GUEST EDITORS' INTRODUCTION: IS THE HRM PROCESS IMPORTANT? PAST, CURRENT, AND FUTURE CHALLENGES

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Ten years ago, Bowen and Ostroff (2004) criticized the one-sided focus on the content-based approach, where researchers take into account the inherent virtues (or vices) associated with the content of HR practices to explain performance. They explicitly highlight the role of the psychological processes through which employees attach meaning to HRM. In this first article of the special section entitled "Is the HRM Process Important?" we present an overview of past, current, and future challenges. For past challenges, we attempt to categorize the various research streams that originated from the seminal piece. To outline current challenges, we present the results of a content analysis of the original 15 articles put forward for the special section. In addition, we provide the overview of a caucus focused on this theme that was held at the Academy of Management annual meeting in Boston in 2012. In conclusion, we discuss future challenges relating to the HRM process approach and review the contributions that have been selected—against a competitive field—for this special issue. © 2014 Wiley Periodicals, Inc.

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Introduction

For more than 30 years, human resource management (HRM) researchers and practitioners have tried to open the so-called "black box" to explain the effects of HRM on employee and organizational performance (Guest, 2011; Huselid, 1995; Paauwe, 2009). While some researchers focus on the effects of single HR practices like recruitment and selection, pay (for performance), training, performance appraisal, team-working, and so on, others focus on so-called bundles or systems of HR practices, like high-performance work systems (HPWSs; Collins & Smith, 2006;

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Huselid, 1995; Huselid & Becker, 1996) and high-commitment HRM (HC-HRM; Walton, 1985). HC-HRM and HPWSs generally involve a bundle of HR practices such as selective hiring, training and development, career opportunities, performance appraisal, and participative decision making (Boselie, Dietz, & Boon, 2005; Combs, Liu, Hall, & Ketchen, 2006). The main idea of "bundles" is that single HR practices reinforce each other and increase employees' knowledge, skills, and abilities; empower the employees to act; and motivate them to do so (Becker & Huselid, 1998; Becker, Huselid, Pickus, & Spratt, 1997; Delery & Shaw, 2001; Huselid, 1995; Hutchinson, Purcell, & Kinnie, 2000).

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In their meta-analysis of 92 studies, Combs et al. (2006) show that HPWSs have a stronger effect on performance than single HR practices. HC-HRM shows the same results (see, for instance, Gould-Williams, 2004). In a recent meta-analysis, Jiang, Lepak, Hu, and Baer (2012) showed that skill-enhancing HR practices were more related to human capital than motivation-enhancing and opportunity-enhancing practices. Employee motivation and human capital both had an impact, however, on strategic outcomes such as turnover, productivity, and profitability.

On the other hand, empirical studies reveal that such bundles of HR practices are not necessarily effective (Wall & Wood, 2005; Wood, 2003). For example, Wall and Wood (2005) undertook a critical analysis of 25 of the best-cited studies in reputable refereed journals and concluded that it was premature to suggest a linkage between HRM systems and organizational performance due to methodological limitations and inadequate research design. Ferris, Arthur, Berkson, Kaplan, Harrel-Cook, and Frink (1998) seemed to foresee this impasse facing scholars adopting a content-specific approach when they eloquently affirmed that HRM, if done well, will "*somehow* make organizations perform more effectively" (p. 236; italics in the original). The key word in Ferris and colleagues' sentence is "somehow," since it indicates that after three decades of research, scholars still do not know exactly how HRM influences organizational performance.

As a result, researchers started to question the *content of HRM practices* and whether this approach is "robust enough to explain" the relationship between HRM and employee and organizational performance (see Sanders, Shipton, & Gomes, 2012). At the start of the new century, attention shifted from HRM content towards an *HRM process* perspective. Bowen and Ostroff (2004; see also Ostroff & Bowen, 2000) were among the first scholars to criticize the one-sided focus on the content-based approach, introducing and defining the notion of "*HRM process*." In framing their ideas, these scholars applied the co-variation principle of attribution theory (Kelley, 1967, 1973) to the domain of HRM, and developed a framework for understanding how HRM as a system "can contribute to organizational performance by motivating employees to adopt desired attitudes and behaviors that, in the collective, help to achieve the organization's strategic goals" (p. 204). To enhance the likelihood that employees interpret the messages conveyed by HRM in a uniform manner, employees should perceive HRM as being *distinctive*, *consistent*, and *consensual*. In such cases, they will have a better and shared understanding of the kinds of behaviors management expects, supports, and rewards (see also Schneider, Brief, & Guzzo, 1996).

