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REVIEW OF LITERATURE
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3.1 INTRODUCTION

From the past few decades, there have been tremendous contributions in literature pertaining to the people management. This chapter gives the insight knowledge of literature through various studies related to Strategic Human Resource Management. Strategic Human Resource Management has presumed significant in the current era of business. It is multidisciplinary in nature and considered as one of the important academic fields of the study which emphasizes on the strategic approach towards organizational perspectives. The chapter has been categorized into three core parts namely, need for literature review, Foreign and Indian studies where the literatures have been reviewed under seven heads and finally concluding remarks with summary of literature review along with research gap. The chapter facilitated to identify the trends and issues from the surveys previously made in the area of Human Resource in general and Strategic Human Resource in particular. Predominantly it facilitated to conclude with the research gap.

3.2 NEED FOR LITERATURE REVIEW

The management of Human Resource in India is need of the day and Government, policy makers and corporates need to pay heed towards this realm of research. Research on Strategic Human Resource Management in Indian perspective can develop new competitive way to manage workforce strategically for competing at global field. Research on Strategic Human Resource Management will generate various strategic alternatives for policy makers, so that they can formulate good strategy to compete for upcoming competitors at global level and development of human resource can easily be prepared according to prior fixed objectives and goals. Thus promoting Strategic Human Resource Management research becomes a tool for carving a niche for India at global level (Shukla and Tripathi, 2009). Documenting and also probing the explanations made in the earlier studies for carrying out the further research, it is imperative to understand that the study in the area of Strategic Human Resource Management would have been incomplete without the proper and effective review of literatures of both foreign and Indian studies. The literature study was made with two objectives. Firstly, to understand the existing body of knowledge in the area and secondly, framing the valid research methodologies, objectives and
research questions for the study. Review of literature basically carried out to provide foundation to the research area not only with the help of analytical or empirical research but also with the non-empirical and narrative evidence.

3.3 FOREIGN STUDIES AND INDIAN STUDIES

Literature review was carried out by considering both Foreign and Indian studies. The sources were obtained from primary, secondary and also tertiary literature. The literature review has been done on the basis of inter linkage about the research area, where the linkage has been categorized into seven specific factors namely (a) Traditional Human Resource Management and Strategic Human Resource Management, (b) Role of Human Resource Professionals, (c) Competencies of Human Resource Professionals, (d) Strategic Recruitment and Selection, (e) Strategic move through Outsourcing, (f) Human Resource challenges and (g) Integration of Human Resource Management with organizational objectives.

3.3 (a) TRADITIONAL HUMAN RESOURCE MANAGEMENT Vs STRATEGIC HUMAN RESOURCE MANAGEMENT


Advancements in the area of Human Resource Management are recently recognized well in the management literature (Boxall, 1992; Schuler and Jackson, 2007). According to Armstrong (1987), the origin of Human Resource Management can be traced from 1950s. He opined that, the significance of the leadership style with more visionary goal oriented and management of organization’s goals alignment with other functional areas was the need of those days. Further, it was thriven by ‘Behavioural Science Movement’, which was directed by Maslow and Herzberg (1960) who stressed on the value concept of Human Resource and were in favor of better quality of worker’s working life. Organizational development movement was
the next movement which was followed by Behavioural Science movement during 1970s. On the other hand, Flamholtz (1974) came out with the new theory termed as Human Resource Accounting which explained that Human Resource is one of the vital assets of any organization.

The developments of Human Resource can be traced with the opinion of Kaufman (2001) who has revealed in his study that the Human Resource departments were under unlimited burden in discharging their duties and sustain for long term. He also opined that Human Resource department gradually started to find solutions for all organizational issues. One among them is making the Human Resource department more strategic, innovative and diversified in their duties. Companies started expecting synergetic role from Human Resource department. Being more strategic, HR managers took initiative to introduce new technologies, innovative techniques by making most of the administrative activities electronic. Human Resource department gradually turning into strategic started to resolve the Human Resource issues and contributed to organizational high performance. Akhtar, Dling and Gloria (2008), in their study examined the validity of strategic human resource management practices and their effects on company performance with sample of 465 Chinese enterprises. Data was collected through two questionnaire surveys among general managers and HRM directors on product or service performance of their companies and a range of strategic HRM practices. The findings indicated that a valid set of strategic HRM practices (training, participation, result oriented appraisals, and internal career opportunities) affect both product or service performance and financial performance. Employment security and job descriptions contribute uniquely to product or service performance, whereas profit sharing contributes uniquely to financial performance. However, Othman (1996) examined the relationship between strategy and HRM practices in the Irish Food Industry. The main focus of the study was to examine the relationship between competitive strategy and HRM practice. The study utilized a sample from the Irish Food Industry. Firms with more than 25 employees were selected for the study that gave a sample of 497 firms. A questionnaire addressing two key areas of HRM practice and strategy was developed and marked to the personnel / human resource managers of all these firms. The findings of the study did not support any of the hypothesis forwarded and suggested that the impact of strategy on HRM
practice is less pervasive. Instead, the evidence showed that when controlled for employment size, none of the strategies associated with HRM practice.

Som (2003) in his working paper describes how innovative HRM practices are being adopted by Indian firms to brace competition in the post liberalization period. He opined about the need for new skills, new policies and innovative HRM practices. The article was based on the case research over a period of 5 years (1997-2002) in 11 large Indian organizations in 9 industries. Each organization a leader in its own industry had undergone extensive restructuring processes to brace itself for the impending competition that has arisen with the phased deregulation of the industries due to liberalization and privatization policy adopted by the Indian Government way back in 1991. The author interviewed numerous manages in each company, analyzed documents provided by the companies and those obtained from public and archival sources. The author kept track of the 11 organizations to record any changes in their business and HRM strategies during the last 5 years. The research focus was to understand the role of HRM strategies during an organizational redesign and performance improvement processes. The adoption of innovative HRM strategies in some of the Indian companies have improved business performance and provided multinational enterprises two important lessons. First Indian corporates are late movers but are fast bracing to competitive pressures. Second Indian firms have now more resources to invest in developing innovative HRM strategies which translates to cost reduction mechanisms, integration of support functions such as information technology, in their work processes, boosting morale of employees and high retention of skilled employees.

Uninterrupted transformation of the company can be brought by Human Resource department, by preparing the workforce of the organization to march with the change and help the organization to adopt the change to cope up with the changing business environment. The journey of Human Resource from transactional to transformational can be created by innovative thinking, accepting new models, Strategic Human Resource practices and inculcating diversified competencies (Kulkarni, 2013). The transformation may happen by implementing Innovative Human Resource Practices (IHRP) which is basically employee centric, more participative and flexible and raises the confidence and commitment level of the
employees. The innovative practices depict how activities can be performed in
different way. Hence Innovative Human Resource practices are those which result
with changed environment and boost up the organization to go innovative (Agarwala,
2002). Adding to the above facts, Lengnick-Hall et.al., (2003) have pointed out that
with the help of his study by collecting perceptions from 196 HR executives and
CEOs that if innovative practices are adopted, then HR professionals can increase
their business networks and have an advantage over its competitors. Hence,
organizations can achieve competitive advantage over its competitors only if they
have ability to lead, cultivate, cherish and enlarge the networks with their key
stakeholders. On the other hand, the evidence of lack of relationship between HRM
practice and the strategies was found from the study of Othman and Ismail (1996)
who undertook an empirical examination of the relationship between HRM practice
and strategy in the service and manufacturing sectors in Malaysia. The study was
based on the assumption that given the certain characteristics of the service firms,
they should develop more strategic HRM practice than manufacturing firms. In the
above study 545 firms from the four industries representing the manufacturing sector
(electronics / electrical, textile, food and plastic) were selected. A total of 367 firms
from the two industries (Banking and Financial Services) representing the service
sector were selected, thus the total number of firms involved in the study were 912.
The findings of the study did not show much support that the HRM practices of
organizations are distinctly related to their strategy. The difference between the
manufacturing and service firms perusing these strategies did not indicate that service
firms exhibited stronger fit between HRM practice and strategy.

