

IMPACT OF STRATEGIC HUMAN RESOURCE MANAGEMENT
ON THE PERFORMANCE OF FIRMS: A STUDY OF SERVICE
SECTOR FIRMS IN INDIA

By

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December, 2008

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STATEMENT

This work contained in the thesis entitled “Impact of Strategic Human Resource Management on the Performance of Firms: A Study of Service Sector Firms in India” has been carried out by me under the supervision of Dr. Nachiketa Tripathi, Associate Professor, Department of Humanities and Social Sciences, Indian Institute of Technology Guwahati, India. This work has not been submitted elsewhere for the award of any degree.

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CERTIFICATE

This is to certify that the work contained in the thesis entitled “Impact of Strategic Human Resource Management on the Performance of Firms: A Study of Service Sector Firms in India” by Ajit Kumar Nigam (Roll No.01614101), a student in the department of Humanities & Social Sciences, Indian Institute of Technology Guwahati, for the award of the degree of Doctor of Philosophy was carried out under my supervision. The results embodied in the thesis have not been submitted to any other university or Institute for the award of any degree or diploma.

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**Impact of Strategic Human Resource Management on the Performance of Firms: A
Study of Service Sector Firms in India**

Synopsis

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In the present study an attempt has been made to find out the impact of Strategic Human Resource Management on the performance of firms. The literature review reported in the Chapter 1, is briefly given below:

Models of Human Resource Management:

Various models of Human Resource Management are mentioned here.

(i) The *System Model* conceptualises HRM as a system where knowledge, skills and attitudes and their deployment are the inputs while productivity, satisfaction, turnover, etc. are the outputs and the human resource behaviour is seen as throughput. Firm's strategy influences all the three stages of the system. This theory assigns two roles to HRM viz. competence management and behaviour management (Wright & McMahan, 1992).

(ii) The work of Arthur (1992, 1994) identifies two *HR systems: control vs. commitment*. The origin of this framework flows from McGregor's Theory X and Theory Y models of management. Two approaches for rationalizing these two systems are behaviour models and agency theory.

(iii) *Agency model* has been applied to HRM. Agency relationship occurs whenever one partner in a transaction (the principal) delegate's authority to another (agent) and the welfare of the principal is affected by the choices of the agent (Arrow, 1985; Berle & Means, 1932). The firm is a collection of 'free agents' who cooperate towards achieving organizational goals. The Agency theory explains 'how and when' these agents can be expected to cooperate.

(iii) *Descriptive theories of HRM:* In this group, experts from Harvard Business School (Huselid, 1993; Becker & Huselid, 1998) and Kochan, Katz and McKersie (1986) of

MIT attempted to inter-relate broad areas of HRM and the broad outcomes and followed a systems approach. These models provide a broad classification of the content of HRM and of a range of outcomes; however they fail to provide any test of the relationship between HRM and performance.

(iv) *Normative theories of HRM:* These theories give prescription in the form of 'Best Practices'. Pfeffer (1994, 1995) and Guest (1987) listed practices that will yield higher performance. The central assumption in these theories is that if an integrated set of HRM practices is applied for achieving the normative goals of high commitment with high quality and flexibility, then higher worker performance will result.

(vi) *Strategic theories of HRM:* These theories are primarily concerned with the relationship between a range of possible external contingencies and HRM policy and practices. Hendry & Pettigrew (1990) identified and classified key environmental influences on HRM. They mapped the context (the external environment as well as within the organisation) and explored how HRM adapted to changes in context. The assumption was that good fit would lead to good performance.

Emergence of Strategic Human Resource Management (SHRM):

Strategic Human Resource Management is a new area which finds its place from last two decades.

Strategic HRM is about the relationship between HRM and strategic management in the organisation. Strategic Human Resource Management (SHRM) is the overall direction the organisation wishes to pursue in achieving its objectives through people. SHRM thus covers broad organisational concerns relating to structure, culture, management of change, organisational effectiveness, performance, competence, matching resources to future business requirements and employee development. The technical HRM or the traditional HRM concerns with the regulatory role and functions while the Strategic HRM involves designing and implementing set of internally consistent policies and practices which ensure that firm's human capital contributes to the achievements of its business objectives (Baird & Meshoulam, 1988; Jackson & Schuler, 1995).

The Strategic Human Resource Management approach draws on three dominant modes of theorising.

(i) Universalistic perspective:

A “best practice” approach to SHRM researchers in this group identified practices, which are universally valid and yield results and improve performance (Delaney, Lewin & Inchniowski, 1989; Huselid, 1993, 1995; Osterman, 1994; Pfeffer, 1994; Terpstra & Rozell, 1993).

(ii) Contingency perspective:

Contingency approach believes that HR policies must be consistent with other aspects of the organisation. HR practices if consistent with different strategic positions such practices will improve firm performance (Balkin & Gomez-Mejia, 1987; Begin, 1993; Gomez-Mejia & Balkin, 1992; Schuler & Jackson, 1987).

(iii) Configurational perspective:

This approach argued that Strategic HRM (SHRM) is concerned with the pattern of planned human resource deployment and activities intended to enable an organisation to achieve its goals. In order to be effective HR system, it must be both horizontally and vertically fit, where horizontal fit refers to internal consistency of the organisational HR policies and practices, and vertical fit refers to the congruence of HR system with other organisational characteristics viz. firm strategy, structure, culture etc.

Service Sector and HRM: Human Resource Management attains special importance in Service sector firms. In service sector industries excessive behaviour controls may become irrelevant or even detrimental to work performance. The type of activity requires the application of knowledge, intellectual skills, and strong internal motivation. It also renders many aspects of traditional models (command and control) weak or unable to explain this phenomenon. HRM activities are directly related to the most valuable assets of the organization and hence directly related to the ability of the organization to successfully achieve its goals (Harrigan & Dalmia, 1991; Stewart, 1991). The knowledge and the knowledge worker are not mere supporting units on the production line rather they are the ‘production line’. (Becker & Huselid, 1998; Guest, 1997; Warrick, 1990).

Some important studies: HR practices have significant impact on organisationally relevant performance measures (Huselid, 1995; Arther, 1994). The relationship between some HR practices and organisational performance are contingent on firm strategy (Delery & Doty, 1996). Those firms which used 7 best practices found 1% to 3% of variations in financial performance (Huselid, 1995). HRM will face ceiling effect in building competitive advantage,

which comes from Strategic HRM and not from Technical HRM. The Technical HRM gives limited results in terms of better performance, whereas there is much more meaningful relationship between SHRM and the firms' performance (Huselid, Jackson & Schuler, 1997). The research of Huselid (1995) used concept of high-performance work systems linked to organizational performance. Human Resource managers must therefore align some key organisational practices with business strategy for better performance (Jackson & Schuler, 1995).

Researches in Indian context: There is not much work in Indian context in this area. Some researchers have recently focused on Indian context and tried to see applicability of emerging theories in India (Balasubramanian, 1995; Budhwar & Sparrow, 1997; Sparrow & Budhwar, 1997; Ramaswamy & Schiphorst, 2000; Budhwar & Khatri, 2001). One of the conclusions drawn by the researchers is the context specific nature of HRM. It also showed that a shift is taking place in the pattern of HRM practices in Indian organisations from traditional administrative type to a more strategic and proactive type.

Other relevant variables:

Study of Strategic HRM has to take in to account various other internal and external variables. Based on the literature review, following variables emerged as most relevant to this study:

Business Environment: A firm's business environment is aggregate of all those factors which have impact or potential to have impact on its functioning (Thomson, 1967; Emery & Trist, 1965). The environment has been conceptualised mainly as the suppliers of resources, information, and market. Dess and Beard (1984) reduced these environmental factors into three categories munificence, dynamism and complexity

Business Strategy: Business strategy is the overall direction which firm adopts to achieve its objectives. "Business typologies" or the dimensional approach are the appropriate measures for business strategy where the focus is to understand the relationship with human resource management practices (Hambrick, 1980; Miller & Friesen, 1984; Venkatraman, 1989; Rumelt, 1974; Hofer & Schndel, 1978; Miles & Snow, 1978; Porter, 1980).

Organizational Structure: Organisational structure is created to coordinate work, distribute roles and design reporting systems. Formal rules and procedures lead to increased efficiency, low conflict and hence lower administrative cost (Rukert, Walker & Roerring, 1985). Burn and Stalker (1961) found that firms with highly formal procedure are mechanistic and those

with lesser formal procedures are “organic”. Organic firm, less formalization helps developing rapid awareness and response to competitive and market change and more effective information sharing with reduced time-lag between decision making and action (Miles & Snow, 1984).

Organisational Culture: Organisational culture is sum total of attitudes, beliefs, norms, assumptions etc. which are widely shared by the members of the organisation. The various theories basically fall in two camps or schools. First those who treat organisational culture as a variable, it is something that an organisation has (Schwartz & Davis, 1981; Deal & Kennedy, 1982; Peters & Waterman, 1982). Second view is that ‘Culture is something an organisation is’ (Schein, 1984; Morgan, 1980). Recent literature in organisational culture suggests strong interconnection between culture and organisational effectiveness, between culture and individual commitment, between culture and the preservation of institutional character and transmission of its norms and values (Senge, 1990).

Rationale for the present research:

Firstly, there are gaps in this area of studies so far as taking other attributes of organisation, while linking HR practices with organisational performance is studied. Secondly, there are very few studies that have tested emerging theories and approaches in Indian context as most of the studies are in western organisations. Thirdly, the methodologies adopted in many such studies are focused on HR practices as apparent in organisation rather than capturing the deep-rooted HR Strategy and its linkage with other dependent variables. Finally studies are primarily in manufacturing sector and not much work is available in wide spectrum of service sector industry where human resources is definitely more critical to the performance compared to manufacturing sector.

The main domain of study is therefore the Strategic Human Resource Management, evolving theories and its impact on performance of firms. Within this domain the other sub-domains studied are in the context of Business Environment, Business Strategy, Organisational Culture, and Structure of Organisation.

Research Questions:

1. How Strategic HRM affects performance of firms in service sector?
2. Whether extent of impact of Strategic HRM varies from sector to sector within service sector? Whether influence of strategic HRM is dependent upon the

- ownership? Is there any difference between Private sector and Public sector firms so far as impact of Strategic HRM on Performance is concerned?
3. What is the relative impact of Strategic HRM vis a vis other critical internal and external variables like 'Business Environment', 'Business Strategy', 'Organisational Structure' and 'Organisational Culture' on firms' Performance?
 4. Which of the different streams of theory of Strategic HRM viz. 'Universalistic', 'Contingency' and 'Congruence' are supported in the Indian context?
 5. Whether impact of Strategic HRM is dependent upon the type of Business Strategy and the intensity of focus of Business Strategy adopted by the firms?

Variables:

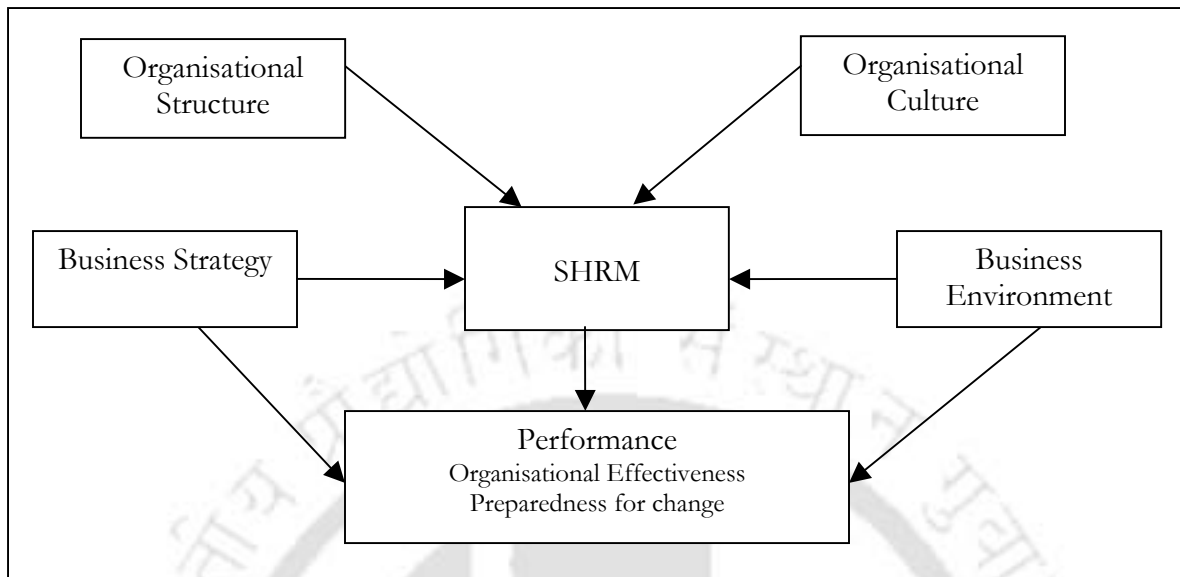
Independent Variables: Strategic Human Resource Management, Business Environment, Business Strategy, Organisational Culture and Organisational Structure

Dependent Variable: Performance (Performance is evaluated through Organisational Effectiveness and Preparedness for Change)

Hypotheses:

- H1 Strategic HRM dimensions will show high positive relationship with effectiveness of the organisations.
- H2 The best practices of HRM systems will have positive impact in all the industry segments and Public and Private sector firms.
- H3 The relationship of SHRM and the performance will vary amongst the sub-sectors both in terms of the extent of impact and also in terms of the composition of factors of SHRM, which influence performance. It will be contingent upon the Business Strategy.
- H4 The horizontal and vertical fit shall lead to better impact on performance. There will be different configurations, which will impact effectiveness in different Business Strategy scenarios.

Framework of the study:



Data collection and Methodology:

Data was collected through two sets of questionnaires. Set one consisted of the instruments for collecting responses on Business Environment, Business Strategy, Organisational Structure and Preparedness to change. Response on this set was collected based on the Key Informants' approach. Responses were obtained from top management and those who were most informed regarding these aspects. Set two consisted of instruments for collecting data for Organisational Culture, HR system orientation, HR capability and Effectiveness.

Data was collected from 25 firms belonging to three segments of service sector viz. Transportation (11 firms), Finance (5 firms) and IT enabled (9 firms). These firms were also both from Public sector (19 firms) and Private sector (6 firms). In all 98 valid responses were obtained on set one and 750 valid responses on set two.

Measures:

Business Environment was measured through instrument designed by Tan and Litschert (1994). Following 6 dimensions were measured - Impact, Munificence, Predictability, Extent of change, Number of factors and Difference. The reliability coefficients for the above factors ranged from 0.70 to 0.84.

Business Strategy was measured through measures as adopted by Venkatraman (1989). However the measure used in this study had modifications as suggested by Tan and

Litschert (1994). Data was collected through a 15 items instrument. The factor analysis of this measure (N=98) resulted in 3 factors Futurity, Analysis and Proactive. The reliability coefficients for the above factors ranged between 0.78 and 0.83.

Organisational Structure was measured by using 9 items instrument as designed by Jennings and Seaman (1994). The factor analysis of this measure (N=98) resulted in 3 factors Formalisation, Complexity, and Stratification. The reliability coefficients for the above factors ranged between 0.50 and 0.65.

Preparedness for Change was measured through an instrument with 10 items which was developed for measuring Preparedness for Change. Factor analysis of this measure (N=98) resulted in 2 factors viz. Radar Capability and Skill Upgradation with reliability coefficient (Cronbach Alpha) as 0.86 and 0.59 respectively.

Organisational Culture was measured as per the dimensions identified by Hofstede (2001). In the present study Hofstede's questionnaire which was used by him for studying national cultural differences has been used. The cultural dimensions which Hofstede used were Uncertainty avoidance (UAI), Power distance (PDI), Individualism vs. Collectivism (IDV), Masculinity vs. Femininity (MAS) and Long term orientation (LTO). Calculation of the dimensions of Culture were carried out using the formulae as used by Hofstede

Strategic HRM was measured by using measurement used by Delery and Doty (1996), to capture HR system orientation. Strategic HRM is also measured in the form of HR capability of the organisation. For this purpose the questionnaire used by Huselid, Jackson and Schuler (1997) was administered.

From the factor analysis of this measure (N=750), 4 factors emerged viz. Participative Decision Making, Internal Orientation, Job Security and Objective Performance Appraisal. The alpha coefficient for these factors ranged between 0.61 and 0.80.

Four dimensions emerged from the factor analysis (N=750) of the questionnaire on HR capabilities viz. Strategic HRM, Technical HRM, Technical HR Capability and Strategic HR capability. The Alpha coefficient of these dimensions ranged between 0.80 and 0.91.

Organisational Effectiveness was measured through the questionnaire developed by Mott (1972), which consists of 8 items and comprise of dimensions like quality, quantity, efficiency, flexibility and adaptability.

Analysis:

Following analyses were conducted: Analyses were carried out at the Intra-Industry wise, Inter-Industry wise (Transport, Finance and IT enabled sectors), Ownership (public and private) and Overall level.

(i) ANOVA was carried out for seeing the differences, at all the levels mentioned above.

(ii) Correlation analysis was used for establishing the relationship between different variables at all the levels as mentioned above.

(iii) Multiple Regression analysis was used for establishing relative impact on the dependent variables.

(iv) Multiple Regressions for the variables of set two was also conducted by dividing firms into High Business Strategy and Low Business Strategy based on composite score on the basis of set one.

(iii) Multiple Regression analysis for the variables of set two by dividing firms into separate groups of High score and low score on all the three dimensions of the Business strategy in set one.

Findings and contributions:

Following major findings emerged from the results of the above-mentioned analysis of data.

All the factors of the Strategic HRM showed high correlation with the dimensions of effectiveness. This supports hypothesis H 1.

Emerging theories of Strategic Human Resource Management have shown three broad approaches viz. Universalistic, Contingency and Configurational approach. Recent studies in this area of work have substantiated universalistic approach. As already reported earlier most of these studies are in the western context and in manufacturing sectors. In the present study the results do not substantiate this approach. The sub-systems of HRM which have been found to universally applicable in earlier studies have not been found universally applicable in the three industries or in Public and Private sector firms in the present study. Thus the hypothesis H2 is not supported by this study.

The contingency theory of Strategic HRM has however been found to be substantiated in the present study. In other words the impact of Strategic HRM is contingent upon the Business Strategy. The alignment of Strategic HRM and the Business strategy lead to higher effectiveness of firms. The impact of Strategic HRM was also found to be contingent upon the intensity of Business Strategy. For high score Business strategy firms, having highly focussed business strategy Participative Decision Making is more significant while in case of the low score Business strategy firms, where intensity of business strategy or the focus business strategy is low, Strategic HRM is strongest predictor. Similarly for different Business strategy type group of firms different predictors emerged as the strongest predictors. For Futurity and Proactive firms Technical HR capability and for Analysis firms Participative decision making are the strongest predictor. These results prove that contingency theory is established in the present study. Thus the hypothesis H3 is supported by this study.

The configurational approach of Strategic HRM theory posits that configuration or the system of internally consistent and externally aligned HRM systems or vertically as well as horizontally fit HRM systems will lead to higher impact on the performance of firms. In the present study also it is established that the impact of Strategic HRM. For different Business strategy group of firms different configuration of Strategic HRM and capability emerged as strongest predictor for the effectiveness. These configurations are also contingent upon the business strategy of firms. These configurations have been discussed in detail in Chapter 3 which supports configurational approach of the theory. This supports the hypothesis H4.

At methodological level this study has contributed by developing an instrument for measuring Preparedness for Change for the organisations. This instrument has 10 items. Factor analysis of this measure (N=98) resulted in 2 factors viz. (1) Radar Capability and (2) Skill Upgradation with Reliability Coefficient (Cronbach alpha) for these factors as 0.86 and 0.59 respectively.

In addition to the above, other findings, which may have very high level of practical relevance for industry as well as contribution to the academic field, are listed below:

1. Small and Medium Enterprises (SMEs) and start-up firms may draw benefit by adopting relevant system of HRM to get high performance and competitiveness. As the findings revealed that at low strategy level there is high impact of SHRM. Generally such

firms ignore Strategic HRM in initial stages of their growth and are led by Technology like in IT sector.

2. Objective Performance Appraisal system has negative impact in Futurity type of organisations on effectiveness. It has great implication for Futurity firms. Objective Performance of Appraisal may assess based on past performance whereas in Futurity type of firms Potential evaluation may be more relevant.
3. The Organisational structure's dimensions have negative impact in most of the situations wherever they are significant. Organisational structure need to be made less complex, stratified and simpler to channelise potential of Human Resources and to make processes simpler for enhancing effectiveness.
5. The job security dimensions of HR system orientation have negative relationship in all situations wherever it is significant.
6. For High score Business strategy firms impact of Strategic HRM is low while for Low score Business strategy firms impact of Strategic HRM is high. High Business Strategy firms need participative decision making to get the strategy implemented.
8. The Strategic HRM policies need to be dynamic and contingent upon the business strategy to attain maximum impact on the effectiveness and competitiveness.
9. The SHRM configurations emerging from this study may make organisations in such sectors competitive and can apply Strategic HRM in most cost effective manner.

Direction for Future Research:

This study has only set direction to test emerging theories in different countries and sectors. The future research may focus on the configurational systems of Strategic HRM which are relevant to other segments of industry also focus on the impact of Strategic HRM on performance in other countries having different cultures and to further test the universalistic approach Strategic HRM theories. The emerging implications for industry need to be tested further.

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CHAPTER 1

Introduction & Literature Review

Since mid 1991, India is passing through tremendous changes due to opening up of economy and liberalisation. The Indian economy has been witnessing dismantling of controls towards a full-fledged market economy. All the major sectors of the economy have witnessed these changes. The structural adjustments and economic reforms lead to substantial changes in economic, legal, social and political environment of a country. The long-term goal of economic reforms is to build a thriving market economy capable of delivering long-term growth in living standards. The core reforms in transition include liberalising prices, markets and new business entry, and implementing programs to regain or preserve price stability. Structural reforms involve fundamental changes. They must go to the micro level of organisations to derive benefit to the society. This makes it a profound social, economic and thus organisational transition (World Development Report, 1996). At micro level, firms have also seen significant variations in their work in the last 15 years. The change in the organisation in all aspects is therefore inevitable. New paradigm of working in organisations is entering in corporate sector in India.

With the reforms setting in gradually, India is facing fast influx of international players and rapid pace of globalisation. While the Indian corporate are finding the speed a bit fast, perhaps much tougher challenges are in the human resource management (HRM) front. The conventional HRM practices are finding themselves inadequate to provide the much-desired edge to the organisation to compete in this fast changing business environment. Need for strategic orientation in human resource management is being felt by the organisations. In India, its need is critical, imperative and urgent due to continuous increase of structural adjustments and globalisation, which is expanding gradually to all sectors and impacting all organisations. India needs to develop its own grass root models of human resource management if India has to compete on equal footing internationally.

Human resource management plays critical role in converting strategic intent into performance. This linkage is more critical in service sector organisation where

dependence of delivery of performance is more on human resources as compared to other resources.

There are various studies, which have explored the linkage between business strategy, environment and organizational structure with performance of organizations (e.g., Guest, 1997). Most of such studies have taken these variables separately and in some cases combination of these variables have been taken. However, there is not much literature on the impact of human resource management strategy on performance barring a few in western contexts (Lengnick-Hall & Lengnick-Hall, 1988; Paauwe & Richardson, 2001). The importance of this linkage is so significant that in spite of best combination of all other variables such as business environment, business strategy and structure, it may not give desired outcome, unless the human resources are equipped and aligned to deliver performance. Thus human resource management strategy becomes one of the most critical components to leverage performance of any organisation and more so for the firms in service sector.

Contemporary models of Human Resource Management

Researchers in HRM have explored two broad themes. Firstly they tried to understand and examine the role and practices of HRM, (Gregorson & Black, 1992; Kobrin, 1988; Early, 1987; Hideo, 1986; Tung, 1981) and in the second stream, researchers studied the process of identifying the linkage between HRM, strategy, structure, and other organizational variables (Schuler, Dowling, & Cieri, 1993; Pucik, 1992; Bartlett & Ghosal, 1990; Hideo, 1986; Hamel & Prahalad, 1985; Welge, 1981; Sim, 1977).

Some studies focused on the external variables which influence HRM viz. influence by society, culture and politics (Hideo, 1986). Hideo (1986) proposes that HR strategy is the function of ideology influenced by environment and HR strategy determines HR practices in organizations.

It would be useful to discuss some of the HRM models, which are relevant in the context of this research work. These models are given below:

The *System Model* conceptualises HRM as a system where knowledge, skills and attitudes are the inputs while productivity, satisfaction, turnover, etc. are the outputs and the human resource behaviour is seen as throughput. Firm strategy influences all the three stages of the system. This theory assigns two roles to HRM viz. competence management and behaviour management (Wright & McMahan, 1992).

The work of Arthur (1992, 1994) identifies two *HR systems: control vs. commitment*. The origin of this framework flows from McGregor's Theory X and Theory Y models of management. As Arthur points out, there are two approaches for rationalizing these two systems i.e. behaviour models and agency theory respectively.

This model has relied upon the earlier developed motivational theories and thus perceives the role of HRM in a limited way as competence management and behavior management. In the present time HRM in organisation is perceived to have much more roles starting from the sheer Technical role which is able to provide higher returns in performance. In knowledge based service industry HRM activities comes closure to the 'production line' since the knowledge worker is the 'production line'. Relevance of this model thus becomes quite limited particularly in the context of service sector.

Similarly the other HR systems model viz. the 'commitment system' is rationalized based on 'agency theory'. Agency model has been applied in the organizational studies. The agency theory posits that relationship occurs whenever one partner in a transaction (the principal) delegate's authority to another (agent) and the welfare of principal is affected by the choice of the agent. The employer and employee relationship is like 'principal' and 'agent'. This theory tries to explain under what circumstances individuals in organisation will conform to the welfare of the principal. The 'welfare' in organisational context refers to the objectives of the organisation while the agent's conformity is based on the design of 'HR systems' within the organization, which are adopted to get commitment of the 'agent' i.e. employees. This theory is able to explain the outcome of the individuals within the organisation and also the role of HRM system even in the case of service sector firms. But it has its limitations in explaining the linkage between performance of firms and HRM as the other dimensions which influence present day firms like external environment, organisational culture and organisational structure are not taken into account.

Another theory is the *Transaction cost theory* (Williamson, 1975), which has also been applied to HRM to explore transactions as a means of controlling employee behaviour (Jones, 1984). Transaction cost approach has also raised the interest of sociologists. They have studied multi-profit centre firms and noted that there are transaction costs within the firms. The theory assumes that transaction or exchange of goods and services occur with individuals' self interest acting as the drives of such transactions. The transaction costs perspective assumes that not the production but the exchange of goods and services is critical and it emphasizes the importance of the structure that governs exchanges. By bringing transactions under the hierarchy of the organisation, behaviour can be monitored through mechanisms such as direct supervision, auditing and other control mechanisms. Behaviour comes under context of the employment contract. Transaction costs are thus reduced or at least controlled by the presence of the hierarchy. Cost of shirking, cost of cheating, task visibility, and information system are among the important variables in this stream of research (Jones, 1984; Jones & Hill, 1988).

Transaction cost theory provides the rationale for controlling behaviour outcome through the hierarchy, distribution of power/authority as envisaged in its organisational structure. This theory thus lays down the importance of structure and hierarchy within the organization to achieve given behaviour outcomes and hence the performance. This theory however does not take into account various other factors which influence the behaviour outcome of individuals which are intrinsic to the person or are dependent on other contingency factors like business environment, strategy, interpersonal relationship, team dynamics, organisational culture of the organisation etc. This theory also does not take into account the basic Technical HRM dimensions which influence individual to contribute in the desired direction to achieve objectives of the organisation.

Another important theory has also been put forward by Walker (1992), which is a useful model for assessing the degree of integration. He suggests that three types of processes are used in developing and implementing HR strategy:

The integration process - in this type of process HR strategy is an integral part of the business strategy, along with all the other functional strategies. HR issues are integral part of continuous deliberations and decision-making along with financial, product-

market and operational issues. The focus is not on downstream matters of HR like staffing, individual performance or development but rather on people related business issues, resource allocation, the implications of internal and external changes and the associated goals, strategies and action plan at the system and environmental level of HR functioning in this type of process.

The aligned process - in this approach, HR strategy is developed together with the distinct outcomes of parallel processes like business strategy, marketing strategy, financial management etc. There is some likelihood that they will influence each other and be adopted as a cohesive or at least an adhesive whole.

The separate process - in this approach a distinct HR plan is prepared. It is prepared, considered and implemented separately from the overall business plan. It may be formulated concurrently with strategic planning, before or following. The environmental assessment is wholly independent. Since the assessment is outside the strategic planning process, consideration of HR strategy depends on a review of the current and past business strategies and not on future strategies. The value of HR strategy is governed by the sufficiency of the business related data. This approach perpetuates the notion of HR as a staff-driven, functionally specialist concern.

Guest (1997), gives three broad categories of general level theory about HRM and a host of emerging theories about particular areas of policy and practice e.g. commitment, performance related pay, quality etc. The three categories of theories are labelled as descriptive theories, normative and strategic theories.

Descriptive theories of HRM

In this group, experts of Harvard Business School (Huselid, 1993; Becker & Huselid, 1998; Kochan, Katz & McKersie, 1986) of MIT attempted to inter-relate broad areas of HRM and the broad outcomes. Kochan et al., (1986) followed a systems approach rather than seeing individual linkages. These models provide a broad classification of the content of HRM and of a range of outcomes; however they fail to provide any test of the relationship between HRM and performance.

Normative theories of HRM

These theories are more prescriptive in their approach. They give prescription in the form of 'best practices'. Pfeffer (1994, 1995) listed 16 and then 13 practices that will yield higher performance. Guest (1987) also listed down the practices. The central assumption in these theories is that if an integrated set of HRM practices is applied with a view to achieving the normative goals of high commitment of the organisation plus high quality and flexibility, then higher worker performance will result. This group of theories ignore the internal characteristic of the organisation and also the cultural and societal factors. These approaches need a much stronger empirical base and theoretical basis (Guest, 1997).

Strategic theories of HRM

These theories are primarily concerned with the relationship between a range of possible external contingencies and HRM policy and practices. Hendry and Pettigrew (1990), in UK, identified and classified key environmental influences on HRM. They mapped the context (the external environment as well as within the organisation) and explored how HRM adapted to changes in context rather than analysing any link to performance. The untested assumption was that good fit would lead to good performance.

Emergence of Strategic Human Resource Management

Strategic HRM finds its place in literature since last two decades. Strategic HRM is about the relationship between HRM and strategic management in the organisation. Strategic human resource management (SHRM) is referred in the literature as the overall direction the organisation wishes to pursue in achieving its objectives through people. SHRM thus covers broad organisational concerns relating to structure, culture, management of change, organisational effectiveness, performance, competence, matching resources to future business requirements and employee development. The technical HRM or the traditional HRM concerns with the regulatory role and functions related with recruitment, selection, performance measurement, training and the administration of compensation and benefits while the strategic HRM involves designing and implementing set of internally consistent policies and practices which ensure that firm's human capital contributes to the achievements of its business objectives (Baird &

Meshoulam, 1988; Jackson & Schuler, 1995). Strategic human resource management (SHRM) has been one of the most rapidly developing areas within human resource management research (Delery & Shaw, 2001).

Wright and Snell's (1989) strategic HRM model deals with 'those HR activities that are used to support the firm's competitive strategy'. In Miller's (1989) model SHRM encompasses those decisions and actions which concern the management of employees at all levels in the business and which is directed towards creating and sustaining competitive advantage. Walker (1992) believed SHRM as the means of aligning the management of human resources with the strategic content of the business and according to Boxall (1994) 'the critical concerns of human resource management are integral to strategic management in any businesses'.

Since the aim of SHRM is to indicate the intentions and plans for utilizing human resources to achieve business objectives, Tyson and Wither (1994) consider that human resource strategies can only be studied in the context of corporate and business strategy. Miller (1989) also believes that it is necessary to ensure that management initiatives in the field of HRM are consistent with an analysis of the product-market situation thereby linking it to business strategy. Guest (1997) has presented a dilemma of whether the 'fit' should be with the business strategy, a set of values about the quality of working life or the stock of human resources, or what?

Armstrong (1999) feels that the key in the research of SHRM is to make operational the concept of 'fit' of HRM with the 'strategic thrust'. It suggests that the link or the fit is one of the most critical aspects of any such study. In most of the above researches it is not studied how SHRM helps to get a superior performance. There is not much evidence, based on solid theoretical grounds to prove how SHRM leads to superior performance. However, Huselid (1995) has recently attempted to put price on the benefits of good HRM.

In USA, the attention was more on classifying types of HR strategy. Miles and Snow (1984) proposed that each of their strategic types of firm will need to adopt a different set of HRM policies and they are reasonably precise about some of the variations. Again the hypothesis was that the firms having fit between the business

strategy, structure and HRM policy and practice would have a superior performance. Similarly Schuler and Jackson (1987) outlined three HRM strategies linked to Porter's (1980) three generic competitive strategies. The majority of work in this segment focused on assessing fit amongst the variables of strategy and HRM with the limited test of hypotheses that good fit would necessarily lead to performance improvements. They are also weak in specifying the process whereby HRM is linked to performance.

The strategic human resource management approach further draws on three dominant modes of theorising. One stream of researchers have adopted "universalistic perspective" and argued for a "best practice" approach to SHRM (Delaney, Lewin, & Inchniowski, 1989; Huselid, 1993, 1995; Osterman, 1994; Pfeffer, 1994; Terpstra & Rozell, 1993). Researchers in this group identified some practices, which are universally valid and yield results and improve performance.

The 'best practices' theory or the 'universalistic approach' lacks in two ways. Firstly, it has not been tested in different countries and cultures, except some recent studies in Japan, Europe, Korea, China and Pakistan, beside very few in Indian contexts. The results of these studies have divergent indications of this theory. Secondly it has taken into account very limited spread of HRM practices which are basic or core to the HR functions. Hence linkage of these practices with performance only connects that higher HR focus would lead to better performance not necessarily due to the fact that organisation follows the best practices tested. Thus this theory is only at the evolving stage and needs testing in both, in different cultures/countries and also in for various other best practices of HRM.

Some critics of the universalistic perspective (Brewster 1999 and Maurice, 1976) claim that it is too simplistic to assume that a certain practice will be equally effective across the industries, situation and different cultural context. However in the light of the strong empirical evidence of the linkage of certain human resource practices with firm performance(Arthur, 1994; Delaney and Huselid, 1996; Delery and Doty, 1996; Huselid, 1995; Huselid, Jackson and Schuler, 1997) the universalistic perspective continues to be the most popular and dominant paradigm of strategic Human Resource Management.

The “contingency perspective” theorist argued that HR policies must be consistent with other aspects of the organisation. They attempted to show that many HR practices are consistent with different strategic positions and how these practices relate to firm performance (Balkin & Gomez-Mejia, 1987; Begin, 1993; Gomez-Mejia & Balkin, 1992; Schuler & Jackson, 1987). The commonest contingency perspective studied by researchers has been firm’s competitive strategy (Arthur, 1992; Huselid, 1994; Hannan, Burton & Baron, 1996). Study in China also supported the SHRM contingency model, which emphasizes that match between firm strategy and firm’s external environment would lead to higher performance (Li, 2003).

Third group of SHRM theorists developed “configurational perspective”. They theorised how the pattern of multiple independent variables are in general related to dependent variable rather than how individual independent variables are related to the dependent variable. They argued that SHRM is concerned with the pattern of planned human resource deployment and activities intended to enable an organisation to achieve its goals. In order to be effective HR system, it must be both horizontally and vertically fit, where horizontal fit refers to internal consistency of the organisational HR policies and practices, and vertical fit refers to the congruence of HR system with other organisational characteristics viz. firm strategy, etc. The ideal configuration would be one with the highest degree of horizontal fit.

Numerous researchers have attempted to develop typology of effective HR systems linked to the performance and firm strategy (Miles & Snow, 1984; Arthur, 1992). Arthur argued that closer an organisation’s HR practices resemble the correct prototypical system the greater the performance gains. There is debate over the relevance of three main theoretical frameworks: universalistic (‘best practices’), contingency and configurational. (Michie & Sheehan, 2005).

Delery and Doty (1996) believes that frequently stated criticism that SHRM lacks solid theoretical foundation is misplaced. They have tested the three dominant modes of SHRM theories as mentioned above. Results strongly supported universalistic perspective and showed some support for both the contingency and configurational perspective. This study proved that three individual HR practices- profit sharing, results-oriented appraisals, and employment security had stronger relationships with financial

performance. The universalistic support for the effectiveness of results oriented appraisal is consistent with agency theory (Eisenhardt, 1998) and transaction cost perspective (Jones & Wright, 1992). The Agency theory posits that basing employee rewards on profits ensures that employee interests are aligned with owner's interests. Results of this study also proved that the banks that were able to align their HR practices with strategy are estimated to have nearly 50 percent higher Return on Assets (ROA) and Return on Equity (ROE) than those whose HR practices were just one standard deviation out of alignment (Delery & Doty, 1996). According to them configurational approach appears to hold promise for SHRM researchers. Additional theory development and testing are necessary to validate the efficacy of the configurational perspective. The researchers in western context alone have tested and validated universalistic approach of SHRM. Its universality is yet to be tested and established in different cultures, including India. The connection between HRM and performance has been extensively researched in the US, very few studies on the subject have been conducted in Europe (Stavrou & Brewster (2005). Brewster, Mayrhofer, and Morley (2004) emphasized the necessity to explore HRM approaches that are indigenous to the EU. This argument is equally or more applicable in the Asian context as the culture contrasts are more significant.

Huselid (1995) and Arthur (1994) showed that HR practices could have significant impact on organisationally relevant performance measures. Delery and Doty's (1996) study is one of the few studies which documented that the relationship between some HR practices and organisational performance are contingent on firm strategy. Huselid (1995) also found 1% to 3% of variations in financial performance for those firms, which used 7 best practices while Delery and Doty's analysis showed 11%, 10% and 6% variations respectively in financial performance through universalistic, contingency and configurational approaches. Human resource managers must therefore align some key organisational practices with business strategy for better performance (Jackson & Schuler, 1995).

Some recent evidences are, however present in literature where researchers have focused on Indian context and tried to see applicability of emerging theories in India (Balasubramanian, 1995; Budhwar & Sparrow, 1997; Sparrow & Budhwar, 1997; Ramaswamy & Schiphorst, 2000). Budhwar and Khatri (2001) have examined

applicability of HRM models in India. For this analysis they have used a classification of 5 types of HRM models viz. Matching, Harvard, Contextual, 5-P Model and the European model (this typology also broadly corresponds to the one adopted by Delery and Doty,1996). Findings of their study are based on the survey of the HR practices in India rather than validating different models in Indian context. One of the conclusions drawn by the researchers is the context specific nature of HRM. It also showed that a shift is taking place in the pattern of HRM practices in Indian organisations from traditional administrative type to a more strategic and proactive type. This is mainly due to the competition created by liberalisation. In this context the need of evaluating various models and approaches becomes more significant. However these studies in Indian context have not tested the emerging theories. Mulla and Premarajan (2008) have studied 100 IT companies through content analysis of Chairman's speeches and Director's report in the annual report to find the range of SHRM practices prevalent in the Indian IT industry. Employee growth, performance management and HR metrics emerged as the key factors. Out of these, performances management significantly correlated with the firm's market performance.

In recent past, a number of studies in SHRM practices in the Indian context (Budhwar & Sparrow, 1997; Budhwar & Sparrow, 2002; Singh, 2003; Sparrow & Budhwar, 1997) have found that alignment of HR practices with business strategy and the extent of integration of HR practices lead to firm performance. (Singh, 2003; Budhwar and Sparrow, 1997). Singh (2003) studied 84 Indian firms from different industries and found significant relationship between strategic HR orientation and firm performance.

One of the most critical challenges faced by researchers is to find a way to evaluate or measure 'link' or 'fit' between SHRM and performance. Guest (1997) used criterion specific and criterion free internal and external fit model to measure this linkage which is most critical for testing and developing theories in this area of research. He considered 'fit' in five different ways viz. 'fit as strategic interaction', 'fit as contingency', 'fit as an ideal set of practices', 'fit as gestalt' and 'fit as bundles'. This construct of 'fit' within and between HRM and other internal and external variables of organisation captures most comprehensive and most critical aspect of research design challenge. It

also simultaneously takes into account the core of all three broad approaches of SHRM theories and thus presents an opportunity to test their validity in any given context.

Theories about linkage between SHRM and performance

“The field of SHRM and particularly the stream of research exploring the relationship between human resource management and performance are still confronted with the fundamental challenge of absence of a theory about linkage of SHRM and performance which is most significant in exploring how SHRM leads to superior performance. The empirical work can be useful in testing, refining and clarifying theoretical issues. But the growing body of empirical data is not cumulative. This is acceptable as we produce initial findings in this young field of research. But we are reaching a point where it might become a major constraint on progress” (Guest, 2001). Similar concern is also shared by other contemporary researchers in this area viz., Huselid and Becker (1996). They identified a number of technical challenges to address in seeking estimates of any link between human resource management and performance.

The underlying assumption is that the behaviour of people in organisations can be influenced by appropriate managerial practices, as there are always some people in the organization who are likely to respond to work environment that provide challenge, autonomy, learning opportunities, and self-control (Brewster, 1993; Hofstede, 1980). Guest (1987) considers HRM as a set of policies designed to maximize organizational integration, employee commitment, flexibility and quality of work. Since human behaviour is influenced by HRM practices, hence HRM practices are used as a lever for directing human behaviour in the desired direction. It is therefore one of the important strategy implementation devices in organizations.

Huselid, Jackson and Schuler (1997) studied the technical and strategic HR management effectiveness as determinants of firm performance. In this study they found that the technical HRM gave better performance but there is a ceiling effect, which constrains the competitive advantage of firms if they do not switch on to SHRM. Huselid, Jackson and Schuler (1997) argued that the technical HRM capabilities are more available in organisations than strategic HRM capabilities. Hence HRM will face ceiling effect in building competitive advantage, which comes from strategic HRM and not from

technical HRM. The technical HRM gives limited results in terms of better performance, whereas there is much more meaningful relationship between SHRM and the firms' performance.

The research of Huselid (1995) used concept of high-performance work systems linked to organizational performance without specifying the theoretical linkages that operationalise his model. Huselid uses turnover, productivity, and financial returns. He does, however, develop one of his scales, as 'employee motivation' comprised of items such as formal performance appraisals, linking performance appraisal (PA) with compensation, and focusing on merit in promotion. He describes this scale as the reinforcing factor that supports the selection and training (competency development) within a firm to enable utilization of its human resources. This is the clear theoretical linkage between the HR practices and the behaviour outcomes. Since performance appraisals seem to be relatively important, a clear agency or game theory conceptualisation is needed of how they lead to behaviour that builds competencies. This is discussed further in this review while strategic management theories and SHRM are examined.

How HRM policy and practice translates into high performance needs an empirically tested and validated theory. Neither the strategic nor the descriptive models of HRM provide much insight into how HRM is linked with performance (Guest, 1997). Also, the literature on the link between strategy and HR remains underdeveloped empirically (Michie & Sheehan, 2005). These theories view HRM only a part of the explanation e.g., strategic HRM theories suggest that when the various subsystems including HRM subsystems are aligned and supporting each other, superior performance is likely. The right people will be in the right place doing the right things. The descriptive model gives more weight to the active role of employees. The assumption is that appropriate HRM practices tap the motivation and commitment of employees. According to Guest (1997), Vroom's expectancy theory (Vroom, 1964) of motivation provides one possible basis for developing a more coherent rationale about the link between HRM practices and performance. Though expectancy theory is concerned primarily with motivation, it also provides a theory about the link between motivation and performance. High performance at individual level depends on high motivation plus possession of necessary skills and abilities and an appropriate role and understanding of

that role by the employees. In short, to specify the HRM practices that encourage high skills and abilities, high motivation, an appropriate role structure and role perception will yield better performance. Since the strength of an individual to prefer a particular outcome depends upon the attractiveness of that outcome, HRM systems particularly reward-punishment, performance appraisal and career progression systems leverage appropriate actions of individuals in an organisation. If HR systems are designed to influence individuals to take all those steps that may help to achieve organisational objectives performance will be better. However, HRM practices are likely to contribute to improved economic performance only when all the three conditions are met i.e., (i) when employees possess knowledge and skills that manager lack (ii) when employees are motivated to apply their skill and knowledge through discretionary effort; and (iii) when the firm's business or production strategy can only be achieved when employees contribute such discretionary effort (MacDuffie, 1995). The contribution of employees is also dependent upon the enabling environment provided to the employees within the organisation. In other words the organisational culture influences the contribution of the employees. Therefore some of these issues are linked with organisational culture (OC). Hence organisational culture also plays important role in converting SHRM into performance. The linkage of SHRM and performance has to take into account other significant organisational factors viz., business strategy, structure and business environment in addition to OC in order to develop or test any theory.

Ownership of firm also plays significant role. There is perceptible difference between Public sector and Private sector firms. Government agencies rarely operate in competitive markets and thus do not develop business strategies in the same sense that private organisations do. And because they function within larger systems of authority, they enjoy the same degree of autonomy that private organisations do to alter their personnel policies or provide performance-based incentives to employees. Given these inherent differences, SHRM cannot be transferred successfully from the private to the public sector without tailoring its design and implementation to the unique characteristics of public organisations. (Tompkins, 2002).

