INTRODUCTION

Strategic human resource management (HRM) is a research area investigating the relationships of bundles or systems of HRM practices with firm performance and other related variables (Jackson, Schuler, & Jiang, 2014). Early research of strategic HRM has distinguished itself from traditional HRM research with its focus on the systems perspective and the organizational level of analysis (Wright, Dunford, & Snell, 2001). For example, Wright and McMahan (1992) defined the field of strategic HRM as ‘the pattern of planned human resource deployments and activities intended to enable an organization achieve its goals’ (p. 298). Similarly, Snell, Youndt, and Wright (1996) defined it as ‘organizational systems designed to achieve competitive advantage through people’ (p. 62). Guided by these definitions, researchers have exerted considerable effort in studying the relationships between HRM systems and their antecedents and consequences in the past three decades (e.g., Delery & Doty, 1996; Huselid, 1995; MacDuffie, 1995). As a result, the stream of strategic HRM research has accumulated thousands of publications conducted by researchers from over 120 countries (Jiang & Messersmith, 2017).

In the first edition of The SAGE Handbook of Human Resource Management, Colakoglu, Hong, and Lepak (2009) reviewed the primary theoretical perspectives and theoretical frameworks guiding the thinking and research in strategic HRM. The field has greatly expanded since then and has witnessed notable growth in several aspects (e.g., mediating mechanisms, multilevel research, and longitudinal research) in the past 10 years. Therefore, an updated review of strategic HRM models is warranted to summarize the recent progress in this field. In this chapter, we aim to review the primary theories and models that have been used to explain the use and effects of HRM systems in organizations. First, we briefly review the traditional perspectives and frameworks of
strategic HRM, including those reviewed by Colakoglu et al. (2009). Second, we identify the issues of the traditional models and discuss how recent studies on mediating mechanisms, multilevel research, and longitudinal research advance our knowledge of strategic HRM models. Third, we propose an integrated model based on previous research and provide suggestions for future research.

TRADITIONAL PERSPECTIVES AND FRAMEWORKS OF STRATEGIC HRM

Several scholars (Jackson et al., 2014; Wright & Ulrich, 2017) have argued that strategic HRM started to capture academic attention in the early 1980s. Researchers began with conceptual models (e.g., Fombrun, Devanna, & Tichy, 1984; Miles & Snow, 1984; Schuler & Jackson, 1987; Wright & McMahan, 1992) and then empirically examined the relationships between HRM systems and organizational performance (e.g., Arthur, 1994; Delery & Doty, 1996; Huselid, 1995; MacDuffie, 1995; Youndt, Snell, Dean, & Lepak, 1996). Three general theoretical perspectives emerged from the early studies and provided important guidance for following research. As proposed by Delery and Doty (1996), the three perspectives are universalistic, contingency, and configurational perspectives.

The universalistic perspective holds that certain HRM practices tend to be implemented by companies that effectively manage their people to achieve competitive advantages; these HR practices are considered the ‘best practices’ that have positive impacts on firm effectiveness in almost all organizations (Delery & Doty, 1996, p. 803). In other words, certain HRM practices are expected to positively impact firm outcomes regardless of the context in which they are utilized (Lepak, Takeuchi, Erhardt, & Colakoglu, 2006). For example, Pfeffer (1995) identified 13 practices for managing employees that were shared in some successful companies, such as employment security, selective recruiting, high wages, and incentive pay. Many of the earlier studies examined the universalistic perspective (e.g., Arthur, 1994; Betcherman, McMullen, & Caron, 1994; Cappelli & Neumark, 2001; Guest, Michie, Conway, & Sheehan, 2003; Ichniowski & Shaw, 1999; Wood & de Menezes, 1998) and provided general support for the positive relationship between HRM systems and performance outcomes according to recent meta-analytic reviews (e.g., Combs, Liu, Hall, & Ketchen, 2006; Subramony, 2009).

