

THE ROLE OF HUMAN RESOURCE PRACTICES IN SHAPING EMPLOYEE PERFORMANCE: A SOCIAL PERSPECTIVE

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Abstract: The role of human resource practices in shaping employee performance has been a focal point of organizational research for decades. Traditionally, human resource practices have been examined through a functional lens, emphasizing their role in improving efficiency, skill development, and productivity. However, in recent years, scholars have started to consider the social dynamics that influence the effectiveness of human resource practices. This article explores the role of HR practices in shaping employee performance from a social perspective, focusing on the interaction between organizational culture, employee relationships, and social networks within the workplace.

The central argument of this research is that human resource practices are not just technical tools for managing employees; they are embedded in the social fabric of the organization. The way in which employees experience human resource initiatives—such as performance management systems, training programs, and rewards—can be significantly influenced by social factors, including trust, communication, and collaboration. These social elements shape how employees engage with human resource practices, ultimately affecting their performance and overall organizational outcomes.

Through an analysis of existing literature and case studies, this article highlights the importance of a socially-informed approach to human resource. It discusses how social support systems, leadership styles, and the informal networks within an organization can either enhance or hinder the effectiveness of human resource practices. Furthermore, the study examines how positive social interactions, such as peer support and open communication, can lead to higher employee engagement, job satisfaction, and performance.

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Key words: employee performance, human resource practices, social perspective, resource-based view, sustainable human resource management

1. INTRODUCTION

Human resource management focuses on aligning the efforts of employees and employers to achieve shared goals. Professionals in this field work to enhance

organizational productivity, ensuring that strategic objectives are met. Over the past century—and especially in the last two decades—human resource management has undergone significant transformation. Today, human resource plays a critical role as a strategic partner within organizations, taking on a variety of complex and dynamic responsibilities. As workplaces evolve at an ever-faster pace human resource professionals must be prepared to navigate and address the challenges these changes bring.

Over the past decade, researchers have delved into how human resource practices impact organizations, often linking these practices to overall effectiveness. Despite this, there's still much to uncover about how human resource initiatives contribute to the specific capabilities that drive a company's success (Wright et al., 2001).

One area gaining attention is organizational learning—a unique and complex capability that's hard to replicate or transfer. This makes it a powerful source of competitive advantage (Grant, 1996; Simonin, 1997; Lei et al., 1999). Interestingly, certain human resource practices play a key role in fostering this kind of learning, helping organizations adapt and thrive in today's fast-changing environment (Gardiner et al., 2001).

2. LITERATURE REVIEW

The relationship between human resource practices and organizational outcomes has become a central focus in HR management research. Earlier studies, such as those by Huselid (1995), Huselid et al. (1997), and Huselid and Becker (1997), reveal that human resource practices, particularly those labeled as "best" or "high-performance" practices, are associated with better business performance. These practices aim to enhance employees' skills and motivation. However, the strength of these relationships is often modest, and there is ongoing debate about why these practices don't always lead to the expected outcomes.

This raises an important question: Can human resource systems alone create a competitive advantage, or do they need to be supported and amplified by other factors? Barney and Wright (1998) suggest that human resource systems might not function as standalone drivers of success. Ferris et al. (1999) further emphasize the need to explore what they call the "black box" of human resource practices. In other words, if human resource systems truly influence organizational performance, how does this happen? What mechanisms enable these practices to impact performance metrics? Addressing these questions requires more refined and comprehensive models that explain the intermediate steps and conditions influencing the human resource-performance link.

Snell et al. (1996) provide an insightful perspective by highlighting the lack of theoretical clarity regarding how human resource systems contribute to organizational effectiveness. They propose that human resource practices play a key role in fostering organizational learning, which in turn can drive competitive advantage. However, this potential mediating effect of organizational learning remains underexplored and untested, leaving a significant gap in understanding the full impact of human resource practices.

3. METHODOLOGY

The research methodology used in this study is the comparative method, focusing on the interplay between the resource-based view and sustainable human resource management. By analyzing the impact of these theoretical perspectives, this approach uncovers how human resource practices shape organizational capabilities and sustainable competitive advantage.

As part of the *Journal of Management's* Yearly Review of Management issue, Wright and McMahan (1992) examined the theoretical perspectives applied to sustainable human resource management. Among these, they highlighted the resource-based view as a framework explaining how a firm's human resources could serve as a source of sustainable competitive advantage. Their argument built on earlier ideas presented in a working paper, which was later expanded into the influential Wright, McMahan, and McWilliams (1994) paper.

Around the same time, Cappelli and Singh (1992) explored the implications of the resource-based view within the industrial relations field. They argued that sustainable human resource management models relying on the concept of "fit" assumed two main premises: first, that specific business strategies necessitate unique employee behaviors and attitudes; and second, that certain human resource policies elicit corresponding employee responses. They also challenged the prevalent assumption that organizations can more easily reconfigure complementary assets or resources than adjust strategies to fit existing assets, despite evidence to the contrary. Their work positioned the resource-based view as a framework that links human resources to both strategy formulation and implementation.

Following this, two articles presented contrasting views on human resource practices as a source of sustainable competitive advantage. Wright et al. (1994) distinguished between a firm's human resources (the talent pool) and human resource practices (tools to manage that pool). Using resource-based view concepts such as value, rarity, inimitability, and substitutability, they argued that individual human resource practices are too easily replicated to be a sustainable competitive advantage. Instead, they emphasized the human capital pool—specifically, a highly skilled and motivated workforce—as the key factor. They posited that for human capital to provide competitive advantage, employees must possess high skill levels and the motivation to exhibit productive behavior.

