



The Impact of SHRM on Corporate Performance

A Review Based on Visual Analysis

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Abstract. This paper uses the CiteSpace software developed by Li Jie and Chen ChaoMei to download all the literatures from 2010 to 2021 in the web of science database with the theme of "strategic human resource management". The keywords of this topic are analyzed visually and the keyword co-occurrence map is obtained. Based on visual analysis, this paper finds that the research of corporate performance is the focus of academic circles. The research enthusiasm of strategic human resource management has declined in recent 10 years, which may be the bottleneck of the research. Based on this, the task of this paper is to reorganize the relationship between strategic human resource management and corporate performance, hoping to make a breakthrough in the research of strategic human resource management. First of all, this article first summarizes and analyzes the main research theoretical basis by combing the related literature on the relationship between the two. Secondly, according to this classification, this paper sorts out the representative research results of the relationship between the two in recent years. Finally, it is proposed that the fusion theory perspective is the future research direction.

Keywords: Strategic Human Resource Management · Corporate Performance · Organizational Performance · Research Review · Visual Analysis

1 Introduction

With the development of economic globalization and continuous changes in society, enterprises are increasingly in a dynamic competitive environment. As the head of an enterprise, senior managers must clearly understand the strategic development direction of the enterprise, especially the most critical factor, the impact of strategic human resource management on the enterprise. As a result, on how to improve corporate performance, the theory and practice of strategic human resource management on corporate performance came into being. The research on the relationship between strategic human resource management and corporate performance, as an important topic in the field of strategic human resource management, has always been the focus of academic circles. Different scholars have verified the positive relationship between the two from different perspectives based on different theoretical foundations. However, the academic circle

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M. F. b. Sedon et al. (Eds.): SSHA 2023, ASSEHR 752, pp. 1159–1166, 2023.

https://doi.org/10.2991/978-2-38476-062-6_148

has not formed a unified opinion on which theoretical basis should be used to explain the relationship between the two. Therefore, this article attempts to sort out the important literature on the relationship between the two, sort out the current mainstream views in the academic circle, and initially point out the direction of the future research framework.

In order to study the topic of the relationship between strategic human resource management and enterprise performance, a total of 2829 literatures from 2010 to 2021 were downloaded from the web of science data. After data cleaning and deleting duplicate and invalid data, 1769 articles were obtained. Based on the bibliometric method, citespace software is used to analyze the key words of strategic human resource management research, and finally the keyword map is derived. In the keyword map, the size of the node and font reflects the frequency of keywords. The larger the node is, the more keywords are studied. The number of lines indicates the closeness of the relationship with other keywords. Combined with Fig. 1 and Table 1, it can be seen that the node corresponding to the word “performance” is the largest, with 559 times of occurrence, and the connection with other nodes is the most intensive, which shows the academic attention to improving performance. Secondly, 275 times of “firm performance” and 161 times of “organizational performance” have larger nodes and tags, which indicates that the research in recent 10 years mainly focuses on these fields. The 86 times of “strategic human resource management” show that the academic research on strategic human resource management is in a mature and breakthrough stage, and the research frequency is relatively small. Therefore, this paper focuses on the issue of improving enterprise performance, summarizes and develops the impact of strategic human resource management on it, and makes a preliminary description for the follow-up research.



Fig. 1. Keyword co-occurrence map

Table 1. Keyword Frequency Statistics

Key Words	Relevant information	
	<i>Number</i>	<i>Frequency</i>
performance	1	559
impact	2	419
management	3	335
firm performance	4	275
system	5	239
model	6	168
strategy	7	163
competitive advantage	8	161
organizational performance	9	153
innovation	10	137
firm	11	132
HRM	12	127
productivity	13	124
knowledge	14	120
organization	15	111
perspective	16	105
strategic HRM	17	100
capability	18	89
strategic human resource management	19	86
commitment	20	85

2 Background on SHRM and Corporate Performance

2.1 A Brief Review of SHRM and Corporate Performance

Regarding the research on the impact of strategic human resource management and corporate performance, most scholars at home and abroad adopt the definition of strategic human resource management by Wright and McMahan [1]: a series of planned human resource allocation and management adopted to achieve organizational goals behavior. This definition reflects the importance of human resources; secondly, it is systematic, that is, human resource-related policies and practices deployed in order to gain competitive advantage; thirdly, it is fit, which requires vertical matching with corporate strategy, and horizontal human resource system The fit between; the last is goal, all behaviors point to the goal, that is, strategic human resource management is to achieve the maximization of corporate performance [2].

