HRM Practices in Turkey: Current Issues and Trends

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Abstract

Human resources are one of the most important sources of competitive advantage and higher performance for organizations. SMEs are major employment generators, and face important challenges at human resource management and practices in Turkey. The main aim of this article is to examine human resource practices in small and medium-sized enterprises (SMEs) in Turkey.

Keywords: Small and medium-sized enterprises, human resource practices.

1. Introduction

SMEs are the engine of the economy in many countries. They are an essential source of jobs, create entrepreneurial spirit and innovation and are thus crucial for fostering competitiveness. SMEs play a very important role in the Turkish economy owing to their large share in the total number of enterprises and in total employment. In 2008, it is estimated that 99.9 percent of all firms were small or medium sized, and the employment rate was 78.0 percent in Turkey. In the same year the contribution of SMEs to the GDP was 55.1 percent (European Commission, 2011). The main factors determining whether a company is a SME are number of employees and either turnover or balance sheet total. European Commission (EU) describes the SMEs as, “made up of enterprises which employ fewer than 250 persons and which have an annual turnover not exceeding 50 million Euro, and/or an annual balance sheet total not exceeding 43 million Euro”. Industrial and country differences can effect the description of SMEs. According to KOSGEB (Small and Medium Sized Enterprises Development and Support Office), firms employing ten and less employees were regarded as “micro enterprises”; 11-50 “small enterprises”; and 51-200 “medium enterprises”. SMEs have important contributions to economy and employment, and also help improving the adaptability
of the economy to changing market conditions and forces; supplying necessary raw and semi-manufactured materials for large firms; creating a competitive environment; providing flexibility in the adoption of new technology and production systems; helping economic revival of regions and localities by creating new economic centers (i.e. Gaziantep, Corum, Denizli, Kayseri and Kahramanmaraş); and diffusing capital to the lower stratum of the society and preventing an oligopolistic economic development (Budak, 1993; Ozgen and Dogan, 1997; Coskun and Altunisik, 2002). SMEs need qualified and trained human resources to be successful in business. Therefore, human resource management is a significant subject in SMEs.

SMEs are major employment generators, and face important challenges at human resource management and practices (e.g. managerial skills, prioritizing investments for human resource development and training, performance appraisal) in Turkey. Before explaining the human resource practices (HRP) in Turkey it’ll be helpful to examine what is human resourcing and human resource management.

Although the notion of HRM has been subject to considerable debate, human resource management doesn’t have a generally accepted definition. As Storey (1989) notes, it’s not easy to define the term HRM because of its underlying philosophy and character in management issues. According to Bratton and Gold (1994: 5) HRM is a part of management process that specializes in the management of people in work organizations. HRM highlights that employees are the main resource for obtaining sustainable competitive advantage, that human resource activities need to be integrated with the corporate strategy, and that human resource specialists help organizational controllers to meet both efficiency and equity objectives (Bratton and Gold, 1994: 5).

Human resourcing is related to the people at work and based on the belief that employee commitment is a fundamental necessity of organizational success. Human resourcing includes an emphasis on strategic thinking towards employees, personnel planning, extensive personnel and organizational development and so on (Bramham, 1990: 1).

HRM has functions in organizations, on behalf of those who control the organizations, and in order to experience HRM one normally has to be an organization member, or to be in a way associated with the organization (Tyson, 1997: 2). With their knowledge and skills, employees are the primary resources of the organization for competitive advantage. People in work organizations equipped with a range of abilities, talents, and attitudes affect productivity, quality and profitability. People define overall strategies and goals, design work systems, produce goods and services. Thus, individuals become ‘human resources’ by virtue of the roles they have in the work organization. Employment roles are defined and described in a way designed to maximize particular employees’ contributions to accomplishing organizational goals. Human resources are different from other resources because of their ability to evaluate and to question management’s actions, and their commitment and cooperation always has to be won. Besides, employees have the capacity to form groups and trade unions to defend or increase their economic interest (Bratton and Gold, 1994: 5).

Creating and implementing human resource strategy is a process of adjustment for organizational members. The adjustments are to societal, political, and technological environment forces, and to the expectations of organization members. The history and the culture of the firm, the national culture and the institutional framework in which HRM exists, also the decision making habits and the trade union relationships in the organization, the labor
market which the company operates, and the perceptions of these variables and of HRM by the people who work in the organization, influence the HR strategy in organizational level. HR strategy can be defined as the philosophies, policies and practices which management adopts in order to accomplish business related people management objectives (Tyson, 1997).

