CHAPTER 1: INTRODUCTION

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CHAPTER 1: INTRODUCTION

Chapter Overview

This chapter begins with an introduction of the importance of people management in organizations and presents the definition of internal and external agents vis-à-vis Human Resource Management (HRM). It highlights the role of internal agents viz. top management and line managers and external agents viz. external service providers in HRM. Thereafter, the rationale behind the present research and the objectives of the study are presented. This is followed by the significance of the present research. In the end, the chapter provides an outline of the research framework.

1.1 Background of the Study

Business organizations are striving to maintain their competitive edge by effectively managing their human capital. Mello (2011) argued that managers at different levels have realized that critical source of competitive advantage comes from having systems and processes for managing human talent. Several researchers have highlighted the dynamic nature of HR functions and its importance to the success of an organization (Lengnick-Hall & Lengnick-Hall, 1988; Schuler, 1992). For instance, Boxall (1994) reported that HR functions have moved from being administrative and reactive to being executive and proactive. The competitive business environment has led to massive restructuring in business organizations. Consequently, human resource researchers and practitioners have recognised the importance of strategic thinking vis-à-vis HRM (Brewster & Larsen, 1992; Brewster & Soderstrom, 1994; Budhwar, 2000a, 2000b; Budhwar & Sparrow, 1997; Lengnick-Hall & Lengnick-Hall, 1988; Schuler, 1992; Schuler et al., 1993; Storey, 1992; Storey & Sisson, 1994).

These developments in HRM scenario have significantly changed the roles of the HR professionals as well as the way people are managed in the organizations. Several researchers have reported that besides HR departments, many other people/entities are involved in management of HR (Khatri & Budhwar, 2002;
Papalexandris & Panayotopoulou, 2005; Whittaker, 1990). In this context, Valverde et al. (2006) argued in favour of the role of agents in management of HR and highlighted the contribution that the different HR agents make to the HR function. It is opined that there are several agents-internal and external-who are involved in human resource management activities owing to the increasing importance of people-related issues in business organizations.

Thus, it implies that agents other than the HR department may be involved in the management of people in organizations. Primarily research talks about three important agents viz.

- **Top management**, who make strategic decisions (including HRM strategic decisions), establish the organization’s values and philosophy (Guest, 1997; Lepak & Snell, 1999a; Schuler & Jackson, 1999) and influence its whole approach to managing people (Sisson & Storey, 2000; Stanton et al., 2010).

- **Line managers**, who traditionally have been given responsibility for some operational aspects of managing people, but whose role in this function has continued to increase since the advent of HRM (Hutchinson & Wood, 1995; Keen & Vickerstaff, 1997; Lowe, 1992; Schuler, 1992; Storey, 1992).

- **External HR service providers or HR outsourcing agencies** usually contracted by organizations to provide administrative HRM services or professional, specialised HRM solutions (Cook, 1999; Young, 2000). The outsourcing of these activities has also been found to be on the increase (Hall & Torrington, 1998).

Various research studies have highlighted the role of **internal agents** viz. **top management** (Schuler & Jackson, 1999; Valverde et al., 2006), **line managers** (Brewster & Larsen, 2000; Brewster et al., 2004; Harris et al., 2002; Hoogendoorn & Brewster, 1992; Larsen & Brewster, 2003; Legge, 1995; Thornhill & Saunders, 1998) and **external agents** viz. **external HR service providers** (Cook, 1999; Cunningham & Hyman, 1999; Delmotte & Sels, 2008; Klass et al., 2001; Valverde et al., 2006) in people management activities. The scope of studies on role of internal and external agents in HRM has varied from being generic in nature to studies on specific HR areas (Casco’n-Pereira et al., 2006). The studies which are general in nature provide insights about the sharing of HRM function with agents.
(e.g. Armstrong, 1998; Hall & Torrington, 1998; Sparrow et al., 1994; Valverde, 2001), while the studies on specific areas focus on precise HR activities being carried out by other agents (e.g. Bond & Wise, 2003; Currie & Procter, 2001; Heraty & Morley, 1995; Hope-Hailey et al., 1997). Both types of studies focus on the fact that HR activities are shared with other agents.

