

Employees' Perception of HR Practices- A Comprehensive Review

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Abstract

More and more researches have been directed towards determining positive effects of human resource practices on behaviors' outcomes and firm performance and less attention has been paid to the perceptions of employees about the importance of the HR management practices on their outcomes as well as career development. But now-a-days scholars are exploring much on the employees' perceptions of HR practices and have contributed and addressed the questions of whether and how employees' collective perception of their human resource practices impact employee performance in an organization. To gain more clarity on this particular area, we tried to explore the concept of "employee perceptions of HR practices" used by researchers. After reviewing available literature on it, it has been found that employee perception of HR practices is a very dynamic idea. Instead, in line with previous researches, we separate out three parts of employee perceptions of HR practices: 'what', 'how', 'why'. In a critical manner, we had reviewed the available literature on all the three parts of employee HR perception and provided suggestions, recommendations and directions for future research to achieve a deeper insight into employee perceptions of HR practices.

Keywords: HR practices, employee perceptions of HR practices, employee HR perception

Introduction: In the previous decade, the SHRM had laid emphasis on perceptions of employees related to human resource practices and researchers of this area support the concept that employee perceptions of practices belonging to human resource demonstrate a very important function to make HR practices (e.g. Den Hartog, Boon, Verburg, & Croon, 2013; Jensen, Patel, & Messersmith, 2013; Jiang, Hu, Liu, & Lepak, 2017). Aryee, Walumbwa, Seidu, and Otaye (2012); Liao, Toya, Lepak, and Hong (2009), among others, have shown that employee perceptions of HR practises can mediate and regulate correlations between an organization's HR practises and employees' attitudes and behaviours at the individual level. The second organisational factor identified as a predictor of unit-level success is employee perceptions of HR practises (Bowen & Ostroff, 2004).

The previous researches in the area is growing quickly, resulting in a wider range of ways in which scholars define and implement employee HR perceptions. For instance, the term "employee HR perceptions" could refer to the perception of particular HR practices within a company, or a comprehension of an employer's underlying purpose for implementing these practices. We intend to bring more clarity to the various interpretations of "employee HR perceptions" used by researchers through this review. Three methods have been identified and are being used when taking employee HR perceptions into account using the model of Ostroff and Bowen's (2016): What, How, and Why Human Resources Practices. The aspect of HR practices that focuses on the actual information being delivered to employees is referred to as the "what" in this approach. The

"how" takes into account the framing and reception of HR practices, which can lead to varying outcomes despite the same content being presented. Finally, the "why" delves into the discrepancies that may arise in how employees perceive the motivations behind the procedures by which HR practices are put into practice by the respective organisation. This particular study of HR perception progresses in two possible styles. First, it is aimed to bring clear understanding of the phrase "employee perceptions of HR practices" and then taking a look at the three separate components' research developments-"what, how & why". According to our analysis, the various aspects of an employee's perception of human resources (HR) address distinct elements of the process of human resources and employ diverse methodological as well as theoretical frameworks. Our examination of existing research highlights a gap in understanding how the various sub-parts of HR perceptions interact with one another. Here it is surveyed the various research domains underpinning the employee HR perception, evaluating the benefits, drawbacks, and implicit assumptions of each. Our aim is to facilitate a more comprehensive understanding of employee HR perceptions by fostering integrated research across multiple components.

Second, we expand on previous researches within this field and introduce fresh perspectives. Our research delves into the aspect of perceptions of jobholders regarding prevalent HR practices, specifically concerning the "what" component. We draw on the impressive analysis conducted by Beijer et al. on perceptual assessments of HR practices. We forwarded his work by offering various viewpoints about the process of conceptualization and operationalization of HR practices as they are perceived by the employees according to the available the literature. Hewett et al. (2018) conducted a study on HR perception research based on attribution theory. Building upon their research, we further explore the theoretical aspect of the 'how' and 'why' of HR perception research. Our review also extends the HR strength research stream, initially introduced by Ostroff and Bowen, and considers the cultural influence on HR perception dynamics highlighted by Farndale and Sanders. We describe our methodology and examine the points of variations lying in concepts, assumptions and measures of the three parts of HR perception of the individuals working in a company. Then we undertake critical analysis of the factual results on the perceived 'what', 'how', and 'why' of HR practices and provide suggestions and recommendations for the future research.

