CHAPTER - 2

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2.1 INTRODUCTION

The ever-increasing focal point on a lean workforce, combined with economic aspirations of the populace, management of human and financial resource assumes great importance. In such a sociable, technological and economic environment, the policy makers in the Government require to synchronize their strategic thinking, to give a vision to the various industries and shape it for the future. In a swiftly changing business condition, one may perceive the words "the only thing constant in life is change" by French creator Francois de la Rockefoucauld. However, with on-going change, it can be hard to recognize what to do and how to do it. The world out there is tough and competitive in nature. In fact, the world is changing at a fast pace. Hence, diverse sectors of business need to anticipate the future and plan for any unexpected situation. Profound moves in the worldwide marketplace are piloting a new era of multifaceted nature, instability and change for organizations. The ascent of the web and related innovation has quickened these market shifts, toppling business techniques, models and procedures all the way (Ashok (2003), Agarwala (2003), Chen and Huang (2009) and Findikli et.al., (2015)). 'Advances in innovation and globalization' and in addition 'moves in labor socioeconomics, client needs, and competition' are recognized as hidden powers that will have the greatest effect on their organization's ability requirements in the years to come (Ashok, 2003). Furthermore, as developing markets are turning into the new focuses of gravity for the worldwide economy and the top strategic need, rivalry for talent is getting to be fiercer.

In the present competitive and aggressive environment where everybody is being questioned about their contribution in terms of value addition and esteem expansion, HR is no exception. HR's actual key opportunity lies in its capacity to advance from concentrating fundamentally on strategic authoritative transactions to turning into a result driven capacity, where it is seen as a capacity that includes esteem which calls for coordinating the manpower strategies with business strategies in a way that advances primary concern. Consequently, there is a developing acknowledgment among associations to adjust its Human Resource rehearses with corporate procedures to address the issues of its business so as to increase vital favorable position from its Human Resources. (Sheehan and Scafidi, 2005)
Resource Management is altogether adjusted to Strategic Human Resource Management and is one of the central strategy goals to guarantee that Human Resource arrangements and practices are connected by managers as a part of their regular work.

2.2 THE CONCEPT OF STRATEGIC MANAGEMENT

An organization is generally settled in light of an objective, and this objective characterizes the reason for its existence. The greater part of the work completed by the organization revolves around this specific objective, and it needs to adjust its internal resources and outer environment in a way that the objective is accomplished in sound expected time. Without a doubt, since an organization is a major substance with likely a gigantic hidden venture, strategizing turns into a vital variable for fruitful working inside, and in addition to get practical profits for the used cash (Cappelli and Singh, 1992).

The word 'strategy', getting from the Greek noun strategus, signifying 'commander in chief, was first utilized as a part of the English dialect in 1656. The advancement and utilization of the word recommends that it is made out of stratos (armed force) and agein (to lead). In an administration setting, "strategy" has now supplanted the more conventional term - 'long-term planning' - to mean a particular example of choices and activities embraced by the more elite class of the organization to fulfill execution objectives. Wheelen and Hunger (1995) define strategic management as “that set of managerial decisions and actions that determines the long-run performance of a corporation”. He further states that Strategic Management is thought to be a consistent action that requires a steady change of three noteworthy reliant pillars: the values of senior administration, nature, and the resources accessible.

Strategic Management gives a more extensive point of view to the workers of an organization and they can better see how their employment fits into the whole authoritative arrangement and how it is co-identified with other hierarchical individuals (Hunger and Wheelen, 1995). It is only the craft of overseeing workforce in a way which amplifies the capacity of accomplishing business goals. The workers turn out to be more reliable, more dedicated and more fulfilled as they can co-relate
themselves extremely well with each organizational undertaking. They can comprehend the response of natural changes on the organization and the plausible reaction of the organization with the assistance of strategic administration. In this way the employees can judge the effect of such changes all alone on their job and can successfully confront the progressions. The Managers and workers must do suitable things in the apt manner so as to result with viable and also effective outcome. One of the significant parts of strategic management is to consolidate and integrate various functional departments of the organization completely in order to ensure these functional departments synchronize and get together well. Another part of strategic management is to watch out for the objectives and goals of the organization (Harrison and John, 2013). The consequence of HR strategic choices for company performance is undoubtedly the key factor for organizational experts and practitioners who are aiming for competitive advantages ahead in the future (Schuler et.al., 2001).

2.2.1 PROCESS OF STRATEGIC MANAGEMENT

In the distinct and prescriptive administration writings, strategic management seems to be as a cycle in which a few exercises take up and nourish upon each other. The Strategic Management normally passes through the following steps [David (2011), Harrison and John (2013) and Daft (2001)]:

1. Mission and goals
2. Environmental analysis
3. Strategy formulation
4. Strategy implementation
5. Strategy evaluation.

The process of strategic management comprises actions that range from assessing the organization's current mission and goals to the stage of strategic evaluation. The initial phase in the strategic management process starts with assessing the senior managers’ position in connection to the organization's present mission and goals. The mission portrays the organization's esteem and objectives and demonstrates the path in which the senior administration is moving. Goals are the coveted closures looked for through the real working methodology of the organization and regularly portray here and now quantifiable results.
Environmental analysis basically focuses on the strengths and weaknesses of the internal organization and on the other hand overlooks into opportunities and threats from external environment. The variables that are most critical to the organization's future are indicated to as strategic elements and can be condensed by the acronym SWOT - Strengths, Weaknesses, Opportunities and Threats (David, 2011). The third step of strategic management process is Strategic formulation which involves evaluation of interface between various strategic elements and ending up with the right strategic choices from which the managers will be guided to meet the organization's goals. Formulation of some of the strategies will be carried out at different levels such as corporate, business and specific functional levels.

**Table No. 2.01 - Strategic Management Process/Model**

<table>
<thead>
<tr>
<th>STEPS</th>
<th>PROCESS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Step 1</td>
<td>Mission and goals</td>
</tr>
<tr>
<td></td>
<td>Management philosophy &amp; Values</td>
</tr>
<tr>
<td>Step 2</td>
<td>Environmental analysis</td>
</tr>
<tr>
<td></td>
<td>Internal scan</td>
</tr>
<tr>
<td></td>
<td>External scan</td>
</tr>
<tr>
<td>Step 3</td>
<td>Strategic formulation</td>
</tr>
<tr>
<td></td>
<td>Strategic choice</td>
</tr>
<tr>
<td></td>
<td>corporate</td>
</tr>
<tr>
<td></td>
<td>Business</td>
</tr>
<tr>
<td></td>
<td>Functional</td>
</tr>
<tr>
<td>Step 4</td>
<td>Strategy implementation</td>
</tr>
<tr>
<td></td>
<td>Leadership</td>
</tr>
<tr>
<td></td>
<td>Structure</td>
</tr>
<tr>
<td></td>
<td>Control systems</td>
</tr>
<tr>
<td></td>
<td>Human resources</td>
</tr>
<tr>
<td>Step 5</td>
<td>Strategy evaluation</td>
</tr>
<tr>
<td></td>
<td>Operating performance</td>
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<td></td>
<td>Financial performance</td>
</tr>
</tbody>
</table>

(Source: Daft, 2001)
The activity of using unique techniques by the managers to implement strategies at different levels can be termed as strategy implementation. This stage of strategic management demands for different types of leadership styles, organization structure, information and controlling system and very significantly the management of human resources to implement the strategies which are formulated. The final stage of strategic management is an activity which evaluates and finds the differences between the performance actually completed and the standards that have been set for the performance. Overall, strategic evaluation is finding out the deviation between the actual performance and the benchmarks (Hillman and Keim, 2001). Hence, the five stages discussed above can be portrayed as rational and linear process. However, it shows that how strategic management should be performed rather than explaining what is actually done by top managers.

2.2.2 HIERARCHICAL LEVELS OF STRATEGY

In the multidivisional business organization it is necessary to know about the different levels at which the concerned strategies are applied. The hierarchy of strategy elicits the application of strategies in different levels of business which are as follows (Harrison and John, 2013):

1. Corporate level strategy
2. Business level strategy
3. Functional level strategy

1. Corporate level strategy

Corporate-level strategy portrays a company's complete path in terms of its universal philosophy headed towards the development and the management of its different business units. Implementation of such strategies helps the company in deciding which business to be acquired, expanded, modified, retained, or to be liquidated. Developing a strategy for a multi-divisional company comprises at four types of inventiveness:

- Instituting investment superiorities and navigating company’s resources into the utmost attractive and benefited business units
- Starting activities to enhance the joined execution of those business units with which the company initially involved
• Discovering approaches to enhance the synergy between related specialty units with a specific end goal to expand execution  
• Settling on choices of managing expansion.

2. Business level strategy

Business-level strategy manages choices and activities relating to every business unit, the principle target of a business-level strategy being to make the unit more aggressive in its commercial center. This level of strategy addresses the inquiry, 'How would we compete'?' Although business-level strategy is directed by 'upstream', corporate-level system, separate business unit administration must art a procedure that is proper for its own particular working circumstance. The minimal cost strategy endeavors to build the organization's piece of the overall industry by having the most minimal unit cost and cost contrasted and contenders. The basic other option to cost initiative is separation strategy. This expect managers recognize their administrations and services from those of their rivals in a similar industry by giving unmistakable levels of management, item or fantastic with the end goal that the client is set up to pay an exceptional cost. With the focus strategy, managers concentrate on a particular purchaser gathering or provincial market. A market strategy can be restricted or wide, as in the thought of specialty markets being extremely tight or centered. This enables the firm to browse four nonspecific business-level strategies - low-cost leadership, differentiation, focused differentiation and focused low-cost leadership so as to set up and abuse competitive advantage inside a specific competitive degree (David, 2011).