Human resource management practices can support an organization with a competitive advantage in a working environment. They can improve job satisfaction and may increase the organizational success while reducing the intention to quit and negative word of mouth of employees (Burke, 2003; Pare et al., 2001; Bond, 2004). When human resource management practices do not work effectively and efficiently, an employee will lack commitment and loyalty toward the organization. Lack of trust to business results in the demoralization of employees (Astrachan et al., 2002; Cited in Arasli et al., 2006: 297). Determining the subject of HR practices has important implications for managers in small and medium sized organizations. The aim of this study is to examine HRM practices and HRM position within organizations in Turkey from a longitudinal perspective.

2. HRM practices in Turkey

Turkey is one of the countries benefiting from globalization. It is regarded as one of the world’s top emerging economies, Turkey sits on the “cusp of East and West, culturally and geographically” (Napier and Taylor, 2002: 837; Cited in Culpan et al., 2007: 609). As it is situated on the gateway between Europe and Asia, Turkey is a dynamic, developing market economy bordering the Mediterranean, Aegean and Black Seas. Also being near to the new emerging markets in Middle East and Central Asia creates unique business opportunities (Tanova and Nadiri, 2005: 694).

To understand the nature, development, and problems of the economy in Turkey, the policies from the start of the Republic in 1923 need to be considered. The transition from the Ottoman Empire to the Republic developed from the First World War and the Independence War. One of the most important features of the economy of the Republic of Turkey is its being the only country in the world with a mixed economy for half a century (Basol, 1995; Cited in Hisrich and Öztürk, 1999: 115).

In Turkey HRM practices are seen to be critical since they represent the business-centered dimension of small businesses (McCann et al., 2001: 51; Cited in Erdem and Erdem, 2011: 177). Schuler and Jackson (1987) regard human planning choices, staffing choices, appraisal choices, compensation choices, and training and development as the five major dimensions linked with competitive strategies. Gupt and Singhal (1993) conceptualize HRM practices along four dimensions, consisting of human resource planning, performance appraisal, reward systems and career management. Gomez-Mejia et al. (1998) label, in detail, the functions of HRM into nine dimensions which involve workflow, staffing, lay-off management, performance evaluation, training and development, reward management, relationships among employees, empowerment and globalization (Cited in Yen Lin and -Hsien Kuo, 2007: 1068).

In general, the HRM practices used by organizations are staffing i.e. HR planning, recruitment and selection; HR development i.e. training, development and career planning and development; compensation i.e. direct and indirect financial compensation and nonfinancial
compensation; safety and health; and employee and labor relations (Mondy, 2010:4; Cited in Yang Fong et al., 2011: 706).

Based on the above literature review, we focus on recruitment and selection, performance evaluation, reward and compensation, training and development, career development and planning in Turkey. The effort of the organizations’ explanations of their behaviors with reference to the strategy choice and organizational description will produce different results not only in the organizational context but also at the analysis level. Especially in Turkey’s context, it is different from USA and European countries where such research is produced, so that the question which HRM practice the organizations chose and the reason for this choice requires the studies which use both organizational initiatives together. In this respect some information will be given about the organizations’ behaviors in the decision process of HRM practices in Turkey’s unique context (Sayilar, 2008: 233).

3. The structure and functions of HRM departments in Turkey

Exploring the historical development of human resources (HR) can put some light on our understanding of the boundaries of its geographic relevance, imagination and reach. HRM has a complex and elusive history of development. It is complicated because rhetoric and practice of HRM have different historical paths of development (Ozbilgin, 2004: 207). Aycan’s (2001) study included the findings of a survey conducted by Arthur Andersen (2000). Data were obtained from 307 private sector organizations in finance, automotive, textile, health, IT, finance, metal, mass-media, durable goods, and construction industries. In 65 percent of the participating organizations, department’s name which fulfils HR functions is “Human Resource Management Department”. These are generally large firms in finance, IT, and service industries. In 12.2 percent of the firms, the HR manager is one of the VPs in the organizations. In half of the organizations, there are written HRM strategies that are in line with the firm’s general business strategies. The main functions of HR departments involve (in descending order) staffing, wage determination and compensation, training and development, health-related issues, performance assessment, pay-roll design and maintenance, transfers and promotions, catering services, transportation services, job security and career planning (Aycan, 2001: 256).