For the measurement of corporate performance, although different scholars use different measurement methods, in general, the measurement of corporate performance is

mainly divided into corporate financial indicators, such as total taxable sales [3], corporate operating profit [4] or corporate financial indicators are combined with corporate competitive advantages to be measured, such as customer satisfaction, customer loyalty and innovation speed [5].

A large number of studies have shown that there is a correlation between strategic human resource management and corporate performance, but the impact of strategic human resource management on organizational performance is often not direct [6], and more and more studies have shown that the relationship between the two has different mechanism paths. In view of the complexity of the relationship between the two, so a theoretical basis that correctly reveals the relationship between various variables is particularly important [7]. Jiang Jianwu and Zhao Shuming [8] pointed out that human capital theory, behavior theory and resource theory are commonly used theoretical foundations for researchers to study the relationship between strategic human resource management and organizational performance. In addition, there are comprehensive views that integrate the above commonly used theories, social exchange theory, and so on.

2.2 Research Based on the Perspective of Human Capital Theory

From the 1960s to the 1970s, scholars mainly explained the relationship between the two with human capital theory. The view of human capital theory is that organizations should regard people as capital, and the costs of employee training, motivation, and retention as the human capital invested in the organization [9]. The theory emphasizes the improvement of organizational productivity by investing in human capital. Schultz [10] is based on the theory of human capital and believes that the investment of human capital is an intermediate variable between strategic human resource management and organizational performance.

Wright and Snel I [11] believe that enterprises use strategic human resource management to influence the stock of corporate human capital and guide the behavior of corporate employees, thereby affecting corporate performance.

Miao Hui, Song Dian [12]: From the perspective of human capital, discuss the impact of different strategic human resource management models (market-based and nurturing-based) on corporate performance. Since cultivating strategic human resource management can increase the company's specific human capital and enhance the company's competitive advantage, market-based SHRM can only bring value but cannot form a company's competitive advantage. Therefore, the cultivation type is more significant than the market-based strategic human resource management for corporate performance.

2.3 Research Based on the Perspective of Behavior Theory

In the mid to late 1980s, influenced by the "structure-behavior-performance" research paradigm of industrial economics, scholars shifted from human capital theory to a behaviorist perspective, considering the impact of strategic human resource management on employee behavior. It emphasized Realize the company's strategic goals through appropriate employee behavior. When the organizational characteristics and business objectives change, correspondingly, the attitude and behavior of employees will be required to adjust to adapt to the strategy. Daft, Weick [13] emphasized the influence of

employee attitudes and behaviors on organizational strategic goals and organizational functions. Different strategies require different role behaviors, which require different human resource management practices. Huselid [14] found that the employee turnover rate and labor productivity intermediary SHRM system and the company's performance.

Zhao Shuming and Sun Xiuli [15] pointed out that human resource management ability positively regulates the relationship between strategic human resource management and corporate performance. The stronger the HRM ability of the human resources department, the stronger the ability to have a strategic HRM from the "external consistency", the better understanding and formulation of strategies, improving the consistency of employee behavior and corporate strategy, and increasing executives' importance to human resource management Perceive, increase the consistency of policy and practice. From "internal consistency", the stronger the ability to have a technical HRM, the more able to attract, motivate and develop qualified employees according to the strategy, build a harmonious human resource system, and promote the improvement of corporate performance.

