

## Review of Strategic Human Resource Management

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**Abstract:** searching for the key word "strategic human resource management" in CNKI and doing quantitative visualization analysis, it is found that the research on strategic human resource management by Chinese scholars started in the 1980s, got the attention of academic circles at the end of 1990s, reached the climax of academic contributions in 2013, and then the number of literature decreased year by year. After analyzing the key words in the literature, it is found that organizational performance has always been one of the themes that scholars study strategic human resource management. In this paper, after reading part of the literature, the relevant research conclusions are sorted out.

### 1. Introduction

Since the 21th century, with the development of economic globalization and science and technology, the competition among enterprises has gradually evolved into the competition of "innovative technology", especially the rapid development of artificial intelligence technology in recent years, more and more business operators have realized the importance of "technological innovation" to the future of enterprises. There are many factors that affect the technological innovation of enterprises, such as management policies, organizational culture, etc., but in essence, technological innovation should be ultimately implemented on the "people" and the innovative talents represented by R & D personnel. Only by continuously encouraging innovative talents to invest in creative activities, giving full play to their smart talents and realizing their innovative value, can organizations achieve better innovation results and improve enterprise performance. How to select, cultivate, retain and use "talents", and how to make "human" wisdom finally devote to the improvement of organizational performance, etc. in the answer to these questions, the practice of strategic human resource management plays an important role. The management of enterprise talents should stand on the height of enterprise strategy. Wei Haibo, Li Xinjian, etc. (2018) believed that the matching relationship and degree of fit between human resource management strategy and enterprise strategy would profoundly affect the implementation effect of strategy and the acquisition of sustainable competitive advantage.

Zhao Shuming and Sun Xiuli (2016) believe that strategic human resource management is a kind of resource integration activity that integrates human resources into the strategic level of an enterprise in order to achieve the internal consistency and external integration between people and the organization. Compared with the traditional human resource management practice, it pays more attention to the value transmission of human resource management elements at the strategic level and the organic relationship between various relevant components. When the organization's human resource management matches with the organizational strategy, it will have a great impact on the enterprise. Wei Haibo, Li Xinjian, etc. (2018) obtained the matching mode of internalized HRM strategy--Defensive Competitive Strategy through sample survey data, which has a significant positive impact on the organization's adaptive performance. Xu long and Gao Suying (2015) found that HRM systems implemented by enterprises with different competitive strategies were significantly different. The enterprises adopting cost leading strategy tend to implement HRM system

of taking out, while the enterprises adopting differentiation strategy tend to implement HRM system of taking in. According to their own strategic objectives, enterprises develop business level strategies: reduce costs or achieve differences. In order to achieve the strategic goal, HR practice is also biased. Under the cost leadership strategy, HR must reduce human capital investment as much as possible to reduce human cost. Under the differentiated strategy, enterprises need more specialized personnel to meet the strategic needs, and the labor market is difficult to meet the needs. Since the term "strategic human resource management" was put forward by Devanna in "Human Resource Management: a strategic view" in the 1980s, some important theoretical issues such as the external fit between HRM activities and organizational strategy, the systematic fit between HRM activities themselves and the internal fit, and the strategy of HR have become the focus of scholars' attention. Strategic human resource management theory research and management practice gradually rise.

## **2. Literature review**

### **2.1 Definition of SHRM**

The theoretical research and management practice of strategic human resource management originated from the article "Human Resource Management: a strategic perspective" published by Devanna, Fombrun, etc. In the thirty years of its development, scholars have made different understandings of the theory. Wright and McMahan (1992) believe that strategic human resource management is "a series of planned human resource deployment and management behaviors to enable enterprises to achieve their goals". Schuler (1992) divides strategic human resource management into several different parts, including philosophy, policy, project, practice and process of human resource management. Each part contains the content of strategic human resource management. They are connected with each other through the organization level and become a whole. The purpose is to make more effective use of human resources to meet the strategic needs of the organization. Chadwick and Capelli (1999) defined the strategy in strategic human resource management as "the relationship between human resource management practice and policy and organizational output"; Zhou Jie (2008) believed that strategic human resource is the process of enterprise's development strategy, in which human resource is considered to be raised to a strategic height and human resource is used to obtain competitive advantage. Zhao Shuming believes that strategic human resource management is a planned mode of human resource use and various activities aimed at enabling organizations to achieve their goals. Wei and Lau (2005) believed that strategic human resource management not only includes all human resource activities that affect the behavior and investment of individual enterprises in the process of formulating and implementing strategic needs, but also includes the policy level and human resource integration of different functional levels in order to achieve enterprise goals. Wright, Dunford and Snell (2001) divide strategic human resource management into three parts, which are human resource management practice system. On the one hand, the system should be internally consistent (horizontal integration), and match with organizational strategy, culture and other relevant practices (vertical integration); human capital accumulation and organizational member relationship and behavior.