Strategic Human Resource Management is not a ‘big company’ issues. Organizations
of all sizes are seeking to maximize their Human Resource investment. It can be
implemented under different types of ownership like state-owned enterprises, Foreign-invested enterprises, Private owned enterprises, etc., (Ngo, Lau &
Foley, 2008) and evidenced that firms with higher levels of Strategic Human
Resource Management receive greater benefit in terms of organizational performance,
regardless of ownership type. It has been revealed from the study by Zue (2005) who
has conducted the study on Private and State owned enterprises in China that, Private
owned enterprises are featured with the ability to respond instantly to the
environmental changes and possess flexibility in their acquisition practices than State
owned enterprises. Yet, they are investing much in Human Resource development and Human Resource systems in order to up bring their market competitiveness which in turn helps them to attract and retain the talented work force.

Business competitiveness is a recurring theme examined by academicians, consultants and practitioners. The frequent and uncertain changes, greater competition between firms, the need for continuous innovations, quality enhancement and cost reduction force companies to face the challenge of improving their competitiveness and consequently their performance (Waiganjo, et al., 2012). This realization has propelled Strategic Human Resource Management as a major field of study (Wright, 2005). Strategic Human Resource Management is related to Human Resource’s alignment with the firm’s strategy and focuses on what a firm does with its human resources. It involves designing and implementing a set of proactive HR policies/practices that ensures that an organization’s human capital contributes to the achievement of its corporate objectives (Wan, et al., 2002). The practices of SHRM such as resourcing, training and development, employee relations and reward management are concerned with how people are employed and managed in organizations so as to achieve competitive advantage through the strategic deployment of a highly committed and capable workforce (Waiganjo, Mukulu & Kahiri, 2012). Ngo, Lau & Foley (2008) substantiated that the use of strategic Human Resource practices is positively related to both financial and operational performance but Strategic Human Resource Management perspective makes evident the importance of human resource practices for organizational performance, such as employee turnover, productivity and financial performance. However, Gilani et al., (2012) highlighted that Human Resource has been considered as a strategic factor in any organization and must be able to cope up with ongoing environmental changes. Strategic Human Resource Management by creating harmony between organization’s general strategies and Human Resource policies and practices, could facilitate the organization to optimize the utilization of opportunities, avert the potential threats and link towards providing competitive advantage. Contradictorily, ineffectiveness of Strategic Human Resource Management was proved by Denise and Christopher (1997) who investigated how human resource strategies are conceived, designed and implemented in organizations as perceived by the managers involved. The data for the study was collected through a questionnaire from 723 managers studying the Open
University MBA programme, Northampton. The study showed that most HR changes are organization wide and are intended to enhance organizational performance and support the achievement of primary business objective. There was a clear board level involvement at initiation and planning stages, the responsibility for implementations was unclear. It appears that organizations were not effective in managing strategic HR change and continued to make the same mistake, despite the availability of theories in the literature.

On the other hand, Strategic Human Resource Management effectiveness significantly reduces employee turnover and increases overall market performance assessment (Richard & Johnson, 2001). Better fit of strategic HR roles with the organizational learning capability lead to better organizational performance (Bhatnagar & Sharma, 2005), whereas effective implementation of key Strategic Human Resource Management practices should be able to bring in higher levels of organizational performance. Different aspects of performance could be affected by different Strategic Human Resource Management variables such as Recruitment, Selection, Training and development, Performance appraisal, etc., (Wan, Ong & Kok, 2002). Sound Human Resource work can contribute to a firm’s performance when it is aligned to business objectives and Human Resource Management practices when strategically implemented could improve organizational productivity and that Strategic Human Resource Management systems may help to sustain corporate future developments (Chiu & Selmer 2011). Organizations by implementing Strategic Human Resource Management can achieve high organizational performance, productivity, long term sustainability and along with that employee relations climate can also be used as a proxy to evaluate how strategically & effectively an organization manages its human resources (Ngo, Lau & Foley, 2008). Organizations by adopting Strategic Human Resource Management can gain competitive advantage too. Competitive advantage model argues that employers have three basic strategic options in order to gain competitive advantages that are cost reduction, quality enhancement and innovation (Waiganjo, Mukulu & Kahiri, 2012).

Massey (1994) explored the reasons as to why Strategic Human Resource Management is a critical issue faced by NHS trusts in U.K. by identifying the risk associated for not taking a strategic approach. Organizations that do not adopt a
A strategic approach are easily recognized as a fragmented and ad-hoc approach to the development and implementation of human resources activities. In those organizations that do not adopt a strategic approach, existing approaches often act as barriers to the implementation of strategy rather than as levers to support or facilitate it, they are at risk of reacting to somebody's agenda. Critically, failure to take up a strategic approach will have implications on costs, efficiency, productivity and quality of the organizations. But if Strategic Human Resource Management is implemented successfully, it can enhance productivity and the effectiveness of organizations (Mullins, 2002). It is expected that the Human Resource functions now a day’s should not be limited to traditional functions and must go beyond delivering services, maintaining records, auditing and needs to spend time as member of management team, doing Strategic Human Resource planning and making contributions to organizational design, strategy development and strategic change (Vijayalakshmi and Natarajan, 2012).

3.3 (b) ROLE OF HR PROFESSIONALS

The studies taken for the review of literature under the head mainly emphasizes on different types of Human Resource role including e-HR and their effects on the business performance.

In order to implement Strategic Human Resource practices (Findlikli, et. al., 2015), the HR managers must have the knowledge of strategic HR role and transform from administrative to strategic. The role of HR manager can be determined by knowing the effects of strategic human resources practices over organizational innovation which may be in terms of exploration of HR Professionals skills, capabilities, creativity and knowledge management capacity. However Woodrow and Guest (2012) have depicted that the HR manager can play their ethical role only when they gain sufficient power which influences their role. On the contrary, if the HR managers possess limited power and lack support from their superiors, it is difficult for them to pursue their ethical objectives and goals. Though their continuous efforts taken to develop new strategic role, still the organizations are failing in implementation of it because the HR managers are still in control of top management in taking decisions related to Human Resource functions.
Shaikh (2008) through his research has found that the HR role which includes strategic partner, administrative expert, employee advisor and change agent play a vital role in increasing organizational performance. All four roles are very important in increasing firm’s performance, however he highlighted that administrative role was found to be more dominant than strategic role which is evidenced by mean value calculated by taking perceptions of HR service providers and employees of IT sector (Bhatnakar and Sharma (2003), Rowley and Bae (2002)) . Human Resource can play the strategic role only when the transformation takes place in Human Resource functions (Ulrich, et.al., 1999). In connection to this, Leda, et.al., (2010) through their study tried to throw a light on the transformation of Human Resource function role in Greek firms due to the usage of internet and technology. Transformation of Human Resource into e-HR has laid to the adoption of new strategies, process and finding new Human Resource issues. e-HR is considered as one of the tool for the transformation of HR role into strategic HR role. Being more strategic in its role e-HR will have an impact on different Human Resource process namely Human Resource planning, acquiring, evaluation, communication, rewarding, etc.,. Technology upgradation can be featured with the following factors such as (i) Technology awareness and organizational culture collaboration between Human Resource and IT were considered as the most critical success factors. (Ulrich, 1997) (ii) Technology plays a prime importance in the usage of time, talent and resource in the fulfillment of Human Resource practices (iii) Technology in Human Resource practices can be considered as one of the tools in reducing the stress between the strategic and administrative role of the HR managers and (iv) It also helps to transform various administrative Human Resource activities into strategic one.