2.4 Research Based on the Perspective of Resource Theory

Since the 1990s, with the development of the resource concept in the field of corporate strategy, human resources, as a difficult-to-tradable, difficult-to-imitate, scarce and unique resource [8] in the enterprise, have gradually been affirmed for the impact of its strategic value on corporate performance.. Lado and Wilson [16] believe that the process of managing human resources can be a resource that provides competitive advantage. Scholars have reached a consensus on how human resources can provide a competitive advantage.

Li Xuefeng and Jiang Chunyan [3] believe that institutional theory is used to supplement the study of the relationship between resource-based theory. The institutional environment is the main external environment rooted in enterprises, which restricts the choice of enterprises and the realization of reasonable decisions. Unfair competition significantly hinders the performance-promoting role of strategic human resource management, and government support significantly strengthens the performance-promoting role of strategic human resource management.

2.5 Research Based on the Perspective of Fusion Viewpoint

At present, most researches are based on the above-mentioned theory. Jiang Jianwu, Zhao Shuming [8] pointed out that analysis based on one of the theories will be one-sided. In general, the influence path of strategic human resource management on corporate performance should comprehensively consider the human capital stock at the organizational level and the active role of individual employees' knowledge and abilities. Moreover, there have been researchers from the perspective of human capital theory and behavior theory [17], or from the perspective of resource theory and behavior theory [18] on the theoretical integration of the relationship between the two. However, the existing theoretical framework of integrated research still fails to provide an overall explanation of how human resource management can build sustainable organizational competitive advantages and obtain extraordinary organizational performance. The mechanism of human

resource management on organizational performance is still regarded as A research “black box” [19].

2.6 Research from Other Research Perspectives

In addition to the above mainstream theories explaining the relationship between the two, some scholars also use the theory of organizational behavior to explain the performance of employees at the micro level, mainly social exchange theory.

Li Dian [20], based on the principle of reciprocity in the theory of social exchange, believes that the role of strategic human resource management is mainly reflected in the value orientation and practical guidance of management practices. Increase emotional commitment to reward the organization.

Based on the theory of social exchange, Li Hongying et al.[21]believe that high-level strategic human resource management is an important message conveyed to employees, depicting the exchange process of organizational effort, profit perception, and employee return, which will help enhance employees’ perception of psychological contract fulfillment Degree, and therefore improve the performance of employees within the role.

3 Conclusion

Based on visual analysis, this paper finds that the research of corporate performance is the focus of academic circles. The research enthusiasm of strategic human resource management has declined in recent 10 years, which may be the bottleneck of the research. Based on this, combined with literature review, the task of this paper is to reorganize the relationship between strategic human resource management and corporate performance, hoping to make a breakthrough in the research of strategic human resource management.

For the relationship between SHRM and corporate performance, scholars mainly use human capital theory, behavior theory, resource theory, fusion viewpoint or social exchange theory to explain.

Although the research on the relationship between strategic human resource management and organizational performance is still going on this year, the analysis theory has not yet reached a consensus on the influence mechanism between strategic human resource management and corporate performance. Research based on human capital theory overemphasizes the knowledge and skills possessed by employees, and fails to consider how employees acquire knowledge and capabilities in the dynamic process of continuous changes in competitive advantage. Research based on behavioral theory puts too much emphasis on the impact of human resource management practices on the individual level. Finally, research based on resource-based theory focuses on the formation of core competitiveness at the organizational level, while ignoring the contribution of individual level to a certain extent.

Therefore, some scholars have begun to consider the impact of strategic human resource management on the organization and the individual level of employees, and because the core competence at the organizational level and the individual level of employee capabilities and knowledge can interactively affect corporate performance,

they have developed a view based on the integration of multiple theories., This is more helpful for in-depth study of the relationship between strategic human resource management and corporate performance.

Based on the dynamic complexity of the relationship between strategic human resource management and corporate performance, it is often one-sided to consider a single theoretical factor. Based on the perspective of the integration of multiple theories, it has new enlightenment for understanding the relationship between the two, and future scholars can Develop a new framework model, put forward hypotheses and conduct empirical research based on this, in order to open the "black box" of the relationship between the two.

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