The domain and focus of prior studies has been on the different HRM functions of recruitment & selection, training and development, performance appraisal, pay, reward management, human resource development and industrial relations (Andersen et al., 2007; Ardichvili & Gasparishvili, 2001; Brown & Purcell, 2007; Budhwar, 2000a; Casco’n-Pereira et al., 2006; Cook, 1999; Cunningham & Hyman, 1995; Currie & Procter, 2001; Gautam & Davis, 2007; Hall & Torrington, 1998; Heraty & Morley, 1995; Hope-Hailey et al., 1997; Mahoney & Brewster, 2002; Murty, 2007; Papalexandris et al., 2001; Redman, 2001; Smith et al., 2006; Srimannarayana, 2010; Watson & Maxwell, 2007; Watson et al., 2007; Woodall et al., 2002). Theses HRM functions have been considered by previous researchers to study the involvement of internal and external agents in light of individual as well as groups of HR activities.

There are several reasons identified in the literature for the growing involvement and participation of the above agents in HRM. The involvement of these agents in HRM helps them to enhance their competence in managing people, thereby, positively contributing to organizational change and enhancing organizational effectiveness (Buyens & De Vos, 2001; Gibb, 2003; Macneil, 2001; McCracken & Wallace, 2000; Šiugzdiene, 2008). Also, the involvement of agents is useful to close the gap between organizational performance and individual performance and getting long-lasting competitive advantage (Gibb, 2003; Macneil, 2001; Šiugzdiene, 2008). The participation of these agents in HRM helps in leveraging strategic competencies in order to survive the competition (Keen & Vickerstaff, 1997; Stanton et al., 2010).

Keeping in mind the fact that the role of agents in HRM is increasing and their involvement in HRM has significant consequences for the management of people in organizations, a study on the role of these agents is expected to be both timely and essential. Thus, a need was felt to develop an understanding on the prevailing role of internal and external agents in HRM.
1.2 Agents in HRM: Meaning and Definitions

The *Cambridge Advanced Learner's Dictionary & Thesaurus* defines the word ‘agent’ as a person who acts for or represents another. According to the *Oxford Dictionary*, the term ‘agent’ is derived from Latin word *agere* - 'doing', meaning a person who acts on behalf of another to produce an effect. Further, it goes on to define an ‘agent’ as a person who helps in managing business, financial, or contractual matters for another. These definitions of the term ‘agent’ signify the involvement of other entities/persons in a particular activity.

In the present study, the use of the term ‘agents’ refers to the internal and external entities/persons involved in HRM activities. It implies that these entities/persons are not intrinsically part of an organization’s HR department, but are nevertheless, involved in different HR activities in varying capacities. Their involvement has been mandated out of the growing need of business organizations to involve non HR managers in HRM activities since human resource is seen as the most vital organizational asset (Keen & Vickerstaff, 1997; Kulik & Bainbridge, 2006; Lawler & Mohrman, 2000; Ulrich 1997). Further, the need to share HRM activities with internal and external entities is necessary in order to enable HR managers to focus their attention on strategic matters (Kulik & Bainbridge, 2006; Valverde *et al.*, 2006; Valverde, 2001).

According to Valverde *et al.* (2006), agents other than the HR department may be involved in the management of people in organizations. These are both *external* and *internal* agents. Internal agents include top management and line managers whereas external agents include external service providers or HR outsourcing agencies. The HR function is not understood simply as a set of activities performed by the HR department but all managerial actions regarding the organization of work and the entry, development and exit of people in the organization (Valverde, 2001). The idea of HRM as a partnership of multiple agents or stakeholders is beginning to be more widely employed (Valverde *et al.*, 2006). Researches in the area have recognized the role of these agents in HRM with varying levels of contribution (e.g. Kulik & Bainbridge, 2006; Valverde *et al.*, 2006).
Internal Agents in HRM

**Top Management**

Top management has been considered as an important internal agent in HRM (Valverde *et al.*, 2006), as they make crucial strategic decisions and influence the whole approach to managing people (Guest, 1997; Lepak & Snell, 1999a; Sisson & Storey, 2000; Stanton *et al.*, 2010). A number of research studies have explored the significance and contribution of top management teams in the organization. In this context, the role of chief executive officers, top management teams and board of directors as strategic assets has been identified (Fisher & Dowling, 1999; Hambrick & Mason, 1984).

