Behavioral Perspective of Strategic Human Resource Management

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Introduction

The behavioral perspective of HRM is one of several alternative theoretical lenses for understanding why firms differ in their approaches to managing employees, and a broad array of consequences that follow from differing approaches to managing employees. It has been used most frequently in studies of strategic human resource management and has been applied primarily for describing and prescribing the linkages between business strategies, human resource management systems, and a variety of stakeholder responses closely associated with employee behaviors. While not generally considered to be a formal theory, the behavioral perspective of HRM provides a framework for understanding how employees contribute to organizational effectiveness.

Fundamentals

Grounded in role theory, the behavioral perspective of HRM was first articulated by Randall S. Schuler and Susan E. Jackson as a framework for articulating how differences in business strategies might influence the ways employees are managed. Subsequently, the behavioral perspective of HRM has been developed as a framework for analyzing how management policies and practices should be designed to maximize organizational effectiveness, given an organization's specific and unique environmental context and internal organizational conditions. Figure 1 provides a simple schematic illustration of the key concepts of the behavioral perspective and their interrelationships.

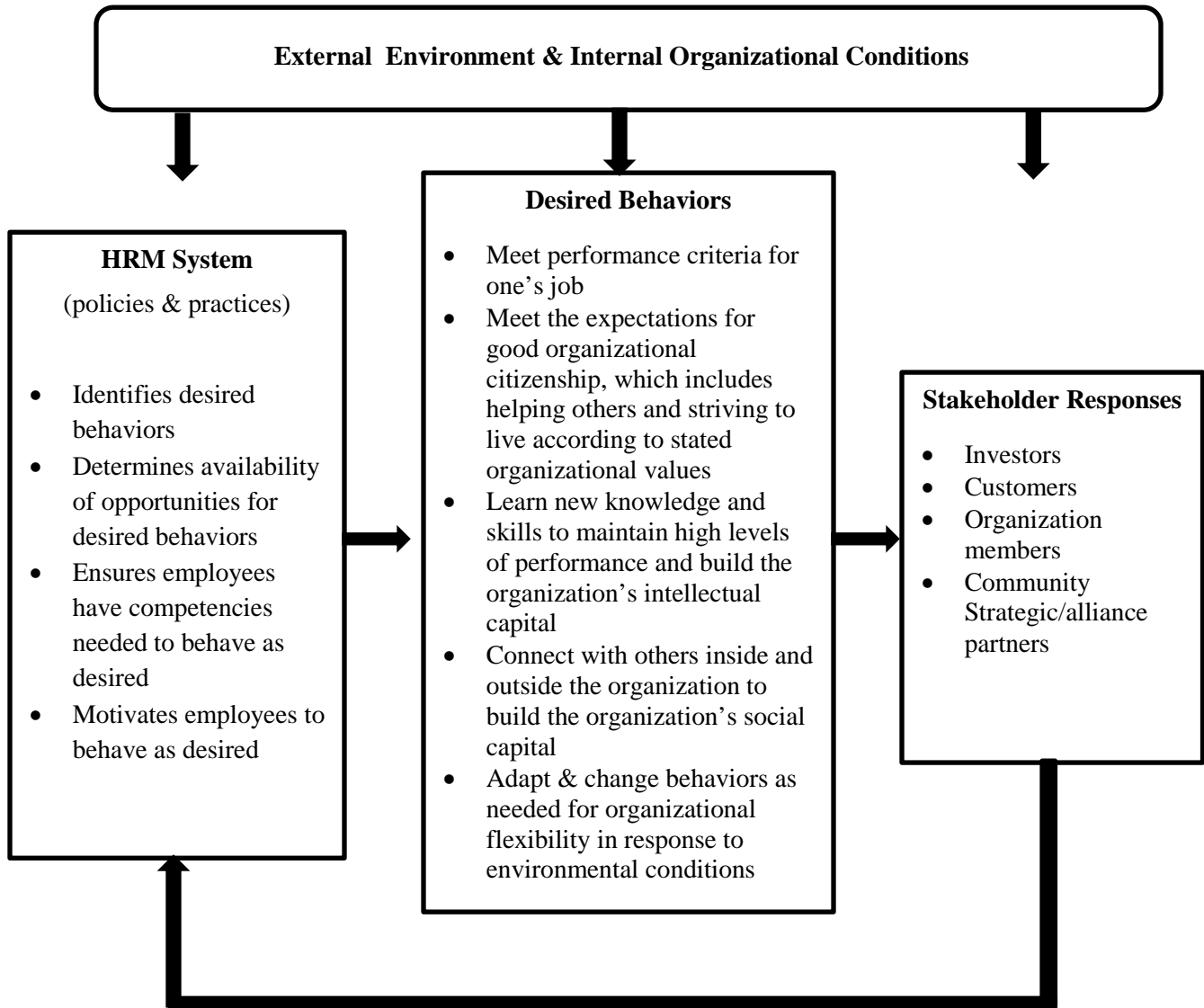### Focus Is On Desired Employee Behaviors

