) said that employees are resources that should be managed in an efficient and effective way. Motivation
and well-being of employees may be relevant, but only to the extent that they influence employee and organizational performance. Rest of this paper has been organized as follows. In section 2, related work is presented. In section 3, a critical evaluation of approaches and models on strategic human resource management is discussed. Conclusion and future work is given in section 4 and references are listed in section 5.

2. Related Work

The Japanese industrial growth has surprised the West and America with all aspects, production, quality and revenue etc, so their researchers have started to find out the secret of their business growth. They found that the secret of their growth is human resource management. A Japanese industrialist addressed the business community of West in U.S.A in 1978 and said that “We are going to win and the industrialize west is going to lose... the reason for your failure is within yourselves. Your bosses doing the thinking and workers wield the screwdrivers. You are convinced deep down that this is the right way to do business. For you the essence of management is getting the idea out of the heads of bosses and into the hands of labours” Storey et al (1992). This speech had a great affect and to follow the Japanese industries West has started to structure a plan for their work force management. So in this way they have integrated human resource management with their business strategies. The integration idea has opened another chapter in the business of west which we now call strategic human resource management.

Erickson & Dyer (2004) argued that strategic human resource management (SHRM) is concerned with the
contributions human resource strategies make to organizational effectiveness, and the way in which these contributions are achieved. To maximize the firm performance. Human resource management together with strategy can maximize the firm performance. Organizational effectiveness is also very important. SHRM enhances organizational effectiveness regardless of organizational goals, work system, or context. Many writers suggest that the extent to which human resource strategy contributes to organizational performance depends on its capacity to foster desired employee behaviours. Despite of this appeal behaviour approach has only rarely been employed. Si it means that there are still an opportunity to develop SHRM model by using behavioural approach. Legge (1995) stated that in order to achieve goals and objectives organizations need to use human resource effectively. In other words we can also say that for successful operation of SMEs there should be a link between human resource management and business strategies. Because of the relationship between human resource management and business strategies the literature uses another word which is called strategic human resource management (SHRM).SHRM has a key role in enhancing organizational effectiveness, maximizing organizational performance and achieving the firms objectives but.

On global level SHRM still facing some series challenges. These challenges are: (1) frequent ambiguity about human resource management authority, (2) multiple independencies among subsidiaries, (3) increased uncertainty about sustainability of network flexibility and efficiency, (4) possible discontinuities in security top level
support for changes in human resource management systems, and (5) difficulties in acquiring the multiplicity of skills and competencies required for effective global SHRM in knowledge sharing. On the other hand Aldrich & Whetten (1981) showed a set of network activities which can help to overcome on global SHRM challenges. Those activities are, (1) communication aspect, (2) exchange aspect, (3) normative aspect. The communicating aspect of relational content in a global network refers to the human resource management related information apprehension among network members. The exchange aspect is related to operating human resource management aspects supporting the flow of goods and services. Where as the normative aspects reflects shared expectations that network members have of one another based on some social features i.e. culture.

3. Critical Evaluation

Much more work has been done on human resource management field to enhance its effectiveness in organizations. However Butler et al (1991) said that more recently, writers have begun to approach the area of HRM from a much more macro-orientation-that is called SHRM. For example, Schuler and Walker (1990) noted that human resource strategy referred to a short term focus on businesses and defined it as “a set of processes and activities jointly shared by human resources and line managers to solve people related business problems”. SHRM is concerned with ensuring that “human resource management is fully integrated into strategic planning; that HRM policies cohere both across policies areas and across hierarchies and that HRM practices are accepted and used by line managers as part of their everyday work”. The best definition of SHRM
came from Schuler (1992) who stated that “all those activities affecting the behaviour of individuals in their efforts to formulate and implement the strategic needs of the business”.