Wright, et.al., (1999) in their study compared HR and line executives’ evaluation of the effectiveness of the HR function in terms of its service delivery, roles and contribution. They conducted survey in 14 organizations and collected response from 44 HR and 59 line executives. The survey indicated that HR executives consistently rated the function higher than line executives and the greatest differences were observed on more important and / or strategic aspects of HR. Execution of HR processes will be effective and efficient if the HR roles are improvised. Dorenbosch et. al., (2006) carried their study among hospital employees and opined that the HR managers role can be divided into operation HR roles namely administrative and
employee champion and Strategic role name strategic partner and change agent. The different HR roles such as operational role, administrative role and strategic role are directly related to the day to day activities which in turn help in the proper and effective guidance and execution of Human Resource policies and procedures. The implementation of these roles depends upon the type of leadership followed by top management whether it is decentralized or centralized in delegating the responsibilities to the HR managers. While considering the globalization effects in his study, Friedman (2007) examined different roles such as strategic role, change agent role and administrative role. He opined that the HR managers should possess organizational and financial knowledge in order to implement or deliver the strategic role. In order to carry out the change agent role the HR manager should communicate and help the other staff to know about the future vision of the firm and HR Manager should frame the policies and procedures that can help employees to achieve the goals of the firm and to increase the employee resistance power.

Being an administrative expert (Khan, 2014), the HR manager should integrate the technical knowledge with the knowledge and activities of Human Resource functions, which in turn may reduce the cost by adding value to the organization. While playing an employee supportive role, the HR manager helps the employees in increasing their commitments and dedication towards organization. By redressing all the issues of employees, the HR manager contributes to the organization effectiveness. To go along with globalization, the HR managers must also target on cultural implication. In order to implement the best Human Resource practices, they must possess the ability to accept and create alignment of different types of culture with the changing business environment. They must also possess the power in order to play a leadership role in better implementation of different cultures. While addressing the issues related to globalization Friedman (2007) has opined that higher the globalization effects, higher will be the number of expatriates and repatriates. The problems associated with expatriates and repatriation may be due to lack of employee resistance, career failures of employees and maintaining/providing safety for employees. By playing strategic role along with employee advocate the HR manager can resolve the above mentioned problems to some extent. It can be assured that inspite of having the negative effect of globalization the organization can still succeed if the Human Resource plays a multiple role by managing each and every aspect of
the globalization leading the company to achieve its long term vision. The other important role (Khan, 2014) played by HR manager is participating in the formulation of strategies and help the other top executives in decision making by which he can be termed as strategic partner as he takes part in corporate strategic planning. Overall better utilization of human asset can be done if the HR performs strategic role.

On the other hand Lawler (2009) in his study revealed that the role of strategic partner varies from one organization to the other and found that it is not followed to full extent. He criticized that HR managers are failing to achieve progress through strategic partner. Long term growth view of the organization may be carried out if the HR plays high role in strategy implementation planning. Being the player of strategic advisor, HR can find new opportunities to cut down the cost and on the other hand contributes to the maximization of revenue. Lopez-Cotarelo (2011) in his study highlighted about the role of line managers. Line managers become partners to HR managers in resolving the administrative issues of employees as well as organizations. They help HR managers in increasing their capacity in fulfilling the Human Resource activities, other departmental activities along with the individual goals. The view of line managers in Human Resource Management has been done in two ways namely micro or functional and macro or strategic. Line managers view Human Resource department as value-adding partner or business partner. Risk related to decision making may be minimized due to the alignment of line managers with HR managers in decision making and may be considered as fruitful for the organization.

Yost et. al., (2011) made an attempt to bring out the idea of building separate systems and programs which may help the HR practitioners to adapt and adjust themselves to the changing demands of the organization. Human Resource intervention with organizational objectives can be considered as one of the strategic move which help both HR practitioners and the organization to achieve their goals. Apart from achievement of goals, the Human Resource intervention may also help in maintaining long term sustainability and growth of the organization. But on the contradictory, it may also lead to vanishing of other factors. Nature of various Human Resource interventions may help the organization to survive gradually and may result in delivering effective Human Resource activities simultaneously by increasing organization’s adaptability to the changing market. The changing role of HR Manager
may have an impact on the role of line managers (Gupta, 2010). Being strategic, technically improving, multiple role player, HR managers may demand the interference of line manager in fulfilling their objectives.

It is identified from the study of Qadeer et. al., (2011) that HR managers and the line managers relationship may be based on the type of HR role, involvement of line managers, HR managers competency level, issues or problems faced by line managers in taking up of HR responsibilities. The way by which HR managers and line managers take care of the issues relating to human resource depicts the HR and line managers’ relationship. There may be intersection of authority and responsibility between Human Resource department and line managers. Nevertheless, changes in responsibilities have an impact on roles and functions of line managers. If the HR manager is playing strategic role then the transformation of the role of line manager will be high. HR managers being strategic will perform out of their routine work which in turn the routine work of HR managers will be transferred to line managers. To perform the new work line managers may require extra skills or knowledge and competencies. HR managers are with the opinion that line managers may find difficult and fight to take up additional Human Resource responsibilities. Contradictory to the view of HR managers, if proper training and sufficient support is provided line managers can perform better in their activities and contribute to the organizational effectiveness. Overall transfer of responsibilities from HR manager to line manager may have both positive and negative impacts.

Type of sector plays a vital role in estimating the strategic planning role of the HR managers. Sheehan and Scafidi (2005) in their study have examined the HR role in public and private sectors. At public sector HR managers will be given strategic role at higher levels of the organization where as in private sector they will be playing the strategic role at lower levels too. However, strategic role played by HR managers can be compared sector wise and based on which improvements or modification can be done in order to utilize the future opportunities. There is no consistency among sector wise about the strategic integration of Human Resource department in organizational issues. The argument about sector is also witnessed by Friedman (2009) from his study that the level of role played by the HR professionals depends upon the type of organizations. In small organizations which may include educational
institutions also (Yaseen, 2013), HR professionals play more administrative role than in large organizations. However, large organizations will be more prepared to accept the change when compared to small organizations. It is also highlighted that public owned profit organizations play more strategic role than private profit organizations. On the contrary, Salleh, et. al., (2015) were with the opinion that in Malaysian government departments, HR Managers are playing more administrative and operational role and in small organization they are playing more strategic role.