3. Functional level strategy

Functional level strategy relates to the major practical operations inside the separate business unit, including marketing, research and development work, manufacturing, finance and Human Resource. This level of strategy is regularly principally worried about amplifying resource efficiency and identifies, 'How would we bolster the business-level focused strategy?' Consistent with this, at the level of functional department, Human Resource Management policies and practices bolster the business strategy objectives.
Strategic management works highlights that the strategies at diverse levels must be fully unified and need to be inter-related. However, the need to align business strategy and specifically Human Resource Management functional strategy has gained peak attention from the HR community and academics. Strategic business plan is articulated to accomplish competitive advantage for which particular strategy for each functional area viz., marketing, finance, production operations and human resources required to be drawn in configuration with strategic business plan to transmit the organization’s objectives. Relatively, the creation of organizational strategy is integrative with the origination of functional strategies. Hence, human resource strategy undertakes additional significance as it provides human resources for other functional departments too (Harrison and John, 2013).

2.3 VOYAGE OF STRATEGIC HUMAN RESOURCE MANAGEMENT (SHRM)

Strategic human resource management (SHRM) is a newfangled crossed arena which has taken its birth in recent decades in management study and channelized across both the field of Strategy Management and the field of Human Resource Management (Kandula (2001), Hartono (2010), Becker and Huselid (1999), Brauns (2013), Boxall (1992), Hendry and Pettigrew (1986)). In 1970s, organizations were aware with the concept of human resource management (HRM). However, the technical HRM activities or the concept of traditional HRM function, covering a wide range of workforce activities (recruitment, selection, performance appraisal, training and development and the administration of compensation and benefits, etc.), accord significance on the people but disregards the link with the strategy of the organization and also ignores the handling of the human resource in viewpoint of strategy. As a result, the organization ends up with the lack of suitability and the flexibility between the human resource management function and the organization strategy.

Since traditional Human Resource Management is difficult to adjust the necessity required for fast advancement and development of ventures, endeavor, numerous researchers attempted to advance a general management concept to clarify, gauge, and to mentor the employee and the specialist's Human Resource Management and furthermore need to clarify a few inquiries disregarded in the part of employee
relationship. They built up another theory to join the Human Resource Management activities with business strategy and mirrored a more adaptable course of action and usage of HR to accomplish the organizational objectives, and in like manner enable organizations to gain a competitive advantage, which was termed as Strategic Human Resource Management. Strategic Human Resource Management is concerned with strategic consequences of Human Resource Management and supports the organization in strategic planning (Becker and Huselid, 1999). However, expects to accomplish strategic leadership through competency progress of human resources.

Human Resource Management is progressively being changed to Strategic Human Resource Management which is the outcome of integration of Human Resource function with organizational objectives (Devana, Fornbrun and Tichy (1984), Brauns (2013), Boxall (1992), Hendry and Pettigrew (1986), Schuler and Jackson (2008), Snell (1992), Truss and Gratton (1994)). The purposes behind moving towards SHRM are the issues with traditional Human Resource Management which are as follows:

a) Traditional Human Resource Management is predominantly staff counselling function.

b) Lack of involvement of human resource function in the process of business planning of the organization.

c) Complications in achievement of competitive advantage through effective alliance, integration and deployment of human resources.

d) Increase in the cost of maintenance of human resource.

e) Dissatisfactions with human resource function with regard to the delivery of “value creation” activities both financially and intellectually.

f) Non-accountability of human resource functions in case of failures of corporate or business strategy implementation

g) Unable to recognize and understand the globalization impact on HR practices

h) Failure to take advantage of global workforce and its untouched potential.
The above mentioned issues have enforced the Human Resource Management’s growing involvement in the process of strategy formulation and implementation. However, it is imperative to know the footprints of Strategic Human Resource Management which can be traced from its evolution. The following points evidence the transformation of Personnel Management into Human Resource Management and from Human Resource Management to Strategic Human Resource Management.

2.3.1 Personnel Management to HRM: A Shift

The mid 1970s countersigned the development of the term HRM as a swap for Personnel Management. The change in phrasing additionally proposes a replacement in the targets and limits of the function. The primary goal of HRM is to guarantee the accomplishment of organizational objectives through manpower (Schuler and Jackson (2008), Snell (1992), Truss and Gratton (1994)). Guest (1987) acknowledged six factors relating to the transition from personnel management to Human Resource Management, they are (i) the hunt for competitive advantage through improved employment of HR, (ii) models of superiority, (iii) the failure of personnel management in stimulating the potential paybacks of effective management of workforce, (iv) the drop in trade union stress, (v) variations in the manpower and the feature of work with enhanced education and the demand of further flexible employments, and (vi) the accessibility of innovative models. These six elements, exclusively or collectively, have driven researchers and practitioners to stimulate and embrace new and superior models for managing people. Guest (1987) has also provided a comparison model in order to exhibit the key differences between personnel management and Human Resource Management which has been shown in the below table.
Further to exhibit more clarity on comparison between Personnel management and Human Resource Management, Beardwell and Claydon (2007) with help of work done by Beer and Spector (1985), Guest (1987), and Storey (1992) provided four categories of perspectives such as planning, people management, employment relations, structure, and role.

<table>
<thead>
<tr>
<th>Factors</th>
<th>Personnel Management</th>
<th>HRM</th>
</tr>
</thead>
<tbody>
<tr>
<td>Time and planning</td>
<td>Short term and ad-hoc</td>
<td>Long term plan, proactive in nature, more strategic and integrated</td>
</tr>
<tr>
<td>Perspective</td>
<td>plans, reactive in nature, marginal</td>
<td></td>
</tr>
<tr>
<td>Psychological contract</td>
<td>Compliance by employees</td>
<td>Commitment by employees</td>
</tr>
<tr>
<td>Control system</td>
<td>Control from external</td>
<td>Self/internal control</td>
</tr>
<tr>
<td>Employee relation</td>
<td>Pluralist, collective, low trust on employees</td>
<td>Unitarist, individual, high Trust on employees</td>
</tr>
<tr>
<td>Perspective</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Preferred structures/systems</td>
<td>Bureaucratic/mechanistic, centralized, formally defined roles</td>
<td>Organic, devolved, viable roles</td>
</tr>
<tr>
<td>Roles</td>
<td>Specialist and professional</td>
<td>Essentially integrated into line management</td>
</tr>
<tr>
<td>Evaluation criteria</td>
<td>Cost-minimization</td>
<td>Maximum utilization through human asset accounting</td>
</tr>
</tbody>
</table>

(Source: Guest, 1987)
# Table No. 2.03 - Perspectives of Personnel Management and HRM

<table>
<thead>
<tr>
<th>Perspectives</th>
<th>Authors, year</th>
<th>Personnel Management</th>
<th>HRM</th>
</tr>
</thead>
<tbody>
<tr>
<td>Planning Perspective</td>
<td>Beer &amp; Spector, 1985</td>
<td>Reactive in nature, Disjointed interventions in response to particular problem</td>
<td>Proactive in nature, System-wide interferences with importance on fit</td>
</tr>
<tr>
<td></td>
<td>Guest, 1987</td>
<td>Short term and ad-hoc plans, reactive in nature, marginal</td>
<td>Long term plan, proactive in nature, more strategic and integrated</td>
</tr>
<tr>
<td></td>
<td>Storey, 1992</td>
<td>Piecemeal initiatives, Negligible to corporate plan</td>
<td>Integrated initiatives, Dominant to corporate plan</td>
</tr>
<tr>
<td>People management perspective</td>
<td>Beer &amp; Spector, 1985</td>
<td>People as variable cost</td>
<td>People are social capital</td>
</tr>
<tr>
<td></td>
<td>Guest, 1987</td>
<td>Cost minimization</td>
<td>Maximum utilization of workforce through human asset accounting</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Compliance by employees</td>
<td>Commitment by employees</td>
</tr>
<tr>
<td></td>
<td>Storey, 1992</td>
<td>Monitoring jointly</td>
<td>Nurturing ‘can-do’ viewpoint</td>
</tr>
<tr>
<td>Employment relations perspective</td>
<td>Beer &amp; Spector, 1985</td>
<td>Self-interest dominates, conflict of interest between stakeholders, Pursues power advantages for negotiating and confrontation</td>
<td>Development of concurrence of interest between stakeholders, Pursues power equalization for trust and cooperation</td>
</tr>
<tr>
<td></td>
<td>Guest, 1987</td>
<td>Pluralist, collective, low trust on employees</td>
<td>Unitarist, individual, high trust on employees</td>
</tr>
<tr>
<td></td>
<td>Storey, 1992</td>
<td>Pluralist and Institutionalized conflict, Collective bargaining contracts</td>
<td>Unitarist and Conflict de-emphasized Towards individual contracts</td>
</tr>
<tr>
<td>Structure/systems perspective</td>
<td>Beer &amp; Spector, 1985</td>
<td>Top management control and control of data flow to boost up efficiency</td>
<td>Participative, informed choice of communication to build trust and commitment</td>
</tr>
<tr>
<td></td>
<td>Guest, 1987</td>
<td>Bureaucratic/mechanistic, centralized, formally defined roles</td>
<td>Organic, devolved, viable roles</td>
</tr>
<tr>
<td></td>
<td>Storey, 1992</td>
<td>Procedures with high standardization and restricted communication flow</td>
<td>Low standardization and increased flow of communication</td>
</tr>
<tr>
<td>Role perspective</td>
<td>Guest, 1987</td>
<td>Specialist and professional</td>
<td>Essentially aligned with line Management</td>
</tr>
<tr>
<td></td>
<td>Storey, 1992</td>
<td>Personnel specialist role</td>
<td>General/business/line managers role</td>
</tr>
</tbody>
</table>

(Source: Beardwell & Claydon, 2007)
Regardless of the above differences, it is frequently assumed that Human Resource Management is a modified term for personnel management. Hence, Human Resource Management may be perceived as an approach rather than as a substitute to the traditional personnel management.

### 2.3.2 Human Resource Management to Strategic Human Resource Management

The dynamic and aggressive business condition causing out of globalization has driven management to bring another emphasis on how HR ought to be composed and overseen. The HR work now needs to build up a high strategic role. The mid 1980s saw the rise and increment in the utilization of the term Strategic Human Resource Management. The late 1980s and mid 1990s saw an obvious convergence amongst Human Resource Management and business strategy. In the 21st century this union has turned out to be startlingly evident with the utilization of terms such as, learning, knowledge, information based firm, and the virtual organization [Brauns (2013), Boxall (1992), Hendry and Pettigrew (1986), Schuler and Jackson (2008), Snell (1992), Truss and Gratton (1994), Guest (1987)]. At the point when the word strategic is prefixed to Human Resource Management it puts an accentuation on the courses in which Human Resource Management adds to the organizational viability.