In sum, while content-based approach scholars focus on the inherent virtues (or vices) associated with the content of HRM to explain performance, proponents of the process-based approach highlight the importance of the psychological processes through which employees attach meaning to HRM in explaining the relationship between HRM and performance. The aim of this article is to give an overview of the past, current, and future challenges regarding the HRM process approach. We ask a number of questions. First, what were the claims Bowen and Ostroff made in their 2000 and 2004 articles? Second, what were the responses from researchers and

practitioners from the HR community and beyond? Finally, where are we now and what are the promises and challenges this perspective holds for the future? To answer these questions, we start this article with a short summary of Bowen and Ostroff's seminal article, followed by a discussion of different lines of research that have been taken forward by researchers based on these ideas. In addition, we give an overview of the initial responses from the field following our call for papers. To answer the second question (regarding the state of science), we present the results of a content analysis, then outline insights derived from a caucus on this theme at the Academy of Management annual meeting in 2012, and present an overview of the articles in this special section. In the final section, we reflect on future challenges and opportunities for scholars who, like us, are inspired by this compelling new direction in strategic HRM research.

The Process Approach: The Start and the First Year After

By means of the *process approach,* Bowen and Ostroff (2004; see also Ostroff & Bowen, 2000) proposed a shift in attention from macro toward micro and meso levels of analysis (and the interactions involved), from the opinion of single actors as focal respondents to the perceptions of employees, and, by drawing on attribution theory, from organizational and management studies to psychology and subjective phenomena. The effects of these new and appealing ideas were substantial; in 2005, they received the award for best paper from the HR division of the Academy of Management (Honolulu, 2005), and by the fall of 2013 their article had already been cited more than 900 times (Google Scholar).

Bowen and Ostroff (2004) differentiate between the *content* of an HRM system (the individual practices and policies intended to achieve a particular objective) and the *process*, referred as to "how the HRM system can be designed and administered effectively by defining meta features of an overall HRM system that can create a strong situation in the form of shared meaning about the content that might ultimately lead to organizational

performance" (p. 206). This shifts researchers' attention in the HRM arena, from *what* is it in HRM that potentially affects performance to *how* does HRM as a function and a system affect performance.

Bowen and Ostroff (2004) argued that HRM practices can be seen as a means of communicating from the employer to the employee, and used attribution theory to identify the key features that allow messages to be received and interpreted uniformly (or not) among employees (Bowen & Ostroff, 2004, p. 208). According to Kelley's co-variation model (1973), individuals can make confident attributions about cause-effect relationships in particular situations, depending on the degree of *distinctiveness* (the event-effect is highly observable), *consistency* (the event-effect presents itself the same across modalities and time), and *consensus* (there is agreement among individual views of the event-effect relationship). If all employees perceive HRM within their organization in the same (or a similar) way, a strong *organizational climate* will emerge, which will lead to higher organizational performance.

In what follows, we present an overview of the research that has taken place after the Bowen and Ostroff (2004) article, and divide those studies into a "testing the theoretical model" research line, and one that is focused on designing a valid and reliable scale to measure the dimensions.

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Testing the Theoretical Framework

Nishii, Lepak, and Schneider (2008) were among the first to examine employees' attributions of HR. They introduced the term *HR attribution* and focused on the locus of causality: why management adopts and implements HR practices. They argued that HR attributions are related to perceptions of the organization's "employee-oriented philosophy" (i.e., whether the organization is concerned about service effectiveness and employee well-being or, alternatively,

"exploitative" and dismissive of employee needs). Internal attributions—those arising from a particular management stance—are believed to be more potent explanatory variables than those that are perceived to be external (i.e., thrust upon management by pressures outside their control). They showed that employees make varying attributions for the same HR practices, and that these attributions are differentially associated with commitment and customer satisfaction.

