Matching model hrm essay sample

Business, Management

One strategic HRM debate has focused on the integration or ‘ fit’ of business strategy with HR strategy. This shift in managerial thought, calling for the HR function to be ‘ strategically integrated’, is depicted in Beer et al.’s (1984) model of HRM. The authors espoused the need to establish a close two-way relationship or ‘ fit’ between the external business strategy and the elements of the internal HR strategy: ‘ An organization’s HRM policies and practices must fit with its strategy in its competitive environment and with the immediate business conditions that it faces’ (Beer et al., 1984, p. 25). The concept of integration has three aspects: the linking of HR policies and practices with the strategic management process of the organization the internalization of the importance of HR on the part of line managers the integration of the workforce into the organization to foster commitment or an ‘ identity of interest’ with the strategic goals.

Not surprisingly, this approach to SHRM has been referred to as the ‘ matching’ model. Early interest in the ‘ matching’ model was evident in Devanna et al.’s (1984) work: ‘ HR systems and organizational structure should be managed in a way that is congruent with organizational strategy’ (p. 37). This is close to Chandler’s (1962) distinction between strategy and structure and his often-quoted maxim that ‘ structure follows strategy’. In the Devanna et al. model, HRM–strategy–structure follow and feed upon one another and are influenced by environmental forces. Similarly, the notion of ‘ fit’ between an external competitive strategy and the internal HR strategy is a central principle of the HRM model advanced by Beer et al. (1984).

The authors emphasize the analysis of the linkages between the two strategies and how each strategy provides goals and constraints for the

other. There must be a ‘ fit between competitive strategy and internal HRM strategy and a fit among the elements of the HRM strategy’ (Beer et al., 1984, p. 13). The relationship between business strategy and HR strategy is said to be ‘ reactive’ in the sense that HR strategy is subservient to ‘ product market logic’ and the corporate strategy. The latter is assumed to be the independent variable (Boxall, 1992; Purcell & Ahlstrand, 1994). As Miller (1987, cited in Boxall, 1992, p. 66) emphasizes, ‘ HRM cannot be conceptualized as a stand-alone corporate issue. Strategically speaking it must flow from and be dependent upon the organization’s (market oriented) corporate strategy’.

There is some theorization of the link between product markets and organizational design, and approaches to people management. Thus, for example, each Porterian competitive strategy involves a unique set of responses from workers, or ‘ needed role behaviours’, and a particular HR strategy that might generate and reinforce a unique pattern of behaviour (Cappelli & Singh, 1992; Schuler & Jackson, 1987). HRM is therefore seen to be ‘ strategic by virtue of its alignment with business strategy and its internal consistency (Boxall, 1996). Thus, the main aim of the matching model is therefore to develop an appropriate ‘ human resource system’ that will characterise those HRM strategies that contribute to the most efficient implementation of business strategies. The matching model of HRM has been criticised for a number of reasons. It is thought to be too prescriptive by nature, mainly because its assumptions are strongly unitarist (Budhwar and Debrah, 2001).

As the model emphasises a ‘ tight fit’ between organisational strategy and HR strategies, it completely ignores the interest of employees, and hence considers HRM as a passive, reactive and implementationist function. However, the opposite trend is also highlighted by research (Storey, 1992). It is declared that this model fails to observe the potential for a mutual relationship between HR strategy and organisational strategy (Lengnick-Hall and Lengnick-Hall, 1988). Indeed, for some, the very idea of ‘ tight fit’ makes the organisation inflexible, incapable of adapting to required changes and hence ‘ misfitted’ to today’s dynamic business environment. The matching model also misses the ‘ human’ aspect of human resources and has been called a ‘ hard’ model of HRM (Guest, 1987; Storey, 1992; Legge, 1995).

The idea of considering and using human resources like any other resource of an organisation seems impractical in the present world. Despite the many criticisms, however, the matching model deserves credit for providing an initial framework for subsequent theory development in the field of strategic HRM. Researchers need to adopt a comprehensive methodology in order to study the dynamic concept of human resource strategy. We critiqued here the matching model of SHRM on both conceptual and empirical grounds. It was noted that, in the globalized economy with market turbulence, the ‘ fit’ model might not be appropriate when flexibility and the need for organizations to learn faster than their competitors seem to be the key to sustainable competitiveness. We also emphasized how the goal of aligning a low-cost business strategy with an HRM strategy can contradict the core goal of employee commitment.