Research and practice in the field of Human Resource Management (HRM) are at the crossroads today. Presently, transformations and transitions in the field of HRM are attracting the attention of academicians, practitioners, researchers and others. Through these transformations and transitions, the orientations towards Human Resource (HR) and its management have changed dramatically. Quasi-congruity in research and practice, in the said domain has resulted in considerable maturity of the field coupled with a progression toward methodological and theoretical development. Over the years, the approaches towards HRM have undergone a sea change. The way HR and HRM were perceived is different from the way these are done today. Gone are the days when the main function of HRM that was once viewed as personnel management, was to take care of the “health and happiness” of employees as a “welfare secretary”. The function was confined to carrying out activities of maintenance and record-keeping. Over the years, the field has developed “from being reactive, prescriptive and administrative to being proactive, descriptive and executive” (Budhwar and Khatri, 2001:800). Today, HRM has evolved into a “strategic partner, sharing comparable boardroom status with disciplines such as accounting, marketing, and finance” (Ferris, et al 1999:386). In his book Delivering Results, Ulrich has delineated the emerging paradigm of HR: collaborator in strategy implementation; administrative expertise in the organisation and execution of work; champion for employees; and agent in the perspective of sustained organisational transformation. Actually, many experts
have put forward the argument that human resource management is now “an important, perhaps the most important, determinant of organizational effectiveness” (Devanna, et al., 1982; Schuler, 1990; Perry, 1993). At the same time, some experts have opined that socio-economic factors impel organisations to have increasing reliance on their employees, i.e. their human resources (Tichy, et al., 1982). With the changes in practice of HRM as well as the approach towards the function, which have been reflected in existing literature, there has been a corresponding shift from “atheoretical” nature of HR research to an interdisciplinary perspective encompassing diverse organisational issues (Ferris and Judge, 1991; Wright and McMahan, 1992; Jackson and Schuler, 1995; Ferris et al., 1998). Some contemporary experts have argued that research on HR issues is ineffective unless they are considered under the broader organisational perspective (Zedeck and Casio, 1984). In this perspective, the alignment between broader organisational issues like business strategies and human resource management practices is assuming a significant place in the works of contemporary researchers, worldwide.

A changing paradigm of HRM has been observed since 1980s when experts started to argue that effective human resource management could give organisations a sustainable competitive advantage (Bamberger and Meshoulam, 2000). Since then, the need to “reposition” HR in an overall organisational perspective has been highlighted in existing literature. Contemporary academicians and experts have been highlighting these issues in their writings (Schuler and Jackson, 1987; Pfeffer, 1998; Schuler and Jackson, 2005). Experts have argued that during the late 1980s and early 1990s the alignment of HRM
and business strategy becomes conspicuous (Purcell, 2005). However, some scholars believe that the issue of alignment, has since long, been embedded latently in the works of some primal experts in the field. For example, Taylor considered the issue of aligning an employee with his job as a "technical problem", wherein the role of personnel management became all the more important (Barley and Kunda, 1992). The issue got unfolded with the emergence of a new paradigm in HRM. In this context, Purcell (2005:50) is of the opinion that the convergence between business strategy and HRM got strengthened since the early 2000s and became "startlingly obvious with words like 'innovation', 'knowledge', 'networked', organisational flexibility', 'organisational learning', 'the virtual organisation', 'the knowledge-based firm". Terms and issues like "benchmarking", "outsourcing", and "demands to demonstrate contribution to the bottom line of organizational profitability", "matching people and organization" etc have gained prominence in recent years (Ulrich et al., 1997). An obvious issue that arises in this regard is what factors led to this changed paradigm? In this context, significant environmental challenges and opportunities encompassing globalisation, technological advancement, Information Technology (IT) and the Internet revolution, changes in legal environment, skill shortage, rise of the service sector, changing customers' expectation, sprouting nature of work and organisation, workforce diversities etc. have been influencing HR to embrace a new paradigm. Moreover, organisational challenges encompassing areas of competitive position in terms of cost, quality and core competencies, decentralisation, downsizing and rightsizing, restructuring, prevalence of work-teams, evolving
HR practices in emerging sector and small business, cultural ramifications have shaped the contemporary approach towards HR practices (Gomez-Mejia, 2004). These issues have been manifested and addressed in the research works on HRM. In the light of a new paradigm, HRM has undergone change—formulation of innovative HR practices is a necessity rather than a luxury for many organisations — unprecedented issues like HR being referred to as a “strategic component of competitiveness” and HR function being performed by line managers or outside vendors, exclusion or otherwise of certain HR activities from organisational menus have cropped up in recent times. HRM practices are being examined, designed and redesigned in the light of broader organisational issues like cost, quality, innovation, growth, merger etc (Snell and Bohlander, 2007). In this context, an increasing prevalence of ‘strategy’ and associated terms have been observed in human resource literature and conventional human resource management has largely been substituted by “strategic human resource management” (Nkomo and Ensley, 1999; Mello, 2002). The differences between the two approaches connote “functionally or administratively-oriented activities as opposed to integrated or strategy-driven activities”; “tight division of labor, independence, specialization” vs. “broad, flexible, cross-training, teams”; “bureaucratic-roles, policies, procedures” vs. “organic-flexible, whatever is necessary to succeed” (Perry, 1993; Mello, 2002). The strategic connotation in human resource management theory and practice signifies “attempts to better position human resources within the managerial hierarchy” (Nkomo and Ensley, 1999: 342). Moreover, experts argue that strategic decisions made at the top level of the organisation shape the corporate
strategy and influence human resource management policies and practices of the organisation. (Miller, 1991). It is therefore imperative that the strategic decisions taken at the top level are appropriated supported and aligned with the functional areas like HRM etc. How organisations have pursued this exercise is an area that has been studied at length in developed countries but relevant literature in the perspective of developing countries is scanty, that necessitates the need to study the paradigm empirically.