The human resources departments of both the parent company and the affiliate can intervene to prepare the expatriates to deal with the new environment (Yavas and Bodur, 1999: 274). In Turkey, there aren’t any comprehensive researches about which practices the organizations use and the reasons why they choose these practices specifically. It is possible to point out that in Turkey the academic researches about HRM generally focus on single HR systems and the practices of these systems. Also it seems that the relation between strategy and HRM in the literature have taken the attention of the scholars since the year 2000 limitedly (Sayilar, 2005). However, the late development of HRM concept in Turkey can be the reason for this. (Üsdiken and Wasti, 2002) As the uncertainty about the process of a HRM practice, it becomes difficult to take decision in favor of adopting the practice at organizational level. When the arrangements of HRM practice conflict with the present norms and the behavior of the organization, it becomes difficult to take decision in favor of the practices (Cited in Sayilar, 2008: 235).
3.1. Recruitment and Selection

Recruitment is the process through which the organization looks for the applicants for potential employment. Selection refers to the process by which the organization tries to identify applicants with the necessary knowledge, skills, abilities, and other characteristics that will help the organization reach its goals. An organization occupies selection decisions in order to add employees to its workforce, also to transfer existing employees to new positions (http://www.general-files.com).

Human resource planning includes creating venture teams with a balanced skill-mix, employing the right people, and voluntary team assignment. This strategy analyzes and determines personnel needs in order to create productive innovation teams (Minbaeva, 2005: 127).

Recruitment is regarded as developing a pool of candidates in line with the human resource plan. Selection is the process of matching people and their career needs and capabilities with the positions and career paths. It ends with the ultimate employing of a candidate (http://ptuscслоremate.com).

During selection process, employers take into considerations many credentials such as experience, professional skills, education and personal conduct of the candidate in his previous positions. Among various criteria, education and university diploma take great attention even if they are not directly related to job requirements. Iranians have a high regard for university diploma and generally they continue their education as far as possible even though sometimes they have not clear goals in continuation of their studies. The importance of education may be linked to high power distance and a strong sense of class culture (Yeganeh, 2007).

When opportunities rise to employ new personnel, most organizations advertise job vacancies and conduct professional interviews to select the best candidates, but the results are usually affected by networking and recommendations (Namazie and Frame, 2007). All interviewed managers agreed that selection process in many organizations is based on personal relations and nepotism rather than professional competence (Cited in Yeganeh and Su, 2008: 212).

Among authors who argue organizational strategy and HRM policies should be congruent there are different views on what type of HRM policies should be used to support different types of organizational strategies. For example some authors insist organizations that are innovative and follow a prospector strategy should aim to recruit personnel from outside the organization to strengthen flexibility and bring different points of view to the organization (Miles & Snow, 1987; Shortell & Zajac, 1990; Thomas & Ramaswamy, 1996). Others argue that organizations that follow a prospector plan need employees that have enough job security to feel comfortable in taking risks and to not be afraid to make some mistakes. Therefore positions should be filled by internal promotions and new employees should be hired at the entry level (Schuler & Jackson, 1987; Cited in Canova and Karadal, 2006: 142).

Efficient recruitment strategies are important to attract, and more importantly, to retain a quality workforce in an organization and this can be achieved if the recruitment process can be made much more objective and formal (Wood and Manwaring, 1984). The construction industry has tendency to have its own recruitment practice. Because of the nature and structure of construction work, informal recruitment strategy has been the dominant approach.
(Lockyer and Scholarios, 2007), i.e. since construction is project based, managers are rarely held accountable to formal recruitment procedures as the recruits may only be with the firm until the end of a project, and as such, do not stand much of a concern to the firm. This informality may also be one of the reasons why the construction industry is generally made up of a male-dominated workforce (Agapiou, 2002; Lewis et al., 2012: 103).

Small businesses have mentioned in many polls and surveys that finding competent workers is one of their most important problems (Inc., 1997; Deshpande´ and Golhar, 1994; Atkinson and Storey, 1994; McEvoy, 1984). Ritchie (1993) stated that small businesses are not the employer of choice for job seekers. The difficulties of small businesses may be owing to a negative image that small businesses have as employers (Moy and Lee, 2002). To sum up the problem, small businesses cannot have a large internal labour market and when they lose employees they have to find them from the external market. There are several programs around the world that support the recruitment of graduates by small businesses. These programs are usually administrated by government agencies that supply assistance to small businesses and they pay a share of the salary of a graduate for some time. Some governments also promote internship programs.

SMEs in Turkey would rather rely on employment agencies that are considered formal recruitment sources. By this way SMEs can reach a broader pool of alternative applicants more effectively. Recruiting employees internally is common for all managerial positions; but large firms tend to recruit internally than smaller firms. Large firms prefer recruiting middle (77.3 percent) and junior (68.5 percent) management positions internally more than senior positions (57.5 percent). However, SMEs prefer to use employment agencies, for all managerial levels, more than large firms. In accord with findings on Turkish data, large firms in the EU tend to recruit internally more than smaller firms. Large firms in Turkey prefer to use internal recruitment in all managerial levels more than large firms in the EU (Cited in Tanova and Nadiri, 2005: 700).

