

# Human Resource Management in Turkey: Concept and Cases

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This study aims to argue human resources management (HRM) in Turkey in aligned with concept and cases. Turkey has blend of Western and Eastern values. Eastern values, Western values, Islamic philosophy affect Turkish culture that have an impact implement of HRM practices. Research methodology contains literature review related to Turkish HRM. Main findings include that, firstly, Turkish firms apply of human resource management. Name of department is HRM department. Personnel management still continues to apply in HRM departments. Firms don't apply strategic HRM in Turkey. Secondly, Turkish firms and academy apply of American-based HRM practices. HRM is originated to USA. Thirdly, Turkish firms apply HRM practices in HRM departments. Turkish firms, institutions, and academy follow recent developments abroad for HRM. To conclude, Turkish firms apply professional HRM entity in HRM, currently. And top managements of firms in Turkey strongly support apply of HRM practices in organizations.

*Keywords:* Turkey, HRM, MNEs, USA, academy

## Introduction

Human factor is among the leading strategic advantages of successful firms in Turkey (Gürol, Wolff, & Berkin, 2011, p. 1634). Traditional personnel management is still resisting change (Gürol et al., 2001, p. 1634). Role of human resources management (HRM) departments and the existence of HR strategy began to head for strategic approach, but it is still not widespread in Turkish companies (Gürbüz & Mert, 2011, p. 1806). Strategic role of HR in larger firms may be more widesprad than small and medium-size enterprises (SMEs).

According to Siddiqui (2017), in the last 20 years human resource management is increasingly recognized as a key factor in maintaining competitive advantage in Turkish business organizations. There are number of important forces behind this development such as Turkey's adoption of liberal economy, changing nature of market structure, decrease in government intervention and increase in privatization, legal and economic changes that are geared towards European Union membership, globalization and change in workforce characteristics as well as societal values.

Gurbuz and Mert (2011) find that strategic HRM in Turkish context correlated highly with job satisfaction, and moderately with operational performance. Further, the strategic human resource management (SHRM) had positive correlations with the perceived financial and market performance. There was no relationship between SHRM and turnover. Bayraktaroglu and Yilmaz (2012) find that there is a high positive correlation between business ethics practices in HRM and organizational performance, i.e., ethical HRM practices are positively correlated to organizational performance. Bal, Bozkurt, and Ertemsir (2014) found that, in Turkish context, there is relationship between HRM practices and organizational commitment.

### **Turkish Firms and American-Based HRM Practices**

Turkish firms apply American-based HRM practices. After 1990s Western-based HRM began to be used widely in Turkey. The cross-cultural applicability of North-American HRM practices is highly questionable (Aycan, 2001, p. 258). Successful application of particular HR system requires process of adaptation. American model is main reason for Turkey's movement from personnel affairs to HRM (Tüzüner, 2014, p. 445). Current education structure of Turkish universities reflects American model, and structure of businesses and organizations have become Americanized. Corporations in Turkey follow constant trends prevailing in the USA and Europe (Kararti, 2014, p. 122). However, present patterns take issue with Turkish firms' understanding and implementation of trends. Therefore, firms adopt a more global HRM model than a Turkish HRM concept; firms adopt international quality standards (Tüzüner, 2014, p. 445). Academic developments for HRM field come from universities in Turkey (Eroğlu, 2016, p. 183).

SMEs reflect Turkish culture in HRM in Turkey, and Large Scale Enterprises (LSEs) develop real HRM structure and HR practices represent those of Western countries (Tüzüner, 2014, p. 439). Mostly in large-sized businesses HRM departments are line departments and strategic HR practices are not given much importance.

Main functions of HRM departments in Turkey are staffing, compensation, training, health, promotions, career planning. HRM practices of private organizations are divergency from many functions such as recruitment, compensation, performance management and retention (Tüzüner, 2014, p. 437). Department's name is human resource management department in Turkey (Bakan, Ersahan, & Buyukbese, 2013, p. 89).