In other words, we can say that SHRM is a macro-organizational approach to view the role and function of HRM in the large organization. McMahan and Wright (1992) has defined SHRM as the pattern of planned human resource deployments and activities intended to enable an organization to achieve its goals. This definition highlights two important dimensions that distinguish it from traditional HRM. First, vertically, it makes the link of human resource management practices with strategic management process of the organization. Secondly, horizontally, it emphasizes the coordination among the various human resource management practices. According to many writers integration of SHRM and business strategies is very useful for the growth and development of many organizations. Researchers are trying to integrate HRM and business strategy. This integration is depending on the level, size and standard of organizations. But what are different levels, sizes and standards of organization in which this integration occurs. For this reason we can study the following models or schools to get an idea how SHRM and business strategies are integrating in different organizations to achieve their goals.

3.1. Strategic HRM. Best Fit or Contingency School

According to Boxall and Purell (2003) ‘best fit’ school covers a rang of models which advocate fitting HR strategy to the surrounding context. The surrounding contexts are then better explained by Baird and Meshoulam (1988) that HR activities, like structure and
systems, should fit the development stage of organization. Baird and Meshoulam (1988) also argue for 'internal fit', for the need to ensure that individual HR policies are designed to fit with and support each other'. They also argue that most of best fit models are concerned with what is meant by external fit and how to achieve it. For best fit model a pharmaceutical example can be considered. A pharmaceutical company is marketing neurological products in the market. For this purpose their recruitment policy will be select new employee according to their external market demand i.e. a person having experience in marketing neurological products. This example shows that the company has defined their core competencies and in order to maintain it the company need to fit their HR strategy in this situation. Baird and Meshoulam (1988) also call the external fit as vertical fit which means more flexible style in new firms and more formal and professional style in well established and big firms. This view can be explained by the above pharmaceutical example. The company need to be more flexible and relax in recruitment process and can make their recruitment policies more formalize later on.

3.1.1. Criticism on Best Fit Model or School

this model emphasise on the alignment of HRM with competitive strategy and it fails to recognize the need to align employee interest with the firm. While logics suggest that it is important to fit HRM to its competitive contexts because firms need the skills of people who can operate in their chosen market. In the above pharmaceutical example if the employees do not have enough skills and experience of the field then how
they can operate effectively in the external market. Boxall (2000) has also criticised the competitive strategy of best fit model that it need to be flexible for the future market changes. This criticism reinforce the point that the strategic goals of HRM are complex and the management will be unwise to focus solely on fit with any single variable in HRM because the objectives of labour management in the firm are inevitable plural-they cannot be encapsulated in one goal or summarised in a single theme

3.2. Strategic HRM. The 'Best Practice' School

Boxall and Purcell (2000) have argued about best practice model that all firms will see performance improvements if only they identify and implement best practice. This argument brings quite a different understanding of the problem of integrating HR strategy with the rest of the business strategies. Integration with strategic management, in this conception, is about giving best HR practices. Eilbert and Crichton (1959) have studied individual best practices within the major categories of personnel work-such as selection, training and appraisal. During both world Wars, for example, a lot of energy was put into improving practices for officers selection and also into the training and motivation.

Dyer and Reeves (1995) said that there is enormous variety in the numbers and types of practices that are deemed to constitute a suitable model or system of best practices. Wood (1996) finds it useful to describe most of these models as 'high commitment management' (HCM).

Arguably, the model that has highest profile with parishioners at the present time is associated with US writer
Jeffery Pfeffer's (1994) list for 16 practices of competitive advantage through people. One interesting point about Pfeffer's list of practices is that both high pay and high pay compression are deemed desirable. This means that people should be paid well but huge variation in their pay should be avoided so is to encourage teamwork and a sense of common destiny.