Contrary to the universalistic model, the contingency perspective suggests that there is no a one-size-fits-all solution. Instead, the need to implement certain HRM practices and the effects of the HRM practices always depend on other conditions of organizations (e.g., strategy, technology, structure, and culture). For example, researchers have found that business strategy can not only influence the use of HRM practices in organizations (e.g., Arthur, 1992; Jackson, Schuler, & Rivero, 1989), but also moderate the effects of HRM practices on firm performance (e.g., Delery & Doty, 1996; Youndt et al., 1996). Strategic HRM scholars have increasingly adopted the contingency perspective to examine how the effects of HRM systems on performance outcomes are contingent on different internal and external contextual factors (e.g., Batt, 2002; Chadwick, Way, Kerr, & Thacker, 2013; Datta, Guthrie, & Wright, 2005; Guthrie, 2001; Hoque, 1999).

Different from the universalistic perspective and the contingency perspective, the configurational perspective argues that it is not sufficient to treat best HRM practices in isolation, or to address the vertical fit of HRM practices with the contextual factors. Instead, the configurational perspective emphasizes the horizontal coordination or congruence of a pattern of HRM practices, rather than any single practices, in improving organizational outcomes. For example, the configurational perspective has guided
researchers to examine the internal fit among different components of HRM systems (e.g., Huselid, 1995; MacDuffie, 1995; Wood & de Menezes, 2008). Researchers have also adopted this perspective to identify different configurations of HRM systems (e.g., Lepak & Snell, 2002; Toh, Morgeson, & Campion, 2008) and to develop measures of HRM systems toward specific objectives, such as network-building HRM systems (e.g., Collins & Clark, 2003), service-oriented HRM systems (e.g., Liao, Toya, Lepak, & Hong, 2009), high-involvement HRM systems (e.g., Wall, Wood, & Leach, 2004), and HRM systems for knowledge teamwork (e.g., Chuang, Jackson, & Jiang, 2016).

While the three perspectives provide the foundation for strategic HRM research, they pose drawbacks. For example, they do not directly explain why and how certain types of HRM systems are adopted by organizations and influence organizational performance. To answer these questions, several scholars have turned their attention to proposing theoretical models of the relationships between HRM systems and performance outcomes with a general assumption that HRM systems determined by internal and external contexts contribute to organizational performance by influencing employee outcomes such as human capital and motivation (e.g., Becker & Huselid, 1998; Delery & Shaw, 2001; Guest, 1997; Schuler, 1992). Moreover, scholars have incorporated theories from other research areas (e.g., economics, psychology, sociology, and strategic management) to explain different parts of the theoretical models (e.g., Jackson & Schuler, 1995; McMahan, Virick, & Wright, 1999; Wright & McMahan, 1992). As a representation of those efforts, Wright and McMahan (1992) summarized six major theories that can be applied to understanding the adoption and the effects of HRM systems in organizations. Among those theories, the resource-based view and the behavioral perspective have received more attention than others in the subsequent studies.

According to the resource-based view, a firm’s resources can generate sustained competitive advantages if they are valuable, rare, inimitable, and non-substitutable (Barney, 1991). Scholars have argued that human resources, which is one of three types of resources (the other two resources are physical and organizational resources), can serve as a sustained competitive advantage by meeting the four criteria (Snell, Youndt, & Wright, 1996; Wright, McMahan, & McWilliams, 1994). HRM systems can be used to gain sustained competitive advantage by influencing a firm’s human resources (Jackson & Schuler, 1995). In order to optimize the influence of HRM systems on human resources, the resource-based view suggests that organizations need to align HRM systems with their strategies (Wright et al., 1994). Moreover, HRM systems can be a potential sustained competitive advantage. Unlike individual HRM practices that can be imitated easily, HRM systems’ formation and effectiveness can be causally ambiguous and socially complex largely due to the complementarities and interdependencies among HRM practices (Lado & Wilson, 1994). As noted by Wright and Ulrich (2017), almost all empirical research has drawn upon the resource-based view to explain the effects of HRM systems. However, researchers have argued that this theory has not been directly tested in empirical research (e.g., Boselie, Dietz, & Boon, 2005; Colakoglu et al., 2009) and has not been accurately incorporated into strategic HRM research (e.g., Kaufman, 2015a; 2015b; 2015c). Those scholars suggest that the strategic HRM field gives the resource-based view ‘a deeper and more critical examination’ (Kaufman, 2015c, p. 533) in order to draw more appropriate conclusions about the relationship between HRM systems and performance outcomes.

