

Does Sector Make a Difference in HRM Practices? Turkish Companies in Marmara Region

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Abstract: HRM discipline, occurring in 1920's in the USA, has been predominant in the USA and the European countries and there has been evolving phases throughout the 20th century (Storey, 1989). It has been observed that the activities, objectives, dimensions, and importance of the human resource function have changed dramatically since the 1970s (Lundy, 1994). This is a result of social, political, economical, legal and technological developments and the changes of work life, organisational features, labour. HRM functions and practices are also affected by many other factors like national and organisational circumstances (Andersen, 2000), sector, market type (Beer et al., 1984).

In Turkey, there is similar development. The Turkish HRM literature has a paralel rhetoric especially to USA and Europe but the reality HR practices are not at the level that is told in the literature (Ercek, 2006). The reality is different as a result of internal and external factors effect to organisational structure and so to HRM functions. These factors are organisational features, interpersonal relations, job's features and personal characteristics are the internal factors and external labour, external resources, rivals and regulators are the external factors (Kaynak et al., 2000; Bingol, 2006; Sabuncuoglu, 2000), the current situation of the market in which the company operates (Uyargil and Ozcelik, 2001). Also in Turkey organisational structure (Ercek, 2006) and the number of employees (Çakmak et al., 2007) in other words organisational size affect the HR practices and causes differentiation. Organisational size is also one of the factors that determine the efficiency of HR practices (Aycan, 2001; Ozcelik and Aydinli, 2006; Tanova and Nadiri, 2005).

The circumstances of the HR practices in Turkey must be investigated more (Ercek, 2006). This paper starts from this point and will investigate if sector is an important factor that affect HRM practices.

This paper critically explores if sector makes a difference in HRM practices and according to this aim the research will be based on questionnaires conducted within companies of manufacturing and service sectors who have HR departments in Marmara Region of Turkey. The data gained from the questionnaires are analyzed statistically using SPSS 17.00.

Keywords: HRM, HRM in manufacturing sector, HRM in service sector

Introduction

Human resource management (HRM) discipline, occurring in 1920's in the USA, has been predominant in the USA and the European countries and there has been evolving phases throughout the 20th century (Storey, 1989). It has been observed that the activities, objectives, dimensions, and importance of the human resource function have changed dramatically since the 1970s (Lundy, 1994). This is a result of social, political, economical, legal and technological developments and the changes of work life, organisational features, labor. And also sector (Kaufman, 2007) and market type (Beer et al., 1984) are effective on HR departments structure and HR practices based on functions.

There are many HRM models in America and Europe which are descriptive for determining the HRM understanding of an organisation or a country. These models are maps factors that affect the HRM structure in a general manner or and HR functions in a more specific view. The Model of Brewster and Bournois underlines

the importance of sectors effect on HRM practices (Brewster and Bournois, 1991; from Pinnington ve Edwards, 2000: 19).

The importance of human in the organizations and the features of the jobs/works are different in different sectors. In manufacturing sector automation and information technologies are used more than service sector. But in service sector the production and consuming are simultaneous, the intensity of labor is high so a structure that is consisted of a face-to-face relationship between the personnel and customers. A production focused management style is dominant in manufacturing sector and in service sector, a customer focused management style is dominant (Gök, 2006). Because of these main differences of sector features and management styles, in two sectors different HRM practices are expected.

The Background of HRM Practices in Turkey

In Turkey, there is similar development. The Turkish HRM literature has a parallel rhetoric especially to USA and Europe but the reality HR practices are not at the level that is told in the literature (Ercek, 2006).

The reality is different as a result of internal and external factors effect to organisational structure and so to HRM functions. These factors are organisational features, interpersonal relations, job's features and personal characteristics are the internal factors and external labour, external resources, rivals and regulators are the external factors (Kaynak et al., 2000; Bingol, 2006; Sabuncuoglu, 2000), the current situation of the market in which the company operates (Uyargil and Ozcelik, 2001). Also in Turkey organisational structure (Ercek, 2006) and the number of employees (Çakmak et al., 2007) in other words organisational size affect the HR practices and causes differentiation. Organisational size is also one of the factors that determine the efficiency of HR practices (Aycan, 2001; Ozcelik and Aydinli, 2006; Tanova and Nadiri, 2005). In addition HRM functions and practices are also affected by many other factors like national and organisational circumstances like sector (Andersen, 2000).

The circumstances of the HR practices in Turkey must be investigated more (Ercek, 2006). This paper starts from this point and will investigate if sector is an important factor that affect HRM practices.

Objective of the Research

This paper critically explores if sector makes a difference in HRM practices. Because in the literature it is mentioned that sector is one of the important factors that affect the HRM practices. And also if our hypothesis is true, this can give an opinion to the organisations for realizing their HRM decisions according to sectoral circumstances.

