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**Article**

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Karin Sanders, Jan Kees Looise\*

## **The Value of HRM?! Optimising the Architecture of HRM**

Since the first appearance of the concept of Human Resource Management at the beginning of the 1980s, it has gradually become the dominant view on the management of employment relationships, not only in theory but also in practice. However, recently, both academics and practitioners have started to pose questions such as: “What’s the value of HRM?”, “What are the effects of HRM in terms of employee and organisational outcomes?” and “What are the differences between the value of HRM for academics and practitioners?”.

In examining the ways in which HRM influences organizational effectiveness, one of the primary interests concerns models and studies explaining the link between HRM and significant variations in (business) performance (Boxall/Purcell 2003). Different theoretical views are used to explore the so-called HRM-performance link, like the contingency or ‘best fit’ school which covers a range of models that advocate fitting HR strategy to its surrounding context (Miles/Snow 1984; Schuler/Jackson 1987), the ‘best practice approach’ which can be seen as a reaction on failures to find empirical evidence for the ‘best fit’ approach and by stressing the universal importance of a number of HRM-practices (Pfeffer 1994, 1998) and the resource-based approach to HRM which articulates the competitive advantages of an appropriate and inimitable HRM system (Barney 1991; Penrose 1959). By now most researchers agree on the rejection of the main assumption in these views that HRM practices and systems do directly lead to firm performance. Rather they influence firm resources, such as the human capital of the firm, or employee attitudes and behaviors. It is these employee attributes that ultimately lead to performance (Delery 1998). The intermediate linkages and processes, through which HRM systems affect organizational effectiveness, have challenged researchers to define and examine their rationales that open ‘the black box’ between HRM systems and performance.

Besides the HRM-performance linkage, the process of HRM is discussed nowadays. In this the features of an HRM system that send signals to employees that allow them to understand the desired and appropriate responses and form a

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collective sense of what is expected, are examined. For instance recently Bowen and Ostroff (2004) introduced theoretically the concept of “strength of the HRM system” to explain how HRM practices, as a system, can contribute to firm performance by motivating employees to adopt desired attitudes and behaviors. They describe how a “strong climate” (Schneider/Salvaggio/Subirats, 2002) can be viewed as a “strong situation” (Mischel 1973; 1977) in which employees share a common interpretation of what is important and what behaviors are expected and rewarded.

The purpose of this special issue is to discuss the value and the effects of HRM both in academic and in practical terms. Most of the articles in this special issue were presented at the HRM conference in November 2005 at the University of Twente, the Netherlands. This conference was organized by the Dutch HRM network. The mission of this Dutch HRM Network is to stimulate fundamental and relevant scientific research in the field of the employment relationships. Different levels of analysis of the employment relationship, like individual level, team/group level, functional/organizational level, national level, and international level, are taken into account in an approach to capture the complexity of reality. This can be done and is done from multiple backgrounds, like psychology, industrial relations, business administration, economics, and law.

Tasks of this Dutch HRM network are training and development of Ph.D.-students in the field of the employment relationship; advising organizations and institutions with questions on employment relationship related issues; the coordination of HRM research, and the organizing the HRM conference, every two year. Following the success of its first three international conferences, “*Human Resource Management: confronting theory and reality*” (Erasmus University Rotterdam, 1999; organized by Prof. dr. Jaap Paauwe), “*Organisational Renewal: challenging human resource management*” (University of Nijmegen, 2001; organized by Prof. dr. Willem de Nijs and Prof. dr Fred Huygen), and “*Innovating HRM*” (University of Twente, Enschede; organized by Prof. dr. Jan Kees Looise), the theme of the 2005 conference was “The value of HRM?!” (again at the University of Twente and organised by Prof.dr. Karin Sanders).

For this special issue, participants of the HRM conference were asked to submit their conference paper. After the articles were reviewed and revised, we had the luxury problem that there remain too many high quality articles for one (special) issue. We are very happy that the Editors-in-chief offered us the opportunity to publish three articles in the next issue of Management Revue. These three articles are related to the theme of our conference, but were difficult to add to one of the clusters we formulated for the first part of the special issue. The first article in the next issue is “The value of HRM” is the article of *Michiel Schoemaker, Andre Nijhof, and Jan Jonker* entitled “Human Value Management: The influence of the contemporary developments of corporate social responsibility and social capital on human resource management”; this article offers a conceptual framework for a repositioning of the role and perception of HRM. Furthermore, the article of *Anneke Offereins and Ben Fruytier* about “Organising R&D in Globalised Context: Convergence or Divergence? The relative influence of Dutch and foreign cultures on the organisational structure of

R&D in multinational corporations” is added to this part of the special issue. And more or less related to this article is the article of *Bennie Linde and Rene Schalk* about the “Experience of the Employment relationship after a Merger” in which the influence of previous employment structures and the experience of previous employment relationships on the psychological contract, job satisfaction, job insecurity and general health of employees are studied.

The articles in this part of the special issue are focussing on (the effects or determinants of) HRM, organisation performance or/and employment relations and can be divided in three groups. The first group can be labelled as “The relationship between HRM and the performance of employees and/or the performance of the organisation”, in terms of content as well as in processes. The first article in this group is the article of *Mattijs Lambooy, Karin Sanders, Ferry Koster and Marieke Zwier* entitled “Human Resource Practices and Organisational Performance: Can the HRM performance linkage be explained by the cooperative behaviour of employees”. This paper was chosen by the Board of HRM Professors as the best paper of the HRM conference. The second article within this group is the article of *Sinikka Vanhala and Kaija Tuomi* about “HRM, company performance and employee wellbeing”. This article examines the possibilities of HR policies and practices to impact on company performance and employee well being. The next two articles within this group are more related to the HR-process and focus on the ‘(Effects of the) Behaviour of Line managers in relation to HRM’. This is the case for the article of *Anna Nebles, Maarten van Riemsdijk, Irene Kok and Jan Kees Looise* on “Implementing HRM successfully: A first-line management challenge” and focus on the explanation of the role of the first line managers in implementing HRM within organizations. The article of *Luc Dorenbosch, Renee de Reuver and Karin Sanders* entitled “Getting the HR message across” is about the linkage between line and HR consensus and “commitment strength” among hospital employees and focus on the effects of consensus between line managers and HR professionals.

The second group of this special issue deals with specific HR-practices. It consists of the article by *Hanneke Heinsman, Annebel de Hoogh, Paul Koopman, and Jaap van Muijen* on “Competency management: Balancing between Commitment and Control”, and the article on “Explaining Company Level influences on Individual Career Choices: Evidence from Belgium” written by *Nele Soens, Ans de Vos and Dirk Buyens*; this article uses the transitional labour market model of Schmidt (1998).

In the last group of two articles the focus lays on ‘outcomes’. *Claire Murphy, Nagarajan Ramamoorthy, Patrick Flood and Sarah Mac Curtain* focus on “Organizational Justice Perception and Employee Attitudes among Irish Blue Collar Employees: An Empirical Test of the Main and Moderation Roles of Individualism / Collectivism”. And the other article in this group is an article of *Liesbeth Adriaenssens, Peggy de Prins and Daniel Vloeberghs* on “Work Experience, work stress and HRM at the university”.

Last but not least, we like to thank a number of people who helped us with this special issue. We thank all the (anonymous) reviewers for their excellent work and the very helpful comments and suggestions they gave to the authors. Of course we also thank all authors for sending us the different versions of the articles strict in

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