Several researchers have acknowledged the influence of top management on HRM policies and practices (e.g. Heneman *et al.* 2000; Khilji, 2002; Tsui & Milkovich, 1987). Researchers (e.g. Green *et al.*, 2006; Valverde *et al.*, 2006) have opined that some form of involvement of top managers in HR is vital for attaining business objectives. When top executives are sensitized to human resource issues, it tends to support greater HR-strategy integration, leading to favourable outcomes for the organization (Bae & Lawler, 2000; Bennett *et al.*, 1998). Top managers should offer transformational leadership by sharing their vision with employees. An HR function that is perceived by key actors in the corporation to have a high degree of reputational effectiveness is more likely to succeed in enacting strategic roles. Top management is recognized as the most powerful force facilitating HRM (Boxall & Purcell, 2003; Macky & Boxall, 2007; Stanton *et al.*, 2010; Wright *et al.*, 1994).

**Line Managers**

The role of line managers vis-à-vis HRM has received ample research attention (Agrawal, 2010; Budhwar, 2000a, 200b; Budhwar & Sparrow, 1997; Gibb, 2003; Keen & Vickerstaff, 1997; Kulik & Bainbridge, 2006; Macneil, 2001; McCracken & Wallace, 2000; Šiugždiniene, 2008; Srimannarayana, 2010; Valverde *et al.*, 2006). Line managers or middle managers are placed below the top managers and are responsible for supervising other managers. The scope of these managers has traditionally been limited to establishing and meeting the goals in their respective departments.
In this context, researchers have used the term devolution to define the role of line managers. Devolution means reallocation of personnel tasks to line managers (Brewster & Larsen, 2000; Hall & Torrington, 1998; Renwick, 2000; Storey, 1992). Devolution as a subject of inquiry has received considerable research attention (e.g. Azmi & Mushqaq, 2010; Currie & Proctor, 2001; Poole & Jenkins, 1997; Tsui & Milkovich, 1987 among others). Devolution to the line implies that line managers should become more involved in HRM so that HR staff can take on a greater strategic and change management roles (Finegold & Frenkel 2006; Sisson & Storey 2000; Teo & Rodwell, 2007). A number of scholars have carried out studies dealing with specific areas of HR devolution, for instance, Fenton-O’Creevy’s (2001) and Marchington’s (2001) studies of middle managers attitudes towards employee involvement, Redman’s (2001) study about devolvement of performance appraisal function, Currie and Procter’s (2001) work on the area of pay and Dunn and Wilkinson’s (2002) study in the area of absence management.

Of late, the line managers’ role have been reorganised in the organizations and they are now responsible for core HRM functions. Line managers play an important role in producing the synergy between physical and human resources for the development of their subordinates (Brewster & Larsen, 1992). Line managers are responsible for achieving the HRM goals and making sure that their subordinates show commitment, quality and flexibility (Lowe, 1992). Legge (1989) reported that HRM is “vested in line management as business managers responsible for co-ordinating and directing all resources in the business unit in pursuit of bottom line profits”.

In addition to this, several HR responsibilities viz. pay and benefits, recruitment and selection, training and development, industrial relations, health and safety, and workforce expansion and reduction are shared between HR managers and line managers (Brewster & Larsen, 2000; Larsen & Brewster, 2003). Line managers are responsible for the implementation of these HR practices at the operational level (Gratton & Truss, 2003; Marchington, 2001). Participation between HR and line helps in enhancing organizational performance (Gennard & Kelly, 1997). Further, the effective implementation of these HR practices is dependent on line managers’ capability and commitment regarding their HR role (Guest, 1987; Purcell & Hutchinson, 2007; Storey, 1992). Line management has been identified as the
perfect location to position HR responsibilities as it would make HR more effective (Hope Hailey et al., 2005; McGovern et al., 1997). As a result of line managers involvement in HRM, the status and effectiveness of HRM is enhanced (Larsen & Brewster, 2003; Schuler, 1990).

**External Agents in HRM**

*External HR Service Providers*

The third important agent in HRM is external HR service providers or HR outsourcing agencies (Cook, 1999; Hall & Torrington, 1998; Kulik & Bainbridge, 2006; Valverde et al., 2006; Young, 2000). It involves hiring a third-party service provider or vendor for the administration of an HRM activity that would normally be performed in-house. Many organizations find the use of external service providers as more efficient and less costly than hiring staff to handle HRM functions in-house. Given that HRM service vendors specialize in the services they provide to their clients, they benefit from economy of scale effects and these benefits are transferred to their clients. In addition to this, some organizations turn to outsourcing either because they do not have the necessary knowledge, or their knowhow is so outdated that they need to make significant investments. Many vendors make investments in HRM tools and techniques and later spread their costs over many clients. In this sense, outsourcing provides competencies that do not exist in-house (Galanaki & Papalexandris, 2005).