Research Methodology

According to the objective of this study, the research will be based on questionnaires conducted within companies of manufacturing and service sectors who have HR departments in Marmara Region of Turkey. The data gained from the questionnaires are analyzed statistically using SPSS 17.00.

General Findings

The datas are gained from 62 manufacturing organisations and 63 service sector organisations, totally 125 organisations. In this section, the findings of our research will be indicated.

Initially the frequencies about our sample's features like sector and personnel number will be given in Table 1.

Table 1: The Frequencies about Sample's Features (Sector)

Manufacturing			Service		
Sector	N	%	Sector	N	%
Textile	12	19,4	Tourism	29	46,03
Construction	13	21,0	Banking	18	28,57
Iron and steal	8	12,9	Insurance	12	19,04
Automotive	17	27,4	Other	4	6,3
Food	11	17,7			
Information technologies	1	1,6			
TOTAL	62	100	TOTAL	63	100

According to literature organisational size is an important factor that affect the HR structure so frequencies about this is like in Table 2.

Table 2: The Frequencies about Sample's Features (Personnel Number)

Manufacturing			Service		
Personnel number	N	%	Personnel number	N	%
1-49	26	41,9	1-49	16	25,4
50-99	8	12,9	50-99	4	6,3
100-250	5	8,1	100-250	16	25,4
More than 250	23	37,1	More than 250	27	42,9
TOTAL	62	100	TOTAL	63	100

The personnel number frequencies show that there is similarity and balance in our sample in both sectors.

Findings about HR Practices

In this part the findings of our research about HR practices will be given in two parts; for manufacturing and for service sector, then will be compared generally.

As it is indicated in the previous researches the name of the department related with human resources is called human resources. The distribution of frequencies on the name of the department is in Table 3.

Table 3: Distribution of Frequencies on the Name of the Department

Manufacturing			Service		
Department name	N	%	Department name	N	%
Personnel	16	25,8	Personnel	8	12,7
Administrative and financial works	6	9,7	Administrative and financial works	6	9,5
Accounting and financing	3	4,8	Accounting and financing	4	6,3
Human resources	32	51,6	Human resources	40	63,5
Other (Personnel and administrative works, personnel and human resources)	3	4,8	Other	5	7,9
TOTAL	62	100	TOTAL	63	100

There is similarity in the name of the department related with human resources and in both sectors human resource department is used mostly with great rate.

In manufacturing sector, human resources managers/directors (N= 15, 24, 2%) and human resource and financial works managers (N= 14, 22, 6%) are at the position for the responsibility of HR function. And the 93% of the people who is responsible of HR department are graduated from university and from business administration (N= 31, 50, 0%). And *in service sector*, human resources manager/director are at the position for the responsibility of HR function with 28, 6%. And the 93, 7% of the people who is responsible of HR department are graduated from university and 47, 5% of them from business administration. There is also a similarity in the graduation of the people who is responsible of HR department.

*From this point it is necessary to indicate that the person who filled the questionnaires could select more than one choice. So the most selected choices are mentioned here and the totals can be more than 100% for each question.

As it is mentioned in the theoretical background, there are many internal and external factors that affect HR practices. Here are the findings about these factors;

- In manufacturing sector, the most important internal factors that affect the structure of HR function are indicated like total quality management (N=44, 70, 9%) and features of the employees (N=36, 58, 0%).
- And in service sector, the most important internal factors that affect the structure of HR function are indicated like features of the employees (N=47, 74, 6%), strategic management (N= 42, 66, 6%) and the top managers' management style (N=38, 60, 3%).

The ranking of the internal factors that affect the HR practices is different. Features of the employees are the only common factor mentioned above.

- In manufacturing sector, the most important external factors that affect the structure of HR function are indicated like labour structure (N= 46, 74, 1%) and competition density (N= 42, 67, 7%).
- And in service sector, the most important external factors that affect the structure of HR function are indicated like labour structure (N= 54, 85, 5%), competition density (N= 49, 77, 7%) and technology (N=39, 61, 9%).

The external factors that affect the HR practices and their ranking of is the same.