Empirical results of Chinese firms from various industries and region showed that the levels of adoption of SHRM and HR practices were lower in state owned firms than in foreign-invested enterprises and privately owned enterprises. Both SHRM and

HRM were found to have direct and positive effects on financial performance, operational performance and employees' relation climate. They also reported a significant moderating effect of ownership type only for financial performance (Ngo, Lau & Foley, 2008).

Strategy of firm plays a very critical role in deciding its direction. Strategy of firm depends upon the business environment. There are studies to prove that environment influences strategy of firm and strategy influences the structure of organisation (Chandler, 1962). This interaction of environment on strategy and strategy on structure is very significant when we want to study impact of SHRM on performance. This is because link between SHRM and performance must take into account the variables like strategy of firm and impact of structure. From strategy formulation to its implementation, role of human resources of firm and HR strategy are vital. The collective mindsets, attitudes, beliefs are manifested in the form of organisational culture. Thus the practices, policies and systems related with HR, along with structure and organisational culture determine effectiveness of formulation and implementation of strategy. Thus all these variables reflect upon the performance of firm in one way or the other. Zupan and Kase (2005) have found that the link between SHRM and Performance is moderated by the existing power of HR function within the organisation. According to them US/UK model of best practices need modification by adding the factors relevant to the country. In other words the best practices need modification based on the country's environment and the level of HRM practices.

Panayotopoutou, Bourantas and Papalexandris, (2003) have added three more factors to the model viz. competitive strategy, external environment and organisational size. Findings of empirical research in 104 organisations in Greece show that when HRM is consistent with the competitive strategy it has significant effect on financial performance. Similarly the relationship is also contingent upon the external environment. Flexible HRM influence performance positively while control HRM leads to negative influence on performance unless the environment is complex. In complex environment control and internal focus is more effective. This study also supports the contingent theory of SHRM.

MacDuffie (1995) states that 'bundles' of interrelated and internally consistent HR practices, rather than individual practices, are the appropriate unit of analysis for studying the link to performance, because they create the multiple, mutually reinforcing conditions that support employee motivation and skill acquisition.

Using Resource Based view of the firm, Richard and Johnson (2001) examined the impact of effective use of human capital on organisational performance. SHRM effectiveness significantly reduces employee turnover and increases overall market performance assessment.

Study of link of HRM and performance faces another problem. The construct of 'performance' also has multiple interpretations. It is also measured as 'effectiveness', which is a subjective assessment of performance and is used in literature very frequently. Some other constructs used in this regard are related to 'productivity'. Since various stakeholders may consider effectiveness quite differently, many studies therefore include additional measures of effectiveness alongside the more objective financial outcome measures. Guest (1997) used return on investment (ROI) and profit along with productivity, labour turnover, customer complaints, quality and innovation as measure of performance (outcome).

Strategic Management and Strategic Human Resource Management (SHRM)

The strategic management is primarily about the formulation of business strategy. Miller (1989) considered strategic management as 'a market led concept affected by product-market considerations and directed at the achievement of competitive advantage'. Strategy determines the direction in which the enterprise is going in relation to its environment in order to achieve sustainable competitive advantage. It is a declaration of intent that defines the means to achieve ends, and is concerned with the long-term impact on the behaviour and successes of the organisation. Strategic management operates at two primary levels viz. corporate strategy and business strategy.

Strategy formulation is not necessarily a rational and continuous process. Mintzberg (1978) pointed out that rather than being consciously and systematically developed, in practice 'a realized strategy can emerge in response to an evolving

situation', and the strategic planner is often 'a pattern organiser, a learner if you like, who manages a process in which strategies and visions can emerge as well as be deliberately conceived'. Strategy develops as a pattern in a stream of activities. Strategy formulation is 'about preferences, choices and matches' rather than 'exercise in applied logic'. All strategy exists in the minds of those people on whom they make an impact. So people in organisation share the same. To understand how intentions become shared, and how actions are exercised on a collective yet consistent basis, HRM is very closely linked to process of strategy formulation and its implementation.

Some of the strategic management theories are applied to SHRM to explain and predict HR outcomes. Agency theory is one of them. Agency theory developed in the 1920s from economic models of risk and decision sharing arrangements. Fundamentally, agency has been described as any situation where authority is delegated with a resulting separation of risk taking from decision-making. It has been discussed in organizational studies since the 1920s. Isaac (1924) discussed the issue of agency (literally hiring someone to be a selling agent vs. a salaried distributor) of a manufacturer's goods. Agency (as a contractual agreement) allows for a continuous variety of conditions that can satisfy both parties and lead to more optimal solutions than no contract (trust relationship) or formal hierarchy (control system). One typology of these is described in Ouchi's (1980) characterization of organizational forms as bureaucracies, hierarchies and clans.

Agency applications in organizational studies focused for many years on the owner-manager interface, particularly, stock holders vs. professional managers (Berle & Means, 1932). Agency relationship occurs whenever one partner in a transaction (the principal) delegate's authority to another (agent) and the welfare of the principal is affected by the choices of the agent (Arrow, 1985).

At the operational level, the firm is a collection of free agents who voluntarily agree to cooperate towards achieving organizational goals. At this level agency theory has much to offer in explaining how and when these agents can be expected to cooperate. The model is applied to predict the conditions under which knowledge sharing and cooperation will occur.

In service sector industries one of the practical implications for Human Resource Management (HRM) is that behaviour controls may be irrelevant or even detrimental to work performance. The type of activity, necessary for success, requires the application of knowledge, intellectual skills, and strong internal motivation. Office hours, work reports, supervision, and in general most kinds of behavioural systems become secondary to work in today's knowledge-intensive service sector companies. There seems to be an assumed strong connection between the high incentives (stock options, etc.) and the willingness to make sacrifices to perform and deliver service. The knowledge and willingness component of the service sector firms makes the management of the human resources much more salient to the formulation of strategy and ultimate success of the venture, but it also renders many aspects of traditional models weak or unable to explain this phenomenon.

In knowledge based service-sector organisations HRM activities have moved closer to the "production line" as the production or output is within the confines of the human skills of the organization. HRM activities are no longer peripheral staff items of interest; they are directly related to the most valuable assets of the organization and hence directly related to the ability of the organization to successfully achieve its goals (Harrigan & Dalmia, 1991; Stewart, 1991). Another way of looking at this transformation is that knowledge workers are much more an integral part of their work rather than implements of the work process. Their designs, thoughts, insights and delivery are the raw materials used in creating a piece of knowledge work, similar to craftsmen. This is the same trend that has impacted manufacturing to move from "mindless" assembly line structures to "mindful" work groups and high-performance work systems (Becker & Huselid, 1998; Guest, 1997; Warrick, 1990). The knowledge and the knowledge worker are not supporting units on the production line rather they are the production line. In supporting knowledge work systems and high-performance work designs, HRM becomes an important value-added organizational function directly involved in the production process.

Khilji (2005) focused upon the service industry in Pakistan, as most of the studies were in manufacturing sector, to develop a broader understanding of SHRM implications. Even though the HR – performance relationship has been studied in North America, East Asia and Europe, research is needed to test the portability of the

fundamental premises into other parts of the world, especially since the question of whether HRM can improve competitive advantage in an international context is fiercely debated. This is quite important given intense globalization activities causing some convergence of management practices yet, at the same time, a minimal cross-pollination across groups of scholars firmly holding on to the diverge belief arguing that studies conducted in one country/region may be irrelevant in another due to institutional and cultural differences.

To produce economic gain from its knowledge resources (i.e., its human capital), an organization must leverage its knowledge effectively and efficiently into knowledge-based products of value in the marketplace. The shift to knowledge as the critical organizational resource has led to an increased awareness of the human capital of an organization (Becker & Huselid, 1998). The focus on a firm's human capital has in turn pushed HRM researchers to seek explicit connections between activities of HRM and economic organizational outcomes. Much of the strategic human resource management (SHRM) research attempts to connect HRM and firm outcomes by leaping over intervening mechanisms between HRM and knowledge production processes.

A weakness of SHRM models is the lack of explanatory power for the linkages. In other words, researchers have neglected to specify through what mechanisms HRM affects organizational performance. Rogers and Wright (1998) suggested the development of a construct for knowledge utilization as a mediating variable in the link between HRM and organizational performance. Knowledge utilization was defined as the capability to transform knowledge through knowledge sharing, integration, and application into products of economic value. Measures for such a construct still need to be developed but to use HR for competitive advantage; the input and outputs of human capital must be measurable.

Much of the recent work in SHRM has attempted to define ways to specify and quantify knowledge work. Recent books related to SHRM research have mainly revolved around three related approaches: (1) intellectual capital, measuring and managing what the organization knows, treating the knowledge as a valuable corporate asset (Edvinsson & Malone, 1997); (2) knowledge sharing as an organizational culture attribute (Leonard-Barton, 1995; Nonaka & Takeuchi, 1995); and (3) human capital theory as an

augmentation to the resource based View (RBV) of the firm and a basis for competitive advantage (Barney, 1991; Wright & McMahan, 1992). SHRM has attempted to explain HRM configurations, bundles, or contingencies in terms of human resource activities that enhance human or intellectual capital development and/or leverage human resources toward competitive advantage by aligning the functional activities and policies with organizational strategies. In other words, an SHRM implementation would result in an increase of measured intellectual capital, an improvement in the knowledge sharing culture index, and/or an enhancement in the human capital resource base.

Another human resource management approach to strategy takes into account resource based view (RBV). This states that sustainable competitive advantage stems from unique bundles of resources that competitors cannot imitate. These resources primarily consist of human capital. Strategic management has to be concerned with identifying, acquiring, maintaining and developing this resource.

According to the resource-based view (RBV), internal firm resources that are rare, valuable, inimitable and non-substitutable can provide sources of sustainable competitive advantages (Barney, 1991). Human resource practices that meet these criteria are such a source (Wright & McMahan, 1992) and thus enhance organisational performance. The RBV has been instrumental in developing the notion of SHRM or the exploration of HR's role in supporting business strategy (Wright, Dunford, & Snell, 2001).

Strategy literature based on resource-based view of firms views HRM as a resource of sustained competitive advantage (Wright & McMahan, 1992). Human resources by nature are inimitable. They add value to the organization and are difficult to be substituted. This view of HRM is gaining significance in literature and practice (Barney, 1992). The field of SHRM has drawn heavily on the RBV to make a case for including human resources in that determination. Thus, SHRM models argue that the human resources (both people and HR structures) are necessary for firm success (Barney & Wright, 1998). The RBV took off in organizational research with Wernerfelt's (1984) paper arguing how resources could be strategically analysed within the Porter's (1979) five forces model much the way products and markets were analysed. Despite this early success and now wide citation in the SHRM literature, the problem with the RBV is that

it has not been operationalised with constructs into a clear predictive model. Rather, it is still a descriptive formula for increasing the likelihood of a desired outcome (usually expressed as sustained competitive advantage).

The RBV is useful because it is a concept that allows the joint application of theory from economics and strategy to be applied within organizational behaviour (Wright, Dunford & Snell, 2001). The RBV provides a paradigm in which to think about the structure and relationship of the firm and within which other theories can be successfully operationalised for empirical research. The RBV takes the discussion of the firm from the societal level to the individual firm level and adds the element of human resources as determinants of the production function.

Above discussion and review of literature of SHRM therefore supports the assumption that SHRM and its impact on performance has to be studied in the context of Strategic Management and other external and organisational attributes viz. Business Environment, Business Strategy, Structure and Culture if we have to search for, evolve or test theories about how and in what conditions SHRM helps organisation to get their objectives met through better performance of their Human resources.

Business Environment

A firm's environment is aggregate of all those factors which have impact or potential to have impact on its functioning (Thomson, 1967; Emery & Trist, 1965). The environment has been conceptualised mainly as the suppliers of resources, information, and market. Some organisational theorists have operationalised it as physical and social factors outside the boundary of the firm which are relevant and potentially relevant to its goal setting and directly taken into consideration in the decision making behaviour of managers (Ray, 1997). These factors are remote to the organisation and have indirect bearing on performance hence ignored by various researchers. These factors are also too far away to measure if taken in the broader perspective as socio, economic and regulatory environment.

Dess and Beard (1984) reduced these environmental factors into three categories munificence, dynamism and complexity. This has subsequently become most widely

accepted classification of environmental attributes. These dimensions capture the level of resources available in an environment, stability and predictability of an environment and degree to which it becomes difficult for the organisations to comprehend the trends in an environment.

Munificence is governed by the presence of various resources in the environment and the competition among firms for those resources. There are three sub dimensions of munificence suggested in the literature. These are environmental capacity i.e. resource availability, potential for growth i.e. relative change in capacity and opportunity/threat, i.e. extent to which capacity is unexploited. Some researchers have used opposite of munificence i.e. hostility as a dimension to measure these attributes of environment. This has been measured by the degree of threat to the organisation posed by the multifaceted, vigour and intensity of competition (Khandwalla, 1977).

Dynamism can stem from changes in the market patterns or technology and is characterised by the rate of change and innovation in the industry as well as the uncertainty and unpredictability of the competitors and customers (Child, 1972; Lawrence & Lorsch, 1967; Thomson, 1967)

Complexity refers to the components, which is caused by the variations among the organisation's market that require diversity in production and marketing orientation. Restrictiveness of environment is another factor related to complexity it refers to the presence of legal, regulatory, social and financial constraints in the environment (Khandwalla, 1977; Chandler, 1962; Porter, 1980).

Various researchers have used these dimensions in different ways and have adopted them with modifications to suit their context of research. Ray (1997) adopted Dess and Beard's (1984) dimensions as munificence with sub-dimensions as business opportunity and resource availability; power of market forces with sub-dimensions as bargaining power of customers, intensity of competition and intensity of regulation; environmental efficiency with sub-dimensions as infrastructure and institutional efficiency.

Business Strategy

Various alternative approaches have been adopted to measure strategy (Venkatraman, 1989). Andrews (1971) adopts the narrative approach to business strategy. Such approach to business strategy has a role for conceptual developments, but it has limited application for testing theory (Venkatraman, 1989).

The general requirement of co-alignment between environment and strategy is understood implicitly (Andrew, 1980; Bourgeois, 1980; Porter, 1980; Miles & Snow, 1978) rather than in explicit functional forms. Thus theoreticians postulate environment-strategy relationships using phrases such as- 'matched with', 'contingent upon', and 'congruent with' or more simply 'aligned', 'fit' and 'congruence', without necessarily providing precise guidelines for translating such statements into the operational domain of empirical research and statistical tests. Consequently, strategy researchers performing empirical test of the impact of environment-strategy co-alignment choose an available (often convenient) functional form and perform statistical tests without examining the validity of the underlying assumptions. Since different conceptualizations imply different theoretical meanings and require the use of specific statistical testing schemes, a general lack of correspondence between the conceptualization of co-alignment and its empirical tests is a serious weakness in strategy research.

The other approach for description of strategy has been classificatory approach, more popularly known as "business typologies" (Rumelt, 1974; Hofer & Schendel, 1978; Miles & Snow, 1978; Porter, 1980). These typologies are rooted in a set of classificatory dimensions or conceptual criteria (Venkatraman, 1989).

The third approach to measure business strategy has been to identify its dimensions. Hence the focus is less on classifying the firm based on business strategy but on measuring the differences along a set of characteristics that collectively describe the business strategy construct (Hambrick, 1980; Miller & Friesen, 1984; Venkatraman, 1989). The dimensional approach is an appropriate measure for business strategy where the focus is to understand the relationship with human resource management practices. Pearson (1992) also adopted the dimensional approach and identified five dimensions viz. strategic direction, external communication, long term orientation, core competence

and customer focus and plotted them against the five dimensions of organisational culture to evaluate their competitiveness.

Venkatraman (1989) identified five dimensions for business strategy; a) analysis, b) defensiveness, c) futurity, d) proactiveness, and e) riskiness. Venkatraman (1989) adopted fifteen-item scale to measure business strategy. Tan and Litschert (1994) combined proactiveness, futurity and riskiness into one dimension. Finally three strategic orientation dimensions were obtained – proactiveness, analysis and defensiveness.

Organizational Structure

Organisational structure is created to coordinate work, distribute roles and design reporting systems. Mintzberg (1981) observed that organizational structure is “how that coordination is achieved - by whom and with what – dictates what the organization will look like”. Walker and Ruekert (1987) hypothesised that the firms that follow different business strategies adopt different structural designs. They have also demonstrated that different organization characteristics are appropriate for different business strategies. Structure of the organization is also likely to influence compensation, performance appraisal, and staffing practices. Influence of organizational structure of the firm on HRM practices is widely discussed in literature (Chandler, 1962; Miller, 1989).

The different types of structures are primarily defined by three structural concepts. These three concepts are formalization, centralization and specialization and these are commonly used structural concepts in various studies. Formalisation is the degree to which formal rules and procedures govern decisions and working relationship. Rules enable people to organize their activities and provide means for adopting appropriate behaviour within the organization.

Formal rules and procedures lead to increased efficiency, low conflict and hence lower administrative cost. (Ruekert, Walker & Roering, 1985). In a stable environment or for those staff which are operatively simple or repetitive formalization improves efficiency (Olson, Walker, & Ruekert 1995). Burn and Stalker (1961) found that firms with highly formal procedure are mechanistic and those with lesser formal procedures are “organic”. The organic firm encourage horizontal and vertical communication and

flexible roles. In organic firm, less formalization helps in developing rapid awareness and response to competitive and market change and more effective information sharing with reduced time-lag between decision making and action (Miles & Snow, 1984). In the formalized structure of organisation the emphasis is more likely to be on socialization of managers as against training for the current job or preventing obsolescence

Centralisation refers to whether decision authority is closely held by top managers or is delegated to lower levels. Lines of communication and responsibilities are relatively clear in centralized organization. This benefit is primarily realized in stable and non complex environment (Walker & Ruekert, 1987). However, decentralized organization produces more new ideas and more actual programme changes than a centralized organization (Ullrich & Wieland, 1980). Non routine tasks in a complex environment are likely to be evolved more effectively in decentralized organization because of empowerment at lower levels than in centralized organization.

Specialisation refers to the degree to which staff and activities are divided in organization and the degree to which employees have control in conducting those tasks. Specialists are experts in their respective areas and in complex environment they are given substantial authority to determine best approach (Mintzberg, 1978) the expertise in the organization facilitates organization to respond to rapidly changing environment (Walker & Ruckert, 1987). Jennings and Seaman (1994) measured organizational structure along four dimensions viz., formalization, centralization, stratification, and complexity.

In complex organizations the focus of training is more likely to be on learning the present job because of fast changing job requirements.

Organisational Culture

The organisational culture is another significant variable, which has linkage with business environment, business strategy, HR strategy and performance. Study of SHRM has to include these attributes while assessing linkage of SHRM and performance.

Organisational culture has been approached in a variety of ways. The various theories basically fall in two camps or schools. First those who treat organisational culture as a variable it is something that an organisation has (Schwartz & Davis, 1981; Deal & Kennedy, 1982; Peters & Waterman, 1982) and second view is that 'culture is something an organisation is' (Smircich, 1983; Morgan, 1980). Culture is the product of negotiated and shared symbols and meanings; it emerges from social interaction. It cannot be treated as incidental to or outside of, the 'true purpose' of the organisation.

Schein (1984) believes that strong cultures are somehow more likely to be associated with effectiveness than weak cultures and that strong culture can deliberately be created. The most important facets of organisational culture are the shared beliefs. An entrenched culture can be a positive force as a preserver and transmitter of organisational values and beliefs and as a touchstone of organisational "character". However, in its negative form it can be very damaging as a tenacious resister of change. To understand organisational culture we travel below the charts, rulebooks, machines and building into the underground world of corporate culture. Organisational culture is the pattern of basic assumptions that a given group has invented, discovered or developed in learning to cope with its problems of external adaptation and internal integration and that have worked well enough to be considered valid and therefore to be taught to new members as the correct way to perceive, think and feel in relation to these problems (Schein, 1984).

Recent literature in organisational culture suggests strong interconnection between culture and organisational effectiveness, between culture and individual commitment, between culture and the preservation of institutional character and transmission of its norms and values (Senge, 1990). Organisational culture, in symbolic form, can be seen as communion of people with shared values, which mutually excite, energise and also include persistence and commitment of true believers. While as learned behaviour organisational culture can be seen as habit, which becomes integrated into one's personal philosophy and is reflected in behaviour and practice.

Literature on organisational culture also stresses that a "fit" between strategy and culture is a must. According to this view a strategic deviance from that should be minimised or avoided, possibly through an elaborate corporate culture diagnosis.

The link between organisational culture and effectiveness has become recently quite pronounced. It is implied that ineffective organisation can be made effective by changing its culture. But changing culture is changing people's values, norms, and attitudes so that they make the right and necessary contribution to the healthy collective culture despite any inherent conflict of individual and group interest or the way in which power, authority and control are structured in the organisation.

A recent review of organisational culture of Hewlett-Packard has suggested that high performance is due to the close alignment of product market strategy and organisational culture and secondly, its policy mix has played a major role in both shaping and reinforcing a certain type of culture.

Recent researches on organisational culture have delved a great deal about how organisational culture is created, institutionalised or changed. However the researchers have tended to focus more on matters such as how the concept is most appropriately measured and studied (Beaumont, 1993). The concept can only be usefully studied by multi-method techniques (Duncan, 1989). There are several approaches to the study of organisational culture viz., the survey research approach, the analytical descriptive approach and the ethnographic approach. Pearson (1992) adopted dimensional approach and profiled organisational culture while plotting against business strategy profile to evaluate their competitiveness.

Hofstede (2001) has studied cross-cultural variations. National culture differs on five dimensions viz., power distance (PDI), uncertainty-avoidance (UAI), individualism-collectivism (IDV), masculinity-femininity (MAS) and long term orientation (LTO).

This study proposes to measure the above-mentioned dimensions of organisational culture as these are closely linked with performance, other organisational attribute proposed to be studied and SHRM.

Integration of theories and models of HRM/SHRM

From the literature review stated earlier in this chapter it is evident that there are three main approaches evolving in the area of strategic human resources management

viz., universalistic approach, contingency approach and configurational approach. It is also clear that in order to study and test these emerging theories of strategic human resources management and their impact on performance of firms it is necessary that other organizational dimensions and attributes are also taken into account.

Business environment has impact on business strategy of the firm hence also affects performance, the extent of impact of business environment on business strategy thereby influencing the HR strategies need to be taken into account for a comprehensive study.

There is abundance of literature on impact of business environment on business strategy and impact of business strategy on performance of firms. But there are various strategic orientations which have been reported in literature most commonly the three strategy orientations namely - pro-activeness, analysis and defensiveness. Linkage of organizational structures with business strategy has also been a highly established area of study in the research of management. Business strategy influences structure and vice-versa. Hence for the purpose of studying impact of strategic human resource management on performance, structural dimensions have to be taken into account. Different types of organizational structure will play important role in facilitating conversion of strategic intent into action leading to particular kind of performance. Organizational culture of the firm is sum total of collective attitude, beliefs and values of members of the organization. Therefore, collective beliefs, assumptions and value system of the organization create mindsets which influence decision making process within the organization; hence organizational culture is also likely to have impact on the relationship of strategic human resources management and performance.

The objective of this study is primarily to understand and evaluate impact of strategic human resources management on performance of firms but this relationship cannot be studied in isolation. So it must take into account the other impacting factors like business environment, business strategies, organizational structure and organizational culture.

Thus, taking into account various factors, as studied above, we intend to test the emergent theories of strategic human resources management i.e. universal, contingency

and configurational theory in Indian context for service sector firms duly taking into account the other relevant factors like business environment, business strategy, organizational structure and organizational culture.

Rationale for the present research

Present literature in SHRM area as reviewed and discussed above shows clear gaps in four respects. Firstly, there are very few studies that have included other attributes of organisation while linking HR practices with organisational performance. Secondly, there are very few studies that have tested these approaches in Indian context as most of the studies are in western organisations. Thirdly, the methodologies adopted in many such studies are inherently weak and have focused on HR practices as apparent in organisation rather than capturing the deep-rooted HR Strategy and its linkage with other dependent variables. Finally studies are primarily in manufacturing sector and not much work is available in wide spectrum of Service sector industry where dependence on Human Resources is definitely more as compared to manufacturing sector.

Economic development is associated with the structural changes in the economies. Economies move from predominated agricultural economy to manufacturing and service sector (Popola, 2005, Sharma & Sharma, 2007). In case of India also there is shift towards service sector. With increasing development contribution of Service sector accounts for 60% of contribution in high income countries and 30 to 35% in low income countries. In India Service Sector has grown from 43.69% in 1990-91 to 60.7% of GDP in 2005-2006 whereas, Industry contributed 19.3% and agriculture contributed 19.9% in 2005-2006. Service sector with double digit growth during the last 3 fiscals has further strengthened its place as the leading sector of the Indian economy. (Central Statistical Organisation, Government of India, May 2006). Similarly the employment in service sectors is continuously growing after structural adjustments in Indian economy. The service sector has employment of over 50 millions out of total employment of 507 millions. This share of employment is continuously growing since last 2 decades. Thus study of service sector firms in India is very relevant for the country and businesses and useful for the emerging economy particularly when India aspires to become a leading economy in the world where service sector will play a dominating role.

In addition to the above within service sector different industry segments may have different relationship patterns between SHRM and performance. Thus relationship of SHRM and performance need to be studied in more than one industry segment and need to be analyzed to find out the specific configurations of SHRM relevant to the particular industry segment. This would be of immense value to the practicing managers and industry to design their HR strategy in such a manner that they create competitive advantage for the given industry and enhance their performance in highly competitive environment in emerging service sector. Thus it was proposed to study 3 segments of Indian service sector for testing emerging theories and find out the implications and configurations for Indian industries.

The main domain of study is therefore the Strategic Human Resource Management, evolving theories and its impact on performance of firms. Within this domain the other sub-domains intended to be studied in the context of Business Environment, Business Strategy, Organisational Culture, and Structure of Organisation.

Objectives of the study

The main objective of the study is to analyse relative impact of strategic human resource management (SHRM) on effectiveness and performance of firms in service sector industry in India taking into account various other organisational attributes, which also simultaneously contribute towards performance of firm viz. Business strategy, organisational culture, structure, etc.

This study aims to fill in the gap in research regarding theories of strategic HRM, by testing various approaches. The study also intends to fill the gap in research primarily in the area of how SHRM contributes in leveraging performance of firms in Indian context.

This will also develop a new domain of testing evolving SHRM theories in Indian context; away from much studied western context and also in service industry instead of manufacturing industry where most of the work has been done so far. This study is expected to fill much-quoted gaps in these areas.

The outcome of the study is also likely to pave way for the firms in service sector in India to achieve most sustainable competitive advantage through its human resources thereby helping Indian firm to create appropriate HR base to compete with global giants entering Indian market in service sector.

The study therefore aims to develop both grounded theory and practical guidance for practitioners, who can then develop SHRM systems within organisations that capture the potential gains for all and sustain competitive edge for their firms.

From the above objective of the study and the literature review reported in this chapter above, following questions have emerged which are essential to be addressed.

Research Questions

1. How strategic HRM affects performance of firms in service sector?
2. Whether extent of impact of strategic HRM varies from sector to sector within service sector? Whether influence of strategic HRM is dependent upon the ownership? Is there any difference between Private sector and public sector firms so far as impact of strategic HRM on performance is concerned?
3. What is the relative impact of strategic HRM vis a vis other critical internal and external variables like 'business environment', 'business strategy', 'organisational structure' and 'organisational culture' on firms Performance?
4. Which of the different streams of theory of strategic HRM viz. 'universalistic', 'contingency' and 'congruence' are supported in the Indian context?
5. Whether impact of strategic HRM is dependent upon the type of business strategy and the intensity of focus of business strategy adopted by the firms?

These questions are relevant to be addressed for this study because the relationship of strategic HRM with performance can be seen only by taking into account the other influencing variables as they also impact performance. These variables, which have emerged from the literature review, are business environment, business strategy, organisational structure, and organisational culture. Therefore relative impact of these dimensions needs to be studied to identify the extent of impact made by the strategic HRM, vis a vis other variables as mentioned above, on the performance of firms.

The emerging theories in the area of strategic HRM are also aimed to be tested in the context of this study i.e. in service sector firms in India. It is therefore proposed to test the three emerging approaches to find out the relevance of these theories in Indian context and to find out as to which of these theories are substantiated by this study. This will also throw light on the practical applicability of these approaches in the context of Indian firms which may be useful to the Indian industry and practicing managers.

Framework of Study

The literature review reveals that variables like organisational environment, business strategy, organisational structure, organisational culture and strategic HRM play important role in influencing performance of firms. These factors influence organisational performance and also impact effectiveness of strategic HRM within the firm. organisational culture and organisational structure directly influence the motivation level of employees, flow of authority within the organisation, decision making processes within the organisation, power sharing and hence the use of available potential of human resources for achieving objectives of the organisation. Business strategy provides the strategic focus to the organisation keeping in view the business opportunities and options available in the business environment. The choice of business strategy and the extent of focus of business strategy impacts performance of firms. Simultaneously business strategy also interacts with strategic HRM. Implementation of business strategy is through human resources of the organisation. Thus the strategic HRM of the firm is critical in execution of the business strategy. However SHRM is also influenced by the type of strategy followed by the organisation.

From the above discussion a conceptual framework for this study has been developed and mentioned below which is based on the literature search. This framework/model will help to study relationships amongst various variables and thereby answer identified research questions as listed above in this chapter.

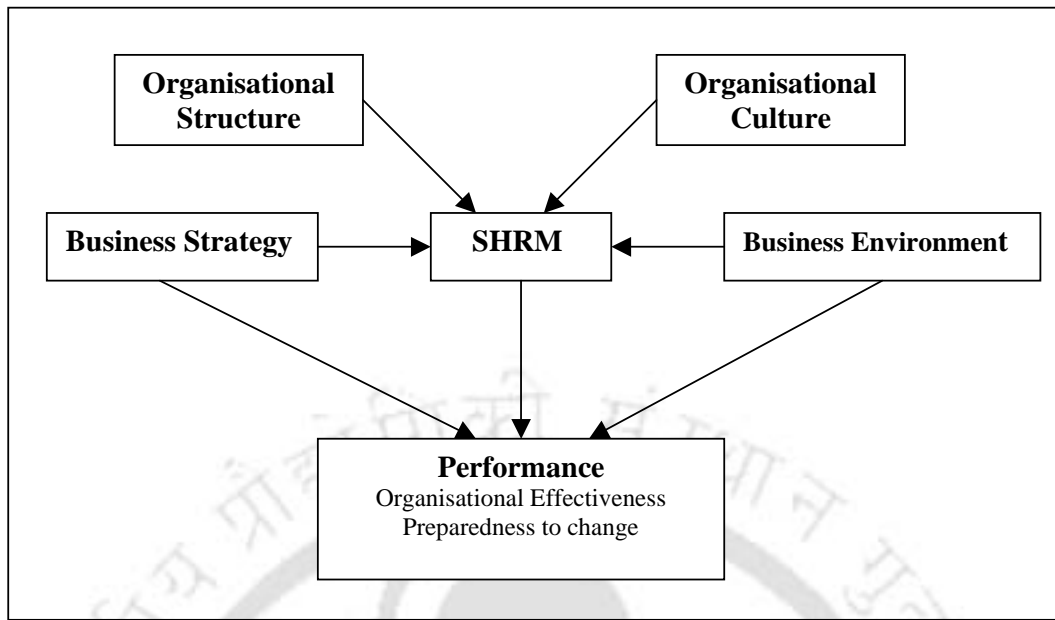


Figure 1: Framework of the study

It is proposed to study all the variables mentioned in the model above. It is clear from the above model that organisational culture and organisational structure influences Strategic HRM within the organisation to impact performance while business environment and business strategy is considered to impact performance of the firm both directly as well as through strategic HRM.

The above model will also help to study and test various theoretical approaches of strategic HRM. The contingency theory of SHRM as stated above in this chapter believes that appropriate alignment or fit between Business strategy and SHRM will lead to better performance of the firm. It is therefore proposed to use to measure the type of business strategy followed by the firms and the extent of their impact on the performance of firm and how the relationship between SHRM and performance is influenced by the type of business strategies. This will provide insight on the fit or alignment between strategic HRM and business strategy thereby helping to investigate applicability of contingency theory.

Organisational structure and organisational culture are aimed to be studied in a limited way in this study. The main objective of studying these variables is to find out the

extent of their impact on SHRM and the relative influence of these factors on the performance of firms.

From the above model, based on the literature survey presented in this chapter earlier, following variables (as already appeared in the model) are proposed to be studied to address the research questions framed as quoted earlier in this chapter.

Variables

Independent Variables

Strategic Human Resource Management
 Business Environment
 Business Strategy
 Organisational Culture
 Organisational Structure

Dependent Variable

Performance
 (Performance is proposed to be evaluated through following variables - Organisational Effectiveness and Preparedness for Change)

Hypotheses

Based on the literature review and the research questions proposed to be addressed in this study, following hypotheses have evolved for testing.

Relationship between Strategic HRM and Performance

The various emerging theories and the relevant literature mentioned above in this chapter establishes that there is a positive relationship between strategic HRM and performance of firms. However it is tested in a limited way based on the empirical data. Most of these studies have been in the western context and in manufacturing industry. Though there is limited literature in this area in Indian context and theories are still emerging. But, based on the studies so far conducted and reported in literature as quoted above in this chapter it posits that strategic HRM should also have a positive relationship

with performance of firms in Indian context proposed to be studied. It is therefore hypothesised as under:

Hypothesis 1 (H1): Strategic HRM dimensions will show high positive relationship with effectiveness of the organisations.

Impact of Best practices of Strategic HR systems in different ownership (Public and Private) and industry segment

There have always been concerns for the practicing managers that ownership matters in SHRM policies and the policies applicable in one kind of firm say private sector may not be relevant in the government owned firms. This concern is negated by the emerging theories of strategic HRM. According to the theory of Universalistic approach it is believed that strategic HRM policies will have universalistic application. Thus the particular best practices shall have similar application in all firms. Thus irrespective of the ownership of firm i.e. Public or Private, the impact of such best practices related to policies of HRM it should be uniform in all contexts. Based on this theory and interpretation mentioned above it is hypothesised as under: Similarly such best practices of Strategic HR systems should have a positive and similar impact in all the three segments of service sector studied.

Hypothesis 2 (H2): The best practices of HRM systems will have positive impact in all the industry segments and Public and Private sector firms.

Impact of Industry type on the relationship between Strategic HRM and Performance

This present study will take three different segments of service sector to evaluate if the relationship between Strategic HRM and performance is dependent upon the industry type or is similar in all the three segments of industry proposed to be studied.

The literature in this area establishes that Business environment influences the Business strategy of firms. Firms choose to adopt befitting strategy to cope up with the

business environment. It implies that different segments of industry in India will face different Business environment and hence different Business Strategic options to cope up with the existing business environment. Impact of Strategic HRM is contingent of Business strategy of the firm. Thus different segments may have different relationships between strategic HRM and Performance. It may vary in the extent or degree of relationship as well as the components or dimensions of Strategic HRM having impact on the performance of firms.

In view of the above discussion it is hypothesised as under:

Hypothesis 3 (H3): The relationship of SHRM and the performance varies amongst the sub-sectors both in terms of the extent of impact and also in terms of the composition of factors of SHRM which influence performance.

Impact of Business Strategy on the relationship between strategic HRM and Performance of firms

From the literature review presented in the earlier parts of this chapter it is seen that Business strategy influences impact of strategic HRM and performance of firms.

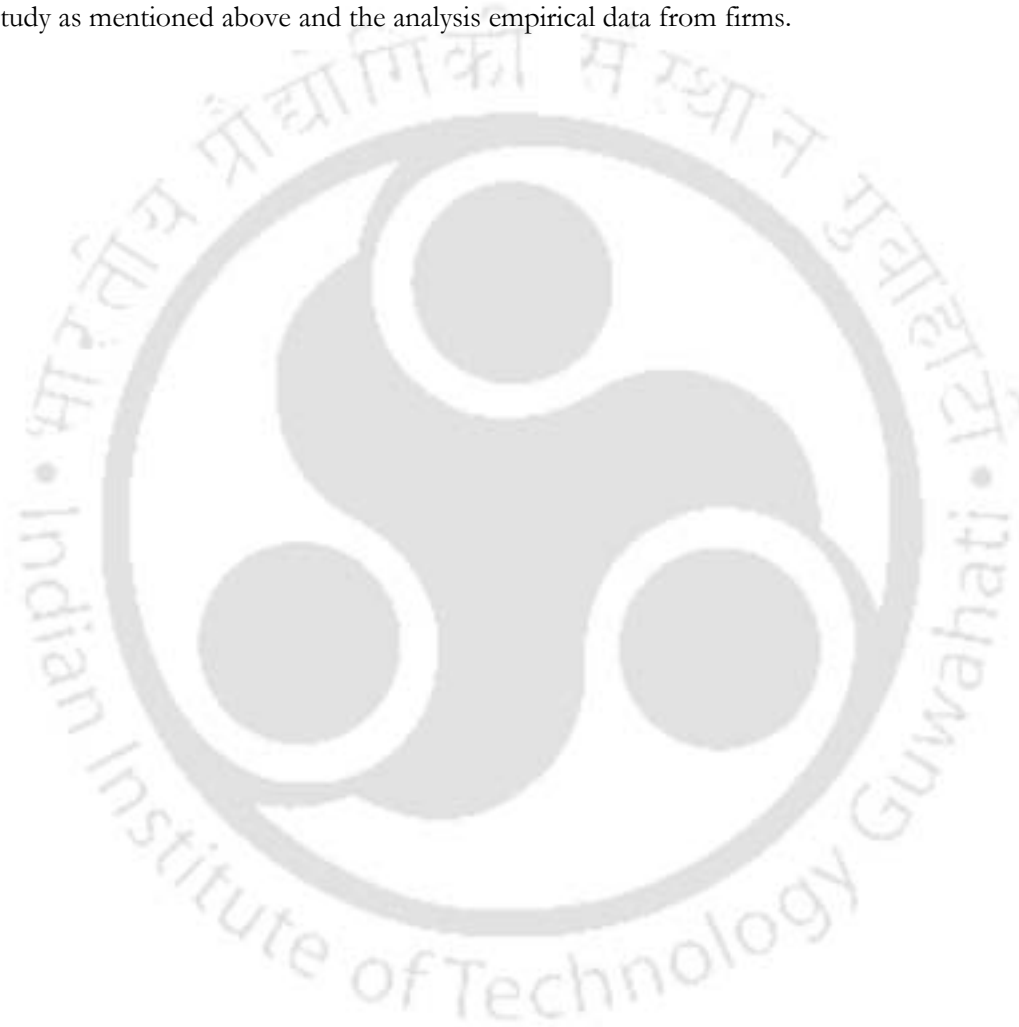
The contingency theory of SHRM posits that fit between business strategy and strategic HRM will enhance the impact of strategic HRM on the performance of firms. In other words the fit or alignment between business strategy and strategic HRM shall lead to better performance of firms. There have been various studies which have proved that particular business strategy requires a specific approach to strategic HRM. It emerges from the contingency approach that relationship between Strategic HRM and performance is contingent upon the business strategy. The configurational approach extends the concept to posit that the horizontal fit as well as vertical fit will lead to a high performance of firms. Thus SHRM which is consistent from within its sub systems and contingent upon external factors like business strategy shall yield high performance.

Thus different business strategic firms shall have different SHRM dimensions to yield better performance.

It is therefore hypothesised as under:

Hypothesis 4 (H4): The horizontal and vertical fit shall lead to better impact on performance. There will be different configurations which will impact effectiveness in different Business Strategy Scenarios.

The above hypotheses are proposed to be studied as based on the framework of study as mentioned above and the analysis empirical data from firms.



CHAPTER 2

Methodology

The main domain of this study is impact of strategic human resource management on performance of firms. Since strategic human resource management (SHRM) in any firm does not operate in isolation hence other variables need to be simultaneously studied in order to arrive at any conclusion. Other variables viz. business environment (BE), business strategy (BS), organisational culture (OC) and organisational structure (OS) are considered to play an important role at the stage of operationalisation of strategic human resource management within the organisation and also have relationship with performance of firms. These variables are therefore critical in studying any relationship between SHRM and performance of the firms. The rationale behind the above statement is substantiated by the literature as already explained and elaborated in Chapter 1.

Data Collection

Data was collected through two sets of questionnaires consisting of instruments to measure variables as mentioned in the model for study stated above.

Set one consisted instruments to get response on the following:

Set one

- A) Business Environment
- B) Business Strategy
- C) Organisational Structure
- D) Preparedness for Change

The second set of questionnaire consisted of instrument to get response on the following:

Set two

- A) Organisational Culture
- B) Strategic Human resource Management
HRM System Orientation

HRM Capabilities

C) Organisational Effectiveness

Different approaches were followed to collect data through Set One and Set Two.

The 'key informant approach' was followed to collect data from the most informed persons through Set One having questionnaires regarding business environment, business strategy, organisational structure and preparedness to change.

This approach has been accepted in organisational and strategic management research. The rationale behind this approach is that the top management is most informed of the issues like Business Strategy, Business Environment, Structure etc. within the organisation hence response from such persons is relevant. Secondly the way such top management (most informed persons) perceives them is only significant for the implications of them and response of such perceptions.

Huber and Power (1985) and Venkatraman (1989) have even given some guidelines for consideration of certain pertinent issues to minimise potential specific measurement errors. Thus data was collected from the CEO or other top management person through Set One in respect of business environment, business strategy, organisational structure and organisational preparedness.

In all 98 responses were received from top management belonging to 25 firms.

Data through Set Two was collected from around 30 respondents belonging to different levels of managers and employees. In all 750 valid responses were received from 25 firms. The distribution of sample is given in Table 2.1 and Table 2.2.

Questionnaires used as set one and set two for collection of data are attached as Appendix A. Brief information about the firms from where data has been collected is given in Appendix B. Data collection was done by distribution of questionnaires to the heads of HR departments during the year 2004 to 2006.

The valid responses of both set one and set two need to be factor analyzed to see the pattern of relationship among various items in the scales and to reduce the various items in a particular scale to meaningful factors for further analysis.

ANOVA is also undertaken separately for the factors of set one and set two with an objective to assess the difference amongst the groups of the sample (e.g., between the three industries and two types of ownership of firms). This analysis shall help in finding the variance amongst the groups. This analysis will help to establish whether there is difference amongst the industries and based on the ownership for the various dimensions studied. The difference in industries and ownership were found in earlier studies also reported in the literature. However there are very few studies, which have taken in to account segments of industries within service sector and also based on the ownership.

The data of set two has been put to multiple regression analysis to find out the relative impact of independent variables on the dependent variables. This is also to be carried out for three segments of the industry, based on the ownership and on overall basis. This will give the dimensions, which have higher impact on the dependent variables in different situations. The combination of the dimensions having high impact on the dependent variables shall give configurations in the given context. Thus it may give different configurations, which may give high impact in different industry segments and also differing configurations for public and private owned firms.

Measures

Business Environment

As already discussed in the first chapter the construct of business environment connotes to the environmental factors, which have impact on the performance of firm. It has been defined as the aggregate of those external factors which have impacts or potential to have impacts on its functioning as well as on which it has impact. BE has been conceptualised as the supplier of are sources, information and thus it has been operationalised as a collectively of those physical and social factors outside the

boundaries of the firm which are relevant and potentially relevant to its goal setting and directly taken into consideration in the decision making behaviour of managers.

We have used the instrument designed by Tan and Litschert, (1994). They used 3 dimensions to measure environment viz. hostility, dynamism, and complexity. In all 98 valid responses were collected from 25 firms based on the most informed approach. For collection of data for business strategy also the 'key informant approach' was followed. Thus data was collected from the most informed persons.

For the present study business environment has been included as a distant variable which may influence performance and through business strategy as the business strategy is influenced by Business environment. Hence for the present study dimensions are calculated based on the composite index of the each segment of the questionnaire as impact, munificence, predictability, extent of change, number of factor influencing change and the extent of difference amongst those factors. The coefficients of alpha and other psychometric properties are given in the Table 2.3. The coefficient of alpha ranged between 0.76 and 0.84 Viz. impact (0.77), munificence (0.83), predictability (0.81), extent of change (0.76), number of factors (0.78) and extent of difference in factors (0.84).

Business Strategy

The dimensional approach to Business strategy measures as adopted by Venkatraman (1989) has been followed in this study with modifications as suggested by Tan and Litschert (1994). Data was collected through 15 item instrument designed by Venkatraman (1989). In all 98 valid were obtained from 25 firms through Set one of the questionnaire. For collection of data for business strategy also the 'key informant approach' was followed. Thus data was collected from the most informed persons.

The factor analysis of the data also reduced it to three factors viz. Futurity, analysis and proactive. Factor loading and correlation of factors and psychometric properties of scale, are given in Table 2.4 and Table 2.5 respectively. The coefficient of alpha for these three factors ranged between 0.78 and 0.83 viz. futurity (0.83), analysis (0.81) and proactive (0.78).

Organisational Structure

Organisational Structure is one of the moderating variables which influences impact of SHRM and other factors on the performance as organisational structure helps or creates hindrance in the flow of capability/competence of the organisation. Organisational performance is channelised through its structure. For this study 9 item instruments as designed and used by Jennings and Seaman (1994) has been adopted. For collection of data for business strategy also the 'key informant approach' was followed. Thus data was collected from the most informed persons.

In all 98 valid responses were collected from 25 firms based on the most informed approach. These responses were collected through set one of questionnaires. The factor analysis gave us three factors viz. formalisation, stratification and complexity. The factor loading and correlation of factors psychometric properties of scale are given in Table 2.6 and Table 2.7. As may be seen from there, the coefficient of alpha for the three factors ranged between 0.50 and 0.65 viz. formalisation (0.53), complexity (0.65) and stratification (0.50).