Strategic human resource management concentrates on the relationship of Human Resource Management with the Strategic Management of the company, as characterized prior. Strategic Human Resource Management Goes over the functional role of Human Resource Management and underlines proactive Human Resource Management at the strategic level of the company’s viability and execution, modifications in structure and culture, coordinating resources to the present and future prerequisites of the organization, capacity improvement, work relationship, and change management. Since corporate plans are actualized through manpower and on the grounds that Human Resource delivers competitive advantage to the company, it is essential to incorporate Human Resource contemplations with the advancement of the strategic corporate or business plans for success.
Hendry and Pettigrew (1986) have placed four meanings of SHRM ahead such as:

(i) The usage of planning in human resource management
(ii) An integrated approach to the design and implementation of Human Resource systems
(iii) Matching HRM policies and practices with the business strategy of the organization
(iv) Looking people as a strategic resource for the accomplishment and attainment of competitive advantage.

Pioneers to formulate the concept of Strategic Human Resource Management were Fombrun, Tichy and Devana (1984) who in turn highlighted and emphasized a strategic fit between Human Resource Management and organizational strategy.

2.4 DEFINITIONS OF STRATEGIC HRM

In spite of the growing consideration paid to Strategic Human Resource Management, the term remains unclear. Some researchers have designated SHRM as a process, others have labelled it as outcome, and others have declared it a combination of process and outcome. The below table depicts about various definitions given by different authors from view point of process, outcome and the combination of both.
<table>
<thead>
<tr>
<th>Authors</th>
<th>Perspectives</th>
<th>Definitions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ulrich and Lake (1991)</td>
<td>SHRM as process</td>
<td>“SHRM as a process of linking HR practices to business strategy”</td>
</tr>
<tr>
<td>Bamberger and Meshoulam (2000)</td>
<td>SHRM as process</td>
<td>“SHRM is a competency-based approach to personnel management that focuses on the development of durable, imperfectly imitable, and other non-tradable resources”</td>
</tr>
<tr>
<td>Wright &amp; McMahan (1992)</td>
<td>SHRM as an outcome</td>
<td>“SHRM refers to the pattern of planned HR deployments and activities intended to enable a firm to achieve its goals”</td>
</tr>
<tr>
<td>Wright and Snell (1991)</td>
<td>SHRM as an outcome</td>
<td>“SHRM to be organizational systems designed to achieve sustainable competitive advantages through people”</td>
</tr>
<tr>
<td>Truss and Gratton (1994)</td>
<td>SHRM as both process and an outcome</td>
<td>“SHRM as the linkage of HR functions with strategic goals and organizational objectives to improve business performance and cultivate an organizational culture that fosters innovation and flexibility”</td>
</tr>
<tr>
<td>Schuler and Jackson (2001)</td>
<td>SHRM as both process and an outcome</td>
<td>“SHRM as the pattern of planned human resource developments and activities intended to enable an organization to achieve its goals”</td>
</tr>
<tr>
<td>Armstrong and Baron (2002)</td>
<td>SHRM as general approach</td>
<td>“SHRM is a general approach to the strategic management of human resources in accordance with the intentions of the organization on the future direction it wants to take. It is concerned with long term people issues as part of the strategic management process of the business”</td>
</tr>
<tr>
<td>Truss &amp; Gratton (1994)</td>
<td>SHRM as general approach</td>
<td>“SHRM is the linking of human resource management with strategic goals and objectives in order to improve business performance and develop organizational cultures that foster innovation and flexibility”</td>
</tr>
</tbody>
</table>

(Source: secondary)
The above definitions assimilate on two vital aspects:

1. Linkage of human resource activities with the organizational strategy; and
2. Harmonization of various human resource activities

The other general reviews from the above definitions analyzed are as follows:

a) Admitting human resource management function as a strategic business partner in the formulation and implementation of the organization’s strategy.

b) Developing definite and unique human resource courses of action the organization plans to track to achieve its objectives

c) Transforming business strategies into human resource practices as the manpower are the source of gaining competitive advantage.

Hence, the matching of strategic human resource management and business strategy necessitates increasing and collective commitment, functional elasticity, leadership, work performance and quality and excellence of human resources.

2.5 OBJECTIVES OF SHRM

The degree of usage of Strategic Human Resource Management inside the organization, and in addition the outline and substance of SHRM, diverge from one organization to other. Strategic human Resource Management is enhanced in merely those organizations that have visible and an unmistakable explained corporate or business strategies. Organizations that do not have a corporate ideology can't have SHRM. Relatively, in such organizations, HR with their own consent perform traditional management and play service oriented roles and are not worried about strategic business concerns (Wright and McManhan (1992), Armstrong (2006), Jeffrey (2003)). However, the successful implementation of SHRM can be performed only in case of strategic alignment of HR Practices. Hence the major objectives of SHRM are as follows:

- To frame and fix the goals and objectives of the organization with respect to human resource
- To ascertain the strategic prerequisites of organization & their application
- To establish the applicable & appropriate compensation scheme for the workforce
To fix the performance assessment method & its benchmarks

To recognize the relationships amidst the diverse departments & ascertaining their obligations & tasks

To ensure the accessibility of a capable, dedicated, and extremely inspired employees in the organization to succeed with sustainable competitive advantage.

To contribute direction to the organization so that both the business desires of the organization, the individual and collective needs of its workforce are met.

2.6 STRATEGIC HUMAN RESOURCE MANAGEMENT – SILENT FEATURES

The key features of Strategic Human Resource Management are as follows [(Brauns (2013), Boxall (1992), Hendry and Pettigrew (1986), Schuler and Jackson (2008), Snell (1992), Truss and Gratton (1994))]:

- A Long termed Focus: SHRM has long term focus usually it is more than one year where the business strategies are considered as long term oriented plans.

- Alignment between Human Resource and Strategy Process: SHRM comprises aligning human resources consequences to organizational results for better quality. Better quality is the progress of specific skills (concepts, creations and modernizations) to create higher performance of organization.

- Effective and better Performance: SHRM’s policies create high organizational performance paybacks, which are quantifiable and assessable. This enables instigation of remedial procedures to fill up the gaps, if any.

- Promotes Corporate Excellence talents: SHRM enables wisdom of new age talents of:
  - Creative Insight: Recognizing opportunities and finding solution
  - Sensitivity: Cumulative sensitivity to organization culture
  - Vision: Evolving clear vision for crafting future
  - Versatility: Familiarizing change and tracking difficult skills
  - Focus: Instigating successful, permanent change and matching strategy
  - Patience: Obligating to long term viewpoints of the organization
2.7 FUNCTIONS OF STRATEGIC HRM

The functions of Strategic Human Resource Management are principally gone for building superior human asset administration functions that increase the value of the center business of an organization (Jeffrey (2003), Kandula (2001), Hartono (2010), Chang and Huang (2005). This requires aptitudes, business mindedness, effect, impact and basic abilities for more noteworthy business affect. While explaining the elements of Strategic Human Resource Management, the role of HRM as a “Strategic Partner” has been stressed under the following functions:


Strategic human resource management affirms that a relationship between business system and human resource strategy occurs for advanced organizational execution and viability. There is an idealistic linkage between particular arrangements of human resource management practices and business.

2. Reengineering Organization

Strategic human resource management underscores the critical part of organizational plan for more prominent work self-sufficiency and vertical and level pressure of errands. The overhaul of work organizations includes smoothed chain of command, decentralized basic leadership, empowering data innovation, vital initiative and an arrangement of human resource management rehearses that make work conduct more compatible with the organization’s way of life and objectives. Strategic human resource management tries to develop organization culture that backs up business strategies. It basically involves utilizing entire organization’s abilities, coordination with trade unions, cultivating business unit joining and organizing rewards to cultivate integration.

3. Developing Transformational Leadership

Administrative initiative is vital to vital strategic human resource management and therefore involves the improvement of organization’s human capability; develop work commitment, adaptability, advancement and change. Transformational authority includes engaging human resource towards individualization of the business
relationship. Strategic human resource management guarantees capitalizing resources into transformational authority development, characterizing initiative capabilities and auxiliary rewards to encourage initiative conduct.

4. Establishing Workplace Learning

Strategic human resource management guarantees business related learning, both formal and casual, to help accomplish responsibility, adaptability and nature of HR. Learning is a key to fortify organization's core capabilities and perform as a lever to sustainable competitive advantage being able to learn speedier than the opponents. Basically, the thought is to recognize, create, sustain, and hold human ability by developing the ability pool, capitalizing resources into HR, facilitating development openings and building a situation that encourages innovativeness and advancement.

5. Assessing HR Effectiveness

Ever since strategic human resource management considers HR as strategic issue hence, it endeavors to recognize the strategic human resource needs in provision of the business methodology to survey whether human resource have the key capabilities expected to accomplice deliberately with inside and in addition outside clients. This requires advancing devices and strategies for diagnosing human resource needs, creating and executing human resource centered business arrangements and assessing results and business affect. This requires tireless re-designing of HR forms. Consequently, strategic human resource management’s capacity is to amalgamate human resource strategy into business strategy.