Allen M.R. Wright P.M. (2006) sorted out the literature related to strategic human resource management theory, and summarized two research paradigms, namely, behavior based and resource-based research paradigms. The former emphasizes the strategy of HRM, while the latter highlights the strategy of HR. Strategic Human Resource Management Based on behavior is deeply influenced by industrial organization theory based on "structure behavior performance" paradigm, which focuses on how human resource management can improve organizational performance. There are three main theoretical models of strategic human resource management based on behavior based research paradigm, namely contingency model, system model and form model; there are two main theoretical models of strategic human resource management based on resource-based research paradigm, namely the research model of the relationship between HR strategy and sustainable competitive advantage of organization based on Resource-based view and the research model based

on core competence view Research mode of strategic HR development and sustainable competitive advantage of organization.

Although scholars have given different definitions of strategic human resource management, they can see from their definitions that strategic human resource management is to put the allocation of human resources in the height of enterprise strategy. All human resource activities of enterprises are to achieve the objectives of enterprises, and human resources are regarded as the key factor to determine the success or failure of enterprises.

## **2.2 Dimensions and measurement of SHRM**

The dimensions and measurement of strategic human resource management are mainly from CNKI, mainly including the following: Sun Rui, Li Shuwen, etc. (2018) divided strategic human resource management into four dimensions, namely, focusing on employee recruitment and selection, focusing on career development, focusing on performance evaluation and effective compensation. The author uses a questionnaire based on Lepak et al., combined with Jaw et al., Delaney et al., There are 14 items in the questionnaire, including "our company attaches great importance to the personnel selection and recruitment process", "our company has a clear planning and design on the staff work conversion", "our company's performance evaluation of staff is based on the work results", and "pay to staff is focused on". The questionnaire is supplemented by the questionnaire and expert interviews. In terms of long-term performance, timely incentives will be given to achieve short-term goals", etc., which are measured with Likert five point scale. The Cronbach  $\alpha$  coefficient of the scale is 0.9, which has a high reliability.

Sun Rui (2014) divides strategic human resource management into six dimensions, including focusing on performance, reasonable authorization, extensive training, career development, decision-making participation and supportive compensation and benefits. Yuan leixia (2018) divided strategic human resource management into five dimensions, namely, extensive training, employment assurance, internal promotion, incentive compensation and employee participation. The author uses 15 items, such as "considerable training for customer contact or front-line work", "training for job rotation every few years" and "considerable training for new employees".

Wei L Q, Lau C M (2005) have developed the scale of strategic human resource management. Since then, many scholars' scales have been modified based on his research. Wei LQ, Lau CM's scale includes 12 items, which are "the matching degree between the characteristics of managers and the strategic plan of the company", "defining the characteristics of managers needed for the long-term development of the enterprise", "modifying the compensation system to encourage managers to achieve long-term strategic goals", "designing employee plans to help improve the enterprise strategy", "evaluating key employees according to the potential to achieve the strategic goals", "and" Carry out job analysis according to future work needs, "implement employee development project to support enterprise strategic change", "human resource management department can provide relevant information for HR enterprise strategic decision-making", "there is a clear enterprise", "human resource plan with formal procedures", "senior managers can communicate enterprise objectives, problems and strategies with enterprise employees"" "Pay attention to the knowledge structure and skill level of employees" and "the enterprise has a formal human resource strategy". The scale was measured with Likert five point scale.

## **3. Mechanism model of SHRM on organizational performance**

Chen Junpu (2015) summarized the mechanism model of strategic human resource management on organizational performance on the basis of sorting out relevant literature (Figure 1). All policies formulated by strategic human resource management are combined with the strategic objectives of the enterprise. Selecting, employing, educating, motivating and retaining people are the five policies formulated by strategic human resource management. People control the strategic human resource management of the enterprise. The main performance result of strategic human resource management is to affect the personal characteristics and organizational atmosphere, and the personal characteristics are mainly composed of knowledge and skills of workers, the motivation and attitude

of employees, and the organizational atmosphere mainly include group norms, organizational principles and leadership styles. Personal characteristics and organizational atmosphere can have an impact on the performance of employees in the enterprise. Personal efficiency is mainly reflected in two aspects: context performance and task performance. Context performance mainly includes employee satisfaction, customer loyalty, employee behavior and other contents, while task performance mainly includes personal production efficiency, personal service quality and other contents. It has been pointed out that the evaluation of enterprise performance mainly relies on financial indicators and non-financial indicators. Figure 1 shows the strategic human resource management activities based on the strategic objectives of the enterprise - the direct result of strategic human resource management - personal performance - competitive advantage of the enterprise - a transmission mechanism such as enterprise performance. The dotted line shows the mutual coordination mechanism such as enterprise strategy, strategic human resource management policy and competitive advantage of the enterprise.