The findings about HR functions in manufacturing sector can be indicated as below;

- The necessity of ISO/TSE standards (N= 24; 38, 7 %) and HR/personnel selection (N= 24; 38, 7 %) are the most important aims of the job analysis.
- HR planning time is especially between 6 months and 1 year (N=29; 46, 7 %).
- Using application form for HR selection is the most common used method (N=55; 88, 7%).
- The most common used employee/ HR supply methods are overtime working (N= 32; 51, 6%) and external employee/HR supply application (N= 31; 50%). Previous applications (N=34; 54, 8%) and personal advices (N= 29; 46, 7%) are especially used as the type of external personnel supply resources.
- Organisations use conferences (N= 31; 50 %) and probation (N= 26; 41, 9%) as training methods most commonly. The training result are evaluated by measuring previous and latter performances (N= 39; 62, 9%) and previous and latter tests (N=29; 46, 7%).
- Job evaluation is used for employee selection according to job (N= 30; 48, 3%) and internal movements like promotion and transfer (N=29; 46, 7%).
- The most important factor that affect the wage level is effective performance appraisal (N= 44; 70, 9%) and the other market wages level (N= 22; 35, 4%).
- Incentive wage system based on personal performance is the most common used wage system (N= 34; 54, 8%). Main wage plus premium/bonus is also being used frequently (N= 24; 38, 7%). The wage increase is mostly affected by inflation rate adding performance results (N= 42; 67, 7%).
- Salaried day off expect legal requirements for death, accident, marriage, etc. (N= 30; 48, 3%), bonus (N= 30; 48, 3 %), cafeteria services and year permission money (N= 27; 43, 5%) are the most common used social aids and services.
- Performance lowness (N= 42; 67, 7%) and disciplinary (N=40; 64, 5%) are the most common layoff reasons.

The findings about HR functions in service sector can be indicated as below;

- Constituting job descriptions (N= 31; 49, 2 %) and job requirements (N= 31; 49, 2 %), job evaluation (N= 27; 42, 9 %) are the most important aims of the job analysis.
- HR planning time is especially between 6 months and 1 year (N=30; 47, 6 %).
- Using application form for HR selection is the most common used method (N=56; 88, 9%). The other ones are interview of one person (N= 34; 54, 0 %) and references (N= 33; 52, 4 %).
- The most common used employee/ HR supply methods are external employee/HR supply application (N= 37; 58, 7%) and internal movements like promotion and transfer (N= 28; 44, 4%). Previous applications (N=38; 60, 3%) and personnel advices (N= 31; 49, 2%) are especially used as the type of external personnel supply resources.
- Organisations use conferences (N= 36; 57, 1 %) and probation (N= 21; 33, 3%) as training methods most commonly. The training result are evaluated by measuring the usage level of what is learned (N=32; 50, 8%) and pervious latter performances (N= 31; 49, 2%).
- Job evaluation is used for internal movements like promotion and transfer (N=28; 44, 4%), equal wage principle (N=27; 42, 9%) and also determining education necessity (N= 26; 41, 3).
- The most important factor that affect the wage level is performance appraisal (N= 37; 58, 7 %) and also market wages level is the effective factor (N= 31; 49, 2%).
- Incentive wage system based on personal performance is the most common used wage system (N= 28; 44, 4%). Main wage plus premium/bonus is also being used frequently (N=23; 36, 5%). The wage increase is mostly affected by inflation rate adding performance results (N= 38; 60, 3%). The other important factor that affect the wage increase is average market raise (N= 21; 33, 3%).
- Salaried day off expect legal requirements for death, accident, marriage, etc. (N= 32; 50, 8%), bonus (N= 25; 39, 7%) and clothing aid (N=22; 34, 9%) are the most common used social aids and services.
- Disciplinary (N= 46; 73, 0%) and performance lowness (N= 37; 58, 7%) are the most common layoff reasons.

As a result we can generally say that;

- The aims of job analysis in two sectors are different.
- HR planning time is between 6 months - 1 year and is same in two sectors.
- Using application form for HR selection is the most common used method in two sectors.

- The employee/ HR supply methods are different in two sectors but the type of external personnel supply resources is the same.
- The training methods and the training evaluation methods are the same.
- The areas of job evaluation usage in two sectors are different.
- The factors that affect the wage level are the same.
- The wage systems and the factors that affect the wage increase are the same.
- The social aids and services are also the same.
- The most common layoff reasons are same in two sectors.

The general evaluation of the findings shows that there more similar aspects in HR practices than differences.

Conclusion

Most of the HR functions and especially HR requirement and selection, training and development, wage management, performance appraisal are nearly used in all organisations and in all sectors.

HR functions are affected by organisation culture, structure, organizational size and sector. So it is thought that there is a difference between the HR practices of the organisations in manufacturing and service sector.

This study's findings shows that generally there are similarities in HR functions like HR planning time, HR selection methods, HR supply resources, training methods and evaluation methods, wage management, social aids and layoff reasons. But it must be said that although the methods used in these HR functions are similar, the ranking and the factors that affect the HR practices are different. Also the aims of job analysis, HR supply methods and the areas of job evaluation usage are different. As a result sector makes a difference in some HR practices. But this result can't be generalized. So many other researches that have bigger samples is required to make general decisions and find the reasons of the differences in HR practices.

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