Rooted in contingency theories, the behavioral perspective views employees’ role behavior as the mediator between strategy and performance. Schuler and Jackson (1987) identified employee role behavior
as instrumental in the implementation of competitive strategies. Different strategies require different role behaviors, which in turn can result in organizational effectiveness. In order to realize organizational effectiveness, HRM systems can be used to elicit and reinforce those role behaviors in organizations. For example, certain organizations may expect long-term reciprocal relationships among employees. HRM systems can motivate employees to help each other and care about the welfare of coworkers by emphasizing communal sharing among employees (Mossholder, Richardson, & Settoon, 2011). The helping behavior may further mediate the relationship between HRM systems and performance outcomes (e.g., Messersmith, Patel, Lepak, & Gould-Williams, 2011; Sun, Aryee, & Law, 2007).

By focusing on those mechanisms, the behavioral perspective can complement the resource-based view to explain how HRM systems link business strategy to performance outcomes.

Compared with the popularity of the resource-based view and the behavioral perspective, other theories (i.e., cybernetic models, transaction cost theory, resource dependence theory, and institutional theory) in Wright and McMahan’s (1992) framework have not received equal attention. Scholars have used some of those theories in theoretical research. For example, Lepak and Snell (1999) integrated the transaction cost theory with the resource-based view and the human capital theory to develop a human resource architecture. Farndale and Paauwe (2007) drew upon the institutional theory to explain the adoption of global and national HRM practices in multinational corporations. However, researchers have not fully adopted those theories to examine the relationships between HRM systems and other related variables in empirical studies. Instead, several new perspectives have emerged in recent research and contributed to the understanding of strategic HRM models. In the following, we will summarize the emerging theoretical perspectives and discuss how they are integrated into strategic HRM research.

**EMERGING PERSPECTIVES OF STRATEGIC HRM**

Recent reviews have suggested that the field of strategic HRM has benefited from three developing streams of research: research uncovering mediating mechanisms, research examining multilevel relationships of HRM systems, and research investigating longitudinal effects of HRM systems (e.g., Delery & Roumpi, 2017; Jackson et al., 2014; Lepak, Jiang, Kehoe, & Bentley, 2018; Paauwe, 2009; Peccei & Van De Vooorde, 2016; Wright & Ulrich, 2017). We concur with these recent reviews and believe that the three streams of research have advanced the theoretical models of strategic HRM.

**Theoretical Perspectives for Mediating Mechanisms**

Strategic HRM scholars have become increasingly interested in understanding the mediating mechanisms through which HRM systems can be related to firm performance. By focusing on the mediating role of employee outcomes, researchers have drawn upon human capital theory (Becker, 1964), social exchange theory (Blau, 1964), social capital theory (Leana & Van Buren, 1999), and the ability–motivation–opportunity framework (Appelbaum, Bailey, Berg, & Kalleberg, 2000) to explain the relationship between HRM systems and firm performance.

Human capital theory was initially proposed to explain individuals’ and organizations’ decision about investing in human capital (Becker, 1964). Strategic HRM scholars have applied human capital theory to argue that certain types of HRM systems can enhance firms’ collective human capital, which may generate economic returns
to the firms. For example, Takeuchi, Lepak, Wang, and Takeuchi (2007) found that high-performance work systems consisting of selective staffing, flexible job assignments, extensive training, developmental appraisal, competitive compensation, and extensive benefits are positively related to establishment performance by enhancing general human capital of employees. Studies have found that high-performance work systems can also enhance firm-specific human capital to help firms achieve performance goals (e.g., Jiang, Chuang, & Chiao, 2015; Kehoe & Collins, 2017).