In contrast, Lado and Wilson (1994) proposed that human resource systems, rather than individual practices, could create sustainable competitive advantage. They suggested that human resource systems, with their unique, causally ambiguous, and synergistic properties, enhance organizational competencies in ways that are difficult to imitate. While Wright et al. viewed individual practices as replicable, Lado and Wilson argued that the interdependencies within human resource systems make them inimitable. This systems-based perspective has since gained traction within the sustainable human resource management paradigm, as evidenced by work from Snell, Youndt, and Wright (1996).

Table 1. Comparative analysis of resource-based view and strategic human resource management for innovation

Aspect	Resource-based view (RBV)	Strategic human resource management and innovation (SHRNI)
Core idea	Emphasizes the role of a firm's internal resources, such as human capital, as sources of sustainable competitive advantage.	Focuses on aligning human resource practices and strategies to foster innovation and adaptability to achieve long-term organizational success.
Key components	<ul style="list-style-type: none"> - Human capital pool (skills and motivation). - human resource systems as tools for managing these resources. 	<ul style="list-style-type: none"> - Integration of human resource strategies with innovation. - Focus on adaptive systems and learning for competitive advantage.
Sustainability of advantage	Advantage comes from resources that are valuable, rare, inimitable, and non-substitutable.	Sustainable competitive advantage arises from innovative human resource systems that are unique, synergistic, and hard to replicate.
Human resource practices	human resource practices alone are not sources of advantage because they can be imitated.	human resource systems, as a whole, with their interdependencies and complementarities, provide unique advantages.
Human capital focus	High levels of skill and motivation in employees are critical.	Emphasizes the role of human resource in building learning organizations and fostering innovation within teams and processes.
Strategy and human resource alignment	Proposes that human resources influence both strategy formulation and implementation.	Suggests that human resource strategies should continuously evolve to align with organizational needs for innovation and industry cycles.
Theoretical implications	Focuses on the internal capabilities of firms, especially employee competencies, as central to competitive success.	Advocates for human resource systems that promote learning, cooperation, and innovation as key drivers of organizational performance.
Criticisms or limitations	<ul style="list-style-type: none"> - Overemphasis on the inimitability of resources. - Underestimates the potential synergy in human resource systems. 	<ul style="list-style-type: none"> - Risks overspecialization in innovation-focused human resource practices, possibly neglecting general operational efficiency.

Source: Modified by the author from various academic works.

The table offers a compelling comparison of the resource-based view and strategic human resource management and innovation, presenting distinct theoretical perspectives on achieving sustainable competitive advantage. While the resource-based view emphasizes the intrinsic value of a firm's resources, such as human capital, strategic human resource management and innovation focuses on the alignment of human resource practices with innovation to foster adaptability and long-term success. Both theories underscore the importance of human capital but diverge in their approaches to leveraging it.

The resource-based view's core argument lies in the value, rarity, inimitability, and non-substitutability of resources. It suggests that these qualities are central to a firm's competitive edge. However, this perspective has been critiqued for

underestimating the potential synergy of human resource systems and for focusing too narrowly on resource inimitability. In contrast, strategic human resource management and innovation advocates for a more dynamic approach, emphasizing unique and synergistic human resource systems that promote innovation and learning. This adaptability is argued to create a more robust form of competitive advantage, particularly in fast-changing industries.

The distinction between individual human resource practices and comprehensive human resource systems is particularly striking. The resource-based view argues that individual human resource practices are too easily replicated to provide sustainable advantages, whereas strategic human resource management and innovation asserts that the interdependencies within human resource systems make them harder to imitate. This systemic view aligns with the increasing complexity of modern organizational challenges, making the strategic human resource management and innovation approach more suited to environments requiring constant innovation.

Critics of strategic human resource management and innovation highlight the risk of overspecialization, where innovation-focused human resource practices might overshadow operational efficiency. Meanwhile, the resource-based view's traditional focus on internal resources could limit its applicability in highly dynamic markets where adaptability is paramount.

To summarize, while the resource-based view provides a foundational understanding of resource-based advantage, strategic human resource management and innovation expands this view by integrating innovation and adaptability into human resource strategies. The comparative analysis highlights the need for organizations to balance stable resource advantages with dynamic capabilities, ensuring both operational efficiency and long-term resilience in competitive landscapes.

6. CONCLUSIONS

This research underscores the pivotal role of human resource practices as both technical tools and socially embedded systems influencing employee performance. By integrating insights from the resource-based view and strategic human resource management for innovation, it highlights the interplay between organizational culture, social dynamics, and human resource strategies in shaping competitive advantage.

The findings reveal that while the resource-based view emphasizes the importance of valuable, rare, and inimitable resources, it often overlooks the synergistic potential of interconnected human resource systems. Conversely, the strategic human resource management for innovation perspective prioritizes adaptability, collaboration, and learning, advocating for holistic human resource strategies that enhance organizational innovation.

Furthermore, the comparative methodology demonstrates that human resource systems, when designed to leverage both technical efficiency and social cohesion, foster an environment of trust, engagement, and mutual respect. This dual focus creates a foundation for sustainable organizational success, blending operational stability with the agility required in dynamic markets.

Thus, advancing a socially informed approach to human resource practices is imperative. By aligning technical and social dimensions, organizations can better navigate the complexities of modern business landscapes, ensuring both employee well-

being and long-term strategic advantage. This study contributes to a deeper understanding of how human resource practices, as integrated systems, can drive not only individual performance but also collective organizational excellence.

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