



# Strategic role of HRM in Turkey: a three-country comparative analysis

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## Abstract

**Purpose** – To explore the strategic role of human resource management (HRM) in Turkey by comparing Turkish companies to Spanish and German companies.

**Design/methodology/approach** – The questionnaire form of the Cranet-G 1999-2000 Survey (Cranfield Network on Strategic International Human Resource Management) has been used to collect the data. The indicators of the strategic role of HRM for this study are the existence of an HR department and manager, representation of HR on the board of directors, the existence of an HR strategy, measurement of the HR department's performance, and the existence of several HR policies.

**Findings** – The variables indicating the strategic role of HRM are evaluated for the companies in the three countries via correspondence analysis. Overall, a broad conclusion can be drawn that a strategic role for HRM is widespread in Turkish companies. Moreover, there are signs of convergence between the companies in Turkey, Germany, and Spain on the strategic role of HRM.

**Research limitations/implications** – This research, designed to explore the strategic role of HRM in Turkish companies, is limited to the variables in the Cranet-G questionnaire.

**Originality/value** – This paper is about the strategic role of HRM in Turkey as a developing country and as a European Union candidate country where published research on HRM is relatively limited. It contributes to the growing literature on the changing role of HRM in Turkey by reporting an empirical study of the strategic role for HRM in Turkish companies.

**Keywords** Human resource management, Turkey, Spain, Germany, European Union, Human resource strategies, Cross-cultural studies

**Paper type** Research paper

## Introduction

Personnel management, locked into a mainly operational role in the 1900s, began to gain a managerial role in the 1960s. Owing to this change in the function's role, there has been a shift from activities such as data storage and arrangement of personnel files to the administration of employee procedures (Fombrun *et al.*, 1984). It is seen both in the literature and practice that the term "human resource management (HRM)" has been used in place of the term "personnel management," and the use of the "human resources" term has increased considerably. It has been observed that the activities, objectives, boundaries, and importance of the human resource function have changed dramatically since the 1970s (Lundy, 1994). On the other hand, in practice the replacement of HRM for personnel management has only meant the change of department names and titles for some companies. In other words, there has been no considerable change in terms of the function's quality and activities (Armstrong, 2000). Research shows that the number of department names and titles containing the term



“human resources” appears to be significantly higher than the ones containing the term “personnel” (Caldwell, 2002). As a general observation, Turkey is not an exception. That is to say, this finding is also supported by general observation in Turkey. However, it is not sufficient to evaluate the importance and role of the function without carrying out more detailed investigations.

Examining the current issues that have recently taken place in the HRM field, it would be suitable to point out that the strategic nature and role of the HR function have been emphasized since the 1980s. The HR function’s gaining of a strategic role is said to show the increase of its importance (Bowen *et al.*, 2002). Research on strategic HRM focuses heavily on the linkage between HRM and business strategy (Schuler and Jackson, 1987; Grundy, 1998; Ferris *et al.*, 1999; Gratton *et al.*, 1999; Sheppeck and Militello, 2000; Huang, 2001). Linking HRM and business strategy requires HR departments’ providing appropriate input into strategic decisions, HR managers’ participation in strategic planning and decision-making processes (Fombrun *et al.*, 1984), integrating HRM with business strategy by means of forming and implementing HRM strategies and policies (Schuler, 1992; Sheehan, 2005). Moreover, as it is necessary for HR departments to provide the required input into strategic decisions and be a part of the decision-making process, it has been argued that the HR department’s representation on the board of directors is becoming more and more necessary (Kelly and Gennard, 1996). On the other hand, the strategic role of the HR function can be evaluated by examining the existence and quality of HR strategies and policies and by examining whether HR departments’ performance is being measured or not (Barutçugil, 2004).

Taking a general look at the current issues on HRM, it is not surprising that the role and importance of HRM vary within different companies. One of the main reasons for the varying roles and practices of HRM within companies is organizational size (Aycan, 2001). By organizational size, we mean the number of employees companies have. Recent reviews of theoretical and empirical literature (Bayo-Moriones and Merino-Diaz de Cerio, 2001; Kotey and Sheridan, 2004; Deshpande and Golhar, 1994; Tanova and Nadiri, 2005) suggest that organizational size influences HRM practices and the development of the HR function within a company. Therefore, organizational size undoubtedly influences the role and importance of HRM. For instance, larger companies are more likely to have a specific HR department (Bayo-Moriones and Merino-Diaz de Cerio, 2001), an HR manager, and also written HR strategies and policies (Kotey and Sheridan, 2004), whereas smaller companies may stick to a more traditional style of personnel management. However, a company’s operating in local or global markets (Wright *et al.*, 2000; Büyüksulu, 1998) and the current situation of those markets (declining, stable or growing) are also important factors that may affect HRM practices and the strategic role of HRM (Uyargil and Özçelik, 2001). For instance in global markets, companies are usually assumed to be looking for ways to improve productivity and quality (Beer *et al.*, 1984). Therefore, the strategic role of HRM in companies in global markets is more likely to emerge. Likewise, if a company is operating in a growing market, the internal environment of the same company will reflect the implications of the developments in this market (Uyargil and Özçelik, 2001). So, the role of HRM within a company may be affected by the current situation of the market.