It is not only the sector which influences the HR role but also the other functional department managers role like accountants which is witnessed from the study of Windeck, et. al., (2015). Management Accountants are also participating in strategic business decisions and overall strategic business processes. Transformation from the role of financial analysis and reporting to a wide responsibility of various business decisions taking can be termed as management accountant changing into business partner. However, in order to be business partner, management accountant must possess enough power to participate and involve in strategic decision making. Support from top executives and managers should be there in providing power to management accountants. Subsequently, it’s a big challenge for managers to support management accountants. It is evidenced from the study by Srimannarayan (2010) that, the HR managers are principally playing administrative expert and employee champion role and surely play strategic partner and change agent role in future by integrating the Human Resource function towards strategic management. He has witnessed in his study that strategic partner role takes the last priority due to the insufficient participation by the HR managers in defining business strategy process.

Highlighting the today’s role of HR manager, Wiley (1992) has revealed that the role can be categorized into three heads namely strategic process which is termed as consultant, assessor, diagnostician, innovator, catalyst, business partner and cost manager. The second role is of legal aspects which contains auditor/controller, provider and conciliator. Last role is of operational aspects which include fire-fighter, innovative agent, employee advocate, facilitator, policy formulator and consultant. However, Ajayi (2015) recently has undertaken a study on three roles of HR managers based on Ulrich. The three roles are business partner, Human Resource as centers of excellence and lastly Human Resource as shared services. Being business
partner, HR manager closely work with top management in handling strategic issues of the company. Being centers of excellence, HR managers will evidence in bringing up the creativity and innovative ideas into the business to wrestle with various activities of the business. Finally being shared services, he needs to cut down the cost and end up with effective Human Resource function.

When it comes to the Indian context, Bhatnagar and Sharma (2005) empirically analyzed strategic HR roles and organizational learning capability along with the analysis of line and Human Resource firm performance. They investigated whether there was significant difference in the perception of the four strategic HR roles among line and HR managers of public sector units and multinational organizations, and also check the validity of the instrument (Ulrich and Conner, 1996) in Indian conditions. The second aim was to find out the impact of background variables on HR roles and whether HR and line managers differ significantly or not in the perception of these roles. The third aim was to find out whether the nature of technology in which the managers are nested affects these roles. Keeping these objectives in mind their study was designed in two phases. The first was a pilot study where the tool used was tested on four organizations which were purposively chosen and then random sampling was conducted and data was collected from 44 managers. The second phase of research was conducted over 600 managers randomly chosen from nine industrial sectors, selected randomly. They used the human role assessment survey questionnaire (Conner and Ulrich 1996) which was administered on the sample. This questionnaire has 40 items, which have to be rate on a five point likert scale and measures the four rates of Strategic Partner, Administrative Expert, Employee Champion and Change Agent. The business partner (BP) role is the summation of the four roles. This can range between 40 – 20, above 160 is high quality while below 90 is low HR quality. The cronbach alpha for the instrument was found to be 0.97 and this is above the standard 0.70 threshold (Nunnally and Bernstein 1994). The background factors of age, gender, educational level and type of manager was gathered through the questionnaire in their survey research. It was found that there was no difference between the perception of the strategic partner role in PSU and MNC’s between line and HR managers. The quality of this role was found to be of moderate quality as the mean value for PSU was 27.5 and that of MNC was 31.0. This indicated that there was difference and the quality of the role was higher in
MNC. This result is supported by the findings of Ulrich, who stated that firms scoring high in the functional quadrants score low in the strategic quadrants.

The result is also supported by the studies of European countries where this role was emerging as low (Breoster 2002). Kandula (2000) in his study of 59 Indian organizations tested the relationship between strategic response of organizations and worker development and found that there was the low level of involvement of HR professionals in formulation and implementation of strategy. Another finding of the study was that there was a significant difference in the administrative expert role in PSU’s and MNC’s and the role of MNC’s of higher quality than PSU’s. The result is supported by research studies of Sharma (2003), who found that in India, the HR activities mostly have day to day concerns. Similarly Ulrich (1997) found that the administrative expert role at Hewlett Packard was more of a service delivery role. The result of the survey (Saini et.al., 1999) support the earlier finding of functional efficiency, that the HR departments in India had a higher level of sole responsibility for decisions over pay and reward levels (35.9%), industrial relations (29.4%) health and safety (24.8%), recruitment (23%) and workforce expansion and reduction (18.1%). Thus many research studies support the strong functional role of HR. It was also found that there was significant difference between the employee champion role of PSU and MNC. The mean value of this role was found to be highest than the mean value of all the other three roles, both in case of public sectors as well as multinational corporations.

HR managers should be equal partners in the business strategy formulation as representation of Human Resource with the board of directors of the organization, which is not happening in India. Human resource managers in India thus need to transform from personnel to Human resource and should take on more responsibilities with line managers to make the function more strategic. It is normally believed that HR executives are regarded as strategic business partners than CEOs and line managers and the role of HR professionals slowly shifting towards more strategic (Chiu & Selmer, 2011).
3.3 (c) COMPETENCIES OF HR PROFESSIONALS

Surveys carried out from time to time to identify the core competencies of the HR Professionals are addressed under this section. Different types of competencies and their effects on organizational performance are acknowledged.

Incredible innovations and challenges over the years in the organizational environment, creating business leaders and primly in Human Resource practices is demanding the HR Professionals to upgrade themselves and help the organization to achieve their objectives. In this juncture, HR Professionals should possess the core competencies which are very much essential to compete with the changing competitive business market. HR to be called as professional must have dominant set of competencies which is featured by distinctive knowledge and capability Brockbank, et.al., (1999). The competency of HR Professionals can be categorized mainly into Technical or Functional competency, Managerial competency, Conceptual competency and Logical competency. The distinctive capabilities can be attained by having a perceptive about theories, linguistic, reasoning, exploration and very importantly human resource practices and applying them to particular business settings. Nevertheless, Perrin (1991) in collaboration with IBM surveyed 3,000 HR executives, Consultants, Line executives and academicians about a broad range of Human Resource issues. Line executives opined that the most critical Human Resource competency was computer literacy where as Consultants were with the view that anticipation of the effects of the change was the critical one and finally HR executives opined that the vital and critical Human Resource competency was educating and influencing line managers.

Findikli, et. al., (2015) in their study opined about the improvements in basic competencies and intellectual assets which can be done only by improving organizational culture and training. Proper management of knowledge and basic competencies is possible only by proper planning of strategic human resource practices. The strengthening of HR role is possible by increasing the competencies of HR professionals and in turn the HR can be more strategic (Thill, et. al.,2014). However, Heneman & Ledford (1998) describing about the competencies of the teachers highlighted that competencies can be defined as noticeable characteristic of the person which includes knowledge, skills and behavior which results in better
performance but cannot be considered as direct indicators of performance. They can also be considered as key controversial aspect as the compensation system depends upon it. On the other hand Yeung et.al., (1996) have identified the future Human Resource competencies in four areas namely leadership, HR expertise, Consulting and Core competencies related to handling of changing business environment.

The importance of competency approach is increasing over the period of time as it is the key for the integration and alignment of Human Resource activities with the organizational goals and creating the strategic leaders (Jarvalt et. al., 2002). Various studies have taken place regarding HR Professionals competencies from period to period. The sixth round of Global Human Resource Competency survey has been undertaken by RBL Group in collaboration with Ross School of Business, University of Michigan and HR Professional association partners in 2012. They surveyed 20,000 individuals and ended up with the six HR Professional competencies and recently the study taken up by the same group has resulted with nine competencies as seventh round of global research which has been announced in their Human Resource Competency Conference in 2016. On the other hand Society for Human Resource Management has also declared the core competencies for HR Professionals by surveying 32,000 samples in 2012 as well. They identified nine competencies among which competency of being consultant as HR service provider was also included. Center for Advanced Human Resource Studies along with Cornell ILR School have discovered five Human Resource competencies such as business acumen, functional expertise, strategic HR, contextual expertise and capabilities. Nevertheless, South Africa Board for People Practices has resulted with South African Human Resource competency model in 2012 with five competencies (Bell, et.al., 2006).