The work of Nishii et al. (2008) has highlighted the role of key stakeholders, especially the employee's immediate manager. Following this line of reasoning, the question of what roles and behaviors line managers should perform in order to signal concern for well-being is receiving growing attention (e.g., Shipton, Sanders, Atkinson, & Frenkel, 2013). It has been suggested that employees are less cognizant of higher-level strategic issues and more concerned with line-manager support (Teo & Rodwell, 2007). Ulrich, Brockbank, Yeung, and Lake (1995; see also Ulrich, 1997) present a model for HRM roles that has been widely applied (Becker & Huselid, 2006; Francis & Keegan, 2006; Truss, Gratton, Hope-Hailey, Stiles, & Zaleska, 2002). It could be argued that the *administrative expert* and *change agent roles* are distant from the employee, the former requiring an orientation toward the external context and senior management and the latter embracing operational efficiency, rather than direct engagement with staff. A particular focus on two roles—*employee champion and strategic partner*—has been proposed (Shipton et al., 2013). Performing an employee champion role may signal concern for employee well-being, since it involves listening to employees, making connections between individual career aspirations and HRM policies and practices, and acting as an interface between employees and senior management (Ulrich, 1997). Teo and Rodwell (2007), in their portrayal of HR in a large Australian public-sector organization, argued that HR specialists need to

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address the operational aspects of their role in order to secure employee commitment and buy-in to a more strategic agenda. In a two-study design research, Shipton et al. (2013) could confirm this line of reasoning.

Other research along this line includes that put forward by Haggerty and Wright (2010), which further connects with Bowen and Ostroff's process approach. Haggerty and Wright suggest that the HRM system must be reconceptualized as a signaling function, creating powerful messages that management sends to employee groups and individuals, and hence nurturing the ideal conditions for strong situations to materialize (see also Ehrnrooth & Bjorkman, 2012). Strong situations had already been addressed by Bowen and Ostroff, when they referred to the strength of organizational climate.

Parallel streams of work have focused on the impact of employees' perceptions of HRM (Beletskiy, 2011; Gong, Law, Chang, & Xin, 2009; Kehoe & Wright, 2013; Messersmith, Patel, & Lepak, 2011; Strumpf, Doh, & Tymor, 2010; Sun, Aryee, & Law, 2007; Takeuchi, Chen, & Lepak, 2009). Only a few studies thus far have related employees' perceptions of Bowen and Ostroff's original framework to the attribution process. Sanders, Dorenbosch, and De Reuver (2008) tested the Bowen and Ostroff model (2004) in a study focused on 18 departments within four Dutch hospitals, examined the relationship between HRM strength (employees' perceptions of distinctiveness, and consistency and consensus between line and HR) and employees' affective organizational commitment while controlling for HRM content. This study was replicated in three five-star Chinese hotels (Li, Frenkel, & Sanders, 2011) utilizing other related outcome measures—namely, intention to quit, work satisfaction, and vigor.

The results of the Sanders et al. (2008) and the Li et al. (2011) studies mainly confirmed the theoretical Bowen and Ostroff model. In both studies, the main effects of distinctiveness were found: the more employees perceive HR as distinctive, the more they show positive employee outcomes. Consistency was more strongly related to employee outcomes in the Netherlands, while consensus

was more important in China. These differences can potentially be explained by taking into account cultural differences across nations—in particular, the perspectives of Hofstede (1980, 1994).

Another group of researchers has been investigating Bowen and Ostroff's (2004) propositions and found some empirical support for the connection between the HRM strength and transformational leadership (Pereira & Gomes, 2012) and improvisation behavior (Ribeiro, Coelho, & Gomes, 2011). However, investigating the antecedents of innovative behaviors in financial service organizations located in Tanzania and Nigeria, early analysis by Shipton and Escriba-Carda (2013) did not find a significant moderating effect for HRM system strength. Instead, there was a significant and positive relationship between employee perceptions of HPWSs and employee innovative behaviors, fully mediated by job engagement (Shipton & Escriba-Carda, 2013).

Designing a Valid and Reliable Scale to Measure the Dimensions

The studies so far showed results more or less in line with the theoretical model of Bowen and Ostroff (2004). They lack, however, a sophisticated way of measuring HRM strength. In contrast to the above studies, researchers in Lisbon, Portugal (Coelho, Cunha, Gomes, & Correia, 2012) and in Leuven, Belgium (Delmotte, 2008; Delmotte, De Winne, & Sels, 2012), independently of one another, focused on the psychometrical aspects of the Bowen and Ostroff (2004) constructs, and developed reliable and valid scales for the nine features of the three meta features representing HRM strength: (1) visibility, (2) understandability, (3) legitimacy of authority, and (4) relevance (for *distinctiveness*); (5) instrumentality, (6) validity, and (7) consistent HRM messages (for *consistency*); and (8) agreement among principal HRM decision makers and (9) fairness (for *consensus*).