Preparedness for Change

In the fast changing environment, organisations have to cope with the changes taking place at a very fast rate. Just being effective in the given environment and being capable of adapting itself in the changing environment is not sufficient for the organisations. When external environment changes very fast organisations have be conscious of the changes by scanning the environment continuously and make interpretations for the internal preparedness and adapt to the changing environment.

This capability organisation is conceptualised as preparedness for change. A ten-item scale was designed to capture the preparedness to change of the organisation. For collection of data for Business Strategy also the 'key informant approach' was followed. Thus data was collected from the most informed persons. In all 98 valid responses were collected from 25 firms based on the most informed approach. These responses were collected through set one of questionnaires.

Through factor analysis these items were reduced to two factors. The factor loading and correlation of factors and psychometric properties of scale for preparedness for change are given in Table 2.8 and Table 2.9 respectively. Two factors emerged from the factor analysis. These factors were labelled as Radar Capability and Skill Up gradation. The coefficient of alpha for Radar Capability was recorded as 0.86 whereas for Skill up gradation it was recorded as 0.59.

Organisational Culture

Organisational Culture plays a critical role in moderating performance. Culture is sum total of attitude, belief, norms, assumptions etc. which are widely shared by the members of the organisation. In this study Organisational Culture is measured as per the dimensions identified by Hofstede (2001). In the present study Hofstede's questionnaire which was used by him for studying national cultural differences has been used. This was done with a specific purpose to measure organisations on those cultural dimensions which effect performance of firms. In other words the cultural dimensions which measure collective attitude, beliefs and measure behaviour or individuals in the organisation are very relevant to understand their will to contribute or otherwise. The cultural dimensions which Hofstede used in his national difference in the organisation were Uncertainty avoidance (UAI), Power Distance (PDI), Individualism vs. Collectivism (IDV), Masculinity vs. Femininity (MAS) and Long term orientation (LTO). It was considered that these dimensions are more relevant when it intended to measure the extent of involvement of individuals within the organisation to contribute their best. Hence effect culture on performance can best be measured by these dimensions of organisational culture. The responses were collected from the employees and managers at various levels through set one of questionnaire. In all 750 valid responses were received. Dimensions were calculated based on the same formula as devised and adopted by Hofstede (2001) for VSM 94. Calculation of the dimensions of Culture were carried out using the following formulas

$$PDI = -35m (03) + 35m (06) + 25m (14) - 20m (17) - 20$$

$$UAI = 25m (13) + 20m (16) + - 50m (18) - 15m (19) + 120$$

$$IDV = -50m (01) + 30m (02) + 20m (04) - 25m (08) + 130$$

$$MAS = 60m (05) - 20m (07) + 20m (15) - 70m (20) + 100$$

$$LTO = -20m(10) + 20m(12) + 40$$

Strategic HRM

Strategic HRM is the key independent variable for this study. It has been operationalised by using measurement approach adopted by Delery and Doty (1996), wherein they have used a questionnaire to capture HR system orientation. The same questionnaire has been adopted for evaluating the orientation of HR system of the firm. Strategic HRM is also measured in the form of HR capability of the organisation. For this purpose the questionnaire used by Huselid, Jackson and Schuler (1997) was administered. Responses for both these instruments were obtained from employees and managers of various firms working at different levels within the organisation. In all 750 valid responses were received. The factor loading and correlation of factors psychometric properties of scale for HR System Orientation are given in Table 2.10 and Table 2.11 respectively. Four factors emerged from the factor analysis of HR system orientation questionnaire. These dimensions have been labelled as Participative Decision Making, Internal Orientation, Job Security and Objective Performance Appraisal. The Alpha coefficient for these factors ranged between 0.61 and 0.80 viz. Participative Decision making (0.80), Internal Orientation (0.70), Job Security (0.67) and Objective Performance Appraisal (0.61). The factor loading and correlation of factors psychometric properties of scale for HR Capability measures are given in Table 2.12 and Table 2.13 respectively. Four dimensions emerged from the factor analysis of the questionnaire on HR capabilities. These dimensions have been labelled as Strategic HRM, Technical HRM, Technical HR Capability and Strategic HR capability. The Alpha coefficient of these dimensions ranged between 0.80 and 0.91 viz. Strategic HRM (0.91), Technical HRM (0.86), Technical HR capability (0.80) and Strategic HR capability (0.81).

Organisational Effectiveness

The ultimate impact of SHRM is to be evaluated on the performance of firms. However, conceptualization and operationalization of performance of firms is a thorny issue in strategy research. (Ramanujam & Venkatraman, 1986). In view of this and based on the literature research as discussed in the first chapter multiple methods have been adopted to evaluate performance of firms. One of commonly used construct of

performance in research is the effectiveness of firms. Hence for this study we have used this as one of the measure. The questionnaire used for measuring organizational effectiveness is the one developed by Mott (1972), which consists of 8 items and comprise of dimensions like quality, quantity, efficiency, flexibility and adaptability. It is very commonly used in strategy and organisational research. Descriptive statistics of the scale is given in Table 2.14.



**Table 2.1: Distribution of Sample (N=750)
(Ownership wise)**

Ownership		N
Public	Organisation 1	30
	Organisation 3	31
	Organisation 4	32
	Organisation 6	32
	Organisation 7	34
	Organisation 8	35
	Organisation 9	15
	Organisation 10	23
	Organisation 11	31
	Organisation 12	30
	Organisation 13	26
	Organisation 14	18
	Organisation 15	15
	Organisation 16	21
	Organisation 17	33
	Organisation 20	36
	Organisation 22	39
	Organisation 23	31
	Organisation 24	22
	(19 Organisations)	534
Private	Organisation 2	40
	Organisation 5	33
	Organisation 18	27
	Organisation 19	36
	Organisation 21	37
	Organisation 25	43
	(6 Organisations)	216
Total	25 Organisations	750

**Table 2.2: Distribution of Sample (N=750)
(Industry wise)**

Industry		N
Transport	Organisation 1	30
	Organisation 4	32
	Organisation 6	32
	Organisation 9	15
	Organisation 10	23
	Organisation 11	31
	Organisation 12	30
	Organisation 15	15
	Organisation 20	36
	Organisation 24	22
	Organisation 25	43
	(11 Organisations)	309
Finance	Organisation 3	31
	Organisation 7	34
	Organisation 13	26
	Organisation 22	39
	Organisation 23	31
	(5 Organisations)	161
Information Technology Enabled	Organisation 2	40
	Organisation 5	33
	Organisation 8	35
	Organisation 14	18
	Organisation 16	21
	Organisation 17	33
	Organisation 18	27
	Organisation 19	36
	Organisation 21	37
	(9 Organisations)	280
Total	25 Organisations	750

Table 2. 3: Descriptive statistics, alphas and inter-correlation of Business Environment Measures (N = 98)

Dimensions	1	2	3	4	5	6
BE-Impact	(.77)					
BE-Munificence	.700**	(.83)				
BE-Predictability	.677**	.726**	(.81)			
BE-Extent of change	.688**	.759**	.678**	(.76)		
BE-No. of factors	.711**	.661**	.707**	.651**	(.78)	
BE- Difference	.567**	.621**	.624**	.573**	.641**	(.84)
Mean	4.81	4.34	4.36	4.87	4.73	4.23
SD	1.05	1.12	1.11	.92	.98	1.16
No. of items	8	8	8	8	8	8

** = $p < .01$

Note: Figures in parentheses are coefficients of alpha

Table 2. 4 : Factor loading of business strategy measures (N=98)

Item No.	Items	Factors*		
		1	2	3
3	Emphasize investments	0.83	0.03	0.27
1	Anticipate future	0.66	0.04	0.48
9	Seek opportunities	0.62	0.07	0.12
7	Emphasize planning	0.57	0.53	0.13
15	Stage by stage projects	0.57	0.36	-0.02
4	Introduce new brands	0.49	0.13	0.67
8	Evaluate possibilities	0.47	0.61	0.09
10	Emphasize Cost controls	0.31	0.71	-0.02
13	Focus on low risk	0.02	0.67	0.12
11	Modify manufacturing tech	-0.07	0.65	0.09
6	Respond to opportunities	0.15	0.53	0.52
5	Pro-active for Govt. regulation	-0.07	0.23	0.81
14	Favour bold decisions	0.27	-0.12	0.75
2	Sacrifice short term profit	0.23	0.36	0.51
12	Strictly abide Govt. regulation	0.07	0.29	0.06
Eigen Values		5.662	5.436	5.952
Percentage of Variance		21.05	20.59	15.81
Cumulative percentage of Variance		21.05	41.64	57.45

* Factor 1 = Futurity; Factor 2 = Analysis; Factor 3 = Proactive

Table 2.5: Descriptive Statistics, Alphas and Inter-correlation of Business Strategy (N=98)

Dimensions	1	2	3
1. Futurity	(0.83)		
2. Analysis	0.690**	(0.81)	
3. Proactive	0.7930**	0.439**	(0.78)
Mean	5.36	5.07	5.13
SD	0.97	0.97	1.16
No. of items	7	6	6

**= $p < .01$

Note: Figures in parentheses include coefficients alpha

Table 2.6: Factor Loading obtained for Organisational Structure Measures (N=98)

Item No.	Items	Factors*		
		1	2	3
6	Specialists rarely employed	0.8	0.17	-0.14
7	Training requirement varies	0.7	0.11	-0.02
2	Variations allowed within jobs	0.48	-0.26	0.58
5	Rate of mobility barrier in jobs	-0.01	0.88	0.01
4	Prestige differences among jobs	0.1	0.78	0.47
1	Codified job descriptions	-0.61	0.45	0.11
3	Income differences among jobs	-0.15	0.15	0.88
9	Decision makers at all levels	-0.32	-0.05	-0.15
8	Small no. of jobs in decision making	0.19	0.38	-0.19
Eigen Values		1.894	1.853	1.423
Percentage of Variance		21.048	20.585	15.816
Cumulative percentage of Variance		21.048	41.633	57.449

* Factor 1 = Formalisation; Factor 2 = Complexity; Factor = 3 Stratification

Table 2.7: Descriptive Statistics, Alpha and Inter-correlation of Organisational Structure Measures (N = 98)

Dimensions	1	2	3
1. Formalisation	(0.53)		
2. Complexity	-0.33**	(0.65)	
3. Stratification	0.23**	0.49**	(0.50)
Mean	2.08	4.64	4.60
SD	1.19	1.30	1.28
No. Items	4	3	3

** = $p < .01$

Note: Figures in parentheses are coefficients of alpha

Table 2.8: Factor Loading obtained for Preparedness for Change Measures (N=98)

Item No.	Items	Factors*	
		1	2
2	Job designs regularly updated	0.81	0.13
3	People comfortable with changes	0.81	0.12
6	Awareness of drivers of change	0.75	0.21
7	Regular process updation	0.71	0.19
5	Continuous skill upgrades for staff	0.67	0.13
1	Awareness of environment changes	0.62	0.13
8	Different roles assigned to staff	0.62	0.27
9	Advantage of mobility within firm	0.57	0.20
10	Exit option for lack of skill/attitude	0.07	0.96
4	New staff with future skill sets	0.31	0.61
Eigen Values		4.462	1.099
Percentage of Variance		40.092	15.518
Cumulative percentage of Variance		40.092	55.610

* Factor 1 = Radar Capability; Factor 2 = Skill Up gradation

Table 2.9: Descriptive Statistics, Alphas and Inter-correlation of Preparedness for Change Measures (N = 98)

Dimensions	1	2
1. Radar Capability	(0.86)	
2. Skill Upgradation	0.417**	(0.59)
Mean	4.96	4.30
SD	1.11	1.60
No. Items	8	2

** = $p < .01$

Note: Figures in parentheses are coefficients of alpha

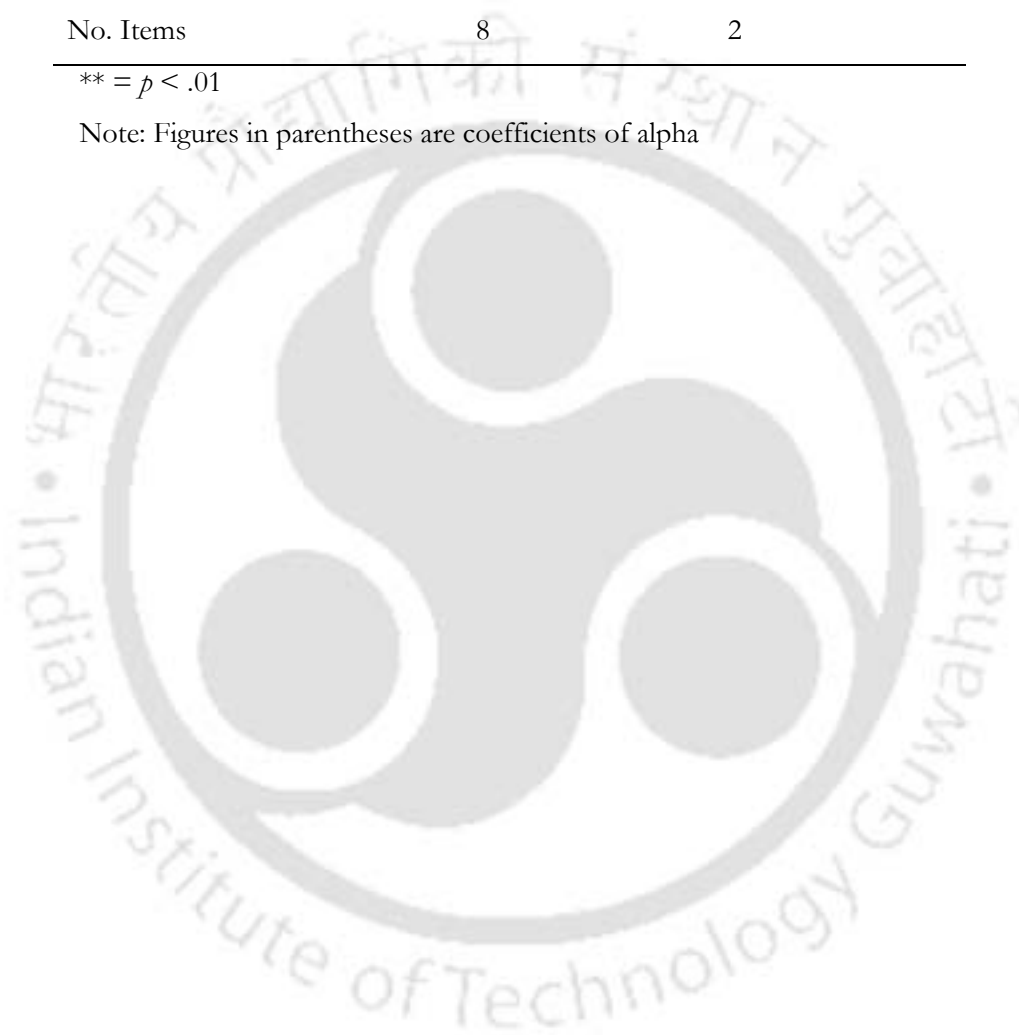


Table 2.10: Factor Loading Obtained for HR System Orientation Measures (N=750)

Item No.	Items	Factors*			
		1	2	3	4
11	Employee decisions allowed	.661	.130	.092	.141
12	Employees invited in decision making	.810	.092	-.054	.170
13	Improvement suggestion possible	.798	.176	.008	.097
14	Open communications with superiors	.758	.152	.123	.159
15	Duties of jobs clearly defined	.415	.432	.224	.086
1	Clear career paths	.100	.559	.265	.304
2	Multiple potential positions	.059	.426	.063	.390
3	Extensive training provided	.224	.735	-.052	.078
4	Formal training for new hires	.142	.759	.054	.085
7	Job life long	.105	.273	.567	.005
8	Difficult to dismiss staff	-.068	-.037	.752	.067
9	Job security guaranteed	-.024	.148	.792	.104
10	Employee retrenchment last	.206	-.077	.627	.098
5	Objective performance measures	.189	.391	-.056	.695
6	Appraisals objective	.191	.312	-.006	.688
16	Job duties shaped by employees	.215	-.148	.161	.534
17	Bonus received based on profit	.052	.085	.126	.582
Eigen Values		4.622	1.929	1.456	1.058
Percentage of Variance		16.121	13.292	12.406	11.501
Cumulative Percentage of Variance		16.121	29.414	41.819	53.320

Factor 1 = Participative Decision Making; Factor 2 = Internal Orientation;

Factor 3 = Job Security; Factor 4 = Objective Performance Appraisal

Table 2.11: Descriptive Statistics, Alphas and Inter-correlation of HR System Orientation Measures (N=750)

Dimensions	1	2	3	4
1. Participative decision making	(0.80)			
2. Internal orientation	0.550**	(0.70)		
3. Job security	0.202**	0.269**	(0.67)	
4. Objective performance appraisal	0.444**	0.514**	0.216**	(0.61)
Mean	4.47	4.87	4.87	4.84
SD	1.25	1.11	1.25	1.16
No. of Items	5	5	4	4

** = $p < .01$

Note: Figures in parentheses are coefficients of alpha

Table 2.12: Factor Loading Obtained for HR Capability Measures (N=750)

Item No.	Items	Factors*			
		1	2	3	4
7	Organisations gives focus to HR services	.449	.294	.385	.355
13	HRM practices builds teamwork	.742	.138	.104	.256
14	HRM focuses on productivity and quality	.734	.128	.028	.324
15	HR department plans development programmes	.631	.226	.223	.232
16	Well laid succession development plans	.567	.321	.120	.247
17	Regular efforts to identify issues in advance	.599	.307	.265	.239
18	Communication between managers and staff	.500	.425	.412	-.071
19	Well developed HR Information system	.528	.511	.288	.009
20	Periodical programmed to assess attitudes	.539	.397	.244	.088
21	HR dept designs benefits and other services	.491	.445	.266	.229
22	Compensation package well designed	.189	.740	.072	.245
23	Recruiting and training systems effective	.223	.690	.153	.135
24	Retirement strategies well planned	.103	.694	.020	.384
25	Employee and industrial relations cordial	.343	.607	.289	.076
6	HR managers aware of HR practices of others	.365	.197	.484	.373
8	Computer literacy considered vital for HR	.002	.187	.520	.347
9	HR managers possess special knowledge of HR	.266	.234	.549	.280
10	Organisation possess experience in key areas	.055	.106	.766	.085
11	HR managers have line management experience	.206	.145	.555	.324
12	Organisation has external customer support	.393	-.015	.529	.151
4	Organisation educates line managers on HR	.445	.117	.262	.617
1	Organisation anticipates changes	.190	.128	.184	.589
2	Financial implications evaluated	.125	.265	.240	.666
3	Organisation defines HR vision	.368	.204	.225	.657
5	All managers possess knowledge of HR	.318	.125	.391	.407
Eigen Value		10.364	1.493	1.132	1.046
Percentage of Variance		18.136	13.441	12.535	12.031
Cumulative Percentage of Variance		18.136	31.576	44.111	56.143

Factor 1 = Strategic HRM; Factor 2 = Technical HRM; Factor 3 = Technical HR capability; Factor 4 = Strategic HR capability

Table 2.13: Descriptive Statistics, Alphas and Inter-correlation of HR Capabilities factors (N=750)

Dimensions	1	2	3	4
1. Strategic HRM	(0.91)			
2. Technical HRM	.848**	(0.86)		
3. Technical HR capability	.768**	.692**	(0.80)	
4. Strategic HR capability	.753**	.627**	.711**	(0.81)
Mean	4.80	4.88	4.99	4.81
SD	1.12	1.12	1.99	1.16
No. of Items	11	7	7	5

** = $p < .01$

Note: Figures in parentheses are coefficients of alpha

Table 2.14: Descriptive Statistics of Effectiveness Scale* (N=750)

Dimensions of Effectiveness		Mean	SD
1.	Quantity	3.68	0.77
2.	Quality	3.83	0.69
3.	Efficiency	3.29	0.74
4.	Flexibility	3.47	0.78
5.	Adaptability	3.54	0.84

*5-point scale ranging from 1 to 5, where 1 indicates low effectiveness and 5 denotes high effectiveness.



CHAPTER 3

Results and Discussion

In this chapter result of analysis of data is reported. Through 2 sets viz. Set 1 and Set 2, as already reported in Chapter 2, the raw data has been reduced to the factors/dimensions related to various variables. The psychometric properties of factors and reliability results of factor analysis are mentioned in Chapter 2. The focus of this chapter is to examine the relationships of various variables through its various factors in order to search for the relationship amongst identified variables thereby attempting to address the research questions.

The main domain of this study is the relationship between strategic human resource management and the performance of firms in service sector. The other variables are taken in to account as they also influence performance of organization either directly or indirectly affect the impact of SHRM on its influence on performance.

A model of interplay of various variables based on the review of literature has also been quoted in Chapter 1. Thus in this chapter the relationship as per the same model would be tested and established. This analysis will also help to answer the research questions.

In order to recapitulate the research questions in brief, the same are reproduced here:

1. How strategic HRM affects performance of firms in service sector?
2. Whether extent of impact of strategic HRM varies from sector to sector within service sector? Whether influence of strategic HRM is dependent upon the ownership? Is there any difference between private sector and public sector firms so far as impact of strategic HRM on performance is concerned?
3. What is the relative impact of strategic HRM vis a vis other critical internal and external variables like 'business environment', 'business strategy', 'organisational structure' and 'organisational culture' on firms' performance?

4. Which of the different streams of theory of strategic HRM viz. 'universalistic', 'contingency' and 'congruence' are supported in the Indian context?
5. Whether impact of strategic HRM is dependent upon the type of business strategy and the intensity of focus of business strategy adopted by the firms?

The main objective of the discussion in this chapter is to explore answers to these research questions and to test the hypotheses framed in Chapter 1 based on the literature review.

The three approaches evolving in the area of strategic HRM are universalistic approach, contingency approach and configurational approach. The analysis results shall be used to test these three theoretical approaches and to find whether they hold good in the context of service sector firms in India. It is also aimed to find variations or similarity in the three service sector segments studied. Similarly, attempt will be made to find out whether based on ownership there are variations in the relationship of strategic HR and effectiveness.

Results and Discussion

In order to test the hypotheses as stated in Chapter 1, the present study was conducted on a sample from 25 organizations (N = 750). Out of these organizations 11 were from Transport industry, 5 from Finance industry and 9 from IT enabled industry. Ownershipwise these 25 organizations belonged to 2 sectors- 19 from Public and 6 from Private. Data was collected using 2 sets of questionnaires - Set 1 comprise of measures of business environment, business strategy, organizational structure and preparedness to change while Set 2 consists of measures of organizational culture, HR system orientation, HRM capability and organizational effectiveness. It may be mentioned here that Set 1 was collected using the 'key informant' approach. In all 98 valid responses were collected for Set 1 while 750 valid responses were collected for Set 2.

In order to answer the research questions raised in Chapter 1, data were analyzed (Set 1 and Set 2) using the following scheme:

- All the analyses were carried out at three levels (where ever possible): Intra-Industry wise, Inter-Industry wise, at the level of ownership (i.e., public and private) and at the overall level.
- For seeing the differences, ANOVA was carried out at all the levels mentioned above. For establishing the relationship between different variables, *correlation* and *regression analysis* were used at all the three levels.

SET 1

Organizational Structure

Three industries- Transport, Finance and IT enabled

In order to find out whether the three industries vary from each other on all the 3 dimensions of organizational structure, an ANOVA with 3 (Industry: Transport, Finance and IT enabled) X 3 (organizational structure: formalization, stratification and complexity) design was carried out, while the later factor was a repeated measure.

ANOVA results given in Table 3.1 indicated that there is significant main effect of the dimensions of organizational structure [$F(2, 190) = 152.03, p < .00$]. This implies that the respondents were able to differentiate the various dimensions of organizational structure. However there was no significant main effect of organizations [$F(2, 95) = 0.43, n. s.$]. This implies there are no significant differences amongst the organizations on the dimensions of organizational structure. There is also no significant interaction effect [$F(4, 190) = 1.73, n. s.$].

From the results of the ANOVA as described above it can be concluded that there are no significant differences amongst the industries.

Ownership – Public and Private

In order to find out whether the two sectors – Public and Private vary from each other on all the 3 dimensions of organizational structure, an ANOVA with 2 (Sectors: public

and private) X 3 (organizational structure: formalization, stratification and complexity) design was carried out, while the later factor was a repeated measure.

ANOVA results given in Table 3.2 indicated that there is significant main effect of the dimensions of organizational structure [$F(2, 192) = 122.96, p < .00$]. This implies that the respondents were able to differentiate the various dimensions of organizational structure. Significant interaction effect was also observed [$F(2, 192) = 3.29, p < .05$]. However there is no significant main effect of the two sectors [$F(1, 96) = 1.11, n.s.$]. From the above analysis it is clear that there is no significant difference between public and private organizations in the dimensions of organizational structure.

Above results indicate that organisational structure does not vary significantly amongst different industry segments or between private and public companies. However this does not prove that organisations do not differ in their organisation structure and their organisational structure is similar to each other.

Business Strategy

Three industries- Transport, Finance and IT enabled

In order to find out whether the three industries vary from each other on all the 3 dimensions of business strategy, an ANOVA with 3 (industry: transport, finance and IT enabled) X 3 (business strategy : futurity, analysis and proactive) design was carried out, while the later factor was a repeated measure.

ANOVA results given in Table 3.3 indicated that there is significant main effect of the dimensions of business strategy [$F(2, 190) = 6.93, p < .00$]. This implies that the respondents were able to differentiate the various dimensions of business strategy. There is also significant interaction effect [$F(4, 190) = 2.46, p < .05$]. However there was no significant main effect of organizations [$F(2, 95) = 1.78, n. s.$]. This implies there are no significant differences amongst the organizations on the dimensions of Business Strategy.

From the results of the ANOVA as described above it can be concluded that there are no significant differences amongst the industries. In other words the business strategy in different industries is quite similar.

Ownership – Public and Private

In order to find out whether the two sectors – Public and Private vary from each other on all the 3 dimensions of Business Strategy, an ANOVA with 2 (Sectors: public and private) X 3 (business strategy : futurity, analysis and proactive) design was carried out, while the later factor was a repeated measure.

ANOVA results given in Table 3.4 indicated that there is significant main effect of the dimensions of business strategy [$F(2, 192) = 12.42, p < .00$]. This implies that the respondents were able to differentiate the various dimensions of business strategy. Significant interaction effect was also observed [$F(2, 192) = 6.78, p < .00$]. However there is no significant main effect of the two sectors [$F(1, 96) = .14, n.s.$].

From the above analysis it is clear that there is no significant difference between public and private organizations in the dimensions of business strategy

It is seen from the ANOVA reported above that business strategy does not significantly vary from one industry segment to another and also in case of ownership public and private companies do not indicate significantly different Business Strategy. However it does not prove that organisations studied do not follow different business strategy.

Business Environment

Three industries- Transport, Finance and IT enabled

In order to find out whether the three industries vary from each other on all the 6 dimensions of business environment, an ANOVA with 3 (Industry: Transport, Finance and IT enabled) X 6 (business environment: impact, munificence, predictability, extent of

change, number of factor and difference) design was carried out, while the later factor was a repeated measure.

ANOVA results given in Table 3.5 indicated that there is significant main effect of organizations [$F(2, 95) = 3.31, p < .05$]. This implies there are significant differences amongst the organizations on the dimensions of Business Environment. There is also main effect of the dimensions of business environment [$F(5, 475) = 19.51, p < .00$]. This implies that the respondents were able to differentiate the various dimensions of business environment. However there was no significant interaction effect [$F(10, 475) = .72, n. s.$].

From the results of the ANOVA as described above it can be concluded that there are significant differences amongst the industries. In other words the business environment in different industries is significantly different.

Ownership – Public and Private

In order to find out whether the two sectors – Public and Private vary from each other on all the 6 dimensions of Business Environment, an ANOVA with 2 (Sectors: public and private) X 6 (business environment: impact, munificence, predictability, extent of change, number of factor and difference) design was carried out, while the later factor was a repeated measure.

ANOVA results given in Table 3.6 indicated that there is significant main effect of the dimensions of business environment [$F(5, 480) = 17.46, p < .00$]. This implies that the respondents were able to differentiate the various dimensions of business environment. However there is no significant main effect of the two sectors [$F(1, 96) = .03, n.s.$]. There was also no significant interaction effect [$F(5, 480) = 1.58, n. s.$].

From the above analysis it is clear that there is no significant difference between public and private organizations in the dimensions of business environment.

The results of ANOVA reported above for business environment indicates that different industry segments face different business environment however there is no significant difference based on the public and private ownership. They encounter similar environment. In other words ownership of firm per se does not create or perceive business environment differently. Only different industries encounter different business environment.

Preparedness to Change

Three industries- Transport, Finance and IT enabled

In order to find out whether the three industries vary from each other on all the 3 dimensions of preparedness to change, an ANOVA with 3 (industry: transport, finance and IT enabled) X 3 (preparedness to change: radar capability and skill up- gradation) design was carried out, while the later factor was a repeated measure.

ANOVA results given in Table 3.7 indicated that there is significant main effect of the dimensions of preparedness to change [$F(1, 95) = 20.77, p < .00$]. This implies that the respondents were able to differentiate the various dimensions of organizational structure. There was also significant interaction effect [$F(2, 95) = 3.29, p < .05$]. However there is no significant main effect of organizations [$F(2, 95) = 1.47, n. s.$]. This implies there are no significant differences amongst the organizations on the dimensions of preparedness to change.

From the results of the ANOVA as described above it can be concluded that there are no significant differences amongst the industries. In other words the preparedness to change in different industries is quite similar.

Ownership – Public and Private

In order to find out whether the two sectors – Public and Private vary from each other on all the 2 dimensions of preparedness to change, an ANOVA with 2 (Sectors: public and private) X 2 (preparedness to change: radar capability and skill up- gradation) design was carried out, while the later factor was a repeated measure.

ANOVA results given in Table 3.8 indicated that there is significant main effect of the dimensions of preparedness to change [$F(1, 96) = 12.26, p < .00$]. This implies that the respondents were able to differentiate the various dimensions of preparedness to change. However there is no significant main effect of the two sectors [$F(1, 96) = 1.84, n.s.$]. No significant interaction effect was also observed [$F(1, 96) = .63, n.s.$].

From the above analysis it is clear that there is no significant difference between public and private organizations in the dimensions of preparedness to change.

The dimensions of preparedness to change also do not differ based on the industry type or ownership.

In addition to ANOVA analyses, correlation amongst the various independent variables and the dependent variable was carried out in order to study the relationship amongst those variables.

Relationship between Organizational Structure and Preparedness to Change

Organizations in Transport Industry

It was observed from Table 3.9, that only one out of the three dimensions of organizational structure, that is, complexity had significant negative correlation with both the factors of preparedness to change - with radar capability ($r = -.42, p < .05$) and skill upgradation ($r = -.41, p < .05$).

Organizations in Finance Industry

It was observed from table 3.10, that only one out of the three dimensions of organizational structure, that is, formalization had significant negative correlation with only one of the factors of preparedness to change - Skill Up gradation ($r = -.48, p < .05$).

Organizations in IT enabled Industry

It was observed from table 3.11, that none of the three dimensions of Organizational Structure had any significant correlation with anyone of the factors of Preparedness to Change.

The relationship of Organisational structure and preparedness to change reveals that it varies from one industry to another. It is also clear that wherever it is significant the dimensions of organisational structure have negative correlation with preparedness to change. The complex structure in case of Transport Industry hinders Radar Capability as well as Skill up gradation, while in case of Finance industry it is formalisation which hinders skill up gradation. However in case of IT enabled industry none of the dimensions of Organisational Structure showed any significant correlation with preparedness to change.

Ownership – Public and Private

Public

It was observed from table 3.12, that only one out of the three dimensions of Organizational Structure, that is, Complexity had significant negative correlation with both the factors of Preparedness to Change - with Radar Capability ($r = -.37, p < .01$) and Skill Up gradation ($r = -.29, p < .05$).

Private

It was observed from table 3.13, that all the three dimensions of Organizational Structure, that is, Complexity, Formalization and Stratification had significant positive as well as negative correlation with one of the factors of Preparedness to Change, that is, Skill Up gradation - Complexity with Skill Up gradation ($r = .44, p < .05$), Formalization with Skill Up gradation ($r = -.47, p < .05$) and Stratification with Skill Up gradation ($r = -.47, p < .05$).

On the basis of ownership also there is difference in the relationship of organisational structure and preparedness to change. In public sector firms only complexity

creates hindrances in radar capability and skill up gradation while in case of private firms all dimensions have significant relationship. It also showed one positive relationship. In private sector firms, Complexity showed positive relationship with skill up gradation while stratification and formalisation have negative relationship with skill up gradation.

Overall

It was observed from Table 3.14, that only one out of the three dimensions of Organizational Structure, that is, Formalization had significant negative correlation with only one of the two factors of Preparedness to Change, that is, Skill Upgradation ($r = -.23, p < .05$).

In brief organisational structure and preparedness to change varies amongst industry segments and also between private and public sector firms. Dimensions of organisational structure have negative relationship with dimensions of preparedness to change excepting situation when complexity showed positive correlation with skill up gradation in private sector firms. This shows that rigidity of structure on any dimension leads to negative impact on the preparedness to change.

Relationship between Business Strategy and Preparedness to Change

Organizations in Transport Industry

It was observed from Table 3.9, that all the three dimensions of Business Strategy had significant positive correlation with Radar Capability, one of the two factors of Preparedness to Change - with Futurity ($r = .49, p < .01$), Analysis ($r = .52, p < .01$), Proactive ($r = .58, p < .01$) while Analysis had significant correlation only with Skill Upgradation ($r = .37, p < .05$).

Organizations in Finance Industry

It was observed from Table 3.10, that only one out of the three dimensions of Business Strategy, that is, Analysis had significant positive correlation with only one of the factors of Preparedness to Change - Radar Capability ($r = .43, p < .05$).

Organizations in IT enabled Industry

It was observed from Table 3.11, that all the three dimensions of Business Strategy had significant positive correlation with only one factor of Preparedness to Change, that is, Radar Capability - Futurity with Radar Capability ($r = .71, p < .01$), Analysis with Radar Capability ($r = .50, p < .01$) and Proactive with Radar Capability ($r = .60, p < .01$).

The dimensions of business strategy and preparedness to change have shown positive relationship in all the three industries. However, the relationship marginally varies from industry to industry. While in Transport and IT enabled industry all dimensions of Business strategy have positive correlation with Radar capability, in case of Finance only Analysis has positive correlation with Radar capability. This implies that business strategy does affect preparedness to change and it also specific to the industry type.

Ownership – Public and Private

Public

It was observed from Table 3.12, that all the three dimensions of Business Strategy had significant positive correlation with Preparedness to Change – Radar Capability while Analysis has significant positive correlation with Skill up gradation - Futurity with Radar Capability ($r = .50, p < .01$), Analysis with Radar Capability ($r = .54, p < .01$), Proactive with Radar Capability ($r = .47, p < .01$) and Analysis with Skill Up gradation ($r = .26, p < .05$).

Private

It was observed from Table 3.13, that all the three dimensions of Business Strategy had significant positive correlation with only one factor of Preparedness to Change, that is, Radar Capability - Futurity with Radar Capability ($r = .65, p < .01$), Analysis with Radar Capability ($r = .38, p < .05$) and Proactive with Radar Capability ($r = .56, p < .01$).

From the perspective of ownership, dimensions of business strategy have significant positive relationship in both public and private owned firms with very marginal difference between private and public firms. In both cases all the three dimensions of Business strategy have positive relationship with Radar capability but in case of Public sector Analysis also has positive relationship with skill up gradation in addition to radar capability.

Overall

It was observed from Table 3.14, that all the three dimensions of Business Strategy had significant positive correlation with both the factors of Preparedness to Change - Futurity with Radar Capability ($r = .53, p < .01$), Analysis with Radar Capability ($r = .47, p < .01$), Proactive with Radar Capability ($r = .49, p < .01$) and Analysis with Skill Up gradation ($r = .21, p < .05$).

In short Business strategy and preparedness to change have positive relationship. The dimension of Radar capability has positive relationship with all dimensions of business strategy in all cases except in Finance industry when it has positive relationship only with Analysis. Skill up gradation has positive relationship only in case of Transport industry and in case of Public firm.

Relationship between Business Environment and Preparedness to Change

Organizations in Transport Industry

It was observed from Table 3.9, that none the six dimensions of Business Environment had significant correlation with any of the two factors of Preparedness to Change.

Organizations in Finance Industry

It was observed from Table 3.10, that none the six dimensions of Business Environment had significant correlation with any of the two factors of Preparedness to Change.

Organizations in IT enabled Industry

It was observed from Table 3.11, that all the six dimensions of Business Environment had significant positive correlation with most of the factors of Preparedness to Change – Impact with Radar Capability ($r = .46, p < .01$), Munificence with Radar Capability ($r = .46, p < .01$), Extent of Change with Radar Capability ($r = .33, p < .05$), Number of Factors with Radar Capability ($r = .39, p < .05$), Difference with Radar Capability ($r = .38, p < .05$), Predictability with Skill Up gradation ($r = .45, p < .01$) and Extent of Change with Skill Up gradation ($r = .58, p < .01$).

Amongst three industries, only IT enabled industry has shown positive correlation with most of the factors of Business environment. In case of other two industries there is no significant relationship amongst the dimensions of Business environment and preparedness to change.

*Ownership – Public and Private**Public*

It was observed from Table 3.12, that only one of the six dimensions of Business Environment, that is, Number of Factors, had significant positive correlation with one of the two factors of Preparedness to Change, that is, Radar capability ($r = .24, p < .05$).

Private

It was observed from Table 3.13, that only two of the six dimensions of Business Environment, had significant positive correlation with one of the two factors of Preparedness to Change, that is, Predictability with Skill Upgradation ($r = .41, p < .05$) and with Extent of Change with skill up gradation ($r = .54, p < .01$).

Overall

It was observed from Table 3.14, that only one out of the six dimensions of Business Environment, that is, Number of Factors had significant positive correlation with only one of the factors of Preparedness to Change - Radar Capability ($r = .22, p < .05$).

All the six dimensions have indicated positive correlation with dimensions of preparedness to change in one or the other situations. Thus there is significant relationship amongst the dimensions of Business environment and preparedness to change but the relationship varies amongst the industries and between public and private sector firms. In most of the cases however it is the radar capability which has significant correlation with the dimensions of Business environment and very rarely it is skill up gradation dimension of preparedness to change.

Regression analysis result

For analyzing the relative contribution of independent variables, stepwise regression analysis was carried out considering factors of Business Strategy (3 factors: Futurity, Analysis

and Proactive), Organizational Structure (3 factors: Formalization, Stratification and Complexity) and Business Environment (6 factors: Impact, Munificence, Predictability, Extent of Change, Number of Factor and Difference) as independent variable, while dependent variable was Preparedness to Change (Radar Capability and Skill Upgradation).

The results of the regression analysis at different levels i.e., Intra-Industry wise, at the level of ownership (i.e., public and private) and at the overall level are reported below:

Organizations in Transport Industry

It was observed from Table 3.15 that (1) only Proactive dimension of Business Strategy, Complex dimension of Organizational Structure and Impact dimension of Business Environment were significant predictors of both dimensions of Preparedness to Change (Radar Capability and Skill Up gradation); (2) the maximum variance, that is, 33% was explained by Proactive dimension of Business Strategy with respect to Radar Capability; (3) Impact dimension of Business Environment explained 16% of the variance in Skill Up gradation while Complex dimension of Organizational Structure explained 14% of the variance in Skill Up gradation; (4) the relationship between Complexity and Skill Up gradation was found to be negative.

The Skill Upgradation dimension of preparedness to change refers to the ability of organisation to upgrade its skill sets to remain competitive in the changing environment and with the changing business strategy, which may be required to be adopted in view of the changing environment and competitors strategies in ever changing environment. This is one of the two dimensions studied under 'preparedness to change'. The complexity dimension of organisational structure is a measure of the extent of complexities in the organisational structure or the complexities of the reporting systems and in the role allocation systems within the organisation. Thus more complexities one hand helps in better distribution and allocation of work in manageable units, it adversely affects the ability of the organisation to collate and interpret messages of the environment and changes taking place in the competitor's strategy and in the corresponding business strategies of the organisation. Thus the responsiveness of the organisation in collecting such changes and understanding its

impact on the need of new type of skill up gradation required and it's planning and organising the same is adversely affected by the complexities present in the organisational structure. Negative correlation is an indication of the same.

In short, among the dimensions of the 3 independent variables, Proactive emerged as the strongest predictor ($\beta = .57, p < .00$) and among the dimensions of the dependent variable, Radar Capability was the best predicted factor.

Organizations in Finance Industry

It was observed from Table 3.16 that (1) Proactive and Analysis dimensions of Business Strategy and Formalization dimension of Organizational Structure were significant predictors of both dimensions of Preparedness to Change (Radar Capability and Skill Up gradation), but none of the dimensions of Business Environment significantly predicted the dimensions of the dependent variable; (2) the maximum variance, that is, 23% was explained by Formalization dimension of Organizational Structure with respect to Skill Upgradation while Proactive dimension of Business Strategy explained 16% of the variance of the same dimension of the dependent variable; (3) Analysis dimensions of Business Strategy explained 19% of the variance in Radar Capability; (4) the relationship between Formalization and Skill Up gradation was found to be negative.

The formalisation dimension of organisational structure indicates the extent of the formal distribution of work, rule, roles and reporting systems in the organisation structure. The skill up gradation dimension of preparedness to change refers to the ability of organisation to upgrade its skill sets to remain competitive in the changing environment and with the changing business strategy, which may be required to be adopted in view of the changing environment and competitors strategies in ever changing environment. The Skill Up- gradation ability is affected adversely in those organisations where higher formalisations exists in organisational structure because formal structure inhibits flow of information from the environment to various layers of organisation and also affects ability to interpret the same in totality and converting it into need of skill up gradation requirements. This explains

the negative impact of formalisation dimension of organisational structure on skill up gradation.

In short, among the dimensions of the 3 independent variables, Analysis emerged as the strongest predictor ($\beta = .43, p < .03$) and between the two dimensions of the dependent variable, Radar Capability was the best predicted factor.

Organizations in IT enabled Industry

It was observed from Table 3.17 that (1) Futurity dimension of Business Strategy, Formalization dimension of Organizational Structure and two dimensions of Business Environment- Impact and Extent of Change were significant predictors of both dimensions of Preparedness to Change (Radar Capability and Skill Up gradation); (2) the maximum variance, that is, 50% was explained by Futurity with respect to Skill Up gradation while Impact of Business Environment and Formalization dimension of Organizational Structure explained 13% and 6% respectively of the variance of the same dimension of the dependent variable; (3) Extent of Change explained 34% of the variance in Skill Up gradation; (4) the relationship between Formalization and Radar Capability was found to be negative.

In short, among the dimensions of the 3 independent variables, Futurity emerged as the strongest predictor ($\beta = .71, p < .00$) and between the two dimensions of the dependent variable, Radar Capability was the best predicted factor.

Amongst the three industries studied the business strategy dimensions emerged as strongest predictors. But, they are different in different industries. are different impact of Business strategy dimensions in Proactive in Transport, Analysis in Finance and Futurity in IT sector were the strongest predictors or had maximum impact on the preparedness to change.

Ownership – Public and Private

Public

It was observed from Table 3.18 that (1) Complexity dimension of Organizational Structure was a significant predictor of both dimensions of Preparedness to Change (Radar Capability and Skill Up gradation) while Analysis was a significant predictor of Radar Capability, but none of the dimensions of Business Environment significantly predicted the dimensions of the dependent variable; (2) the maximum variance, that is, 29% was explained by Analysis with respect to Radar Capability while Complexity explained 5% of the variance of the same dimension of the dependent variable; (3) Complexity dimension of Organizational Structure also explained 8% of the variance in Skill Up gradation; (4) the relationship of Complexity with both Radar Capability and Skill Up gradation were found to be negative.

As already explained above while discussing the results of regression in the case of Transport industry and finance industry, Complexity dimension of organisational structure affects capability of skill gradation of the organisation hence negative impact of complexity on skill up gradation is found. Similarly, complexity of organisational structure retards the ability of the organisation in developing radar capability as the environmental changes noticed by the organisation need to be interpreted in a meaningful manner to make sense out of it. The extent of complexity in the structure of the organisation adds difficulty level in deriving implications from the perceived environmental changes. The flow of information and its interpretation, both gets adversely affected in such a situation. Thus higher complexity levels of organisational structure is bound to have negative impact of the radar capability of the organisation.

In short, among the dimensions of the 3 independent variables, Analysis emerged as the strongest predictor ($\beta = .54, p < .00$) and between the two dimensions of the dependent variable, Radar Capability was the best predicted factor.

Private

It was observed from Table 3.19 that (1) Futurity dimension of Business Strategy and Extent of Change dimension of Business Environment were significant predictors of both dimensions of Preparedness to Change (Radar Capability and Skill Up gradation), but none of the dimensions of Organizational Structure significantly predicted the dimensions of the dependent variable; (2) the maximum variance, that is, 37% was explained by Futurity with respect to Radar Capability while Extent of Change explained 21% of the variance of the same dimension of the dependent variable; (3) Extent of Change also explained 30% of the variance in Skill Upgradation.

In short, among the dimensions of the 3 independent variables, Futurity emerged as the strongest predictor ($\beta = .61, p < .00$) and between the two dimensions of the dependent variable, Radar Capability was the best predicted factor.