Moreover, current issues on HRM have different effects on human resource practices in different countries. Research about HRM practices in different countries

especially focuses on investigating the implementation of HRM practices originating in the US in countries outside of the US (Brewster, 1993, 2004; Gooderham *et al.*, 2004). In this way, two comparative patterns have been followed: one is analysis of regional models looking for convergence or divergence within regions such as Europe and Asia (Mayrhofer *et al.*, 2004; Brewster, 2004; Morley, 2004; Claus, 2003; Rowley *et al.*, 2004; Bamber and Leggett, 2001) and the other is more specific as to how the role and practices of HRM vary between specific countries regardless of region (Bowen *et al.*, 2002; Huo *et al.*, 2002; Drost *et al.*, 2002; Lowe *et al.*, 2002). For instance, according to Schuler (1994), the importance of the HR function increased in the USA in the 1990s, whereas HRM was regarded as one of the main responsibilities of line managers in Japan (Bowen *et al.*, 2002). Moreover, HR departments seem to be increasing in importance in company hierarchies in countries such as Italy, Spain, and the Netherlands when compared to past practice (Sirianni, 1992; Saborido *et al.*, 1992; Paauwe, 1996). As Bowen *et al.* (2002) noted, strategic HRM is more likely to occur in countries such as the USA, Canada, and Australia where HRM has a more established history and accepted systems and practices, and also where legislation provides guidelines for HR policy and practices. In addition, not only national legislation systems, but also international legislation systems affect HRM. For instance, the Labor Act Number 4857, which has been in effect in Turkey since 2003, is the result of the harmonization attempts of national labor law and international labor standards such as the International Labor Organization's (ILO) Termination of Employment Convention No. 158. This is due to the membership negotiations for Turkey to be a full member of the European Union (EU) (Çelik, 2003). Having been an associate member of the EU since 1963 and an official candidate since 1999 (Karluk, 2005), Turkey has been evaluated in terms of economic, social, political, legal, and cultural conditions. On the other hand, Turkey – as a developing country – has also experienced the changing role of HRM. In recent years, there has been a growing body of literature on the transition from personnel management to HRM and also on the emerging strategic role of HRM in Turkish companies (Uyargil and Dündar, 2001; Aycan, 2001; Aşkun and Yozgat, 2004). For instance, according to a study conducted in Turkey by Arthur Andersen consulting in 2000, the name of the department which fulfills the HR function is “HRM department” in 65 percent of the participating companies (a total of 307 private sector companies). In half of these companies, there are written HR strategies which are in line with the company's overall business strategies (Aycan, 2001). However, some theoretical studies based on observations indicate that evidence of strategic HRM is weak in Turkish companies (Büyüksulu, 1998). As a result, in spite of the recent literature on the changing role of HRM in Turkish companies, it can be said that empirical studies on the strategic role of HRM are limited. Therefore, this paper investigates the strategic role of HRM in Turkish companies from an empirical perspective.

### **The objective of the research**

This paper aims to determine where HRM in Turkey is relative to developed nations and to explore the strategic role of HRM in companies in Turkey by comparing it to two EU member countries. Within the context of these aims, similarities and differences on the strategic role of HRM in Turkey and two EU member countries have been investigated. The indicators of the strategic role of HRM within a company are

considered to be the existence of an HR department or manager or both, representation of the HR department on the board of directors, the existence and quality of HR strategies and policies, and measurement of the HR department's performance.

Because of Turkey's efforts to join the EU, it is becoming more and more important for HRM to have a strategic role in companies in Turkey. New regulations based on the harmonization with EU norms are closely related to HRM and are aimed at improving the Turkish work environment. However, being able to achieve the improvements requires knowledge about the current situation. Moreover, managing HR effectively and productively through the requirements of the regulations is closely related to the strategic role and importance of HRM within companies. That is why it is necessary to investigate the strategic role of HRM in companies in Turkey. However, it is thought that it would be sounder to conduct the research by comparing the strategic role of HRM in companies in Turkey to that of two EU member countries, namely Germany and Spain.