An important result of this first psychometric research shows that Bowen and Ostroff's model does not hold completely. For example, using several samples from various sectors and companies, Coelho et al. (2012) did not find support for the nine features put forward by Bowen and Ostroff; rather, they found that the distinctiveness dimension seems to be capturing the whole of the strength concept, which directs researchers' attention to a more complete assessment of Bowen and Ostroff's original theory. Likewise, Delmotte et al. (2012) used various samples and found support for 11 constructs rather than nine. At the time of writing this article, we are aware of ongoing research throughout the world, with the aim of developing better measures to test Bowen and Ostroff's model, which eventually will lead to a deeper understanding of the HRM process approach.

In sum, ten years after the theoretical ideas from Bowen and Ostroff (2004), we can conclude that researchers within the HRM scholarly field are familiar with the "HRM process approach." The question is whether this is the case for practitioners within the HRM field. How helpful is this perspective in enabling practitioners to solve strategic problems, such as engaging employees so that they are inspired by the organization's vision and mission and clear about their role in its realization. The HRM process perspective would seem a fruitful avenue for practitioners, but this point deserves further empirical scrutiny. There are many further unsolved questions related to the HRM process perspective. For example, researchers do not yet define the HRM process in the same way. Another issue is the way in which process elements—distinctiveness, consistency, and consensus—are examined: should these elements be taken into account as one factor or should they be viewed separately? Should they be considered as main effects, or rather conceptualized as mediators in the relationship between HRM content and performance? Can we expect these process elements to influence (moderate) the relationship between HRM and performance? The role of national culture in explaining

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the different results reported in prior studies also deserves further research attention. For example, is consensus, rather than distinctiveness, more likely to influence employee attitudes in line with strategic goals in cultures that are group, rather than individually, oriented? What is the role of cultural intelligence in determining whether HRM practices are perceived as intended? We turn to these and related questions in the final section of this article.

Current Challenges: State of the Art

To give an overview of the current situation, we content analyzed all articles submitted to this special section. In addition, we present insights from the caucus organized at the 2012 Academy of Management annual meeting. We go on to introduce the four articles in this special section.

In the call for papers, launched in August 2011, we sought papers that would address the process approach in HRM, and in particular, we looked for works that were reporting on one or more of the following topics: (1) theoretically discussing the concept of HRM process (Kelley versus Bowen and Ostroff); (2) theoretically discussing why and how the HRM process is related to individual and/or firm performance; (3) introducing instruments for measuring HRM process; (4) empirically examining the impact of HRM process on individual attitudes and behavior, firm performance, and/or the implementation of HRM by line managers; (5) empirically studying the impact of the interaction between HRM content and process on individual attitudes and behavior, firm performance, and/or the implementation of HRM by line managers; and (6) bridging the gap between theory and practice by offering practical guidelines for managers for developing effective HRM processes.

Following the call, we received 25 papers, which reported work carried out by researchers in several countries (Australia, Austria, Canada, China, Finland, France, the Netherlands, Italy, Norway, the United Kingdom, and the United States). A preliminary analysis revealed that not all these papers achieved a good fit with the call, since they were not addressing the proposed theme: the process view of HRM. We put forward further criteria in order to proceed to the next stage. First, we considered whether to make Bowen and Ostroff's model central in the article. After some debate (given the centrality of their model), we decided to retain articles that captured HRM as perceived by employees, even where Bowen and Ostroff's framework was not integral to a proposed paper, where we felt that there was the potential to make a contribution nonetheless. Second, we felt strongly that an "HRM process" variable (however defined) should be taken into account in the research design. In other words, the article should, somewhere in the research design, reflect on HRM implementation and take into account employee perceptions. And third, the text should deliver an important and compelling contribution to the advancement of the HRM process approach. With these criteria in mind—as well as the original call for papers— the three guest editors of this special section read the 25 articles. A decision was taken to desk reject those articles that were reviewed negatively based on the above criteria by at least two members of the editorial team.

Of the 25 originally received papers, 10 did not pass this first phase. The main focus of these articles was the traditional content-based approach in HRM, and only a few were marginally addressing a perceptual or process view in HRM. The remaining 15 papers were content analyzed, with the aim of looking for trends, issues, important concerns, and any other key themes that are shaping the present and the future of research of the HRM process approach. Out of the 15 papers, three papers were conceptual; hence, 12 carried out an empirical study. Five themes were used to organize the information: (1) theme and research questions, (2) nature of the HRM process variables, (3) type of paper and techniques in the empirical study, (4) origin of the data and data analysis, and (5) main findings.