Method: For the identification of useful research papers, we have looked for related articles by searching through various combinations of keywords related to employee perceptions of HR practices which includes HRM process, HR strength, HR perception, HR experience and employee perceived HRM. Our review focuses only on employee perception of HR practices not the managers' perception of HR practices. Historical foundational works and studies that relates to this literature are also referred to. Regarding the subject of employee's HR perception research in human resource management, three journals have been identified as most important: the International Journal of Human Resource Management (38), Human Resource Management (23), and Human Resource Management Journal (14). However, studies that focus on managers' perceptions of HR are not included, such as those conducted by Leung, Foo, & Chaturvedi in 2013 and Wright, McMahan, Snell, & Gerhart in 2001. Our focus is on the employee's perceptions of HR systems and practices, so we have excluded studies with a different target like the Human Resource division, as seen in Buyens & De Vos's study in 2001 and Stirpe, Trullen, & Bonache's study in 2013.

Presumptions in research of employee HR perception

Before delving into the research related to the three most crucial parts of employee HR perception, it is important to acknowledge the key underlying assumptions that have been prevalent throughout the literature. Despite covering a broad category of topics, there are many common presumptions that have formed the basis of existing research. The first and foremost presumption is that HR practices are serving like a medium of sharing information between employers and employees. Whether intentional or not, HR practices convey specific information to employees (Bowen & Ostroff, 2004). This information is conveyed through the HR content (i.e., "what" is being communicated) or the implementation of HR practices (i.e., "how" they are being communicated). Therefore, it covers the messages that workers/subordinates receive from their superiors by examining and observing HR practices, either as individuals or as a group.

The second presumption is that workers and employers might have different perspectives related to the varieties of HR practices that are being implemented and the underlying reasons responsible for their implementation. This postulate sets the literature related to perception of HR practices apart from earlier studies in the context of strategic human resource management, which assumed that senior-most managers were aware of the implemented HR practices. Such studies typically measured firm-level HR depending on the personal opinions of one top manager who was believed possessing high in-depth understanding of HR procedures in comparison to other members of the establishment, comprising the employees (Gerhart, Wright, Mahan, & Snell, 2000; Huselid & Becker, 2000). In contrast, the employee HR perceptions literature formally recognises the potential disparity between the HR practices perceived by managers and those perceived by employees. It highlights the significance of employees' individual perceptions of HR as a major influencer of performance at the place of employment.

The last presumption is that there can be variation in how different individuals see HR procedures (Bowen & Ostroff, 2004). It is quite obvious that individuals can have unique findings about the HR procedures prevailing in their workplace as the practices related to human resource are framed in a different manner for various teams of workers working in the same workplace (Liao et al., 2009). Alternatively, workers might find some of the HR practices inappropriate for themselves and therefore are unknown of their respective profits or costs. Individuals may have varying perceptions about the HR practises that are accessible to them and the reasons that the company implemented them, even within the same work group. Individual differences are to blame for this variation including personalities, prior job experiences (Wright & Nishii, 2013), or social influences from colleagues (Jiang et al., 2017). According to it, the interpersonal differences in HR perception inside an organization are not a flaw that has to be corrected but rather a phenomenon of interest that describes how HR practices affect results..

“The perceived ‘WHAT’ of HR practices”

Theoretical Framework

Employees' impressions of HR policies and procedures are the primary focus of studies on this topic (Jiang et al., 2017). Cognition is a necessary precursor to subsequent attitudes and behaviours (Fiske & Taylor, 1991; Grey, Bougon, & Donnellon, 1985), hence HR practises must exist in employees' brains for these practises to affect employee attitudes and behaviours (Wright & Nishii, 2013). It is assumed that different HR practises and sets of practises send different messages to workers. High-performance work practises, for instance, are seen as a way for an organisation to show its dedication to its workers (Alfes 2013; Choi, 2019). According to well-known models of social exchange (Cropanzano & Mitchell, 2005) and psychological contract (Rousseau, 1995;

Rousseau & Tijoriwala, 1998), HR practises that communicate an employer's goodwill should elicit favourable reactions from employees. The idea is that when HR practises are implemented, the people at workplace feel goodwill and are more likely to behave well in the workplace.