Presently, organisations have been taking effort to acquire, develop, motivate and maintain the workforce and hence have tried to formulate innovative and unique HR practices as part of their strategic objective of becoming “employer of choice” (Joo and Mclean, 2006). These organisations are endeavouring to outplay their competitors in this context. As Quinn et. al (1990:60) argue “maintainable advantage usually derives from outstanding depth in selected human skills, logistics capabilities, knowledge bases, or other service strengths that competitors cannot reproduce...”. Currently, organisations in India and abroad have been trying to bag awards constituted for this purpose. By becoming an “employer of choice” or by providing a “a great place to work”, organisations are trying to gain competitive advantage by employing extremely “engaged” human resources who forge a sustainable employer-employee relationship (Joo and Mclean, 2006). Through these exercises organisations therefore are able to exhibit better business performance. In the United States, Fortune magazine’s annual list of “100 Best Companies to Work for in America”, Computerworld’s “100 Best Places for IT Professionals to Work”
have been constituted\(^1\). These identified organisations normally have highly “engaged” human resources. An international consulting firm, Hewitt Associates, has been carrying out studies in countries like Australia, Canada, Europe, and Latin America. Recently, Hewitt conducted three pan-Asia studies, Best Employers in Asia, in 2001, 2003, 2005, 2006 and 2007 (www. hewitt.com and www.IndiaPRwire.com). The ‘50 best companies to work for in the UK’ survey is sponsored by the Department of Trade and Industry (DTI) and Learn direct a unit of the University for Industry (UFI) of the UK. Hewitt has announced the Best Employers in India 2007 results wherein 25 companies have been recognised as the best employers in India. They are Aditya Birla Group, Satyam Computer Services Limited, Marriott Hotels India, Eureka Forbes Limited, Cisco Systems (India) Private Limited, Godrej Consumer Products Ltd, Agilent Technologies Ltd, Standard Chartered, Scope International – India, Tata Consultancy Services, Kotak Mahindra Bank Ltd, Wipro BPO, Covansys (India) Private Limited, Ajuba Solutions India Private Limited, Pantaloon Retail India Limited, Text 100 India Pvt. Ltd, Domino's Pizza India Limited, Ford India, Becton Dickinson India Pvt. Ltd, Hardcastle Restaurants Pvt. Ltd, HCL Technologies Ltd- BPO Services, Dr. Reddy's Laboratories Limited, Johnson and Johnson Medical India, GlaxoSmithKline Consumer Healthcare Ltd and C Monsanto India Limited. Similarly the “Great Place to Work” instituted by The Great Place to Work® Institute Inc, tries to “understand what makes a workplace great”\(^2\) and every year in India, a list of

\(^2\)http://www.greatplacetowork.com/gptw/index.php
Great place to work is published in Businessworld magazine. These issues highlight the importance attached to people management aspect within organisations. Further, as the Hewitt announcement states “**Best Employers represent a wide range of industries. Despite this, they all have two things in common- they have aligned their practices with the organization's strategy and goals specific to their industry needs, and have created an environment that produces a positive employee experience and results.**”(IndiaPRwire, 2007:1) This statement once again highlights the importance of understanding the linkage between business strategies and human resource management practices i.e. how organisations have aligned their practices with their respective business strategies.