Theme and Research Questions

The themes, research questions, and frameworks of the 15 papers varied, but they had

in common that they all examined the perceptual and attributional variables concerning HRM. Even when HRM practices seem to be central in the article, authors were mainly focusing on the perceptions that employees hold about such practices. This indicates that the process view of HRM currently is strongly built on the intermediate and/or direct role of employees' attributions and perceptions of their organizations. Organizational climate seemed to be a dominant topic (present in four articles), as well as the link with performance (four articles). Concerning the settings and frameworks, expatriation and multinational corporations captured some interest (three papers), but the empirical papers addressed a range of settings, including small, medium-size, and large corporations.

Defining HRM Process

The HRM process approach had its debut with Bowen and Ostroff (2004, see also Ostroff & Bowen, 2000); therefore, it is common to find these authors in most of our selected papers (it is the cornerstone in nine out of 15, but it is also mentioned in the remaining six articles). Other relevant works referencing the process approach include Kelley's (1967, 1973) attribution theory, Nishii et al. (2008), Sanders et al. (2008), and Delmotte et al. (2012). Although most papers use Bowen and Ostroff's concept of HRM strength, some other articles look at employees' attributions and interpretations of their surrounding environments. Process variables (namely, HRM strength) are mainly used as independent (in five of the empirical studies), where employees' final behaviors are the dependent ones. In a few cases, process variables are either used as dependent or as mediating variables.

Methodological perspectives

Of the 12 empirical studies, six used questionnaire data and six collected qualitative data. The quantitative papers used a multilevel approach, with one exception, which used a sequential design: secondary data, followed by questionnaire application. Two articles used multi-actor data, including a survey for employees and another one for supervisors. In general, the samples are large; the smallest was just over 300 respondents, and the largest was more than 1,000 respondents drawing on more than 70 organizations. The qualitative articles used either interview information solely or presented a multiple-case study design. Case studies seem to be the preferred option for qualitative researchers.

Origin of the Data and Data Analysis

As explained earlier, most data in the empirical articles were collected from employees and direct supervisors, though in two cases data also came from: CEOs/top managers (one article) and middle managers (one article). No paper seems to have collected data from HRM managers and/or professionals. In size terms, companies range from small and family-owned to medium and large-size companies, and even multinational corporations and their subsidiaries. Multilevel analyses were used in all quantitative papers, and content analysis was used in qualitative articles. At least one article claimed to perform an interpretative phenomenological analysis, though then it does not elaborate on the detail.

Main Findings

The findings in the empirical papers vary widely, depending on their goals, methods, and techniques. No visible pattern can be detected; however, it should be highlighted that the studies, without exception, report empirical evidence in support of linkages between an HRM process approach and other variables, such as organizational climate and attributions outcomes. The association between HRM process and performance cannot yet be established; the current articles were not able to bring strong contributions to this key question.

For the Academy of Management annual meeting, Gomes and Sanders (2012) organized a caucus in which they argued that the process approach can be aligned with the Academy conference theme of 2012: "The Informal Economy." Informal, naturally

occurring developments such as spontaneous coaching sessions with line managers might significantly affect how HRM is perceived and enacted, in turn impacting on performance outcomes, whether gauged in personal or organizational terms. Along this line of reasoning, Gomes and Sanders (2012) argued in the caucus proposal that any inherent virtue attached to the content of HRM cannot be fully realized unless one takes into account both formal and informal HR practices, since each has an influence on the extent to which HR overall is perceived as intended. Each of the Bowen and Ostroff (2004) dimensions has implications for understanding how formal and informal practices might be attributed by employees. Can formal HRM practices be interpreted as distinctive where contradictory or inconsistent messages are signaled by their informal counterparts? How might HR specialists achieve alignment across formal and informal practices such that employees interpret the work environment as senior managers intend? Do informal HR practices impede or enable interpretation consistency (i.e., are informal practices relatively stable or are they more likely than formal ones to mutate or change forms given changing external and internal constraints?). Might consensus be achieved more readily were senior managers to take into account both formal and informal HR practice in shaping employee attitudes?