Among the participating organizations in a study, less than half of them stated that they are engaged in HR planning and successfully applied it. The most popular recruitment channels include recommendations from employees and other contacts, which reflects the collectivistic nature of the culture. Another reflection of collectivism is the heavy reliance on face-to-face interview as the most frequently used method of selection (almost 90 percent). Only a few organizations conduct “objective and standard tests”. Interviews are unstructured and heavily affected by the interviewer’s subjective evaluation and intuition. A few popular “objective” tests are translated from English to Turkish without a proper adaptation and standardization procedure (Aycan, 2001: 256).

Keklik (2007) researched the recruitment methods used in SME’s in Turkey. She observed that there is no HRM department in most of organizations. The most popular recruitment method is promotion for internal resources and advertisement for outsourcing.

In another study, data were collected from small and medium sized, flour industry firms in the city of Nevsehir in Turkey. According to Ozgener’s study (2003), finding (71,6%) and retaining (73,8%) qualified personnel are the most important problems in SMEs. In addition, none of these companies and managers has a systematic method of performance appraisal of employees.
There are laws regularizing the practices of HR but the enforcement of the laws is one of the most problematic subjects in the social life in Turkey. The support of the disabled people’s getting into the workforce or using the acquaintances in getting the job is neither ethical nor legal issue. There are also some issues which are legal but there are some doubts whether they are ethical (for example maternity leave is short). These problems should be dealt with a board appointed by the government. Moreover, all HR practices should be inspected by the government or private firms and bias against the personnel should be reduced. Present systems of recruitment based on the subjective evaluations of many evaluators. It is important to have new systems to decrease such bias.” (Pektas, 2009: 30).

3.2. Performance Evaluation

Performance evaluation can be defined as a set of activities aiming to assess the work performance of all personnel, identify shortages and remedying for these shortages in various ways. To give more details, a performance evaluation work considers interventions to concentrate efforts in specific areas promising success; to match individual targets and those of the organisation and to provide any personnel to receive feedback about his/her own performance including strengths and weaknesses in personal work (GAP, 2011).

Performance evaluation is a managerial tool to control individual performance in organizations to achieve maximum performance. A comprehensive, systematic evaluation system is difficult to apply in a collective society where it is difficult to single out an individual who is accountable for results. There is no rigorous performance appraisal systems in place (Warner, 1993; Zhu and Dowling, 1997; Cited in Chow, 2004: 636).

The objective is to define how productive an employee is and/or to determine if an employee’s productivity can be improved. As such, performance evaluations serve as an important purpose in managing people and meeting company goals (Ratzburg, 2009).

Performance evaluation involves encouraging risk taking, demanding innovation, generating or adopting new tasks, peer evaluation, frequent evaluations, and auditing innovation processes. This method appraises individual and team performance so that there is a connection between individual innovativeness and company profitability. Which tasks should be appraised and who should assess employees’ performance are taken into consideration as well (Minbaeva, 2005: 127).

In the literature, there are some performance evaluation strategies that consider risk in different ways. Some of these strategies are based on standard deviation (total risk) which is a representation of the risk and some of them assert systematic risk (beta) (Alptekin, 2009: 12).

An efficient performance evaluation evaluates achievements of work performance and the information gathered can be used for recruitment, training and advancement, compensation and internal employee relations (Mondy, 2010). Konovsky and Cropanzano (1991) have found out that when the employees in a company recognized that the performance evaluation is fair and just, the employees would have a positive perception of the firm, and this would increase their commitment towards the firm. Jaw and Liu (2003) suggested that it is essential for firms to announce the results of the performance evaluation to the employees, and consequently force remedial actions for the underperforming employees. Therefore, a performance appraisal system can function as a positive force on stirring on employees to
thrive for better performance, through greater knowledge sharing among themselves (Yang-Fong et al., 2011: 708-709).

Arasli (2002) discusses that organizations aiming to bring a total quality management attitude to their organizations should conduct scientifically based training programs. In other words, organization owners can encourage employees to improve their performance evaluation through the use of human resource practices (Cited in Arasli et al., 2006: 305).