Although, various researchers have put forward their view points on role of top management, line managers and external service providers, yet there is no clear consensus on the definition of these agents. However, certain common terminologies and descriptions can be identified from the extant literature. Researchers (e.g. Dale & Cooper, 1992; Fisher & Dowling, 1999; Hall & Torrington, 1998; Hambrick & Mason, 1984; Storey, 1992; Valverde et al., 2006; Whittaker & Marchington, 2003) have frequently used the term top management, upper echelons, senior managers, board level line managers, chief executive officers, general managers, board of directors as well as senior line manager for referring to top management. Similarly, terms such as supervisors, first line managers, lower-level line managers, front-line manager, operational managers,
junior line managers, middle managers are used synonymously for line managers (Bond & Wise, 2003; Budhwar, 2000a, 2000b; Budhwar & Sparrow, 1997; Conway & Monks, 2010; Hales, 2005; Hall & Torrington, 1998; Heraty & Morley, 1995; Kulik & Bainbridge, 2006; Larsen & Brewster, 2003; Lowe, 1992; Šiugždiniene, 2008; Storey, 1992; Valverde et al., 2006; Whittaker & Marchington; 2003). Likewise, for external agents the commonly used terms are external service providers, outsourced consultants, HR outsourcing agencies, external HR specialist agencies and external consultants (e.g. Hall & Torrington, 1998; Kulik & Bainbridge, 2006; Redman & Allen, 1993; Valverde et al., 2006).

1.3 Indian Scenario: A Snapshot

During the last twenty years, the Indian economy has undergone radical changes from a predominantly government-controlled to a market-based economy and is growing at a rapid pace (Grossman, 2008). Consequently, international firms are investing in India to tap the business opportunities offered by its expanding market. In order to extend the scope of their business operations in India, these organizations have located their offices in India and are relying on more localized management to develop an understanding of local management practices (Dowling et al., 1994; Haire et al., 1996; Tayeb, 1994).

This shift has also changed the nature of competition for Indian organizations. Globalization and internationalization of domestic businesses, concerns for total quality management, shifts in the employee profile and de-skilling, re-skilling and multi-skilling as well as issues related to work-force reduction have opened many opportunities as well as challenges for the business organizations (Rao et al., 1994; Sodhi, 1994; Venkata Ratnam, 1995). The paradigm shift in the economy has direct implications for HRM in India (Krishna & Monappa, 1994).

Of late, Indian industry has realised the importance of effectively managing human resources for long-lasting competitive advantage. Subsequently, studies in the Indian context have highlighted the changing nature of HR policies, practices and roles in Indian organizations (e.g. Bhatnagar & Sharma, 2004; Jain, 1991; Lawler et al., 1995; Stening, 1994; Sharma & Khandekar, 2006). As the roles of HR managers are becoming strategic in nature and they are now increasingly taking
part in board rooms, many HR tasks and responsibilities are getting reallocated to other stakeholders such as line managers and external service providers. For instance, Bhatnagar and Sharma’s (2005) study have explored changing strategic HR roles. Gopalakrishnan (2008) makes a case for placing HR on line managers’ schedule. However, there is dearth of empirical research on role of internal and external agents in HRM in the Indian context.

In addition to this, focus in the Indian context has remained on the reallocation of HR responsibilities to line managers (Budhwar & Sparrow, 1997), while in some studies the impact of supervisor-subordinate relationships on organizational and individual performance was investigated by researchers such as Varma et al. (2005), Varma et al. (2007). Azmi (2011) investigated the role of top management as well as devolution vis-a-vis HRM in the Indian context. In case of external agents, generally the focus of research has been on different forms of HR outsourcing and cost benefit analysis of HR outsourcing (Seth & Sethi, 2011).