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This caucus was attended by almost 30 scholars from different countries, including the United States, Australia, Portugal, Ireland, the Netherlands, Norway, and China. The attendees were in general positive about the added value and the potential of the HRM process approach. Questions like "Do you think the HRM process approach makes a useful contribution?" and "Do you think the perspective has potential?" were answered positively. In terms of the preferred theoretical model for the HRM process approach, attendees did not agree. Many attendees expressed the opinion that social exchange theory is the most suitable perspective to draw upon for the HRM process approach. Others were in favor of using attribution theory to elaborate on the HRM process, while others suggested social construction theory, or the AMO (ability, motivation, and opportunity) framework. There was no real consensus about how data within this HRM process approach should be analyzed. Among other suggestions, attendees suggested "multilevel techniques," "longitudinal analyses," or a combination of these two. Some attendees mentioned in-depth understanding, and the others mentioned correlations, multisource analyses, and quantitative techniques.

The participants agreed, however, in terms of research design. Most attendees suggested that these kinds of "HRM process" questions should be answered by utilizing both quantitative and qualitative data, and in terms of the level of the outcomes measures, the attendees agreed that both the employee and the organizational level should be taken into account.

In the last part of the caucus, progress in the field and limitations were discussed. Attendees mentioned different constraints for progressing the HRM process approach: "need more attention to context," "is demanding in terms of data collection," "should take content and process into account," and "should use more advanced research methods." These limitations can be recognized in the desired moderators and mediators in future theoretical and empirical models for the HRM process approach. Context, including HRM content; culture, climate, and sector; supervisors and line managers, including leader-member-exchange (LMX); and individual differences, including personality, should be taken into account, according to the attendees.

The question for "how to progress" was as follows: "What research question would help us to move forward from an HRM process perspective?" A minority of the attendees suggested that it was important to examine the mechanism between HRM and performance;

others suggested having more research on outcomes, focus more on the antecedents of employees' perceptions and attributions' include context and include supervisors.

The Articles of the Special Section

In the following, we introduce the authors and the articles of the special section, starting with a review of overall trends across the selected manuscripts, then providing a detailed scrutiny of each article. By way of overview, and in order to further highlight the "state of science," we make several observations. First, as implied earlier, insights from this special section suggest that the HRM process lends itself to a variety of methodological perspectives. Two of the articles in this special section are quantitative, using multilevel modeling and sophisticated data analysis, whereas two adopt a qualitative perspective, seeking to understand how employee perceptions are influenced by HRM as implemented by line and senior management. The majority of the articles presented here (three of the four) appear to have responded to the spirit of the 2011 caucus by bringing together both *content* and *process* perspectives. This is achieved either by examining the relationship between *specific* HRM practices (e.g., appraisal or management by objectives) and HRM process (how the practice is perceived and interpreted by employees) or by looking instead at the way in which HRM systems as a whole influence employee attitudes, with HRM process playing a significant moderating role. In a separate line, research presented in our final article looks at the gap between what is intended and what is actually implemented to present a more nuanced perspective of what and who shapes employee perceptions, highlighting the role of employee expectations of HRM.

In terms of context, the articles presented here suggest a potentially limitless variety of options for future research. One study draws on 133 commercial organizations located in Greece. Another focuses on five small, charitable companies in Germany. The other two studies examine, respectively, six subsidiaries of three large corporations in Northern Europe versus 49 functional groups located within six independent firms in Turkey.

In the first empirical article, Eda Aksoy and Mahmut Bayazit adopted Bowen and Ostroff's (2004) HRM system strength model and tested it within the context of a management-by-objectives (MBO) system. The article, entitled "The Relationships Between MBO System Strength and Goal-Climate Quality and Strength," proposes that MBO systems help employees to interpret the work environment as senior managers intend, and that HRM process (distinctiveness, consensus, and consistency) enhances the quality and the strength of the goal climate reported by each separate department. The sample came from middle managers working in 49 functional groups of six independent firms that are owned by a large and diversified family business group in Turkey. In addition, results support a latent variable approach to HRM strength where the shared variance of the system's distinctiveness, consistency, and consensus predict outcomes better than an additive model. Distinctiveness of the MBO system appears to be especially critical for a strong goal climate to emerge. Implications and limitations of the study as well as future research directions are discussed.

The majority of the articles presented here (three of the four) appear to have responded to the spirit of the 2011 caucus by bringing together both content and process perspectives.