Measurement

There are two set of approaches in preparing the very first component of HR perception- “What” component:

This method distinguishes descriptive and evaluative measures of HR practices which is summarized in the table given below.

Descriptive approach	Focuses on cognitive reality of HR practices	Example: Individuals may be inquired whether interview panels were involved in their selection process (Edgar & Geare, 2005) or what is the duration of formal training provided to the individuals (Kehoe & Wright, 2013).
Evaluative approach	Assessment of HR constructs	Example: Employees might be asked to think if “a rigorous selection process is used to select new recruits” (Jensen et al., 2013) or if “staff are given meaningful feedback regarding their individual performance” (Alfes, Shantz, et al., 2013).

The next approach tries to differentiates between observation-based and experience-based measures of human resource practices which is summarized here (table given below).

Observation-based	Captures employees' perception of the availability of HR practices by positioning respondents as third-party observers.	Eg: Asking employees if they notice the formal evaluation taking place in their particular workplace (Kehoe & Wright, 2013).
Experiential-based	Captures Human Resource practices as directly experimented by the individuals working there.	Eg: Questioning employees if they have ever provided with formal performance review. (Conway, Fu, Monks, Alfes, & Bailey, 2016)

Based on our analysis, we assert that HR perception measures that focus on evaluative aspects rather than descriptive ones, and those based on employee experiences instead of observations, tend to yield more robust relationships with employee outcomes. This could be due to the performance-cue effect, where the measurement method prompts the rater to retrieve performance-related information from memory, potentially leading to biased responses. Thus, caution should be exercised when interpreting the findings of these studies, as they may be influenced by the

measurement approach. Future research should be mindful of the presence of substantive or performance cue effects when analyzing their outcomes.

“The perceived ‘HOW’ of HR practices”

Theoretical Framework

According to Delmotte, De Winne, and Sels (2012), the perception of employees regarding the implementation and design of HR practices constitutes the 'how' component of human resource practices, which differs from research on the 'what' component. This research area emphasizes how HR messages are conveyed to members of the organization. A key assumption in this field is that even if an HR system has good intentions, it may not be effective if workers don't adopt a clear, consistent, and comprehensible interpretation. The primary focus of this literature is on the concept of "HR strength," which refers to the extent to which The HR rules and practises of the company are well understood by all employees and reflect the goals of upper management. The concept of HR strength can be traced back to studies of "situational strength", which emphasizes the significance of a solid setting where workers know what is expected of them in terms of goals, behaviours and rewards of the organization. A weak situation, on the other hand, leads to ambiguity and inconsistency in workplace attitudes and behaviors. Scholars have emphasized that a strong HR system is crucial to creating a solid setting that shapes behaviors and attitudes of the individuals, and thus, features of HR practices must support the development of a solid scenario.

Bowen and Ostroff (2004) outlined nine characteristics of HR practises which could support the formation of a strong scenario where clear and unequivocal information related to organization's intended attitudes and behaviours could be communicated to the people at the workplace. According to Bowen and Ostroff (2004), an HR system can produce a strong situation by being distinctive, consistent, and inspiring employee consensus in accordance with Kelley's (1973) covariation theory. They name three traits that promote consistency: instrumentality, validity, and consistency of HR messages; four traits that promote distinctiveness: visibility, understandability, legitimacy of authority, and relevance; two traits that promote consensus: agreement among important HR decision makers and fairness. Overall, organisational practises that encourage shared beliefs among employees of the desired behaviours and attitudes are strongly correlated with HR strength.

Measurement

In order to measure perceived HR strength, researchers have used various methods, including assessing within-person variability of HR ratings for consistency, as well as developing scales to measure perceived HR strength, such as those by Delmotte et al. (2012), Coelho et al. (2015), and Hauff et al. (2017). However, despite the widespread use of these scales, Ostroff and Bowen (2016) argue that there is still a lack of accurate and precise measure of HR strength. This gap in knowledge makes it harder to gather systematic knowledge on the effects of human resource practices at various levels of analysis, and further research is needed to develop a commonly accepted indicator of HR strength.