In ownership wise analysis also business strategy dimensions emerged as the strongest predictors both for Public and Private firms. But, here also there are different dimensions for different sectors. In case of Public sector firms Analysis had maximum impact while in case of Private sector firms it was Futurity which had maximum impact on the preparedness to change.

Overall

It was observed from Table 3.20 that (1) Futurity, Analysis and Proactive dimensions of Business Strategy, Formalization and Complexity dimension of Organizational Structure and Difference dimension of Business Environment were significant predictors of both dimensions of Preparedness to Change (Radar Capability and Skill Upgradation); (2) the maximum variance, that is, 28% was explained by Futurity dimension of Business Strategy with respect to Radar Capability while Formalization, Complexity, Difference and Proactive explained 4%, 4%, 5% and 2% respectively of the variance of the same dimension of the dependent variable; (3) Formalization dimension of Organizational Structure and Analysis explained 5% and 8% of the variance in Skill Upgradation; (4) the relationship of

Formalization with both Radar Capability and Skill Upgradation were found to be negative and also in the case of Complexity with Radar Capability.

In short, among the dimensions of the 3 independent variables, Futurity emerged as the strongest predictor ($\beta = .53, p < .00$) and between the two dimensions of the dependent variable, Radar Capability was the best predicted factor.

From the regression analysis of set one it reveals that the three dimensions of Business strategy emerged as the strongest predictor and radar capability was the best predicted factor.

The strongest predictor in different situations was different dimension of Business strategy. In three industries i.e. in case of Transport it was Proactive, while in case of Finance it was Analysis and in case of IT enabled industry it was Futurity which emerged as the strongest predictor. Similarly in case of Public sector firms, analysis was the strongest predictor while in case of Private firms; futurity emerged as the strongest predictor. In overall situation Futurity has the strongest impact on the radar capability.

This indicates that Business strategy dimensions play strongest impacting role on radar capabilities. The dimensions of Business environment and Organisational structure have very limited impact and that too in certain situation. These variables do not have strongest impact in any situation. Thus business strategy dimensions have impact on one of the performance measures i.e. radar capability of the organisations. Thus Business strategy dimensions are most relevant to be studied when impact of HR dimensions on performance is studied based on the data collected through Set 2.

Set 2

HRM Capability

Organizations in Transport Industry

In order to find out whether organizations under the above stated industry vary from each other on all the 4 dimensions of HRM capability, an ANOVA with 11 (organizations: 11 organizations) X 4 (HRM Capability: Strategic HRM, Technical HRM, Technical HR capability and Strategic HR capability) design was carried out, while the later factor was a repeated measure.

ANOVA results given in Table 3.21 indicated that there is significant main effect of organizations [F (10, 298) = 5.68, $p < .00$]. This implies there are significant differences amongst the organizations on the dimensions of HRM capability. There is also main effect of the dimensions of HRM capability [F (3, 894) = 6.78, $p < .00$]. This implies that the respondents were able to differentiate the various dimensions of HRM capability. Significant interaction effect was also observed [F (30, 894) = 2.63, $p < .00$].

Organizations in Finance Industry

In order to find out whether organizations under the above stated industry vary from each other on all the 4 dimensions of HRM capability, an ANOVA with 5 (organizations: 5 organizations) X 4 (HRM Capability: Strategic HRM, Technical HRM, Technical HR capability and Strategic HR capability) design was carried out, while the later factor was a repeated measure.

ANOVA results given in Table 3.22 indicated that there is significant main effect of organizations [F (4, 156) = 7.44, $p < .00$]. This implies there are significant differences amongst the organizations on the dimensions of HRM capability. There is also main effect of the dimensions of HRM capability [F (3, 468) = 10.09, $p < .00$]. This implies that the respondents were able to differentiate the various dimensions of HRM capability. However there was no significant interaction effect [F (12, 468) = 1.60, n.s.].

Organizations in IT enabled Industry

In order to find out whether organizations under the above stated industry vary from each other on all the 4 dimensions of HRM capability, an ANOVA with 9 (Organizations: 9 organizations) X 4 (HRM Capability: Strategic HRM, Technical HRM, Technical HR capability and Strategic HR capability) design was carried out, while the later factor was a repeated measure.

ANOVA results given in Table 3.23 indicated that there is significant main effect of organizations [F (8, 271) = 6.38, $p < .00$]. This implies there are significant differences amongst the organizations on the dimensions of HRM capability. There is also main effect of the dimensions of HRM capability [F (3, 813) = 22.82, $p < .00$]. This implies that the respondents were able to differentiate the various dimensions of HRM capability. However there was no significant interaction effect [F (24, 813) = 3.52, $p < .00$].

Three industries- Transport, Finance and IT enabled

In order to find out whether the three industries vary from each other on all the 4 dimensions of HRM capability, an ANOVA with 3 (Industry: Transport, Finance and IT enabled) X 4 (HRM Capability: Strategic HRM, Technical HRM, Technical HR capability and Strategic HR capability) design was carried out, while the later factor was a repeated measure.

ANOVA results given in Table 3.24 indicated that there is significant main effect of organizations [F (2, 747) = 16.12, $p < .00$]. This implies there are significant differences amongst the organizations on the dimensions of HRM capability. There is also main effect of the dimensions of HRM capability [F (3, 2241) = 18.57, $p < .00$]. This implies that the respondents were able to differentiate the various dimensions of HRM capability. However there was no significant interaction effect [F (6, 2241) = 8.58, $p < .00$].

From the results of the ANOVA of HRM capability as described above it can be concluded that there are significant differences in HRM capability dimensions amongst the

organisations within all the three industry segments. There is also significant difference amongst the three industries in the dimensions of HRM capability. In other words different organisations within the industry have different set of HRM capabilities and different industries also have varying HRM capability patterns.

Ownership – Public and Private

In order to find out whether the two sectors – Public and Private vary from each other on all the 4 dimensions of HRM capability, an ANOVA with 2 (Sectors: public and private) X 4 (HRM Capability: Strategic HRM, Technical HRM, Technical HR capability and Strategic HR capability) design was carried out, while the later factor was a repeated measure.

ANOVA results given in Table 3.25 indicated that there is significant main effect of the dimensions of HRM capability [$F(3, 2244) = 21.45, p < .00$]. This implies that the respondents were able to differentiate the various dimensions of HR capability. Significant interaction effect was also observed [$F(3, 2244) = 9.42, p < .00$]. However there is no significant main effect of the two sectors [$F(1, 748) = 1.99, n.s.$].

From the above analysis it is clear that there is no significant difference between Public and Private Organizations in the dimensions of HR capability. In other words HRM capabilities do not differ on the basis of ownership- Public or Private.

HR Systems

Organizations in Transport Industry

In order to find out whether organizations under the above stated industry vary from each other on all the 4 dimensions of HR System Orientation, an ANOVA with 11 (organizations: 11 organizations) X 5 (HR system orientation: Participative decision making, Internal orientation, Job security and Objective performance appraisal) design was carried out, while the latter factor was a repeated measure.

ANOVA results given in Table 3.26 indicated that there is significant main effect of organizations [$F(10, 298) = 6.89, p < .00$]. This implies there are significant differences amongst the organizations on the dimensions of HR system orientation. There is also main effect of the dimensions of HR system orientation [$F(3, 894) = 23.09, p < .00$]. This implies that the respondents were able to differentiate the various dimensions of HR system orientation. Significant interaction effect was also observed [$F(30, 894) = 3.29, p < .00$].

Organizations in Finance Industry

In order to find out whether organizations under the above stated industry vary from each other on all the 4 dimensions of HR System Orientation, an ANOVA with 5 (Organizations: 5 organizations) X 4 (HR system orientation: Participative decision making, Internal orientation, Job security and Objective performance appraisal) design was carried out, while the later factor was a repeated measure.

ANOVA results given in Table 3.27 indicated that there is significant main effect of organizations [$F(4, 156) = 8.03, p < .00$]. This implies there are significant differences amongst the organizations on the dimensions of HR system orientation. There is also main effect of the dimensions of HR system orientation [$F(3, 468) = 30.94, p < .00$]. This implies that the respondents were able to differentiate the various dimensions of HR system orientation. Significant interaction effect was also observed [$F(12, 468) = 3.52, p < .00$].

Organizations in IT enabled Industry

In order to find out whether organizations under the above stated industry vary from each other on all the 4 dimensions of HR System Orientation, an ANOVA with 9 (organizations: 9 organizations) X 4 (HR system orientation: Participative decision making, Internal orientation, Job security and Objective performance appraisal) design was carried out, while the later factor was a repeated measure.

ANOVA results given in Table 3.28 indicated that there is significant main effect of organizations [$F(8, 271) = 6.59, p < .00$]. This implies there are significant differences

amongst the organizations on the dimensions of HR system orientation. There is also main effect of the dimensions of HR system orientation [$F(3, 813) = 3.86, p < .01$]. This implies that the respondents were able to differentiate the various dimensions of HR system orientation. Significant interaction effect was also observed [$F(24, 813) = 4.45, p < .00$].

Three industries- Transport, Finance and IT enabled

In order to find out whether the three industries vary from each other on all the 4 dimensions of HR System Orientation, an ANOVA with 3 (Industry: Transport, Finance and IT enabled) X 4 (HR system orientation: Participative decision making, Internal orientation, Job security and Objective performance appraisal) design was carried out, while the later factor was a repeated measure.

ANOVA results given in Table 3.29 indicated that there is significant main effect of organizations [$F(2, 747) = 14.58, p < .00$]. This implies that there are significant differences amongst the organizations on the dimensions of HR systems. There is also main effect of the dimensions of HR systems [$F(3, 2241) = 35.99, p < .00$]. This implies that the respondents were able to differentiate the various dimensions of HR system. Significant interaction effect was also observed [$F(6, 2241) = 11.79, p < .00$].

From the results of the ANOVA of HR systems as described above it can be concluded that there are significant differences in HR systems amongst the organisations within all the three industry segments. There is also significant difference amongst the three industries in the dimensions of HR Systems. In other words different organisations within the industry have different set of HR systems and different industries also have varying HR systems patterns.

It is clear that HR systems have significant difference amongst the three industries.

Ownership – Public and Private

In order to find out whether the two sectors – Public and Private vary from each other on all the 4 dimensions of HR System Orientation, an ANOVA with 2 (Sectors: public and private) X 4 (HR system orientation: Participative decision making, Internal orientation, Job security and Objective performance appraisal) design was carried out, while the later factor was a repeated measure.

ANOVA results given in Table 3.30 indicated that there is significant main effect of the dimensions of HR system orientation [$F(3, 2244) = 11.59, p < .00$]. This implies that the respondents were able to differentiate the various dimensions of HR system. Significant interaction effect was also observed [$F(3, 2244) = 33.25, p < .00$]. However there is no significant main effect of the two sectors [$F(1, 748) = 1.00, n.s.$].

ANOVA between Public and Private sectors showed that there is no significant difference in HR system dimensions. In other words HR systems do not differ on the basis of ownership- Public or Private.

Organisational Culture

Organizations in Transport Industry

In order to find out whether organizations under the above stated industry vary from each other on all the 5 dimensions of Organizational culture, an ANOVA with 11 (organizations: 11 organizations) X 5 (organizational culture: PDI, UAI, IDV, MAS and LTO) design was carried out, while the later factor was a repeated measure.

ANOVA results given in Table 3.31 indicated that there is significant main effect of organizations [$F(10, 298) = 3.54, p < .00$]. This implies there are significant differences amongst the organizations on the dimensions of organizational culture. There is also main effect of the dimensions of organizational culture [$F(4, 1192) = 18.57, p < .00$]. This implies

that the respondents were able to differentiate the various dimensions of organizational culture. Significant interaction effect was also observed [$F(40, 1192) = 2.41, p < .00$].

Organizations in Finance Industry

In order to find out whether organizations under the above stated industry vary from each other on all the 5 dimensions of Organizational culture, an ANOVA with 5 (organizations: 5 organizations) X 5 (organizational culture: PDI, UAI, IDV, MAS and LTO) design was carried out, while the later factor was a repeated measure.

ANOVA results given in Table 3.32 indicated that there is main effect of the dimensions of organizational culture [$F(4, 624) = 16.06, p < .00$]. This implies that the respondents were able to differentiate the various dimensions of organizational culture. Significant interaction effect was observed [$F(16, 624) = 2.02, p < .01$]. However, there is no significant main effect of organizations [$F(4, 156) = .77, n.s.$]. This implies there are no differences amongst the organizations on the dimensions of organizational culture.

Organizations in IT enabled Industry

In order to find out whether organizations under the above stated industry vary from each other on all the 5 dimensions of Organizational culture, an ANOVA with 9 (organizations: 9 organizations) X 5 (organizational culture: PDI, UAI, IDV, MAS and LTO) design was carried out, while the later factor was a repeated measure.

ANOVA results given in Table 3.33 indicated that there is significant main effect of organizations [$F(8, 271) = 2.17, p < .05$]. This implies there are significant differences amongst the organizations on the dimensions of organizational culture. There is also main effect of the dimensions of organizational culture [$F(4, 1084) = 21.59, p < .00$]. This implies that the respondents were able to differentiate the various dimensions of organizational culture. Significant interaction effect was also observed [$F(32, 1084) = 2.01, p < .00$].

Three industries- Transport, Finance and IT enabled

In order to find out whether the three industries vary from each other on all the 5 dimensions of Organizational culture, an ANOVA with 3 (Industry: Transport, Finance and IT enabled) X 5 (organizational culture: PDI, UAI, IDV, MAS and LTO) design was carried out, while the later factor was a repeated measure.

ANOVA results given in Table 3.34 indicated that there is main effect of the dimensions of organizational culture [$F(4, 2988) = 58.98, p < .00$]. This implies that the respondents were able to differentiate the various dimensions of organizational culture. However, there is no significant main effect of organizations [$F(2, 747) = 1.85, n.s.$]. This implies there are no differences amongst the organizations on the dimensions of organizational culture. There was also no significant interaction effect [$F(8, 2988) = 1.43, n.s.$].

At the industry level organisational culture dimensions have no significant difference. However at organisation level there is significant difference amongst organisations within the Transport and IT enabled industries. In Finance industry organisations did not show any significant difference so far as the dimensions of organisational culture are concerned.

Ownership – Public and Private

In order to find out whether the two sectors – Public and Private vary from each other on all the 5 dimensions of Organizational culture, an ANOVA with 2 (Sectors: Public and Private) X 5 (organizational culture: PDI, UAI, IDV, MAS and LTO) design was carried out, while the later factor was a repeated measure.

ANOVA results given in Table 3.35 indicated that there is main effect of the dimensions of organizational culture [$F(4, 2992) = 55.64, p < .00$]. This implies that the respondents were able to differentiate the various dimensions of organizational culture. However, there is no significant main effect of sectors [$F(1, 748) = 1.12, n.s.$]. This implies there are no differences amongst the two sectors – public and private on the dimensions of

organizational culture. There was also no significant interaction effect [$F(4, 2992) = 2.18$, n.s.].

ANOVA results as reported above indicated that there is no significant difference between Public and Private owned organisations.

Organisational Effectiveness

Organizations in Transport Industry

In order to find out whether organizations under the above stated industry vary from each other on all the 5 dimensions of Organizational effectiveness, an ANOVA with 11 (Organizations: 11 organizations) X 5 (Organizational effectiveness: Quantity, Quality, Efficiency, Flexibility and Adaptability) design was carried out, while the later factor was a repeated measure.

ANOVA results given in Table 3.36 indicated that there is significant main effect of organizations [$F(10, 298) = 7.78$, $p < .00$]. This implies there are significant differences amongst the organizations on the dimensions of Organizational effectiveness. There is also main effect of the dimensions of Organizational effectiveness [$F(4, 1192) = 42.00$, $p < .00$]. This implies that the respondents were able to differentiate the various dimensions of Organizational effectiveness. Significant interaction effect was also observed [$F(40, 1192) = 2.17$, $p < .00$].

Organizations in Finance Industry

In order to find out whether organizations under the above stated industry vary from each other on all the 5 dimensions of Organizational effectiveness, an ANOVA with 5 (organizations: 5 organizations) X 5 (Organizational effectiveness: Quantity, Quality, Efficiency, Flexibility and Adaptability) design was carried out, while the later factor was a repeated measure.

ANOVA results given in Table 3.37 indicated that there is significant main effect of organizations [$F(4, 156) = 5.80, p < .00$]. This implies there are significant differences amongst the organizations on the dimensions of Organizational effectiveness. There is also main effect of the dimensions of Organizational effectiveness [$F(4, 624) = 14.70, p < .00$]. This implies that the respondents were able to differentiate the various dimensions of Organizational effectiveness. Significant interaction effect was also observed [$F(16, 624) = 1.73, p < .05$].

Organizations in IT enabled Industry

In order to find out whether organizations under the above stated industry vary from each other on all the 5 dimensions of Organizational effectiveness, an ANOVA with 9 (organizations: 9 organizations) X 5 (Organizational effectiveness: Quantity, Quality, Efficiency, Flexibility and Adaptability) design was carried out, while the later factor was a repeated measure.

ANOVA results given in Table 3.38 indicated that there is significant main effect of organizations [$F(8, 271) = 3.61, p < .00$]. This implies there are significant differences amongst the organizations on the dimensions of Organizational effectiveness. There is also main effect of the dimensions of Organizational effectiveness [$F(4, 1084) = 36.47, p < .00$]. This implies that the respondents were able to differentiate the various dimensions of Organizational effectiveness. Significant interaction effect was also observed [$F(32, 1084) = 2.7, p < .00$].

Three industries- Transport, Finance and IT enabled

In order to find out whether the three industries vary from each other on all the 5 dimensions of Organizational effectiveness, an ANOVA with 3 (Industry: Transport, Finance and IT enabled) X 5 (Organizational effectiveness: Quantity, Quality, Efficiency, Flexibility and Adaptability) design was carried out, while the later factor was a repeated measure.

ANOVA results given in Table 3.39 indicated that there is significant main effect of dimensions of Organizational effectiveness [$F(4, 2988) = 76.34, p < .00$]. This implies that the respondents were able to differentiate the various dimensions of Organizational effectiveness. However, there is no significant main effect of the industries [$F(2, 747) = .41, n.s.$]. There is also no significant interaction effect [$F(8, 2988) = 1.08, n.s.$].

From the results mentioned above it implies that there is significant difference amongst the intra-industry level for the dimensions of organisational effectiveness but there is no significant difference at inter-industry level so far as the dimensions of organisational effectiveness are concerned. In other words effectiveness differs significantly amongst organisations within the industry segment, but when industries are compared there is no significant difference in effectiveness dimensions.

Ownership – Public and Private

In order to find out whether the two sectors – Public and Private vary from each other on all the 5 dimensions of Organizational effectiveness, an ANOVA with 2 (Sectors: public and private) X 5 (Organizational effectiveness: Quantity, Quality, Efficiency, Flexibility and Adaptability) design was carried out, while the later factor was a repeated measure.

ANOVA results given in Table 3.40 indicated that there is significant main effect of dimensions of Organizational effectiveness [$F(4, 2992) = 64.89, p < .00$]. This implies that the respondents were able to differentiate the various dimensions of Organizational effectiveness. However, there is no significant main effect of the two sectors [$F(1, 748) = .13, n.s.$]. There is also no significant interaction effect [$F(4, 2992) = 1.88, n.s.$].

This indicates that there is no significant difference amongst inter ownership level – between Public and Private owned organisations for the dimensions of organisational effectiveness.

In addition to ANOVA analyses, correlation amongst the various independent variables and the dependent variable was carried out in order to study the relationship amongst those variables.

ANOVA results on set two indicates that HR Capability and HR Systems are significantly different both at intra industry level i.e. at organisational level within an industry as well as at inter industry level. However organisational effectiveness is significantly different only at intra industry level. At inter-industry level there is no significant difference. The three industries are operating in different context hence their effectiveness levels though similar may not be comparable on effectiveness dimensions.

For organisational culture significant difference was noticed only at intra industry level i.e. at organisational level, within same industry for transport and IT enabled industry only but there was no significant intra industry difference within Finance industry. At the inter industry level also there was no significant difference in case of dimensions of organisational culture.

So far as ANOVA results for ownership are concerned, there was no significant difference for any of the dimensions, viz. HRM capability, HR systems, organisational culture and organisational effectiveness, for Public or Private sector firms.

Relationship between HRM Capability and Organizational Effectiveness

Organizations in Transport Industry

It was observed from table 3.41, that all the 4 dimensions of HR Capability had significant positive correlations with most of the factors of Effectiveness- Strategic HRM with Quantity ($r = 0.17, p < .01$), Efficiency ($r = .18, p < .01$), with Flexibility ($r = .17, p < .01$), with Adaptability ($r = .12, p < .05$); Technical HRM with all dimensions of Effectiveness – Quantity ($r = .20, p < .01$), Quality ($r = .16, p < .01$), Efficiency ($r = .20, p < .01$), Flexibility ($r = .12, p < .05$) and with Adaptability ($r = .17, p < .01$), Technical HR capability with Quantity ($r = .14, p < .05$), Flexibility ($r = .21, p < .01$) and Adaptability ($r = .15, p <$

.01) and Strategic HR capability with Quantity ($r = .22, p < .01$), Efficiency ($r = .15, p < .01$), Flexibility ($r = .26, p < .01$) and Adaptability ($r = .24, p < .01$).

Organizations in Finance Industry

It was observed from table 3.42, that all the dimensions of HR Capability had significant positive correlations with all the factors of Effectiveness- Strategic HRM with Quantity ($r = 0.36, p < .01$), Quality ($r = 0.45, p < .01$), Efficiency ($r = 0.29, p < .01$), with Flexibility ($r = 0.27, p < .01$), with Adaptability ($r = 0.27, p < .05$); Technical HRM with all dimensions of Effectiveness – Quantity ($r = 0.36, p < .01$), Quality ($r = 0.41, p < .01$), Efficiency ($r = 0.32, p < .01$), Flexibility ($r = 0.28, p < .01$) and with Adaptability ($r = 0.20, p < .05$), Technical HR capability with Quantity ($r = 0.36, p < .01$), Quality ($r = .48, p < .01$), Efficiency ($r = .38, p < .01$), Flexibility ($r = .36, p < .01$) and Adaptability ($r = .30, p < .01$) and Strategic HR capability with Quantity ($r = .25, p < .01$), Quality ($r = .40, p < .01$), Efficiency ($r = .28, p < .01$), Flexibility ($r = .33, p < .01$) and Adaptability ($r = .21, p < .01$).

Organizations in IT enabled Industry

It was observed from table 3.43, that all the dimensions of HR Capability had significant positive correlations with all the factors of Effectiveness- Strategic HRM with Quantity ($r = 0.16, p < .01$), Quality ($r = 0.22, p < .01$), Efficiency ($r = 0.33, p < .01$), with Flexibility ($r = 0.31, p < .01$), with Adaptability ($r = 0.24, p < .01$); Technical HRM with Quantity ($r = 0.20, p < .01$), Quality ($r = 0.18, p < .01$), Efficiency ($r = 0.30, p < .01$), Flexibility ($r = 0.32, p < .01$) and with Adaptability ($r = 0.30, p < .01$), Technical HR capability with Quantity ($r = 0.19, p < .01$), Quality ($r = .19, p < .01$), Efficiency ($r = .26, p < .01$), Flexibility ($r = .29, p < .01$) and Adaptability ($r = .28, p < .01$) and Strategic HR capability with Quantity ($r = .13, p < .05$), Quality ($r = .22, p < .01$), Efficiency ($r = .34, p < .01$), Flexibility ($r = .27, p < .01$) and Adaptability ($r = .18, p < .01$).

*Ownership – Public and Private**Public*

It was observed from table 3.44, that all the dimensions of HR Capability had significant positive correlations with all the factors of Effectiveness- Strategic HRM with Quantity ($r = 0.21, p < .01$), Quality ($r = 0.23, p < .01$), Efficiency ($r = 0.25, p < .01$), with Flexibility ($r = 0.21, p < .01$), with Adaptability ($r = 0.20, p < .01$); Technical HRM with Quantity ($r = 0.22, p < .01$), Quality ($r = 0.21, p < .01$), Efficiency ($r = 0.24, p < .01$), Flexibility ($r = 0.18, p < .01$) and with Adaptability ($r = 0.21, p < .01$), Technical HR capability with Quantity ($r = 0.22, p < .01$), Quality ($r = 0.23, p < .01$), Efficiency ($r = 0.21, p < .01$), Flexibility ($r = 0.24, p < .01$) and Adaptability ($r = 0.22, p < .01$) and Strategic HR capability with Quantity ($r = 0.20, p < .01$), Quality ($r = 0.20, p < .01$), Efficiency ($r = 0.23, p < .01$), Flexibility ($r = 0.26, p < .01$) and Adaptability ($r = 0.21, p < .01$).

Private

It was observed from table 3.45, that all the dimensions of HR Capability had significant positive correlations with all the factors of Effectiveness- Strategic HRM with Quantity ($r = 0.21, p < .01$), Quality ($r = 0.20, p < .01$), Efficiency ($r = 0.30, p < .01$), with Flexibility ($r = 0.30, p < .01$), with Adaptability ($r = 0.20, p < .01$); Technical HRM with Quantity ($r = 0.26, p < .01$), Quality ($r = 0.21, p < .01$), Efficiency ($r = 0.31, p < .01$), Flexibility ($r = 0.32, p < .01$) and with Adaptability ($r = 0.22, p < .01$), Technical HR capability with Quantity ($r = 0.19, p < .01$), Quality ($r = 0.17, p < .05$), Efficiency ($r = 0.27, p < .01$), Flexibility ($r = 0.33, p < .01$) and Adaptability ($r = 0.24, p < .01$) and Strategic HR capability with Quantity ($r = 0.16, p < .05$), Quality ($r = 0.21, p < .01$), Efficiency ($r = 0.31, p < .01$), Flexibility ($r = 0.32, p < .01$) and Adaptability ($r = 0.17, p < .05$).

Overall

It was observed from table 3.46, that all the dimensions of HR Capability had significant positive correlations with all the factors of Effectiveness- Strategic HRM with Quantity ($r = 0.21, p < .01$), Quality ($r = 0.22, p < .01$), Efficiency ($r = 0.26, p < .01$), with

Flexibility ($r = 0.23, p < .01$), with Adaptability ($r = 0.20, p < .01$); Technical HRM with Quantity ($r = 0.23, p < .01$), Quality ($r = 0.21, p < .01$), Efficiency ($r = 0.26, p < .01$), Flexibility ($r = 0.21, p < .01$) and with Adaptability ($r = 0.21, p < .01$), Technical HR capability with Quantity ($r = 0.21, p < .01$), Quality ($r = .21, p < .01$), Efficiency ($r = .22, p < .01$), Flexibility ($r = .26, p < .01$) and Adaptability ($r = .23, p < .01$) and Strategic HR capability with Quantity ($r = .19, p < .01$), Quality ($r = .21, p < .01$), Efficiency ($r = .25, p < .01$), Flexibility ($r = .27, p < .01$) and Adaptability ($r = .20, p < .01$).

From the results of correlation reported above it is clearly established that there is significant relationship amongst the 4 dimensions of HR capability and the 5 dimensions of organisational effectiveness at the Industry level. However the Relationship between HRM Capability and Organizational Effectiveness is not identical in the three industry segment studied. To elaborate it further it may be mentioned that all Technical HR capability and Strategic HR capability have significant correlation with all dimensions of organisational effectiveness in both Finance and IT enabled industries whereas in Transport industry the significant correlation is not there with quality and efficiency dimensions of for technical HR capability.

At the ownership level the relationship is similar amongst the 4 dimensions of HR capability and 5 dimensions of organisational effectiveness as all dimensions are significantly correlated.

Similarly for overall level there is significant correlation established amongst all dimensions of HR capability and all dimensions organisational effectiveness.

The relationship analysis at different levels – Industry, ownership and overall as reported above establishes that dimensions of HR capability are significantly correlated to the dimensions of organisational effectiveness at all levels with some differences amongst 3 industries as indicated above.

Relationship between HR Systems and Organizational Effectiveness

Organizations in Transport Industry

It was observed from table 3.41, that most of the dimensions of HR System Orientation, except for Job security, had significant positive correlations with most of the factors of Effectiveness- Participative decision making with Quantity ($r = 0.23, p < .01$), with Flexibility ($r = .15, p < .01$), with Adaptability ($r = .13, p < .05$); Internal orientation with all dimensions of Effectiveness – Quantity ($r = .27, p < .01$), Quality ($r = .18, p < .01$), Efficiency ($r = .17, p < .01$), Flexibility ($r = .23, p < .01$) and with Adaptability ($r = .33, p < .01$); Job security only with Adaptability ($r = .12, p < .01$) and Objective performance appraisal with Quantity ($r = .29, p < .01$), Quality ($r = .15, p < .01$), Flexibility ($r = .21, p < .01$), Adaptability ($r = .28, p < .01$).

Organizations in Finance Industry

From Table 3.42 it was seen that except for Internal Orientation and Objective performance appraisal, none of the other dimensions of HR System Orientation had any significant relationship with Effectiveness. Internal orientation with Quantity ($r = .24, p < .01$), Quality ($r = .18, p < .05$), Efficiency ($r = .27, p < .01$) and Flexibility ($r = .27, p < .01$); Objective performance appraisal with Quality ($r = .19, p < .05$), Efficiency ($r = .20, p < .05$) and Flexibility ($r = .22, p < .01$)

Organizations in IT enabled Industry

It was observed from table 3.43, that most of the dimensions of HR System Orientation, except for Job security, had significant positive correlations with most of the factors of Effectiveness- Participative decision making with Efficiency ($r = 0.23, p < .01$), with Flexibility ($r = .23, p < .01$), with Adaptability ($r = .20, p < .01$); Internal orientation with all dimensions of Effectiveness – Quantity ($r = .17, p < .01$), Quality ($r = .13, p < .01$), Efficiency ($r = .30, p < .01$), Flexibility ($r = .29, p < .01$) and with Adaptability ($r = .26, p < .01$).

.01) and Objective performance appraisal with Efficiency ($r = .16, p < .01$), Flexibility ($r = .23, p < .01$), Adaptability ($r = .15, p < .05$).

Ownership – Public and Private

Public

It was observed from table 3.44, that most of the dimensions of HR System Orientation, except for Job security, had significant positive correlations with most of the factors of Effectiveness- Participative decision making with Quantity ($r = 0.17, p < .01$), Quality ($r = .09, p < .05$), Efficiency ($r = .14, p < .01$), with Flexibility ($r = .10, p < .05$), with Adaptability ($r = .10, p < .05$); Internal orientation with all dimensions of Effectiveness – Quantity ($r = .20, p < .01$), Quality ($r = .13, p < .01$), Efficiency ($r = .18, p < .01$), Flexibility ($r = .21, p < .01$) and with Adaptability ($r = .23, p < .01$) and Objective performance appraisal with Quantity ($r = .20, p < .01$), Quality ($r = .18, p < .01$), Efficiency ($r = .14, p < .01$), Flexibility ($r = .20, p < .01$) and Adaptability ($r = .21, p < .01$).

Private

It was observed from table 3.45, that most of the dimensions of HR System Orientation, except for Job security, had significant positive correlations with most of the factors of Effectiveness- Participative decision making with Efficiency ($r = .21, p < .01$), with Flexibility ($r = .35, p < .01$), with Adaptability ($r = .20, p < .01$); Internal orientation with all dimensions of Effectiveness – Quantity ($r = .26, p < .01$), Quality ($r = .23, p < .01$), Efficiency ($r = .39, p < .01$), Flexibility ($r = .37, p < .01$) and with Adaptability ($r = .34, p < .01$) and Objective performance appraisal with Efficiency ($r = .17, p < .05$), Flexibility ($r = .27, p < .01$) and Adaptability ($r = .15, p < .05$).

Overall (N = 750)

It was observed from table 3.46, that most of the dimensions of HR System Orientation, except for Job security, had significant positive correlations with most of the factors of Effectiveness- Participative decision making with Quantity ($r = .15, p < .01$),

Quality ($r = .09, p < .05$), Efficiency ($r = .16, p < .01$), with Flexibility ($r = .17, p < .01$), with Adaptability ($r = .13, p < .01$); Internal orientation with all dimensions of Effectiveness – Quantity ($r = .22, p < .01$), Quality ($r = .16, p < .01$), Efficiency ($r = .24, p < .01$), Flexibility ($r = .25, p < .01$) and with Adaptability ($r = .26, p < .01$) and Objective performance appraisal with Quantity ($r = .15, p < .01$), Quality ($r = .14, p < .01$), Efficiency ($r = .15, p < .01$), Flexibility ($r = .21, p < .01$) and Adaptability ($r = .20, p < .01$).

From the results of correlations quoted above it is clear that the dimensions of HR system have different relationship in different industries. The dimension of internal orientation was found to have significant relationship with all dimensions of organisational effectiveness at overall level as well as in case of all industries with one exception in Finance industry where it is not at significant level with adaptability and in case of Public and Private sector organisations.

Participative decision making has significant correlation with all dimensions of organisational effectiveness at overall level. But its relationship varies in case of industries. In case of Finance industry participative decision making has no significant correlation with any of the dimensions of organisational effectiveness.

Difference is also there in case of Public and private organisations. Participative decision making showed significant correlation with all dimensions of effectiveness whereas in case of Private organisations it was found to have no significant correlation with quality and quality dimensions of organisational effectiveness.

Objective Performance appraisal also exhibited significant correlation with all dimensions of organisational effectiveness at overall level. But in case of different segment of industries it showed significant relationship with different pattern amongst 3 industries. Objective Performance Appraisal exhibited significant correlation with all dimensions of organisational effectiveness except with efficiency in Transport sector while in Finance sector it did not show significant correlation with quantity and adaptability.

The correlation amongst one of the dimensions of HR capability i.e. Job Security with effectiveness has not been found significant at Industry, Ownership and overall levels except in case of Transport industry where it has been at significant level ($p < .05$) with only one dimension of organisational effectiveness i.e., Adaptability.

Relationship between Organizational Culture and Organizational Effectiveness

Organizations in Transport Industry (N = 309)

It was observed from table 3.41, that there are significant negative correlations among dimensions of organizational culture and organizational effectiveness like, PDI with Quantity ($r = -0.17, p < .01$), PDI with Efficiency ($r = -0.19, p < .01$), PDI with Adaptability ($r = -0.14, p < .05$), IDV with flexibility ($r = -0.12, p < .05$), IDV with Adaptability ($r = -0.14, p < .05$), LTO with Flexibility ($r = -0.12, p < .05$).

Organizations in Finance Industry (N = 161)

There was no significant relationship amongst the dimensions of organizational culture and organizational effectiveness.

Organizations in IT enabled Industry (N = 280)

It was observed from Table 3.43, that there was also no significant correlations among any of the dimensions of organizational culture and organizational effectiveness except for negative correlation of LTO with Quality ($r = -0.14, p < .05$).

Ownership – Public and Private

Public (N = 534)

From Table 3.44, it was seen that most of the dimensions of organizational culture had no significant correlation with organizational effectiveness except for PDI with Efficiency ($r = -0.12, p < .01$) and LTO with Quality ($r = -0.12, p < .01$).

Private (N = 216)

Similarly, it was seen from table 3.45, that only two dimensions of Organizational culture had significant negative correlation with two dimensions of Effectiveness, PDI with Quality ($r = -0.14, p < .05$) and LTO with Quantity ($r = -0.13, p < .01$).

Overall (N = 750)

Even at the global level, similar trend was observed from Table 3.46, that is, only two dimensions of Organizational culture had significant negative correlation with two dimensions of Effectiveness, PDI with Efficiency ($r = -0.11, p < .01$) and LTO with Quality ($r = -0.11, p < .01$).

Dimensions of organisational culture did not show significant correlation with the dimensions of organisational effectiveness barring few significant negative correlations amongst the dimensions of organisational culture and organisational effectiveness as mentioned below. At overall level PDI showed significant negative correlation with efficiency, while at industry level it showed significant negative correlation with quantity, efficiency and adaptability only in transport industry. While at ownership level PDI had significant negative correlation with efficiency in Public sector organisations whereas in case of private owned companies it showed significant negative correlation with quality. UAI and MAS do not have any significant correlation with any of the dimensions of organisational effectiveness.

IDV recorded negative significant correlation with Flexibility and Adaptability in case of Transport industry. For all other levels and other industries there was no significant correlation noticed.

In case of LTO also it recorded negative correlation with quality at overall level while in industry segments it showed significant negative correlation with flexibility in case of Transport and with quality in case of IT enabled industry segments and no significant

correlation in Finance sector. While in case of Public sector companies it showed negative correlation with quality and in private sector it showed negative correlation with quantity.

Regression analysis result

For analyzing the relative contribution of independent variables, stepwise regression analysis was carried out considering factors of HR Systems (4 factors: Participative decision making, Internal orientation, Job security and Objective performance appraisal), HRM Capability (4 factors: Strategic HRM, Technical HRM, Technical HR capability and Strategic HR capability) and Organizational Culture (5 factors: PDI, UAI, IDV, MAS and LTO) as independent variable, while dependent variable was Organizational Effectiveness (5 factors: Quality, Quantity, Efficiency, Flexibility and Adaptability).

The results of the analysis under the various levels, i.e., Intra-Industry wise, at the level of ownership (i.e., public and private) and at the overall level are reported below:

Organizations in Transport Industry

It was observed from table 3.47 that (1) Internal orientation and Objective performance appraisal of HR Systems, Technical HRM and Strategic HR capability of HRM Capability and PDI and IDV dimensions of Organizational Culture were significant predictors of all the factors of Organizational Effectiveness (Quality, Quantity, Efficiency, Flexibility and Adaptability); (2) the maximum variance, that is, 11% was explained by Internal orientation of HR Systems with respect to Adaptability dimension of the dependent variable while IDV dimension of Organizational Culture and Objective performance appraisal of HR Systems explained 2% each of the same dimension of effectiveness; (3) only Internal orientation dimension of HR Systems explained 3% of variance in Quality dimension of Organizational Effectiveness; (4) Objective performance appraisal of HR Systems, PDI of Organizational Culture and Internal orientation explained 8%, 3% and 1% variance respectively of Quantity dimension of Organizational Effectiveness (5) Technical HRM of HRM Capability and PDI of Organizational Culture explained 4% and 3% variance respectively of Efficiency while Strategic HR capability of HRM Capability and IDV

dimensions of Organizational Culture explained 7% and 1% of variance respectively in Flexibility dimension of Organizational Effectiveness (6) the relationship of PDI with Quantity and Efficiency were found to be negative. Similar negative relationships were also found among IDV and Flexibility and Adaptability.

The relationship of PDI with Quantity and Efficiency were found to be negative and variance contribution explained was 3% with both quantity and Efficiency. Power Distance Index measures the distance amongst various layers of the organisation. High Power Distance affects communication within the organisation. Particularly bottom up communication gets adversely affected. Hence contribution of lower levels of employees in the hierarchy gets limited. There is only compliance of instructions but individuals do not find it comfortable to disagree or give their suggestions or feedback. This limits performance of large number of employees. In such a situation Quantity of performance and Efficiency are bound to have negative impact. This also reflects that in this situation PDI has crossed the desired or optimum level of distance and it becomes counter-productive.

In short, amongst the dimensions of the 3 independent variables, Internal Orientation of HR Systems emerged as the strongest predictor ($\beta = .33, p < .00$) and among the dimensions of the dependent variable, Adaptability was the best predicted factor.

Organizations in Finance Industry

It was observed from table 3.48 that (1) Technical HRM and Technical HR capability of HRM Capability and UAI dimension of Organizational Culture were significant predictors of all the factors of Organizational Effectiveness (Quality, Quantity, Efficiency, Flexibility and Adaptability); however none of the dimensions HR Systems were significant predictors; (2) the maximum variance, that is, 23% was explained by Technical HR capability of HRM Capability with respect to Quality dimension of the dependent variable and it also explained 14% and 9% variance of Efficiency and Adaptability respectively; (3) only Technical HRM of HRM Capability explained 13% of variance in Quantity dimension of Organizational Effectiveness; (4) Technical HR capability of HRM Capability and UAI dimension of

Organizational Culture explained 13% and 2% of variance respectively in Flexibility dimension of Organizational Effectiveness.

In short, among the dimensions of the 3 independent variables, Technical HR capability of HRM Capability emerged as the strongest predictor ($\beta = .48, p < .00$) and among the dimensions of the dependent variable, Quality was the best predicted factor.

Organizations in IT enabled Industry

It was observed from table 3.49 that (1) Strategic HR capability and Technical HRM of HRM Capability and Internal orientation and Job security dimensions of HR Systems were significant predictors of all the factors of Organizational Effectiveness (Quality, Quantity, Efficiency, Flexibility and Adaptability); however none of the dimensions Organizational Culture were significant predictors; (2) the maximum variance, that is, 11% was explained by Strategic HR capability of HRM Capability with respect to Efficiency dimension of the dependent variable while Internal orientation and Job security of HR Systems explained 2% and 3% respectively of the same dimension of the dependent variable; (3) only Strategic HR capability of HRM Capability explained 5% of variance in Quality dimension of Organizational Effectiveness while only Technical HRM explained 4% of variance in Quantity ; (4) Technical HRM explained 10% of the variance in Flexibility while Internal orientation and Job security of HR Systems explained 2% each of the variance in Flexibility dimension of Organizational Effectiveness (5) Technical HRM of HRM Capability explained 9% of variance in Adaptability while Job security and Internal orientation of HR Systems explained 2% each of the variance in Adaptability dimension of Organizational Effectiveness (6) the relationship of Job security with Efficiency, Flexibility and Adaptability were found to be negative.

Job Security was found to have negative impact on Efficiency, Flexibility and Adaptability. The main reason behind negative impact is due to the fact that Job Security leads to complacency and a level of comfort zone for the employee within the organisation. Hence employees do not get sufficient motivation to change their way of working or change their beliefs. In such a situation employees do not find themselves sufficiently motivated to

adapt to the changes or become flexible. Thus Flexibility and Adaptability showed negative impact. This behaviour also adversely impacts efficiency of the organisation particularly in the ever changing environment. IT enabled industry is such an industry which is facing continuously rapidly changing environment which requires fast adaptability and flexibility.

In short, amongst the dimensions of the 3 independent variables, Strategic HR capability of HRM Capability emerged as the strongest predictor ($\beta = .34, p < .00$) and among the dimensions of the dependent variable, efficiency was the best predicted factor.

Ownership – Public and Private

Public

It was observed from table 3.50 that (1) Strategic HR capability, Technical HR capability, Technical HRM and Strategic HRM of HRM Capability; Internal orientation, Job security, Objective performance appraisal and Participative decision making dimensions of HR Systems and the dimensions Organizational Culture like LTO and PDI were significant predictors of all the factors of Organizational Effectiveness (Quality, Quantity, Efficiency, Flexibility and Adaptability); (2) the maximum variance, that is, 7% was explained by Strategic HR capability with respect to Flexibility dimension of the dependent variable (3) Strategic HRM of HRM Capability, LTO dimension of Organizational Culture and Objective performance appraisal of HR Systems explained 5%, 1% and 1% of variance respectively in Quality dimension of Organizational Effectiveness while Technical HRM and Objective performance appraisal explained 5% and 1% of variance respectively in Quantity; (4) Strategic HRM of HRM Capability and PDI of Organizational Culture explained 6% and 1% of variance respectively in Efficiency dimension of Organizational Effectiveness; (5) Internal orientation and Technical HR capability of HRM Capability explained 5% and 2% of variance respectively in Adaptability dimension while Job security, Objective performance appraisal and Participative decision making dimensions of HR Systems explained 1% each of the variance in the same dimension of the dependent variable; (6) the relationship of LTO with Quality, PDI with Efficiency and Job security and Participative decision making with Adaptability were found to be negative.

In public sector firms LTO is found to have negative impact of quality. LTO dimension of Organisational Culture refers to the long-term orientation in the collective beliefs, attitudes, and assumptions of the members of the organisation. While LTO helps organisations in focussing in long term planning, having a clear vision and moving ahead but excessive focus on LTO loses sight of the immediate concerns of the organisation. Similarly High Power Distance affects communication within the organisation. Particularly bottom up communication gets adversely affected. Hence contribution of lower levels of employees in the hierarchy gets limited. There is only compliance of instructions but individuals do not find it comfortable to disagree or give their suggestions or feedback. There is only compliance of instructions but individuals do not find it comfortable to disagree or give their suggestions or feedback. This limits performance of large number of employees. High PDI leads to negative impact on efficiency. Hence PDI recorded negative impact on efficiency.

Job Security was found to have negative impact on Adaptability. The main reason behind negative impact is due to the fact that Job Security leads to complacency and a level of comfort zone amongst the employees within the organisation. Hence employees do not get sufficient motivation to change their way of working or change their beliefs. In such a situation employees do not find themselves sufficiently motivated to adapt to the changes or become flexible. Thus job security creates negative impacts on Adaptability of the organisation.

Participative decision making in public sector firms also found to have negative impact on adaptability. The participative decision making in public sector firms retards the process of making organisation adaptable to the changes. The decision making mechanism leads to certain rigidity with respect to the decisions already taken so that organisation does not find it easy to shed such decisions and to adapt quickly to the changing circumstances.

In short, among the dimensions of the 3 independent variables, Strategic HR capability of HRM Capability emerged as the strongest predictor ($\beta = .26, p < .00$) and among the dimensions of the dependent variable, Flexibility was the best predicted factor.