Also bringing together dual perspectives (content and process), in another empirical article in this special section, Jennie Sumelius, Ingmar Björkman, Mats Ehrnrooth, Kristiina Mäkelä, and Adam Smale address the question "What determines employee perceptions of HRM process features?" Using this question as an inspiration, they titled their article "What Determines Employee Perceptions of HRM Process Features? The Case of Performance Appraisal in MNC Subsidiaries." The aim of their study was to explore influences on individual employee perceptions of the visibility, validity, and procedural and distributive justice of performance appraisal in subsidiaries of multinational corporations, and at what levels these

influences reside. The study adopts an embedded, multiple-case design with interview data from 33 managers and professionals in six subsidiaries of three corporations. Based on the interviewees' accounts of influences on their perceptions of the performance appraisal process, the findings show that perceptions are driven by a number of influences pertaining to the unit, relationship, and individual levels. Further, the study highlights differences and similarities of influences across four performance appraisal process features, and identifies overlaps and interlinkages between the process features suggested by Bowen and Ostroff (2004).

In the third article, Erk P. Piening, Alina M. Baluch, and Hans-Gerd Ridder focus on the intended-implemented gap. Their article is titled "Mind the Intended-Implemented Gap: Understanding Employees' Perceptions of HRM". HRM research suggests that differences between the organization's intended HR practices and employees' experiences of HRM are essential to understanding employees' attitudes and behaviors and, thus, ultimately, the relationship between HRM and performance. While there is initial empirical support for the divergence between intended and implemented HRM, the authors argue that prior research misses the opportunity to adopt a more holistic view focusing on the mechanisms that account for this discrepancy. Drawing upon a multiple-case study, this article examines how and why the gap between intended and implemented HRM arises. Based on the findings, the authors advance a conceptual model of employees' perceptions of HRM that sheds light on the implementation and interpretation gaps in HRM, and propositions were developed that specify the conditions under which congruency between intended and implemented HRM is likely to occur.

In the second article of this special section, Anastasia A. Katou, Pawan S. Budhwar, and Charmi Patel integrate both HR content and process. Their article is titled "Content vs. Process in the HRM-Performance Relationship: An Empirical Examination." This study investigates the impact of an HRM system, which integrates both the content and process of HR practices, on organizational performance, through collective employee reactions. The analyses were based on a sample of 1,250 Greek employees working in 133 public- and private-sector organizations, which operate in the present context of severe financial and economic crisis. The findings suggest that content and process are two inseparable faces of an HRM system that help to reveal a comprehensive picture of the HRM–organizational performance relationship. Based on the findings that collective employee reactions mediate the HRM content to the organizational performance relationship and HRM process moderates the HRM content to the employee reactions relationship, the study has several theoretical and practical implications.

Conclusions

The role of HRM in building sustainable competitive advantage has received much scholarly attention over the last three decades. Building on earlier studies that empirically demonstrated significant relationships between HRM and firm performance (Combs et al., 2006), scholars have examined the mediating mechanisms through which HRM makes a difference in organizational outcomes. A perspective that has attracted particular attention is the so-called *process-based approach*. Proponents of this view highlight the importance of the psychological processes through which employees attach meaning to HRM. According to this view, HRM can be viewed as a symbolic or signaling function through which employers communicate with employees (Bowen & Ostroff, 2004). The same HR practices may result in different outcomes if different meanings are attached.

In this introduction, we discussed the theoretical model as introduced by Bowen and Ostroff in 2004 (see also Ostroff & Bowen, 2000) and described the current challenges and the state of science by means of a content analysis of the articles that were considered for publication in this special section. We then reviewed the caucus held at the Academy of Management annual meeting in 2012 and assessed the main contributions of

the papers that compose this special section of *Human Resource Management*. In this final part, we draw some conclusions and ideas for future research.

As was clear from the large number of articles that were submitted for this special section and the responses from the caucus, we can conclude that the HRM process approach is seen as a promising next step in the HRM field. It has the potential to explain the effects of HR practices and bundles on individual and organizational performance. On the other hand, the answers are not yet clear. Guest (2011; see also Beletskiy, 2011) mentions the complexity of the process approach, in terms of both theory and research methodology, and the amount of resources necessary to study multilevel relationships. This can be a potential explanation as to why the answers are not yet clear. If there is one conclusion that can be drawn from the previous research as was described in the third section and from the four articles in this special section, it is that the HRM process does matter; *how* it matters is uncertain. Further research is needed. In the following we explore some of the possibilities for the future.