The human resource department can be responsible for creating or obtaining questionnaires and other devices for appraising performance. The performance measures may focus on observable behaviors (for example, answering the phone by the second ring), outcomes (number of customer complaints and compliments), or both. When the person evaluating performance is not familiar with the details of the job, outcomes are likely to be much easier to evaluate than specific behaviors. The evaluation may focus on the short term or long term and on individual employees or groups. Generally, the person who completes the evaluation is the employee’s supervisor. Often employees can also evaluate their own performance, and in some organizations, peers and subordinates participate, too (http://www.general-files.com).

Performance evaluation is one of the most difficult HR functions in Turkish organizations. There are mainly three reasons for that. First, though 72 percent of companies reported that they had a performance evaluation system with a standard evaluation form, it is hard to obtain “objective” appraisals. One-third of the organizations reported that they evaluated performance based on competencies and behavioral criteria. The measures developed to assess these criteria have no evidence of any scientific validity. Evaluators do not get any training prior to performance evaluation. Another problem is evaluation process. As expected in a high power distance culture, a majority of organizations (80 percent) conduct performance evaluations as a one-way process whereby subordinates are evaluated by their superiors only. Furthermore, self-assessment did not produce reliable outcomes as people tend to rate themselves lower than the ratings they received from their supervisors and peers in collectivist cultures. This is described as “modesty bias” (Yu and Murphy, 1993; Cited in Aycan, 2001: 256).

While HR departments have difficulty in founding more objective HR in recruitment and selection, training, development and career planning and development; compensation i.e. direct and indirect financial compensation and non-financial compensation; safety and health; and employee and labor evaluation, it also has to renew the systems in order to support organizational needs owing to keeping up with the globalized world. For example, without having an established objective performance evaluation HR experts may be supposed to renew present systems for performance management in buying and merging company (Aycan, 2012).

3.3. Reward and compensation

Reward systems, which involves freedom to do research, freedom to fail, freedom to form teams, freedom to run businesses, balancing pay and pride, noticeable pay raises, dual career tracks, promoting from within, recognition rewards, and balancing team and individual rewards. This strategy uses rewards to motivate personnel to fulfill an organization’s targets of productivity, innovation and profitability (Minbaeva, 2005: 127).
A reward system should be a package/system that includes rewards and benefits, such as holiday leaves, medical benefits, transport allowance and performance bonus. The primary aim of a reward system is to reward and retain good employees, motivate them to perform at their best and attract the right applicants to the job (Tan and Torrington, 2004). An effective and good reward system is very important, because an effective pay system can increase an individual’s motivation to perform, which then increases productivity and consequently, increasing competitiveness of the firm (Lawler, 1990). Nowadays, companies do not design pay systems only as a means to compensate for work done and reward performance, but also pay systems that improve performance (Hurwich, 1986; Cited in Lewis, et al., 2012: 104).

Reward and recognition could be described as one of the key factors related to employee satisfaction. Maurer (2001) suggests that rewards and recognition should be related to organizational success as a result of employee job satisfaction and they are often considered as one of the key factors influencing employee satisfaction (Jun et al., 2006). The research of Pascoe et al. (2002) indicates that the lack of recognition and external reward for someone’s work is mainly in virtue of the system since rules and regulations mainly expect supervisors from offering “encouragement rewards” in recognition of a job well done. In other words, lack of proper recognition and rewarding decreases employees’ job satisfaction. As a result, management of organizations institutions should develop the systems for providing rewards and recognition for jobs well done to increase employee job satisfaction (Cited in Turkyilmaz et al., 2011: 681).

According to motivation theories (Robbins and DeCenzo, 2008), reward and compensation strengthen the motivation for improved individual performance by employees. Employees are expected to repeat positive behavior in anticipation of rewards and recognition given by the firm. Therefore, firms use compensation and rewards as means to elicit, enhance and maintain the desired knowledge sharing behavior of employees. From the compensation and reward programs conducted by firms, it is found out that compensation and incentives are important practices related to knowledge sharing (Zarraga and Bonache, 2003). With the right reward system implemented, employees within a firm will be prompted to share knowledge with one another (Ooi et al., 2009; Cited in Yang-Fong et al., 2011: 708).