There is no doubt that there are differences between the strategic role of HRM in Turkey and in other countries in terms of several organizational characteristics, such as organizational size (Aycan, 2001; Bayo-Moriones and Merino-Diaz de Cerio, 2001; Kotey and Sheridan, 2004; Deshpande and Golhar, 1994; Tanova and Nadiri, 2005), market type (Beer *et al.*, 1984; Wright *et al.*, 2000; Büyüksulu, 1998; Uyargil and Özçelik, 2001), and the current situation of the market in which the company operates (Uyargil and Özçelik, 2001). That is why it is essential to take these organizational characteristics into consideration while investigating the strategic role of HRM. Therefore, in this research these organizational characteristics are taken into consideration while the comparisons are being made.

### Data and sample

This research includes the data of the responding companies in Germany, Spain, and Turkey from among the 35 countries of the Cranet-G Network. The data used have been collected as part of the Cranet-G 1999-2000 survey (Cranfield Network on Strategic International Human Resource Management). The total number of responding companies in the three countries is 1,056 (258 companies from Turkey, 501 companies from Germany, and 298 companies from Spain).

As mentioned above, the strategic role of HRM in Turkish companies is investigated by comparing it to two EU member countries. Germany and Spain were not selected randomly for comparison from among the countries which are both members of the EU and participants in the Cranet-G survey. This selection was based on the findings of the research conducted by Uyargil and Özçelik (Uyargil and Özçelik, 2001). In that research, three European countries which are considered "developed" countries among those participating in the Cranet-G survey were intentionally selected, and some characteristics of the Turkish and the three EU member countries' HR managers/professionals were compared. The overall conclusion reached in that research is that some characteristics of the Turkish HR managers/professionals are most similar to those of Spanish HR managers/professionals. Also, the characteristics of the Turkish HR managers/professionals are somewhat similar to those of German HR managers/professionals. However, the relevant characteristics of the English HR managers/professionals are significantly different from those of the Turkish, Spanish and German HR managers/professionals. Therefore, the English

companies are not included in this research in which we are trying to find similarities rather than differences. Hence, this research includes only the Turkish, Spanish, and German data.

The Turkish sample consists of 500 large-sized enterprises (with more than 200 employees) enrolled in the Chamber of Industry and 400 companies enrolled in the Association of Personnel Managers (PERYÖN) (not in the 500 large-sized enterprises mentioned above), which totals 900 companies. In the sample, 258 companies (response rate of 29 percent) answered the questionnaire. The Turkish data are from these 258 companies (210 of which have more than 200 employees). The German data are from 501 companies (415 of which have more than 200 employees) and the Spanish data are from 298 companies (with more than 200 employees). However, other details about the German and Spanish samples are not mentioned since, there is insufficient information about their samples (Uyargil and Özçelik, 2001).

### **Limitations and assumptions**

Included in the research are the data of Turkey and two members of the EU (Spain and Germany). There are 18 countries which are both members of the EU and participants in the Cranet-G 1999-2000 survey. However, having considered the difficulties of comparing the strategic role of HRM in Turkey to all these countries, the scope of the research has been limited to companies in Germany and Spain.

In this research, the strategic role of HRM has been determined through the answers of the responding companies. Therefore, a limitation of the research is the extreme difficulty of reaching all companies.

This research, designed to explore the strategic role of HRM in Turkish companies, is limited to the variables in the Cranet-G 1999-2000 questionnaire.

Moreover, we currently have only the Turkish data related to the Cranet-G 2004-2005 survey. Therefore, due to the non-existence of any data from other countries, using the Cranet-G 1999-2000 data of all three countries is another limitation of the research.

The standardised questionnaire of the Cranet-G survey, which was originally written in English, is translated into relevant languages and then adapted to the different national contexts. Therefore, the respondents are assumed to have perceived the questions in the same way and also to have given answers reflecting the actual situation. Another assumption related to the research is that the questionnaire method is the most suitable method to gather the data. Moreover, although there are various statistical techniques such as  $\chi^2$  and *t*-test, some of which have been tested and similar results have been reached, the statistical technique used (multiple correspondence analysis (MCA)) is considered the most convenient way to evaluate the data. The choice of MCA is not without limitations, mainly regarding the fact that it reduces raw data (which in this case is a continuous variable, a percentage) into more simplified categories (a discrete, YES/NO variable). However, for the purposes of this study, it was deemed that the trade-off between less rich information and simpler and more intuitively clear categories fully justified the use of MCA.

### **Variables and data collection method**

The research data were collected via the questionnaire method. The questionnaire form of the Cranet-G 1999-2000 survey (Cranfield Network on Strategic International HRM) has been used to collect the data.