Recently, scholars have begun to call for integrating strategic HRM and strategic human capital research (Boon, Eckardt, Lepak, & Boselie, 2017; Wright & McMahan, 2011) and encouraged strategic HRM research to explore how HRM systems can facilitate the emergence of human capital resources (e.g., Ployhart & Moliterno, 2011; Ployhart, Nyberg, Reilly, & Maltarich, 2014) and develop firm specificity (e.g., Chadwick, 2017; Coff, 1997).

While human capital theory focuses on the amount or type of human capital HRM systems can generate to enhance firm performance, social exchange theory is helpful for explaining how HRM systems can motivate employees to exert effort toward organizational goal accomplishment. Social exchange theory suggests that social relationships shape the exchange of resources and benefits (Blau, 1964; Coyle-Shapiro & Conway, 2004). Some HRM practices (e.g., extensive training and competitive compensation) may make employees feel that they are valued and recognized by organizations. As a return to the resources organizations offer, employees are likely to engage in positive work behaviors. Consistent with this argument, researchers have found that high-performance work systems can encourage employees to develop strong emotional relationships with organizations (e.g., Messersmith et al., 2011; Sun et al., 2007).

Social capital theory focuses on outcomes associated with social connections and relationships that are possessed by employees with internal and external organizational members (Nahapiet & Ghoshal, 1998). Rather than focusing on employees themselves, this theory emphasizes the social relations among employees (Adler & Kwon, 2002; Brass, 1995) and argues that organizations can benefit from both strong and weak social relations in different ways (Hansen, 1999). Strategic HRM scholars have used the concept of social capital to investigate how organizations can benefit from social capital that is cultivated from HRM systems (Evans & Davis, 2005; Leana & Van Buren, 1999). For example, Collins and Clark (2003) developed a measure of network-building HRM practices for top management teams and found that those HRM practices were positively related to top management teams’ internal and external networks, which benefited firm performance. By focusing on non-manager employees, Gittell, Seidner, and Wimbush (2010) argued that HRM systems could provide opportunities for employees to coordinate with each other and found that the relational coordination among employees mediated the relationship between high-performance work systems and workflow efficiency. Researchers have also incorporated both human capital and social capital theories together and found that HRM systems were related to firm performance through both types of capital (e.g., Cabello-Medina, Lopez-Cabrales, & Valle-Cabrera, 2011; Youndt & Snell, 2004).

Another perspective that has emerged in the recent research on strategic HRM is the ability–motivation–opportunity (AMO) framework (Boxall & Purcell, 2011; Gerhart, 2007). This framework considers employee performance as a function of employees’ abilities, motivation, and opportunities to performance and argues that HRM practices can contribute to employee and...
organizational performance by enhancing the three components of employee performance. This framework has been used to conceptualize the components of HRM systems (e.g., Jiang, Lepak, Hu, & Baer, 2012; Lepak, Liao, Chung, & Harden, 2006a) and guide the examination of the mediating role of employee outcomes. Jiang et al. (2012) have drawn upon the AMO framework to meta-analyze the mediating mechanisms of the relationships between HRM systems and performance outcomes. They found that both employees’ human capital and motivation and efforts mediated the relationships between the three components of HRM systems based on the AMO framework and more distal outcomes such as operational performance and financial performance. They also found that skill-enhancing HRM practices had a stronger relationship with human capital and a weaker relationship with motivation and efforts than motivation-enhancing and opportunity-enhancing HRM practices.

In addition to examining the mediating role of employee outcomes, researchers have begun to explore how HRM systems influence organizational performance through organizational capabilities. Organizational capability refers to ‘the ability of an organization to perform a coordinated set of tasks, utilizing organizational resources, for the purpose of achieving a particular end result’ (Helfat & Peteraf, 2003, p. 999). Consistent with the resource-based view, organizational capability can also become a firm’s potential competitive advantage (Henderson & Cockburn, 1994). In the literature of strategic HRM, researchers have investigated how HRM systems can help develop organizational capabilities to adapt to changing environments. For example, Wright and Snell (1998) considered flexibility as an important organizational capability and theorized how to design HRM systems to achieve organizational flexibility. Following Wright and Snell’s model, Way, Wright, and Tracey (2013) developed a measure of human resource flexibility and found a positive relationship between human resource flexibility and firm performance. Similarly, Lengnick-Hall, Beck, and Lengnick-Hall (2011) proposed that HRM systems could develop a capacity for organizational resilience and identified HRM principles and policies for developing this capacity. Researchers have also examined how HRM systems can help organizations to absorb new knowledge from external environments (e.g., Chang, Gong, Way, & Jia, 2013) and balance the exploitation of existing market opportunities and the exploration of new opportunities (e.g., Patel, Messersmith, & Lepak, 2013).

