Human resource strategy

Business, Strategy

Human Resource Management (HRM) is of strategic importance to all organisations. HRM do not only create competitive advantage for the organisation but is the force underpinning organisation's success1. No wonder, the way HRM practices and policies take shape also affects the employee's experiences of work and the employment relationship2.

Within the mainstream HRM literature, there is a long tradition of research arguing that in order to make an optimal contribution to firm performance, HRM policies and practices should be integrated both with firm strategy, so-called vertical strategic integration and with each other, so-called horizontal integration3. Paul Ilsles best fit model attached in the appendix lay emphasis on this.

In present day organization, because any discussion about how an organisation's succeeds or fails ultimately comes back to the way individuals are managed, academics and practitioners agree that as the dynamics of competition accelerates, people are perhaps the only truly source of competitive advantage4. According to, Turner, Keegan ; Hueman (2006: 317), for an organisation to be effective and successful, the human resource management functions must be integrated into the various organisational strategy.

According to this model, the HRM functions itsgoalsand aims, need to be aligned with the strategy of the organization. Here emphasis is both on the on projects and routine products and services and where the job requirements are well defined and stable. Today, with the increasing researchers desires to demonstrate the importance of an effective human

resource policy on organisation performance research has shifted from a micro level that previously dominated research interest to a more general, strategic macro level5. The term human resource management is not new.

It has been widely used by scholars and managers to refer to the set of policies designed to maximize organizational integration, employee commitment, flexibility and quality of work6. Jackson ; Shuler (2002) referred to it as an umbrella term that encompasses (a). specific human resources practices such as recruitment, selection and appraisal and (b). formal human resource policies which directs and partially constrain the development of specific practices and in all, it comprise a system that attracts develops, motivates and retains those employees who ensure the effective functioning and survival of the organisation.

Against this background this paper aims at evaluating the human resource management strategies of the Turkish Airlines. Part two of the paper presents an overview of Turkish Airlines with it human resource challenges. Part three presents the human resource management strategies of the airlines and the last section presents the conclusion and recommendation. 1. 1 Overview of Turkish Airlines According to the company corporate report (2007), Turkish Airlines, Inc is the main national airline of Turkey with head quarter based in Istanbul.

The airline operates a network of schedules services to 123 domestic cities, serving a total of 155 airports. It destination flights include Africa, Europe, Asia and the United States. In addition, as stated in the (2007) company's report, it operates a network of scheduled services to 123 international and

32 domestic cities. According to the company's statistics, in 2006 and 2007 it carried 17 million and 19. 7 million passengers with total revenues of US$2. 3 and US$3 billion, respectively (2007 company's Report). To be able to serve the global market, the airline has around 12, 000 employees.

Most of the employees are multilingual, coming from different countries with different ethnicity. The airline also operates scheduled services from 34 airports in Turkey though 25 of them handle domestic flights only. Turkish Airlines is the leader of domestic market with the help of its low-cost spin-off company AnadoluJet. Its rivals are Onur Air, Pegasus, SunExpress (half-owned by Turkish Airlines) and Atlas jet (Company Report 2007). 1. 2 Human Resource Problems Facing the Turkish Airways Turkey Airline is the largest domestic flight company, a market leader in the country.

As one of the market leaders in the flight industry, the company is highly reputed among customers and has established a high level of credibility and goodwill in the domestic flight market. The staff is highly competent in their respective profession and departments. However, as identified from existing research, certain issues pertaining to the human resource department to this organisation remains a puzzle. These problems include poorcommunicationand lack of information flow between the various departments, headhunting of key staff members by competitors, weak organisational structure, weak reward strategy and organisationalculture.

While the main issue of finding reputable international staff remains an issue, the company has adopted a number of human resource management strategies of late. The company has neglected the soft sides of its business,

that of the organisational culture. Today, culture is a core competence of an organisation. Culture being the taking for granted assumptions used to be absent in the company's routines, procedures, staff training and opportunities for individuals to take care of individual needs are absent.

While this has been resolved, it has created a high level of trust and commitments amongst workers. The entire business requires direct interaction with the customers, and it is through a strong culture that cost can be reduced. The recent establishment ofcareeradvancement track for workers, performance reward systems, supportive workenvironment, and defined duties for workers has pushed the organisation into a situation of being up to date with the market demands, though some key personnel are being head hunted by competitors. 1. 2 Human Resource Strategy of Turkish Airways

According to Sveiby (1997) a key to retaining personnel in knowledge based-organisation is ensuring that employees had the opportunities to work on interesting projects with interesting careers challenges clearly defined. At Turkish Airlines, the very first priority for the employees is making the working environment a memorable and enjoyable one. According to one of the employees, " the work place is forming a new social group, workers spend about 65% of their day at the work place, our priority is to let them enjoy, feel relax while they work".

From a review of the company webpage, the Human Resource Department of the Turkish Airlines tends to be very goal/employee oriented and one can deduce that the management believes that conductive workplaces are an

argument against competitiveness. According to Sveiby (1997), organisations under such a situation should create and incorporate healthier psychological work environments. This was the same position echoed by Gilbreath (2008) when the researcher postulates that, healthy psychological environments contribute to career conduciveness.

According to Gilbreath (2008), creating strong HRM policies requires creating a strong psychological environment in which employees can thrive. Such an environment requires conductingstressaudit, monitoring the work of the environment, matching people and work environment and using teams of employees and researchers to study the work environment. The Turkish Airline should eliminate unnecessary stressors (e. g. , poor job design, ineffective supervisor behaviour, poor communication, mismatches between employee's skills and job demands).

The Human Resource Department can also facilitate this through greater involvement, employee's autonomy, physical comfort, organisational security and recognition. At the Turkish Airline, there is no substitute for these as security of its activities have increased with regard to terrorist treats. To be critically useful to management, Ellis et al(2007) argue that an overall HRM framework should capture and integrate various functions and also clarify how various aspect of HRM add value to an organisation.

Gilbreath supported this argument when the researcher calls for organisation facing communication and job satisfaction problems to institutes good fit between employees and their work environment. Under good fit theory, demand ability fit, suppliers value fit, self conceptjobs fit and person group

fit should be primary for workers integration and commitments. At the airlines, the employee's recruitment and retention strategies lay emphasis on this. One factor that affects the implementation of HRM practices that has received significant attention is culture.

Culture can be defined at different levels that range from the group to the organization to the national level (Erez&Earley, 1994). Culture comprises values and norms that guide individuals' behavior. Many view organizational practices and theories as culturally bound (Adler, 1997; Hofstede, 1980) which would mean that the values of a country should be compatible with a management practice for it to result in employeemotivation. The company has a strong culture, defined by a hierarchy, routines, procedures values and norms (Company Report 2007)