2.8 SIGNIFICANCE OF SHRM AND ITS CONCEPTUAL/CONVENTIONAL DIFFERENCE

In a quick paced worldwide economy, change is the standard. Environmental, social and innovative change, the expanded internationalization of business, and expanded shortage and cost of HR, must imply that long haul forecasting is dangerous however fundamental. The procedure by which the organizations settle on choices about their future in this complex, quickly changing world is that strategic management is worried about. Strategic human resources management actions report a wide assortment of workforce issues important to business strategy. Human
Resource Management crosses all the other functional departments and is completely coordinated with all the vital parts of the organization such as operations, marketing, finance, etc., where the process is driven and composed by best administration (Bamberger and Meshoulam (2000)). The main component that is observed to be animating the proficiency of all the functional departments and henceforth bringing about assuming a significant part in making an organization successful is its "HR". In such a situation the pertinence of Strategic Human Resource Management to organization competency and effectiveness accepts significance. Relatively, the differences between various terminologies which are used very often in the stream of SHRM have been discussed as under:

2.8.1 TRADITIONAL HRM Vs SHRM

Globalization of business has expanded the need to recognize and break down courses in which business association can work adequately now and later on. Hence, for organizations searching for approach to achieve a competitive advantage, the ramifications of HR strategic decisions for organizational execution is surely the key factor. Traditional human resource management can't guarantee it and henceforth, it is fundamental to examine SHRM. The table given beneath differentiates between human resource management and strategic human resource management (Jeffrey, 2003):
### Table No. 2.05 - Traditional HRM Vs SHRM

<table>
<thead>
<tr>
<th></th>
<th>Traditional HRM</th>
<th>SHRM</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accountability for HR programmes</td>
<td>Staff workforce in the HR functional department</td>
<td>Line managers and all managers who are responsible for people.</td>
</tr>
<tr>
<td>Focus of activities</td>
<td>Focus on employee relations by ensuring employee motivation and productivity, compliance with laws, internal requirements and neglect of external trends</td>
<td>Focus on partnerships of both internal (employees) and external (customers, stakeholders, public interest groups), SWOT analysis of business goals and strategies</td>
</tr>
<tr>
<td>Role of HR</td>
<td>Reactive and transactional</td>
<td>Proactive and transformational, change leader and business partner</td>
</tr>
<tr>
<td>Initiative for Change</td>
<td>Piecemeal work, insufficient coordination, fragmented and lack of integration with regard to organizational issues</td>
<td>Implementation of quick, flexible, and systemic, change initiatives and conceptual integration of HR with organizational plans</td>
</tr>
<tr>
<td>Time horizon</td>
<td>Short-term focus (not more than one year)</td>
<td>Envision different time frames as essential (short, medium, or long-term) but predominantly long-term focus</td>
</tr>
<tr>
<td>Control</td>
<td>Bureaucratic and centralized control through rules, procedures, and policies</td>
<td>Organic and decentralized control through flexibility, as few restrictions on employee behavior as possible</td>
</tr>
<tr>
<td>Job design</td>
<td>Focus on division of labour, independence and specialization</td>
<td>Extensive job design, cross training, flexibility and synergy work</td>
</tr>
<tr>
<td>Investments</td>
<td>Capital, products and technology</td>
<td>manpower and their knowledge, skills, and capabilities</td>
</tr>
<tr>
<td>Accountability</td>
<td>Cost center</td>
<td>Investment center</td>
</tr>
</tbody>
</table>

(Source: Jeffrey, 2003)
2.8.2 SHRM Vs HR STRATEGIES

The terminologies Strategic human resource management and human resource strategies are regularly utilized as a part of conversely, however some discrepancy can be made between the two. In a general, the contrast amongst SHRM and HR strategies is same as that between strategic management and corporate business strategies. Both SHRM and strategic management portray an approach embraced by the administration and concentrate on the long term problems and give guidance to the organization. HR strategies and business strategies are results of this approach which concentrate on the organizational viewpoint concerning vital issues and particular actions and functions (Armstrong, 2006).

Strategic human resource management manages large scale concerns such as excellence, commitment, quality, execution, culture, and administration improvement. It characterizes the regions in which particular HR methodologies should be created. On the other hand, HR strategies are concerned about guaranteeing the accessibility of an effective workforce, preparing, rewards, great worker relations, and so on. HR strategies are more particular and encourage the fruitful accomplishment of the corporate destinations and objectives.

Table No. 2.06 - SHRM Vs HR Strategies

<table>
<thead>
<tr>
<th>SHRM</th>
<th>HR Strategies</th>
</tr>
</thead>
<tbody>
<tr>
<td>• A general approach to strategic management of human resources</td>
<td>• Consequence of the general SHRM approach</td>
</tr>
<tr>
<td>• Aligned with the organizational intention about its future direction</td>
<td>• Emphasize on precise organizational intents about what needs to be completed</td>
</tr>
<tr>
<td>• Focus on long term workforce issue</td>
<td>• Focus on particular issues that enable the attainment of corporate strategy</td>
</tr>
<tr>
<td>• Outlines the areas in which detailed HR strategies need to be established</td>
<td>• Human resource strategy decisions are resultant of SHRM</td>
</tr>
<tr>
<td>• Emphasize on macro concerns such as structure, culture</td>
<td></td>
</tr>
<tr>
<td>• Strategic HRM decisions are constructed into the strategic business plan</td>
<td></td>
</tr>
</tbody>
</table>

(Source: Armstrong, 2006 & 2009)
2.9 SHRM AND ITS DIMENSIONS IN ORGANIZATIONAL CONTEXT

In addition to concentrating on the legitimacy of coordinating SHRM model and typologies of HR strategy, analysts have distinguished various critical subjects related with the idea of SHRM [Otinpong (2015), Hartono (2010), Agarwala (2003), Bhatnagar and Sharma (2005)]. Currently, companies have realized the inputs of various dimensions of SHRM which are as follows:

(i) **Re-engineering and Strategic human resource management**

Every single regularizing model of HRM underlines the significance of organizational outline. The upgrade of work organizations has been differently marked “high performing work systems” (HPWS), “business process re-engineering” and “high commitment management”. The literature underscores key components of this concept to deal with organizational outline and administration, including a "flattened" chain of command, decentralized basic leadership to line managers or work groups, "empowering" data innovation, "solid" leadership and an arrangement of HR practices that make specialists' conduct more harmonious with the organization's way of life and objectives.

(ii) **Leadership and strategic human resource management**

The idea of administrative leadership pervades and structures the theory and routine with regards to work organizations. Most meanings of administrative leadership mirror the supposition that it includes a procedure whereby an individual applies impact upon others in a organizational setting. Inside the literature, there is a proceeding with debate over the charged contrasts between a manager and a leader. Managers create plans while leaders make a vision (Kotter, 1996). A significant part of the leadership research and literature has a tendency to be androcentric in nature and seldom recognizes the restricted portrayal of ethnic gatherings. The present interest for elective leadership models differently named “transformational leadership” and “charismatic leadership” might be clarified by understanding the essentials of the resource based Strategic Human Resource Management model. Managers are searching for a style of leadership that will build up the organization's human talent and also develop commitment, adaptability, advancement and change.
(iii) Workplace learning and strategic human resource management

Inside most details of SHRM, formal and casual business related learning has come to signify to a key lever that can support managers to accomplish the substantive HRM objectives of commitment, adaptability and quality (Beer, 1984). This developing field of research involves the focal point of the stage in the "soft" asset based SHRM model. From an administrative point of view, formal and casual learning can fortify an organization's “core competencies” and in this way it can attend sustainable competitive advantage being able to learn speedier than one's competitors. There is a developing group of work that has investigated working environment learning.

(iv) Trade union and Strategic human resource management

The idea of labor responsibility installed in the Human Resource Management model has driven authors from both sides of the political range to contend that there is an inconsistency between the regularizing HRM model and trade unions. In the prescriptive administration literature, the contention is that the collectivist culture, with its “them and us” state of mind, sits uneasily with the HRM objective of high worker responsibility and the individualization of the business relationship. The basic point of view additionally introduces the HRM model as being conflicting with traditional industrial relations, though for altogether different reasons. Critics contend that “high-commitment” HR strategies are intended to give laborers a misguided feeling of employer stability and to cloud fundamental wellsprings of contention characteristic in entrepreneur business relations. Different researchers, taking a 'universal pluralist' viewpoint, have contended that trade unions and the “superior high-commitment” HRM model can't just exist together yet are to be sure important if a it has to be succeeded.

(v) International and comparative strategic human resource management

The presumption that SHRM is a strategically determined management focuses to its international possibilities. The business relationship is formed by national frameworks of work enactment and the social settings in which it works (Rowley and Bae, 2002). Along these lines, as the universe of business is winding up plainly more globalized, varieties in national administrative frameworks, labor
markets and institutional and regular settings are probably going to compel or shape any inclination towards "convergence" or a "universal" model of best HRM rehearse. This area tends to parts of the universal context to enable us to put the talk on the SHRM model into a more extensive worldwide setting. In doing as such, it makes a refinement between international Human Resource Management and comparative Human Resource Management.

(vi) Technology and Strategic Human Resource Management

In current era, firms HR strategy is upheld by data innovation as “human resource information systems” frameworks and workforce administration frameworks. Improvements in different divisions are prompting noteworthy changes in the estimation of performance. Not all technology includes esteem, but rather it can and will influence how and where function completes (Galanaki and Papalexandris, 2010). That is the reason managers need to bode well and great utilization of what innovation offers, to make innovation a feasible and beneficial piece of the work setting. They should remain in front of the information arc and figure out how to exploit information for business comes about.

The Strategic Human Resource Management effectiveness or incapability relies on how the individuals from a firm see the different dimensions as for undertaking and in addition relationship related behavior. Organizations may see the things emphatically or adversely.

2.10 SHRM APPROACHES: THE INDIAN CONTEXT

As is confirmative, conceptual and hypothetical advancements in management of HR have to a great extent been constrained to the contributions made by Western researchers. However, the idea and practice with regards to HRM, as likewise the linkage of HRM with the general objectives of the organization, are not completely new to India. Three noteworthy ways to deal with understanding the workforce created in India are:
(a) The Integrated Systems approach

As proposed by Rao (1985 and 1986), this approach has expansion at its core, which proposes that the growth of motivated, vibrant, and dedicated workforce is a means to attain improved and enhanced organizational performance. This point of view perceives HRM as a procedure, and not only as an arrangement of practices, components, or systems. HR practices such as performance evaluation, rewards, and so on are utilized to start, encourage, and advance this procedure ceaselessly. These subsystems are intended to cooperate in a coordinated framework. While any of these practices may exist in disengagement in an organization that does not have a long period design, in separation these subsystems do not have the synergistic advantages of incorporated frameworks. Hence, the perspective concurs with the inner fit or horizontal combination way to deal with SHRM examined before. It is additionally near the resource based view which recommends a packaging of HR practices or subsystems.