Taken together, the emerging theoretical perspectives from recent research complement the resource-based view and the behavioral perspective to offer richer understanding of the mediating mechanisms in linking HRM systems to organizational performance. More specifically, research based on these perspectives suggests that HRM systems enhance organizational performance not only by affecting employees’ human capital, motivation, and their interaction, but also by affecting organizational capabilities to respond to the competitive environments. However, these perspectives were primarily positioned at the firm-level analysis and largely examined in cross-sectional designs. Yet, there has been increasing attention to multilevel research and longitudinal research of strategic HRM. In the next section, we will discuss how these new developments expand our understanding of strategic HRM models.

**Theoretical Perspectives for Multilevel Relationships of HRM systems**

Although strategic HRM research has been traditionally focused on the relationships between HRM systems and performance outcomes at the organizational level of analysis, researchers have acknowledged the multilevel nature of strategic HRM research for a long time. For example, Becker and Huselid (1998) noted that ‘the paths through which
any effect actually develops, and subsequently the implications for management, necessarily operate at lower levels of analysis, including the individual’ (p. 93). Therefore, in order to fully understand how HRM systems affect organizational performance through employees, it is important to examine how employees perceive and react to HRM systems.

Ostroff and Bowen (2000) proposed one of the first multilevel models of strategic HRM based on organizational climate research. Their model suggests that HRM systems can shape employees’ perceptions of what the organizations are and what they are expected to do in the organizations. When the perceptions are shared across employees, organizational climate will emerge and help translate the effects of HRM systems on employee outcomes and subsequent organizational performance. Their model has set the foundation for multilevel research of strategic HRM and many following studies have examined organizational climate as an important mediator of the relationship between HRM systems at the organizational level and employee outcomes at both the individual level and the organizational level (Jiang, Takeuchi, & Lepak, 2013; Lepak et al., 2006a). For example, Takeuchi, Chen, and Lepak (2009) found that high-performance work systems were related to a concern for employees’ climate (supporting and caring about employees), which was in turn associated with job satisfaction and affective commitment at the individual level. Veld, Paauwe, and Boselie (2010) found that HRM systems were associated with collective employee commitment through a climate for service quality.

Researchers have also suggested that it is important to examine HRM systems from both management and employee perspectives. Nishii and Wright (2008) discussed the variability within strategic HRM research and pointed out that the intended HRM practices may not be those that are actually implemented, which, again, may not be those that are perceived by employees. Nishii, Lepak, and Schneider (2008) confirmed this argument by showing that employees within the same organizations have different attributions for the use of HRM systems and that employees’ interpretations of HRM systems rather than HRM systems themselves have a more direct influence on employee outcomes. These findings encourage more studies to consider employees’ perceptions or experiences of HRM systems as a mediator of the relationships between HRM systems at the higher level (e.g., business units or organizations) and employee outcomes at the individual level (e.g., Aryee, Walumbwa, Seidu, & Otaye, 2012; Liao et al., 2009). For instance, Liao and colleagues (2009) found that employee-experienced high-performance work systems partially mediated the relationship of manager-rated high-performance work systems with individual human capital and fully mediated its relationship with psychological empowerment and perceived organizational support. Aryee and colleagues (2012) found a similar mediating role of employee-experienced HRM systems on the relationship between branch-level HRM systems and employee psychological empowerment.