It is revealed from the study by Waraich and Bhardwaj (2010) that the term competence and competency differ from each other. The first one is the set of skills and knowledge and the latter is about how those skills are implemented. They have opined that the increasing demand for competency is not only for the existing HR Professionals but should also be there in the new candidates who will be employed in the organizations. The HR Professionals will be succeeded if they acquire competent employees in the organization. Further, Marques, et. al., (2010) have described about
the competency based management where the link has to be created by HR Professionals between the work to be done and competency required for accomplishing the work by employees. Abdullah et. al., in the year 2011 carried out the study with the sample size of 1100 HR practitioners and HR Consultants as respondents in Manufacturing and Service sectors in Malaysia and found that the technical Human Resource competency and behavioral or generic competency was considered to be the most vital competency category on the other hand category of business competency was resulted as insignificant. The other significant competency areas were personal credibility and attributes, talent management, employee compliance. Minor work has been evidenced in context to India related to the development of HR Professional competencies. Consultants are playing the role of business partners who are accepting the job of development of competency model for the organization in order to fill the vacant position (Chouhan and Srivastava, 2014).

3.3 (d) STRATEGIC RECRUITMENT AND SELECTION

The literature reviewed under the head mainly emphasizes on the areas such as trends in recruitment and selection process, difference between recruitment and selection, strategies implemented in recruitment and selection process to procure best talent and cost cutting benefits from strategic recruitment and selection.

Today’s era of fast changing business environment, demands the organizations to pace up with the innovative transition by investing in human resource and its improvements which can fetch long term benefit to the organizations. It has been revealed from the study by Yaseen (2013) that Human Resource Management are the policies and procedures that may directly or indirectly affect employee’s attitude, actions and performance and these practices may bring in well trained and professional Human Resource managers who in turn able to identify best performers and prepare them for better and ultimate leadership position. One of the important and responsible duties of HR Professionals is recruitment and selection which can be strategically termed as acquisition. Saxena (2011) in his thesis on effective recruitment and selection in IT industries in India has opined that one of the critical and fundamental decisions of an organization is bringing a fresh, talented and skilled employee to the family of workforce.
Further Windolf (1986) explored that the vital recruitment strategies that may be beneficial for the business firms are strategy with innovation which tries to invite the talented candidate, employing the candidates with the same qualification, proficient understanding and similar social upbringing to match with the existing employees. The recruitment and selection process what the organization follows have an impact on the attrition of employees (Schneider, 1987). It is the process where applicant and interviewer both take the decisions (Newton, 2006). Adding to the statement Hausknecht et. al.,(2004) have opined that if the applicant shows positive reactions about the recruitment and selection process, then the possibilities of accepting the job offer will be higher. On the contrary Hinkin and Tracey (2000) have highlighted that the organization may incur high cost as employing the right candidate at right time is more expensive because it has to create a huge pool of talented candidates with huge investment on it (Millmore, 2003). One of the measures what the organization can take to overcome from the cost hurdle is to adopt cost cutting recruitment and selection strategies methods. One among which may be considered as outsourcing the recruitment and selection activities to consultants, head hunters, etc. Many times recruiters will end up with the assumption that the behavior and attitude which the employees show during the interview will be continued during the course of work also (Herriot,et. al., 1998).

Evaluating about the perceptions of HR managers regarding Strategic Human Resource Management practices in hotel industry Agbodo-Otinpong (2015) described that effective and strategic recruitment and selection is the most vital part of Strategic Human Resource Management formulation and implementation. On the other hand Snell (1992) considers it as input controlling system. When it is strategically done, the candidates are provided with the practical job promo. The recruitment and selection process are not one and the same instead differ from organization to organization. It is like two sided coin, the activity of which is interdepend on each other. While differentiating about these important facets Beardwell and Wright (2007) have viewed that recruitment is the process of inducing and attracting the potential candidates and constructing the cluster of qualified talented people whereas selection process involves choosing the right talent among the available human resource who has applied for job. However, the effective strategic recruitment and selection process can help the organization to reduce the employee attrition thereby resulting with high organizational performance (McGunnigle and Jameson, 2000). It may also be regarded as one of tools in maintaining sustainability in acquiring competitive advantage. Contradictorily if the
organization is having very poor recruitment and selection process may end up with mismatch of employees which may result in wastage of resources and specifically may have negative effect on financial resources (Saxena, 2011).

The execution of Human resource plans is possible through the strategic recruitment and selection practices. Taken together, recruitment and selection give a key way and the primary channel of sourcing talent to cultivate the Core Competency Pool with the required skills that go for building the business capacities (Sanghi, 2007). If the HR Professionals possess the required core competencies then they can carry out the strategic recruitment and selection which will in turn provide the organization with the right competency talented workforce who will be the key players in building organizations capabilities. This talented workforce will help the organization to result with the effective performance and enrich the value chain of the business. HR experts on the other hand, should figure out how to adjust to the changing environment. The new requests are being set on HR staff specifically to create pioneers and generally to recruit and hold a quality workforce. However, there should be an expansion in workforce execution in the competitive world, thus the pay should be integrated to business strategy. Another vital point is to develop the workforce to reach the goals and objectives of the organization. Few organizations consider all Human Resource activities as strategic whereas others are with the opinion that strategic activities are beyond the daily activities which include, business planning, process management, organizational design, labour relations and change management. In simpler terms being strategic is pinpointing the opportunities. Recruitment function has been identified as one of the strategic activity by Procter and Gamble (Harrison and John, 2013).

3.3 (e) STRATEGIC MOVE THROUGH OUTSOURCING

The review of literature basically related to the origin of outsourcing concept, Human Resource outsourcing and outsourcing as cost cutting strategy have been emphasized under the section.

The origin of the concept outsourcing can be traced with the help of the study by Beregszaszi and Hack-Polay (2012). They opined that, outsourcing is not the new concept and it is having its own beginning from the period of Roman Empire, where
the tax collection activity was outsourced to particular specialized personnel. Hence
the transferring of internal activities to the external personnel has long back history.
However, in the current era, the trend of transferring the part or entire activity of the
organization has been overlooked in strategic terms. So far now it has become a vital
aspect of the market, where the external personnel who receive the outsourced
activities can be termed as business partners. As a result the organization can
immediately get attached to the strategic objectives. During 1990s, the organizations
started believing that they can foster the win in the competitive market by
implementing essential strategies (Prahalad and Hamel, 2003). Numerous
organizations initiated to reengineer, rethink and redesign their processes with the
intention of attaining tremendous enhancements in the core areas of the business such
as quality, speed, cost and service.