An organization can encourage the procedure of advancement by distributing resources for the reason and by embodying a HRM rationality that esteems individuals and advances their improvement. The model additionally stresses a linkage between the HRM subsystems and corporate plans of the firm. Hence, the system additionally consolidates the outer fit point of view. The fundamental bases for these subsystems are human capital assets are the most critical resources of the organization, sound atmosphere is fundamental for the improvement of HR, employee commitment is improved with the chance to find and complete one's potential in one's work and human asset advancement practices can be checked in order to make them gainful to both the individual and the organization (Amit, 2014). A periodic assessment of the working of these frameworks or practices helps in reengineering and realigning HRM to the organization's business needs. The Human Resource practices, if viably utilized, can make a conductive HRD culture and learning forms. Human Resource Development prepares factors incorporating role clearness, correspondence, and the act of HRD esteems. Such HRD culture and procedures can bring about more discernible and quantifiable results. The HR results may incorporate a larger amount of worker capability and better usage of HR through higher inspiration and responsibility. These results can impact the business objectives of the
firm, which might be as far as higher profitability, more benefits, better picture, and more fulfilled clients and partners. As per the approach HR, without any input cannot add benefits. The techniques, innovation, funds, markets, and so on should be set up. In any case, great HR practices may construct the capabilities and duty of representatives to such a degree, to the point that they ensure that alternate factors are dealt with all things considered. Accordingly, the general workforce can gain competitive advantage to an organization. This approach proposes that, different things being the same, an organization that has a superior HRM atmosphere and forms, and skillful and conferred representatives, is probably going to show improvement over an organization that scores low on these tallies.

(b) The HRD Framework approach

The beginning stage for moving towards higher manpower support is the reaffirmation of the Human Resource philosophy. The higher manpower involvement is the reaffirmation of the HR rationality. The HR philosophy has a basic faith in the worker's potential for development. A positive HRD atmosphere is vital to make the organization more responsive to the presentation of important extra frameworks, and to make the current frameworks more viable. With a specific end goal to manage HRD on a long period basis (Dayal, 1993), it is essential to help the enhanced atmosphere through the presentation of an exhaustive HR framework. A coordinated HRD framework has numerous potential advantages such as moving from estrangement to cooperation, upgrading singular viability, enhancing authoritative atmosphere and organizational effectiveness. The very idea of a system suggests that one may intercede anytime of the system, yet it will legitimately lead through alternate subsystems towards the aggregate system.

(C) Human Resource Development as an Approach

This approach has been put forward by Dayal (1993), who advocates that HRD is an approach, and not a function. This approach identified that the underlying belief of all HR programmes are want based, and may differ considerably in their approach and importance in the following ways:

- Emphasis on philosophy: When an organization articulates its beliefs about people and operationalizes them in personnel systems and managerial
practices in the organization, it views HRD as a way of life, and not as a programme. At the point when an organization explains its convictions about workforce and operationalizes them in work force system and administrative practices in the organization, it looks HRD as a lifestyle, and not as a programme.

- Emphasis on programmes: Human resource creativities by an organization are assimilated with the problem areas recognized by the organization.

- Emphasis on leader’s behavior: In a few circumstances, behavior of leader is viewed as the focal element of HR activities. Transformational leaders make a situation in which workers can enhance their abilities and accomplish a great development. Development of workforce without that of the organization is not supportable. Consequently, HR activities should go for the advancement of the system all in all.

The methodologies essentially indicate two factors in an organizational setting. The first is the human factor, their execution and competency and the other one is the business surplus. An approach of individuals concern depends on the conviction that HR is exceptionally critical in managed business achievement. An organization increases competitive advantage by utilizing its workforce adequately, drawing on their mastery and inventiveness to meet obviously characterized targets. Combination of the business surplus to the human competency and execution required sufficient strategies. The path, in which individuals are overseen, inspired and conveyed and the accessibility of skills and information will all shape the business procedure. The strategic introduction of the business at any point requires the compelling introduction of human resource to competency and performance perfection. Hence, the Strategic Human Resource Management (Najia, 2008) approaches can be summarized into two vital aspects such as efforts to link Human Resource activities with competency based performance measures and endeavors to link Human Resource activities with business surpluses or yield.
2.11 STRATEGIC HR MODELS

Since the mid-1990s, scholars have proposed no less than three models to separate between “ideal types” of HR strategies. The primary model analyzed is the control-based model which is grounded in the path in which management endeavors to screen and control workforce role execution. The second model, the resource-based model, is grounded in the idea of the employer and employee replacement and, all the more particularly, in the arrangement of worker states of mind, in practices and in the nature of the managerial subordinate relationship. A third model develops an integrative model that consolidates both resource based and control based models (Anvari et.al., 2011).

(i) The Control Based Model

The primary model exhibiting diverse types of HR strategy is grounded on the nature of work environment control and more precisely on supervisory behavior to guide and observe worker role performance. As indicated by this model, administration structures and HR strategy are instruments and strategies to control all parts of work to secure an abnormal state of work efficiency and a relating level of gainfulness. This emphasis on checking and controlling worker attitude as a reason for recognizing diverse HR systems has its underlying foundations in the investigation of 'work process' by industrial sociologists. At the point when organizations procure workforce, they have just a potential or ability to work. To guarantee that every laborer practices his or her full limit, managers must arrange the undertakings, space, development and time inside which manpower works. Yet, workers have unique interests regarding pace of work, rewards and employer stability, and take part in formal (trade unions) and casual (limitations of yield or harm) practices to balance administration work controls. Workforce own particular counter management conduct at that point makes managers control and teach the inside of the association. Relatively, Thompson and McHugh (2009) opined that, “control is not an end in itself, but a means to transform the capacity to work established by the wage relation into production”. In this way, while overseeing individuals at work, control and participation coincide, and the degree to which there is any recurring pattern in force and heading between sorts of control will rely on the 'different constituents' of the management procedure.
(ii) **The Resource Based Model**

Predominant execution through laborers is underscored when best in class innovation and other lifeless assets are promptly accessible to contending firms. The aggregate of individuals' learning and ability, and social connections, can possibly give non-substitutable capacities that fill in as a wellspring of competitive advantage (Cappelli and Singh, 1992). The different points of view on resource based model bring up issues about the inseparable association between business related taking in and the activation of worker assent through learning strategies along with competitive advantage. Given the upsurge of enthusiasm for resource based model and specifically the new work environment learning the model demands further examination in detail from organizations. The resource based model abuses the particular abilities of a work organization, its assets and capacities. A firm's resources can be partitioned into unmistakable (finance, innovative, physical and human) and elusive (brand name, goodwill and know how) resources. To offer ascent to a particular competency, a firm's resources must be both exceptional and important. By capacities, we mean the aggregate abilities controlled by the firms to facilitate viable resources. As per strategic management scholars, the qualification amongst resources and abilities is basic to understanding what creates a particular competency (Hillman and Keim, 2001). Recognize that a firm may not require an exceptionally invested workforce to build up an unmistakable competency as long as it has administrative abilities that no competitor has. This perception may clarify why an organization or firm embraces one of the resource-based HR strategies.

(iii) **The Integrative Model**

Bamberger and Meshoulam (2000), assimilate the two key models of HR strategy, one concentrating on the strategy's fundamental logic of supervisory control, the other centering on the reward-effort replacement. Disagreeing that neither of the two dichotomous models that is control based and resource based models delivers a outline able to incorporate the flow of the strength and guidance of HR strategy, they shape a model that symbolizes the two key magnitudes of HR strategy as including “acquisition and development” and the “locus of control”. Acquisition and development are worried about the degree to which the HR strategy creates inner human capital rather than the outside enlistment of human capital. Relatively, firms
can lean more towards "making" their workforce (high interest in preparing) or more towards "purchasing" their workforce from the outside employee market.

2.12 STRATEGIC ‘FIT’ BETWEEN HR PRACTICES AND BUSINESS STRATEGIES

The subfield of Strategic Human Resource Management which dedicated to investigating HR's role in backing up the business delivered one way to exhibit procedure incentive to the firm. SHRM signifies the consistency or "fit" between HR practice and business strategy. Numerous researchers attest that the work of viable HR practices and the outline of a HR framework well-suited with the company's procedure are basic for the effective usage of business strategies (Miles & Snow (1984), Baird & Meshoulam (1988), Wright & McMahan (1992), Wright and Snell (1998)). Basically, SHRM highlights building up the organization's ability to react to the external condition through a proper utilization of HR. Since the strategy of firm is an impression of its reaction to the focused external environmental changes, a human capital pool with a wide exhibit of aptitudes that are perfect with the corporate strategy, is an impetus for satisfying the strategic objectives through advancing behavioral utility among workforce.

2.12.1 Types of Fit

As an essential feature of Strategic Human Resource Management, “fit” denotes the application of human resources to assist with the accomplishment of organizational goals and objectives. As per Wright and McMahan (1992), fit means “the pattern of planned human resource deployments and activities intended to enable the firm to achieve its goal”. Specialists advise that there are two types of fit such as ‘Horizontal fit’ and ‘Vertical fit’. “Horizontal fit refers to the coordination among the various HRM practices” (Baird & Meshoulam, 1988) and “vertical fit refers to the integration of HRM practice with the strategic management process of the organization” (Schuler & Jackson, 1987). However, vertical fit is observed as a serious step toward achieving the organizational goals and objectives by initiating some human resource undertakings that are associated with organization objectives whereas horizontal fit is necessary when making upright utilization of these resources. In addition, the linkage of organizational resources and firm strategy cannot be
certainly recognized and copied by other organizations due to the societal barriers and pivotal uncertainty (Barney 1991, Boxall 1998). Accordingly, the integration of human resources with the suitable strategy can yield a sustainable competitive advantage for the organization.

2.12.2 Determinants of horizontal fit and vertical fit

The three vital determinants of both horizontal fit and vertical fit are HR function factors, firm level factors and personal factors. The HR function factors are projected to be precise factors that stimulate the compatibility of a range of HR practices themselves, whereas firm level factors are examined as key elements for harmonizing HR actions with organizational strategy. Personal factors, which hold the proficiencies of both employees and managers, comprising HR manager and other top managers, are acknowledged as common determinants for both horizontal fit and vertical fit.