In this research, 13 variables have been used to explore the strategic role of HRM in companies in the three countries. The first variable is the “country” variable. The strategic role of HRM is measured on two dimensions using nine variables: the status of the HR department (Bowen *et al.*, 2002; Kelly and Gennard, 1996) and the strategic nature of the HR function (Schuler, 1992; Sheehan, 2005; Barutçugil, 2004; Kotey and Sheridan, 2004). First, the status of the HR department is measured by two variables including one variable measuring the existence of an HR department or manager or both and one variable measuring the representation of the HR department on the board of directors. Second, the strategic nature of the HR function is measured by seven variables, including the existence and quality of an HR strategy, measurement of HR practices, existence and quality of policies related to compensation and benefits, recruitment and selection, training and development, employee communications, and flexible working practices.

In this research, the responding companies in the three countries have been separated into groups in terms of different organizational characteristics that are considered to influence the answers about the variables determining the strategic role of HRM based on the literature mentioned above. Then, similarities and differences about the strategic role of HRM in the companies that are in the same group are investigated in terms of the countries they operate in. In this way, the moderator variables of the research are:

- (1) organizational size (in terms of the number of employees);
- (2) the market type in which the company operates (local or global); and
- (3) the current situation of the market (declining, stable or growing).

### Research model

In this research, the strategic role of HRM in Turkey and two members of the EU has been investigated to determine the current situation in terms of several relevant variables, and the differences in the role of HRM in these countries have been ascertained. In other words, this research is aimed at determining and defining the relationship among several variables. The main aim of the descriptive research is basically to reach definitions, not to investigate a cause and effect relationship (Kurtuluş 2004). Therefore, our model is a descriptive research model where the situations, variables, and the relationship between variables about a specific subject or problem are defined.

### Hypotheses

In this research, the hypotheses developed to be tested in accordance with the objective of the research can be expressed as:

- H1.* The companies of similar size in terms of number of employees in Spain, Germany, and Turkey are similar in the existence of an HR department or manager or both, representation of the HR department on the board of directors, the existence and quality of HR strategies, and measurement of the HR department's performance.
- H2.* The companies operating in similar markets in Spain, Germany, and Turkey are similar in the existence of an HR department or manager or both,



representation of the HR department on the board of directors, the existence and quality of HR strategies, and measurement of the HR department's performance.

*H3.* The companies operating in similar current market situations in Spain, Germany, and Turkey are similar in the existence of an HR department or manager or both, representation of the HR department on the board of directors, the existence and quality of HR strategies, and measurement of the HR department's performance.

*H4.* The companies in Spain, Germany, and Turkey are similar in the existence and quality of the policies related to compensation and benefits, recruitment and selection, training and development, communications and flexible working practices.

However, in this research 12 comparisons to test each of the first and third hypotheses, eight comparisons to test the second hypothesis and five comparisons to test the fourth hypothesis have been made. To consider an hypothesis to be true, it is not an absolute necessity to have similarities in each of the relevant comparisons. To have similarities in at least half of the total number of relevant comparisons is considered sufficient to consider an hypothesis to be true.

### Statistical techniques

In the research, the homogeneity analysis technique which shows the relationship between two or more categorical variables both numerically and graphically has been used.

The homogeneity analysis by means of alternating least squares is shortened to "HOMALS," and in the literature it is known as the MCA. The only difference between HOMALS and correspondence analysis is that HOMALS is not limited to two variables. By appointing numerical values to the categories and the individuals, the relationship between two or more categorical variables can be determined, and the categories each individual belongs to can be indicated on graphs (Firat and Arıcıgil, 2000). In this analysis, which is similar to discriminant analysis, the standard joint plot with category points in the centroid of the objects that belong to the category can be used for reassigning the objects (Meulman, 2000).

First in the analysis, the strategic role of HRM in the three countries is compared in terms of organizational size. Then, the strategic role of HRM is investigated in terms of the market types and the current situation of the markets. Finally, the companies in the three countries are compared in terms of the existence and quality of several HR policies.

### Findings

In this research, the strategic role of HRM in Turkey and two members of the EU (Germany and Spain) is investigated in terms of several variables, and the similarities and differences between them are researched. The forecasting variables considered to be the indicators of the strategic role of HRM are investigated for each relevant country in terms of three different organizational characteristics via correspondence analysis. The results obtained in the graphs are summarized in the tables.

*The comparison in terms of organizational size*

The responding companies having fewer than 500 employees in Turkey, Germany, and Spain are entirely similar in terms of the four variables that are seen on Table I.

The companies in this group in all three countries generally have an HR department or manager or both. However, HR is generally not represented on the board of directors, and HR strategies are formed orally. Moreover, it can be observed that the performance of HR departments is generally not measured.

When the results are taken into consideration (Table II), it can be seen that the responding companies having between 500 and 999 employees in all three countries are entirely similar in the existence of an HR department or manager or both in the company. In other words, respondents from all three countries in this group have generally pointed out that they have an HR department or manager or both. It can be observed that the HR departments of the responding companies in Turkey and Spain are represented on the board of directors, whereas HR is not represented on the board of directors in companies in Germany. Therefore, it can be said that the companies in Turkey and Spain are similar in this case.