Keeping in view the significance of human resources in the success of an organization, it is important to explore the role of key agents in people management. Most researches have been undertaken in the western world and that too primarily on devolution of HRM to line managers (e.g. Brewster & Larsen, 1992; Hall & Torrington, 1998; Schuler, 1992; Sparrow & Hiltrop, 1994; Storey, 1992). As a result of this, there are limited number of studies in this area. There is no consolidated literature incorporating the study of all agents. Although some studies have explored the role of agents in HRM but the focus remained on just one of the agents. Thus, in the Indian context, this area remains largely unexplored, barring a few exceptions (Agrawal, 2010; Budhwar, 2000a, 2000b; Budhwar & Sparrow, 1997; Budhwar et al., 2006; Seth & Sethi, 2011; Srimannarayana, 2010). Moreover, the focus of studies conducted in India remained mostly on single agent. Thus, an investigation into the role of internal and external agents in HRM in the Indian context is an issue that merits research attention.

1.4 Rationale of the Study

HRM is gaining increasing importance because employees are considered to be a primary component for attaining competitive advantage (Barney & Wright, 1998).
With the changing economic scenario and rising challenges in the business environment, the corporate world is fast realizing the worth of human resource as an inimitable strength for attaining long-lasting competitive advantage. Human resources constitute an important source of competitive advantage for the organization (Wright & McMahan, 1992) and are the potential contributor to the creation and realization of the organization’s goals (Jackson & Schuler, 2000). Consequently, the performance of human resource function has turned out to be more important than ever.

Schuler (1990) pointed out that the status of HR managers has grown and as a result of the growing importance of HRM, business organizations are realizing the role of various other entities in HR related issues. According to Valverde et al. (2006), agents other than the HR department may be involved in the management of people in organizations. These are both internal and external agents. Internal agents includes top management and line management where as external agents includes external service providers. Some researchers have argued that all managers are people managers (Papalexandris & Panayotopoulou, 2005; Whittaker, 1990) and the involvement of both internal and external agents in carrying out the HR function is recognized in various studies (e.g. Budhwar, 2000a, 2000b; Budhwar & Sparrow, 1997; Finegold & Frenkel 2006; Gratton et al., 1999; Khatri & Budhwar, 2002; Mahoney & Brewster, 2002).

The shifting of traditional HRM responsibilities to line management have been reported by different researchers (e.g. Larsen & Brewster, 2003; Renwick & McNeil, 2002). Top managers are also increasingly getting involved in HRM as they evolve strategies to attract, motivate, and retain the best talent in the organization (Chung et al., 1987; Harper, 1993; Jonas et al., 1990). At the same time, HR outsourcing has also gained prominence of late, engendering a new genre of research on the role of external service providers in HR (e.g. Banham, 2003; Cook, 1999; Mahoney & Brewster, 2002). Of late, both internal and external agents are seen to be participating in management of HR, albeit with differing degrees of involvement. However, the focus of previous studies on HR has been on traditional HRM activities and the role of different agents in HRM in particular has been relatively under researched.
Studies on agents’ role in HRM usually focus on just one or at most two agents. There are no studies incorporating the role of all agents (Valverde et al., 2006). Additionally, the limited scope of previous studies has made it difficult to clearly define the different agents in HRM and necessitates incorporating the scattered viewpoints of researchers regarding the role of internal and external agents in HR. Therefore, it is important to clearly define the role of key actors in HRM.

Although prior studies have recognized the key role of both internal and external agents in HRM, yet there is limited empirical research on the role of these actors in HRM and their relationship in operationalising an effective HR strategy (Mayrhofer et al., 2004; Stanton et al., 2010; Teo & Rodwell, 2007). There are few empirical evidences on the outcomes of roles of agents in HRM. Thus, there is no clarity on impact of involvement of internal and external agents.

While the opening of Indian economy to world markets has attracted a large number of foreign players to expand the scope of their businesses, global institutions like the Word Bank have predicted that India will become the fourth largest economy by 2020 (Budhwar & Varma, 2010). Consequently, it has prompted top managers of business organizations to find out the nature of HR practices existing in India, thus, driving the need to explore the role of internal and external agents in HRM.

Although a number of studies have explored the involvement of internal and external agents in HRM in India (e.g. Agrawal, 2010; Budhwar & Sparrow, 1997; Seth & Sethi, 2011; Srimannarayana, 2010), the focus of these studies has remained limited in nature. Furthermore, in the Indian context, the focus of the research studies has remained on a single agent. There is no comprehensive study incorporating the role of both internal and external agents. Besides, the impact of the involvement of internal and external agents in HRM in India has remained largely unexplored. Hence, research attention is required to uncover the prevailing scenario. This gap in the extant researches in the Indian context has prompted the need to explore the role of both internal and external agents simultaneously.