The literature suggests that compensation should be related to performance evaluation (McGill et al., 1992) and consist of appropriate incentives to impact KM (McGill et al., 1992; Leonard-Barton, 1992; Ulrich et al., 1993; Hansen et al., 1999; Jerez-Gómez et al., 2005; Fey and Furu, 2008; Chen and Huang, 2009; Liu and Liu, 2011). These incentives should reward employees’ contributions to knowledge creation and transfer (Garvin, 1993; Von Krogh, 1998; Simonin and Özsomer, 2009). Importantly, the provision of incentives should encourage experimentation and learning (Ulrich et al., 1993). As a consequence, compensation should not be based particularly on specific roles or job descriptions but instead on the employee’s performance (e.g. Leonard-Barton, 1992; Von Krogh, 1998), skills and behavior (McGill and Slocum, 1993; Lei et al., 1999; Lepack and Snell, 1999). Moreover, given the importance of teamwork, incentives should be based both on individual performance and on group performance (Nonaka and Takeuchi, 1995; Von Krogh, 1998; London and Smither, 1999; Camelo-Ordaz et al., 2011). Incentives based on overall company performance are also considered to enhance the sharing of learning, knowledge and insights by employees (O’Dell and Jackson Grayson, 1998; Lei et al., 1999). Also, companies should adopt long-term rewards
 policies since these increase personal flexibility (McGill et al., 1992). For example, bonus or profit-sharing incentives can encourage self-esteem and staff involvement, commitment and learning (Leonard-Barton, 1992; Liu and Liu, 2011; Jimenez-Jimenez and Sanz-Valle, 2013: 34).

Owing to the traditional values of a high level of collectivism, together with the need to continue harmonious relations in the organization, compensation is likely to be egalitarian. Nevertheless, facing competitive pressures from the market, organizations have adopted various policies, including merit pay, or pay for performance (Chow, 2004: 636).

Two-thirds of the organizations indicated that they had a system to assure performance-reward contingency, but the efficiency of this system is uncertain. Performance-based reward allocation is evident especially for the white-collar employees (60 percent), and not so for blue-collar employees (27 percent). The most frequently used rewards consist of bonus and salary increase. Intrinsic rewards that single out high performers, such as selecting the “employee of the month” or presenting plaques for superior performance, are not preferred, because it is believed that this will hurt other employees’ feelings and disrupt group harmony. Less than half of the organizations carried out a study on job evaluation; and only one-third of them used it in determining salaries. At the entry level, the initial salary is generally determined through negotiations. The most important factor in determining the level of salary increase is the inflation rate (94.4 percent). Next comes individual performance and tenure in the organization. Nearly 10 percent of organizations reported “networking” as an influential factor in determining the salary increases. Other benefits and allowances for white-collar managerial employees consist of cafeteria benefits, health insurance, company car, mobile phone, fuel-oil for commuting employees. White-collar non-managerial and blue-collar employees’ benefits and allowances reflect paternalism in society, and they include cafeteria benefits, health insurance, and pocket money for religious holidays, fuel or firewood for heating, contribution to children’s educational expenses (Aycan, 2001: 257).

3.4. Training and development

Training is a planned effort to make employees learn job-related knowledge, skills, and behavior. For example, a lot of organizations offer safety training to teach employees safe work habits (http://www.general-files.com).

In OECD research (2003), “the concept training and mentoring employees” is described with five items as follows: (1) providing formal training linked to knowledge management; (2) providing informal training related to knowledge management; (3) using formal mentoring practices; (4) promoting workers to continue their education by reimbursing tuition fees for successfully completed work-related courses; and (5) offering off-side training to workers to keep skills current. In another research (Bontis, 2000), this component can be withdrawn from human capital as follows: competence ideal level; success training program; upgrade employees’ skills; employees are best in industry; and individuals learn from others (Cited in Bozbura, 2007: 212).

Training is generally defined as any activity that develops skills, knowledge, and behaviour. Activities may range from formal training courses given internally or externally, to informal on-the-job training by the supervisor. Furthermore, training consists of other activities such as shadowing, coaching, and mentoring. Training has a strategic effect on organisations, because it serves many organisational goals. Apart from providing employers with the
necessary skills for the present and future tasks, training also provides opportunities for employees to share their experiences and help better understanding of each others’ attitudes. Thus, this, in turn, leads to organisational cohesiveness and employee commitment. What is more, strong commitment results in lower absenteeism and turnover rates (Jackson and Schuler, 2000; Cited in Tanova and Nadiri, 2005: 698-699).

There is a common recognition that training programs of various forms ranging from pre-departure training to orientation sessions upon arrival in the country can help reduce the ambiguity related to a new culture/environment and facilitate cross-cultural adjustment (Yavas and Bodur, 1999: 270).

**Development** includes acquiring knowledge, skills, and behavior that improve employees’ ability to meet the challenges of several of new or existing jobs, consisting of the client and customer demands of those jobs. Development programs frequently focus on preparing employees for management responsibility. Similarly, if a company plans to make up teams to manufacture products, it might offer an improvement program to help employees learn the ins and outs of efficient teamwork (http://www.general-files.com).