Similar results are obtained when investigating the existence of HR strategies. The responding companies of this group in Turkey and Spain generally indicate that they have written HR strategies, whereas the companies in Germany generally indicate that they do not have any HR strategies. So, companies in Turkey and Spain in this group are similar in this case, too. The same results are obtained for the measurement of the HR department's performance. When the results are examined, generally the HR department's performance is measured in companies both in Turkey and Spain, whereas it is not measured in companies in Germany.

Overall, the responding companies in Turkey and Spain having between 500 and 999 employees are entirely similar in terms of the four variables indicating the strategic role of HRM. By comparison, the companies in Germany are only similar to the other

Strategic role of HRM	Turkey	Spain	Germany	Comparison
<i>Number of employees: 500 –</i>				
Existence of HR	Yes	Yes	Yes	All similar
Representation on the board of directors	No	No	No	All similar
Existence of HR strategy	Yes, not written	Yes, not written	Yes, not written	All similar
Measurement of HRM	No	No	No	All similar

**Table I.**  
Comparison of companies having fewer than 500 employees

Strategic role of HRM	Turkey	Spain	Germany	Comparison
<i>Number of employees: 500-999</i>				
Existence of HR	Yes	Yes	Yes	All similar
Representation on the board of directors	Yes	Yes	No	Turkey and Spain are similar
Existence of HR strategy	Yes, written	Yes, written	No	Turkey and Spain are similar
Measurement of HRM	Yes	Yes	No	Turkey and Spain are similar

**Table II.**  
Comparison of companies having between 500 and 999 employees



two countries' companies in terms of the existence of an HR department or manager or both, but different from them in terms of the other three variables indicating the strategic role of HRM. As a result, it would not be wrong to say that the evidence of the strategic role of HRM is relatively strong in the responding companies of Turkey and Spain having between 500 and 999 employees. The findings with the German sample are in general consistent with the Ferner *et al.* (2001) study pointing out that the German model includes a slower adoption of a strategic approach to HRM.

An interesting point is that the responding companies having fewer than 500 employees in Germany do have at least verbal HR strategies, whereas the companies with between 500 and 999 employees in the same country do not have HR strategies. The possible reason for this may be that the companies which are thought to be more institutional than the smaller companies do not consider their verbal HR strategies to be real HR strategies.

In Turkey, Germany, and Spain, the responding companies with at least 1,000 employees are entirely similar in terms of the variables indicating the strategic role of HRM (Table III). Companies in this group usually have an HR department, and HR is represented on the board of directors. Moreover, large-sized companies in these countries usually have HR strategies, and they also measure the HR department's performance.

Another result based on the data obtained is that in all three countries as the number of employees increases, it becomes almost impossible not to have an HR department or an HR manager, and generally HRM has a more strategic role.

*The comparison in terms of the market type*

The responding companies operating in local markets in Turkey, Germany, and Spain are similar in terms of the four variables indicating the strategic role of HRM (Table IV).

Companies in this group in the three countries generally have an HR department, but the HR department is not represented on the board of directors. The companies of

**Table III.**  
Comparison of companies having at least 1,000 employees

Strategic role of HRM	Turkey	Spain	Germany	Comparison
<i>Number of employees: 1,000 +</i>				
Existence of HR	Yes	Yes	Yes	All similar
Representation on the board of directors	Yes	Yes	Yes	All similar
Existence of HR strategy	Yes, written	Yes, written	Yes, written	All similar
Measurement of HRM	Yes	Yes	Yes	All similar

**Table IV.**  
Comparison of companies operating in local markets

Strategic role of HRM	Turkey	Spain	Germany	Comparison
<i>Market type: Local</i>				
Existence of HR	Yes	Yes	Yes	All similar
Representation on the board of directors	No	No	No	All similar
Existence of HR strategy	Yes, not written	Yes, not written	No	Turkey and Spain are similar
Measurement of HRM	No	No	No	All similar

this group in Turkey and Spain generally have at least verbal HR strategies, whereas the companies in Germany do not have any HR strategies at all. In this case, the companies operating in local markets in Turkey and Spain are similar in terms of the existence and quality of HR strategies. Moreover, most of the responding companies operating in local markets in all three countries indicate that they do not measure the HR department's performance.

The results mentioned above show that the companies operating in local markets in all three countries generally have HR departments or managers or both. However, it seems that the evidence of the strategic nature of HRM is relatively weak in the local market companies in all three countries.

The responding companies operating in global markets in Turkey, Germany, and Spain are entirely similar in terms of the four variables indicating the strategic role of HRM (Table V).

Companies in this group generally have an HR department, and the HR department is represented on the board of directors. Moreover, most of the companies in this group in the three countries have HR strategies. However, most of the companies in Germany do not have written HR strategies. The responding companies in all three countries in this group indicate that they measure the HR department's performance.