Recommendations for Future Research

To make progress in the field of the HRM process approach, we emphasize that, just as it is the case for the HRM content approach, there is an imperative to conduct studies that allow the drawing of causal conclusions. As scientific progress is premised on rigorous research methods with sound design, accurate measurement, and appropriate analytic techniques, less robust designs threaten the validity and legitimacy of the current HRM research (see Lin & Sanders, 2013; Sanders, Cogin, & Bainbridge, 2013; Welbourne, 2012). Although it is suggested that longitudinal data and experiments allow for stronger inferences on the direction of causality (Guest, 2011; Wright, Gardner, Moynihan, & Allen, 2005), most HR studies have used cross-sectional data, making the direction of causality between HR practices and performance equivocal. Therefore, we emphasize the importance of longitudinal and experimental research design when further examining the effect of the HRM process.

Although Bowen and Ostroff (2004) mentioned the co-variation model of the attribution theory from Kelley (1974) as one of the important mechanisms for their theoretical model, there are differences between the way Bowen and Ostroff (2004) explain attribution theory and Kelley's work (see also Sanders & Yang, in press). For instance, attribution theorists argue that, among the three dimensions required for attribution judgments, distinctiveness is the most critical (Fiske & Taylor, 1984; Kelley, 1967). Kelley (1967) defined distinctiveness as standing out in the environment, suggesting that distinctiveness can be positive (i.e., the target stands out because it is much better than the rest) or negative (i.e., the target is observable because it is much worse than the rest). Bowen and Ostroff (2004) mainly talk about the positive direction of distinctiveness. HRM can, however, also be perceived as being distinctive because it is low-status and low-credibility (see also Ulrich, 1997; Ulrich & Brockbank, 2005). Although this was one of the topics in our call for papers in this special section (discuss the theoretical concepts of the HRM process approach [Kelley versus Bowen and Ostroff]), unfortunately no articles on this topic were submitted.

As was suggested in the caucus, more attention should be paid to the characteristics of employees in terms of personality and cultural background. Although experimental and field study research from psychology shows that the way employees perceive their environment is influenced by their cultural background, little or no attention has been paid to the cultural background of the employees in the HRM process–organizational performance research. Earlier research by Sanders et al. (2008), and Li et al. (2011) showed that the different dimensions of the HRM process have different effects in China and the

As was clear from the large number of articles that were submitted for this special section and the responses from the caucus, we can conclude that the HRM process approach is seen as a promising and interesting next step in the HRM field.

Netherlands. While in the Netherlands consistency was more effective, consensus was more effective in China. Following the results of the caucus on the HRM process approach in 2012 in Boston, Sanders and Shipton (2013) organized a caucus on this topic at the Academy of Management annual meeting in 2013 in Orlando. The aim of this caucus was to pay special attention to the cultural background in the way in which employees perceive their environment. The overall conclusion was that cultural background and dimensions of cultural intelligence should be taken into account in the HRM process approach in future research.

The last recommendation concerns HRM practitioners. Earlier in this article, we mentioned that it is not known whether HRM practitioners are familiar with this HRM process approach. Future research should investigate how HRM practitioners can use the HRM process approach to improve their work. Researchers in this domain should not only present the results of the HRM process approach, but should also work together with HRM practitioners as well as senior and line managers to find ways to make use of insights derived from this perspective in order to solve some of the practical challenges that they face. Results suggest that HR professionals, managers, and their organizations could benefit from understanding more about how employees perceive HRM. Instead of assessing employees' satisfaction, as is often done in organization surveys, employees' perception of HRM in terms of distinctiveness, consistency, and consensus should be assessed and further discussed among HR professionals, (line) management, and employees. Research could usefully explore together with HR practitioners how employees' perception of the HRM process in terms of distinctiveness, consistency, and consensus can be further enhanced in an organization. Until now, this topic has hardly been considered.

In sum, this article, and the special section as a whole, emphasizes the appeal of the HRM process approach, which has the potential to bring the HRM field a step further. When employees perceive HRM as distinctive, consistent, and consensual, HRM makes sense to them and more effectively shapes their work-related attitudes and behaviors. A crucial insight offered in this line of research is that both individual and organizational performance need to be examined through the lens of this distinctive theoretical framing.

> *Future research should investigate how HRM practitioners can use the HRM process approach to improve their work.*

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