Private

It was observed from table 3.51 that (1) only Technical HRM of HRM Capability; Internal orientation, Objective performance appraisal and Participative decision making dimensions of HR Systems and only MAS dimension of Organizational Culture were significant predictors of all the factors of Organizational Effectiveness (Quality, Quantity, Efficiency, Flexibility and Adaptability); (2) the maximum variance of 15% was explained by Internal orientation of HR Systems with respect to Efficiency while Technical HRM explained 2% of variance in the same dimension of the dependent variable (3) Internal orientation of HR Systems and MAS dimension of Organizational Culture explained 5% and 3% of variance respectively in Quality dimension of Organizational Effectiveness while Internal orientation, Technical HRM and Objective performance appraisal explained 7%, 2% and 4% of variance respectively in Quantity ; (4) Internal orientation and Participative decision making explained 13% and 4% of variance in Flexibility while in Adaptability dimensions of Organizational Effectiveness, both Internal orientation and MAS explained 11% and 2% of the variance respectively (5) the relationship of MAS with Quality and Adaptability were found to be negative. Similar negative relation was also found between Objective performance appraisal and Quantity.

MAS dimension of Organisational Culture refers to the masculinity vs. femininity orientation of the organisational culture. In other words the more MAS reflect more macho culture within the organisation. High MAS leads to high concern for task. High task concerns may on one hand improve quantity dimension of performance but it leads to sacrificing quality. It will depend upon the extent of presence of MAS and its desirability levels in view of other factors which play important role in quality. MAS lead to high task concern in the organisation. Over emphasis on task may lead to high present performance but it reduces to adaptability. It is due to the fact that that concern for people is necessary to make them adaptable. Hence adaptability of organisation is bound to be negatively impacted in the environment when MAS is high.

The objective performance appraisal also noticed negative impact on Quantity dimension of Effectiveness. This may be because of the fact that objective performance

appraisal in private concerns is based on the past performance of employees while the environment and strategy changes so fast that use of such performance appraisals for the purpose of decisions with respect to placement or progressions may go wrong as the dynamic environment needs different set of skills to succeed in future environment.

In short, among the dimensions of the 3 independent variables, Internal orientation of HR Systems emerged as the strongest predictor ($\beta = .39, p < .00$) and among the dimensions of the dependent variable, Efficiency was the best predicted factor.

Overall

It was observed from table 3.52 that (1) Strategic HRM, Technical HRM, Strategic HR Capability and Technical HR Capability of HRM Capability; Internal orientation and Job security dimensions of HR Systems and LTO and PDI dimensions of Organizational Culture were significant predictors of all the factors of Organizational Effectiveness (Quality, Quantity, Efficiency, Flexibility and Adaptability); however in the case of Efficiency dimension of the dependent variable, Technical HRM was excluded from the set of predictor during the stepwise regression analysis as it had very high correlation with Strategic HRM (2) the maximum variance of 7% was explained each by Strategic HRM with respect to Efficiency and Strategic HR Capability of HRM Capability with respect to Flexibility dimensions of the dependent variable; (3) Strategic HRM of HRM Capability and LTO dimension of Organizational Culture explained 5% and 1% of variance respectively in Quality dimension of Organizational Effectiveness while Technical HRM and Internal orientation explained 5% and 2% of variance respectively in Quantity ; (4) Internal orientation, Job security and PDI explained 1% each of the variance in Efficiency (5) Internal orientation and Job security dimensions of HR Systems and Technical HR Capability explained 2%, 1% and 1% of the variance respectively in the Flexibility dimension of the dependent variable while Internal orientation, Technical HR Capability and Job security explained 7%, 1% and 1% of variance respectively in Adaptability (6) the relationship of Job security with Efficiency, Flexibility and Adaptability were found to be negative. Similar negative relations were also found between LTO and Quality and between PDI and Efficiency.

LTO is found to have negative impact of quality. LTO dimension of Organisational Culture refers to the long-term orientation in the collective beliefs, attitudes, and assumptions of the members of the organisation. While LTO helps organisations in focussing on long term planning, having a clear vision and moving ahead but excessive focus on LTO loses sight of the immediate concerns of the organisation. Thus the quality dimension of effectiveness gets adversely affected. Employees in such culture believe that their prime concern is to plan and focus on long term objectives and achievements.

Similarly High Power Distance affects communication within the organisation. Particularly bottom up communication gets adversely affected. Hence contribution of lower levels of employees in the hierarchy gets limited. There is only compliance of instructions but individuals do not find it comfortable to disagree or give their suggestions or feedback. There is only compliance of instructions but individuals do not find it comfortable to disagree or give their suggestions or feedback. This limits performance of large number of employees. High PDI leads to negative impact on efficiency. Hence PDI recorded negative impact on efficiency.

In short, among the dimensions of the 3 independent variables, Strategic HR Capability of HRM Capability emerged as the strongest predictor ($\beta = .27, p < .00$) and among the dimensions of the dependent variable, Flexibility was the best predicted factor.

The Impact of Business Strategy

In order to study the impact of Business Strategy on the relationship amongst the variables of Set 2, the following method was adopted. One score of Business Strategy was computed by adding all the items of Business Strategy (using Set-I data) and then median was also computed for this score (N=98).

Organizations whose median scores (for each organization) were above the overall median score were categorised as “Organizations with high score on Business strategy” (N = 344) while those below as “Organizations with low score on Business strategy” (N = 348).

One particular organization had exactly the same median as the overall median and this organization was dropped from the analysis.

After categorization of organizations on the basis of Business Strategy score (using Set-I data), organizations were categorized in the similar manner for Set-II data and then stepwise regression analysis was carried out considering factors of HR Systems (4 factors: Participative decision making, Internal orientation, Job security and Objective performance appraisal), HRM Capability (4 factors: Strategic HRM, Technical HRM, Technical HR capability and Strategic HR capability) and Organizational Culture (5 factors: PDI, UAI, IDV, MAS and LTO) as independent variables, while dependent variable was Organizational Effectiveness (instead of using five dimension of Effectiveness a composite score of Effectiveness was used). The results of the analysis that was carried out at the two levels are reported below.

Another analysis was carried out by dividing organisations into two groups separately consisting of High in Futurity and Low on Futurity ; High in Analysis and Low in Analysis and High in Proactive and Low in Proactive dimensions of Business strategy. This was done based on the responses obtained through Set One. These results and details of analysis are also reported later in this section.

Regression analysis results for High and Low Business Strategy score groups:

Organizations with high score on Business strategy (N = 387)

It was observed from table 3.53 that (1) only Strategic HRM of HRM Capability; Participative decision making and Job security of HR Systems and only IDV dimension of Organizational Culture were significant predictors of Organizational Effectiveness; (2) the maximum variance of 12% was explained by Participative decision making of HR Systems, while Strategic HRM of HRM Capability, Job security of HR Systems and IDV dimension of Organizational Culture explained 3%, 1% and 1% of variance respectively (3) the relationship of Job security and IDV with Organizational Effectiveness were found to be negative.

In short, among the dimensions of the 3 independent variables, Participative decision making of HR Systems emerged as the strongest predictor ($\beta = .35, p < .00$).

Organizations with low score on Business strategy (N = 348)

It was observed from table 3.54 that (1) Strategic HRM of HRM Capability and Participative decision making and Job security of HR Systems were significant predictors of Organizational Effectiveness; however none of the dimensions of Organizational Culture were significant predictors of Organizational Effectiveness; (2) the maximum variance of 14% was explained by Strategic HRM of HRM Capability while Participative decision making and Job security of HR Systems explained 3% and 1% of variance respectively in the dependent variable; (3) the relationship of Job security with Organizational Effectiveness was found to be negative. It needs to be mentioned that in order to avoid multi-collinearity effect Technical HRM was removed from the list of predictors [as it had very high correlation with Strategic HRM ($r = .81, p < .00$)].

In short, among the dimensions of the 3 independent variables, Strategic HRM of HRM Capability emerged as the strongest predictor ($\beta = .38, p < .00$) of Organizational Effectiveness.

The high score business strategy indicates the intensity of business strategy present in the organisation. In other words, it reflects the extent of focus on business strategy. Here it is not referring to the type of strategy followed by the organisation viz. Futurity, Analysis or Proactive. Whatever strategic choice organisation is adopting according to the business environment, stage of the firm in maturity cycle or for other considerations, high score only indicates that they have high degree of presence of Business strategy focus.

As per the results reported above in high business strategy Participative decision making of HR Systems has strongest impact on the Effectiveness score. While in case of low Business strategy score firms Strategic HRM has strongest impact on the effectiveness. In low strategic focus firms' strategic direction of HRM is more critical while in highly focussed

business strategic firms only Participative decision making, leads to high impact on the effectiveness. The extent of impact in both cases has been similar i.e. 12% in the case of Participative decision making, while in case of Strategic HR in low Business strategic firm, it is 14%.

Thus business strategy does influence relationship of HR dimensions on Effectiveness. However the extent of impact is similar in both cases. For the firms scoring high on Business strategy, Participative decision making impact is 12% while in case of low Business strategy firms, impact of Strategic HRM is 14%. The other impacting dimensions also differ in the two cases. In high score Business strategy group of firms Strategic HRM, Job security and IDV were having impact on effectiveness while for low score Business strategy group of firms Participative decision making and Job security showed significant impact on effectiveness. Thus Strategic HRM, Participative decision making and Job security were the common dimensions in both cases.

In both cases HR dimensions have high impact but the configuration varies in the two cases.

Analysis based on the dimensions of Business strategy by dividing into high and low score groups:

After categorization of organizations on the basis of Business Strategy scores (using Set-I data), organizations were categorized in the similar manner for Set-II data separately for the three dimensions of Business Strategy viz. Futurity, Analysis and Proactive dimensions and then stepwise regression analysis was carried out considering factors of HR Systems (4 factors: Participative decision making, Internal orientation, Job security and Objective performance appraisal), HRM Capability (4 factors: Strategic HRM, Technical HRM, Technical HR capability and Strategic HR capability) and Organizational Culture (5 factors: PDI, UAI, IDV, MAS and LTO) as independent variables, while dependent variable was Organizational Effectiveness (instead of using five dimension of Effectiveness a composite score of Effectiveness was used). The results of the analysis that was carried out

at the two levels for all the three dimensions Business strategy. These results are also reported below.

Regression analysis results for High and Low on Futurity dimension of Business Strategy groups of firms:

Organizations with high score on Futurity dimension of Business strategy (N = 396)

It was observed from table 3.55 that (1) only Technical HR capability of HRM Capability; Participative Decision making, Objective Performance Appraisal and Technical HRM were significant predictors of Organizational Effectiveness; (2) the maximum variance of 10% was explained by Technical HR capability of HRM Capability while Participative Decision making, Objective Performance Appraisal and Technical HRM recorded 3%, 2% and 1% of variance respectively (3) the relationship of Objective Performance Appraisal was found to be negative.

In short, among the dimensions of the 3 independent variables, Technical HR capability of HRM Capability emerged as the strongest predictor ($\beta = .32, p < .00$).

Organizations with low score on Futurity dimension of Business strategy (N = 339)

It was observed from table 3.56 that (1) only Strategic HR capability, Participative Decision Making, Job Security and Technical HRM were significant predictors of Organizational Effectiveness; (2) the maximum variance of 16% was explained by Strategic HR Capability while Participative Decision making, Job Security and Technical HRM recorded 3%, 3% and 2% of variance respectively (3) the relationship of Job Security was found to be negative.

In short, among the dimensions of the 3 independent variables, Strategic HR capability of HRM Capability emerged as the strongest predictor ($\beta = .40, p < .00$).

From the above results it is seen that impact of dimensions of HRM on effectiveness is more in case of group of low Futurity score of Business strategy firms as compared to the high score futurity firms.

Technical HR capability in case of high score futurity firms and Strategic HR capability in case of low score futurity firms emerged as the most significant factor impacting effectiveness of firms.

The relationship of Objective Performance Appraisal was found to be negative as high futurity firms intend to scan and focus on the environment in order to make organisation ready for facing future competitive environment. While objective performance appraisal is based on the assessment of individuals' past performance parameters. Such parameters may create impediment in the changing environment. Too much of lineage to the past performance through Objective performance appraisal may lead to hindrance. Hence negative impact is noticed in high Futurity type of firms. For the same reasons as explained above Objective performance appraisal did not appear as the significant predictor for low futurity firms. Low futurity firms do not focus on the environment mapping and preparation for the future hence no significant negative impact of objective performance appraisal was noticed.

Regression analysis results for High and Low on Analysis dimension of Business Strategy groups of firms:

Organizations with high score on Analysis dimension of Business strategy (N = 407)

It was observed from table 3.57 that (1) only Participative Decision Making, Technical HRM, Internal Orientation and Strategic HR capability were significant predictors of Organizational Effectiveness; (2) the maximum variance of 12% was explained by Participative Decision making while Technical HRM, Internal Orientation and Strategic HR capability recorded 3%, 2% and 1% of variance respectively (3) the relationship of Internal Orientation was found to be negative.

In short, among the dimensions of the 3 independent variables, Participative Decision Making emerged as the strongest predictor ($\beta = .35, p < .00$).

Organizations with low score on Analysis dimension of Business strategy (N = 264)

It was observed from table 3.58 that (1) only Participative Decision Making, Strategic HRM and Job Security were significant predictors of Organizational Effectiveness; (2) the maximum variance of 13% was explained by Participative Decision making while Strategic HRM and Job Security recorded 3% and 3% of variance respectively (3) the relationship of Job Security was found to be negative.

In short, among the dimensions of the 3 independent variables, Participative Decision Making emerged as the strongest predictor ($\beta = .36, p < .00$).

For both high score and low score business analysis firms Participative Decision making emerged as the strongest predictor. This is because of the reason that Analysis based strategic firms need to have contribution from employees to do analysis at every stage in order to make it successful. Hence Participative Decision Making becomes most important predictor. There are also differences in the two groups of high score Analysis and low score analysis firms. The Technical HRM, Internal orientation and Strategic HRM capability emerged as the other predictor in case of high score analysis firms whereas Strategic HR and Job Security emerged as other predictors in low score analysis firms. This once again proves that Technical HRM is more relevant for high Score Analysis firms while Strategic HRM is more important for low Analysis firms. The reasons appear to be the same as explained earlier. High score analysis firms need capability to translate strategy into action hence Technical HR is significant while in case of low analysis firms Strategic HRM contribution is needed to formulate and implement strategy. In case of high Analysis firms, Internal orientation and Strategic HR capability emerged as other predictors as these factors help implementing 'Analysis' strategy which needs contribution from all those who have internal orientation and knowledge of organisation and Strategic HR capability to orient organisation towards the strategic direction decided through business strategy based on Analysis type.

Job security once again emerged as negative predictor for low score analysis strategy firms.

Regression analysis results for High and Low on Proactive dimension of Business Strategy groups of firms:

Organizations with high score on Proactive dimension of Business strategy (N = 286)

It was observed from table 3.59 that (1) only Technical HR Capability, IDV, Participative Decision Making and Job Security were significant predictors of Organizational Effectiveness; (2) the maximum variance of 10% was explained by Technical HR Capability while IDV, Participative Decision Making and Job Security recorded 2%, 1% and 2% of variance respectively (3) the relationship of IDV and Job Security were found to be negative. In short, among the dimensions of the 3 independent variables, Technical HR Capability emerged as the strongest predictor ($\beta = .32, p < .00$).

Organizations with low score on Proactive dimension of Business strategy (N = 386)

It was observed from table 3.60 that (1) only Technical HRM, Participative Decision Making and Job Security were significant predictors of Organizational Effectiveness; (2) the maximum variance of 18% was explained by Technical HRM while Participative Decision Making and Job Security recorded 5% and 1% of variance respectively (3) the relationship of Job Security was found to be negative.

In short, among the dimensions of the 3 independent variables, Technical HRM emerged as the strongest predictor ($\beta = .43, p < .00$).

For high score as well as for low score Proactive strategic firms, Technical HRM emerged as the strongest predictor for effectiveness. However the impact of Technical HRM was 18% for low proactive firms while it was only 10% for high proactive score firms. This is different from other analysis when firms are divided based on high/low on Futurity and high/low on Analysis firms. In those cases impact of strongest predictors were more for low score strategy firms and low for high score strategy firms. Similar was the trend when firms

were divided based on the composite score of high Business strategy firms and low business strategy firms.

This difference may primarily be due to the fact that for proactive strategy higher involvement of HRM is required. As the proactive strategy not only scans environment of the firm, it also translates the same into resource allocation and reorganisation to meet with the challenges thrown open by the environment. In other words for the success of firms' proactive strategy it is more dependent upon the Technical HR as it facilitates firm to convert it into higher performance.

Participative Decision making is another common factor which has significant impact on the effectiveness in both situations. Conversion of strategic intent into action needs involvement of people in the organisation. Hence participative decision making is significant in both cases.

Job security in proactive strategic scenario has negative impact. As already explained in other situations job security induces employees to create a comfort zone and negate environmental factors. In such a situation employees are not willing to reorient the organisation which may make their skill sets obsolete as long term employment allows them to let organisation suffer on this account. Hence job security creates a force which negates the forces of the environment and influences organisation to continue in the same position in market. Reorientation of organisation in the market becomes difficult. Thus Job security makes a negative impact on the performance of firms for both high and low proactive strategy firms.

From the above discussion it is clear that impact of dimensions of HRM on the performance of firms is contingent upon the strategy. For low score Business strategy firms impact of impact is high except in case of Proactive Business strategy scenario.

The Technical HR dimension is the strongest impact in high business strategy scenario while Strategic HRM dimension has strongest impact in case of low score business strategy scenario except in case of proactive business strategy scenario.

The configuration of dimensions which impact performance in different scenario varies from strategy type and for low and high score firms in the same business strategy type.

Discussion:

The purpose of this section is to collate results and apply the same to the emerging theoretical framework as reported in the literature review section of chapter one and examine which of the emerging theory of strategic HRM are supported by this study. It is also proposed to test the hypotheses earlier identified in chapter one. Before the results are applied to the theoretical framework, for the matter of convenience, summary of the results is reproduced below which will help in applying the essence of the results for the purposes as stated above.

The results based on the analysis of data collected through set one and set two have been reported above in this chapter. The ANOVA, correlation and regression analysis have been conducted for both Set one and Set two at four levels viz. intra industry level, inter industry level, ownership level (Public and Private) and at overall level. Summary of results have been reported below to collate outcomes of the analysis.

The analysis of Set one revealed that organisational structure does not vary significantly amongst different industry segments or between private and public companies. However this does not prove that organisations do not have different structure in different organisations.

Similarly ANOVA results indicate that business strategy does not significantly vary from one industry segment to another and also in case of ownership; public and private companies do not indicate significantly different business strategy. However it does not prove that organisations studied do not follow different business strategy.

The results of ANOVA on Set one indicates that different industry segments face different business environment, however there is no significant difference based on the

public and private ownership. Only different industries encounter different business environment.

The dimensions of preparedness to change also do not differ based on the industry type or ownership.

The correlation analysis of Set one establishes that relationship of organisational structure and preparedness to change varies from industry to industry. It is also clear that wherever it is significant, the dimensions of organisational structure have negative correlation with preparedness to change.

The dimensions of business strategy have significant correlation with preparedness to change.

All the six dimensions of Business environment have indicated positive correlation with dimensions of preparedness to change in one or the other situations. Thus there is significant relationship amongst the dimensions of Business environment and preparedness to change but the relationship varies amongst the industries and between public and private sector firms.

The regression analysis of Set one reveals that the three dimensions of business strategy emerged as the strongest predictor and radar capability was the best predicted factor. This indicates that business strategy dimensions play strongest impacting role on radar capabilities.

The dimensions of Business environment and Organisational structure have very limited relative impact on the preparedness to change. Thus Business strategy dimensions are most relevant to be studied when impact of HR dimensions on performance is studied based on the data collected through Set 2.

From the analysis of the results of ANOVA, correlations and regression analysis for Set two mentioned above it emerges that the dimensions of independent variables like HR

system and HRM capability have significant difference amongst three industry segments. But these dimensions do not have significant difference at ownership level.

It is also clear from the results quoted above that Organisational effectiveness dimensions do not have significant difference neither amongst different industry segments nor between public and private sectors.

The correlation results showed very significant relationship of both HR system dimensions and HRM capability dimensions with the dimensions of organisational effectiveness at all levels i.e. overall, industry level and ownership levels. This supports the hypothesis H1. That is strategic HRM has high positive impact on the performance.

In case of organisational culture there existed only negative correlation with some of the dimensions of organisational effectiveness. MAS dimension of organisational culture has no significant correlation at any level with any of the dimensions of the organisational effectiveness.

The regression analysis of Set two showed that dimensions like internal orientation, strategic HR, strategic HR capability, technical HR and technical HR capability only emerged as the strongest predictor for impact on the dimensions of effectiveness. The impact was also recorded up to the extent of 23% in Finance industry. However there was apparent difference in the pattern amongst different industries. Similarly in case of ownership also there was different pattern. In case of Private sector it was internal orientation which showed maximum impact on various dimensions of effectiveness. While in the case of Public sector firms it was Strategic HR, Technical HR which had more impact.

As already reported in the chapter above, regression analysis was also done by classifying data based on the high score business strategy firms and low score business strategy firms. In this case also significant difference was noticed in the results. For High score Business strategy firms Participative decision making emerged as the strongest predictor with 12% of variance while for low business strategy firms Strategic HRM emerged as strongest predictor with 14% of variance.

This regression analysis indicates that all HR capability dimensions (Technical HR, Strategic HRM, Technical HR capability and Strategic HR capability) and some of the HR system dimensions (Participative decision making, Internal orientation and Objective performance appraisal) emerged as the strongest predictor in different situations. It is also very relevant to notice that there was very apparent difference in the pattern of the dimensions which were responsible for the variance in difference situation i.e. amongst different industries or amongst public/private firms or in case of high business strategy score firms vis a vis low strategy score firms.

These results are now proposed to be discussed in the backdrop of the theory of strategic human resource management and to examine in the context of the three approaches mentioned in chapter one based of the literature review viz. Universalistic approach, Contingency approach and the Configurational approach in order to verify as to which of these theories are supported by the current empirical study.

The universalistic approach suggests that there is a 'best practice' to Strategic HRM or in other words a set of HR policies to be identified which will improve performance (Osterman, 1994, Pfeffer, 1994, Delery and Doty, 1996). Pfeffer (1994) suggested a set of seven people management policies that will give enhanced performance in all situations. Delery and Doty's (1996) also identified seven such practices which may be classified as best practices yielding better performance in all circumstances. Delery and Doty's HR practices were Result oriented appraisal, Profit sharing, Job descriptions, Employment security, internal career opportunities, Training and Participative management. Some of the dimensions, which emerged in this study, are quite similar to the seven HR practices identified by Delery and Doty (1996). These are Job security similar to Employment security in their model. Participative decision making in this study is similar to Participation /voice in their model. Objective Performance Appraisal system is similar to result oriented appraisal. Internal orientation is similar to internal career opportunities. These 4 practices were measured as the HR systems in the present study. It is therefore proposed to verify whether these practices have shown universalistic applicability in different contexts studied.

The Job security dimension in this study has shown negative relationship with performance in all situations where as in the previous studies as quoted above employment security has been seen as one of the 'best practices' yielding results in terms of the performance in all situations. In case of the three segments of industry studied in present case, Job security showed significant impact only in IT industry though negative; in both Transport and Finance industries it showed no significant variance. It is clear from these results that Job security is not emerging as universally applicable practice as studies in past have proved in western context. The argument could be that its applicability has been tested earlier only primarily in the manufacturing sector and in western countries based on which the theory of Universalistic approach has been propounded.

The industry type also plays an important role. In case of IT industry, if job security is high it would not yield enough pressure on individuals for acquiring new skills/capabilities which is so important in fast changing software industry. It is bound to have negative impact on performance. For IT enabled industry therefore borrowing fresh skill sets from market would give better results. The higher job security will also adversely impact the motivation level of employees to learn fast in the changing environment. Compared to the situation when there is risk of losing job and sustenance in employment depends on acquiring new skills to save job. For other two industries i.e. Transport and Finance job security is not much relevant as other factors have very high impact in those situations. Mulla and Premrajan (2008) have observed that most of the empirical studies of SHRM practices and firm performance have evaluated cross sectional data across firms of different industries. These studies have been criticized for arriving at general conclusions without taking into account the contextual industry related factors (Brewster, 1999 and Maurice, 1976).

Thus job security is not proved to be one of the best practices in this case. It has different relationship in different industries.

The other similar practices inter alia studied are participative decision making, internal orientation and objective performance appraisal. These sub systems of HR have also exhibited different impact in different industries.

Internal orientation was found to have significant impact in two of the three industries; but it emerged as the strongest predictor only in the Transport industry (11%). In Finance industry it had no significant impact. In IT enabled industry internal orientation had second strongest impact with only 2% variance for 3 out of 6 dimensions of effectiveness.

Similarly internal orientation was significant and strongest predictor for all six dimensions of effectiveness for Private sector firms. Internal orientation recorded variance contribution ranging from 5% to 15% with all 6 dimensions of effectiveness. But in case of Public sector firms internal orientation was significant only for one of the six dimension of effectiveness i.e. adaptability dimension, with only 5% of variance attributable to this dimension. In this case also there is significant difference from sector to sector and also between public sector firms and private sector firms. Thus this dimension also proves that universalistic approach is negated in this study.

The objective performance appraisal showed negative impact (4%) on the quantity dimension in case of Private sector firms but in case of Public sector firms it showed positive significant impact (1%) on quality dimension of effectiveness.

Amongst industry segments objective performance appraisal recorded a positive impact (2%) on only one dimension of effectiveness i.e. adaptability.

Similarly for Participative decision making was not at significant level in any of the industries. But in the case of Public sector it had negative impact on adaptability (1%). While in case of Private sector firms it showed positive impact with flexibility (4%).

Another aspect emerges from the above discussion. The sector wise variations of the impact are quite different in different sectors. The extent of impact of all dimensions in transport sector on various factors of effectiveness varied from 4% variance due to Technical HR on efficiency to 11% variance impact of internal orientation on Adaptability. Whereas in case of Finance sector firms it showed minimum 9% impact on variance of Technical HR Capability on adaptability to 23% impact of Technical HR Capability on Quality. Whereas in IT enabled industry maximum impact of 4% variance was recorded for

Quality while 11% impact of Strategic HR capability on Efficiency. This shows that not only that there is difference in the dimensions responsible for impacting effectiveness dimensions; there is also variation in the extent of influence or impact on the dimensions of effectiveness. The maximum impact was recorded in Finance sector firms whereas the minimum impact was recorded in Transport sector firms. In other words the dimensions of Strategic HRM and HR systems play higher impacting role in Finance sector firms and low impacting role in Transport sector firms out of the three sector firms studied in the present research. This supports the hypothesis H2 that the impact will vary from industry to industry.

Similarly between Public owned firms and Private owned firms there is evident difference in the level of impact. In case of Public sector firms the maximum impact on various dimensions of Effectiveness varies from 5% in case of Internal orientation on Adaptability, Technical HR on Quality and Strategic HRM on Quality to 7% of Strategic HR Capability on Flexibility. Whereas, in case of Private sector firms, internal orientation impacts 5% on Quality while Internal orientation recorded 15% impact on Efficiency. Thus in case of Private sector firms maximum impact is 15% whereas in Public sector the maximum impact recorded is only 7%.

These results as discussed above prove that none of the subsystems have shown that they are universally applicable in all three industries or both type of ownerships i.e. public sector and private sector. On the other hand the impact on the effectiveness dimensions of HR system and Strategic HRM is very different in different industries and also based on the ownership of firms. The extent of impact is highest in Finance sector followed by impact in IT enabled firms and the least in case of Transport sector firms. Based on ownership, in Private sector firms the extent of influence of HR System and Strategic HR dimensions is more as compared to the impact in Public sector firms.

This further establishes that universalistic theory is not substantiated by this study. Thus the hypothesis H3 is not substantiated by this study.

The contingency approach argues that to be effective, HR policies must be consistent with other aspects of the firm. The characteristics of the strategy pursued are generally considered to be the primary contingency factor. Thus the human resource policies and practices must be consistent with the strategy being implemented (Miles and Snow, 1978, Schuler and Jackson, 1987, Delery and Doty, 1996). In other words the performance will be improved when there is consistency or fit between strategy and HR policies.

For examining this theory based on the results obtained in this study, organisations were divided into two groups of high score Business strategy organisations and low score organisations. The regression analysis results of these two groups indicate that in High score Business strategy firms Participative decision making, have strongest impact (12%) on effectiveness whereas in low score Business strategy firms Strategic HRM (14%) is the strongest predictor on effectiveness.

The high score business strategy indicates the intensity of business strategy present in the organisation. In other words, it reflects the extent of focus on business strategy. (Here it is not referring to the type of strategy followed by the organisation viz. Futurity, Analysis or Proactive.) Whatever strategic choice organisation is adopting, according to the business environment and stage of maturity cycle of the firm or for other considerations, high score only indicates that they have high degree of presence of Business strategy focus and intensity.

In high score business strategy scenario, Participative decision making has strongest impact on the Effectiveness. While in case of low Business strategy score firms Strategic HRM has strongest impact on the effectiveness. In low strategic focus firms' strategic direction of HRM is more critical while in highly focussed business strategic firms only Participative decision making leads to high impact on the effectiveness. This is because of the fact that direction of firm is already clearly laid down. The Participative decision making helps to achieve the same. While in case of low strategy firms strategic HRM plays more important role in helping organisation to set its direction. This is a very important finding emerging from this analysis. Here in this situation Strategic HRM can take lead in setting business strategy and also facilitating organisation to convert it into higher performance.

The extent of impact in both cases i.e. in high business strategy score firms as well as for low score strategy score firms has also been slightly different. In case of low strategy score firms 12% in the case of Participative decision making while in case of Strategic HRM in low business strategic firm it is 14%. This is also because of the reasons already mentioned above. In low strategy score firms there is diffusion of strategic direction hence consolidating Human resources and helping organisation set their strategy leads to higher impact on the performance.

The other impacting dimensions also differ in the two cases. In high score Business strategy group of firms Strategic HRM, Job security and IDV were having impact on effectiveness while for low score Business strategy group of firms Participative decision making and Job security and Technical HR capabilities showed significant impact on effectiveness. Thus Strategic HRM, Participative decision making and Job security were the common dimensions in both cases. Job security and IDV were having negative impact on the effectiveness of firms. For high score business strategy firms IDV has significant negative impact because individualism in a high focus strategic organisation leads to negative impact on the effectiveness. High individualism may become conflicting to the overall direction. Similarly high job security leads to negative impact on effectiveness as already explained earlier. In both high and low score business strategy scenario similar impact of Job security has been recorded.

In short in both cases HR dimensions have high impact but the configuration varies in the two cases.

Firms were also divided into groups based on the high and low score on types of business strategy. Firms high and low were separately divided on Futurity, Analysis and Proactive dimensions of Business Strategy and them regression analysis conducted. Results of this analysis are reported above. From the results mentioned above it is emerging that impact of dimensions of HRM on effectiveness is more in case of group of low Futurity score of Business strategy firms as compared to the high score futurity firms.

Technical HR capability in case of high score futurity firms and Strategic HR capability in case of low score futurity firms emerged as the most significant factor impacting effectiveness of firms.

The impact of HR dimensions on the effectiveness is more in low score futurity group of firms (24%) whereas in case of high score futurity score firms it is only 16%. In other words HR dimensions have more impact on effectiveness in low score futurity business oriented firms.

The participative decision making emerged as strongest predictor for both high and low score analysis firms (12% and 13% respectively). But in case of Proactive strategy scenario in both cases Technical HR became strongest predictor, 10% and 18% respectively for high score proactive firms and low score proactive firms.

From the above it is clear that Business strategy type influences the impact of dimensions of HR on the performance of firms. The strongest predictors vary depending upon the type of strategy firms follow and also impact varies depending upon the intensity of particular Business strategy followed by the firms. In other words the relationship of Dimensions of Strategic HRM and performance is contingent upon the type and intensity of Business strategy followed by the firm.

The theory of contingency approach is therefore supported by this study. This also substantiates the hypothesis H4.

Recent studies, as mentioned in Chapter 1, have shown that one of the theories of strategic HRM is configuration approach. The premise is that synergy amongst firm's environment, business strategy and HRM practices result in a complex system that impacts organizational effectiveness and unifying these factors into a stable pattern influences effectiveness of the organization. In other words, organizations deal with two major alignment issues i.e. internal alignment and the external alignment. This is also referred in literature as Horizontal & Vertical fits. The internal fit refers to the notion of HRM practice configurations i.e. HR sub-systems are complimentary to each other. The broader issues of

configuration incorporates business strategy variables i.e. the business strategy and HR alignment is such that HR practices are compatible to the business strategy of the organization and provide appropriate implementation support of HR strategies. This will facilitate to translate chosen Business strategy into action in an appropriate manner. The Configurational approach identifies a unique pattern of factors that are supposed to be maximally effective which lead to synergistic effect, drawn on holistic principle. The Configurational theory in SHRM area posits that internally consistent configuration of HR systems and capability like participative decision making, Objective Performance Appraisal, Strategic HR capability etc. maximize horizontal fit. The vertical fit refers to fit with business strategy and HR Strategy options. Thus the performance is influenced when organizations practice both vertical as well as horizontal fit. While the contingency argument focuses on only one fit i.e. relationship between individual HR practices and firms' strategy the configurational approach refers to systems perspective by focusing on the pattern of relationship amongst the HR practices and by alignment with Business Strategy.

The various results reported above indicate that there is different configuration of dimensions of HR which impact effectiveness in different Business strategy options viz. Futurity, Analysis and Proactive scenario. As already reported above the dimensions of HR strategy, which emerged as predictors for impacting effectiveness consist of different configuration for different type of strategy. For Futurity Business strategy Technical HR Capability and Strategic HR capability, Participative Decision Making and Technical HR emerged as the significant predictors. While in case of Analysis strategy Participative Decision Making emerged as the strongest predictor for both High and Low score Analysis business strategy groups of firms. While in case of Proactive strategic firms it is Technical HRM, Participative Decision making and Job security emerged as the strongest and other predictors respectively. Thus the configuration of HR system and capability dimensions will determine the extent of impact of HR strategy on the effectiveness. These factors are so different and their impact also varies so much in different scenario that configuration makes such an important factor. The combination of various factors in a given strategic option of the firms shall determine the extent of impact of combination of HR strategy. The present study supports the Configurational theory of strategic HRM. This finding also substantiate hypothesis H4. That is different industries and for different business strategy scenario

different configuration of strategic HRM which are internally consistent shall emerge that will have high impact on performance.

In short from the discussion based on the results of analysis following major findings emerged.

All the factors of the Strategic HRM showed high correlation with the dimensions of effectiveness. Hence impact of Strategic HRM on the performance of firms is significant. Thus hypothesis H1 is proved.

Emerging theories of Strategic Human Resource Management have shown three broad approaches viz. Universalistic, Contingency and Configurational approach. Recent studies in this area of work have substantiated universalistic approach. As already reported earlier most of these studies are in the western context and in manufacturing sectors. In the present study the results do not substantiate this approach. The sub-systems of HRM which have been found to be universally applicable in earlier studies have not been found universally applicable in the three industries or in Public and Private sector firms in the present study. Therefore hypothesis H2 is not substantiated by this study.

The contingency theory of Strategic HRM has however been found to be substantiated in the present study. In other words the impact of Strategic HRM is contingent upon the Business Strategy. The alignment of Strategic HRM and the Business strategy lead to higher effectiveness of firms. The impact of Strategic HRM was also found to be contingent upon the intensity of Business Strategy. For high score Business strategy firms, having highly focussed business strategy Technical HRM is more significant while in case of the low score Business strategy firms, where intensity of business strategy or the focus business strategy is diffused, Strategic HRM is strongest predictor. These results prove that contingency theory is established in the present study. Hence hypothesis H3 is substantiated by this study.

The configurational approach of Strategic HRM theory posits that configuration or the system of internally consistent and externally aligned HRM systems or vertically as well

as horizontally fit HRM systems will lead to higher impact on the performance of firms. In the present study also it is established that the impact of Strategic HRM. For different Business strategy group of firms different configuration of Strategic HRM and capability emerged as strongest predictor for the effectiveness. These configurations are also contingent upon the business strategy of firms. This supports the hypothesis H4.

In addition to the above some findings which have very high level of practical application as well as contribution to the academic field are listed below:

Different segments of industry need different approach to HRM policies and practices.

The ownership of firms, Public and Private firms need different approach of strategic HRM.

The Participative Decision making is equally relevant in all types of Business strategy firms.

The job security dimension of HR system orientation has negative relationship in all situations wherever it is significant. In other words as per this study job security is one dimension which may lead to negative impact on effectiveness. Extent of job security and the HR strategic choice need to be made in different industry type, availability of skill sets in market and internal development of manpower.

The High score Business strategy firms impact of Strategic HRM is low while for Low score Business strategy firms impact of Strategic HRM is high.

Above findings are highly relevant to the industry as the extent of Strategic HRM and the subsystems which would lead to higher performance vary from industry to industry and based on the type of strategy firm is following. The Strategic HRM policies need to be dynamic and contingent to the business strategy to attain maximum impact on the effectiveness and higher competitiveness.

The future research may focus on the configurational systems of Strategic HRM which are relevant to other segments of industry. Future research may focus on these the impact of Strategic HRM on performance in other countries having different culture to test the relevance of universalistic approach Strategic HRM theories.



Tables of Chapter 3
SET 1

TABLE 3.1: ANOVA SUMMARY (N = 98)

Design: **3 Industries:** Transport, Finance and IT enabled X **3 Dimensions of Organizational Structure:** Complexity, Formalization and Stratification (Repeated)
Dependant Measure: Scores on Dimensions of Organizational Structure

Source	SS	df	MS	F	Significance
TOTAL	745.39	293			
Between-Subjects	65.96	97			
A (Industries)	.60	2	.30	.43	.65
Error (Between)	65.36	95	.69		
Within-Subjects	679.4	196			
B(Organizational Structure)	412.34	2	206.17	152.03	.00
AB	9.39	4	2.35	1.73	.15
Error (Within)	257.67	190	1.36		

TABLE 3.2: ANOVA SUMMARY (N = 98)

Design: **2 Sectors:** Public and Private Sectors **X 3 Dimensions of Organizational Structure:** Complexity, Formalization and Stratification (Repeated)
 Dependant Measure: **Scores on Dimensions of Organizational Structure**

Source	SS	df	MS	F	Significance
TOTAL	663.76	293			
Between-Subjects	65.96	97			
A (Sectors)	.75	1	.75	1.11	.30
Error (Between)	65.21	96	.68		
Within-Subjects	597.8	196			
B(Organizational Structure)	330.74	2	165.37	122.96	.00
AB	8.84	2	4.42	3.29	.05
Error (Within)	258.22	192	1.35		

TABLE 3.3: ANOVA SUMMARY (N = 98)

Design: 3 Industries: Transport, Finance and IT enabled X 3 Dimensions of Business Strategy: Futurity, Anmalysis and Proactive (Repeated)

Dependant Measure: Scores on Dimensions of Business Strategy

Source	SS	df	MS	F	Significance
TOTAL	149.63	293			
Between-Subjects	77.01	97			
A (Industries)	2.79	2	1.40	1.78	.17
Error (Between)	74.22	95	.78		
Within-Subjects	72.62	196			
B (Business Strategy)	4.71	2	2.36	6.93	.00
AB	3.34	4	.84	2.46	.05
Error (Within)	64.57	190	.34		

TABLE 3.4: ANOVA SUMMARY (N = 98)

Design: 2 Sectors: Public and Private Sectors X 3 Dimensions of Business Strategy:
Futurity, Anmalysis and Proactive (Repeated)

Dependant Measure: Scores on Dimensions of Business Strategy

Source	SS	Df	MS	F	Significance
TOTAL	153.12	293			
Between-Subjects	77	97			
A ((Sectors)	.11	1	.11	.14	.71
Error (Between)	76.89	96	.80		
Within-Subjects	76.12	196			
B (Business	8.21	2	4.10	12.42	.00
Strategy)	4.48	2	2.24	6.78	.00
AB	63.43	192	.33		
Error (Within)					

TABLE 3.5: ANOVA SUMMARY (N = 98)

Design: 3 Industries: Transport, Finance and IT enabled X 6 Dimensions of Business Environment: Impact, Munificence, Predictability, Extent of Change, No. of factors and Difference (Repeated)

Dependant Measure: Scores on Dimensions of Business Environment

Source	SS	df	MS	F	Significance
TOTAL	300.81	587			
Between-Subjects	77.82	97			
A (Industries)	5.06	2	1941.57	3.31	.05
Error (Between)	72.76	95	.77		
Within-Subjects	222.99	490			
B (Business Environment)	37.53	5	7.51	19.51	.00
AB	2.76	10	.28	.72	.71
Error (Within)	182.70	475	.39		

TABLE 3.6: ANOVA SUMMARY (N = 98)

Design: 2 Sectors: Public and Private Sectors X 6 Dimensions of Business Environment: Impact, Munificence, Predictability, Extent of Change, No. of factors and Difference (Repeated)

Dependent Measure: Scores on Dimensions of Business Environment

Source	SS	Df	MS	F	Significance
TOTAL	296.47	587			
Between-Subjects	77.82	97			
A ((Sectors)	.02	1	.02	.03	.87
Error (Between)	77.80	96	.81		
Within-Subjects	218.65	490			
B (Business Environment))	33.19	5	6.64	17.46	.00
AB	3.01	5	.60	1.58	.16
Error (Within)	182.45	480	.38		

TABLE 3.7: ANOVA SUMMARY (N = 98)

Design: 3 Industries: Transport, Finance and IT enabled X 2 Dimensions of Preparedness to Change: Radar Capability and Skill Upgradation (Repeated)

Dependant Measure: Scores on Dimensions of Preparedness to Change

Source	SS	df	MS	F	Significance
TOTAL	269.09	195			
Between-Subjects	129.92	97			
A (O)	3.89	2	1.95	1.47	.24
Error (Between)	126.03	95	1.33		
Within-Subjects	137.17	98			
B (Preparedness to Change)	23.29	1	23.29	20.77	.00
AB	7.37	2	3.69	3.29	.05
Error (Within)	106.51	95	1.12		

TABLE 3.8: ANOVA SUMMARY (N = 98)

Design: 2 Sectors: Public and Private Sectors X 2 Dimensions of Preparedness to change: Radar Capability and Skill Upgradation (Repeated)

Dependant Measure: Scores on Dimensions of Preparedness to change

Source	SS	df	MS	F	Significance
TOTAL	258.26	195			
Between-Subjects	129.93	97			
A (Sectors)	2.44	1	2.44	1.84	.18
Error (Between)	127.49	96	1.33		
Within-Subjects	128.33	98			
B (Preparedness to Change)	14.44	1	14.44	12.26	.00
AB	.75	1	.75	.63	.43
Error (Within)	113.14	96	1.18		



Table 3.9: Correlation among business strategy, business environment, organizational structure and preparedness for change for Transport Industry (N = 37)

	Business Strategy			Business Environment					Organisational Structure			Preparedness to Change		
	Futurity	Analysis	Proactive	BE-Impact	BE-Munificence	BE-Predictability	BE-Extent of change	BE-No. of factors	BE-Difference	Complex	Forml	Strat	RADAR_C AP	SKILL_U P
Futurity														
Analysis	.642**													
Proactive	.852**	.695**												
BE-Impact	.041	-.094	-.121											
BE-Munificence	.008	.029	-.133	.680**										
BE-Predictability	-.043	.071	-.162	.686**	.600**									
BE-Extent of change	.109	.091	-.008	.683**	.760**	.721**								
BE-No. of factors	.062	.119	-.030	.709**	.738**	.846**	.924**							
BE- Difference	-.088	-.070	-.097	.590**	.637**	.601**	.717**	.713**						
Complexity	-.075	-.379*	-.313	.389*	.421*	.361*	.446**	.348*	.080					
Formalization	.175	.160	.353*	-.114	-.343*	-.318	-.188	-.226	-.070	-.437**				
Stratification	.336*	-.058	.356*	.103	-.199	-.072	.041	-.072	-.106	.219	.534**			
RADAR_CAP	.488**	.520**	.579**	-.123	-.016	.011	-.007	.114	.056	-.420*	.068	.061		
SKILL_UP	.131	.366*	.096	.235	.143	.181	.134	.197	.171	-.405*	.114	-.170	.462**	

** = $p < .01$.

* = $p < .05$

Table 3.10: Correlation among business strategy, business environment, organizational structure and preparedness for change for Finance Industry (N = 25)

	Business Strategy			Business Environment				Organisational Structure			Preparedness to Change			
	Futurity	Analysis	Proactive	BE-Impact	BE-Munificence	BE-Predictability	BE-Extent of change	BE-No. of factors	BE-Difference	Complex	Forml	Strat	RADAR_C AP	SKILL_U P
Futurity														
Analysis	.568**													
Proactive	.321	.543**												
BE-Impact	.117	-.056	-.605**											
BE-Munificence	.538**	.151	-.294	.690**										
BE-Predictability	.461*	.167	-.235	.668**	.874**									
BE-Extent of change	.333	.059	-.269	.753**	.760**	.681**								
BE-No. of factors	.167	.052	-.421*	.805**	.693**	.800**	.665**							
BE- Difference	.364	.149	-.214	.596**	.788**	.836**	.713**	.766**						
Complexity	.334	.137	.234	.000	.161	.292	.250	.186	.346					
Formalization	.157	.206	.016	.393	.340	.294	.478*	.192	.269	.324				
Stratification	.394	.377	.090	.236	.230	.353	.326	.279	.371	.688**	.567**			
RADAR_CAP	.326	.430*	.050	.141	.192	.290	.156	.284	.149	-.287	-.200	-.124		
SKILL_UP	.186	.265	.396	-.247	-.196	-.066	-.189	-.035	-.068	-.140	-.476*	-.218	.389	

