

# ONE HOUR READING

on human resource management

Volume 1 | 2017  
No. 1

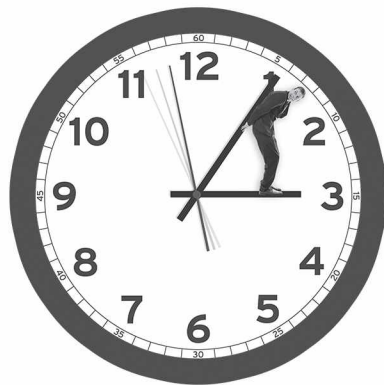


Theme of the Current Issue:  
**HUMAN RESOURCE MANAGEMENT  
SYSTEM STRENGTH**

# ONE HOUR READING

on human resource management

Volume 1 | 2017  
No. 1 |



All rights reserved. No part of this periodical may be reproduced or transmitted in any form or any means, electronic or mechanical, including photo copying, recording or by any information storage and retrieval system, without permission in writing from the Editor-in-Chief.

Copyright ©2017 One Hour Reading on Human Resource Management

**ISSN 2550-2565**

**Page Setting & Cover Design by:** Chandika Witharana

**Printed by:** Cybergate Services (Pvt) Ltd

To purchase issues, please contact  
the Editor-in-Chief: [dushardayarathna@gmail.com](mailto:dushardayarathna@gmail.com)

**CONTENTS**

2017, Vol. 1, No. 1

**Introduction ----- 01**

**Human Resource Management (HRM)**

**System Strength ----- 03**

**The Role of HRM System Strength ----- 07**

**Links between HRM System Strength &**

**Organizational Performance ----- 11**

**References ----- 13**

## **ABOUT THIS PERIODICAL**

This is the first issue of One Hour Reading on Human Resource Management (HRM) periodical. As the founder of this periodical, my intention of launching this type of periodical on HRM is to introduce the concept of “Snack Reading-means short regular reading sessions” to the students and the practitioners in the field of HRM in Sri Lanka. Hopefully, this periodical may be more popular among the people who are very busy with their daily routines but still eagerly inquisitive about the emerging and novel concepts in the area of HRM.

The first issue of the periodical aims to provide students and the practitioners in Sri Lanka with fundamental knowledge about the theory and practice on human resource management system strength.

Dushar Dayarathna (PhD, La Trobe University, Australia)  
Editor-in-Chief-One Hour Reading on HRM  
Department of Human Resource Management  
Faculty of Management Studies and Commerce  
University of Sri Jayewardenepura  
Nugegoda.

Email:[dushardayarathna@gmail.com](mailto:dushardayarathna@gmail.com)  
Mobile: 0776707607

# **Theme of the Current Issue: HUMAN RESOURCE MANAGEMENT SYSTEM STRENGTH**

## **INTRODUCTION**

The human resource management (HRM) system is one of the important components that can help an organization to become more effective and achieve competitive advantage over their competitors. Since the beginning of the 1990s, a growing body of research has focused on the relationships between HRM practices and organizational performance (OP) (Delmotte, De Winne, & Sels, 2012). This research stream has mainly investigated the content of the HRM system (the specific set of HRM practices necessary for achieving organizational goals) (Bowen & Ostroff, 2004).

According to Gratton and Truss (2003), the content of the HRM system (the presence of HRM practices) does not say anything about the signals sent to employees or the way HRM practices are experienced by employees in an organization. Bowen and Ostroff (2004) have criticized this one-sided focus on the content of the HRM system and argue that HRM processes should be taken into consideration. They argued that the contribution of HRM to OP is determined not only by the presence of HRM practices, but also by features of HRM processes.

Several authors (e.g., Bowen & Ostroff, 2004; Khilji & Wang, 2006; Stanton, Young, Bartram, & Leggat, 2010) therefore started to focus on features of HRM processes. Bowen and Ostroff (2004) gave the leadership to other researchers in this connection introducing the construct “strength of the HRM system”. They described the main features of an HRM system that result in a strong organizational climate (An organizational climate refers to the conditions within an organization as viewed by its employees) in which individuals share a common interpretation of what behaviors are expected and rewarded. This, in turn, leads to OP at the collective level.