Progress made by Turkey to reform labor market is speeding up slowly (Vos, 2008, p. 4). For example, there is low level of women's participation in the labor force in Turkey. Full trade union rights have to be established in Turkey, and draft legislation aimed at bringing current laws into line with ILO—International Labor Organization and EU standards is pending (Vos, 2008, p. 6). Unionization rate of businesses in Turkey is 59.8 percent (Tüzüner, 2014, p. 448). Girls are leaving school at early stage than boys in Turkey. The awareness of social partners of the need to invest in education and training is a very important asset of Turkey (Vos, 2008, p. 11).

### **HRM in Turkey: Challenges and Trends**

Bakan et al. (2013) discuss that HRM practices are widespread in Turkey. However, to what extent it is implemented, it is found out that it is not sufficient. Training and development is among the most important functions of the HRM departments in Turkey (Aycan, 2001, p. 257). Training and career planning are tied to employee performance. Turkish firms' training activities were determined by social control demands, workers, and performance appraisal results (Kararti, 2014, p. 128). Organizations conduct training-needs analysis.

Performance evaluation is one of the most difficult HR functions in Turkish organizations (Bakan et al., 2013, p. 93). One of the important issue in Turkey is that career ranking threatens the peace of working environment (Bakan et al., 2013, p. 98). There is individual performance-based pay system in Turkey (Tüzüner, 2014, p. 448). Based on Cranet-Turkey 2005 report, 87 percent of companies use results of performance evaluation in career planning (Tüzüner, 2014, p. 448). For performance appraisal Turkish companies typically like order, graphic ratings and made distribution scale ways (Kararti, 2014, p. 128). In Turkish companies 360-degree performance and feedback systems are seldom used. Turkish managers attach performance ratings to compensation policies.

Cultural characteristic of Turkish HRM is paternalism. Paternalism describes subordinate-superior relationship where authority assumes role of parent, and provides of support and protection for subordinates (Aycan, 2001, p. 253). Paternalism exists in Turkey where relationship between superior and subordinate resembles the parent-child relationship (Tüzüner, 2014, p. 440). In turn, subordinates perform loyalty, deference, and compliance. Turkey found to be highly paternalistic by Aycan (2001). In addition, Turkey has high level of power distance, uncertainty avoidance, feminine and collectivist culture (Karabat & Calis, 2014, p. 119). For example, the most popular recruitment channel in Turkey is employee suggestions. This is reflection of collectivistic nature of culture. In collectivist culture interpersonal relations are more emphasized than individual successes (Karabat & Calis, 2014, p. 119). Further, SMEs in Turkey rely on employment agencies that are considered as formal recruitment sources (Bakan et al., 2013, p. 91). Turkish culture is additionally characterised with female orientation (Kararti, 2014, p. 124).

Karabat and Calis (2014) suggest that country's cultural and legal factors are taken into account in development of HRM. Legal context of Turkish HRM is labor law. Employee and employer rights are protected in labor law. Labor law regulates HRM practices in Turkey. Legal obligations have positive impact on development of HRM practices in Turkey. For example, terminations are to based-on individual performance of employees. Labor act, 2003, is result of harmonization attempt of national labor law and international labor standards such as ILO—International Labor Organization (Mutlu, Gurol, Wolff, & Baran, 2009, p. 211). New labor law affected principles and subtleties in employment security, flexibility, and other arrangements. For example, performance management had to account for new understandings of employment security and discrimination (Mutlu et al., 2009, p. 211). The most affected HR activities from enactment of Law No. 4857 are the end of employment contract, worker's health and safety, labor relations, and performance appraisals (Tüzüner, 2014, p. 448).