** = $p < .01$.

* = $p < .05$

Table 3.11: Correlation among business strategy, business environment, organizational structure and preparedness for change for IT enabled Industry (N = 36)

	Business Strategy			Business Environment					Organisational Structure			Preparedness to Change		
	Futurity	Analysis	Proactive	BE-Impact	BE-Munificence	BE-Predictability	BE-Extent of change	BE-No. of factors	BE-Difference	Complex	Forml	Strat	RADAR_C AP	SKILL_U P
Futurity														
Analysis	.809**													
Proactive	.744**	.449**												
BE-Impact	.144	.101	.044											
BE-Munificence	.405*	.349*	.343*	.704**										
BE-Predictability	.195	.178	.199	.649**	.651**									
BE-Extent of change	.087	.128	.054	.608**	.739**	.633**								
BE-No. of factors	.365*	.307	.420*	.594**	.486**	.460**	.314							
BE- Difference	.033	-.116	.220	.464**	.390*	.376*	.277	.406*						
Complexity	-.261	-.326	-.025	.368*	.200	.434**	.414*	.211	.574**					
Formalization	.114	.232	-.006	-.252	.003	-.163	-.273	-.322	-.394*	-.513**				
Stratification	-.007	-.106	.020	.048	.073	-.082	-.171	-.094	-.254	-.118	.568**			
RADAR_CAP	.705**	.504**	.604**	.459**	.464**	.314	.330*	.385*	.383*	.050	-.252	-.116		
SKILL_UP	.244	.257	.149	.399*	.398*	.452**	.581**	.248	-.022	.315	-.283	-.193	.416*	

** = $p < .01$.

* = $p < .05$

Table 3.12: Correlation among business strategy, business environment, organizational structure and preparedness for change for Public sector Companies (N = 70)

	Business Strategy			Business Environment					Organisational Structure			Preparedness to Change		
	Futurity	Analysis	Proactive	BE-	BE-	BE-	BE-Extent of	BE-No. of	BE-	Complex	Forml	Strat	RADAR_C	SKILL_U
				Impact	Munificence	Predictability	change	factors	Difference				AP	P
Futurity														
Analysis	.726**													
Proactive	.816**	.680**												
BE-Impact	.022	-.009	-.263*											
BE-Munificence	.236*	.206	-.052	.694**										
BE-Predictability	.166	.155	-.068	.676**	.736**									
BE-Extent of change	.199	.191	-.057	.748**	.767**	.692**								
BE-No. of factors	.180	.239*	-.017	.772**	.703**	.730**	.721**							
BE- Difference	.038	.039	-.089	.591**	.618**	.629**	.577**	.654**						
Complexity	-.114	-.278*	-.244*	.199	.235	.269*	.302*	.150	.216					
Formalization	.249*	.151	.303*	.129	-.004	.056	.088	-.083	-.036	-.115				
Stratification	.243*	.001	.190	.206	.028	.184	.132	.079	.046	.337**	.578**			
RADAR_CAP	.499**	.536**	.471**	.046	.123	.171	.095	.242*	.129	-.374**	.010	-.017		
SKILL_UP	.137	.260*	.147	.020	.039	.077	.077	.108	.009	-.289*	-.087	-.140	.406**	

** = $p < .01$.

* = $p < .05$

Table 3.13: Correlation among business strategy, business environment, organizational structure and preparedness for change for Private Companies (N = 28)

	Business Strategy			Business Environment					Organisational Structure			Preparedness to Change		
	Futurity	Analysis	Proactive	BE-Impact	BE-Munificence	BE-Predictability	BE-Extent of change	BE-No. of factors	BE-Difference	Complex	Forml	Strat	RADAR_C AP	SKILL_U P
Futurity														
Analysis	.758**													
Proactive	.556**	.296												
BE-Impact	.089	-.008	.019											
BE-Munificence	.057	.062	.095	.725**										
BE-Predictability	-.098	-.002	-.073	.765**	.728**									
BE-Extent of change	-.183	-.232	-.072	.514**	.753**	.623**								
BE-No. of factors	-.026	-.036	.252	.423*	.462*	.702**	.422*							
BE- Difference	-.112	-.291	.199	.473*	.632**	.648**	.580**	.593**						
Complex	-.113	-.278	.184	.421*	.375	.565**	.579**	.623**	.653**					
Forml	.080	.348	-.113	-.277	-.033	-.337	-.418*	-.358	-.327	-.625**				
Strat	-.090	.056	-.045	-.140	.081	-.196	-.103	-.201	-.113	-.126	.599**			
RADAR_CAP	.646**	.384*	.561**	.337	.372	.203	.314	.139	.348	.167	-.335	-.231		
SKILL_UP	.177	.188	.080	.353	.346	.411*	.543**	.230	.115	.435*	-.468*	-.468*	.410*	

** = $p < .01$.

* = $p < .05$

Table 3.14: Overall Correlation among business strategy, business environment, organizational structure and preparedness for change (N = 98)

	Business Strategy			Business Environment					Organisational Structure			Preparedness to Change		
	Futurity	Analysis	Proactive	BE-Impact	BE-Munificence	BE-Predictability	BE-Extent of change	BE-No. of factors	BE-Difference	Complex	Forml	Strat	RADAR_C AP	SKILL_U P
Futurity														
Analysis	.690**													
Proactive	.746**	.551**												
BE-Impact	.054	-.019	-.191											
BE-Munificence	.201*	.160	-.017	.700**										
BE-Predictability	.086	.123	-.074	.677**	.726**									
BE-Extent of change	.096	.073	-.063	.688**	.759**	.678**								
BE-No. of factors	.157	.166	.040	.711**	.661**	.707**	.651**							
BE- Difference	.013	-.052	-.018	.567**	.621**	.624**	.573**	.641**						
Complexity	-.121	-.278**	-.104	.252*	.264**	.346**	.384**	.245*	.335**					
Formalization	.127	.252*	.125	-.030	-.022	-.042	-.074	-.162	-.135	-.326**				
Stratification	.162	-.013	.137	.144	.038	.116	.095	.025	.012	.230*	.489**			
RADAR_CAP	.530**	.467**	.492**	.113	.176	.168	.142	.222*	.177	-.198	-.122	-.033		
SKILL_UP	.156	.207*	.135	.097	.103	.130	.174	.128	.033	-.062	-.228*	-.151	.417**	

** = $p < .01$.

* = $p < .05$

Transport Industry

Table 3.15: Multiple Regression Analysis

Independent Variables: Dimension of Structure (3), Business Strategy (3), and Business Environment (6)

Dependent Variables: Dimension of Preparedness to Change (2)
(N = 37)

Dependent variable: Radar Capability							
Step	R	Rsq	F (Eqn)	Sig of F	β	Sig of β	Variables
1.	.57	.33	17.24	.00	.57	.00	Proactive
			<i>df</i> (1,35)				
Dependent variable: Skill Up gradation							
Step	R	Rsq	F (Eqn)	Sig of F	β	Sig of β	Variables
1.	.37	.14	5.71	.02	-.37	.02	Complex
			<i>df</i> (1, 35)				
2.	.55	.30	7.41	.00	-.54	.00	Complex
			<i>df</i> (2, 34)	.44	.01		BE-Impact

Finance Industry

Table 3.16: Multiple Regression Analysis

Independent Variables: Dimension of Structure (3), Business Strategy (3), and Business Environment (6)

Dependent Variables: Dimension of Preparedness to Change (2)
(N = 25)

Dependent variable: Radar-Capability							
Step	R	Rsq	F (Eqn)	Sig of F	β	Sig of β	Variables
1.	.43	.19	5.23	.03	.43	.03	Analysis
			<i>df(1,23)</i>				
Dependent variable: Skill Up gradation							
Step	R	Rsq	F (Eqn)	Sig of F	β	Sig of β	Variables
1.	.48	.23	6.75	.02	-.48	.02	Formalization
			<i>df(1,23)</i>				
2.	.62	.39	7.02	.02	-.48	.01	Formalization
			<i>df(2, 22)</i>		.40	.02	Proactive

IT enabled Industry

Table 3.17: Multiple Regression Analysis

Independent Variables: Dimension of Structure (3), Business Strategy (3), and Business Environment (6)
Dependent Variables: Dimension of Preparedness to Change (2)
(N = 36)

Dependent variable: Radar Capability							
Step	R	Rsq	F (Eqn)	Sig of F	β	Sig of β	Variables
1.	.71	.50	33.63	.00	.71	.00	Futurity
			<i>df</i> (1, 34)				
2.	.79	.63	27.83	.00	.65	.00	Futurity
			<i>df</i> (2, 33)		.37	.00	BE-Impact
3.	.83	.69	23.51	.00	.69	.00	Futurity
			<i>df</i> (3, 32)		.30	.01	BE-Impact
					-.26	.02	Formalization
Dependent variable: Skill Up gradation							
Step	R	Rsq	F (Eqn)	Sig of F	β	Sig of β	Variables
1.	.58	.34	17.28	.00	.58	.00	BE-Extent of change
			<i>df</i> (1, 34)				

**Ownership
Public**

Table 3.18: Multiple Regression Analysis

Independent Variables: Dimension of Structure (3), Business Strategy (3), and Business Environment (6)

Dependent Variables: Dimension of Preparedness to Change (2)

(N= 70)

Dependent variable: Radar Capability							
Step	R	Rsq	F (Eqn)	Sig of F	β	Sig of β	Variables
1.	.54	.29	27.46	.00	.54	.00	Analysis
			<i>df</i> (1,68)				
2.	.59	.34	17.45	.00	.47	.00	Analysis
			<i>df</i> (2,67)		-.24	.02	Complexity
Dependent variable: Skill Up gradation							
Step	R	Rsq	F (Eqn)	Sig of F	β	Sig of β	Variables
1.	.29	.08	6.19	.02	-.29	.02	Complexity
			<i>df</i> (1, 68)				

Private

Table 3.19: Multiple Regression Analysis

Independent Variables: Dimension of Structure (3), Business Strategy (3), and Business Environment (6)

Dependent Variables: Dimension of Preparedness to Change (2)
(N= 28)

Dependent variable: Radar Capability							
Step	R	Rsq	F (Eqn)	Sig of F	β	Sig of β	Variables
1.	.61	.37	15.43	.00	.61	.00	Futurity
			<i>df</i> (1, 26)				
2.	.76	.58	16.99	.00	.70	.00	Futurity
			<i>df</i> (2, 25)		.46	.00	BE-Extent of change
Dependent variable: Skill Up gradation							
Step	R	Rsq	F (Eqn)	Sig of F	β	Sig of β	Variables
1.	.55	.30	11.18	.00	.55	.00	BE-Extent of change
			<i>df</i> (1, 26)				

Overall

Table 3.20: Multiple Regression Analysis

Independent Variables: Dimension of Structure (3), Business Strategy (3), and Business Environment (6)
 Dependent Variables: Dimension of Preparedness to Change (2)
 (N= 98)

Dependent variable: Radar Capability							
Step	R	Rsq	F (Eqn)	Sig of F	β	Sig of β	Variables
1.	.53	.28	37.44	.00	.53	.00	Futurity
			<i>df</i> (1, 96)				
2.	.56	.32	22.04	.00	.55	.00	Futurity
			<i>df</i> (2, 95)		-.19	.03	Formalization
3.	.60	.36	17.57	.00	.54	.00	Futurity
			<i>df</i> (3, 94)		-.26	.00	Formalization
					-.22	.01	Complexity
4.	.64	.41	16.02	.00	.52	.00	Futurity
			<i>df</i> (4, 93)		-.25	.00	Formalization
					-.30	.00	Complexity
					.24	.01	BE-Difference
5.	.66	.43	14.11	.00	.34	.01	Futurity
			<i>df</i> (5, 92)		-.26	.00	Formalization
					-.30	.00	Complexity
					.24	.01	BE-Difference
					.24	.04	Proactive
Dependent variable: Skill Up gradation							
Step	R	Rsq	F ((Eqn)	Sig of F	β	Sig of β	Variables
1.	.23	.05	5.29	.02	-.23	.02	Formalization
			<i>df</i> (1, 96)				
2.	.36	.13	6.91	.00	-.30	.00	Formalization
			<i>df</i> (2, 95)		.28	.01	Analysis



TABLE 3.21: ANOVA SUMMARY (N = 309)

Design: 11 Organizations of Transport Industry X 4 Dimensions of HR Capability: Strategic HRM, Technical HRM, Technical HR Capability and Strategic HR Capability (Repeated)
 Dependant Measure: Scores on Dimensions of HR Capability

Source	SS	df	MS	F	Significance
TOTAL	561.48	1235			
Between-Subjects	268.55	308			
A (Organizations)	43.01	10	4.30	5.68	.00
Error (Between)	225.54	298	.76		
Within-Subjects	292.93	927			
B (HR Capability)	6.00	3	2.00	6.78	.00
AB	23.23	30	.77	2.63	.00
Error (Within)	263.70	894	.30		

TABLE 3.22: ANOVA SUMMARY- (N = 161)

Design: x Finance Industry X 4 Dimensions of HR Capability: Strategic HRM, Technical HRM, Technical HR Capability and Strategic HR Capability (Repeated)

Dependant Measure: Scores on Dimensions of HR Capability

Source	SS	df	MS	F	Significance
TOTAL	301.69	643			
Between-Subjects	157.75	160			
A (Organizations)	25.26	4	6.32	7.44	.00
Error (Between)	132.49	156	.85		
Within-Subjects	143.94	483			
B (HR Capability)	8.42	3	2.81	10.09	.00
AB	5.33	12	.44	1.60	.09
Error (Within)	130.19	468	.28		

TABLE 3.23: ANOVA SUMMARY - (N = 280)

Design: 9 Organizations of IT enabled Industry X 4 Dimensions of HR Capability: Strategic HRM, Technical HRM, Technical HR Capability and Strategic HR Capability (Repeated)
 Dependant Measure: Scores on Dimensions of HR Capability

Source	SS	df	MS	F	Significance
TOTAL	597.86	1119			
Between-Subjects	272.46	279			
A (Organizations)	43.16	8	5.39	6.38	.00
Error (Between)	229.30	271	.85		
Within-Subjects	325.4	840			
B (HR Capability)	23.07	3	7.69	22.82	.00
AB	28.43	24	1.19	3.52	.00
Error (Within)	273.90	813	.34		

TABLE 3.24: ANOVA SUMMARY (N = 750)

Design: 3 INDUSTRIES: Transport, Finance and IT enabled X 4 Dimensions of HR
 Capability: Strategic HRM, Technical HRM, Technical HR Capability and Strategic HR
 Capability (Repeated)
 Dependant Measure: Scores on Dimensions of HR Capability

Source	SS	df	MS	F	Significance
TOTAL	1488.38	2999			
Between-Subjects	728.9	749			
A (Industries)	30.15	2	15.08	16.12	.00
Error (Between)	698.75	747	.94		
Within-Subjects	759.48	2250			
B (HR Capability)	18.02	3	6.01	18.57	.00
AB	16.65	6	2.78	8.58	.00
Error (Within)	724.81	2241			

TABLE 3.25: ANOVA SUMMARY (N = 750)

Design: 2 Sectors: Public and Private Sectors X 4 Dimensions of HR Capability: Strategic HRM, Technical HRM, Technical HR Capability and Strategic HR Capability (Repeated)
 Dependant Measure: Scores on Dimensions of HR Capability

Source	SS	df	MS	F	Significance
TOTAL	1491.35	2999			
Between-Subjects	728.9	749			
A ((Sectors)	1.94	1	1.94	1.99	.16
Error (Between)	726.96	748	.97		
Within-Subjects	762.45	2250			
B (HR Capability)	20.99	3	7.00	21.45	.00
AB	9.22	3	3.07	9.42	.00
Error (Within)	732.24	2244	.33		

TABLE 3.26: ANOVA SUMMARY- (N = 309)

Design: 11 Organizations of Transport Industry X 4 Dimensions of HR System Orientation:
 Participative Decision Making, Internal Orientation, Job Security and Objective Appraisal
 (Repeated)
 Dependent Measure: Scores on Dimensions of HR System Orientation

Source	SS	df	MS	F	Significance
TOTAL	1062.33	1235			
Between-Subjects	221.95	308			
A (Organizations)	41.69	10	4.17	6.89	.00
Error (Between)	180.26	298	.61		
Within-Subjects	840.38	927			
B (HR System Orientation)	54.81	3	18.27	23.09	.00
AB	78.04	30	2.60	3.29	.00
Error (Within)	707.53	894	.79		

TABLE 3.27: ANOVA SUMMARY- (N = 161)

Design: 5 Organizations of Finance Industry X 4 Dimensions of HR System Orientation:
Participative Decision Making, Internal Orientation, Job Security and Objective Appraisal
(Repeated)

Dependant Measure: Scores on Dimensions of HR System Orientation

Source	SS	df	MS	F	Significance
TOTAL	546.66	643			
Between-Subjects	94	160			
A (Organizations)	16.04	4	4.01	8.03	.00
Error (Between)	77.96	156	.50		
Within-Subjects	452.66	483			
B (HR System Orientation)	69.67	3	23.22	30.94	.00
AB	31.71	12	2.64	3.52	.00
Error (Within)	351.28	468	.75		

TABLE 3.28: ANOVA SUMMARY (N = 280)

Design: 9 Organizations of IT enabled Industry X 4 Dimensions of HR System Orientation:
Participative Decision Making, Internal Orientation, Job Security and Objective Appraisal
(Repeated)

Dependant Measure: Scores on Dimensions of HR System Orientation

Source	SS	df	MS	F	Significance
TOTAL	1049.48	1119			
Between-Subjects	217.56	279			
A (Organizations)	35.44	8	4.43	6.59	.00
Error (Between)	182.12	271	.67		
Within-Subjects	831.92	840			
B (HR System Orientation)	10.35	3	3.45	3.86	.01
AB	95.43	24	3.98	4.45	.00
Error (Within)	726.14	813	.89		

TABLE 3.29: ANOVA SUMMARY (N = 750)

Design: 3 Industries: Transport, Finance and IT Enabled X 4 Dimensions of HR System Orientation: Participative Decision Making, Internal Orientation, Job Security and Objective Appraisal (Repeated)

Dependant Measure: Scores on Dimensions of HR System Orientation

Source	SS	df	MS	F	Significance
TOTAL	2703.15	2999			
Between-Subjects	554.32	749			
A (Industries)	20.82	2	10.41	14.58	.00
Error (Between)	533.50	747	.71		
Within-Subjects	2148.83	2250			
B (HR System Orientation)	95.89	3	31.96	35.99	.00
	62.81	6	10.47	11.79	.00
AB	1990.13	2241			
Error (Within)					

TABLE 3.30: ANOVA SUMMARY (N = 750)

Design: 2 Sectors: Public and Private Sectors X 4 Dimensions of HR System Orientation:
Participative Decision Making, Internal Orientation, Job Security and Objective Appraisal
(Repeated)

Dependant Measure: Scores on Dimensions of HR System Orientation

Source	SS	<i>df</i>	MS	F	Significance
TOTAL	2637.74	2999			
Between-Subjects	554.32	749			
A ((Sectors)	.74	1	.74	1.00	.32
Error (Between)	553.58	748	.74		
Within-Subjects	2083.42	2250			
B (HR System Orientation)	30.47	3	10.16	11.59	.00
AB	87.37	3	29.12	33.25	.00
Error (Within)	1965.58	2244	.88		

TABLE 3.31: ANOVA SUMMARY (N = 309)

Design: 11 Organizations of Transport Industry X 5 Dimensions of Organizational Culture: Power Distance (PDI), Uncertainty-Avoidance (UAI), Individualism-Collectivism (IDV), Masculinity-Femininity (MAS) and Long term Orientation (LTO) (Repeated)
 Dependant Measure: Scores on Dimensions of Organizational Culture

Source	SS	df	MS	F	Significance
TOTAL	4670960.6	1544			
Between-Subjects	224037.23	308			
A (Organizations)	23785.26	10	2378.53	3.54	.00
Error (Between)	200251.97	298	671.99		
Within-Subjects	4446923.37	1236			
B (Organizational Culture)	242377.93	4	60594.48	18.57	.00
AB	314261.99	40	7856.55	2.41	.00
Error (Within)	3890283.45	1192	3263.66		

TABLE 3.32: ANOVA SUMMARY (N = 161)

Design: 5 Organizations of Finance X 5 Dimensions of Organizational Culture:
 Power Distance (PDI), Uncertainty-Avoidance (UAI), Individualism-Collectivism (IDV),
 Masculinity-Femininity (MAS) and Long term Orientation (LTO) (Repeated)
 Dependent Measure: Scores on Dimensions of Organizational Culture

Source	SS	df	MS	F	Significance
TOTAL	2595605.2	804			
Between-Subjects	129890.78.	160			
A (Organizations)	2498.26	4	624.57	.77	.55
Error (Between)	127392.52	156	816.62		
Within-Subjects	2465714.42	644			
B (Organizational Culture)	219862.12	4	54965.53	16.06	.00
AB	110731.39	16	6920.71	2.02	.01
Error (Within)	2135120.91	624	3421.67		

TABLE 3.33: ANOVA SUMMARY (N = 280)

Design: 9 Organizations of IT enabled Industry X 5 Dimensions of Organizational Culture: Power Distance (PDI), Uncertainty-Avoidance (UAI), Individualism-Collectivism (IDV), Masculinity-Femininity (MAS) and Long term Orientation (LTO) (Repeated)
Dependent Measure: Scores on Dimensions of Organizational Culture

Source	SS	df	MS	F	Significance
TOTAL	4443436.56	1399			
Between-Subjects	196798.8	279			
A (Organizations)	11793.66	8	1474.21	2.17	.03
Error (Between)	184405.14	271	680.46		
Within-Subjects	4246637.76	1120			
B (Organizational Culture)	296910.15	4	74227.54	21.59	.00
	222040.49	32	6938.77	2.01	.00
AB	3727687.12	1084	3438.83		
Error (Within)					

TABLE 3.34: ANOVA SUMMARY (N = 750)

Design: 3 Industries: Transport, Finance and IT enabled X 5 Dimensions of Organizational Culture: Power Distance (PDI), Uncertainty-Avoidance (UAI), Individualism-Collectivism (IDV), Masculinity-Femininity (MAS) and Long term Orientation (LTO) (Repeated)

Dependant Measure: Scores on Dimensions of Organizational Culture

Source	SS	df	MS	F	Significance
TOTAL	11813811.38	3749			
Between-Subjects	552851.5	749			
A (Industries)	2724.69	2	1362.34	1.85	.16
Error (Between)	550126.81	747	736.45		
Within-Subjects	11260959.88	3000			
B (Organizational Culture)	821140.52	4	205285.13	58.98	.00
AB	39819.36	8	4977.42	1.43	.18
Error (Within)	10400000	2988	3480.63		

TABLE 3.35: ANOVA SUMMARY- (N = 750)

Design: 2 Sectors: Public and Private Sectors X 5 Dimensions of Organizational Culture:
 Power Distance (PDI), Uncertainty-Avoidance (UAI), Individualism-Collectivism (IDV),
 Masculinity-Femininity (MAS) and Long term Orientation (LTO) (Repeated)
 Dependant Measure: Scores on Dimensions of Organizational Culture

Source	SS	df	MS	F	Significance
TOTAL	16743195.81	3749			
Between-Subjects	552851.5	749	1565.37		
A (Sectors)	827.37	1	827.37	1.12	.29
Error (Between)	552024.13	748	738.00		
Within-Subjects	11214680.81	3000			
B (Organizational Culture)	774357.14	4	193589.29	55.64	.00
AB	30323.67	4	7580.92	2.18	.07
Error (Within)	10410000	2992			

TABLE 3.36: ANOVA SUMMARY (N = 309)

Design: 11 Organizations of Transport Industry X 5 Dimensions of Organizational Effectiveness: Quality, Quantity, Efficiency, Flexibility and Adaptability (Repeated)
 Dependant Measure: Scores on Dimensions of Organizational Effectiveness

Source	SS	df	MS	F	Significance
TOTAL	602.35	1544			
Between-Subjects	85.11	308			
A (Organizations)	17.62	10	1.76	7.78	.00
Error (Between)	67.49	298	.23		
Within-Subjects	517.24	1236			
B (Organizational Effectiveness)	60.05	4	15.01	42.00	.00
AB	31.06	40	.78	2.17	.00
Error (Within)	426.13	1192	.36		

TABLE 3.37: ANOVA SUMMARY (N = 161)

Design: 5 Organizations of Finance Industry 5 Dimensions of Organizational Effectiveness:
 Quality, Quantity, Efficiency, Flexibility and Adaptability (Repeated)
 Dependant Measure: Scores on Dimensions of Organizational Effectiveness

Source	SS	df	MS	F	Significance
TOTAL	277.73	804			
Between-Subjects	51.47	160			
A (Organizations)	6.66	4	1.67	5.8	.00
Error (Between)	44.81	156	.29		
Within-Subjects	226.26	644			
B (Organizational Effectiveness)	18.73	4	4.68	14.70	.00
AB	8.80	16	.55	1.73	.04
Error (Within)	198.73	624	.32		

TABLE 3.38: ANOVA SUMMARY (N = 280)

Design: 9 Organizations of IT enabled Industry X 5 Dimensions of Organizational Effectiveness: Quality, Quantity, Efficiency, Flexibility and Adaptability (Repeated)
 Dependant Measure: Scores on Dimensions of Organizational Effectiveness

Source	SS	df	MS	F	Significance
TOTAL	563.82	1399			
Between-Subjects	88.69	279			
A (Organizations)	8.54	8	1.07	3.61	.00
Error (Between)	80.15	271	.30		
Within-Subjects	475.13	1120			
B (Organizational Effectiveness)	52.66	4	13.16	36.47	.00
AB	31.19	32	.98	2.7	.00
Error (Within)	391.28	1084	.36		

TABLE 3.39: ANOVA SUMMARY (N = 750)

Design: 3 Industries: Transport, Finance and IT Enabled X 5 Dimensions of Organizational Effectiveness: Quality, Quantity, Efficiency, Flexibility and Adaptability (Repeated)
 Dependant Measure: Scores on Dimensions of Organizational Effectiveness

Source	SS	df	MS	F	Significance
TOTAL	1426.97	3749			
Between-Subjects	225.52	749			
A (Industries)	.25	2	.12	.41	.67
Error (Between)	225.27	747	.30		
Within-Subjects	1201.45	3000			
B (Organizational Effectiveness)	111.11	4	27.78	76.34	.00
AB	3.15	8	.39	1.08	.37
Error (Within)	1087.19	2988	.36		

TABLE 3.40: ANOVA SUMMARY (N = 750)

Design: 2 Sectors: Public and Private Sectors X 5 Dimensions of Organizational Effectiveness: Quality, Quantity, Efficiency, Flexibility and Adaptability (Repeated)
 Dependant Measure: Scores on Dimensions of Organizational Effectiveness

Source	SS	df	MS	F	Significance
TOTAL	1410.21	3749			
Between-Subjects	225.52	749			
A (Sectors)	.04	1	.04	.13	.72
Error (Between)	225.48	748	.30		
Within-Subjects	1184.69	3000			
B (Organizational Effectiveness)	94.35	4	23.59	64.89	.00
AB	2.74	4	.69	1.88	.11
Error (Within)	1087.60	2992	.36		



SET 2

Table 3.41 : Correlation among strategic and technical HRM, HR systems, organizational culture and organizational effectiveness in Transport Industry (N = 309)

	Strategic and Technical HRM				HR Systems			Organisational Culture					Effectiveness					
	Strategic HRM	Technical HRM	Technical HR capability	Strategic HR capability	Participative decision making	Internal orientation	Job security	Objective performance appraisal	PDI	UAI	IDV	MAS	LTO	Quantity	Quality	Efficiency	Flexibility	Adaptability
Strategic HRM																		
Technical HRM	.853**																	
Technical HR	.752**	.666**																
Strategic HR	.714**	.604**	.741**															
Participative	.576**	.492**	.565**	.578**														
Internal	.464**	.425**	.420**	.561**	.543**													
Job security	.227**	.228**	.228**	.170**	.269**	.230**												
Objective	.397**	.385**	.383**	.483**	.441**	.531**	.221**											
PDI	-.098	-.128*	-.076	-.113*	-.053	-.146**	-.048	-.023										
UAI	.094	.056	.042	.102	.058	.041	-.111	.047	.074									
IDV	-.017	-.065	-.056	-.018	.050	.001	.005	-.011	.040	.042								
MAS	.008	-.007	.076	.076	.032	.092	-.042	.099	-.096	-	.096							
LTO	-.164**	-.144*	-.143*	-.157**	-.105	-.049	.020	-.030	-.071	-	.156**	.035						
Quantity	.171**	.202**	.143*	.217**	.228**	.265**	.098	.285**	-	.026	.093	.039	-.015					
Quality	.111	.156**	.089	.103	.100	.176**	.072	.150**	-.042	.082	-.003	.026	-.081	.574**				
Efficiency	.181**	.204**	.101	.151**	.098	.171**	-.005	.101	-	.013	-.055	.075	-.070	.400**	.409**			
Flexibility	.165**	.122*	.210**	.261**	.150**	.234**	-.022	.212**	-.077	.019	-	.016	-	.295**	.345**	.417**		
Adaptability	.120*	.165**	.151**	.238**	.130*	.333**	.116*	.280**	-.138*	-	-	-.013	-.066	.218**	.249**	.298**	.372**	

** = $p < .01$.* = $p < .05$.

Table 3.42: Correlation among strategic and technical HRM, HR systems, organizational culture and organizational effectiveness in Finance Industry (N = 161)

	Strategic and Technical HRM					HR Systems			Organisational Culture					Effectiveness				
	Strategic HRM	Technical HRM	Technical HR capability	Strategic HR capability	Participative decision making	Internal orientation	Job security	Objective performance appraisal	PDI	UAI	IDV	MAS	LTO	Quantity	Quality	Efficiency	Flexibility	Adaptability
Strategic HRM																		
Technical HRM	.797**																	
Technical HR	.785**	.752**																
Strategic HR	.812**	.688**	.759**															
Participative	.455**	.454**	.393**	.450**														
Internal orientation	.538**	.487**	.521**	.529**	.551**													
Job security	.030	.183*	.118	.096	.177*	.232**												
Objective	.561**	.509**	.542**	.542**	.411**	.465**	.125											
PDI	-.099	-.068	-.063	-.132	-.183*	-.067	-.083	-.152										
UAI	-.061	-.027	-.068	-.042	-.110	-.063	.002	-.023	-.038									
IDV	.083	.133	.119	.033	.073	.095	.209**	.149	.231**	.133								
MAS	-.007	.010	.032	.003	-.055	-.039	.000	-.114	-.012	.142	.033							
LTO	-.196*	-.179*	-.060	-.116	-.104	-.040	-.028	-.048	-.188*	-.103	-.153	-.081						
Quantity	.361**	.361**	.359**	.245**	.091	.242**	.110	.066	.033	-.021	-.044	-.052	-.102					
Quality	.445**	.415**	.484**	.402**	.084	.180*	.154	.185*	-.030	.038	.034	-.067	-.118	.567**				
Efficiency	.291**	.318**	.376**	.283**	.151	.270**	.046	.202*	-.031	.057	-.072	.024	-.028	.448**	.514**			
Flexibility	.272**	.276**	.359**	.332**	.120	.272**	.065	.222**	-.066	.129	.005	-.054	.016	.351**	.430**	.487**		
Adaptability	.271**	.202*	.293**	.206**	-.010	.124	-.055	.151	.026	.023	-.009	.037	-.062	.300**	.432**	.440**	.506**	

** = $p < .01$.* = $p < .05$

Table 3.43: Correlation among strategic and technical HRM, HR systems, organizational culture and organizational effectiveness in IT Enabled Industry (N = 280)

	Strategic and Technical HRM			HR Systems			Organisational Culture					Effectiveness						
	Strategic HRM	Technical HRM	Technical HR capability	Strategic HR capability	Participative decision making	Internal orientation	Job security	Objective performance appraisal	PDI	UAI	IDV	MAS	LTO	Quantity	Quality	Efficiency	Flexibility	Adaptability
Strategic HRM																		
Technical HRM	.862**																	
Technical HR	.774**	.690**																
Strategic HR	.740**	.583**	.645**															
Participative	.523**	.500**	.493**	.390**														
Internal orientation	.617**	.554**	.563**	.548**	.571**													
Job security	.224**	.266**	.291**	.249**	.188**	.274**												
Objective	.570**	.461**	.526**	.527**	.459**	.499**	.218**											
PDI	-.119*	-.048	-.027	-.076	-.111	-.088	.099	-.050										
UAI	-.126*	-.112	-.009	-.026	-.165**	-.034	-.055	-.105	.038									
IDV	.011	.054	-.058	-.069	.062	-.077	.042	-.048	-.038	-.115								
MAS	-.086	-.114	-.072	-.010	-.007	-.012	.024	.014	-.033	.110	-.059							
LTO	-.041	-.005	.032	-.110	.090	-.042	-.015	-.011	.006	-.089	-.041	.107						
Quantity	.162**	.197**	.186**	.125*	.101	.167**	-.022	.056	.086	-.022	.000	-.070	-.088					
Quality	.219**	.180**	.187**	.223**	.060	.131*	-.031	.102	-.088	-.044	-.077	-.081	-.138*	.507**				
Efficiency	.326**	.294**	.263**	.336**	.229**	.302**	-.041	.161**	-.080	-.061	-.004	-.086	-.023	.392**	.430**			
Flexibility	.310**	.316**	.285**	.272**	.225**	.285**	-.023	.233**	-.013	-.061	-.056	-.093	-.070	.254**	.301**	.396**		
Adaptability	.243**	.300**	.282**	.182**	.199**	.261**	-.061	.150*	-.036	-.068	-.004	-.051	.059	.312**	.303**	.499**	.534**	

** = $p < .01$.* = $p < .05$

Table 3.44: Correlation among strategic and technical HRM, HR systems, organizational culture and organizational effectiveness in Public sector Companies(N = 534)

	Strategic and Technical HRM				HR Systems				Organisational Culture					Effectiveness				
	Strategic HRM	Technical HRM	Technical HR capability	Strategic HR capability	Participative decision making	Internal orientation	Job security	Objective performance appraisal	PDI	UAI	IDV	MAS	LTO	Quantity	Quality	Efficiency	Flexibility	Adaptability
Strategic HRM																		
Technical HRM	.837**																	
Technical HR	.767**	.705**																
Strategic HR	.739**	.633**	.730**															
Participative	.513**	.481**	.474**	.499**														
Internal	.545**	.520**	.477**	.555**	.587**													
Job security	.178**	.241**	.218**	.199**	.234**	.330**												
Objective	.458**	.421**	.420**	.493**	.452**	.520**	.186**											
PDI	-.138**	-.119**	-.080	-.127**	-.094*	-.130**	-.024	-.097*										
UAI	-.029	-.031	-.040	.001	-.066	-.024	-.054	-.026	.015									
IDV	-.017	-.010	-.005	-.027	.056	.002	.063	.010	.103*	.061								
MAS	-.039	-.045	.031	.027	.024	-.001	-.005	.023	-.065	.069	.016							
LTO	-.124**	-.103*	-.081	-.119**	-.038	-.022	.038	-.004	-.100*	-.067	.025	.003						
Quantity	.210**	.217**	.217**	.200**	.171**	.203**	.050	.204**	-.057	-.022	.039	-.009	-.023					
Quality	.230**	.208**	.227**	.204**	.087*	.129**	.058	.181**	-.023	.023	.012	.003	-.115**	.568**				
Efficiency	.248**	.242**	.205**	.231**	.139**	.181**	-.005	.138**	-.122**	.015	-.042	.009	-.058	.396**	.430**			
Flexibility	.210**	.176**	.242**	.261**	.102*	.213**	-.012	.197**	-.052	.028	-.072	-.020	-.075	.295**	.343**	.400**		
Adaptability	.197**	.214**	.223**	.216**	.097*	.225**	-.022	.214**	-.054	-.010	-.053	.020	-.024	.265**	.303**	.373**	.435**	

** = $p < .01$ * = $p < .05$

Table 3.45: Correlation among strategic and technical HRM, HR systems, organizational culture and organizational effectiveness in Private Companies(N = 216)

	Strategic and Technical HRM				HR Systems			Organisational Culture					Effectiveness					
	Strategic HRM	Technical HRM	Technical HR capability	Strategic HR capability	Participative decision making	Internal orientation	Job security	Objective performance appraisal	PDI	UAI	IDV	MAS	LTO	Quantity	Quality	Efficiency	Flexibility	Adaptability
Strategic HRM																		
Technical HRM	.883**																	
Technical HR	.778**	.676**																
Strategic HR	.794**	.602**	.682**															
Participative	.595**	.546**	.590**	.513**														
Internal	.556**	.459**	.561**	.573**	.487**													
Job security	.308**	.333**	.352**	.200**	.287**	.157*												
Objective	.661**	.555**	.644**	.608**	.473**	.500**	.271**											
PDI	-.067	-.059	-.021	-.074	-.159*	-.096	.015	-.003										
UAI	-.017	-.009	.107	.073	-.067	.037	-.065	-.032	.085									
IDV	.045	.044	-.108	-.042	-.004	-.088	.033	-.031	-.068	-.152*								
MAS	.000	-.037	-.033	.034	-.028	.105	-.035	.033	-.019	.046	.061							
LTO	-.109	-.067	-.007	-.138*	-.008	-.095	-.086	-.064	.013	-.124	-.004	.124						
Quantity	.205**	.259**	.186**	.162*	.128	.263**	.017	.034	.047	.037	.006	-.051	-.134*					
Quality	.198**	.214**	.172*	.214**	.116	.232**	-.038	.034	-.135*	.035	-.086	-.122	-.092	.498**				
Efficiency	.301**	.311**	.271**	.312**	.213**	.385**	.000	.169*	-.095	-.059	-.042	-.022	-.013	.424**	.456**			
Flexibility	.296**	.323**	.328**	.319**	.347**	.365**	.015	.268**	-.046	-.023	-.071	-.085	-.069	.282**	.382**	.484**		
Adaptability	.192**	.218**	.244**	.173*	.200**	.336**	.054	.146*	-.075	-.101	-.080	-.105	.007	.293**	.324**	.494**	.534**	

** = $p < .01$.* = $p < .05$

Table 3.46: Overall correlation among strategic and technical HRM, HR systems, organizational culture and organizational effectiveness (N = 750)

	Strategic and Technical HRM				HR Systems			Organisational Culture					Effectiveness					
	Strategic HRM	Technical HRM	Technical HR capability	Strategic HR capability	Participative decision making	Internal orientation	Job security	Objective performance appraisal	PDI	UAI	IDV	MAS	LTO	Quantity	Quality	Efficiency	Flexibility	Adaptability
Strategic HRM																		
Technical HRM	.848**																	
Technical HR	.768**	.692**																
Strategic HR	.753**	.627**	.711**															
Participative	.525**	.474**	.499**	.478**														
Internal	.548**	.502**	.498**	.559**	.550**													
Job security	.217**	.282**	.245**	.213**	.202**	.269**												
Objective	.516**	.460**	.478**	.527**	.444**	.514**	.216**											
PDI	-.120**	-.106**	-.065	-.116**	-.102**	-.121**	-.021	-.074*										
UAI	-.026	-.026	-.002	.020	-.063	-.007	-.058	-.028	.033									
IDV	-.002	-.005	-.029	-.041	.058	-.024	.028	-.006	.064	.004								
MAS	-.028	-.039	.013	.032	.003	.030	-.007	.027	-.054	.062	.024							
LTO	-.119**	-.093*	-.058	-.127**	-.025	-.045	-.012	-.024	-.066	-	.019	.041						
Quantity	.209**	.230**	.207**	.188**	.154**	.221**	.039	.151**	-.028	-.005	.028	-.021	-.061					
Quality	.222**	.213**	.210**	.210**	.085*	.158**	.036	.140**	-.054	.026	-	-.032	-	.546**				
Efficiency	.263**	.260**	.222**	.253**	.160**	.241**	-.007	.146**	-	-.007	-	-.001	-.042	.405**	.437**			
Flexibility	.230**	.207**	.263**	.268**	.169**	.250**	-.017	.211**	-.048	.016	-	-.039	-.071	.288**	.348**	.421**		
Adaptability	.195**	.213**	.229**	.201**	.127**	.257**	-.002	.193**	-.059	-.036	-	-.018	-.013	.273**	.308**	.410**	.460**	

** = $p < .01$.* = $p < .05$

Transport Industry

Table 3.47: Multiple Regression Analysis

Independent Variables: Dimension of HR Systems (4), HRM Capability (4), and Organizational Culture (5)

Dependent Variables: Dimension of Effectiveness (5) (N=309)

Dependent variable: Quality							
Model	R	R ²	F (Eqn)	Sig of F	β	Sig of β	Variables
1.	.18	.03	9.77 <i>df(1,307)</i>	.00	.18	.00	Internal Orientation
Dependent variable: Quantity							
Model	R	R ²	F (Eqn)	Sig of F	β	Sig of β	Variables
1.	.29	.08	27.04 <i>df(1,307)</i>	.00	.29	.00	Objective Performance Appraisal
2.	.33	.11	18.73 <i>df(2,306)</i>	.00	.28	.00	Objective Performance Appraisal , PDI
3.	.35	.12	13.99 <i>df(3, 305)</i>	.00	.21	.00	Objective Performance Appraisal , PDI, Internal Orientation
					-.17	.00	
					-.15	.01	
					.13	.04	
Dependent variable: Efficiency							
Model	R	R ²	F (Eqn)	Sig of F	β	Sig of β	Variables
1.	.20	.04	13.33 <i>df(1, 307)</i>	.00	.20	.00	Technical HRM
2.	.26	.07	11.27 <i>df(2, 306)</i>	.00	.18	.00	Technical HRM, PDI
					-.17	.00	
Dependent variable: Flexibility							
Model	R	R ²	F (Eqn)	Sig of F	β	Sig of β	Variables
1.	.26	.07	22.45 <i>df(1,307)</i>	.00	.26	.00	Strategic HR Capability
2.	.28	.08	13.36 <i>df(2, 306)</i>	.00	.26	.00	Strategic HR Capability, IDV
					-.11	.05	
Dependent variable: Adaptability							
Model	R	R ²	F (Eqn)	Sig of F	β	Sig of β	Variables
1.	.33	.11	38.27 <i>df(1,307)</i>	.00	.33	.00	Internal Orientation
2.	.36	.13	22.96 <i>df(2,306)</i>	.00	.33	.00	Internal Orientation, IDV
					-.14	.01	
3.	.38	.15	17.22 <i>df(3,305)</i>	.00	.26	.00	Internal Orientation, IDV , Objective Performance appraisal
					-.14	.01	
					.14	.02	

Finance Industry

Table 3.48: **Multiple Regression Analysis**

Independent Variables: Dimension of HR Systems (4), HRM Capability (4), and Organizational Culture (5)

Dependent Variables: Dimension of Effectiveness (5)
(N=161)

Dependent variable: Quality							
Model	R	R ²	F (Eqn)	Sig of F	β	Sig of β	Variables
1.	.48	.23	48.53 <i>df</i> (1, 159)	.00	.48	.00	Technical HR Capability
Dependent variable: Quantity							
Model	R	R ²	F (Eqn)	Sig of F	β	Sig of β	Variables
1.	.36	.13	23.85 <i>df</i> (1, 159)	.00	.36	.00	Technical HRM
Dependent variable: Efficiency							
Model	R	R ²	F (Eqn)	Sig of F	β	Sig of β	Variables
1.	.38	.14	26.10 <i>df</i> (1,159)	.00	.38	.00	Technical HR Capability
Dependent variable: Flexibility							
Model	R	R ²	F (Eqn)	Sig of F	β	Sig of β	Variables
1.	.36	.13	23.49 <i>df</i> (1, 159)	.00	.36	.00	Technical HR Capability
2.	.39	.15	14.19 <i>df</i> (2, 158)	.00	.37 .15	.00 .04	Technical HR Capability, UAI
Dependent variable: Adaptability							
Model	R	R ²	F (Eqn)	Sig of F	β	Sig of β	Variables
1.	.29	.09	14.98 <i>df</i> (1, 159)	.00	.29	.00	Technical HR capability

IT enabled Industry

Table 3.49: Multiple Regression Analysis

Independent Variables: Dimension of HR Systems (4), HRM Capability (4), and Organizational Culture (5)

Dependent Variables: Dimension of Effectiveness (5)

(N=280)

Dependent variable: Quality							
Model	R	R ²	F (Eqn)	Sig of F	β	Sig of β	Variables
1.	.22	.05	14.57 <i>df</i> (1, 278)	.00	.22	.00	Strategic HR Capability
Dependent variable: Quantity							
Model	R	R ²	F (Eqn)	Sig of F	β	Sig of β	Variables
1.	.20	.04	11.17 <i>df</i> (1, 278)	.00	.20	.00	Technical HRM
Dependent variable: Efficiency							
Model	R	R ²	F (Eqn)	Sig of F	β	Sig of β	Variables
1.	.34	.11	35.35 <i>df</i> (1, 278)	.00	.34	.00	Strategic HR Capability
2.	.36	.13	21.21 (2, 277)	.00	.24	.00	Strategic HR Capability, Internal Orientation
3.	.40	.16	17.12 <i>df</i> (3, 276)	.00	.27	.00	Strategic HR Capability, Internal Orientation, Job Security
Dependent variable: Flexibility							
Model	R	R ²	F (Eqn)	Sig of F	β	Sig of β	Variables
1.	.32	.10	30.87 <i>df</i> (1, 278)	.00	.32	.00	Technical HRM
2.	.34	.12	18.43 <i>df</i> (2, 277)	.00	.23	.00	Technical HRM, Internal Orientation
3.	.37	.14	14.39 <i>df</i> (3, 276)	.00	.25	.00	Technical HRM, Internal Orientation, Job Security
Dependent variable: Adaptability							
Model	R	R ²	F (Eqn)	Sig of F	β	Sig of β	Variables
1.	.30	.09	27.51 <i>df</i> (1, 278)	.00	.30	.00	Technical HRM
2.	.33	.11	17.36 <i>df</i> (2, 277)	.00	.34	.00	Technical HRM, Job Security
3.	.36	.13	13.81 <i>df</i> (3, 276)	.00	.25	.00	Technical HRM, Job Security, Internal Orientation