As defined by Daniel Katz and Robert Kahn, role behaviors refer to the recurring actions of organizational members as they interact with their role partners to achieve predictable outcomes. Thus, role behaviors refer to a broad array of employee actions, including those required to perform specific tasks and jobs as well as behaviors that are not specified in one's job description but are understood to contribute to the organization's long-term success. As the behavioral perspective of HRM developed, the terminology has been shortened from "employee role behaviors" to simply "employee behaviors."

Different Organizations Need Different Employee Behaviors

The behavioral perspective of HRM argues that different strategies require different role behaviors from employees in order for those strategies to be implemented successfully. Role behaviors that are believed to contribute to organizational effectiveness are referred to as "desired" (also referred to as "needed") employee behaviors. Included among this broader set of desired behaviors are activities such as completing tasks that are officially the responsibility of another employee as needed, being adaptive and willing to learn and change as needed, and generally behaving in ways that are consistent with the organization's stated goals and values. Thus, the behavioral perspective of HRM assumes that management policies and practices influence not only what work gets done in an organization, but also

how work gets done. The behavioral perspective also makes several other key assumptions, which are briefly described next. The following statement of assumptions also specifies the key concepts that comprise the behavioral perspective.

Figure 1. Overview of the Behavioral Perspective

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│        External  Environment & Internal Organizational Conditions           │
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Desired Behaviors

- Meet performance criteria for one's job
- Meet the expectations for good organizational citizenship, which includes helping others and striving to live according to stated organizational values
- Learn new knowledge and skills to maintain high levels of performance and build the organization's intellectual capital
- Connect with others inside and outside the organization to build the organization's social capital
- Adapt & change behaviors as needed for organizational flexibility in response to environmental conditions

HRM System

(policies & practices)

- Identifies desired behaviors
- Determines availability of opportunities for desired behaviors
- Ensures employees have competencies needed to behave as desired
- Motivates employees to behave as desired

Stakeholder Responses

- Investors
- Customers
- Organization members
- Community Strategic/alliance partners

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Organizational Effectiveness Improves When Employees Behave as Needed

The behavioral perspective of HRM assumes that the behaviors of employees are one of the major determinants of organizational effectiveness, as judged by the organization's primary stakeholders. Ultimately, stakeholders are an organization's most important role partners; it is the consequences of employee behaviors that are of primary concern to stakeholders. Ideally, employee behaviors are consistent with the long-term needs of the firm, given its competitive strategy and the expectations of others who depend on the employee—including role partners inside and outside the organization. The behavioral perspective recognizes that other factors (e.g., the actions of competitors, economic conditions, industry dynamics) also influence organizational effectiveness, but it focuses on employee behaviors because it is through behavior that organizational resources are transformed into goods and services that have economic value.

Employee Behaviors Reflect Situational Influences

According to the behavioral perspective of HRM, the desirability of specific behaviors is influenced by a variety of contextual factors inside and outside the organization. Internal contextual factors that influence the behaviors needed for organizational effectiveness are aspects of the particular organization itself--its size, life cycle stage, competitive strategy, technology, structure, and history. External contextual factors that influence the desirability of specific behaviors are conditions outside the organization that affect organizational functioning, including: industry dynamics, institutional pressures, economic and political conditions, country cultures, and the action of customers. The behavioral perspective assumes that a comprehensive consideration of these contextual elements is needed to fully determine which employee behaviors are desirable. Thus, determining the desired employee behaviors for a specific organization is the first essential step for effective human resource management.

Management Policies and Practices Shape Employee Behaviors

The behavioral perspective of HRM assumes that employee behaviors are malleable—that is, people are generally motivated to behave in ways that socially approved of by others and so are responsive to a variety of informational cues. Two sources of cues emphasized by the behavioral perspective are formal stated policies concerning how employees are to be treated and informal daily practices or the actual ways in which employees are treated.