# **HUMAN RESOURCE MANAGEMENT SYSTEM STRENGTH**

The Bowen and Ostroff (2004) research on the strength of the HRM system explains how HRM practices lead to the greater performance of the organization. As Bowen and Ostroff (2004) stated, when the HRM system is perceived as high in distinctiveness, consistency, and consensus, it will create a strong situation. In a strong situation, variability among employees' perceptions of the meaning of the situation will be small and will reflect a common desired content. In turn, organizational climate will display a significant association with employee attitudes and behaviors. This occurs because a strong HRM system leads everyone to see the situation similarly. Furthermore, it provides clear expectations about rewards and incentives for the desired behaviors. Ultimately, this strong situation, in turn, leads to high OP.

Distinctiveness refers to an HRM system being visible, understandable, legitimate, and relevant to employees' goals (Bowen & Ostroff, 2004; Sanders, Dorenbosch, & Reuver, 2008; Stanton et al., 2010). "When the HRM process clearly captures attention, employees are more likely to attribute HRM messages to a purposeful management" (Sanders et al., 2008: 414).

Consistency refers to the features of an HRM system being internally aligned. As Sanders et al. (2008: 414) stated, "when HRM practices are perceived as high in consistency, they (HRM practices) will reinforce one another synergistically and are more



likely to be viewed as a causal bundle having distinctive effects ultimately attributable to management across contexts and time”.

Consensus refers to the extent to which there is agreement among policy makers [e.g., human resource (HR) and line managers] in the way HRM practices are implemented. Thus, when HRM policy implementation, including procedures, are seen as highly consensual among decision makers, employees are more likely to agree that these originate from management.

According to Bowen and Ostroff (2004), when an HRM system is high in distinctiveness, consistency, and consensus, employees will tend to have a clearer view of HRM practices and are likely to be strongly influenced by these system characteristics.

**Nine meta-features of HRM system strength**

**Figure 1:** Nine meta-features of HRM system strength

|                               |                                                                                                     |
|-------------------------------|-----------------------------------------------------------------------------------------------------|
| <b>Distinctiveness</b>        | <b>Visibility</b><br><b>Understandability</b><br><b>Legitimacy of authority</b><br><b>Relevance</b> |
| <b>Consistency of Message</b> | <b>Instrumentality</b><br><b>Validity</b><br><b>Consistent HRM messages</b>                         |
| <b>Consensus</b>              | <b>Agreement among principal HRM decision makers</b><br><b>Fairness</b>                             |

**Source:** Bowen and Ostroff (2004) and Stanton et al. (2010:571)

**(A) Distinctiveness of the HRM practices**

- (1) Visibility- HRM practices are salient and readily observable throughout the employees' work routines and activities.
- (2) Understandability- HRM practices are very clear and the comprehensive to the employees.
- (3) Legitimacy of Authority-HRM professionals are involving in the strategic planning process and also the status and the credibility of the HRM function is high.
- (4) Relevance- HRM practices are aligned with both individual and organizational goals.

**(B) Consistency of HRM message**

- (5) Instrumentality-HRM system ensures adequate incentives for performance of the desired behavioral pattern of the employees and also HRM staff and line managers have the resources and power to link outcomes to behavior or performance of the employees.
- (6) Validity-HRM practices display consistency between what employees purport to do and what they actually do.
- (7) Consistent HRM messages-Goals and values are

adequately communicated to employees and employees believe and internalize this message; HRM system is designed with practices that complement one another and fit together as a whole in achieving the organizational goals; and agreement among employees as to what is expected of them and what they expect of the organization in return is high.

**(C) Consensus of the HRM practices of the HRM system**

- (8) Agreement among principal HRM decision makers- Agreement regarding HRM practices and policies among the principal HRM decision makers is high.
- (9) Fairness-HRM system is concerned with the fair allocation of rewards among the employees; organization considers employees' ideas in designing a performance appraisal system; and organization discusses the reasons behind decisions and the distribution of outcomes with employees openly and respectfully.

## THE ROLE OF HRM SYSTEM STRENGTH

The study by Bowen and Ostroff (2004) offers researchers a strong theoretical background on the black-box relationship in HRM–OP research. The authors argue that the introduction of a strong HRM system which creates a strong organizational climate from (individual) psychological climates is necessary for an organization to perform well. They concentrated on the identification of characteristics of a strong HRM system and introduce nine meta-features of HRM systems which build distinctiveness, consistency, and consensus (as depicted in Figure 1) (Bowen & Ostroff, 2004). According to Bowen and Ostroff's (2004) argument, if all employees assess the HRM system positively regarding these meta-features, then the HRM system sends strong signals about what strategic goals are important and what employee behaviors are expected and rewarded (Bowen & Ostroff, 2004). This, in turn, leads to greater OP at the collective level.