Employee training and development provides opportunities to employees widen their knowledge and abilities for more efficient teamwork and fulfill individual development (Jun et al., 2006). When workers have self-development training, the level of their job satisfaction is higher than those without such training (Saks, 1996). Also, Martensen and Gronholdt (2001) found that the improvement of individual competencies through various training programs has a positive effect on employee satisfaction. When employees joined in training programs, they gain self-confidence in their jobs, they perceive career development opportunities and they think that their companies make investment in them (Jun et al., 2006). As a result of this positive situation, employee satisfaction increases (Cited in Turkyilmaz et al., 2011: 682).

The main goal of having training and development is to increase a person’s knowledge and skills. Training is systematic development of the knowledge, skills, and expertise required by a person to efficiently perform a given task or job (Patrick, 2000). Training is an important function in HRM and high performance in work depends on the right and efficient type of training (Smith and Smith, 2007). Many firms have also spent huge sums on training, believing that their employees’ performance will develop after these trainings and thereby, increase the firm’s productivity (Yamnill and McLean, 2001; Cited in Lewis et al., 2012: 103).

Tanova and Nadiri (2005) analyzed Turkish data related to training practices, they found that 72.2 percent of the large firms reported that they analyze training needs of their employees, while 62.7 percent of responding SMEs indicated that they evaluate training needs of employees. In Accord with findings of Westhead and Storey (1997), the Turkish results indicate that large firms focus more on training than SMEs.) (Cited in Tanova and Nadiri, 2005: 693).

Ozgener’s (2003) research stated that the majority of enterprises (55.5%) have no training programme at work and outside work. Only 34.5% of the enterprises provide on-the-job training constantly, 13.8% provide educational opportunities like seminars, courses etc. for staff occasionally.

If there is central authority in the firms, it causes the decrease of training time allocated for the blue-collar personnel. While in the formal firms where there are a few managers, the
training time allocated for the white-collar increases, in the firms which have central authority this time decreases (Agdelen ve Erkut, 2008: 51).

Training and development is one of the most important functions of the HRM department in Turkey. Among major challenges in training and development is the evaluation of training effectiveness. In evaluating the trainees there is heavy dependence on the evaluation of the trainer (82 percent), whereas only 44 percent of organizations conduct tests before and after the training. In evaluating the training, “happy sheets” are the most often used tools. Participants whose promotion depends on the completion of a number of training programs are usually “happier” about the training compared with those who are sent on training programs owing to inadequate performance. Many companies want to see the evidence of “return-on investment” but this is especially difficult in “soft-trainings” such as leadership, communication and team-work (Aycan, 2001: 257).

3.5. Career management and planning

Career management includes empowering people, leading by example, and continued education. This strategy combines employees’ long-term career goals with organizational goals through continuing education and training (Minbaeva, 2005: 127).

In other words, it is ensuring an alignment of the management. It is a process of achieving an optional match of individual and organizational needs (http://ptucse.loremate.com).

Career management is also important concerning the processes. McGill et al. (1992) pointed out that promotions should increase the mobility of employees across divisions and functions, because this tends to promote the acquisition and dissemination of new knowledge and the employee’s polyvalence. Promotions should be based mainly on qualitative criteria such as adaptability to changes, creativity, and risk-taking or innovative behavior (McGill and Slocum, 1993; Ulrich et al., 1993). Finally, employees must have some control over their own careers and development and should be responsible for recognizing their own developmental needs (Garvin, 1993; Jaw and Liu, 2003; Cited in Jimenez-Jimenez and Sanz-Valle: 2013: 33-34).

The HRM function should be able to conduct a set of development activities and programmes through which global leaders are developed (Morrison, 2000). This consists of necessary career planning and related career guidance and support practices. In order to be successful in such activities, the specific features and challenges related to international careers need to be understood. The existing literature can offer only limited help in this challenge because the specifics of international careers have not been studied intensively. When international career issues have been studied, the focus has been on the effect of one separate international assignment on the career after repatriation to the home country. Still, even in this area it has been argued that further research is necessary before the connection between international assignments and future career is understood (Harvey, 1989; Mendenhall et al., 1987; Feldman and Thomas, 1992; Naumann, 1992; Fish and Wood, 1997; Stahl et al., 2002; Suutari and Brewster, 2002; Tung, 1998; Welch, 1998; Cited in Suutari, 2003: 186).

There has been substantial recent interest in the prospects for career advancement of managerial and professional employee in both developing and industrialized countries (Davidson and Burke, 2004). There is common agreement that employee continue to have difficulty in reaching the ranks of senior levels of management, in spite of having appropriate
education, increasing years of service, the passage of time, and generally similar levels of job performance (Burke and Nelson, 2002; Burke and Mattis, 2005; Cited in Burke et al., 2007: 405-406).