The role of Human Resource in current world is increasing at the higher rate
(Singh, 2012). In order to cut down the cost due to inflation, the Human Resource is
moving towards the concept called HRO (Human Resource Outsourcing) as its
strategy in order to increase productivity by mitigating the risk. By implementing this
strategy, Human Resource is outsourcing all its activities or part of it depending upon
the circumstances. On the other hand, it is pointed that increase in outsourcing of
Human Resource activities may fail to build a good and positive relationship between
employees and employer. However, outsourcing of partial Human Resource activities
may reduce the grievances between employees and employer. In the meantime,
(Gupta, 2010) the management of Human Resource role gradually placing pressure on
Human Resource managers to adapt themselves with the changing environment and
the managers need to find a new solution to the problem and thereby reducing the
stress. In order to minimize the pressure, they adopt one of the strategic human
resource activity called as outsourcing. Outsourcing most of the Human Resource
services/activities may result in lessening the burden of Human Resource managers
but on the other hand increases their responsibilities to take up new tasks related to
strategic issues.

The crucial activity which any organization has to take up is conducting ample
analysis of cost-benefit, before adopting the strategy of outsourcing (Lacity, et.al.,
1995). However, there have been tremendous changes in outsourcing. The
outsourcing activity taken up by companies for cost reduction has been recently replaced by flexibility, productivity, foster and innovation in business application development and accessibility towards new skills and technologies (Elmuti, 2004 and Gilley, et.al., 2004). There are two important theories of outsourcing namely Transaction cost economics and Resource based view. Whenever the company takes the decision outsourcing with the intention of reducing the transaction and production cost it is termed as transaction cost. On the other hand if company is viewed in terms of its assets and resources that may be employed in a unique way in order to result with competitive advantage it is resource based view of outsourcing (McIvor, 2008).

Further, Greer (1999) opined that the companies may go for the choice of outsourcing its part or fully Human Resource activities in order to economize, pace up with the rapid growth or decline, due to globalization, increased competition and restructuring of the business. At this stage companies look forward to minimize the cost and on the other hand improve their capabilities to pace up with the futuristic challenges. Outsourcing is one of the key strategic moves which can be opted by the firms in order to achieve competitive advantage. Outsourcing facilitates the organizations to minimize the risk and liability by reducing the cost since the company may not go for hiring specialized expert in all the Human Resource activities. Klaas et. al., (2001) on the contrary have highlighted that outsourcing strategy can be considered as one of the complex issues as the companies may need to prepare themselves in prior to the outsourcing activity in recognizing futuristic problems or hurdles with vendors and also need to find measures to overcome from it. Further, if the HR Professionals do not become consultants and partners to the line and top executives they cannot be considered as the business partners in strategy implementation (Kesler, 1995).

Human Resource are yet responsible for many nonstrategic activities, even though there is an increasing integration of Human Resource function with organizational plans which is evidenced by the study taken up by Bureau of National Affairs (1994). Among the survey made, 85% of the organization’s Human Resource departments were accountable for outplacement of Human Resource record keeping, employee assistance, counselling, employment equity legislation and insurance benefits among which many of them were nonstrategic (Harrison and John, 2013).
3.3 (f) HUMAN RESOURCE CHALLENGES

Under this head, the studies about the challenges faced by Human Resource department with traditional Human Resource practices and also with the implementation of Strategic Human Resource Management have been taken into consideration.

In current era, Human Resource Management practices are not completely linked to the organization strategies but however it is believed that there is a stronger fit between Human Resource Management practice and strategy in manufacturing firms than service firms which is evidenced by Othman and Ismail (1996) on the assumption that with certain given characteristics of the service firms, they should develop more Strategic Human Resource Management practice in service firms than in manufacturing firms. Hence it is necessary to know whether Strategic Human Resource Management effectiveness significantly affects organizational level outcomes and the effective use of human capital on organizational performance which is tested and proved by Richard and Johnson (2001). Strategic Human Resource Management effectiveness significantly reduces employee turnover and increases overall market performance assessment by increasing productivity and financial performance. The firms with effective higher levels of Strategic Human Resource Management practices experience a performance gain which is mainly on turnover. Apart from turnover the other positive effect especially with regard to employee productivity, job satisfaction and commitment (Wan et.al., 2002). On the contrary, Sels, et.al.,(2006) argued that cost-increasing effects may result due to high-performance work practices such as work intensification, stress and job strain. These negative effects in turn may have an effect on employees as well as financial implications for organizations. The adoption of the finest human resource practices may result with high absenteeism, staff turnover which in turn results in high labor cost.

Implementation of Strategic Human Resource Management is also associated with many challenges which is evidenced by Zheng et.al., (2007) in Central Queensland’s coal companies where a number of significant Human Resource Management challenges still remain in the industry like workforce planning and skill training, managing accommodation and shift work, managing safety, managing
contractors and achieving work-life balance. They conducted face to face interviews and surveys to collect the data. Invitations to participate in the study were sent by email to 34 managers in charge of mine site operations, human resources, training, safety and environment and community relations sections of their companies. Eight managers responded and were interviewed. A survey questionnaire was sent to 156 managers employed by mines in central Queensland. The survey was returned by 32 participants, including 6 with incorrect addresses and 3 with incomplete answers. Complete information was provided by 23 participants (16% response rate). The analysis of the data indicated that some degree of strategic human resource management was employed by coal companies. It appeared that the linkage between HRM strategy and organization outcome was less obvious than the linkage between business strategy and organizational outcome. There was a weak link between strategic HRM and business performance in the context of coal industry in central Queensland. This does not support the conventional strategic HRM theories and outcome from empirical studies, which advocate a strong link between strategic HRM and firm performance (Wright and McMahan (1992), Ferris et. al., (1999), Becker, Huselid (1999), Ulrich (2001), Chang and Huang (2005)).

If the linkage between Human Resource Management strategy and organizational outcomes is less than the linkage between business strategy and organizational outcomes, the impact of Human Resource Management strategies on firm performance will not be clearly identified and measured. Complete adoption of Human Resource Management strategies will show more effective in achieving administrative efficiency, cost effectiveness, employee quality and overall operational and innovative capabilities (Zheng et.al., 2007). Apart from the above mentioned variables a set of strategic Human Resource Management practices (training, participation, results-oriented appraisals and internal career opportunities) have positive effect on both product/service performance and financial performance among which employment security and job description contributes uniquely to product/service performance, whereas profit sharing contributes uniquely to financial performance (Akhtar et.al., 2008). On the other hand the adoption of Strategic Human Resource Management may not be the same when we take different types of ownership companies. State owned Enterprises may have lower level adoption of Strategic Human Resource Management than Privately owned and Foreign invested
enterprises (Ngo et al., 2008) with direct and positive effects on financial performance, operational performance and the employee relations climate.

Strategic Human Resource Management adoption will also help the organization to gain competitive advantage which is evidenced by Najia (2008) who examined the role of Strategic Human Resource Management in Jordanian mobile telecommunication industries and their potential sources of creating company competitive advantage. The people will be more committed to their organizations, more satisfied with their jobs and earn more than people who do not learn to fit in with their organizations and if they are well socialized, trained and content with organization they work in are less likely to quit their jobs and more likely to build successful careers within the organizations. In addition to the above mentioned factors, the Strategic Human Resource Practices relate positively to knowledge management capacity, which in turn relate positively to innovation performance. Strategic Human Resource practices work their beneficial effects on innovation performance through the capacity in knowledge acquisition, sharing and application. Knowledge management capacity plays a mediating role between strategic human resource practices and innovation performance (Chen and Huang, 2009).

It is opined by Rucci in the interview taken by Huselid and Becker (1999) that the obstacles to Human Resource playing a high proactive role in the upcoming years are, lack of key economic literary among HR Professionals, taking back their steps to take up new challenges and finally failure to exhibit courage of belief about their values and ethics.