The work of Bowen and Ostroff (2004) is interesting because the authors distinguish nine process features (relevance and consistent HRM messages, visibility, understandability, legitimacy of authority, instrumentality, validity, agreement among HR decision makers, and fairness) which can be theoretically linked to the distinctiveness, consistency, and consensus of HR signals sent within organizations, and subsequently to better performance of organizations. In line with Bowen and Ostroff (2004) and also Khilji and Wang (2006)

show that consistent implementation (as intended) of HRM practices increases employee satisfaction which subsequently positively affects OP. Bhatnagar (2007) provided evidence of a positive relationship between the quality of the activities of the HRM function and organizational commitment. According to Sanders et al. (2008), the perception of distinctiveness, consistency and climate strength are positively related to affective commitment. Furthermore, the relationship between consistency and affective commitment is stronger when climate strength is high. Li, Frenkel, and Sanders (2011) claim that the HRM system features have main effects on employee work attitudes.

## **Translating HRM messages across management hierarchies**

Recent studies suggest that the current theoretical challenge facing HRM scholars and practitioners has moved from establishing a link between HR practices and OP to determining how that link is articulated (Delmotte et al., 2012; Stanton et al., 2010). In particular, it is important to understand how the HRM system is translated, understood and transmitted within and across the organizational hierarchy (e.g., top management, middle management, first line management and employees) and its contribution to the achievement of business goals and improved OP (Becker & Huselid, 2006; Bowen & Ostroff, 2004; Macky & Boxall, 2007).

Within the HRM literature the role of top management in developing and implementing the strategic direction of the HR function is well documented (Boxall & Purcell, 2003; Macky & Boxall, 2007; Stanton et al., 2010). Moreover, there is growing evidence that the role of middle and first line management is also critical to the success of any HR strategy (Mayrhofer, Muller-Caman, Ledolter, Strunk, & Erten, 2004; Purcell & Hutchinson, 2007). The findings of Stanton et al. (2010) suggested that the role of the CEO is crucial in providing HR legitimacy, leadership and resources that create a distinctive HR system, and in nurturing within group agreement and consensus among the senior executive team on the role of HR. In turn, top managers need to translate consistent HR messages throughout the management hierarchy and provide first line managers with the formal and informal direction, support and empowerment to operationalize HR strategy. Stanton et al. (2010:580) argued:

...the key to creating a strong HRM system is to encourage all levels of the managerial hierarchy to 'sing the same song'. This requires high level leadership based on within group agreement that uses its authority to transmit relevant, consistent and valid HRM messages and information across the organization and between groups through formal and informal communication channels that are efficient and effective. Managers at all levels of the organization need to be provided with the relevant knowledge and skills that can enhance their role as people managers and in turn transmit important knowledge from the front line back into the organization through ownership of key HR performance indicators.

However, according to Bowen and Ostroff (2004) and Stanton et al. (2010), there is a dearth of literature on the interaction of the various levels of management and how this interaction translates into both the operationalization of HRM and the achievement of organizational goals through clear, consistent and relevant HRM messages.



## **LINKS BETWEEN HRM SYSTEMS STRENGTH AND OP**

In recent years, a substantial body of research has focused on the association between HRM practices and OP. The intermediate linkages and processes through which the HRM system affects OP have challenged researchers to define and examine the linking process between the HRM system and OP (e.g., Delmotte et al., 2012; Guest, 2011). Bowen and Ostroff (2004) argued that the contribution of HRM to OP is determined not only by the choice of HRM practices, but also by features of HRM processes (the set of activities aimed at developing, communicating, and implementing HRM practices). According to Bowen and Ostroff (2004: 204), "these HRM processes should send signals to employees that convince them to form a collective sense of what is expected. If HRM processes succeed in this objective, a strong HRM system is created, which facilitates the relationships between HRM practices, employees' attitudes, and individual performance, and contributes to OP".

Following Bowen and Ostroff's (2004) path, Sanders et al. (2008) examined whether individual perceptions of an HRM system - distinctiveness and consistency - and shared perceptions of HRM (climate strength) are positively related to affective commitment in the organization. Their findings showed that the perception of distinctiveness and consistency and climate strength, as expected are positively related to affective



commitment. Li et al. (2011) examined how employee perceptions of HRM system strength and organizational climate are associated with employees' work satisfaction, vigor, and intention to quit. The distinctiveness of an HRM system was found to be related to the three employee work attitudes and high climate strength increases both the positive relationship between consensus and work satisfaction, and the negative relationship between consensus and intention to quit. Delmotte et al. (2012) also argued that the characteristics of HRM systems might enhance insights in the HRM–OP relationship because it measures perceptions regarding the signals sent by HRM, which are antecedents of actual behavior of employees.