**Ownership
Public**

Table 3.50: **Multiple Regression Analysis**

Independent Variables: Dimension of HR Systems (4), HRM Capability (4), and Organizational Culture (5)

Dependent Variables: Dimension of Effectiveness (5)
(N=534)

Dependent variable: Quality							
Model	R	R ²	F (Eqn)	Sig of F	β	Sig of β	Variables
1.	.23	.05	29.83 <i>df</i> (1, 532)	.00	.23	.00	Strategic HRM
2.	.25	.06	17.14 <i>df</i> (2, 531)	.00	.22 -.09	.00 .04	Strategic HRM, LTO
3.	.26	.07	13.06 <i>df</i> (3, 530)	.03	.17 -.09 .10	.00 .03 .03	Strategic HRM, LTO, Objective Performance Appraisal
Dependent variable: Quantity							
Model	R	R ²	F (Eqn)	Sig of F	β	Sig of β	Variables
1.	.22	.05	26.36 <i>df</i> (1, 532)	.00	.22	.00	Technical HRM
2.	.25	.06	17.70 <i>df</i> (2, 531)	.00	.16 .14	.00 .00	Technical HRM, Objective Performance Appraisal
Dependent variable: Efficiency							
Model	R	R ²	F (Eqn)	Sig of F	β	Sig of β	Variables
1.	.25	.06	34.86 <i>df</i> (1,532)	.00	.25	.00	Strategic HRM
2.	.26	.07	19.76 <i>df</i> (2, 531)	.00	.24 -.09	.00 .04	Strategic HRM, PDI
Dependent variable: Flexibility							
Model	R	R ²	F (Eqn)	Sig of F	β	Sig of β	Variables
1.	.26	.07	38.96 <i>df</i> (1,532)	.00	.26	.00	Strategic HR Capability
Dependent variable: Adaptability							
Model	R	R ²	F (Eqn)	Sig of F	β	Sig of β	Variables
1.	.23	.05	28.34 <i>df</i> (1, 532)	.00	.23	.00	Internal Orientation
2.	.26	.07	19.36 <i>df</i> (2, 531)	.00	.15 .15	.00 .00	Internal Orientation Technical HR Capability
3.	.28	.08	15.47 <i>df</i> (3, 530)	.00	.19 .16	.00 .00	Internal Orientation Technical HR

							Capability, Job Security
4.	.30	.09	12.73 <i>df</i> (4, 529)	.00	-.12 .15	.01 .01	Internal Orientation
					.14	.01	Technical HR
					-.12	.01	Capability, Job Security, Objective
					.10	.04	Performance appraisal
5.	.31	.10	11.28 <i>df</i> (5, 528)	.00	.19	.00	Internal Orientation
					.16	.00	Technical HR
					-.12	.01	Capability, Job Security, Objective
					.12	.02	Performance appraisal
							Participative decision making
					-.12	.03	



Private

Table 3.51: Multiple Regression Analysis

Independent Variables: Dimension of HR Systems (4), HRM Capability (4), and Organizational Culture (5)

Dependent Variables: Dimension of Effectiveness (5)
(N=216)

Dependent variable: Quality							
Model	R	R ²	F (Eqn)	Sig of F	β	Sig of β	Variables
1.	.23	.05	12.17 <i>df</i> (1,214)	.00	.23	.00	Internal Orientation
2.	.28	.08	8.70 <i>df</i> (2, 213)	.00	.25 -.15	.00 .03	Internal Orientation, MAS
Dependent variable: Quantity							
Model	R	R ²	F (Eqn)	Sig of F	β	Sig of β	Variables
1.	.26	.07	15.85 <i>df</i> (1, 214)	.00	.26	.00	Internal Orientation
2.	.31	.09	10.95 <i>df</i> (2, 213)	.00	.18 .18	.01 .02	Internal Orientation, Technical HRM
3.	.36	.13	10.76 <i>df</i> (3, 212)	.00	.26 .28 -.25	.00 .00 .00	Internal Orientation, Technical HRM, Objective Performance appraisal
Dependent variable: Efficiency							
Model	R	R ²	F (Eqn)	Sig of F	β	Sig of β	Variables
1.	.39	.15	37.28 <i>df</i> (1, 214)	.00	.39	.00	Internal Orientation
2.	.41	.17	21.97 <i>df</i> (2, 213)	.00	.31 .17	.00 .02	Internal Orientation, Technical HRM
Dependent variable: Flexibility							
Model	R	R ²	F (Eqn)	Sig of F	β	Sig of β	Variables
1.	.37	.13	32.98 <i>df</i> (1, 214)	.00	.37	.00	Internal Orientation

2.	.41	.17	21.96 <i>df</i> (2, 213)	.00	.26 .22	.00 .00	Internal Orientation, Participative Decision making
Dependent variable: Adaptability							
Model	R	R ²	F (Eqn) <i>df</i>	Sig of F	β	Sig of β	Variables
1.	.34	.11	27.24 <i>df</i> (1,214)	.00	.34	.00	Internal Orientation
2.	.36	.13	16.30 <i>df</i> (2, 213)	.00	.35 -.14	.00 .03	Internal Orientation, MAS



Overall

Table 3.52: Multiple Regression Analysis

Independent Variables: Dimension of HR Systems (4), HRM Capability (4), and Organizational Culture (5)

Dependent Variables: Dimension of Effectiveness (5)
(N=750)

Dependent variable: Quality							
Model	R	R ²	F (Eqn) <i>df</i> (1, 748)	Sig of F	β	Sig of β	Variables
1.	.22	.05	38.65 <i>df</i> (1, 748)	.00	.22	.00	Strategic HRM
2.	.24	.06	22.12 <i>df</i> (2, 747)	.00	.21 -.08	.00 .02	Strategic HRM, LTO
Dependent variable: Quantity							
Model	R	R ²	F (Eqn) <i>df</i> (1, 748)	Sig of F	β	Sig of β	Variables
1.	.23	.05	41.69 <i>df</i> (1, 748)	.00	.23	.00	Technical HRM
2.	.26	.07	27.11 <i>df</i> (2, 747)	.00	.16 .14	.00 .00	Technical HRM, Internal Orientation
Dependent variable: Efficiency*							
Model	R	R ²	F (Eqn) <i>df</i> (1, 748)	Sig of F	β	Sig of β	Variables
1.	.26	.07	55.67 <i>df</i> (1, 748)	.00	.26	.00	Strategic HRM
2.	.29	.08	33.61 <i>df</i> (2, 747)	.00	.19 .14	.00 .00	Strategic HRM, Internal Orientation
3.	.30	.09	24.71 <i>df</i> (3, 746)	.00	.20 .16 -.09	.00 .00 .01	Strategic HRM, Internal Orientation, Job Security
4.	.31	.10	19.72 <i>df</i> (4, 745)	.00	.08 .15 -.11 -.07	.25 .00 .00 .04	Strategic HRM, Internal Orientation, Job Security, PDI
Dependent variable: Flexibility							
Model	R	R ²	F (Eqn) <i>df</i> (1, 748)	Sig of F	β	Sig of β	Variables
1.	.27	.07	57.97 <i>df</i> (1, 748)	.00	.27	.00	Strategic HR Capability
2.	.30	.09	35.33	.00	.19	.00	Strategic HR

							Capability, Internal Orientation
			<i>df</i> (2, 747)		.15	.01	
3.	.31	.10	26.55 <i>df</i> (3, 746)	.00	.20	.00	Strategic HR Capability, Internal Orientation, Job security
4.	.33	.11	21.96 <i>df</i> (4, 745)	.01	.11	.03	Strategic HR Capability, Internal Orientation, Job security, Technical HR Capability
Dependent variable: Adaptability							
Model	R	R ²	F (Eqn) <i>df</i>	Sig of F	β	Sig of β	Variables
1.	.26	.07	52.77 <i>df</i> (1,748)	.00	.26	.00	Internal Orientation
2.	.28	.08	32.21 <i>df</i> (2, 747)	.00	.19 .13	.00 .00	Internal Orientation, Technical HR Capability
3.	.30	.09	23.82 <i>df</i> (3, 746)	.00	.21 .15 -.09	.00 .00 .01	Internal Orientation, Technical HR Capability, Job Security

* Technical HRM was excluded from the set of predictor variables as it had very high correlation with Strategic HRM ($r = .85, p < .00$).

Organizations with high score on Business Strategy

Table 3.53: Multiple Regression Analysis

Independent Variables: Dimension of HR Systems (4), HRM Capability (4), and Organizational Culture (5)
 Dependent Variable: Organizational Effectiveness (1)
 (N = 387)

Dependent variable: Organizational Effectiveness							
Model	R	R ²	F (Eqn) <i>df</i> (1, 385)	Sig of F	β	Sig of β	Variables
1.	.35	.12	54.07 <i>df</i> (1, 385)	.00	.35	.00	Participative Decision Making
2.	.38	.15	32.62 <i>df</i> (2, 384)	.00	.24 .18	.00 .00	Participative Decision Making, Strategic HRM
3.	.40	.16	23.91 <i>df</i> (3, 383)	.00	.25 .20 -.12	.00 .00 .00	Participative Decision Making, Strategic HRM, Job Security
4.	.41	.17	19.43 <i>df</i> (4, 382)	.00	.26 .21 -.12 -.11	.00 .00 .00 .02	Participative Decision Making, Strategic HRM, Job Security, IDV

Organizations with low score on Business Strategy

Table 3.54: Multiple Regression Analysis

Independent Variables: Dimension of HR Systems (4), HRM Capability (4), and Organizational Culture (5)

Dependent Variable: Organizational Effectiveness (1)
(N = 348)

Dependent variable: Organizational Effectiveness							
Model	R	R ²	F (Eqn)	Sig of F	β	Sig of β	Variables
1.	.38	.14	56.97 <i>df</i> (1, 346)	.00	.38	.00	Strategic HRM
2.	.41	.17	35.18 <i>df</i> (2, 345)	.00	.26 .20	.00 .00	Strategic HRM, Participative Decision Making
3.	.42	.18	25.11 <i>df</i> (3, 344)	.00	.27 .23 -.11	.00 .00 .04	Strategic HRM, Participative Decision Making, Job Security

* Technical HRM was excluded from the set of predictor variables as it had very high correlation with Strategic HRM ($r = .81$, $p < .00$).

Organizations with high score on Futurity dimension of Business Strategy

Table 3.55: **Multiple Regression Analysis**

Independent Variables: Dimension of HR Systems (4), HRM Capability (4), and Organizational Culture (5)

Dependent Variable: Organizational Effectiveness (1)
(N = 396)

Dependent variable: Organizational Effectiveness							
Model	R	R ²	F (Eqn) <i>df</i>	Sig of F	β	Sig of β	Variables
1.	.32	.10	45.41 <i>df</i> (1, 394)	.00	.32	.00	Technical HR Capability
2.	.36	.13	29.06 <i>df</i> (2, 393)	.00	.21 .19	.00 .00	Technical HR Capability, Participative Decision Making
3.	.38	.15	22.45 <i>df</i> (3, 392)	.00	.26 .22 -.15	.00 .00 .00	Technical HR Capability, Participative Decision Making, Objective Performance Appraisal
4.	.40	.16	18.34 <i>df</i> (4, 391)	.00	.20 .20 -.17 .13	.00 .00 .00 .02	Technical HR Capability, Participative Decision Making, Objective Performance Appraisal, Technical HRM

Organizations with low score on Futurity dimension Business Strategy

Table 3.56: **Multiple Regression Analysis**
 Independent Variables: Dimension of HR Systems (4), HRM Capability (4), and Organizational Culture (5)
 Dependent Variable: Organizational Effectiveness (1)
 (N = 339)

Dependent variable: Organizational Effectiveness							
Model	R	R ²	F (Eqn) <i>df</i> (,)	Sig of F	β	Sig of β	Variables
1.	.40	.16	64.99 <i>df</i> (1, 337)	.00	.40	.00	Strategic HR Capability
2.	.43	.19	38.98 <i>df</i> (2, 336)	.00	.26	.00	Strategic HR Capability,
					.21	.00	Participative Decision Making
3.	.46	.22	30.52 <i>df</i> (3, 335)	.00	.27	.00	Strategic HR Capability,
					.26	.00	Participative Decision Making,
					-.17	.00	Job Security
4.	.49	.24	25.73 <i>df</i> (4, 334)	.00	.15	.04	Strategic HR Capability,
					.22	.00	Participative Decision Making,
					-.21	.00	Job Security,
					.22	.00	Technical HRM

Organizations with high score on Analysis dimension* of Business Strategy

Table 3.57: **Multiple Regression Analysis**
 Independent Variables: Dimension of HR Systems (4), HRM Capability (4), and
 Organizational Culture (5)
 Dependent Variable: Organizational Effectiveness (1)
 (N = 407)

Dependent variable: Organizational Effectiveness							
Model	R	R ²	F (Eqn) <i>df</i> (1, 405)	Sig of F	β	Sig of β	Variables
1.	.35	.12	55.29 <i>df</i> (1, 405)	.00	.35	.00	Participative Decision Making
2.	.40	.15	36.68 <i>df</i> (2, 404)	.00	.25 . .21	.00 . .00	Participative Decision Making, Technical HRM
3.	.41	.17	27.08 <i>df</i> (3, 403)	.00	.30 . .24 . -.14	.00 . .00 . .01	Participative Decision Making, Technical HRM, Internal Orientation
4.	.42	.18	21.98 <i>df</i> (4, 402)	.00	.25 . .18 . -.15 . .15	.00 . .00 . .00 . .02	Participative Decision Making, Technical HRM, Internal Orientation, Strategic HR Capability

* - Organisation 3
 and Organisation 5
 were dropped from the analysis as their median
 was equal to the composite median.

Organizations with low score on Analysis dimension Business Strategy

Table 3.58: **Multiple Regression Analysis**
 Independent Variables: Dimension of HR Systems (4), HRM Capability (4), and
 Organizational Culture (5)
 Dependent Variable: Organizational Effectiveness (1)
 (N = 264)

Dependent variable: Organizational Effectiveness							
Model	R	R ²	F (Eqn) <i>df</i> (1, 262)	Sig of F	β	Sig of β	Variables
1.	.36	.13	38.49 <i>df</i> (1, 262)	.00	.36	.00	Participative Decision Making
2.	.40	.16	24.51 <i>df</i> (2, 261)	.00	.23 .22	.00 .00	Participative Decision Making, Strategic HRM
3.	.44	.19	20.28 <i>df</i> (3, 260)	.00	.27 .24 -.19	.00 .00 .00	Participative Decision Making, Strategic HRM, Job Security

Organizations with high score on Proactive dimension* of Business Strategy

Table 3.59: **Multiple Regression Analysis**
 Independent Variables: Dimension of HR Systems (4), HRM Capability (4), and
 Organizational Culture (5)
 Dependent Variable: Organizational Effectiveness (1)
 (N = 286)

Dependent variable: Organizational Effectiveness							
Model	R	R ²	F (Eqn) <i>df</i> (,)	Sig of F	β	Sig of β	Variables
1.	.32	.10	31.24 <i>df</i> (1, 284)	.00	.32	.00	Technical HR Capability
2.	.34	.12	18.47 <i>df</i> (2, 283)	.00	.32 -.13	.00 .02	Technical HR Capability, IDV
3.	.37	.13	14.49 <i>df</i> (3, 282)	.00	.23 -.15 .17	.00 .01 .02	Technical HR Capability, IDV, Participative Decision Making
4.	.40	.15	12.81 <i>df</i> (4, 281)	.00	.24 -.14 .20 -.15	.00 .01 .01 .01	Technical HR Capability, IDV, Participative Decision Making Job Security

* - Organisation 13, Organisation 14 & Organisation 24 were dropped from the analysis as their median was equal to the composite median.

Organizations with low score on Proactive dimension Business Strategy

Table 3.60: **Multiple Regression Analysis**
 Independent Variables: Dimension of HR Systems (4), HRM Capability (4), and
 Organizational Culture (5)
 Dependent Variable: Organizational Effectiveness (1)
 (N = 383)

Dependent variable: Organizational Effectiveness							
Model	R	R ²	F (Eqn) <i>df</i> (1, 381)	Sig of F	β	Sig of β	Variables
1.	.43	.18	83.86 <i>df</i> (1, 381)	.00	.43	.00	Technical HRM
2.	.48	.23	55.40 <i>df</i> (2, 380)	.00	.30 .25	.00 .00	Technical HRM, Participative Decision Making
3.	.49	.24	39.16 <i>df</i> (3, 379)	.00	.33 .26 -.11	.00 .00 .02	Technical HRM, Participative Decision Making Job Security

CHAPTER 4

Summary, Conclusion and Implications

In this chapter, summary of all the steps of study and conclusions are drawn based on the analysis of data, results and discussion reported in Chapter 3. Implication of the study both in terms of the theoretical contributions, methodological contributions and also for business applications are also intended to be discussed and drawn in this chapter which may include the limitations and areas for future research.

Based on review of literature discussed in the first chapter, three broad approaches and theories of HRM are emerging. These can be classified as the Descriptive theories, Normative theories and Strategic theories of HRM. The descriptive theories attempted to classify the contents of HRM and the range of outcome while Normative theories prescribed the best practices to achieve the outcome in terms of performance. The Strategic theories however primarily concerned with the relationship between a range of possible external contingencies and HRM policy and practices. The evolving assumption and theory was that good fit would lead to good performance. The extent of alignment between Business Strategy and SHRM determines impact of it on performance. These theories attempted to design and implement set of internally consistent policies and practices which ensure that firm's human resources contributes to the achievements of its business objectives in most effective manner. Strategic HRM theories believed that HRM has necessarily to be studied in the Strategic content and direction of the organisation, its linkage with business strategy and business context.

Strategic HRM theories approach has three dominant streams. One stream of researchers have adopted "Universalistic perspective" pleading that HRM best practices are universally valid and yield results and improve performance.

The other perspective is "Contingency perspective" of Strategic HRM theories. This perspective argued that HR policies must be consistent with other aspects of the organisation. These theories showed that numbers of HR practices are contingent upon the

different strategic positioning of organisations. Different Strategic position needs different HR practices and orientation to yield result and impact firms' performance. There has to be a fit between Business Strategy and HR practices and orientation.

The third perspective developed "Configurational perspective". These theorists believed that there should be both horizontal and vertical fit. The horizontal fit refers to internal consistency of the organizational HR policies and practices while vertical fit refers to the congruence of HR system with other organizational characteristics.

Linkage of HRM and performance needed empirically tested and validated theory. The Strategic theories provide limited insight into how HRM is linked with performance. The assumption is that the appropriate HRM practices tap the motivation and commitment of employees. Vrooms' (1964) expectancy theory provides one possible basis for developing a more coherent rationale about the link between HRM practices and performance. Since the strength of an individual to prefer a particular outcome depends upon the attractiveness of that outcome, high performance at individual level depends on high motivation plus possession of necessary skills and abilities and appropriate role and understanding of that role by the employee in organisation. The alignment of individual performance to the organizational performance is dependant upon the role and placement of individuals in right slot in the organisation. Business strategy will however determine whether organisation is following the right direction. HRM systems, particularly reward-punishment, performance appraisal system, career progression, competence level of individuals to discharge particular role, leverage appropriate actions of individuals in an organisation. The intensity of individual's action is also dependant upon the attractiveness of such actions which is influenced by other factors like job security, culture, clarity or role, performance appraisal system, internal progression opportunities, compensations etc.

The current literature shows lack of solid theoretical foundations in SHRM areas. However, the contrary view also co-exists. Three dominant modes of SHRM theories have been tested in western context and they have shown strong support to universalistic perspective and some support for both contingency and configurational perspectives. The universalistic perspective has also identified three individual HR practices viz. profit sharing,

result oriented appraisals and employment security having stronger relationships with financial performance. The universalistic support for result oriented appraisal is in consonance with agency theory which posits that 'employee's rewards on profits' ensure that employees' interests are aligned with organizational performance. Researchers of universalistic perspective have also measured quantifiable impact on financial performance and those firms which used best HR practices reported 1 to 3 per cent of improvement in financial performance. However, Delery & Doty's (1996) analysis shows 11, 10 and 6 per cent variations respectively in performance through universalistic, contingency and configurational approaches.

The above interpretation is based on the studies conducted in Western context. Their applicability in different socio-economic context like India and in different sectors has not been validated much. However, there are few studies which have tried to classify the HRM models and evolved typology in Indian context. Most of these have studied existing practices. One of the conclusions drawn by the researchers is the context specific nature of HRM. It also showed that a shift is taking place in the pattern of HRM practices in Indian organisations from traditional administrative type to a more strategic and proactive type.

Based on the literature search, research gaps emerged primarily in following areas. Firstly, there are limited studies which have included other attributes affecting impact of HR practices on organizational performance. Secondly, most of the studies have been in western context, barring a few in South-East Asian contexts. The evolving theories have not yet been validated in Indian context, which has different socio-economic and cultural perspectives. Thirdly these studies have focused on HR practices as apparent in organizations rather than capturing deep rooted linkage of some systems of HR strategy and performance. And finally, studies are primarily in manufacturing sector and not in wide spectrum of service sector where dependence and contribution of human asset is more as compared to its contribution in manufacturing sector.

In view of the gaps, following research questions were framed for the present study:

1. How Strategic HRM affects performance of firms in service sector?

2. Whether extent of impact of Strategic HRM varies from sector to sector within service sector? Whether influence of strategic HRM is dependent upon the ownership? Is there any difference between Private sector and Public sector firms so far as impact of Strategic HRM on Performance is concerned?
3. What is the relative impact of Strategic HRM vis a vis other critical internal and external variables like 'Business Environment', 'Business Strategy', 'Organisational Structure' and 'Organisational Culture' on firms Performance?
4. Which of the different streams of theory of Strategic HRM viz. 'Universalistic', 'Contingency' and 'Congruence' are supported in the Indian context?
5. Whether impact of Strategic HRM is dependent upon the type of Business strategy and the intensity of focus of Business strategy adopted by the firms?

This study has therefore focused on the factors including Business Environment, Business Strategy and Organisational culture, Structure, Technical HRM and Strategic HRM and attempted to study impact of Strategic and Technical HRM on performance firms. The detailed model of expected relationship for the study is presented in Chapter 1.

Summary of findings

The results based on the analysis of data collected through set one and set two have been reported in Chapter 3. The ANOVA, correlation and regression analysis have been conducted for both set one and set two at four levels viz. intra industry level (wherever possible), inter industry level, ownership level (Public and Private) and at overall level. Summary of results have been reported below to collate outcomes of the analysis.

The correlation results of the responses (N=750) through Set two questionnaires from 25 firms showed very significant relationship of both HR system dimensions and HRM capability dimensions with the dimensions of organisational effectiveness at all levels i.e. overall, industry level and ownership levels. This supports the hypothesis H1.

The analysis of set one revealed that organisational structure does not vary significantly amongst different industry segments or between private and public companies.

However this does not prove that organisations do not have different structure in different organisations.

The correlation analysis of set one establishes that relationship of Organisational structure and preparedness to change varies from industry to industry. It is also clear that wherever it is significant, the dimensions of organisational structure have negative correlation with preparedness to change. This indicates that the dimensions of organisational structure have crossed the optimum level of formalisation, complexity and stratification in the firms studied. There is a case to look at the level of dimensions of organisational structure and to make it more informal, flexible and follow non complex simile processes.

The dimensions of Business strategy have significant correlation with preparedness to change.

All the six dimensions of Business environment have indicated positive correlation with dimensions of preparedness to change in one or the other situations. Thus there is significant relationship amongst the dimensions of Business environment and preparedness to change but the relationship varies amongst the industries and between public and private sector firms.

The regression analysis of set one reveals that the three dimensions of Business strategy emerged as the strongest predictor and radar capability was the best predicted factor. This indicates that Business strategy dimensions play strongest impacting role on radar capabilities. Focussed Business strategy of organisations lead to better ability to scan environment and hence prepare in changing environment.

The dimensions of Business environment and Organisational structure have very limited relative impact on the preparedness to change. Organisational structure has negative impact in such situations.

From the analysis of the results of ANOVA, correlations and regression analysis for set two mentioned above it emerges that the dimensions of independent variables strategic

HRM viz. HR system and HRM capability have significant difference amongst three industry segments. But these dimensions do not have significant difference at ownership level. HR System dimensions and HRM capability dimensions vary based on the industry type. The ownership does not matter much. The business they are in determines the particular Strategic HRM policies and practices. The Public or Private sector biases have been negated in this regard by this study.

In case of organisational culture, there existed only negative correlation with some of the dimensions of organisational effectiveness. MAS dimension of organisational culture has no significant correlation at any level with any of the dimensions of the organisational effectiveness.

The regression analysis of set two showed that dimensions like internal orientation, Strategic HR, Strategic HR capability, Technical HR and Technical HR capability only emerged as the strongest predictor for impact on the dimensions of effectiveness. The impact was also recorded up to the extent of 23% in Finance industry. However there was apparent difference in the pattern amongst different industries. Similarly in case of ownership also there was different pattern. In case of Private sector it was internal orientation which showed maximum impact on various dimensions of effectiveness. While in the case of Public sector firms it was Strategic HR, Technical HR and Participative Decision Making which had more impact.

Regression analysis done by classifying data based on the high score Business strategy firms and low score business strategy firms showed that for High score Business strategy firms Participative Decision Making emerged as the strongest predictor with 12% of variance while for low business strategy firms Strategic HR capability emerged as strongest predictor with 14% of variance.

This regression analysis indicates that all HR capability dimensions (Technical HR, Strategic HR, Technical HR capability and Strategic HR capability) and some of the HR system dimensions (Participative Decision Making, Internal orientation and Objective Performance appraisal) emerged as the strongest predictor in different situations. It is also

very relevant to notice that there was very apparent difference in the pattern of the dimensions which were responsible for the variance in different situations i.e. amongst different industries or amongst public/private firms or in case of high business strategy score firms vis a vis low strategy score firms.

The universalistic approach suggests that there is a 'best practice' to Strategic HRM or in other words a set of HR policies to be identified which will improve performance (Osterman, 1994, Pfeffer, 1994, Delery and Doty, 1996). Pfeffer (1994) suggested a set of seven people management policies that will give enhanced performance in all situations. Delery and Doty's (1996) also identified seven such practices which may be classified as best practices yielding better performance in all circumstances. Delery and Doty's HR practices were Result oriented appraisal, Profit sharing, Job descriptions, Employment security, internal career opportunities, Training and Participative management. Some of the dimensions, which emerged in this study, are quite similar to the seven HR practices identified by Delery and Doty (1996). These are Job security similar to Employment security in their model. Participative decision making in this study is similar to Participation /voice in their model. Objective Performance Appraisal system is similar to result oriented appraisal. Internal orientation is similar to internal career opportunities. These 4 practices were measured as the HR systems in the present study. It was verified in this study whether these practices have shown universalistic applicability in different contexts studied.

The job security dimension in this study has shown negative relationship with performance in all situations where as in the previous studies as quoted above employment security has been seen as one of the 'best practices' yielding results in terms of the performance in all situations. In case of the three segments of industry studied in present case, Job security showed significant impact only in IT industry though negative; in both Transport and Finance industries it showed no significant variance. It is clear from these results that Job security is not emerging as universally applicable practice as studies in past have proved in western context. The argument could be that its applicability has been tested earlier only primarily in the manufacturing sector and in western countries based on which the theory of Universalistic approach has been evolved so far and thus propounded.

The industry type also plays an important role. In case of IT industry, if job security is high it would not yield enough pressure on individuals for acquiring new skills/capabilities which is so important in fast changing software industry. It is bound to have negative impact on performance. For IT enabled industry therefore borrowing fresh skill sets from market would give better results. The higher job security will also adversely impact the motivation level of employees to learn fast in the changing environment. Compared to the situation when there is risk of losing job and sustenance in employment depends on acquiring new skills to save job. For other two industries i.e. Transport and Finance job security is not much relevant as other factors have very high impact in those situations.

Thus job security is not proved to be one of the best practices in this case. It has different relationship in different industries.

The other similar practices inter alia studied are participative decision making, internal orientation and Objective Performance Appraisal. These sub systems of HR have also exhibited different impact in different industries.

Internal orientation was found to have significant impact in two of the three industries; but it emerged as the strongest predictor only in the Transport industry (11%). In Finance industry it had no significant impact. In IT enabled industry internal orientation had second strongest impact with only 2% variance for only 3 dimensions of effectiveness.

Internal orientation emerged as the strongest predictor for all dimensions of effectiveness for Private sector firms. Internal orientation recorded variance contribution ranging from 15% to 5% with all dimensions of effectiveness. But in case of Public sector firms internal orientation was significant only for one of the 5 dimension of effectiveness i.e. adaptability dimension, with only 5% of variance attributable to this dimension. In this case also there is significant difference from sector to sector and also between public sector firms and private sector firms. The impact of Internal orientation is very limited in case of Public sector firms while in case of Private sector firms there is very high impact on all the dimensions of effectiveness.

The objective performance appraisal showed negative impact (4%) on the quantity dimension in case of Private sector firms but in case of Public sector firms it showed positive significant impact (1%) on quality dimension of effectiveness. Amongst industry segments objective performance appraisal recorded a positive impact (2%) on only one dimension of effectiveness i.e. adaptability. Similarly for Participative decision making was not at significant level in any of the industries. But in the case of Public sector it had negative impact on adaptability (1%). While in case of Private sector firms it showed positive impact with flexibility (4%).

The sector wise variations of the impact are quite different in different sectors. The extent of impact of all dimensions in transport sector on various factors of effectiveness varied from 4% variance due to Technical HR on efficiency to 11% variance impact of internal orientation on Adaptability. Whereas in case of Finance sector firms it showed minimum 9% impact on variance of Tech HR Capability on adaptability to 23% impact of Tech HR Capability on Quality. Whereas in IT enabled industry maximum impact of 4% variance was recorded for Quality while 11% impact of Strategic HR capability on Efficiency. This shows that not only that there is difference in the dimensions responsible for impacting effectiveness dimensions; there is also variation in the extent of influence or impact on the dimensions of effectiveness. The maximum impact was recorded in Finance sector firms whereas the minimum impact was recorded in Transport sector firms. In other words the dimensions of Strategic HRM and HR systems play higher impacting role in Finance sector firms and low impacting role in Transport sector firms out of the three sector firms studied in the present research.

Thus the impact of Strategic HR dimensions on performance of firms is the maximum in Finance sector (9% to 11%) on different dimensions of effectiveness. For IT enabled and Transport sectors impact on Strategic HRM dimensions is recorded low as (4% to 11%). Further research in this area may be required to investigate the reasons of this variation.

Between Public owned firms and Private owned firms there is evident difference in the level of impact. In case of Public sector firms the maximum impact on various

dimensions of Effectiveness varies from 5% in case of Internal orientation on Adaptability, Technical HR on Quality and Strategic HRM on Quality to 7% of Strategic HR Capability on Flexibility. Whereas, in case of Private sector firms, internal orientation impacts 5% on Quality while Internal orientation recorded 15% impact on Efficiency. Thus in case of Private sector firms, maximum impact is 15% whereas in Public sector the maximum impact recorded is only 7%.

Thus none of the subsystems of HRM have shown that they are universally applicable in all three industries or both type of ownerships i.e. public sector and private sector. On the other hand the impact on the effectiveness dimensions of HR system and Strategic HRM is very different in different industries and also based on the ownership of firms. The extent of impact is highest in Finance sector followed by impact in IT enabled firms and the least in case of Transport sector firms. Based on ownership, in Private sector firms the extent of influence of HR System and Strategic HR dimensions is more as compared to the impact in Public sector firms.

This further proves that universalistic theory is not substantiated by this study in service sector firms in India. Therefore hypothesis H2 is not substantiated by this study.

The contingency approach argues that to be effective, HR policies must be consistent with other aspects of the firm. The Business strategy pursued by firms is generally considered to be the primary contingency factor. Thus the human resource policies and practices must be consistent with the strategy being implemented (Miles and Snow, 1987, Schuler and Jackson, 1987, Delery and Doty, 1996). In other words the performance will be improved when there is consistency or fit between strategy and HR policies.

As reported in Chapter 3 that for examining this theory based on the results obtained in this study, organisations were divided into two groups of high score Business strategy organisations and low score organisations. The regression analysis results of these two groups indicate that in High score Business strategy firms Participative Decision Making have strongest impact (12%) on effectiveness whereas in low score Business strategy firms Strategic HR capability (14%) is the strongest predictor on effectiveness.

The high score business strategy indicates the intensity of business strategy present in the organisation. In other words, it reflects the extent of focus on business strategy. (Here it is not referring to the type of strategy followed by the organisation viz. Futurity, Analysis or Proactive.) Whatever strategic choice organisation is adopting, according to the business environment and stage of maturity cycle of the firm, high score only indicates that they have high degree of presence of Business strategy focus and intensity.

In low strategic focus firms' strategic direction of HRM is more critical while in highly focussed business strategic firms only Participative Decision Making help organisation to implement the determined business strategy to achieve its objectives. This is because of the fact that direction of firm is already clearly laid down. While in case of low strategy firms strategic HRM plays more important role in helping organisation to set its direction. This is a very important finding emerging from this study. Here in this situation Strategic HRM can take lead in setting business strategy and also facilitating organisation to convert it into higher performance. Particularly for start up, technology focused firms and SMEs which ignore Strategic HR at initial stages of the companies existence.

The extent of impact in both cases i.e. in high business strategy score firms as well as for low score strategy score firms has also been slightly different. In case of low strategy score firms 12% in the case of Participative Decision Making while in case of Strategic HR in low Business strategic firm it is 14%. This is also because of the reasons already mentioned above. In low strategy score firms there is diffusion of strategic direction hence consolidating Human resources and helping organisation set their strategy leads to higher impact on the performance.

The other impacting dimensions also differ in the two cases. In high score Business strategy group of firms Internal orientation, Job security and IDV were having impact on effectiveness while for low score Business strategy group of firms Internal orientation, job security and technical HR capabilities showed significant impact on effectiveness. Thus Job security and internal orientation were the common dimensions in both cases. Job security and IDV were having negative impact on the effectiveness of firms. For high score business strategy firms IDV has significant negative impact because individualism in a high focus

strategic organisation leads to negative impact on the effectiveness. High individualism may become conflicting to the overall direction. Similarly high job security leads to negative impact on effectiveness as already explained earlier. In both high and low score business strategy scenario similar impact of Job security has been recorded.

Firms were also divided into groups based on the high and low score on types of business strategy. Firms high and low were separately divided on Futurity, Analysis and Proactive dimensions of Business Strategy and then regression analysis conducted. Results of this analysis are reported above. From the results mentioned above it is emerging that impact of dimensions of HRM on effectiveness is more in case of group of low Futurity score of Business strategy firms as compared to the high score futurity firms.

Technical HR capability in case of high score futurity firms and Strategic HR capability in case of low score futurity firms emerged as the most significant factor impacting effectiveness of firms.

The impact of HR dimensions on the effectiveness is more in low score futurity group of firms (24%) whereas in case of high score futurity score firms it is only 16%. In other words HR dimensions have more impact on effectiveness in low score futurity business oriented firms.

The participative decision making emerged as strongest predictor for both high and low score analysis firms (12% and 13% respectively). But in case of Proactive strategy scenario in both cases Technical HR became strongest predictor, 10% and 18% respectively for high score proactive firms and low score proactive firms.

From the above it is clear that Business strategy type influences the impact of dimensions of HR on the performance of firms. The strongest predictors vary depending upon the type of strategy firms follow and also impact varies depending upon the intensity of particular Business strategy followed by the firms. In other words the relationship of Dimensions of Strategic HRM and performance is contingent upon the type and intensity of Business strategy followed by the firm.

The theory of contingency approach is therefore supported by this study. Thus hypothesis H3 is supported by this study.

Recent studies, as mentioned in Chapter 1, have shown that one of the theories of strategic HRM is configuration approach. The premise is that synergy amongst firm's environment, business strategy and HRM practices result in a complex system that impacts organizational effectiveness and unifying these factors into a stable pattern influences effectiveness of the organization. In other words, organizations deal with two major alignment issues i.e. internal alignment and the external alignment. This is also referred in literature as Horizontal & Vertical fits. The internal fit refers to the notion of HRM practice configurations i.e. HR sub-systems are complimentary to each other. The Configurational approach identifies a unique pattern of factors that are supposed to be maximally effective which lead to synergistic effect, drawn on holistic principle. The Configurational theory in Strategic HRM area posits that internally consistent configuration of HR systems and capability like participative decision making, Objective Performance Appraisal, Strategic HR capability etc. maximize horizontal fit. The vertical fit refers to fit with business strategy and HR Strategy options. Thus the performance is influenced when organizations practice both vertical as well as horizontal fit. While the contingency argument focuses on only one fit i.e. relationship between individual HR practices and firms' strategy the configurational approach refers to systems perspective by focusing on the pattern of relationship amongst the HR practices and by alignment with Business Strategy.

Results reported in Chapter 3 indicate that there is different configuration of dimensions of HR which impact effectiveness in different Business strategic options viz. Futurity, Analysis and Proactive scenario. For Futurity Business strategy Technical HR Capability and Strategic HR capability, Participative Decision Making and Technical HR emerged as the significant predictors. While in case of Analysis strategy Participative Decision Making emerged as the strongest predictor for both High and Low score Analysis business strategy groups of firms. While in case of Proactive strategic firms it is Technical HRM, Participative Decision making and Job security emerged as the strongest and other predictors respectively. Thus the configuration of HR system and capability dimensions will determine the extent of impact of HR strategy on the effectiveness. These factors are so

different and their impact also varies so much in different scenario that configuration makes such an important factor. The combination of various factors in a given strategic option of the firms shall determine the extent of impact of combination of HR strategy. The present study supports the Configurational theory of strategic HRM. This supports the hypothesis H4.

Implications and contributions:**Theoretical level contributions of the research:**

Based on the results mentioned in Chapter 3 and summary mentioned above following conclusions emerged:

All the factors of the Strategic HRM showed high correlation with the dimensions of effectiveness. Hence impact of Strategic HRM on the performance of firms is significant.

In the present study the results do not substantiate this approach. The sub-systems of HRM which have been found to universally applicable in earlier studies have not been found universally applicable in the three industries or in Public and Private sector firms in the present study.

The contingency theory of Strategic HRM has however been found to be substantiated in the present study.

The configurational approach of Strategic HRM theory posits that configuration or the system of internally consistent and externally aligned HRM systems or vertically as well as horizontally fit HRM systems will lead to higher impact on the performance of firms. For different Business strategy group of firms different configuration of Strategic HRM and capability emerged as strongest predictor for the effectiveness. These configurations are also contingent upon the business strategy of firms. These configurations have been discussed in detail in Chapter 3 which supports configurational approach of the theory.

Methodological level contribution of the research:

At methodological level this study has contributed by developing an instrument for measuring Preparedness for Change for the organisations. This instrument has 10 items. Factor analysis of this measure (N=98) resulted in 2 factors viz. (1) Radar Capability and (2) Skill Upgradation with Reliability Coefficient (Cronbach alpha) for these factors as 0.86 and 0.59 respectively.

Practical and Industry level contributions:

In addition to the above some findings, which may have very high level of practical application as well as contribution to the academic field are listed below:

1. Small and Medium Enterprises (SMEs) and start-up firms may draw benefit by adopting relevant system of HRM to get high performance and competitiveness. Generally the startup and SMEs do not adopt focused strategy from the beginning. In other words their business strategy falls in the category of 'low strategy level'. The findings of the present study revealed that at 'low strategy level' there is high impact of SHRM. Generally such firms ignore Strategic HRM in initial stages of their growth and are led by Technology or the product itself. If such firms adopt SHRM practices from the beginning they may enhance their performance and become highly competitive.
2. Objective Performance Appraisal system has negative impact on effectiveness in high 'Futurity' type of organisations. It has great implications for 'Futurity' firms. Those firms which have high score in 'Futurity' dimension of Business Strategy are primarily focusing on opportunities in future and plan to prepare organisation and people to take challenges of future businesses while the Objective Performance of Appraisal may only assess individuals based on past performance. Thus assessment based on past performance may fall short to handle businesses in future. Therefore it may be more appropriate for such firms to orient their performance appraisal system towards 'potential evaluation' or

competence mapping rather than relying on past performance based performance appraisal system.

3. The dimensions of organisational structure have negative impact in most of the situations wherever they are significant. This may be due to the fact that present level of stratification and complexity of organisational structure is high and it is becoming a hindrance to channelise potential of the human resources. There is a need to make organisational structure less complex, less stratified and simpler to channelise potential of Human Resources and to make processes simpler for enhancing effectiveness.
4. The job security dimension of HR system orientation has negative relationship in all situations wherever it is significant. In other words as per this study, job security is one dimension which may lead to negative impact on effectiveness. Extent of job security and the HR strategic choice need to be made in different industry type based on business strategy it is following and the availability of skill sets in market and internal development of manpower. Impact of Job security in IT enabled sector is negative while in other two sectors it has no impact. HRM policies need to be formulated in such a way that Job Security is appropriately leveraged while designing HR strategy and systems.
5. High Business Strategy firms need participative decision making to get the strategy implemented. High focus business strategy firms need support of participative decision making to get the commitment of employees. The Participative Decision making is equally relevant in all types of Business strategy firms.
6. The Strategic HRM policies need to be dynamic and contingent upon the business strategy to attain maximum impact on the effectiveness and competitiveness. The SHRM configurations emerging from this study may make organisations in such sectors competitive and can apply Strategic HRM in most cost effective manner. Since configuration varies from industry to industry, the industry specific configuration would yield high returns in the forms of performance of firm rather than wasting efforts in implementing such SHRM practices which may have limited application in the particular

context of industry, business strategy intensity and also the type of strategy it is following.

7. Different segments of industry need different approach to HRM policies and practices. Recent research by Datta, (2005) also supports the similar findings as he reports that industry characteristics significantly influence the degree of HR- performance relationship.
8. The ownership of firms, Public and Private firms need different approach of strategic HRM.

Above findings are highly relevant to the practicing manager in designing appropriate Strategic HRM for leveraging high performance SHRM impact varies from industry to industry and based on the type of strategy firm is following. The Strategic HRM policies need to be dynamic and contingent to the business strategy to attain maximum impact on the effectiveness and higher competitiveness.

Conclusions:

The universalistic perspective of SHRM theories has not been substantiated in this study. Variations of a particular dimension from one sub-sector of industry to another are quite clear.

The Contingency theory approach has been substantiated by this study. The vertical fit between Business strategy and Strategic HRM influences the impact of the Strategic HRM and performance of firms. The impact of Strategic HRM is contingent upon the Business strategy followed by the organisation. It is also dependent upon the intensity or focus of Business strategy firm is adopting. For high intensity Business strategy firms impact of Strategic HRM is relatively low as compared to the firms having low focus or intensity of their Business strategy.

The configurational theory is also supported by this study for the three sectors studied. The specific configurations of Strategic HRM may lead to higher performance of firms in particular Business strategy scenario.

Limitations and directions of future research:

One of the limitations of research work is related to the self report type measures employed in the study. Consequently the usual limitations of questionnaire method might creep in the present work.

The data though collected from 25 firms in 3 segments of service sector, it has its limitations in drawing conclusions for the entire service sector of India.

This study has only set direction to test emerging theories in different countries and sectors. The future research may focus on the configurational systems of Strategic HRM which are relevant to other segments of industry also focus on the impact of Strategic HRM on performance in other countries having different cultures and to further test the universalistic approach Strategic HRM theories. The emerging implications for industry need to be tested further.

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APPENDIX A

SET ONE

General Instructions for the Respondent

I am a Ph.D. student of the Department of Humanities and Social Sciences of the Indian Institute of Technology, Guwahati under the guidance of Dr. N. Tripathi, Head of the Department, Department of Humanities and Social Sciences. I am also a member of Indian Railway Personnel Service (IRPS) and currently posted as Chief Personnel Officer of NF Railway, Guwahati.

I shall be grateful if you can spare 15 minutes and fill up the attached questionnaire. This questionnaire is being administered as part of a Ph.D. dissertation study on ***“Impact of Strategic Human Resource Management on the Performance of Firms: A Special Reference to Service Sector Firms in India”***.

The questionnaire has been designed to gather information about your company’s business environment, strategic behaviour, strategic human resource management scenario and the outcome in terms of performance. No questions of personal nature are asked or any proprietary information requested. The questionnaire is to be filled up by the person who has adequate familiarity with the company’s history, operations, strategy and business environment. ***The information supplied by you will be kept in strictest confidence and will not be divulged to anyone except in an aggregated form. Data will be analysed at an aggregate level and used for bona-fide research and academic purposes only.***

The questionnaire is divided into FOUR ***parts***. Specific instructions have been given before each part of the questionnaire. In responding to the questionnaire, please try as much as possible to reflect the reality, as you perceive it. Please feel free to make any additional explanatory or qualifying comments on the margins.