Therefore, another result based on the findings is that the HRM of the companies operating in global markets in all three countries has a more strategic role than the companies operating in local markets. The reasons may be the more competitive environment that the global companies operate in and their organizational size, hence, their need for being more systematic in managing human resources. This finding is also consistent with the recent literature indicating the greater strategic importance of HRM in global companies (Beer *et al.*, 1984; Wright *et al.*, 2000; Uyargil and Özçelik, 2001; Büyükkuslu, 1998).

#### *The comparison in terms of the current situation of the market*

The responding companies operating in declining markets in Turkey do not clearly indicate an answer to the question about the existence of an HR department or manager or both. In other words, they cannot be included in any of the groups having the answers "yes" or "no." The existence of an HR department in the companies operating in declining markets in Germany is entirely similar to those in Spain (Table VI); that is to say, these companies generally have an HR department or manager or both.

The responding companies in this group in Turkey and Germany indicate that the HR department is not represented on the board of directors and they do not have either

Strategic role of HRM	Turkey	Spain	Germany	Comparison
<i>Market type: Global</i>				
Existence of HR	Yes	Yes	Yes	All similar
Representation on the board of directors	Yes	Yes	Yes	All similar
Existence of HR strategy	Yes, written	Yes, written	Yes, not written	Turkey and Spain are similar
Measurement of HRM	Yes	Yes	Yes	All similar

**Table V.** Comparison of companies operating in global markets

written or verbal HR strategies. On the other hand, the companies in Spain generally indicate that the HR department is represented on the board of directors. However, these companies cannot be classified as answering “yes” or “no” about the existence of HR strategies. In other words, it cannot be determined whether they have HR strategies or not. Moreover, the responding companies operating in declining markets in all three countries state that they do not measure the HR department’s performance.

The responding companies operating in stable markets in Turkey do not clearly indicate a “yes” or “no” answer to the questions about all four indicators of the strategic role of HRM (Table VII). On the other hand, the companies of this group in Germany and Spain are entirely similar in terms of the existence of an HR department and an HR manager. These companies generally state that they have an HR department.

The responding companies in Spain generally state that HR is represented on the board of directors, whereas the companies in Germany generally state that theirs are not. In this case, the companies of this group seem to differ. Similar results are obtained about the existence of HR strategies. The companies of this group in Spain state that they have verbal HR strategies, whereas the companies in Germany state that they do not have any HR strategies at all. Also in this case, the companies of this group seem to differ.

From the answers to the question about the measurement of the HR department’s performance, it can be seen that performance is generally not measured in the companies of this group in Spain and Germany. Considering these findings, it is the first and only time that it can be said the companies of this group only in Germany and Spain are similar in terms of the existence and measurement of HR.

The responding companies operating in growing markets in Turkey, Germany, and Spain are almost totally similar in terms of the four variables indicating the strategic

**Table VI.**  
Comparison of companies operating in declining markets

Strategic role of HRM	Turkey	Spain	Germany	Comparison
<i>Current situation of the market: Declining</i>				
Existence of HR	no clear response	Yes	Yes	Spain and Germany are similar
Representation on the board of directors	No	Yes	No	Turkey and Germany are similar
Existence of HR strategy	No	No clear response	No	Turkey and Germany are similar
Measurement of HRM	No	No	No	All similar

**Table VII.**  
Comparison of companies operating in stable markets

Strategic role of HRM	Turkey	Spain	Germany	Comparison
<i>Current situation of the market: Stable</i>				
Existence of HR	no clear response	Yes	Yes	Spain and Germany are similar
Representation on the board of directors	no clear response	Yes	No	All different
Existence of HR strategy	no clear response	Yes, not written	No	All different
Measurement of HRM	no clear response	No	No	Spain and Germany are similar

role of HRM (Table VIII). The companies of this group in all three countries generally have an HR department, and HR is represented on the board of directors. Moreover, most of the companies in these countries have an HR strategy. However, the companies of this group in Germany generally do not have written HR strategies. Most of the responding companies of this group in all three countries state that they also measure the HR department's performance.

Another result based on the findings is that in all three countries as the markets in which the companies operate grow, it is almost impossible not to have an HR department or an HR manager, and the strategic nature of HRM generally increases.

#### *The comparison in terms of the existence of HR policies*

Another indicator of the strategic role of HRM is the existence of HR policies related to several functions and activities of HRM. In this regard, the companies are compared with this point of view in mind. However, when comparing them, different organizational characteristics of the companies are not considered. The reason is that the organizational characteristics-based results mentioned above do not have significant differences in terms of the existence and quality of HRM. As a result, the existence and quality of HR policies considered as indicators of the strategic role of HRM in companies in the three countries is analyzed without separating the companies into categories in terms of their organizational characteristics.