An organization's formal policies and informal practices for managing employees function together as the human resource management (HRM) system. The many elements of an HRM system include policies and practices for recruiting, selecting, socializing, training, developing, supervising, evaluating, paying, recognizing, promoting, and terminating employees.

Effective Policies and Practices Support Needed Employee Behaviors

All of an organization's many specific management policies and practices operate as a set of interrelated forces that influence employee behaviors. An effective HRM system guides employee behaviors toward desired behaviors by providing opportunities for employees to engage in the behaviors needed, ensuring employees have the competencies required to engage in those behaviors, and motivating employees to behave as needed. If one accepts the assumption that employees actively interpret and respond to

managerial policies and practices, then it follows that an HRM system can direct employee behaviors in ways that increase the likelihood of long-term organizational effectiveness.

In order for employees to behave as needed, they must have the opportunities to do so. Structural arrangements, job designs, and technology are among the many factors that can create or block opportunities for employees to behave as needed. Given opportunities to behave as needed, employees can best meet the behavioral expectations of role partners if they have the required competencies, i.e., the skills, knowledge and abilities. HRM policies and practices can help ensure employees have the required competencies by attracting highly competent job applicants, hiring those who are most highly qualified, providing training and on-the-job learning opportunities, and rewarding employees according to the competencies they exhibit. Three components comprising employee motivation are: willingness to join the firm and stay with the firm as needed, the willingness to exert significant effort toward achieving organizational goals (e.g., working harder, longer, and/or smarter), and the willingness to work reliably at the agreed time and place in exchange an agreed compensation and under agreed working conditions. Policies and practices that influence motivation include the design of work, performance goals and incentives, feedback, opportunities for advancement, among others.

Effective Organizations Address the Concerns of Multiple Stakeholders

Evaluations of organizational effectiveness must take into account the perspectives of the many stakeholders who are influenced by the actions of employees. Human resource management policies and practices are presumed to be effective when the expectations they communicates and the behaviors they elicit are congruent with the organization's behavioral requirements and satisfy employees' role partners. To achieve this goal, the human resource management policies and practices affecting employees must send clear and consistent messages about the desired role behaviors. The primary stakeholders for most businesses include investors, customers, members of the organization itself (i.e., other employees), members of the broader community, and the organization's strategic or alliance partners. Organizations are considered effective to the degree they satisfy their primary stakeholders. Thus, in order to evaluate whether an organization's management policies and practices are effective, the consequences of HRM policies and practices on each stakeholder group should be considered.

Evolution of the Behavioral Perspective

The general model for understanding human resource management that is now referred to as "the behavioral perspective" reflects the influences of several earlier views of organizations. At the same time, when it was first introduced, it represented a major departure from earlier work in the area of human resource management and promoted a strategic approach to the study of human resource management.

As already mentioned, the behavioral perspective draws most directly on the earlier writings of Daniel Katz and Robert Kahn. In addition, it incorporates Michael Porter's approach to understanding the competitive strategies pursued by firms. The earliest description of the behavioral perspective, offered by Schuler and Jackson in 1987, used Michael Porter's description of competitive strategies as the basis for arguing that different business imperatives should lead organizations to prefer and adopt HRM systems that were congruent with the behavioral requirements of their strategies. Subsequently, after Jay Barney

introduced the resource-based view of the firm, the behavioral perspective directed attention to the organizational value of management policies and practices that create and maintain human/behavioral resources that are unique, rare, difficult for competitors to imitate, and valuable.

From "Best" Practices to Practices that "Fit"

When it was first introduced, the behavioral perspective represented a departure from prior approaches to the study of human resource management in several ways. Most notably, the behavioral perspective argued that organizations can and often do design HRM policies and practices to achieve their own specific strategic objectives. In the past, HRM scholarship was grounded in a technical perspective, which assumes that some approaches to managing people are generally more effective than other ways of managing people. Thus, the goal for HRM research was to find the "best practices", and the objective of managers should be to adopt those "best practices." In contrast the behavioral perspective assumes HRM policies and practices should be designed to fit an organization's specific situation. That is, there is no "one best way" for managing people. Policies and practices that are effective for one organization may not be effective in other organizations because organizations differ in the specific employee behaviors that are needed in order to implement the business strategy and satisfy key stakeholders. Subsequently, alternative interpretations of this aspect of the behavioral perspective evolved into several competing theoretical perspectives, including the contingency and configurational perspectives.

