Convergence or Divergence? Analysis of Human Resource Practices in SME Turkey

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ABSTRACT:

This study investigates human resource management (HRM) practices in SME sector Turkey vis-à-vis economic system, history and culture. It attributes to discussion on convergence and divergence by appraising traditional values’ impact on shaping HR practices. The study has been conducted under certain journals, articles, and thesis and conference proceedings addressing major human resource functions, specifically training, job analysis, performance-management, recruitment and selection in Turkey. The paper suggests directional convergence’s presence, which means corporations in Turkey follow constant trends prevailing in the USA or Europe; however the presence patterns take issue with relevance Turkish firms’ understanding and implementation of these trends. Collectivism, mental attitude, and uncertainty turning away appear to deeply impact HRM practices in Turkey, decreasing the likelihood of full convergence. HR practices and literature is dominated by U.S. and European-oriented analysis. As this study provides a close, tho' not comprehensive literature review regarding HR practices in Turkey, its conclusions additionally could also be cypher to countries with the same socio-cultural dynamic, more to suggesting avenues for future analysis.

KEY WORDS: Convergence, Divergence, HR Practices, SME, Traditional and Modern HR Application

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ECONOMIC AND POLITICAL SYSTEM:

In the last two decades, foreign direct investments in Turkey and partnerships between foreign and Turkish companies are on the increase. Undeniably, such investments and partnerships modified the Turkish economy and business setting remarkably. Through interacting with foreign corporations, Turkish corporations have redoubled opportunities to import information regarding management and HRM systems (Aycan, 2001), raising the HR practices’ quality. However, as in several different developing countries, Turkey has structural issues. Though Turkey solved the inflation drawback inflicting uncertainties for enterprises and economy, still it experiences issues concerning trade and payment balance. Deficit and payment imbalance exacerbates a fragile economic scenario for Turkey, raising doubts regarding future prospects. Therefore HR managers typically realize it terribly troublesome to form semi-permanent plans that hinder effective human capital utilization. Regarding 99 percent of Turkish corporations are small or medium in size, leading to limitations for HR activities. Previous studies (e.g., Coetzer, 2001; Kotey & Sheridan, 2004) show small- and medium-sized enterprises (SMEs) typically expertise completely different staffing, training, and performance-management ways compared with massive corporations. (Deshpande and Golbar, 1994) claim SMEs opt to fill vacancies from inside the organization, instead of hiring through employment agencies. (Johnson, 2002) asserts SMEs implement informal, on-the-job training activities to attain short-run objectives. In step with (Johnson’s, 2002) arguments, SMEs were found to seldom do formal training-needs analyses and to own no systematic approach to training (MacMahon & white potato, 1999). A study conducted in Turkey (Cetinel, Yolal & Emeksiz, 2008) supports the findings and arguments cited higher. It found a majority of tourism-sector SMEs conducted on-the-job training while not fastidiously assessing training wants or linking training to HR coming up. (Cetinel et al., 2008) note a disorganized approach to performance appraisal and job analysis, given findings that several SMEs value performance appraisal and conduct job analysis only if required. Adore several countries; Turkish SMEs typically implement reactive ways instead of proactive ones, executive HR practices unsystematically and informally.
TURKISH CULTURE:

Turkish workers scored high on collectivism and uncertainty turning away dimensions. Participants regarded power variations in society as traditional and expressed the importance of nurturing relations, each manifestation of high power distance and muliebrity. Some researchers (e.g., Aycan, 2001) ended that Turkey has become somewhat less collectivist, gradable, and liable to avoiding uncertainty. As in several countries, outstanding changes are discovered in Turkish culture in last decade as a result of globalization and transnational companies. Once explaining Turkish culture, one ought to closely examine the findings of the world study (House, Hanges, Javidan, Dorfman, & Gupta, 2004). Researchers collected knowledge from inferior managers in sixty two societies and asked participants to point the degree to that sure values are discovered (culture because it is) and their need for seeing these values within these society (culture because it ought to be). Among the countries within the Arabic Cluster (i.e., Egypt, Morocco, Kuwait, Qatar), Turkey scored highest on collectivism and positiveness and lowest on uncertainty turning away. Whereas human and performance orientation scores were quite low, power distance scores were quite high, probably explaining power inequalities in Turkish organizations. Remarkably, Turkish managers indicated a powerful need for an additional collectivist, egalitarian society, whereby power distances and gender equalities were removed (Kabasakal & Bodur, 2002). Though collectivism and mental attitude are emphasized additional, Turkish culture is additionally characterised with the female orientation dimension (Hofstede, 1980). In female cultures, individuals attach importance to private relationships and show concern for the weak. Compared with masculine cultures, female cultures are less seemingly to stress material success and show positiveness (Hofstede, 1984). In these cultures, the work life focuses on relationships and dealing conditions (Sale, 2004); so, any practices that harm relationships and dealing conditions are avoided. Though not through empirical observation tested, female culture might have an effect on, to some extent, social control attitudes and behaviors concerning performance appraisal, compensation, and labor relations.
DEVELOPMENT OF HRM AND ROLE OF HR DEPARTMENTS:

Within the past, personnel departments in Turkey oversaw transactional problems like payroll calculations and unbroken track of worker absences. “personnel departments” born-again into “HR departments” in late 1980 (Sozer, 2004), delivery vital modification to managing personnel-related problems. Changes in Turkey’s economic and social life, in conjunction with inflated interaction with Western establishments and also the presence of multi- and international companies, provided associate impetus for this transition. HR managers shifted their focus from providing transactional services to finding, attracting, and holding extremely qualified workers. Making competitive blessings through HR has become necessary, that junction rectifier Turkish corporations to follow trends through benchmarking. As (Emre, 1998) and Usdiken, 1996) state, the bulk of Turkish HRM ideas and practices has been adopted from foreign countries; so, the sector is developing primarily whereas learning from foreign expertise. Adopting new practices and burgeoning tutorial interest concerning HRM enabled HRM’s progress in Turkey (Sozer, 2004).

The study comparison thirty five countries in terms of HR practices (Cranfield Network on Strategic International Human Resource Management-CRANET-G 1999–2000 Survey) unconcealed two conclusions. First, a strategic role for HRM is widespread in Turkish corporations. Second, there are signs of convergence between the businesses in Turkey, Germany, and Spain on HRM’s strategic role (Ozcelik & Aydınlı, 2006).

With the exception of being painted on the board of administrators, generally, HR departments in Turkey develop ways and live performance, as in several different developed countries. As an example once again Ozcelik (2006) compared North American country and Turkish companies with reference to the existence of written HR missions, she found that the majority Turkish companies (about 75%) had a written missions like their North American country counterparts (84%). The contribution of HR departments to overall organization strategy was conjointly found to be similar in Turkish and North American country companies. tho' this study and plenty of different indicated the existence of convergence, there have been conjointly studies news conflicting results. As an example, banks in Turkey and Hungary were found to diverge in terms of SHRM and HR practices in an exceedingly recent comparative study. Turkish banks, even little ones, maintain written policies.
concerning enlisting, selection, career management, training, compensation, and performance management. This might be taken because the institutionalization of HR departments and their ever-increasing social control role.

**JOB ANALYSIS:**

Notably, job analysis wasn’t conducted consistently in a very goodly variety of organizations (18.4%). Some organizations cared-for perform job analysis at irregular intervals, once it had been required or when one thing modified. Öztürk (1995) reported similar findings. Information collected from thirty three public and 253 personal organizations disclosed that Turkish managers were responsive to the importance of job analysis. However, managers indicated they performed such analysis solely sometimes and updated job descriptions and specifications once a year or once each five years (Öztürk, 1995). As several researchers state, it’s suggested to renew job analysis info oft to stay track of changes in jobs (i.e., changes in duties) and devise simpler HR practices. Whereas Turkish managers notice job analysis’ importance, they appear to ignore change such information. Despite this disadvantage, we tend to should acknowledge the augmented attention toward the topic. With the choice of the Turkish cupboard in 2000, it had been created necessary for all public establishments to conduct job analyses and verify the amount of individuals required for every position. This call light-emitting diode augmented understanding job analysis principles and human resource coming up with, particularly publically organizations, that had been ruled victimization traditional personnel management practices. Today, modeling the practices of public organizations and institutionalized personal organizations, several organizations a minimum of try and inscribe job descriptions and specifications. There looks to be convergence with reference to quality of job analysis.

**RECRUITMENT AND SELECTION:**

Huge changes have taken place in accomplishment and choice since the start of the twenty first century. New recruiting and choice techniques, like web-based recruiting and testing, create it simple to recruit and place extremely qualified job candidates. In Turkey, web sites, that function intermediaries between job candidates and corporations, became
fashionable within the last decade. Since internet-based recruiting could be a comparatively efficient method for corporations to publicize vacant positions and eliminate unqualified candidates, several corporations in Turkey post job advertisements on career-search websites. For unqualified, low-skilled, or blue collar staff, several corporations accept the services of the Turkish Work establishment, a public establishment providing consulting and placement service to each staff and employers. A replacement by law enacted in 2008 allows individuals or organizations to open personal employment agencies, that act as intermediaries between job candidates and firms; but, these agencies aren't effective or nonetheless widespread in Turkey. Despite the same recruiting enhancements, several corporations in Turkey use ancient accomplishment strategies. Worker referrals and suggestions from alternative contacts are still distinguished ways that of finding new staff. In one study (Sozer, 2004), 66 of organizations indicated they used worker referrals for non-managerial positions, though this variety fell to 38 for social control positions. (Aycan, 2001) explains the preference of worker referrals by invoking Turkish culture’s collectivist nature, as a result of collectivism is related to kinship and in-group favoritism, it could lead on staff to counsel relatives and friends for vacant positions in their organizations.