3.3 (g) INTEGRATION OF HUMAN RESOURCE MANAGEMENT WITH ORGANIZATIONAL OBJECTIVES

The need for integration of Human Resource Management with organizational objectives, role of HR competencies in the process, role of HR Professionals in the process and its benefits in gaining competitive advantage, value addition, corporate reputation etc., have been traced out with the help various studies under the head.

Budhwar (2000) evaluated the levels of strategic integration of HRM into the corporate strategy and deployment of responsibility for HRM to line managers in the UK manufacturing sector. The aim of the study was to analyze the scenario of
integration and devolvement in the UK, second to identify and highlight main
determinants that classify organizations into high or low integrated developed ones
and third to present the main perceptions of personnel specialists regarding the two
concepts so as to gain an understanding about the main logic which surrounds these
practices in the UK. The sample for the study was 93 firms having 200 or more
employees from six industries (Food processing, Plastics, Steel, Textiles,
Pharmaceuticals, and Footwear). The level of integration was measured on the basis
of the following four scales.

1) Representation of personnel on the board.
2) Presence of a written personnel policy.
3) Consultation of personnel (from the outset) in the development of corporate
   strategy.
4) Translation of personnel / HR strategy into a clear set of work programmes.

Kulkarni (2013) on the other hand, with the help of Ulrich model has
highlighted the four phases of Human Resource transformation which may result in
the integrity of Human Resource Management activities with the objectives of the
firm. The four phases can be identified when the company and the HR managers
question themselves about the (a) Need for the Human Resource transformation, (b)
Consequences of transformation, (c) Process of Human Resource transformation and
(d) Identifying people responsible for transformation. To end up with an effective
Human Resource transformation in the organization, the HR has to evaluate the
reasons for the above mentioned questions. To find the answers for the above
questions, HR managers must embrace the competencies like leadership skills,
business domain knowledge, logical and reasoning skills, technically sound minded
and to sum up ability to analyze why the integrity of Human Resource Management
with the organizational objectives is necessary.

Stephen and Rodwell (2007), in his study explores the adoption of strategic
human resource management (HRM) by examining the extent of linkages between
HRM and business planning using the Golden and Ramnujam’s (1985) strategic
framework which was given by Stephen in his study. The sample consisted of
Australian organizations from the monopolized statutory PSO’s within the state of
Queensland according to the 1997 official list of corporate public sector organizations (PSO’s). The population consisted of 20 entities operating within diverse industries and geographical locations. A questionnaire was used and respondents were requested to choose one statement in each question which best described the extent of integration between HRM and the business planning (or strategic integration) in the organization before and after corporation. Eleven corporations responded to the survey, representing a response rate of 61 percent. These included five public utilities and six port authorities PSO’s employing a total of 5479 (equivalent full time) employees. HRM department in the 11 PSO's had different sizes, ranging from a minimum one to a maximum of 108 practitioners with a median of 5 practitioners. The findings of the study suggested that corporatization had provided the impetus for the people management function to be more involved in the strategic planning process. Consistent with previous findings in the Queensland public sector, this study had demonstrated that the level of strategic integration in the corporatized PSO's was low. Few PSO's had attained a high level of linkage between people management and the strategic management process. After corporatization there was an overall improvement in the overall level of strategic integration. However, In-Sue Oh, et. al., (2015) have identified how the level of HR managers’ commitment will be affected due to the Human Resource specific human capital. The role of HR managers becomes crucial in making understand the employees about how the various Human Resource activities are integrated with organizational objectives. It is proved that, higher the level of specific Human Resource capital namely education, experience, ideas, expertise, competencies, etc., higher will be the HR managers commitment towards achievement of organizational goals. Chief human resources officers are termed as higher level officers and team members of top management in taking strategic decisions towards the welfare of the organization.

Liao (2005) conducted a study to find out how the alignment of HRM control and business strategy affects firm performance. The data for the study was collected from computer and peripheral equipment industries in Taiwan. This industry was selected as they have similar market structure and they are subjected to similar environmental uncertainty. A sample of 636 firms listed in Taiwan Business Directory having revenue above NT$ 10 million, and each having at least 100 employees. This procedure eliminated the possibility of including very small firms that might not have
formal HRM procedure. The presidents of each firm were contacted to ask for their participation in the study. Each president was mailed a cover letter and a questionnaire designed to assess business strategy, HRM control system, and performance. In total 218 of the 636 presidents returned usable questionnaires (34%). The three measures of business strategy developed by Huang (2001) were used i.e. cost reduction, innovation and quality enhancement. The study used three measures of HRM control developed by Snell (1992) i.e. behavior control, output control and input control. Respondents were asked to compare the performance of their firms with that of the competitors according to four performance indicators i.e. market share, profit growth, return on investment and sales growth.

The study used hierarchical regression analysis in order to isolate the main effects of business strategy and HRM control on performance and to independently assess how each HRM control moderated the relationship between business strategy and performance. It was found that there was significant relationship between business strategies and firm performance. Cost reduction strategy was significant predictor of performance. Innovation strategy had a marginal positive effect on performance. Also behavior control had a significant main effect on performance and input control was also a positive predictor of performance. The results indicated that HRM control does in fact moderate the strategy performance relationship. The interaction of input control and cost reduction was negative for performance, that of behavior control and cost reduction strategy was positive, that of behavior control and innovation strategy was negative, and that of input control and innovation strategy was positive. Overall the findings indicated that firms should be well advised to focus on processes as a basis for HRM particularly if their chief concern is with internal operations and efficiency. Therefore, when firms use cost reduction strategy as a business level strategy and behavior control based HRM methods, performance can be facilitated. In contrast, when firms adopt cost reduction strategy with the emphasis on input control as HRM approach, performance tends to suffer. The interaction between innovation strategy and input control revealed that the highest predicted value of performance was for high innovation strategy with high input controls. However the lowest predicted performance occurred when low innovation strategy combined with low input control. In the interaction between innovation strategy and behavior, the highest predicted value of performance was for low innovation strategy with low
behavior control, and the lowest predicted performance occurred when high innovation strategy combined with high behavior control. These findings reveal that when a firm emphasis innovation strategy, the use of input control will make performance better, when behavior control is emphasized the use of innovation strategy will make the firm performance suffer. However, the researcher argues that strategies are only a means towards an end. Determining how best to implement a strategy require an analysis of what controls are needed to achieve the desired results.

Adding value to the organization can be evidenced by aligning the human strategies with organizational strategies (Maheshwari, 2010). The HR manager can be termed as business partner if he plays the role of integrating Human Resource systems with business strategy, effective and efficient formulation and execution of Human Resource policies and procedures, assuring about continuous employee commitment towards business and finally facilitate both employees and the company to adopt and pace up with changing business environment. The company should not only focus on the quantitative shift of work from HR managers but should also concentrate on qualitative shift. Creating credibility, orientation towards increasing organizational performance, constructing the value for employees and being answerable to all the stakeholders may be considered as the core requisites for becoming HR as strategic. Friedman (2009) has also supported the above mentioned facts by highlighting the role of HR manager and his competencies in building up the corporate reputation. By adding value to the organization in terms of employee competency, corporate culture and other Human Resource activities, the Human Resource department increases the reputation of the business. HR can add value to organization by working together with top management and also by formulating and implementing Strategic Human Resource practices (Wright, et.al., 1995).