An important finding derived from those studies is that HRM systems perceived by employees are not strongly related to HRM systems reported by managers. For example, the correlation between manager-rated and employee-experienced high-performance work systems was only 0.29 at the branch level in Liao et al. (2009) and 0.19 at the individual level in Aryee et al. (2012). This finding prompted researchers to explore why employees and managers have different perceptions of HRM systems and how to align their perceptions to ensure managers can use the intended HRM systems to achieve desired employee outcomes. Based on social cognition theory, Bowen and Ostroff (2004) proposed a set of meta-features that may influence how employees develop their perceptions of HRM systems and suggested examining how the implementation process affects the way
HRM information is conveyed to employees. Den Hartog, Boon, Verburg, and Croon (2013) drew upon this social cognition perspective to further examine how communication between managers and employees moderated the relationship between HRM systems perceived by managers and employees. They found that the relationship was more positive when communication quality was high than when it was low. Following the line of social cognition reasoning, Lepak and Boswell (2012) proposed the concept of the saliency of HRM practices, referring to the extent to which HRM practices have an impact on individuals. They suggested that the more salient an HRM practice, the more likely employees are engaged in collecting information of this practice and are affected by this practice. They also encouraged future research to advance the understanding of what creates the different views of saliency and how to incorporate individual differences in saliency to fit with the thinking of systems in the strategic HRM literature.

Because the HRM systems–organizational performance relationship is the main focus of strategic HRM research, it is critical to link the individual outcomes affected by HRM systems to outcomes at the organizational level. The arguments about the emergence process in the multilevel research are useful for understanding the bottom-up effect of individual outcomes on organizational outcomes (e.g., Kozlowski & Klein, 2000). For example, Ployhart and Moliterno (2011) develop an emergence-enabling process mechanism by which individual-level knowledge, skills, abilities, and other characteristics can be transformed and amplified to become a valuable unit-level resource. This emergence process may involve both composition and compilation processes discussed by Kozlowski and Klein (2000). In the empirical research of strategic HRM, Nishii and colleagues (2008) found that the aggregated employee attitudes were positively related to unit-level work behaviors and customer satisfaction. Wood, Van Veldhoven, Croon, and de Menezes (2012) also examined this bottom-up effect and found that job satisfaction at the individual level was positively related to firm performance. However, there is still little empirical evidence for the bottom-up effects of individual outcomes on organizational-level outcomes. Especially, researchers need to investigate not only the aggregated mean influence, but also the variance influence of individual outcomes on organizational outcomes and extend the implications for strategic HRM research.

Moreover, as more attention is increasingly paid to employees’ well-being in the multilevel research of strategic HRM (e.g., Van De Voorde, Paauwe, & Van Veldhoven, 2012), researchers have started to recognize that the use of HRM systems intended to enhance organizational performance (e.g., high-performance work systems) may not always have positive effects on employees’ well-being. For example, Jensen, Patel, and Messersmith (2013) found that utilization of high-performance work systems at the department level enhanced individual employees’ anxiety and role overload through their perceptions of high-performance work systems. One implication for future strategic HRM is that researchers need to consider how to design HRM systems to balance organizations’ performance goals and employees’ well-being. Considering the potential negative effects of HRM systems on employees and the high cost of utilizing those systems (e.g., Kaufman, 2015a), researchers may be interested in examining the curvilinear relationship between HRM systems and organizational performance.

**Theoretical Perspectives for Longitudinal Effects of HRM Systems**

Like many other research areas of management, time plays a significant role in understanding the effects of HRM systems but has not been paid enough attention since the beginning of the literature (Ployhart & Hale, 2014). Many scholars have discussed the
problems of ignoring the issue of time in strategic HRM research, such as the causality of the relationship between HRM systems and organizational performance and the change in the performance effects of HRM systems (e.g., Jackson et al., 2014; Jiang & Messersmith, 2017; Lepak et al., 2018; Ployhart & Hale, 2014; Wright & Haggerty, 2005). Researchers have recently started to address those concerns by using longitudinal techniques and made some important contributions to understanding the HRM systems–performance outcomes relationship.