Thus, it can be safely asserted that there is dearth of empirical research that can help the researchers and practitioners to understand the role of internal and external agents in HRM in the Indian context. Therefore, the focus of the present study was
to explore the role of both *internal* (top management and line managers) and *external* agents (HR outsourcing agencies or external service providers) in HRM in the Indian context as well as to study the outcomes of these roles.

### 1.5 Research Objectives

The study endeavors to address the following broad objective:

*To develop a reliable and valid instrument for measuring the role of top management, line managers (i.e. internal agents) and external service providers (i.e. external agents) in management of HR and to investigate the impact of their role on the effectiveness of HRM and status of HRM. The study also seeks to establish differences as well as association between organizational profile and various dimensions of the above roles.*

The broad objective can be divided into four categories of sub-objectives:

**Category I: Developing an instrument for measuring the role of internal and external agents in HRM**

- To develop a reliable and valid instrument for measuring various dimensions of role of top management, line managers and external service providers in management of HR.

**Category II: Investigating the impact of role of internal and external agents in HRM**

(a) **Investigating the impact of role of top management in HRM**

- To investigate the impact of role of top management in HRM on the effectiveness of HRM.
- To investigate the impact of role of top management in HRM on the status of HRM

(b) **Investigating the impact of role of line managers in HRM**

- To investigate the impact of role of line managers in HRM on the effectiveness of HRM
To investigate the impact of role of line managers in HRM on the status of HRM

(c) Investigating the impact of role of external agents in HRM

- To investigate the impact of role of external service providers in HRM on the effectiveness of HRM
- To investigate the impact of role of external service providers in HRM on the status of HRM

(d) Investigating the impact of status of HRM on the effectiveness of HRM

- To investigate the impact of the status of HRM on the effectiveness of HRM

Category III: Assessing the differences between company type i.e. sector (manufacturing and service) and company size (small, medium and large organizations) on the role of internal and external agents in HRM

- To assess differences in role of top management in HRM on the basis of company sector (i.e. manufacturing and service).
- To assess differences in role of line managers in HRM on the basis of company sector (i.e. manufacturing and service).
- To assess differences in role of external service providers in HRM on the basis of company sector (i.e. manufacturing and service).
- To assess differences in role of top management in HRM on the basis of company size (small, medium and large organizations).
- To assess differences in role of line managers in HRM on the basis of company size (small, medium and large organizations).
- To assess differences in role of external service providers in HRM on the basis of company size (small, medium and large organizations).

Category IV: Establishing association between company type i.e. sector (manufacturing and service) and company size (small, medium and large organizations) with the role of internal and external agents in HRM
To establish association between the role of top management in HRM and company sector (i.e. manufacturing and service).

To establish association between the role of line managers in HRM and company sector (i.e. manufacturing and service).

To establish association between the role of external service providers in HRM and company sector (i.e. manufacturing and service).

To establish association between the role of top management in HRM and company size (i.e. small, medium and large organizations).

To establish association between the role of line managers in HRM and company size (i.e. small, medium and large organizations).

To establish association between the role of external service providers in HRM and company size (i.e. small, medium and large organizations).

1.6 Significance of the Study

The study has both theoretical as well as practical significance. As far as theoretical significance is concerned, the study has several contributions to make to the existing literature. The present research tries to consolidate the existing scattered viewpoints in the area. Further, a reliable and valid research instrument is developed to simultaneously measure the role of internal and external agents in HRM. This instrument can serve as a useful tool for future researchers in the area.

In the current study, the role of internal and external agents vis-a-vis HRM is explored in the Indian context. The impact of involvement of these agents on status and effectiveness of HRM is also explored. The findings of the study will guide practitioners in understanding the present scenario of role of internal and external agents in HRM in India. The findings may further aid them in understanding how these roles impact the overall functioning of human resource management departments. In addition to this, the study also addresses the specific differences and association between company type viz. sector to which the company belongs (manufacturing/service) as well as size of the company determined by number of employees (small/medium/large) and the role of internal and external agents in
HRM. The findings are useful to determine specific HR process based on sector and size of the organization.

1.7 Research Framework

The research outline followed in the current research is presented in Exhibit 1.1.