Determinants of Horizontal Fit: HR Function Factors

There are three HR function related variables that impact horizontal fit. They are (1) HR policy, (2) Options of HR practices, and (3) the investment or budget of HRM (Baird and Meshoulam 1988). In particular, horizontal fit is alarmed about the structure and preparation of the HRM framework, and the organizational strategies toward HRM matters for accomplishing an extraordinary state of fit among self-regulated HR practices. Relatively, HR strategy coordinated distinctly to or highlighting the similarity among several of HR practices encourages an adjusting procedure inside the framework. If definite functions are measured less important than others, according to the HR policy, less resources/budget will perhaps be given to these functions, making them poorly functioned or less effective, comparative to other institutional functions. Substitute aspects that will stimulus HR horizontal fit is an option of HR practices accessible for execution by the HR department and the firm. About the HR function as a complete set, if there are further options in the hands-on activities in managing human resources, there will be more authority to choose the most ideal ones. This is particularly imperative in the present aggressive and unverifiable business world (Bhattacharya and Wright, 2005). Yet, firms can deal with the vulnerabilities through HR alternatives which are capacities produced by
certain HR practices and their groupings. Hence, the extent of decisions for HR actions can be expanded if there are progressions of choices of them. This will expand the likelihood of acknowledgment of horizontal fit.

The speculation of the firm in its human resource management is a key factor impacting horizontal fit. As per resource reliance theory (Pfeffer and Salancik 1978), resource is basic for authoritative presence and advancement. However, the improvement of different HRM capacities relies upon resource arrangement from the organization. The measure of venture or spending plan committed to HRM signifies to the resource accessible for the HR division. This is basic if the HR division is to outline or actualize quality HR practices. The foundation of an effective HR framework by experimentation or change requires venture also. Under these conditions, resource or ventures of a firm given to its HR practices will influence the horizontal fit of the HRM framework.

Determinants of Vertical Fit: Firm Level Factors

Firm level variables are appropriate for firms looking for vertical fit. Fundamentally, the nature of the procedure a firm picks and esteem and culture arrangement of a firm are proposed to be two noteworthy determinants that impact the degree of vertical fit that a firm can eventually figure it out. These two elements are consecutively shown as follows:

(a) Nature of Strategy

The feature of strategy impacts vertical fit. This relationship is on the grounds that distinctive techniques have interesting ramifications on differing HR practices, and will impact the accomplishment of vertical fit (Schuler and Jackson 1987). HR practices are composed and organized to fortify utilitarian ramifications of the different generic strategies characterized by. It will be more viable for firms receiving a cost initiative methodology to define uniform, target criteria on execution assessment than firms utilizing a separation strategy. The unique objective of cost leadership strategy (limiting production costs) adds to the clarification, contrasted and the multifaceted nature and instability of targets of diversified strategy. Martell, Gupta and Carroll (1996) exhibited the impacts of various HR practices and business strategy on firm performance. In particular, the scholars found that training has higher
beneficial outcomes for firms embracing a cost administration strategy than with separation strategy. Hence, it will be simpler for a firm to accomplish the strategy coordinating HR plans if the objectives characterized by a specific strategy are less questionable and clearer.

(b) Values and Culture

Values and culture of a firm affect the vertical fit. Firm’s culture and qualities shape the HRM practices (Bowen and Ostroff 2004). The impact of qualities and culture on vertical fit is essentially reflected in how rapid or great the strategy can be amalgamated into the outlining of HR practices that are good with the strategy. Development of a perfect HR practices is influenced by corporate esteems and culture, mostly in light of the fact that the HR framework goes up against a counseling or consultancy role in the administration structure of a firm. On the off chance that the commitment of the HR work is esteemed as minor or immaterial, it is hard to initiate the endeavors of the HR administrators to plan a progression of HR works on as indicated by corporate strategy. Moreover, the significance of values and culture of a firm for vertical fit can be reflected in the speed of accomplishing vertical fit. Certainly, the HR arrangement of an organization is moderately steady and hard to change rapidly because of inactivity (Wright and McMahan 1992). Therefore, when a new and another strategy are articulated, the modification or update of the previous HR system can't develop consequently. In any case, the values and the way of culture system of an organization that underlines a fast after of those functional divisions with reestablished strategy will profit the vertical fit process, with a quick change toward planning and receiving an ideal HR practices course of action. Additionally, an organizational climate supporting a higher degree of fit amongst procedure and HR practices will be worthwhile to the acknowledgment of vertical fit for an organization.

Determinants of Both Types of Fit: Personal Factors

As a noteworthy function, the HR system and practices are critical in encouraging the accomplishment of business strategy through the administration of manpower. Hence, it is important to distinguish the effect of Personal factors on HRM in light of noticeable attributes of the HR work. The three key determinants of Personal components are as follows:
(i) **HR Manager Competency**

In light of the competency point of view, administrative capabilities are essential organizational measurements, which enhance an organization through its assurance on obtaining and plan of business resource, procedure of resource renovation to important administrations and in addition the esteem conveyance procedure to organizational stakeholders (Lado, Boyd and Wright 1992). The ability of HR managers is basic in outlining an inside steady and a perfect strategic HR framework. Consequently, the capacity of a HR manager, particularly as far as capacities in comprehension and investigating the business procedure, will impact the accomplishment of vertical fit. Hence, the capacity of the HR manager is emphatically connected with the acknowledgment of the two sorts of fit.

(ii) **Ability and Support of Senior Managers**

Under the next determinants of Personal factors, HR Managers have been found to assume noteworthy roles in the business strategic making process (Dutton and Ashford 1993). In any case, with a typical perspective of the HR work as support or an advisory department and consequently, as a cost focus, it is indispensable for top level supervisors to express acknowledgment and support HR work, if the HR work is to enhance the value to the organization. Capacity and support from senior managers is likewise basic for a firm to procure both horizontal fit and vertical fit. Top supervisors are one of most essential communities on HRM and the needs of best management have huge impacts on HRM strategies and practices (Kane and Palmer 1995). Consequently, the capacity and support given by senior manager effects both horizontal fit and vertical fit.

(iii) **Employee Knowledge and Skill**

As the aim of HRM, employees ought to be permitted to impact the performance of the HR work through the communication of their insight and abilities with HRM practices and the strategies actualized in the firm. Manpower learning and abilities also impact the HR framework fit. Since the impacts of the plan and usage of an organization’s HR action are showed through all workers, their insight and aptitudes specifically influence the quality and execution of the HR system (Wright and Snell 1998).
In aggregate, the three perspectives, the HR managers capacity, the best manager's capacity and support, and the worker's knowledge and abilities will influence both the horizontal fit of HR system and the vertical fit of HRM practices and firm strategy.

**Chart No. 2.01 - Determinants of overall Strategic ‘Fit’**

(Source: Own)

**2.13 HR ROLES IN BUILDING A COMPETITIVE ORGANIZATION**

To generate value and results, HR experts must start not by concentrating on the activities or work of HR yet by characterizing the expectations of that work. Deliverables ensure results of HR work. With expectations characterized, the roles and actions of business partners might be stipulated.

HR practitioners or professionals must satisfy four vital roles to make their business organization a reality. Emphasis ranges from long term or strategic to short term or operational. HR experts must figure out how to be both strategic and operational, concentrating on the long and short term. Activities go from overseeing processes (HR tools and frameworks) to overseeing individuals (Thill et.al., 2014). These two tools depict four vital HR parts such as (1) Management of Strategic HR (2) Management of firm infrastructure (3) Management of the employee contribution and (4) Management of transformation and change. To see each of these roles all the
more completely, need to consider below three issues such as the expectations that constitute the result of the role, the visual picture that goes with the role and the activities the HR proficient must perform to satisfy the role.

(1) Management of Strategic Human Resources

The strategic HR role concentrates on adjusting HR strategies and practices with business strategy. In assuming this role, the HR proficient attempts to be a strategic partner, guaranteeing the accomplishment of business strategies. By satisfying this role, HR experts increment the limit of a business to execute its strategies. Making an interpretation of business strategies into HR practices helps a business in three ways. To start with, the business can adjust to change on the grounds that the time from the origination to the execution of a strategy is summarized. Second, the business can better meet client requests since its client benefit strategies have been converted into particular policies and practices. Third, the business can accomplish budgetary performance through its more powerful execution of strategy.

Table No. 2.07 - HR Roles – A Descriptive View

<table>
<thead>
<tr>
<th>Role of Management</th>
<th>Outcome</th>
<th>Activity</th>
<th>Core Role</th>
</tr>
</thead>
<tbody>
<tr>
<td>Management of Strategic Human Resources</td>
<td>Accomplishing strategy</td>
<td>Aligning HR and business strategy: &quot;Organizational diagnosis&quot;</td>
<td>Strategic Partner</td>
</tr>
<tr>
<td>Management of Firm Infrastructure</td>
<td>Creation of an efficient infrastructure</td>
<td>Reengineering Organization Processes: &quot;Shared services&quot;</td>
<td>Operational Expert</td>
</tr>
<tr>
<td>Management of Employee Contribution</td>
<td>Increasing employee commitment and proficiency</td>
<td>Attending and returning back to Employees: &quot;Providing resources to employees&quot;</td>
<td>Employee Champion</td>
</tr>
<tr>
<td>Management of Transformation and Change</td>
<td>Generating a renewed organization</td>
<td>Management of transformation and change: &quot;Guaranteeing capacity or change&quot;</td>
<td>Change Agent</td>
</tr>
</tbody>
</table>

(Source: Own)
(2) Management of Firm Infrastructure

Generating an organizational infrastructure has been a conventional HR role. It entails that HR professionals deliver and design effective HR practices for staffing, training, evaluating, rewarding, advancing, and generally dealing with the stream of employees through the organization. As a guardian of the company infrastructure, HR professionals guarantee that these organizational procedures are planned and delivered productively. While this role has been down-played and even denied with the move to a strategic concentration, its effective achievement keeps on increasing the value of a business. HR professionals make infrastructure by always looking at and enhancing the HR procedures. The result from the infrastructure role is managerial effectiveness (Bhatnagar and Sharma, 2005). HR professionals fulfill authoritative effectiveness in two ways. To begin with, they guarantee proficiency in HR presses. A second path in which HR supervisors can enhance entire business proficiency is by procuring, training and remunerating managers who rise profitability and lessen waste. By conveying managerial effectiveness, HR managers focus their role as administrative specialists, mentoring and driving reengineering struggles that cultivate HR and business procedures.