First of all, the recent longitudinal research has provided empirical evidence for the mutual relationships between HRM systems and performance outcomes. HRM systems have been commonly considered an antecedent of performance outcomes in the traditional models of strategic HRM (e.g., Becker & Huselid, 1998; Delery & Shaw, 2001; Guest, 1997). However, researchers have found that although there were positive relationships between HRM systems and performance outcomes, the effects of HRM systems became non-significant after controlling for the previous performance (e.g., Guest et al., 2003; Wright, Gardner, Moynihan, & Allen, 2005). As noted by Wright and colleagues (2005, p. 433), ‘By no means do these results suggest that HR practices do not have a positive impact on performance.’ Instead, they suggested exploring the true causal relationship between HRM systems and performance outcomes. Two recent studies have answered this call by examining the mutual influence of HRM systems and performance outcomes. Piening, Baluch, and Salge (2013) examined the relationships between changes in employees’ perceptions of HRM systems, job satisfaction, and performance outcomes by using longitudinal data from public hospital services. In addition to finding the mediating effect of job satisfaction on the relationship between HRM systems and customer satisfaction, they also found that financial performance affected the use of HRM systems, thereby influencing job satisfaction. Their findings suggested that the relationships between HRM systems, job satisfaction, and performance outcomes tend to be cyclical over time. Similarly, Shin and Konrad (2017) drew upon general systems theory to propose the reciprocal relationship between high-performance work systems and labor productivity and found supports for their hypotheses. Those studies complement the traditional strategic HRM models by demonstrating the feedback loop between HRM systems and performance outcomes.

Moreover, researchers have begun to investigate how the effects of HRM systems change over time. Pil and MacDuffie (1996) have suggested that the longitudinal effects of HRM systems may follow a nonlinear curve for two decades. They argued that the use of a new HRM system may increase or decrease or not have an immediate impact on organizational performance depending on other practices that have already been utilized in the organizations. Similarly, Ployhart and Hale (2014) proposed a temporal framework in which the effects of HRM systems may first increase and then decrease after reach a peak. Moreover, Lepak and colleagues (2018) argued that employees’ reactions to different HRM practices may be bounded in certain periods of time such that some practices have greater impact on employees early in their tenure (e.g., socialization) and others have greater impact later in their tenure (e.g., benefit programs). These theoretical models generally suggest that the effects of HRM systems may vary over time, and it is important to consider how these effects change over time to have a more complete understanding of the relationships between HRM systems and performance outcomes. Empirical research has only started to examine the longitudinal effects of HRM systems as proposed in the theoretical models. For example, Piening et al. (2013) found that the positive relationship between HRM systems and job satisfaction became weaker over time. Kim and Ployhart (2014) found that entrepreneurial firms tended to benefit...
more from their investment in formal HRM systems in the growth stage than in the viability stage. However, to explain the longitudinal relationships in strategic HRM research, more efforts are needed not only to accumulate empirical evidence, but also to integrate theoretical perspectives from related research areas (e.g., adaptation and change research, organizational learning theory).

AN INTEGRATED MODEL OF STRATEGIC HRM

We propose a holistic model in summarizing the traditional and emerging perspectives of strategic HRM research in Figure 2.1. This model is based on Wright and McMahan’s (1992) model but extends it significantly in three ways. First, we incorporate the frameworks from other scholarships (e.g., Jiang et al., 2013; Lepak et al., 2006a; Ostroff & Bowen, 2000) in this figure to reflect the multilevel nature of the HRM systems–performance outcomes relationship. Second, we highlight the temporal process of the model and consider the feedback loop between HRM systems and organizational performance. Third, we integrate the potential effects of the internal and external factors on the mediation model of the relationships between HRM systems and organizational performance. In addition, we follow Wright and McMahan’s (1992) approach to label the primary theories mentioned in this chapter to explain particular relationships in this model. We hope that this figure can help elevate understanding of the basic models and theories of strategic HRM research and provide some guidance for future research on this important topic. In what follows, we add some clarifications to this integrated model.