## **ACKNOWLEDGEMENTS**

The completion of this article would not have been possible without the encouragement of my PhD research supervisors. I would like to thank my PhD research supervisors-Prof. Peter J. Dowling and Prof. Timothy Bartram-for sharing their expertise.

## **Note to the Practitioners:**

If practitioners are interested in how to measure the strength of the HRM systems of their organizations, please contact the Editor-in-Chief: [dushardayarathna@gmail.com](mailto:dushardayarathna@gmail.com)

## References

Becker, B.E., & Huselid, M.A. 2006. Strategic human resource management: Where do we go from here? ***Journal of Management***, 32(6): 898-925.

Bhatnagar, J. 2007. Predictors of organizational commitment in India: Strategic HR roles, organizational learning capability and psychological empowerment. ***The International Journal of Human Resource Management***, 18:1782–1811.

Bowen, D.E., & Ostroff, C. 2004. Understanding HRM-Firm Performance Linkage: The Role of the “Strength” of the HRM System. ***Academy of Management Review***, 29(2): 203-221.

Boxall, P., & Purcell, J. 2003. ***Strategy and human resource management***. Basingstoke: Palgrave Macmillan.

Delmotte, J., De Winne, S., & Sels, L. 2012. Toward an assessment of perceived HRM system strength: Scale development and validation. ***The International Journal of Human Resource Management***, 23(7): 1481-1506.

Gratton, L., & Truss, C. 2003. The three dimensional people strategy: Putting human resources policies into action. ***Academy of Management Executive***, 17: 74–86.

Guest, D. E. 2011. Human resource management and performance: Still searching for some answers. ***Human Resource Management Journal***, 21(1): 3-13.

Khilji, S.E., & Wang, X. 2006. Intended and implemented HRM: The missing linchpin in strategic human resource management research. ***The International Journal of Human Resource Management***, 17: 1171–1189.

Li, X., Frenkel, S.J., & Sanders, K. 2011. Strategic HRM as process: How HR system and organizational climate strength influence Chinese employee attitudes. ***The International Journal of Human Resource Management***, 22(9): 1825-1842.

Macky, K., & Boxall, P. 2007. The relationship between high performance work practices and employee attitudes: An investigation of additive and interaction effects. ***The International Journal of Human Resource Management***, 18(4): 537-567.

Mayrhofer, W., Muller-Caman, M., Ledolter, J.S.G., Strunk, G., & Erten, C. 2004. Devolving responsibilities for human resources to line management? An empirical study about convergence in Europe. ***Journal for East European Management Studies***, 9(2): 123-146.

Purcell, J., & Hutchinson, S. 2007. Front-line managers as agents in the HRM-performance causal chain: Theory, analysis and evidence. ***Human Resource Management Journal***, 17(1): 3-20.

Sanders, K., Dorenbosch, L., Reuver, R. 2008. The impact of individual and shared employee perceptions of HRM on affective commitment: Considering climate strength. ***Personnel Review***, 37 (4):412-425.

Stanton, P., Young, S., Bartram, T., & Leggat, S.G. 2010. Singing the same song: Translating HRM messages across management hierarchies in Australian hospitals. *The International Journal of Human Resource Management*, 21(4):567-581.

## About the Author



Dr. N. W. K. Dushar Kamini Dayarathna earned his PhD in HRM from La Trobe University in Australia and his PhD thesis investigated the effect of high performance work system strength on organizational effectiveness in the banking industry in Sri Lanka. He has a special degree in Human Resource Management (HRM) from the University of Kelaniya and a Masters degree in HRM from the University of Sri Jayewardenepura. He has also completed a postgraduate Certificate Course in HRM from Postgraduate Institute of Management and a Certificate Course in Teaching in Higher Education (CTHE) from the University of Colombo.

Dayarathna is currently working as a senior lecturer in the department of HRM of the Faculty of Management Studies and Commerce, University of Sri Jayewardenepura. He is serving as a guest lecturer in other state universities in Sri Lanka. In addition, he has served as a visiting lecturer and a tutor in La Trobe University, Swinburne University, Ballarat University and Melbourne Institute of Technology in Australia.

ISSN 2550-2565



9 772550 256008