Along with increasing the reputation the strategic HR manager can also contribute in creating competitive advantage. Being strategic, HR Manager may come across various hurdles like working towards the expectations of various stakeholders importantly with employees, Government, investors, customers, society, etc., By playing strategic role with the background of organizational vision, mission, values and objectives, HR manager would be able to create employee attributes which in turn creates better products and services, social responsibility and better workplace
environment. The parameters mentioned above can be considered as the reputation quotients along with the other factors like having knowledge towards company vision, leadership and financial performance. (Kulkarni, 2013) HR managers can add value to the organization and may become means to achieve ends by facilitating the business to deal with the employees-related issues like cost management, innovation, mergers, acquisitions, global sourcing and global workforce management.

In order to create and maintain corporate reputation, HR must team up with corporate communication by preparing employees to respond to the public and other stakeholders. Working with leaders, HR manager can frame policies and procedures which in turn help employees to be more professional and ethical in their behavior towards stakeholders. HR Professionals must always be congruent with top management and easily available to the top management so that they can involve HR professional in organizations’ strategic decisions. HR professionals should also assess themselves how their department or their activities influence corporate reputation. They need to create and play a prominent role in integrating their activities with organization’s reputation goals. Employees are considered as valuable resources and this resources can be strengthened by increasing all Human Resource activities and by moving towards strategic oriented (Thill, et. al.,2014). Paradoxically, the Human Resource department if moved towards strategic, will face more challenges namely pressure in cutting down the costs and increasing operational efficiency of the business.

Further Salleh, et. al., (2015) have given contradictory opinion about the relationship of HR professionals’ role and integration of business objectives with Human Resource Management. If the company is lacking to maintain ample skilled, knowledgeable, competent and well proficient human resource, it may have negative effect on company’s performance. They have highlighted in their study that HR Professionals are more promised to their day to day routine activities rather than becoming business partners. If HR Professionals are not playing the role of business partners then they may not be successful in the process of alignment of human resource activities with organizational goals (Zhu, et.al., 2005). However, it has been revealed from the study by Hanif (2011) that if there is an enhancement in technological aspects of organization, Human Resource department may move
towards Human Resource Information System (HRIS) which facilitates the organization to succeed with competitive advantage. It also helps the firms to achieve value addition and help the HR Professionals to be more strategic in future. Finally it facilitates the organization to align its objectives with Human Resource function and smoothen the work. On the other part it is also proved that HRIS implementation is possible only when the Human Resource department people are highly educated, technically sound, experienced and exposed to the innovative environment. HRIS succeeds with digitalization and computerization but it may fail sometimes to help the Human Resource department to take up the futuristic decisions.

3.4 SUMMARY OF LITERATURE REVIEW WITH RESEARCH GAP

The review of various literatures from both foreign and Indian studies resulted in various findings. The following points portray the summary of the entire literature review carried out in seven categories. Each category with its own findings helped the study to find out the research gap and proposed to take up the study.

Section 3.3 (a) Consists the literature reviews related to the journey of Traditional Human Resource Management towards Strategic Human Resource Management. The literature chosen mainly concentrated on the challenges of Traditional Human Resource Management, how the Human Resource departments were forced to take up the new challenges, Innovative Human Resource practices, implementation of Strategic Human Resource Management, benefits of Strategic Human Resource Management in terms of reducing employee turnover and increasing organizational performance. Overall the section focused on the transformation of Human Resource Management.

Section 3.3 (b) Highlighted the literature reviews on Role of Human Resource Professionals. It focused on different types of strategic roles namely, Business partner, Administrative expert, Strategic advisor, etc., Impact of e-HR on Human Resource Professionals role, difficulties in playing Human Resource ethical role, effects of globalization on Human Resource role, relationship between line manager and Human Resource Manager, Problems faced by line managers if Human Resource manager
plays strategic role, Human Resource role in different sectors and role of HR Manager in Strategic management.

Section 3.3 (c) Concentrated on Competencies of Human Resource Professionals by covering the areas namely role of Human Resource Competency in achieving organizational objectives, various types of competencies including functional competency, managerial competency, conceptual competency and logical competency. The literature chosen also covered studies on perceptions of HR executives, Consultants, Line executives, academicians. It also includes role of competency in Strategic Human Resource Management and finally role of competency in accomplishment of business objectives.

Section 3.3 (d) related to the reviews of literature carried out in the stream of Strategic Recruitment and Selection which mainly focused on the new acquisition strategies and new recruitment and selection practices. It also emphasized on the cost effects if the investment made in strategic Recruitment and selection is huge. The other factors on which the review was based on are benefits of effective and strategic Recruitment and Selection in terms of reduction in employee attrition, increasing organizational performance, role of strategic recruitment and selection in bringing core competent employees into the organization and finally how the effective system prepares the employees to help organization to achieve goals and objectives.

Section 3.3 (e) Review done in the area of outsourcing has resulted to opine that it can be considered as one of the strategic moves in reducing the administrative and routine work of Human Resource Manager. The section focused on the benefits of outsourcing the Human Resource activities and on the other hand negative effects in form of failing to build positive relationship and understanding between employee and employer. The review also emphasized on stress reduction among Human Resource Managers, pacing up with the changing environment and globalization, reducing the cost and finally acquiring talented workforce who can match with the future requirements of the company by adopting outsourcing strategy.

Section 3.3 (f) concerned with the literatures which were basically focused on challenges faced by Human Resource Departments internally and externally. The reviews mainly emphasized on the efforts taken by Human Resource Departments to
reduce employee turnover, adopting cost cutting strategies, reducing employee stress and increasing employee productivity. On the other hand it also focused on the negative effects of adopting innovative Human Resource practices in terms of high absenteeism thereby increasing the labour cost. On the whole, it concentrated on the current and future challenges of Human Resource practices as well as Strategic Human Resource practices along with knowledge management.

Section 3.3 (g) is the last section of literature review which emphasized on the integration of Human Resource Management with organizational objectives. The reviews focused on the need for integration of Human Resource Management, professional Human Resource competencies required by Human Resource Managers to take part in the process of integrity, role of employees in integration of Human Resource practices with organizational goals, Strategic role of Human Resource Manager in bringing value addition to the organization and thereby increasing the corporate reputation. It also concentrated on Human Resource Manager and employee relationship with the stakeholders, effects of failing to integrate the Human Resource activities and finally focused on the importance of Human Resource Information System in alignment of Human Resource activities with the corporate strategies and objectives.

With the overview of the above evidenced points from the review of various literatures, it is clear that most of the studies carried out focused on the importance of Strategic Human Resource Management, its effects on the organizational performance, role of Human Resource Managers in Strategic Human Resource Practices, effects of Strategic Human Resource Management on Human Resource executives, line managers and employees, competitive advantage, organization value addition, corporate reputation etc., by taking perceptions with the combination of Human Resource executives, Line managers and employees. Very few studies have been carried out with the combination of taking perceptions of both HR Managers and HR Consultants as Human Resource Professionals in the area of Strategic Human Resource Management in India in general and no study has been carried out specifically in Karnataka by linking Strategic Human Resource Role, Human Resource Competency, Strategic Recruitment and Selection and Integration of Human Resource Management with Organizational objectives. The review of literature also
facilitated to build a conceptual research path which can be considered as model based on the variables where, Integration of Human Resource Management has been considered as dependent variable and the others as independent variables.