First, we acknowledge that strategic HRM is a more comprehensive research area than what is summarized in Figure 2.1. As defined

Figure 2.1 An integrated model of strategic human resource management
by Jackson and colleagues (2014), strategic HRM scholarship is
the study of HRM systems (and/or subsystems) and their interrelationships with other elements comprising an organizational system, including the organization’s external and internal environments, the multiple players who enact HRM systems, and the multiple stakeholders who evaluate the organization’s effectiveness and determine its long-term survival. (p. 4)

In our review, we only discuss the effects of HRM systems on organizational performance, which has been the primary focus of strategic HRM research in the past three decades. However, it is also important to examine how HRM systems affect other stakeholders such as customers and society. Research on environmental sustainability or green HRM (e.g., Jackson, Renwick, Jabbour, & Muller-Camen, 2011; Jackson & Seo, 2010) provides a direction that may stimulate the field of strategic HRM to address the concerns of multiple stakeholders. Moreover, although this chapter presents a model of strategic HRM based on research findings from different countries, this model may not be applied to organizations intended to be successful globally. We refer researchers to comprehensive reviews of international HRM (e.g., Schuler, Budhwar, & Florkowski, 2002; Schuler & Tarique, 2007) to see the international HRM framework.

Second, our model demonstrates the theoretical perspectives that are often drawn upon by empirical research of strategic HRM. However, other theoretical perspectives discussed in prior research may also be relevant for examining the antecedents and consequences of HRM systems. For example, Lepak et al. (2006b) discussed the symbolic view of HRM and argued that the use of HRM systems might send symbolic cues to shape employees’ opinions about organizations as well as the attitudes and behaviors they tend to display. The symbolic view also suggests that HRM systems can send signals to outside members (e.g., customers and society) about values organizations intend to place on employees. Therefore, the symbolic perspective may provide additional explanation for the mediating mechanism through which HRM systems can influence organizational performance. In a recent review paper, Jiang and Messersmith (2017) listed the theoretical perspectives that had been highlighted in review articles. We encourage scholars from the strategic HRM research area and other research areas to incorporate more perspectives into the model we provide in this chapter.

Third, similar to Wright and McMahan (1992), while we overlay the theoretical perspectives to specific relationships on which each tends to focus, some perspectives can also be used to explain other parts of the model. For example, the AMO framework can not only explain the mediating mechanisms through which HRM systems are related to organizational performance, but also help conceptualize the components of HRM systems (e.g., Lepak et al., 2006a). Similarly, even though the behavioral perspective is commonly used to explain how HRM systems are related to organizational performance by influencing employees’ attitudes and behaviors, it can also be used to explain how the internal contexts (e.g., business strategy) determine the role behaviors that should be considered in the design of HRM systems. Relatedly, more thought should be given to the level at which a theoretical perspective is most appropriate to explain the relationships in this model. For example, social exchange theory and human capital theory have been used to explain the mediating mechanisms of the HRM–performance relationship at both the individual level (e.g., Liao et al., 2009) and the organizational level (e.g., Takeuchi et al., 2007). Therefore, the theoretical perspectives may not be limited to the level where they are noted in Figure 2.1.

Fourth, the configurational perspective of strategic HRM has suggested that
organizations may adopt different types of HRM systems depending on the demands of internal and external environments (e.g., Arthur, 1992; Toh et al., 2008). Moreover, within the same organization, employers may use different types of HRM systems to manage different types of employees. For example, Lepak and Snell (1992) proposed four employment modes used by firms to manage employees who can be differentiated by the dimensions of value and uniqueness. Kang, Morris, and Snell (2007) proposed that entrepreneurial and cooperative HRM configurations can be used to enhance exploratory learning and exploitative learning for value creation. The integrated strategic HRM model here does not consider how multiple HRM systems interact with each other to affect overall performance of organizations. This can be a future direction that warrants more empirical investigations to provide greater insights into strategic HRM models.

CONCLUSION

In this chapter we have reviewed the main theories and perspectives adopted in strategic HRM research. We combine traditional perspectives with emerging ones to develop an integrated strategic HRM model. In this updated model, we suggest that future studies pay more attention to the multilevel nature and the temporal dynamics of strategic HRM research. We hope that this chapter can help general readers to understand the main progress of this field over the past three decades and also help strategic HRM scholars to generate more ideas for continuing to advance this field in the future.

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