When the companies in Turkey are asked whether they have policies related to compensation and benefits, the responding companies state that they have written policies related to this function (Table IX). In contrast, the responding companies in Germany state that they generally have written or verbal compensation and benefits policies. The responding companies in Spain most frequently mention having verbal

Strategic role of HRM	Turkey	Spain	Germany	Comparison
<i>Current situation of the market: Growing</i>				
Existence of HR	Yes	Yes	Yes	All similar
Representation on the board of directors	Yes	Yes	Yes	All similar
Existence of HR strategy	Yes, written	Yes, written	Yes, not written	Turkey and Spain are similar
Measurement of HRM	Yes	Yes	Yes	All similar

**Table VIII.**  
Comparison of companies operating in growing markets

HR policies	Turkey	Spain	Germany
Compensation and benefits	Yes, written	Yes, not written	Yes, written and yes, not written
Recruitment and selection	Yes, written	Yes, not written and yes, written	Yes, not written and no
Training and development	Yes, written	Yes, written	Yes, not written and no
Employee communications	Yes, not written and yes, written	Yes, not written and yes, written	Yes, not written and no
Flexible working practices	Yes, not written and no	No and yes, not written	Yes, written

**Table IX.**  
Comparison of the companies in terms of the existence of several HR policies

compensation and benefits policies. Therefore, the companies in Turkey and Germany are partially similar, and the companies in Spain and Germany are also partially similar in this dimension of the strategic role of HRM.

Examining the policies related to HR recruitment and selection, it is seen that the companies in Turkey generally have written policies about recruitment and selection. The companies in Spain have both written and verbal recruitment and selection policies. By contrast, the companies in Germany have written recruitment and selection policies or do not have any recruitment and selection policies at all. Therefore, the companies in Turkey and Spain are partially similar, and the companies in Spain and Germany are also partially similar in this dimension of the strategic role of HRM.

Investigating the same issue about training and development, it is seen that the responding companies in Turkey and Spain have written training and development strategies. Some of the companies in Germany state that they have verbal training and development policies, and some state that they do not have any policies about training and development at all. Therefore, the companies in Turkey and Spain are entirely similar in the existence and quality of training and development policies.

Examining the existence of employee communications policies, it is seen that some of the responding companies in Turkey and Spain have written policies, and some have verbal policies related to employee communications. Some of the responding companies in Germany have verbal policies about communications, and some others do not have any communication policies at all. Commenting on the results related to employee communications policies, it is possible to say that the companies in Turkey and Spain are entirely similar, and the companies in Germany are partially similar to the other two countries.

Comparing the companies of the three countries about flexible working practices, the result obtained is quite different from the results mentioned above. For instance, the companies which generally have written or verbal policies about the four HR functions in Turkey mentioned above state that they have only verbal flexible working policies or do not have any policies related to flexible working at all. This finding is not surprising for Turkey, because the first regulations about flexible working in the Turkish Labor Law were enacted through Labor Law No. 4857 in 2003. Investigating the same issue for Germany, it is an expected result for companies in Germany to state that they have written policies about flexible working, because flexible working has already been the subject of significant regulation in Germany. On the other hand, the responding companies in Spain state that they have no policies about flexible working, and only a few of them state that they have verbal flexible working policies. Therefore, it can be said that the companies in the three countries are not similar in this dimension of the strategic role of HRM.

Comparing the responding companies in Turkey to the companies in the other two countries in terms of the existence of HR policies, it can be seen that the companies in Turkey generally have written HR policies and seem to be superior to the companies of the other two countries. The companies in Turkey are behind the companies in Germany only with regard to the existence of flexible working policies. As mentioned above, the reason for that may be the newness of the regulations about flexible working practices in Turkey.

## Conclusion

HR function's gaining of a strategic role and nature shows its increasing importance. Considering economic, technologic, and social developments, the changing expectations of a skilled workforce in Turkey, and harmonization with the EU, companies in Turkey have to keep pace with the changing role and status of HRM. In this way, investigating the strategic role and nature of HRM in companies in Turkey by comparing it to two EU member countries is valuable; companies in Germany and Spain, as EU member countries, are included in the research due to the findings of Uyargil and Özçelik (2001) as mentioned above.

In this research investigating the four variables indicating the strategic role of HRM, several organizational characteristics are considered as moderator variables. These moderator variables are the number of employees, market type, and current situation of the market. The reason why these moderator variables are used is that the results of the analysis made without these variables reflect inconsistency in terms of the four variables indicating the strategic role of HRM. So, using the moderator variables, inconsistency can be avoided. However, due to the analysis, there is no need to use these moderator variables for the other five variables.

The results of this research can be summarized as follows.