### **Demographics of Turkish HR**

Those that work in the field of HRM are generally female in Turkey, and they usually have bachelor degree in business administration or economics (Demir & Uyargil, 2017, p. 212). On the other hand, HR managers working in Turkey are mainly male. However, Demir and Uyargil (2017) find that more than half of the HR managers are female, and great majority of HR managers hold Bachelor's Degree. Business administration is the most common field in Bachelor's Degree. Most HR managers in Turkish companies are males with company experience of 5-15 years (Tüzüner, 2014, p. 445). In 1995, 2000, and 2005, personnel/HR departments' employees answering Cranet-Turkey questionnaire were mostly male, university graduates, and had over 10 years industry/work experience (Tüzüner, 2014, p. 445). Predominant area of education of respondents was business management. Other common areas were found to be economics and engineering. Between 1995 and 2005, a 100 percent increase observed in those who studied engineering. HR managers in Turkey shifted their focus from providing transactional services to finding, attracting, and holding qualified workers (Kararti, 2014, p. 125).

Personnel management as an academic discipline is established in 1960s and 1970s (Mutlu et al., 2009, p. 211). Interest in personnel related issues in Turkey began in 1950s through increased contact with USA academia. Turkey has learned personnel management by importing it from abroad, and is still learning in this way (Tüzüner, 2014, p. 442). Turkish HRM applies USA context. First book titled personnel management was published in 1955 in Turkey (Eroglu, 2016, p. 185). Therefore, the discipline is new but progress is enough.

First doctoral dissertation related with personnel management was written in 1964 by A. Baransel. State Personnel Department was founded in 1960 and started operations in 1961.

Personnel management course was lectured in universities' undergraduate program in 1970s. In Turkey personnel managers are considered as functional manager but managers are not involved in board of directors (Eroglu, 2016, p. 188). The transformation to HRM is started after 1980. Since the start of HRM in 1970s, value of human is increased, and HRM gained strategic role in 1980s (Mutlu et al., 2009, p. 209). By the end of 19th century personnel management had developed into an independent profession (Mutlu et al., 2009, p. 209).

In 1998, name of personnel management department at Istanbul University was changed to human resource management department (Tüzüner, 2014, p. 441). Personnel departments turn into HRM departments in late 1980. Adopting new practices abroad and burgeoning tutorial interest concerning HRM enabled HRM's progress in Turkey (Kararti, 2014, p. 125). In 1998 faculty members published a book titled human resource management to create textbook for students and to help practitioners to learn scientific foundations of subject. In 1964 first doctoral dissertation was written including personnel in its title.

### **Research Method**

Literature review method is used in the study. HRM in Turkey literature is scanned through. Main conclusion of study is that HRM in Turkey is imported from USA. HRM career is new field in Turkey, and personnel management started in 1950s. Secondly, based-on the Hofstede cultural dimensions, Turkey has collectivism, uncertainty avoidance, high level power distance and feminine. These characteristics affect implementation of HRM practices in Turkey.

Turkish firms apply human resource management in their organization. Personnel management resists to change, and continues inside HRM. Turkish firms do not apply strategic human resource management (SHRM). In addition, Turkish firms apply of HRM practices in their HRM departments. Firms in Turkey adopt American-originated HRM practices. Multinational Enterprises (MNEs) and higher education have impact on this development.

Furthermore, HRM in Turkey has three dimension: positive organizational climate, European context, and American HRM practices. For example, legal issues is adopted from Europe that has effect in the context of HRM in Turkey such as trade union structure. Turkish firms apply American-based HRM practices. Higher education and MNEs have impact on that import. Turkish organizations intend to achieve positive organizational climate in their organizational structure. Firms desire good relationships. However, there is also intense conflict management in Turkish organizations. Firms have conflict-intense structure. Therefore, HRM departments have to care about conflict management and to build positive organizational climate.

### **Discussion**

Turkey has collectivistic culture. That may have an impact on applying HRM practices in organizations. HRM is developed in USA, which possesses individualistic culture. This issue may generate conflict in applying HRM in Turkish context. As a result of collectivism related to kinship and in-group favoritism, it could lead on staff to counsel relatives and friends for vacant positions in their organizations (Kararti, 2014, p. 127). The most popular recruitment channels include suggestions from employees and other contacts which reflects collectivistic nature of culture (Aycan, 2001, p. 256).