3.2.1. Criticism on Best Practice Model

Becker (1997) said that the most obvious criticism of best practice models has already been intimated- there sheer diversity lists of desirable practices vary significantly. While we can all agree to avoid practices which are obviously dysfunctional or illegal, debate sets in after this point. Beyond a certain level of obviously sensible practices, managers start to think about their unique context. This naturally engenders diversity rather than uniformity in HRM. Secondly, when definitions of best practice, are drawn from the four favourite sub-functions of industrial Psychology- selection, training appraisal, and pay- they tend to be weak or silent on the collective issues of work organisation and employee voice. Marchington and Grugulis (2000) said that one part of the above problem is that practices seem to become ends in themselves, apparently disconnected from the company goals in its specific context. Another part of the problem concerns the divergent interests represented in the firms whose goals are being served. Best practice models are typically silent on these sorts of tensions. And what if a good practice model is good for executives but not good for either shareholders or waged workers? Arguably this is a main problem for many companies directors who are...
dismissed or ‘let go’ because of disappointing performance. They benefit but the company and its other employees typically lost out. Pursuing these sorts of questions inevitably embarrasses models of best practice.

### 3.3. Resource Based Model to SHRM

According to Hendry and Pettigrew (1986) resource based model, human resource strategies must be integrated with organizational strategy in the sense that they must be mutually supportive. Kamoche (1996) said that this is the human resource based view of SHRM, where the firm is seen as a bundle of tangible and intangible resources and capabilities required for products/market competition. Kamoche also said that it is important to recognize that the resource based view emphasizes not simple competitively valuable human skills, knowledge and aptitudes, nor easily imitated SHRM techniques and projects (payments system, TQM etc.), but historic organizational systems (cultures, structures, relationship) which attract, retain, motivate, develop and deploy these competitively advantageous and hard to imitate skills and resources. Kamoche also said that the importance in this respect of the firm ability to generate the stock of knowledge and collective learning that enable it to provide core product/services.

In 1970s British writers were beginning to make a distinguish between hard and soft versions of SHRM. Among these writers one was Morris. Morris (1974) said that human resources and resourceful humans are two are two different versions of hard and soft SHRM. Human resource version represents a strategy to treat the staff like a resource of the organization, while the resourceful humans version
represent attempt to develop and utilize the creativity and resourcefulness of staff for benefit to employer and individual.

Schoenmaker (1990) said that the resource based approach emphasizes the ability of the organization to manage the appropriability of employees’ skills and knowledge. Appropriability refers to the different capacity of organizations to benefit from the utilization of their resources and capabilities, attracting and retaining relevant personnel, building and developing their expertise through development and learning systems and relationship, rewarding and sharing expertise and learning.

Prahalad and Hamel (1994) said that some contribution to the human resource base model stress the ability of the organization to attract, develop, retain, deploy, skills and aptitudes of its staff. Others take a slightly different view, stressing the ways in which organizations differ in their historic and collective learning about and around key organizational activities—production skills, R & D, design, supplier management etc. For Prahalad and Hamel these are the organization core competencies which are the collective learning in the organization, especially, how to coordinate diverse production skills and integrate multiple streams of technologies.

3.3.1. Criticism on Resource Based Model

In the above paragraph Prahalad and Hamel (1990) has explained the core competencies of resource based model but they also criticised this model that this model focuses on the differences between firms as sources of competitive advantage, but some time it ignores some common base line characteristics of
industries which account for their legitimacy in particular industry. Slade and Kotey (2005) has also criticised resource based approach in the sense when the firms are getting formalized. They said that in such type of situations the firms need more resources to formalize their HR practices.

4. Conclusion and Future Work
Strategic human resource management (SHRM) is concerned with the contributions human resource strategies make to organizational effectiveness, and the way in which these contributions are achieved. SHRM has a key role in enhancing organizational effectiveness, maximizing organizational performance and achieving the firms objectives. SHRM and business strategies is very useful for the growth and development of many organizations. Researchers are trying to integrate HRM and business strategy. This integration is depending on the level, size and standard of organizations. But what are different levels, sizes and standards of organization in which this integration occurs. For this reason we have critically evaluated various models or schools to get an idea how SHRM and business strategies are integrating in different organizations to achieve their goals. In future, we intend to contribute our research findings with the ongoing research in this area.

5. References