First, in exploring the strategic role of HRM in companies in Turkey, Spain, and Germany, the companies are separated into groups in terms of their organizational size. The findings show that the companies having fewer than 500 employees in all three countries are similar in terms of the existence of HR department or manager or both, representation of HR on the board of directors, existence of HR strategy, and measurement of HR department's performance. Moreover, the companies having between 500 and 999 employees in all three countries are similar in terms of the existence of an HR department or manager or both, whereas the relevant companies only in Turkey and Spain are similar in terms of the representation of the HR department on the board of directors, existence of an HR strategy, and measurement of the HR department's performance. The companies having at least 1,000 employees in all three countries are similar in terms of the four variables indicating the strategic role of HRM. To sum up, of the 12 comparisons made to test the first hypothesis, the companies in all three countries are similar in nine comparisons, and only the companies of Turkey and Spain are similar in the remaining three comparisons. Therefore, the first hypothesis, claiming that the companies of similar size in terms of number of employees in Spain, Germany, and Turkey are similar in the existence of an HR department or manager or both, representation of the HR department on the board of directors, the existence and quality of HR strategies, and measurement of the HR department's performance, is considered to be true.

Second, in investigating the strategic role of HRM in companies in the three countries, the companies are separated into groups in terms of the market type in which they operate. The findings show that the companies operating in local markets in all three countries are similar in terms of the existence of an HR department or manager or both, representation of HR on the board of directors, and measurement of the HR department's performance, whereas only the companies in Spain and Turkey are similar in terms of the existence of an HR strategy. On the other hand, although the findings of the companies operating in global markets are different from the findings of the local market companies, the same results are obtained in global market companies in all three countries. In other words, the evidence of the strategic role of HRM is



relatively strong in global companies compared to local companies. However, in both cases the findings reveal similarities among countries. To sum up, of the eight comparisons made to test the second hypothesis, the companies of all three countries are similar in six comparisons, while only the companies of Spain and Turkey are similar in the remaining two comparisons. For this reason, the second hypothesis, claiming that the companies operating in similar markets in Spain, Germany, and Turkey are similar in the relevant four variables indicating the strategic role of HRM, can be considered to be true.

Third, in investigating the strategic role of HRM in companies in the three countries, the companies are grouped in terms of the current situation of the market in which they operate. According to the findings, the companies operating in declining markets in Germany and Spain are similar in terms of the existence of an HR department or manager or both. On the other hand, the companies of the same group in Turkey and Germany are similar in terms of the representation of HR on the board of directors, and existence of an HR strategy. Moreover, the companies of the same group in all three countries are similar in terms of the measurement of the HR department's performance. However, the companies operating in stable markets in Spain and Germany are similar in terms of the existence of an HR department or manager or both and measurement of the HR department's performance, whereas the companies of this group are different from each other in terms of the existence of an HR strategy. Moreover, the companies operating in growing markets in the three countries are entirely similar in terms of the three variables indicating the strategic role of HRM. However, only the companies of the same group in Turkey and Spain are similar in terms of the quality of HR strategies. To sum up, of the 12 comparisons made to test the third hypothesis, the companies of all three countries are similar in only four comparisons, only the companies in Germany and Spain are similar in three comparisons, only the companies in Germany and Turkey are similar in two comparisons, and the companies of all three countries are different in the remaining two comparisons. Therefore, the third hypothesis, claiming that companies operating in similar current market situations in Spain, Germany, and Turkey are similar in the relevant four variables indicating the strategic role of HRM, is not supported by the empirical findings.

Overall, the companies in the three countries are similar in the four variables indicating the strategic role of HRM in terms of organizational size and the market type. However, they are different from each other in the four variables indicating the strategic role of HRM in terms of the current situation of the market. That means the strategic role of HRM in the three countries diverge in terms of the current situation of the market.

Finally, the results related to the existence of several HR policies as being indicative of the strategic role of HRM can be summarized as follows.

The findings related to the existence and quality of the policies about compensation and benefits, recruitment and selection, and flexible working practices reveal differences in the companies of the three countries. By contrast, the findings related to the existence and quality of the policies about employee communications and training and development reveal similarities in the companies in Turkey and Spain. Therefore, our empirical findings do not seem to support the fourth hypothesis. However, searching for similarities only in the existence of all the relevant policies, it is seen that the companies in the three countries are partially similar.

Overall, a broad conclusion might be drawn that there are signs of convergence between the companies in Turkey, Germany and Spain in the strategic role of HRM in terms of the variables mentioned above. In other words, our empirical findings reveal more convergence than divergence in the strategic role of HRM in the three countries. Another result based on the findings is that HRM in companies in Turkey is as much strategically developed as in the companies in Spain and Germany. That is to say, a strategic role for HRM is quite established in Turkish companies.

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