“The perceived ‘WHY’ of HR practices”

Theoretical Framework

Employee opinions on management's reasons for instituting particular HR procedures are referred to as the "why" of HR practises (Nishii, Lepak, & Schneider, 2008). The 'what' and 'how' of HR practises are not understood the same way. Employees who experience the identical HR material and HR strengths may have different opinions on the rationale behind the adoption of certain HR practises. Different kinds of HR attributions were proposed by Nishii in their foundational study. Internal HR attributions can be categorised based on a company's business needs and strategies or its employee-related philosophy and relate to employees' perceptions that their organisation is in charge of its HR choices. The idea that HR procedures are put in place to adhere to outside constraints like labour laws or trade union demands is the basis for the notion of external HR attributions. This classification of HR attribution is a prevalent paradigm used to comprehend how employees view the purposes of their employer's HR policies.

One key premise of given area of study is the concept of individuals personifying their organization, which is also known as anthropomorphism. Anthropomorphism involves attributing human-like qualities to non-human entities (Epley, Waytz, & Cacioppo, 2007). Through this process, individuals view their company as a human-like thing capable of making decisions intentionally (Ashforth, Schinoff, & Brickson). Employees understand a firm's HR policies the same way they do human behaviours when the company is personified (Coyle-Shapiro & Shore, 2007). As a result, employees' attributional processes—in which they create interpretations regarding the purpose behind the organization's adoption of particular HR practices—become a factor in how HR practises are carried out..

It's up for debate to what extent employees represent their company. Ashforth claim that anthromorphism is a common occurrence that has been incorporated into numerous research studies in the fields of management Therefore, it appears that the premise underlying the HR attribution literature is sound. However, Coyle-Shapiro and Shore (2007) warn that individuals' capacity to anthromorphize their company ought not be assumed as certain people might feel it challenging to do so due to individual and environmental issues. The premise of the HR attribution approach may therefore not be entirely true. The presumption needs to be examined and tested in many organisational contexts in order to be addressed. In this manner, analysts can figure out whether or not employees portray their company.

Measurement

The primary measurement tool used in this research stream was developed by Nishii and colleagues (2008). The tool includes two main categories of employee HR attribution: commitment and control. Commitment HR attribution is characterized by a focus on enhancing service quality and individual welfare, while control HR attribution is associated with reducing costs and employee exploitation. While many studies utilize the Nishii et al. scales to evaluate employee attribution, some researchers had created some standards to assess HR attribution, such as Webster and Beehr (2013).

Findings

- **“WHAT”:** In sum total, the past studies on employees' HR perception focuses on the "WHAT," which refers to the content of HR practices as perceived by employees, and how it affects workplace outcomes. This body of literature adds to prior research on strategic HRM by identifying the mechanisms that translate HR practices into employee outcomes. However, inconsistent methods used by various investigations to determine how

individuals perceive HR contents poses a barrier for such investigation and might have an impact upon the findings. A further disadvantage is the neglect of factors that influence how HR contents is interpreted, especially at the organisational level. Further research need to investigate how organizational-level issues may affect workers' perceptions of HR.

