

**Factors Related to Strategic Human Resource
Management: A Study of Global Organizations in India**

by
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Submitted
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to the



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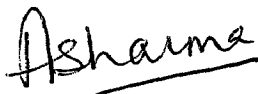
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Dedicated to my revered Guruji
Shri C. B. Satpathy

CERTIFICATE

This is to certify that the thesis entitled “**Factors Related to Strategic Human Resource Management in Global Organizations: A Study of Organizations in India**”, being submitted by Ms. Aradhana Sharma for the award of the degree of **Doctor of Philosophy**, to the Indian Institute of technology, Delhi, is a record of original bonafide research carried out by her under my guidance and supervision. I am satisfied that the thesis presented by Ms. Aradhana is worthy of consideration for the award of degree of **Doctor of Philosophy**.

The results contained in this thesis have not been submitted to any other university or institute for award of a degree or diploma



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Abstract

In recent years, Strategic Human Resource Management (HRM) has evoked interest in practitioners of management. Strategic HRM refers to integration of HRM in strategic management process to enable organizations achieve sustainable competitive advantage. This study attempts to analyze the concept of strategic HRM in foreign and Indian global corporations working in India. A review of relevant literature reveals that there are very few models of strategic HRM as far as Indian industries are concerned and these have not been adequately considered in the process of interface between business strategic process and human resource (HR) strategies. Therefore a need for further studies that relate to strategic HRM factors with performance and its positive impact on the organization is felt. The study proposes a conceptual framework highlighting an interface between individual background variables, organizational variables, strategic HR practices, independent variables (i.e., strategic HR practices, flexibility, communication, organizational learning, leadership, organizational structure, organizational capabilities, coherence, empowerment, management of change, participative management, organizational commitment and organizational culture) and organizational performance indicators for gaining sustainable competitive advantage.

Strategic HRM is an approach for making decisions on the intentions of the organization concerning people. It is about the relationship between HRM and strategic management in the organization. Strategic HRM refers to the overall direction the organization wishes to pursue in achieving its objectives through people. Miller (1987)

defined strategic HRM as those decisions and actions, which concern the management of employees at all levels in the business, and which are related to the implementation of strategies directed towards sustaining competitive advantage. Strategic HRM places great emphasis on learning about its environment, performance, and enhancing techniques like strategic HR practices, flexibility, communication, organizational learning, leadership, organizational structure, organizational capabilities, coherence, empowerment, management of change, participative management, organizational commitment and organizational culture to develop and redevelop strategies to remain flexible and adaptable in the rapid changing times for gaining and sustaining competitive advantage. The study proposes a conceptual framework highlighting an interface between these variables, which have been tested in the global organizations functioning in India.

The proposed framework has been tested empirically through the study of nine diversified global corporations in the National Capital Region of Delhi. The tools used for the study include besides the primary and secondary sources, questionnaires and case studies. The first questionnaire was used to elicit a response on organization's strategic HRM as postulated in the framework. The organization's perception of strategic HRM questionnaires was administered to vice-presidents (HR) of the organizations. The strategic HRM perception questionnaire was administered to 300 managers of these organizations. Univariate, bivariate and multivariate techniques have been used for the data analysis using SPSS 6.0 on windows. All the hypotheses developed in the study get supported. The study highlights sustainable competitive advantage through the practice of strategic HRM. The present study attempts to heighten the clarity and feature of the

domain specific characteristics of strategic HRM and sustainable competitive advantage. Its growth in India has also been analyzed and future area of growth has been suggested.

The following hypotheses have been developed and tested in this study.

Hypothesis 1

There is a positive relationship between background variables of the managers and strategic HRM perception variables. The study confirms this hypothesis.

Hypothesis 2

There is a positive relationship between organizational variables (i.e., year of starting, employee strength, product, profit, turnover and collaboration) and strategic HRM perception variable. The study confirms this hypothesis.

Hypothesis 3

Various strategic HRM practices, organizational structure and coherence are positively related to strategic HRM perception variable. The study supports this hypothesis.

Hypothesis 4

There is a positive relationship between organizational culture and strategic HRM perception variable. Findings support this hypothesis.

Hypothesis 5

Leadership is positively related to strategic HRM perception variable. The study supports this hypothesis.

Hypothesis 6

Communication is positively related to strategic HRM perception variable. The study supports this hypothesis.

Hypothesis 7

Participative management and empowerment are positively related to strategic HRM perception variable. Findings confirm this hypothesis.

Hypothesis 8

Organizational commitment is positively related to strategic HRM perception variable. The study supports this hypothesis.

Hypothesis 9

Organizational learning and organizational capabilities are positively related to strategic HRM perception variable. Findings support this hypothesis.

Hypothesis 10

Management of change and flexibility are positively related to strategic HRM perception variable. The study confirms this hypothesis.

Hypothesis 11

Strategic HRM perception variables predict positive organizational performance outcomes (i.e., company's image, competence, profits and turnover). Findings support this hypothesis.

Hypothesis 12

Strategic HRM perception variables are predictors of sustainable competitive advantage. Findings support this hypothesis.

The thesis has been presented in nine chapters. Chapter 1 presents an introduction; Chapter 2 presents theoretical orientation of strategic HRM; Chapter 3 presents a review of literature; Chapter 4 presents development of hypotheses; Chapter 5 presents research

design; Chapter 6 presents development of strategic HRM perception scale; Chapter 7 presents results and discussion of the study; Chapter 8 presents conclusions and recommendations; and lastly Chapter 9 presents limitations of the study and scope of future research.

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