Turkish societal and organizational culture is blend of Western and Eastern values (Aycan, 2001, p. 253). Eastern values, Western-based values, and Islamic philosophy affect Turkish culture. Paternalism toward subordinates, fellow countryman approach to recruitment, organizational image of employees as family—those qualities differentiate HR activities in Turkey from other societies (Tüzüner, 2014, p. 440). As for cultural context Turkey has some peculiar characteristics, which are different from Western norm. Turkish societal culture is described as being high on power distance, uncertainty avoiding and collectivism (Gurbuz & Mert, 2011, p. 1806). According to Gurbuz and Mert (2011), all these cultural characteristics affect leadership behaviour, organizational culture, and HRM practices.

### **Discussion 2: Turkish Pattern**

This study aims to argue human resource management in Turkey. Turkey has blend of Western and Eastern values and Islamic philosophy. Eastern, Western, and Islamic values affect Turkish culture.

There are five findings for this study:

- (1) Turkish firms effectively apply HRM practices in their structure.
- (2) Firms have HRM departments in organizations. There is not application of strategic HRM yet. Transformation to strategic HRM from HRM began in global economy.
- (3) Firms in Turkey apply of American-originated HRM practices.
- (4) Turkish firms, academy, and practitioners follow recent development in HRM from Western world.
- (5) Top management strongly support application of HRM in Turkish organizations.

Western-based HRM began in Turkey after 1990s. Educational model of Turkish universities reflect American model. Therefore, firms apply more global HRM model than Turkish HRM model. While SMEs reflect Turkish culture in application of HRM, LSEs represent values of Western countries in HRM practices. LSEs adopt Western HRM practices.

Training is most important activity of HRM in Turkey. Training and career planning are connected to employee's individual performance. Firms determine training needs according to results of performance evaluations.

Career ranking in Turkey threatens peace environment in organizations. There exists individual performance based pay systems. Performance evaluations are the most difficult HRM function in Turkey. Firms use performance results in career planning. Managers link performance results to compensation.

According to Hofstede dimensions, Turkey has high level of power distance, uncertainty avoidance, feminine, and collectivistic. Most important recruitment method is employee suggestions. Legal context of Turkish HRM is labor law. Employee and employer rights are protected in labor law.

Those that have HRM career are generally female in Turkey. Females usually have bachelor degree in business or economy. 3rd field is engineering. On the other hand, HRM managers are usually male. Business administration field is the most common field in bachelor's degree. HR managers have work experience of 5-15 years.

Personnel management started during 1960s. Interest in personnel related issues began in 1950s through increased contact with USA academia. First book titled personnel management is published in 1955. First doctoral dissertation is written by Atilla Baransel in 1964. Personnel managers are considered as functional manager; however personnel managers are not involved with board of directors. Transformation to HRM in Turkey started in 1980s. HRM is currently set in Turkish organizations. Firms effectively apply HRM practices.

For Turkish HRM or HRM in Turkey debate, actually, in Turkey there is HRM in Turkey.

### Conclusions

Turkey's traditional personnel management system has been shifting toward HRM practices (Tüzüner, 2014, p. 437). Organizations related to HRM in Turkey are TODAI-Public Administration Institute for Turkey and Middle East, MPM-National Production Center, PERYÖN-Personnel Managers Associations, and ISKUR-Turkish Labor Institution. For example, PERYÖN is the professional entity of HR in Turkey. Main goal of association is to follow global trends in personnel management, and share them with Turkish professionals. In 2010 PERYÖN had 3,000 members. Moreover, the most important challenge facing HRM professionals is to follow current global trends in HRM field (Siddiqui, 2017, p. 1).

HR applications in public sector are quite static and determined by public law. For example, HR planning is taken at upper level of state. Labor demand depends on state budget. That might mean that states observe workers as a cost variable. Thus, Turkish public sector has still not completely developed a real understanding of HRM's strategic qualities (Tüzüner, 2014, p. 446).

To conclude, HRM practices in Turkey are closer to American model. Academics and practitioners in Turkey are following the new developments and practices in the West (Tüzüner, 2014, p. 454). HRM is a developing, promising, and exciting field in Turkey, which is in high demand (Siddiqui, 2017, p. 2).

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