Turkish corporations appear to like (in ascending preference) walk-ins, newspapers, and therefore the net for non-managerial; and newspapers, the web, and practice corporations for social control positions (Sozer, 2004). We tend to should acknowledge variations between personal and public establishments in terms of recruiting strategies used, as accomplishment and choice strategies are clearly spelled come in the general public sector. This explains why public organizations swear heavily on job posting (internal recruiting via promotion), media advertising (i.e., announcement of vacant positions), and transferring staff among public establishments. In enlisting, Turkish managers like sure choice techniques over others.

The existence of country specific forces, like collectivism, in-group favoritism appears to make divergence. But adaptation of Western management practices, existence of transnational firms, globalization and alternative mimetic forces may eliminate this divergence within the future.
PERFORMANCE MANAGEMENT:

When evaluating worker performance, Turkish companies typically like order, graphic ratings, and made distribution scale ways, instead of important incident or activity anchored rating scale (BARS) ways (e.g. Erdil, 1998; Sozer, 2004). In Turkish companies, 360-degree performance and feedback systems are seldom used; if there, it's in deep trouble organic process reasons instead of for body functions (e.g., reward management and promotion decisions). Additionally to assessing the appraiser’s characteristics, one must valuate performance appraisal frequency, as a result of this means the importance hooked up to performance management. Studies (e.g., Sozer, 2004; Unal, 2012) show that Turkish companies typically conduct performance appraisals annually, instead of quarterly, semi-annually, or monthly. Sporadic performance appraisals may build it troublesome for managers to stay track of performance issues and pursue timely corrective measures. By conducting performance appraisal once or doubly year, several Turkish companies might miss opportunities to use human resource capital effectively and expeditiously. However, doing a lot of performance appraisals may harm Turkish organizations.

In Turkey, public organizations usually use mounted and obsolete performance appraisal systems during which neither individual nor cluster performance is measured. Since public organizations don't try to either generate high profits or maximize stockholder returns, they need very little incentive to develop, therefore performance appraisal systems unless forced to so by the state. In Turkey, the centralistic structure leads all public organizations to use an equivalent performance system (Akcakanat, 2009). However, dynamical environmental circumstances, management designs, and structure objectives within the public sector necessitate exploitation a lot of trendy and company-specific measures. Since this study doesn't target public sector HR policies, elaborated discussion of this subject isn't given in here.

TRAINING AND DEVELOPMENT:

General Managers determined training desires and content of training programs, supported personal judgments instead of performance knowledge or employees’ specific desires. (Sozer, 2004) found Turkish firms’ training activities were principally determined by
social control demands (76%), workers (72%), and typically performance appraisal results (53%). Nearly 1/2 the organizations (46%) indicated that they were conducting training-needs analyses, but assessment of training desires looks to dissent with relevancy firm size. Supported Cranet-G knowledge, Tanova and Nadiri (2005) ended that blue chip companies analyzed their training desires quite small companies in Turkey. In their study, researchers indicated that seventy two of the big companies consistently assessed their training desires, whereas this figure fell to 62.7% in SMEs.

According to Cranet-G knowledge, Turkish companies don't appear to dissent from companies in EU in terms of desires assessment and share of workers receiving training. However, an equivalent knowledge additionally shows that inadequate vocational education at the country level junction rectifier Turkish companies to train their technical and clerical employees quite companies in EU. This means the existence of divergence with relevancy training designed for specific employment classes. Solely a restricted variety of studies have investigated training ways utilized in Turkish firms. In one among these, a majority of companies indicated they most popular on-the-job training (72.5%), lectures (72%), visual techniques (51.5%), and computer-based mostly training (47%) once training workers and managers. That study disclosed companies additionally provided trainers’ profiles. Workers were trained by trainers from outside the firm, knowledgeable about managers, and individual trainers operating at intervals the organization in 68.5% (N = 137), 66.5% (N = 133), and 55.0% (N = 110) of the organizations, severally (Sozer, 2004). The study supported Cranet-G knowledge provided similar results (Tanova & Nadiri, 2005). The proportion of Turkish companies’ exploitation external trainers was found to be 47.2 and sixty one for small and big companies severally. The Turkish survey disclosed that the common quantity of informal training in Big Turkish firms additionally surpassed the common quantity in EU. However, no vital variations were ascertained with relevancy increase in use of informal training in SMEs in Turkey as compared to SMEs within the EU. Increasing importance of training looks to point convergence.