From HRM Activities to HRM Systems

The embracing of a systems view for understanding HRM also was a major departure from past approaches. Prior research typically focused on a specific type of HRM activity. For example, studies of how employees responded to particular forms of pay or compensation were conducted without taking into account the influence of other aspects of the total HRM system (e.g., hiring or training policies and practices). Subsequently, HRM scholars embraced the systems view and began investigations designed to understand how employees respond to a few specific types of HRM systems—e.g., high performance systems, high involvement systems, high commitment systems, and so on. Consistent with the behavioral perspective, subsequent studies of these HRM system archetypes assumed that employees imbued HRM systems with meaning, which in turn influences their job-related attitudes and behaviors. However, contrary to the logic of the behavioral perspective, subsequent research on archetypical HRM systems often ignored the assumption that each organization has somewhat unique behavioral requirements, which reflect the context in which the organization is situated.

From Employee Outcomes to Organizational Effectiveness as Criteria

A third departure from prior approaches was broadening the criteria used to evaluate the effectiveness of HRM policies and practices. Prior research focused attention on a smaller set of employee outcomes that are general concern to most employers, especially individual job performance and a few other specific behaviors, such as accepting job offers, absenteeism, and turnover. Consistent with an approach that treats the organization as the focal unit for study, the behavioral perspective also drew increased attention to organization-level outcomes and to the array of role partners with whom employees interact. Thus, HRM scholarship began to investigate the relationships between entire systems of HRM policies and practices and measures of organizational effectiveness, including financial performance, customer satisfaction, and employer reputation.

In a fourth departure from past approaches, the behavioral perspective recognized that employee responses to an organization's HRM system reflect their interpretation of both the organization's formal statements about their practices and the actual behaviors of the organizational agents who are responsible for implementing those practices. Often, responsibility for designing the formal policies for managing employee behaviors lies with human resource professionals, while responsibility for implementing those policies lies with supervisors and managers; the actual behaviors of organizational agents responsible for managing employees—i.e., managerial practices--constitute the informal element of an HRM system. Formal policies can be thought of as distal stimuli, while informal practices can be thought of proximal stimuli. Research that investigates the question of how to create alignment between formal policies and informal practices has its roots in the behavioral perspective and highlights the importance of understanding the behavior of all employees at all levels in the organization.

Importance and Influence of the Behavioral Perspective

Perhaps the most important contribution of the behavioral perspective has been that it provided a bridge for joining together arenas of managerial scholarship that had previously been unconnected. Traditional HRM research had focused on understanding the behavior of individual employees, with little regard for how employee behaviors related to business strategies or the satisfaction of an organization's multiple stakeholders. Conversely, traditional research into strategic management had largely ignored the implications of strategic choices for managing the firm's employees; when implications for employee behaviors were acknowledged, the focus was on CEOs and other members of top management.

Another contribution of the behavioral perspective is that it provides a logic that can be used to predict and explain various relationships between characteristics of organizations and their environments on the one hand and management practices, on the other hand. For example, in one study of several hundred firms, the behavioral perspective what used to develop predictions HRM systems would differ among firms that placed greater value on innovation (versus other strategic imperatives such as cost reduction or quality enhancement). Consistent with predictions based in the behavioral perspective, HRM systems designed to support behaviors needed for innovation, such as risk taking and teamwork, were more likely to be found in firms pursuing competitive strategies that emphasized the development of innovative services and products. Similarly, an investigation of HRM practices in firms that emphasized the delivery of excellent customer service (versus products) found that the behavioral requirements of customer service (which is relatively intangible and co-produced through interactions with end-users) provided an explanation for the differences in HRM systems often found in service versus manufacturing industries. Jackson and her colleagues have also used the behavioral perspective to address the question of how to design HRM systems that encourage and support the behaviors needed in organizations that compete on the basis of knowledge, and to formulate a research agenda for investigating how HRM systems can be used to promote environmental sustainability.

The behavioral perspective also is proving to be important for its ability to provide insights about phenomena at multiple levels of analysis, including individuals, work teams, business units, organizations, and networks of related organizations. For example, a study of top management teams by Collins and Clark found that HRM practices that encouraged executives to build their internal and external social networks were associated with better firm performance, presumably because such networks could be leveraged to achieve organizational goals.

As noted, the behavioral perspective is not a formal theory, but rather a general framework that can be applied as a guide for management research and practice. Because the behavioral perspective deals with broad issues and incorporates numerous complex constructs, it is difficult to conduct research to test the validity of perspective. Instead, its value lies in its ability to generate useful questions and provoke analyses that help to answer those questions.

Cross References: Behavioral theory of the firm, Contingency theory, HRM strategies, Stakeholder theory

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