(3) Management of Employee Contribution

The employee contribution role for HR professionals envelops their contribution in the everyday issues, concerns, and needs of workforce. In organizations in which logical capital turns into a basic source of the organization's value, HR professionals ought to be dynamic and forceful in building up this capital. HR professionals therefore turn into the active' champions by connecting worker commitments to the organization's prosperity. With dynamic employee champions who comprehend workers' needs and guarantee that those necessities are met, wholly worker commitment drives up. The outcomes from management of employee contribution are expanded employee responsibility, commitment and capability. HR practices should assist workforce to contribute through both their commitment with doing great work and their sense of duty regarding work industriously. In a time when downsizing has disintegrated the company employee psychological contract, HR experts can be business partners by proceeding to be worker champions who focus on employee needs (Bhatnagar and Sharma, 2005). The principle activities for the
administration of employee contribution are attending, responding and discovering approaches to give workers with resources that meet their evolving demands. As increasingly elevated demand are set on workers, HR professionals and line managers who fill in as employee champions inventively look for and actualize the methods for employees to voice opinions and feel possession in the business. They help to keep up the psychological contract between the workforce and the company and they give employees new instruments which to meet ever higher desires.

(4) Management of Transformation and Change

A fourth vital role through which HR Professionals can increase the value of an organization is to oversee change and transformation. Transformation involves essential social and cultural change inside the firm. HR professionals overseeing change end up noticeably both social and cultural custodians and cultural facilitators. Change can be termed as the capacity of an organization to enhance the plan and execution of activities and to diminish cycle rime in all organizational actions. HR professionals help to distinguish and actualize process and procedures for change. The deliverable from administration of change and transformation is the limit with respect to change. As organizations experience transformation, HR officials serve as business partners by facilitating employees let to go of old and adjust to yet another new culture. As change agents, HR officials enable organizations to recognize a procedure for overseeing change.

Yet another six ways from which HR Professionals can contribute to the success of the organization are as follows (Ulrich & Beatty, 2001)

1. The HR Coach: Coaching to Win

Ulrich and Beatty (2001) emphasized " the major role of the HR player as coach is to enable professional growth and to help executives achieve their full potential in guiding firm’s business success on the various scorecards". HR must have the capacity to watch and depict the behavior, give feedback and reward behavioral change. HR coaches enable supervisors to change their behavior to enhance their commitments to organizational performance. Keeping in mind the end goal to accomplish organizational success, the coaches ought to enhance and keep up each
individual to be a winner, which implies building a relationship of trust with the business pioneer and the group.

2. The HR Architect: Designing to Win

“Architects provide the high-level blue print. They help the organization identify ideas about how firms will win in chosen marketplace and thus, how to design significant next steps in competitiveness”, Ulrich and Beatty (2001). To be great organizational designers, HR professionals must have the theoretical knowledge to get ready for and actualize strategies in the genuine organization. Despite the fact that they may not claim the issue, they can offer decisions so that the organization can choose appropriate alternatives. This implies architects must present clear and fair methods of reasoning for the choices given and how to execute them, what suggestions and risks may emerge, with the goal that the success can be accomplished.

3. The HR Builder: Constructing a Winner

“Although architects and builders have a very close relationship, they play different roles”, as highlighted by (Ulrich and Beatty, 2001). While the 'blue prints' is critical unless they can be executed they are just goals without affect. Accordingly, the constructor's role is extremely noteworthy. As developers/builders, HR professionals transform thoughts energetically by outlining and resulting HR practices. They drive, fortify, and keep up employee conduct that is steady with firm’s strategy and capacity.

4. HR Facilitator: Changing the Organization to Win

The principal role of the facilitator embraces strategic change leadership and As facilitator which is being a principal role which embraces strategic change leadership, HR professionals are stimulated with attainment of things done by creating and nourishing fluctuations at three levels such as (1) facilitating groups function successfully and productively, (2) guaranteeing that organizational change occurs and finally (3) making certain that associations function properly.
5. The HR Leader: Creating Followers that Win

HR pioneers can play the coach, builder, and facilitator yet confront challenges in executing these capacities. Appropriately, Ulrich and Beatty (2001) opined that that “effectively and efficiently leading one’s own HR function earns credibility”. The HR function ought to be a model of how to deal with a successful division for different departments. To do this the HR division should keep running as a business, so needs similar components of a strategy for success that fits business substances, with a HR vision and HR administration.

6. The HR as Conscience: Playing by the Rules to Win

Being internal referee, HR guarantees that rules and principles are followed by all components, including individuals and activities of the firm. However, “HR plays the referee to ensure that organization wins the right way”, Ulrich and Beatty (2001). To assume this role, HR has to know when a training activity is "Green" as in adequate/acceptable, "Yellow" as in questionable/uncertain, or "Red" as in unsafe/risky. More significantly, HR should mirror, or model, the correct way.

The current regularizing perspective of a strategic HR professional is portrayed as an expert who can create, plan and execute an extensive variety of organizational activities which are specifically connected to organizational performance (Raich, 2002). Eventually, the aggressive powers that organizations confront today make another command for HR and this requires changes to the structure and role of the HR function.

2.13.1 PARADOXES INHERENT IN MULTIPLE HR ROLES

Strategic Partner versus Employee Champion

Achievement in the multiple-role system requires that HR professionals adjust the stress inherent in being a strategic partner from one perspective and a employee champion on the other. As strategic partners with supervisors, HR professionals join forces with administrators/managers and are viewed as a fragment of administration. Taken to an outrageous, this may estrange workers from both HR and administration. employees at one organization that was moving its HR work into strategic partnership
experience the HR professionals, whom they felt gave the main channel through which their worries were voiced to administration, taking an interest in greater administration meetings, getting to be dynamic in strategic planning and getting to be synonymous with administration (Bhatnagar and Sharma (2005), Ulrich (2007), Shaikh (2008)). Therefore, the workers felt double-crossed and evaluated the HR work as not addressing their requirements. As employee champions in organization with managers and employees, HR experts guarantee that the worries and needs of employees are voiced to management. Taken to an outrageous, this may estrange the HR work from administration, who may perhaps not have any desire to work with HR individuals whom they see as unsympathetic to business substances and supporters of employees. Settling this contention requires that all parties HR, administration, and employees perceive that HR professionals can both signify workforce needs and execute management programs, be the voice of the management and the voice of employee, perform as partner to both management and employees.

**Change Agents versus Administrative Experts**

Along with need for discipline, continuity and stability, HR professionals should also adjust the requirement for transformation, advancement/innovation and change. This stress between their roles as administrative experts and as change agents yields various paradoxes that must be overseen. Organizations must adjust solidness and change. A business must have dependability to guarantee congruity in manufacturing, products and services. Organizations that change always loses identity and hunt for legendary triumphs that never emerge. Relatively, organizations that neglect to change at last essentially fall flat. HR experts need to support risk and development while looking after efficiency and productivity. Hence, risks should be limited, nor indiscriminate. To determine these and different mysteries, HR experts managing social and cultural change should be both social/cultural custodians of the past and engineers of the new societies. This exercise in careful control requires that new cultures prompt new regulatory practices and those practices bolster culture change (Bhatnagar and Sharma (2005), Ulrich (2007), Shaikh (2008)). Meanwhile, advocates of intense culture change, not understanding the infrastructure required to help the change, may put forth striking expression that extend believability and surpass a business' ability for execution. Some portion of the role of the HR
professional as change agent is to direct such explanations. The regulatory infrastructure might be the exact opposite thing to change as organizations progress in new strategic ways.

2.14 HR COMPETENCIES

The essential objective of human resource management (HRM) is to boost workforce performance and esteem in order to meet the organization's business needs. Accomplishing this objective requires a few HRM competencies inside each of the human resource disciplines such as recruitment and selection, training and development, work environment wellbeing and hazard administration, and remuneration and other benefits. The after effect of powerful and corresponding HRM functions is a strategically solid and viable HR department. As the enthusiasm for measuring and anticipating performance in the working environment has developed massively, the terminology "competency" seems to have turned into a staple piece of a HR specialist's vocabulary. While it is among the most as often as possible utilized terms among the HR professionals, it is additionally one of the minimum caught on. The idea of "competency" was first achieved by Selznick (1957), and McClelland (1973). The term "competency" has been defined in the scholastic literature from a few unique perspectives (Bowden and Masters, 1993). HR managers view the idea as a specialized device to execute strategic bearing through the tactics of acquiring, performance evaluation, promotions, compensation and work force planning (Hoffman, 1999). Competencies might be “expressed as behaviors that an individual needs to demonstrate,” or they may be “expressed as minimum standards of performance” (Strebler et al., 1997).