Similar to several countries, evaluating training effectiveness remains difficult for Turkish organizations. A survey conducted with 307 personal sector organizations in Turkey (Arthur Hans Christian Andersen, 2000) disclosed Turkish organizations swear heavily on
evaluating the trainer once assessing training effectiveness (82%). In most instances, training participants were asked to judge each the training’s perceived utility and trainers’ capabilities. As Aycan (2001) points out, “happy sheets”, which generally assess trainees’ reactions to the educational program, are the foremost normally used methodology of assessing training effectiveness. But this analysis technique might not accurately replicate training’s contributions to firm performance and worker skills. The transfer of skills to the geographic point and also the impact of training on bottom-line results are usually unheeded once gauging the effectiveness of training activities. Considering training activities contribute comparatively very little toward worker motivation, skills, and money performance, Collings and his colleagues (2010) advocate Turkish companies conduct training desires analysis a lot of rigorously and improve training analysis. Each small and big companies could dissent with relevancy their training approaches. Though not ignoring training’s importance, SMEs could like a lot of informal and systematized approaches during which training-needs analyses were seldom conducted, with training activities occasionally tied to HR designing (e.g., Cetinel et al., 2008). So one should think about such discourse factors (e.g., firm size, industry) before reaching conclusions regarding Turkish companies training practices.

**COMPENSATION:**

Turkish culture is characterized by high levels of attitude and collectivism. Attitude usually shapes relationships between managers and staff. Managers assume a fatherly stance, inflicting challenges in differentiating staff from each other and pleasing every in step with individual performance. Relationships are to be preserved among all staff, with Turkish managers typically refraining from attaching performance ratings to compensation policies. Sumer (2000) claims Turkish corporations like reward systems connected to worker desires, instead of performance and notes high levels of power distance between managers and staff result in rewards being distributed, supported political factors rather than performance. However, creating generalizations isn't correct given the existence of varied pay-for performance schemes in Turkish organizations. Conjointly before terminal that pay-for performance systems can't be applied in Turkish setting, we want to require into consideration the role of possession standing of the organizations. As an example, recent study conducted
with the subsidiaries of transnational firms (MNC) and domestic Turkish corporations disclosed the existence of divergence in compensation systems. During this study, MNC subsidiaries were found to implement pay-for- performance schemes a lot of extensively compared to domestic Turkish corporations (Mellahi, Demirbağ, Collings, Tatoğlu & Hughes, 2013). Inside country variations relating to compensation or the other time unit practices might be quite between country variations.

**GENERAL EVALUATION:**

Undeniably, globalization, competitive pressures, and Western management-style practices promoted as universal truths build organizations and their practices a lot of alike. Despite one culture’s firm’s clutch of language and time unit techniques from a remote culture, this could not indicate full convergence. Many times, terms and techniques are understood and applied otherwise throughout the globe. Whereas acknowledging directional convergence’s existence, stay convinced prospering HRM needs understanding culture, scheme, history and organizations of the country. Reviewing time unit practices and policies in Turkey supports this claim. Turkish corporations appear to use Western- vogue management practices by adapting them to Turkish culture, operating vogue, and legal framework. As an example, most time unit practitioners acknowledge the importance of activity individual performance however live cluster performance or use soft criteria that live conscientiousness, person–organization work, and purpose, instead of contributions to structure goals. As noted on top of, Turkish culture is characterized by attributes of collectivism, feminism, and attitude. In several collectivist cultures, a high-quality job is one that permits people to meet family obligations Moreover, compensation and performance appraisal systems singling out high performers from average or low performers don't seem to be most popular in collectivist cultures.

Even small firms while not time unit departments issue rules and policies concerning body affairs (e.g., payroll calculations, traveller rates, etc.). However, once it involves time unit designing, career management, compensation, and performance appraisal, exceptional variations abound between small and big corporations, and a lot of or less institutionalized corporations regarding written procedural accessibility and adopting systematic approaches.
Small or less institutionalized corporations appear to imitate and adapt the practices of huge and a lot of institutionalized corporations, approaching HRM reactively instead of proactively. Most of the time, these corporations don't have any structured or written policies, that could lead on to ineffective and discrestional resource utilization. Examining results of previous studies and implementations in Turkey, one observes the existence of directional convergence however not full convergence. Turkish organizations attempt to implement U.S.-originated time unit practices with some modifications. Most organizations realize the advantages and uses of job analysis, training, and pay-for-performance systems however implement these time unit practices while not adequately considering structure and national specific characteristics and contingencies. While not denying the role of globalisation and transnational organizations on causing organizations to control in similar ways that, still, it looks premature and imprudent to assert one best formula exists.

REFERENCES


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