From what follows from the discussion so far is the fact that there is need to explore into the linkage between broader organisational issue like business strategy and functional issue like HRM practices and following Brockbank (1999), it can be argued that in the present situation, among other things, the challenge for organisations is to link HR to business strategy. This is in turn is intimately related to the emerging paradigm of HRM through the term “strategic human resource management” that signifies among other things, the role of human resource management towards the achievement of business objectives (Schuler, 2000). Research works carried out so far in this area emphasise the formulation of an integrated and a mutually consistent set of HR systems aimed at achieving corporate mission and objectives. In this perspective experts highlight the issue of “fit” or integration between HRM and business strategy of

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an organisation. Among other things, this “fit” is perfect when HR practices support the business strategy and the employees of the organisation have a good understanding of the strategic goals and priorities (Hewitt Associates, 2003). Contemporary literature highlights the fact that the relationship between business strategy and HRM has been first highlighted in the writings of experts like Devanna, et al. (1981). Since then, numerous works both conceptual and empirical have been carried out with divergent as well as convergent opinions, and models have also been proposed. Many of these highlight issues beyond traditional human resource management and bring forth strategic, cross-functional, integrative and alignment issues into sharper focus that are important in relating HRM with broader organisational issues like life cycle, business strategy, competitive strategy etc. (Miles and Snow, 1984; Kerr 1982; Ferris, et al, 1985; Miller and Norbum, 1981; Schuler and Jackson, 1987; Dowling and Schuler, 1990). In this context, experts opine that organisations are required to fit or align HRM practices with their strategic action orientation and that HRM practices must complement one another to support the firm’s business strategy (Schuler and Jackson, 1987a; 1987; Wright, et al. 1994; Bowen and Ostroff 2004). In support of this, experts posit that different sets of HRM practices are related to different business strategies, primarily based on the “contingency” perspective (Colbert, 2004; Schuler and Jackson, 2005). As an illustration, experts argue that business strategy concerning innovation, customer service or cost mimimisation should ideally lead to the formulation of HRM practices that support each of these strategies. This can be better understood in terms of models developed by experts (Schuler and Jackson, 1987). In support of this,
experts are of the opinion: “If, for example, management chooses a competitive strategy of differentiation through product innovation,... The company’s HR practices would therefore need to emphasise... “selecting highly skilled individuals, giving employees more discretion, using minimal controls, making greater investment in human resources, providing more resources for experimentation, allowing and even rewarding failure and appraising performance for its long run implications” – on the other hand if management wants to pursue cost leadership... (the model) suggests designing jobs which are fairly repetitive, training workers as little as is practical, cutting staff numbers to the minimum and rewarding high output and predictable behaviour”, (cited in Boxall and Purcell 2003: 53-4). As an extension of this proposition experts have also advocated the view that HRM systems should mould employee attitudes and behaviour, and the employees’ understanding of the work climate should also be considered (Ferris et al., 1998; Kopelman, et al. 1990).

In the light of the discussion, it can safely be said that there is an urgent academic need to analyse the relationship between business strategies and HRM practices. However, in the opinion of experts, there is a considerable gap between “the rhetoric of SHRM and the reality”. Hence, there is a pressing need to identify this gap and to suggest solutions to reduce it. Continuity and change in the field of HRM have to be tracked in the future research works to be carried out in the field. One of the important ways to understand the continuity and change is to assess how human resource management practices are related to business strategy of an organisation. As previously stated, works on this area are limited and primarily focussed on developed economies. There is ample scope
of understanding the issue in the context of developing economies like India where there has been an increasing trend towards integration with the world economy. This trend can also be observed in a convergence of management practices. It therefore makes sense to integrate the research agenda in the developed economy with that of the emerging economy. Understanding the imperative linkage between business strategies and HRM practices may be one such attempt in the right perspective. The nature of relationship needs to be identified in terms of the strength of association between the two issues from different directions. This will help researchers to identify the intricate issues involved in the process which can add considerable value to existing literature.

In the light of the above, an effort has been taken in this research work to assess the nature of relationship between business strategies and human resource management practices in the Indian perspective. The entire research work has been broken down into two distinct parts. Part I involves an overall analysis of the perspective on the basis of questionnaire survey. Different aspects of the relationship between business strategies and human resource management practices (referred to as BS-HRMP relationship throughout the thesis) have been discussed in details. The strength of association between the two has been identified and the different dimensions of the relationship have been meticulously examined. Furthermore, the nature of BS-HRMP relationship has also been examined in the light of different control situations. Effort has been taken to study how the relationship varies in different control situations. With a view to get a better understanding of BS-HRMP relationship, three organisation-specific studies have been carried out. Apart from understanding
the strategic action orientation of the organisations, the areas of human resource management that are related and support the business strategy have been identified and explained. The opinions of employees have been incorporated in the study to understand how employees perceive the BS-HRMP relationship. Throughout the research work, an effort has been taken to see how the perspective is relevant in varieties of organisations with different degrees of performance.

It can be aptly argued that the present research work will make a significant contribution to existing literature in HRM and related areas. It is expected to open scope for further research in different areas of HRM. The fact that HRM research and more specifically research in the sub-domain of SHRM is in a developing stage in India, makes it imperative to argue that the present research is quite relevant. The results of the research will definitely provide valuable inputs to practitioners ranging from strategist to HR specialists to get an idea about the issues that need to be considered in understanding how HRM can contribute in strategy execution and how it should be configured in the right direction.