Armstrong (2009) provides an exhaustive framework of HR competencies that assists to guarantee HR professionals act both strategic partner and player. The table below depicts the HR Professionals competency framework.
<table>
<thead>
<tr>
<th>Competencies</th>
<th>Description</th>
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</thead>
<tbody>
<tr>
<td><strong>Business Awareness</strong></td>
<td>Understands (1) the business environment, the competitive pressures the organization faces and the impact of external events on organizational policies and practices, (2) the drivers of high performance and the business strategy, (3) the business’s key activities and processes and how these affect business strategies, (4) how HR policies and practices impact on business performance, and puts this to good use.</td>
</tr>
<tr>
<td><strong>Strategic Capability</strong></td>
<td>(1) Seeks involvement in business strategy formulation and contributes to the development of the strategy, (2) contributes to the development for the business of clear vision and a set of integrated values, (3) develops and implements coherent HR strategies which are aligned to the business strategy and integrated with one another, (4) works closely with line manager to support the achievement of corporate, unit or functional strategies, (5) understands the importance of human capital measurement, introduces measurement systems and ensure that good use is made of them.</td>
</tr>
<tr>
<td><strong>Organizational Effectiveness</strong></td>
<td>(1) Contributes to the analysis and diagnosis of people issues and proposed practical solutions, (2) helps to develop resource capability by ensuring that business has the skilled, committed and engaged workforce it needs, (3) helps to develop process capability by influencing the design of work systems to make the best use of people, (4) pursues an ‘added value’ approach to innovation and service delivery.</td>
</tr>
<tr>
<td><strong>Capacity as an internal consultant</strong></td>
<td>(1) Carries out the analysis and diagnosis of people issues and proposes practical solutions, (2) adopts interventionist style to meet client needs, acts as catalyst, facilitator and expert as required, (3) uses process consultancy approaches to resolve people problems, (4) coaches clients to deal with their own problems, transfer skills.</td>
</tr>
<tr>
<td><strong>Effective Service delivery</strong></td>
<td>(1) Anticipates requirements and sets up and operates appropriate services, (2) provides efficient and cost-effective services in each HR area, (3) respond promptly and efficiently to requests for HR services, helps and advices, (4) promotes the empowerment of line managers to make HR decisions but provide guidance as required.</td>
</tr>
<tr>
<td><strong>Acts in the interests of employees</strong></td>
<td>Takes action to advocate and protect the interests and well-being of employees.</td>
</tr>
<tr>
<td><strong>Continuous professionals development</strong></td>
<td>(1) Continually develops professional knowledge and skills, (2) benchmark good HR practices, (3) keeps in touch with new HR concepts, practices, and techniques, (4) keeps up-to-date with research and its practical implications.</td>
</tr>
</tbody>
</table>

Source: Armstrong (2009)
Journey of HR Competencies from 1987 to 2016:

RBL Group with Michigan Ross has identified HR competencies all through the way of their Global survey from 1987 to 2016.

Table No. 2.09 Journey of HR Competencies from 1987 to 2016

<table>
<thead>
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</tr>
</thead>
<tbody>
<tr>
<td>Business</td>
<td>Business Knowledge</td>
<td>Business Knowledge</td>
<td>Business Knowledge</td>
<td>Business Knowledge</td>
<td>Strategic Positioner</td>
<td>Strategic Positioner</td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Human Resource (HR)</td>
<td>HR Delivery</td>
<td>HR Delivery</td>
<td>HR Delivery</td>
<td>HR Delivery</td>
<td>Talent Manager &amp; Organization Designer</td>
<td>HR Innovator &amp; Integrator</td>
<td></td>
</tr>
<tr>
<td></td>
<td>HR Technology</td>
<td>HR Technology</td>
<td>HR Technology</td>
<td>HR Technology</td>
<td>HR Technology</td>
<td>HR Technology</td>
<td></td>
</tr>
<tr>
<td>Culture</td>
<td>Change</td>
<td>Change</td>
<td>Change</td>
<td>Change</td>
<td>Culture And Change Steward</td>
<td>Change Champion</td>
<td>Change Champion</td>
</tr>
<tr>
<td>Personal</td>
<td>Personal Credibility</td>
<td>Personal Credibility</td>
<td>Personal Credibility</td>
<td>Personal Credibility</td>
<td>Credible Activist</td>
<td>Credible Activist</td>
<td>Credible Activist</td>
</tr>
</tbody>
</table>

(Source: Ulrich et.al., 2016 & RBL, 2016)

The various HR Competencies are briefly described below:

(a) Strategic Positioner

The strategic positioner domain captures the extent to which the HR professional can evaluate both the external and internal business contexts and translate those evaluations into practical insights that help position the organization to be successful. High-performing HR professionals think and act from the outside-in. They are deeply knowledgeable of and able to translate external business trends into...
internal organization decisions and actions. They understand the general business conditions (e.g., social, technological, economic, political, environmental, and demographic trends) that affect their industry and geography. They target and serve key customers of their organization by segmenting customers, knowing customer expectations, and aligning organization actions to meet customer needs. They also co-create their organization’s strategic response to business conditions and customer expectations by helping frame and make strategic and organization choices.

(b) Credible Activist Breakdown

The credible activist domain carries over from prior studies and captures the extent to which HR professionals achieve the trust and respect they need within the organization to be viewed as valued and valuable partners. Effective HR professionals are credible activists. Credibility comes when HR professionals do what they promise, build personal relationships of trust, and can be relied on. Being a trusted advisor helps HR professionals have positive personal relationships. As an activist, HR professionals have a point-of-view, not only about HR activities but about business demands. HR professionals learn how to influence others in a positive way through clear, consistent, and high-impact communications. HR professionals who are credible but not activists are admired but do not have much impact. Those who are activists but not credible may have good ideas but will be ignored. To be credible activists, HR professionals need to be self-aware and committed to building their profession.

(c) Paradox Navigator Breakdown

HR professionals are increasingly asked to maximize ideas and outcomes that may be inherently in opposition with each other. These professionals must constantly manage the paradoxes or tensions that exist in work settings.

(d) Culture and Change Champion Breakdown

HR professionals need to manage both change and culture. By championing the change and culture, HR professionals help make things consistently happen. An effective HR professional creates an effective and strong organization by helping to define and build its organization capabilities. HR professionals should be able to audit
and invest in the creation of organizational capabilities. HR professionals make an organization’s internal capacity for change match the external pace of change. As change champions, HR professionals help make change happen at institutional (changing patterns), initiative (making things happen), and individual (enabling personal change) levels. To make change happen at these three levels, HR professionals play two critical roles in the change process. First, they initiate change (which means they build a case for why change matters), overcome resistance to change, engage key stakeholders in the process of change, and articulate the decisions to start change. Second, they sustain change by institutionalizing change through organizational resources, organization structure, communication, and continual learning. As change champions, HR professionals partner to create organizations that are agile, flexible, responsive, and able to make transformation happen.

(e) Human Capital Curator Breakdown

HR professionals offer integrated and innovative HR solutions for managing people within their organization. These HR practice areas ensure human capital. Effective HR professionals integrate innovative HR practices into unified solutions to business problems. To do so, they must know the latest insights on key HR practice areas related to human capital (talent sourcing, talent development), performance accountability, organization design, and communication. They must also be able to turn these unique HR practice areas into integrated solutions, generally around leadership brand which matches business requirements on a global scale. Effective HR professionals help the collective HR practices to reach the tipping point of high impact on business results by ensuring that HR practices are focused with discipline and consistency on a few but centrally important business issues.

(f) Total Rewards Steward

HR professionals must be able to create total reward systems which include compensation and benefits (financial rewards) as well as meaning from work (non-financial rewards)
(g) **Technology and Media Integrator**

HR professionals must be able to leverage technology and technological tools to support their efforts to create high performing organizations. They also rely on social media to recruit, retain, develop and engage human capital. In recent years, technology has changed the way in which HR people think and do their work. At a basic level, HR professionals need to use technology to more efficiently deliver HR administrative systems like benefits, payroll processing, healthcare costs, and other administrative services. In addition, HR professionals need to use technology to help people stay connected with each other. This means that technology can be used to improve communications, to do administrative work more efficiently, and to connect inside employees to outside customers. An emerging technology trend is using technology as a relationship building tool through social media. Leveraging social media enables the business to position itself for future growth. HR professionals who understand technology will create improved organizational identity outside the company and improve social relationships inside the company. As technology exponents, HR professionals have to access, advocate, analyze, and align technology for information, efficiency, and relationships.

(h) **Analytics Designer and Interpreter**

HR Professionals must be able to use analytics to impact decision making. Analytics goes beyond collecting data and having scorecards to using data to improve business decisions.

(i) **Compliance Manager**

HR Professionals must be able to manage the processes related to compliance by following regulatory guidelines. The compliance function varies by nature of business, sector, size and geographical location.

**2.15 SUMMARY**

The global economic scenario has been fast changing. Scientific and technological advancements have transformed our industrial enterprises. Sophisticated projects aimed at enriching the quality of life and due to this the common man’s
quality of life in society has been on the increase. Communication facilities have shortened the distance between nations and people. People have access to information even from remote corners. Medical advancements have provided relief to innumerable number of sick people all over the country. While one can be legitimately proud of these advancements and developments and these developments have also left behind many unforeseen problems and issues, which are becoming formidable to face. The society appears to be struck with destructive forces. The values are getting further diluted. The cultural backup is losing its strength.

In this backdrop, Strategic Human Resource Management has assumed greater significance. Combining human resource practices, all with a focus on the achievement of organizational goals and objectives, can have a substantial effect on the ultimate success of the organization. The role of HRM is changing as fast as technology and in tune with the changes taking place in the global market place in the place of HRM today organizations have started appreciating the Strategic importance of human Resources. The challenge of HR managers is to keep up to date with the latest HR innovations, technological and legal changes that are taking place globally. Developing an effective HR system that is compatible with organizational strategy is critical for the functioning and success of a firm in the competitive business arena. Indeed, the increasing complexity of contemporary corporate life has elevated the importance of shedding traditional beliefs that were the concerns of personnel managers, and to shape newer mind-sets, proactive attitudes and professional identities, orientations that have placed greater emphasis on the utilization of human resources. In this process, achieving both types of fit is necessary for firms striving for good performance.

Traditionally, the HR department was viewed as an entity that served the role of staffing, compensating and training of personnel. Today these functions are considered to be pragmatic, narrow in scope, and now managerial duties that are less central than the role of the HR manager who embodies softer more important orientations. With the increasing importance of human resources in modern business the management of people is highlighted to be strategic. Hence, it is an interactive process that SHRM and business development will promote each other. Firms engaging in HR development activities are likely to be rewarded by the improvement
of both financial performance and quality of human capital, which in turn, will strengthen those antecedents for achieving better fits, and finally enhancing the competitiveness of the firm. The most recent transition is the shifting from HRM to SHRM. This transition was influenced by the upsurge of globalization during the 1980's, when HRM moved from an ‘administrative’ to ‘strategic’ paradigm. In the 1980s HRM changed dramatically in response to global competition and demands for both cost-efficiency and quality. In this strategic paradigm people are considered an important source of sustainable competitive advantage. This was driven by the need to go beyond the functional administrative role to a more critical role of aligning and matching people with the organizations’ strategies. This is the essence of SHRM and in this way SHRM has a central function in achievement of organizational objectives.