One of the important issue in Turkey is that career ranking threatens the peace of working environment. Moreover, as the employees develop their career together, they become candidates for the same positions at the same time. As there are a lot of candidates for only one position, there becomes doubt about appointment process (Pektas, 2009: 68).

The increasing participation of employee in the workforce and the changing values and expectations of a young and well-educated workforce are two trends that are essential for market in Turkey. Employee’s careers have been influenced by personal and institutional attitudes during socialisation because of cultural and economic situations (Aycan, 2001b). Opportunity for career management, and pay were the most motivating factors for the young and educated workforce. This suggests that future human resource management (HRM) practices in Turkish organisations should take this into consideration by providing much more developmental opportunities (Aycan, 2001a). Likewise, it has been found that Turkish youth are competing to have security and control (23 percent), to gain power easily (22 per cent), reluctant (20 per cent), to update themselves (18 percent), and status seekers (17 per cent) (Capital, 2002; Cited in Erdogmus, 2004: 159).

Career management and planning is especially important for Turkish organizations whose employees had to make career choices randomly. This is mainly due to the education system as well as the cultural norms in Turkey. In Turkey, students are admitted to universities through a centralized university entrance exam that happens once every year. In this system, students are allowed to make a limited number of choices of their preferred discipline and university, and only a small percentage can go to the university and faculty of their choice. Many people have experiences of a mismatch between their interests/abilities and their job. Therefore, one of the major challenges facing HR departments is to perform like career consultants. Slightly more than half of the organizations (58 percent) indicated that they had career management systems in place. In 71 percent of the organizations, career planning systems achieve the replacement needs within the organization. Promotion is dependent on the level of performance (72 percent), completion of required training (70 percent), achievement of required service years in a particular position (44 percent) and competencies (31 percent). Still 14 percent of organizations do not tell their employees about the terms of promotion (Aycan, 2001a: 257-258).

As the number of the personnel working in the organizations, the practices of the HR also increase and the organizations give much more importance to the HR departments. Researches also confirmed that personnel and administration departments decrease and HR departments increase. In a developing organization, HR department also develops and becomes the most important department within the organization. For example, while in middle organizations HR department rate is % 28.3, in big organizations this rate is % 71.7 (Demirkaya, 2006: 18).

Although the name of personnel management units was changed, their functions haven’t changed. The size of the organization is also very important in Turkey. The bigger an organization is, the more developed it becomes (Pektas, 2009: 27).
4. Conclusion

HR practices are widespread in Turkey but when you question to what extent it is implemented, it is found out that it is not sufficient. The most important reason for the deficiency of the level of HR practices is “oblivion”. Necessary measures should be taken to deal with this oblivion. The universities should take the responsibility of this issue. In an environment created by the notion of university-industry cooperation, scholars should inform the managers (especially owner managers) (Ardıç ve Doven, 2004: 19-20).

Some of the issues which are the responsibilities of HR department develop as the organizations grow; but the issues such as recruiting and employing, career planning and developing and pay do not change with the size of the organizations. However, as the company gets bigger, the issues such as performance evaluation and training become the responsibilities of the HR department (Demirkaya, 2006: 18).

Turkey is in a state of transition. The demand for competent employees is very high and employees are currently the beneficiaries of this demand. The continued growth of this sector over the next decade should evidence an increase of employees in upper level positions (Culpan et al., 2007: 626).

For an employer it is important to recruit educated, and skilled employee but it is also very important for an employee to work in an organization where there is work and life balance, you can be motivated and you can have long-term career planning. These practices are the responsibility of HR departments where the organizations are developed and the balance between the employer and the employee is conducted (Coskan, 2009: 10).

With a view to the roles of the HR managers, we realize that they do not have strategic behaviors and as they focus on daily activities of the organizations, they do not focus on the organizational goals. In understanding the importance of the issue, the role of HR managers is effective. HR managers should have following qualities to have an active role in developing strategies and implementing them: 1. The ability of defining prospective leaders of the firm, recruiting and developing them; 2. The ability of understanding business strategies and implementing them, thinking tactically and behaving strategically; 3. Defining possible problems and finding solutions to adapt to the changing market conditions; 4. Being known by the top executives as an essential active cooperative employee; 5. The ability of understanding the organization’s culture, plan and policies; 6. The ability of working in a global market; 7. Dealing with every types of people; 8. Having good communication skills (Dogan, 2006).

References


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