- **“HOW”**: In conclusion, Bowen and Ostroff's work (2004, 2016) advanced HRM research by emphasising the value of employees' comprehension of the organisational setting, however there remain issues that prevent further development. These include the non-existence of a thorough and effective measurement of HR strength and the lack of consensus on the degree of assessment of it. Further studies needs to concentrate on developing precise and trustworthy metrics at all levels of analysis as well as theories surrounding HR strength at the group or organisational level. Additionally, there is a need for study on HR strength as a mediator between HR practises and results, even if some studies have looked at HR strength as a moderator. The ignorance of the factors that influence HR strength is another drawback. Last but not least, despite the universalistic stance espoused by the majority of HR strength research, Farndale and Sanders (2017) contend that employee views of HR strength may vary between cultures. They put up a contingency viewpoint and assert that HR power may be more efficient when it is in line with particular cultural norms. Consequently, both qualitative and quantitative studies must be conducted in the years to come to examine this issue in various global scenarios.
- **“WHY”**: In comparison to control attributions, commitment attributions tend to have a more favourable effect upon employees' behaviours and attitudes (Nishii et al., 2008; Shantz et al., 2016; Van de Voorde & Beijer, 2015; Webster & Beehr, 2013). According to studies, control attributions are positively connected to work overload and emotional weariness, whereas commitment attributions are positively related to employee commitment to the organisation and job happiness. In one of the latest investigation, Hewett, Shantz, and Mundy (2019) used attribution theory to look into the variables that affect how individuals evaluate their superior's intentions when utilising a workload model. According to the inquiry, opinions of fairness and organisational cynicism are key factors in the development of HR commitment attributions. Furthermore, it was discovered that distributive fairness could counteract the damaging effects of cynicism.
- To summarize, while there has been significant research on employee perceptions of what HR practices are and how they are implemented, there has been less focus on why employees perceive HR practices in certain ways. Determining the factors that influence HR attributions is an area that requires more attention. There is also a need for a more sophisticated understanding of how cultural values may affect HR attributions, as there have been contradictory findings across different countries. Future research should focus on addressing these gaps in knowledge.

Future developments

- **Refine the theories of HR communication**: Research on employee perceptions of HR practices highlights the significance of HR practices as a means of communication between employers and employees. To advance the field, future research should draw on established theories that have proven useful in understanding communication and information

processing in managerial contexts. Specifically, theories related to information processing, signaling, and sensemaking could help enrich the theoretical foundation of this literature.

- **Intensify the empirical grounds across nations:** The literature on employee HR perceptions has shown a growing trend of studies being conducted in non-Western contexts, which is a positive development. These studies have confirmed that knowledge on HR perceptions is cross-culturally applicable. However, it is important to conduct research that explores how cultural and institutional environments can influence employee HR perceptions. There may be meaningful dissimilarities in the way employees perceive the 'what', 'how', and 'why' of HR practices across cultures. According to Kim and Wright (2011), HR attributions can differ across social and cultural contexts, and the same set of HR practises may result in various employee attributions in various situations. Policies regarding job security, for instance, may evoke diverse attributional responses between various countries. Individuals will probably view job security as a sign of an company's reputation because it is not a legally required practise in a nation with a liberal labour market where businesses have a lot of latitude in making recruiting and firing decisions. However, in a nation with stringent employment protection laws, workers can view job security as an employer's acquiescence to the law on the part of the employer. The way employees attribute meaning to HR practices may differ between countries, which could explain why the same practice can have different effects in different contexts.
- **Enhancing practical relevance:** The application of the knowledge offered in educational resources is a growing area of interest for HR studies. Many research investigations have shown a large gap between the world of academia and HR professionals (Cohen, 2007; Deadrick & Gibson, 2007; Rynes, Giluk, & Brown, 2007; Sanders, van Riemsdijk, & Groen, 2008). Instrumental relevance, conceptual relevance, and legitimating relevance are the three categories of practical relevance, according to Nicolai and Seidl (2010). The ability of knowledge to address relevant issues in daily life is referred to as instrumental relevance. Conceptual relevance offers theoretical frameworks to practitioners so they can better comprehend their workplace. In order to offer authority to a person or practise in the field, legitimacy in relevance entails the use of academic knowledge. Conceptual relevance, which frequently sheds light on a phenomenon's unexpected repercussions, is the most widely cited type of practical relevance in management literature (Nicolai & Seidl, 2010).

Conclusion

The "black box" between HR practises and performance has been the subject of much research, and scholars have stressed the need of evaluating employee views of these practises. Therefore, scholars have started looking at these assumptions in a systematic and thorough way. We recommend that researchers in this field bolster their work's theoretical foundations, broaden their empirical focus to incorporate cross-cultural concerns, and boost the practical applicability of their discoveries in order to move the field forward more quickly. We anticipate that our study will inspire other studies in this area, leading to a more comprehensive knowledge about many facets

of this thought and a fuller comprehension of the complexity associated with the emergence and growth of employees' views of Human Resource at work.

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