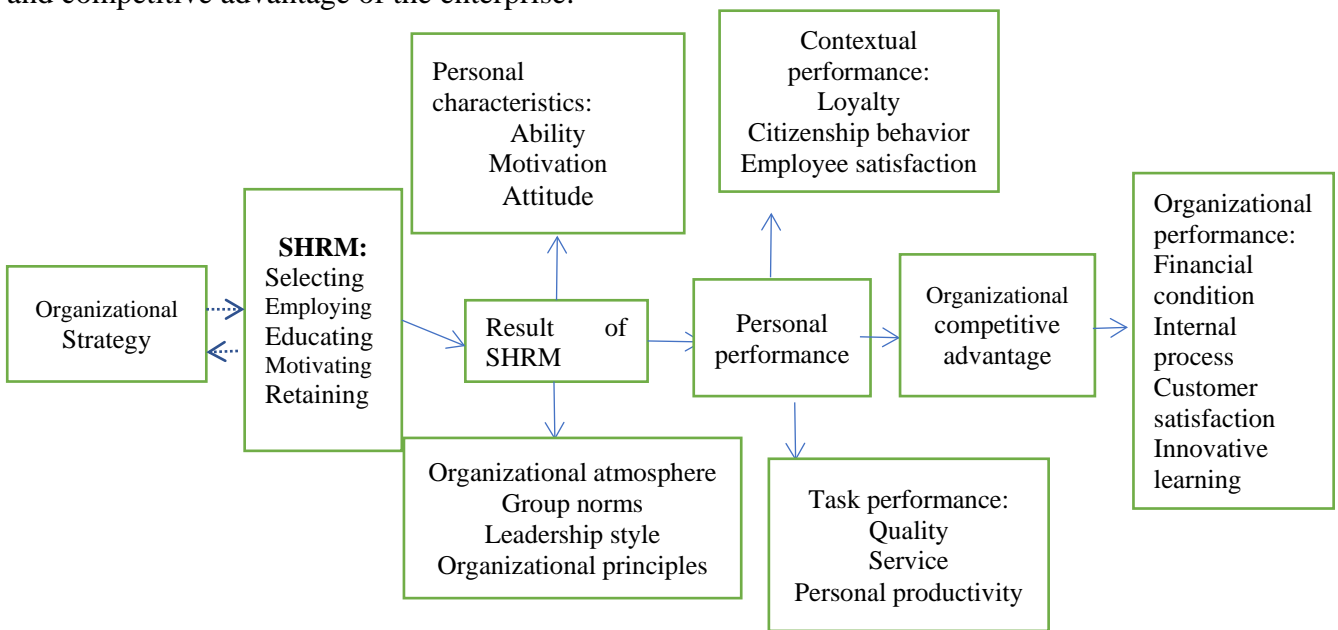


Figure 1: mechanism model of SHRM on organizational performance

#### 4. Future research direction

After reading the literature, it is found that the ultimate goal of studying organizational performance from the perspective of strategic human resource management is to study "people" in the organization. Research can be divided into two types: one is to directly study how to change employees' behavior to achieve organizational innovation or improve organizational performance; the other is to study the impact of internal and external environment on employees' innovation ability. There are many literature about how to change employees' behavior and the internal and external environment of the organization, and scholars have shifted their research direction. If the research of strategic human resource management on organizational innovation and organizational performance is divided into three stages, then scholars have been studying the "black box" in the second stage, but little research has been done on the "how to acquire strategic ability" in the first stage and the "evaluation of strategic ability" in the third stage. First, in the future, we can study the dimension division of strategic human resource management, more detailed and accurate measurement of strategic human resource management, and provide more detailed guidelines for enterprises to acquire strategic capabilities; second, we can build the evaluation model of strategic capabilities. It is difficult to measure the effect of strategic management because of the evaluation system or time, which greatly weakens the confidence of human resource managers. Therefore, a set of perfect evaluation index and system should be established.

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