Please answer all the questions as incomplete questionnaires create severe problems in data analysis. If you feel some items are not relevant for your company please mark them NR on the left margin.

After completing the questionnaire please return it to me. It will be great help to me if you can also send your company’s brochures, and last three years’ annual reports.

With your cooperation this study may give results which will provide an insight into the Strategic Human Resource Management of Indian service sector concerns which may be of practical value in redesigning your HRM strategy thereby improving your organisation’s competitive advantage as well.

Thank you very much for sparing your valuable time.

Ajit Kumar Nigam, IRPS

Doctoral student, Department of Humanities & Social Sciences, Indian Institute of Technology, Chief Personnel Officer, NF Railway, Maligaon, Guwahati 781011

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SET ONE FOR TOP MANAGEMENT

Kindly Answer following questions, which are meant to be used purely for statistical and collective analysis:

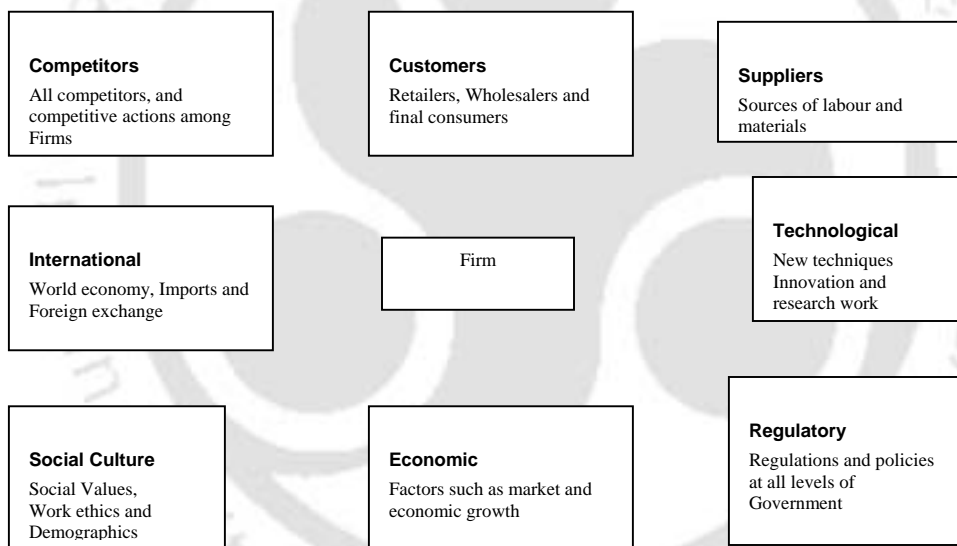
Age: Gender: (Please Tick) M F

Experience (in years): Designation:

Qualification:

PART A: BUSINESS ENVIRONMENT

One aspect of this study is the environment, which consists of all the outside factors considered in your firm’s key decision-making process. These factors can be grouped into the following eight sectors:



Please circle the number best representing the following features of your firm’s environment in the last five years.

1. To what extent do you think these factors have impact on your firm?

	<i>Very little</i>		<i>About middle</i>		<i>Very much</i>			
Competitors	1	2	3	4	5	6	7	
Customers	1	2	3	4	5	6	7	
Suppliers	1	2	3	4	5	6	7	
Technological	1	2	3	4	5	6	7	

Regulatory	1	2	3	4	5	6	7
Economic	1	2	3	4	5	6	7
Social-culture	1	2	3	4	5	6	7
International	1	2	3	4	5	6	7

2. To what extent do you think these factors have become more favourable to your firm?

	Very little	About middle	Very much				
Competitors	1	2	3	4	5	6	7
Customers	1	2	3	4	5	6	7
Suppliers	1	2	3	4	5	6	7
Technological	1	2	3	4	5	6	7
Regulatory	1	2	3	4	5	6	7
Economic	1	2	3	4	5	6	7
Social-culture	1	2	3	4	5	6	7
International	1	2	3	4	5	6	7

3. To what extent do you think these factors have become more predictable?

	<i>Very little</i>	<i>About middle</i>	<i>Very much</i>				
Competitors	1	2	3	4	5	6	7
Customers	1	2	3	4	5	6	7
Suppliers	1	2	3	4	5	6	7
Technological	1	2	3	4	5	6	7
Regulatory	1	2	3	4	5	6	7
Economic	1	2	3	4	5	6	7
Social-culture	1	2	3	4	5	6	7
International	1	2	3	4	5	6	7

4. In each sector, how much change have you observed in last five years?

	<i>Little change</i>	<i>About middle</i>	<i>Dramatic change</i>				
Competitors	1	2	3	4	5	6	7
Customers	1	2	3	4	5	6	7
Suppliers	1	2	3	4	5	6	7
Technological	1	2	3	4	5	6	7
Regulatory	1	2	3	4	5	6	7
Economic	1	2	3	4	5	6	7
Social-culture	1	2	3	4	5	6	7
International	1	2	3	4	5	6	7

5. In each sector, how many factors does your firm need to deal with (for example, types of customer groups)?

	Very little		About middle			Very much	
Competitors	1	2	3	4	5	6	7
Customers	1	2	3	4	5	6	7
Suppliers	1	2	3	4	5	6	7
Technological	1	2	3	4	5	6	7
Regulatory	1	2	3	4	5	6	7
Economic	1	2	3	4	5	6	7
Social-culture	1	2	3	4	5	6	7
International	1	2	3	4	5	6	7

6. From amongst different factors, which the firm need to deal with to what extent these, factors are similar or different to each other?

	<i>Similar</i>		<i>About middle</i>			<i>Different</i>	
Competitors	1	2	3	4	5	6	7
Customers	1	2	3	4	5	6	7
Suppliers	1	2	3	4	5	6	7
Technological	1	2	3	4	5	6	7
Regulatory	1	2	3	4	5	6	7
Economic	1	2	3	4	5	6	7
Social-culture	1	2	3	4	5	6	7
International	1	2	3	4	5	6	7

PART B: BUSINESS STRATEGY

Please answer the following questions on a scale of seven. All questions pertain exclusively to your organisation.

- 1 Strongly disagree**
- 2 Disagree**
- 3 Some what disagree**
- 4 Neither agrees nor disagrees**
- 5 Some what agree**
- 6 Agree**
- 7 Strongly agree**

Please use the strategic decisions, taken by your firm, in last three years as a frame of reference when answering the questions below. If your firm is less than three years old in India, please consider the time of existence in India instead of three years. Please consider following as 'Strategic decisions': -

Choice of Types of products/services and choice of markets served, decisions regarding selection of top management, major resource allocation, product development and R & D, market segment selection and profitability objectives.

- _____ 1. In making strategic decisions here in our company, we look into the future to anticipate conditions.
- _____ 2. We are willing to sacrifice short-term profitability for long-term goals.
- _____ 3. We emphasize investments that will provide us a future competitive edge.
- _____ 4. In making strategic decisions, we constantly seek to introduce new brands and new products in the market.
- _____ 5. Whenever there is ambiguity in government regulation, we will move proactively to try to take a lead.
- _____ 6. In making strategic decisions, we respond to signals of opportunities quickly.
- _____ 7. In making strategic decisions, we emphasize planning techniques and information system.
- _____ 8. In analyzing situations, we evaluate possible consequences thoroughly and obtain alternatives.
- _____ 9. We seek opportunities that have been shown to be promising.
- _____ 10. We emphasize the use of cost control systems for monitoring performance.
- _____ 11. We constantly modify manufacturing technology to achieve efficiency.
- _____ 12. We put emphasis on strictly abiding with the government regulations.
- _____ 13. In making strategic decisions, we tend to focus on investments that have low risk and moderate returns.
- _____ 14. We search for opportunities and favour large and bold decisions despite uncertainty of their outcomes.
- _____ 15. We approve new projects on a “stage-by-stage” basis rather than with “blanket” approval.

PART C: STRUCTURE

Please answer the following questions on a scale of seven. All questions pertain exclusively to your firm.

- 1 Strongly disagree**
2 Disagree
3 Some what disagree
4 Neither agrees nor disagrees
5 Some what agree
6 Agree
7 Strongly agree

- _____ 1. Codified job descriptions are used in our firm.
- _____ 2. Large ranges of variations are allowed within jobs in our firm.
- _____ 3. Differences exist in income among jobs in our firm.
- _____ 4. Differences exist in prestige among jobs in firm.
- _____ 5. Rate of mobility between low and high-ranking jobs is a barrier in achieving particular status level.
- _____ 6. Specialists are rarely employed by our firm to take or to assist us in taking decisions.
- _____ 7. The extent of training required for our lowest level manager and each succeeding level varies considerably.
- _____ 8. A small proportion of jobs are used to participate in decision-making.
- _____ 9. Decision makers are involved in making decisions at most levels of our organizations.

PART D: ORGANISATIONAL PREPAREDNESS FOR CHANGE

Please give your response keeping in view your organisation/firm as a whole and not with respect to your job or your department.

According to your perception what is the level of preparedness of your organisation/firm to face changes in the coming future. Give your response in the scale of 1 to 7 where:

1 Strongly disagree

2 Disagree

3 Some what disagree

4 Neither agrees nor disagrees

5 Some what agree

6 Agree

7 Strongly agree

- _____ 1. My organisation is scanning business and competitive environment regularly and is fully aware of the changes taking place in the business.
- _____ 2. Job designs are regularly updated to meet with the changing expectations of the customers.
- _____ 3. People in the organisation are comfortable with the changes.
- _____ 4. New employees are hired based on the skills that would be relevant in the future business scenario.
- _____ 5. Existing employees are continuously developed and trained to impart latest skills and attitude that is essential to remain competitive in the changing business environment.
- _____ 6. Management is fully aware of the 'drivers of change' or the forces that are responsible for the changes in industry and the businesses we are in.
- _____ 7. Processes of delivery of service and products are regularly updated and we do not hesitate to abandon any product or service.
- _____ 8. People within the organisation are regularly assigned different roles within same function area.
- _____ 9. Mobility within the organisation from one function area to another is considered as a distinct advantage for the individual and for the organisation.
- _____ 10. Management does not hesitate to get rid of the people who are not able to contribute in view of their inability to acquire new skills and attitude necessary for organisation to remain in business due to changes.

SET TWO

General Instructions for the Respondent

I am a Ph.D. student of the Department of Humanities and Social Sciences of the Indian Institute of Technology, Guwahati under the guidance of Dr. N.Tripathi. I am also a member of Indian Railway Personnel Service (IRPS) and currently posted as Chief Personnel Officer of NF Railway, Guwahati.

I shall be grateful if you can spare 15 minutes and fill up the attached questionnaire. This questionnaire is being administered as part of a Ph.D. dissertation study on ***“Impact of Strategic Human Resource Management on The Performance of Firms: A Special Reference to Service Sector Firms in India”***.

The questionnaire has been designed to gather information about your company’s Organisational Culture, strategic human resource management scenario and the outcome in terms of performance. No questions of personal nature are asked or any proprietary information requested. The questionnaire is to be filled up by the persons in managerial, supervisory and staff level who has adequate familiarity with the company’s working. ***The information supplied by you will be kept in strictest confidence and will not be divulged to anyone except in an aggregated form. Data will be analysed at an aggregate level and used for bona-fide research and academic purposes only.***

The questionnaire is divided into ***THREE parts***. Specific instructions have been given before each part of the questionnaire. In responding to the questionnaire please try as much as possible to reflect the reality, as you perceive it. Please feel free to make any additional explanatory or qualifying comments on the margins.

Please answer all the questions as incomplete questionnaires create severe problems in data analysis. If you feel some items are not relevant for your company please mark them NR on the left margin.

After completing the questionnaire please return it to me. It will be great help to me if you can also send your company’s brochures, and last three years’ annual reports.

Thank you very much for sparing your valuable time.

Ajit Kumar Nigam, IRPS

Doctoral student, Department of Humanities and Social Sciences, Indian Institute of Technology, Chief Personnel Officer, NF Railway, Maligaon, Guwahati 781011

Phone: 0361 – 2570306

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PART A: ORGANISATIONAL CULTURE

Some information about you is optional and it meant for purely statistical purposes:

1. Are you (please tick): 1. Male 2. Female
2. How old are you (in years):
3. How many years of formal school education (or their equivalent) did you complete (Starting with primary school):

1. 10 years or less	2. 11 years
3. 12 years	4. 14 years
4. 15 years	5. 16 years
6. 17 years	7. 18 years or over
4. What kind of role you have in the organisation?
 1. Manager of one or more managers.
 2. Manager of one or more subordinates (non-managers).
 3. Academically trained professional or equivalent (but no manager of people).
 4. Vocationally trained craftsperson, technician, nurse, artist, or equivalent.
 5. Generally trained office worker or secretary.
 6. Unskilled or semi-skilled manual worker.
 7. No paid job (including full-time students).
 8. What is your nationality? 1. Indian 2. Other than Indian

Please think of an ideal job (irrespective of your present job). Keeping this ideal job in mind, how important would it be to you to ... (please circle one answer in each line across):

- 1 = of utmost importance**
2 = very important
3 = of moderate important
4 = of little importance
5 = of very little or no importance

1. Have sufficient time left for your personal or family life.

1	2	3	4	5
---	---	---	---	---
2. Have good physical working conditions (good ventilation and lighting, adequate work space, etc.).

1	2	3	4	5
---	---	---	---	---
3. Have a good working relationship with your direct superior.

1	2	3	4	5
---	---	---	---	---
4. Have security of employment.

1	2	3	4	5
---	---	---	---	---

5. Work with people who cooperate well with one another. 1 2 3 4 5
6. Be consulted by your direct superior in his/her decisions. 1 2 3 4 5
7. Have an opportunity for advancement to higher-level jobs. 1 2 3 4 5
8. Have an element of variety and adventure in the job. 1 2 3 4 5

In your private life, how important is each of the following to you? (Please circle one answer in each line across

9. Personal Steadiness and stability. 1 2 3 4 5
10. Thrift 1 2 3 4 5
11. Persistence (perseverance). 1 2 3 4 5
12. Respect for tradition. 1 2 3 4 5
13. How often do you feel nervous or tense at work?
 1. never
 2. seldom
 3. sometimes
 4. usually
 5. always
14. How frequently, in your experience, are subordinates afraid to express disagreement with their superiors?
 1. very seldom
 2. seldom
 3. sometimes
 4. frequently
 5. very frequently

How much do you agree or disagree with each of the following statements? (Please circle one answer in each line across):

1. strongly agree
 2. agree
 3. undecided
 4. disagree
 5. strongly disagree
15. Most people can be trusted. 1 2 3 4 5

16. One can be a good manager without having precise answer to most questions that subordinates may raise about their work. 1 2 3 4 5
17. An organization structure in which certain subordinates have two bosses should be avoided at all cost. 1 2 3 4 5
18. Competition between employees usually does more harm than good. 1 2 3 4 5
19. A company's or organization's rules should not be broken- not even when the employee thinks it is in the company's best interest. 1 2 3 4 5
20. When people have failed in life it is often their own fault. 1 2 3 4 5

PART B: HRM QUESTIONNAIRE

HR System Orientation:

This part of the questionnaire is designed to evaluate the orientation of Human Resource system with respect to the dimensions of Internal orientation vis a vis Market orientation.

Keeping in view the Human Resource system and practices of your organisation please indicated your response in the scale of 1 to 7 where

- 1 Strongly disagree
 2 Disagree
 3 Some what disagree
 4 Neither agrees nor disagrees
 5 Some what agree
 6 Agree
 7 Strongly agree

- _____ 1. Individuals have clear career paths within the organisation.
- _____ 2. Employees who desire promotion have more than one potential position they could be promoted to.
- _____ 3. Extensive training programs are provided for individuals.
- _____ 4. There are formal training programs to teach new hires the skills they need to perform their jobs.
- _____ 5. Performance is more often measured with objective and quantifiable results.

- _____ 6. Performance appraisals are based on objective and quantifiable results.
- _____ 7. Employees in this job can expect to stay in the organisation for as long as they wish.
- _____ 8. It is very difficult to dismiss an employee.
- _____ 9. Job security is almost guaranteed to employees.
- _____ 10. If the organisation were facing economic problems employees would be the last to get retrenched.
- _____ 11. Employees are allowed to make many decisions.
- _____ 12. Employees are often asked by their supervisor to participate in decisions.
- _____ 13. Employees are provided the opportunity to suggest improvements in the way things are done.
- _____ 14. Superiors keep open communications with employees.
- _____ 15. The duties in the jobs are clearly defined.
- _____ 16. The actual job duties are shaped more by the employee than by a specific job description.
- _____ 17. Individuals receive bonuses based on the profit of the organisation.

HRM Capabilities:

Please indicate your response with respect of the HRM capabilities of the organization as a whole not only of the functionaries involved in delivering the HR services in the scale of 1 to 7 where:

- 1 Strongly disagree**
- 2 Disagree**
- 3 Some what disagree**
- 4 Neither agrees nor disagrees**
- 5 Some what agree**
- 6 Agree**
- 7 Strongly agree**

Professional HRM capabilities:

- _____ 1. Organisation anticipates the effect of internal and external changes.
- _____ 2. While discharging HR functions, financial implications of all HR activities are clearly stated and evaluated.
- _____ 3. Organisation defines and communicates HR vision for the future.
- _____ 4. Organisation educates and influences line managers on HR issues.
- _____ 5. Almost all managers in the organisation possess broad knowledge of many HR functions.
- _____ 6. HR professional of the organisation are aware of the HR practices of the competitors.
- _____ 7. Organisation gives adequate focus and priority to the quality of HR services.
- _____ 8. Computer literacy is considered as important at all levels within the HR professionals.
- _____ 9. HR professionals possess highly specialized knowledge of a few HR functions.
- _____ 10.. Organisation possesses experience in other key business areas.
- _____ 11. HR professional also have line management experience.
- _____ 12. Organisation maintains significant external customer contact.

According to your perception what is the level of effectiveness of the following in your organization. Give your response in the scale of 1 to 7 where

- 1 Strongly disagree**
2 Disagree
3 Some what disagree
4 Neither agrees nor disagrees
5 Some what agree
6 Agree
7 Strongly agree

Strategic HRM effectiveness:

- _____ 1. HRM practices build Teams and encourage Teamwork.
- _____ 2. HRM focuses on Workforce productivity and quality of output.

- _____ 3. HR department continuously plans and implement Management and executive development programmes.
- _____ 4.. There is a well-laid Succession development planning for managers.
- _____ 5. There are regular efforts to identify in advance the strategic issues which organisation may encounter in future through various studies.
- _____ 6. The communication amongst the employees and managers is effective.
- _____ 7. There is a well-developed Human Resource Information System.
- _____ 8. There are periodical programmes to assess employees' attitudes.

Technical HRM effectiveness:

- _____ 1. The HR department designs and implements benefits and other services which are effective.
- _____ 2. Compensation packages are well designed.
- _____ 3. Recruiting and training systems are effective.
- _____ 4. Retirement strategies are well thought out and implemented in a proper way.
- _____ 5. Employee and industrial relations are cordial, healthy and effective.

Part C: Effectiveness Questionnaire

Every worker produces something in his work. It may be a “product” or a “service”. We would like you to think carefully of the things that you produce in your work and of the things produced by those people who work around you.

1. Thinking now of the various things produced by the people you know in your division, how much are they producing?

PLEASE TICK ONE OF THE FOLLOWING:

- | | |
|----------|--------------------------------------|
| 1. _____ | Their production is very high |
| 2. _____ | It is fairly high |
| 3. _____ | It is neither high nor low |
| 4. _____ | It is fairly low |
| 5. _____ | It is very low |

2. How good would you say is the quality of the products or services produced by the people you know in your division?

PLEASE TICK ONE OF THE FOLLOWING:

- | | | |
|----|-------|--|
| 1. | _____ | Their products or services are of excellent quality. |
| 2. | _____ | Good quality |
| 3. | _____ | Fair quality |
| 4. | _____ | Their quality is not good |
| 5. | _____ | Their quality is poor |

3. Do the people in your division seem to get maximum output from the resources (money, people, equipment etc.) they have been provided? That is, how efficiently do they do their work?

PLEASE TICK ONE OF THE FOLLOWING:

- | | | |
|----|-------|-------------------------------------|
| 1. | _____ | They do not work efficiently at all |
| 2. | _____ | Not too efficient |
| 3. | _____ | Fairly efficient |
| 4. | _____ | They are very efficient |
| 5. | _____ | They are extremely efficient |

4. How good a job is done by the people in your division in anticipating problems that may come up in the future and preventing them from occurring or minimizing their effects?

PLEASE TICK ONE OF THE FOLLOWING:

- | | | |
|----|-------|--|
| 1. | _____ | They do an excellent job in anticipating problems. |
| 2. | _____ | They do a very good job |
| 3. | _____ | A fair job. |
| 4. | _____ | They do a good job |
| 5. | _____ | They do a poor job in anticipating problems. |

5. From time to time newer ways are discovered to organise work newer equipments and techniques are found with which to do the work. How good a job people do in your organisation at keeping up with these changes that could affect the way they do their work?

PLEASE TICK ONE OF THE FOLLOWING:

- | | | |
|----|-------|--|
| 1. | _____ | They do a poor job of keeping up to date |
| 2. | _____ | Not too good a job |
| 3. | _____ | A fair job |
| 4. | _____ | They do a good job |
| 5. | _____ | They do an excellent job of keeping up-to-date |

6. When changes are made in a routines and equipment, how quickly do the people in your organisation accept and adjust to these changes?

PLEASE TICK ONE OF THE FOLLOWING:

1. _____ Most people accept and adjust to them immediately.
 2. _____ They adjust very rapidly, but not immediately.
 3. _____ Fairly rapidly.
 4. _____ Rather slowly
 5. _____ Most people accept and adjust to them very slowly.

7. What proportion of the people in your division readily accepts and adjusts to these changes?

PLEASE TICK ONE OF THE FOLLOWING:

1. _____ Considerably less than half of the people accept and adjust to these changes readily.
 2. _____ Slightly less than half do.
 3. _____ The majority do.
 4. _____ Considerably more than half do.
 5. _____ Practically everyone accepts and adjusts to these changes readily.

8. From time to time emergencies arise, such as crash of programmes, schedules moved ahead, or a breakdown in the flow of work occurs. When these emergencies occur, they cause work over loads for many people. Some work group cope with these emergencies more readily and successfully than others. How good a job is done by the people in your division in coping with these situations?

PLEASE TICK ONE OF THE FOLLOWING:

1. _____ They do a poor job of handling emergency situations.
 2. _____ They do not do very well.
 3. _____ They do a fair job
 4. _____ They do a good job.
 5. _____ They do an excellent job of handling these situations.

APPENDIX B

Organisation 1

This is one of India's largest commercial enterprises formed in 1964 as a result of the merger between two giant oil companies. Today it has established itself as India's largest petroleum company with a total income of Rs.2, 55,902 crore, at the end of fiscal 2007 and is amongst the ``fortune 500" companies of the world. This is a Public Sector undertaking owned by Government of India.

This integrated oil company has business operations spanning both the upstream and downstream segments of the oil industry. It is engaged in crude oil refining and manufacturing of petroleum products like lubricants, greases, petro-chemicals, gasoline, aviation turbine fuel, LPG, etc. The company (including its subsidiaries) owns and operates 10 of India's 18 refineries with a combined refining capacity of 60.2 million tonnes per annum. The company has the largest network of crude oil and product pipelines across the country of over 9,273 kilometres, with a combined capacity of 61.72 mmtpa. It has a network of over 30,000 sales points together with a well spread out marketing infrastructure comprising 170 bulk storage depots and terminals, 101 aviation fuel stations and 89 LPG bottling plants. It has a nationwide network of nearly 4,000 retail sales points. The company is also pursuing projects for distribution of natural gas to industries, households and commercial users.

The company has also set up offices in Sri Lanka, Mauritius and the UAE. Servo lubricants are being marketed in Dubai, Nepal, Bhutan, Kuwait, Malaysia, Bahrain, Indonesia, Sri Lanka, Kyrgyzstan, Mauritius and Bangladesh. Company has also been lending its expertise for nearly two decades to various countries in several areas of refining, marketing, transportation, training and research and development. These include Sri Lanka, Kuwait, Bahrain, Iraq, Abu Dhabi, Tanzania, Ethiopia, Algeria, Nigeria, Nepal, Bhutan, Maldives, Malaysia, Sudan and Zambia.

It is a pioneer in petroleum retailing in India. It has the widest network of 12,942 retail outlets (petrol/diesel stations including 1,322 Kisan Seva Kendra's) in the country as on 1 April 2007. The Corporation's employee strength as on 31st December, 2007 is 31,796.

Company encourages employee participation in management. Participative forums in the form of joint management councils, quality circles, suggestions scheme, etc. enrich its work culture. Job rotation and inter-location transfers throughout the country facilitate planned development of careers and broaden outlook. Career growth opportunities are based on the individual's performance and contribution to the common goal of sustained growth. The top executives have grown from within -- a testimony to the unlimited opportunities for growth available to the meritorious.

The company provides its employees many facilities and welfare measures like medical facilities extended to the employees are rated amongst the best in the country. Apart from fully equipped hospitals the Corporation also has nominated hospitals at various locations to meet employee needs. Holiday homes at select locations throughout the country help employees and their families unwind. The corporation has an apex-learning institute at Gurgaon - which conducts Management Development Programmes round the year on organizational goals and strategies, diversification and globalization plans.

Organisation 2

This company is privately owned firm engaged providing software solution services, found in 1997, primarily involved in the development of software solutions for the airline industry, global Travel, Transportation and Logistics industry. The present client-base of over 100 reputed companies comprises top corporations across the world.

This company has over 2000 employees, more than 100 customers; located in 5 continents in 13 locations. This company provides mission-critical, technology products for the Travel, Transportation and Logistics Industry. Company has gained the quality certifications for the business & development processes, workforce capability processes and

security. They are SEI CMMI Level-5 and PCMM Level 5 assessed ISO 9001:2000, TickIT and ISO 27001:2005 certified.

Company provides solutions to clients spread in all the major geographies viz. USA, Europe, Middle East and Asia Pacific. Group companies operate out of the Atlanta, Bangalore, Cochin, Dubai, Hong Kong, London, Melbourne, Phoenix, Sydney, Tokyo, Toronto, Trivandrum and Washington DC. Firm operates software development centers at Atlanta, Bangalore, Cochin, London, Trivandrum and Washington DC.

Company has also acquired firms for abroad and running those firms from locations in Europe and America. That is how it has diversified their business in other niche market and software solution areas of travel and tourism business.

The technology and business domain competence achieved by the company has helped them to develop two new generation products: aiRES and iCargo. Both replace the legacy systems used by the air transportation industry and iLogistics, a path-breaking solution to manage and optimize the upstream logistics operations of oil and gas companies.

Firm's competence in IT process management and proficiency in managing multicultural sensitivities is the main strength which enhances its competitiveness.

Organisation 3

This is a state cooperative agricultural and rural development bank established by a state government in 1956, with the avowed purpose of catering the long term agricultural credit needs of the farmers in the state; is the apex financial institution organized under federal structure, having 48 Primary Co-operative Agricultural and Rural Development Banks as its members functioning at Taluk level. This bank has been in the forefront of committed activities aimed at bettering the social scenario of the village community. The enactment of Banks Act 1984 gave strength to streamline and diversify its activities to achieve the prime objective of comprehensive agricultural and rural development.

The origin of the Bank goes back to 1931 with the formation of 'State Land Mortgage Bank'. Over the years, the land mortgage Banks have diversified its activities extensively in Agricultural, Industrial Services and Business sectors.

This being the apex co-operative institution registered under Co-operative Societies Act; its operations are regulated by the State Cooperative Agricultural and Rural Development Act and the Rules and bye laws framed there under. The Role and Functions of the Bank includes mobilization of resources for providing long term loans to its affiliated Primary Co-operative Agricultural and Rural Development Banks, to provide required institutional promotion and self training support to its affiliated Primaries and to provide direct lending to corporate bodies as approved by State government.

This apex Bank is also expected to mobilize its resources through Deposit Mobilization from Rural areas and to provide all credit needs of its ultimate borrower/members provided the clearance of State Government is obtained for such activities.

Organisation 4

This company is India's state owned, primarily domestic airline, under the Government of India's Ministry of Civil Aviation. This airline was set up under *Air Corporations Act, 1953* with an initial capital of Rs.32 million and started operations on 1 August 1953. It was established after legislation came into force to nationalize the entire airline industry in India. Seven former independent domestic airlines, Deccan Airways, Airways-India, Bharat Airways, Himalayan Aviation, Kalinga Air Lines, Indian National Airways and Air Services of India, were merged to form the new domestic national carrier. It inherited a fleet of 99 aircraft including 74 Douglas DC-3 Dakotas, 12 Vickers Vikings, 3 Douglas DC-4s and various smaller types from the seven airlines that made it up.

On December 7, 2005, the company was rebranded as a part of a program to revamp the company image in preparation for an initial public offering (IPO).

It is wholly owned by the Government of India through a government holding company and has 19,300 employees (at March 2007). Its annual turn-over, together with that of its subsidiary, is well over Rs.4000 crores. Together with its subsidiary, it carries a total of over 7.5 million passengers annually.

Based on the trend of profitability as published in the 2004 annual report by *Ministry of Civil Aviation* there has been a turnaround of the firm. This company has generated an operating surplus of 1251 million rupees during the year 2003 with operating revenue at the level of 46,498 rupees.

Organisation 5

This is a company which was earlier owned by the Government of India has recently privatized. In 2000 private group acquired a controlling stake in government owned Telecom Company of India which was operating international communication business. In 2002 the Indian Government privatized the firm completely. The private group holds 46% stake in the company while the Indian government holds only 26% stake.

This firm along with its global subsidiaries is a leading global provider of the new world of communications. The company leverages its Global Network, vertical intelligence and leadership in emerging markets to deliver value-driven, globally managed solutions to the Fortune 1000 and midsized enterprises, service providers and consumers.

The client data base includes 1500 Global Carriers, 600 Mobile operators, “Fortune 1000” of India, 5000+ SMEs in India, 500000 Internet and broadband subs.

The firms’ portfolio includes transmission, IP, converged voice, mobility, managed network connectivity, hosted data center, communications solutions and business transformation services to global and Indian enterprises and service providers, as well as broadband and content services to Indian consumers. It encompasses one of the most advanced and largest submarine cable networks, a Tier-1 IP network, and connectivity to more than 200 countries across 300 PoPs, and more than 1,000,000 square feet (93,000 m²)

of data center space. It has State-of-the-art Infrastructure 200000 route km Global Network, 300 PoPs worldwide, 20+ Terabit submarine capacity, 1 M square feet of data center space.

This company has offices in 80 cities in 40 countries worldwide. It has a strategic investment in South African operator providing the company with a strong anchor to build an African footprint.

The number one global international wholesale voice operator and number one provider of international long distance, enterprise data and Internet services in India, the company was named "Best Wholesale Carrier" at the World Communications Awards in 2006. Now the leading integrated provider to drive and deliver a new world of communications, it became the unified global brand on February 13, 2008.

Organisation 6

This is a corporation wholly owned by government of India which was established on 2nd October 1961 by the amalgamation of two corporations. This company is in the business of shipping. Starting out as a marginal Liner shipping company with just 19 vessels, it has now a giant conglomerate having 83 ships of 4.6 million DWT with substantial interests in 10 different segments of the shipping trade.

Sailing through for over 4 decades, it has a significant presence on the global maritime map. It owns and operates about 35% of the Indian tonnage and operates in practically all areas of shipping business servicing both national and international trades. Keeping in view the demands of the nation's trade, over the years it has diversified into a large number of areas, and is today the only Indian shipping company operating break-bulk service, international container service, liquid / dry bulk service, offshore service, passenger service, in addition to manning / managing a large number of vessels on behalf of various Government Departments and Organizations.

The corporation has contributed immensely to the growth of India's export trade as well as contributing to the nation's exchequer by being a net earner / saver of valuable foreign exchange. The liberalization and globalization of Indian economy has presented the

corporation with a whole lot of opportunities to grow and diversify and the it has positioned itself to avail of these opportunities due to the presence of a modern, young and diversified fleet coupled with the presence of a large pool of well trained and experienced manpower both ashore and afloat to operate it.

The firm is a profitable commercial venture of Government of India and has an excellent track record of earning profits since its inception barring a brief period when the shipping industry worldwide was under depression. The annual performance has been rated Excellent consecutively for a record 12 times under the Memorandum of Understanding (MoU) signed with the Government of India, it has been awarded the status of Mini Ratna leading to enhanced delegation of powers to the Board in the areas of Capital Investment, Joint Ventures, Opening of New Offices, etc. The continued profitability has been due to the innovative and timely strategies and measures adopted by the enlightened Management which included, inter alia, judicious and optimal utilization of available tonnage by deploying it in the most remunerative sectors, commencement of new services in niche markets, identification and expeditious disposal of value destroyers or non-performing assets, forging alliances with the significant players in the market to enhance cargo availability and apportion expenses, administrative cost cutting, etc.

The corporation places greater emphasis on the safety of life, vessels, cargo and the environment it operates in; and has evolved into a highly quality and safety conscious organization. It has also received numerous awards and accolades from various national and international organizations for achieving excellence in customer satisfaction, operational efficiencies, Human Resource training, emergency preparedness etc.

In tune with the worldwide trend of specializations and the premium placed on core-competencies, it has charted a definitive course of action for the future. The thrust areas for growth and diversification focus on energy transportation including the sunrise segment of LNG transportation and container transportation.

Organisation 7

This company is a leading global insurance group, with offices and branches throughout India and various countries abroad. The company services the Indian subcontinent with a network of 1068 offices, comprising 26 Regional offices, 393 Divisional offices and 648 branches. With approximately 21000 employees, it has the largest number of specialist and technically qualified personnel at all levels of management, who are empowered to underwrite and settle claims of high magnitude.

Established by reputed business house of India in 1919, it is the first fully Indian government owned insurance company in India. It is a pioneer among the Indian Companies on various fronts, right from insuring the first domestic airlines in 1946 to satellite insurance in 1990. The latest addition to the list of firsts is the insurance of the INSAT-2E.

The company has a network of 26 Regional Offices, 393 Divisional Offices, 614 Branches and 34 Direct Agent Branches.

The company has been rated "A-" (Excellent) by an International rating company, making it the only Indian insurance company to have been rated by an international rating agency. Rating was based on following factors: (i) Capital Position (ii) Operating Performance (iii) International operations.

With a wide range of policies New India has become the largest non-life insurance company not only in India, but also one of the leading insurers in the Afro-Asian region.

The company collected gross premium of Rs. 5103.16 crores in the year 2004-05, as against Rs. 4921.47 crores in the year 2003-04. It has assets of Rs. 19827.19 crores as on 31st March 2005. Largest Non-Life insurer in Afro-Asia excluding Japan. It is the first Indian non-life company to cross Rs. 5000 crores Gross Premium.

Overseas operations commenced in 1920. It has Operations in 24 countries in the year 2004-05. It has an overseas network of 19 Branches, 12 Agencies, 2 Associate

companies and 2 Subsidiary companies in the year 2004-05. Net collection of overseas Premium was Rs. 892.35 crores in the year 2004-05, which accounts for more than 80% of total overseas premium in India.

Organisation 8

It was formed on 1 October 2000 by the corporatization of the Indian government's Department of Telecom operations. It is India's largest public sector undertaking with revenues of \$7.14 billion and a network of over 45 million lines covering 5000 towns. Its geographical reach extends to the whole country with the exception of the metros of New Delhi and Mumbai. The total employee's strength of the company is over 320000

It's world's 7th largest telecommunications company providing comprehensive range of telecom services in India: basic wire line telephony, CDMA mobile, GSM mobile, internet, broadband, carrier service, mpls-vpn, VSAT, VOIP services, ISDN services etc. Within a span of five years it has become one of the largest public sector units in India.

It has installed quality telecom network in the country and now focusing on improving it, expanding the network, introducing new telecom services with ict applications in villages. Today, it has about 47.3 million line basic telephone capacity, 4 million WLL capacity, 20.1 million gsm capacity, more than 37382 fixed exchanges, 18000 bts, 287 satellite stations, 480196 rkm of ofc cable, 63730 rkm of microwave network connecting 602 districts, 7330 cities/towns and 5.5 lakhs villages. It is also making focused efforts and planned initiatives to bridge the rural-urban digital divide.

Its cellular service has more than 17.8 million cellular customers, garnering 24 percent of all mobile users as its subscribers. It has 35.1 million basic phone subscribers having 85% share of the subscriber base and 92 % percent share in revenue terms. It has more than 2.5 Million WLL Subscribers and 2.5 Million Internet customers. At present there are 0.6 Million Broadband Customers.

The company has vast experience in planning, installation, network Integration and maintenance of Switching & Transmission Networks. It has a World Class ISO 9000 Certified Telecom Training Institute.

The present turnover of the company is more than Rs.351, 820 million with net profit to the tune of Rs.99, 390 million for last financial year YE 2007. The infrastructure asset on Telephone alone is worth about Rs.630, 000 million.

Organisation 9

This company is a central Public Sector Enterprise incorporated as a government company under the Companies Act. 1956. It was set up to utilize the Indian Railway's experience in helping Developing Nations of the world to install or maintain their own railways and also to execute railway projects for private sector. It is the PSU awarded with the Mini-Ratna status by the Government of India.

In the area of expertise it has completed 31 years, during this Company has completed 280 infrastructure projects in India and 90 projects across the globe in 21 countries namely, Algeria, Angola, Bangladesh, Indonesia, Iran, Iraq, Israel, Italy, Jordan, Lebanon, Malaysia, Nepal, Nigeria, Saudi Arabia, Syria, Tanzania, Turkey, United Kingdom and Zambia. The Company has also taken up projects in Mozambique, Ethiopia and Brazil.

The Company was awarded ISO-9001:2000 Certification for its full range of its activities.

This company has been a consistent winner of the Highest Foreign Exchange Earner Award in the construction sector. From Engineering Export Promotion Council also the Company has won 18 Awards of Excellence, including the All India Trophy for the Top Exporters in the category of Merchant Exporters in recognition of the outstanding contribution to Engineering Exports.

Organisation 10

This is a wholly owned government corporation, which was set up to provide city transport system within capital city of India. It was registered on 03.05.95 under the Companies Act, 1956.

The main mission areas of this corporation are to cover the whole of capital with a Metro Network by the year 2021, to be of world-class standards in regard to safety, reliability, punctuality, and to operate on sound commercial lines obviating the need for Government support.

This corporation operates with a very strong culture. The main features of organizational culture of this corporation enunciated by the founder chairman of the corporation are the total dedicated and committed to the Corporate Mission, Personal integrity should never be in doubt, all should maintain full transparency in all the decisions and transactions, the organization must be lean but effective, the Corporation must project an image of efficiency, transparency, courtesy and “we mean business” attitude, construction activities should not inconvenience or endanger public life nor should lead to ecological or environmental degradation, stations and trains should be spotlessly clean, employees should be smartly dressed, punctual, polite and helpful to the customers, employees should discharge their responsibilities with pride, perfection and dignity.

Organisation 11

This is government owned public sector undertaking engaged in providing rail transport services in the most difficult terrain of the country. For those who kept going despite the toughest of challenges, the sense of achievement made it all worthwhile. This organisation is fully owned by the Government of India. A 363.88 km. Section between Roha and Sawantwadi was the most difficult track to construct and run railway system. It was the very challenging nature of the work that led to the team spirit that was so crucial in the successful completion of the project.

This is now an operating railway systems which runs as a corporation has around 3000 employees and is fully supported by the IT enabled system for its operations and Management Information Systems.

Organisation 12

This organisation is a Public owned transport system in a metro city providing a urban transport services to the citizen of the city. It is the first underground Metro rail system in India. It extends over a length of 16.45 kms. There are Seventeen Stations en route at about one km apart. This system was constructed progressively from 1972 to 1995. Its further extension making its full length of 16.45 kms was commissioned in 1995.

Organisation 13

This is one of the nationalized banks of the country. Thus it is fully government owned financial institution. With its presence virtually in all the important centers of the country, it offers a wide variety of banking services which include corporate and personal banking, industrial finance, agricultural finance, financing of trade and international banking. Among the clients of the Bank are Indian conglomerates, medium and small industrial units, exporters, non-resident Indians and multinational companies. The large presence and vast resource base have helped the Bank to build strong links with trade and industry.

This Bank is serving over 3.5 crore customers through 4540 Offices including 421 extension counters - largest amongst Nationalized Banks.

With 112 year tradition of sound and prudent banking is one among 300 global companies and seven Indian companies which are expected to emerge as challengers to World's leading blue chip companies. While among top 1000 world banks, "The Banker", the leading magazine in London, has placed this bank at the 248th position.

At the same time, the bank has been conscious of its social responsibilities by financing agriculture and allied activities and small scale industries (SSI). Considering the importance of small scale industries bank has established 31 specialized branches to finance exclusively such industries.

Strong correspondent banking relationship which this Bank maintains with over 200 leading international banks all over the world enhances its capabilities to handle transactions world-wide. Besides, bank has Rupee Drawing Arrangements with 15 exchange companies in the Gulf and one in Singapore. Bank is a member of the SWIFT and over 150 branches of the bank are connected through its computer-based terminal at Mumbai. With its state-of-art dealing rooms and well-trained dealers, the bank offers efficient forex dealing operations in India.

The bank has been focussing on expanding its operations outside India and has identified some of the emerging economies which offer large business potential. Bank has set up representative offices at Almaty, Kazakhstan, Shanghai, China and in London. Besides, Bank has opened a full fledged branch in Kabul, Afghanistan.

Keeping in tune with changing times and to provide its customers more efficient and speedy service, the Bank has taken major initiative in the field of computerization. All the Branches of the Bank have been computerized. The Bank has also launched aggressively the concept of "Any Time, Any Where Banking" through the introduction of Centralized Banking Solution (CBS) and over 2409 offices have already been brought under its ambit.

The Bank also offers Internet Banking services in the country for Corporates as well as individuals. Internet Banking services are available through all Branches of the Bank networked under CBS. Providing 24 hours, 365 days banking right from the PC of the user, Internet Banking offers world class banking facilities like anytime, anywhere access to account, complete details of transactions, and statement of account, online information of deposits, loans overdraft account etc. it has recently introduced Online Payment Facility for railway reservation through IRCTC Payment Gateway Project and Online Utility Bill Payment Services which allows Internet Banking account holders to pay their telephone, mobile, electricity, insurance and other bills anytime from anywhere from their desktop.

Organisation 14

This is an Information Technology company wholly owned by the government of India. It was established in 1986 for providing all computer activities for one of the departments of the government of India involved in the business of transportation. They also entrusted it with the task of design, development and implementation of the software, along with its associated communications infrastructure. This organisation started functioning from July, 1987. It is a registered society having an autonomous status and headed by Managing Director. It is mainly a project oriented organisation engaged in development of major computer systems. The organisation has wide spread across the country which gives it the global reach and a vast rollout support capability. Together with the formidable team of high-calibre software professionals it has successfully positioned itself at the vanguard of the global IT services revolution. With such a rich practical experience, a dedicated team of professionals and its own R&D effort, it aims to be a leader in this fast developing field. It also provides consulting and IT services - as partners to conceptualize and realize technology driven business transformation initiatives. With over 200 employees nationwide, it adopts low-risk Delivery Model to accelerate schedules with a high degree of time and cost predictability. They specialize in providing solutions for a dynamic environment where business and technology strategies converge by combining IT innovation and adoption while also leveraging an organization's current IT assets. Company also develops new products or services and help organizations to implement prudent business and technology strategies in today's dynamic digital environment.

Prime Minister Award for Excellence in Public Administration was given to this organisation on April 21, 2008.

Organisation 15

This company is a multimodal logistics professional firm. In the transport sector, national boundaries have become permeable to penetration by trade, creating the need for flexible transport solutions.

Government of India decided to take strategic initiative to containerize cargo transport and put India on the multi-modal map for the first time in 1966. Expansion of the network to 7 ICDs by 1988 saw increase in the handling of containers, and along the way, a strong view had emerged that there was a need to set up a separate pro-active organization for promoting and managing the growth of containerization in India.

This firm was incorporated in March 1988 under the Companies Act, and commenced operation from November 1989 taking over the existing network of 7 ICDs.

The physical process of exporting or importing goods was arduous. Goods needed to be transported by lorry to the port, unloaded into a warehouse and then reloaded into the ship 'piece by piece'. Malcolm McLean's idea of containerization changed the basics of cargo transport by standardizing the dimensions of the container and simultaneously improving the productivity of ports by mechanizing handling of container-carrying 'cellular' ships and reducing their handling to a few hours only. Unitization helped elimination of multiple handling of cargo and made transfers quick, cheap and easy. As containerization came to stand for 'cargo care', it grew by leaps and bounds the world over.

Given the continental distances in India (almost 3000 km from North to South and East to West), rail transport could be the cheaper option for all cargo over medium and long distances, especially if the cost of inter-modal transfers could be reduced. Containerized multi-modal door-to-door transport provided the ideal solution to this problem. It was this idea that saw the Government of India entering the market for moving door-to-door domestic cargo.

This corporation is now an undisputed market leader having the largest network of 57 ICDs/CFSs in India. In addition to providing inland transport by rail for containers, it has also expanded to cover management of Ports, air cargo complexes and establishing cold-chain. It is continuing to play the role of promoting containerization of India by virtue of its modern rail wagon fleet, customer friendly commercial practices and extensively used Information Technology. The company developed multimodal logistics support for India's International and Domestic containerization and trade.

The mission of this corporation suggests that this firm is committed to providing responsive, cost effective, efficient and reliable logistics solution to its customers. It strives to be the first choice for its customers; it is a customer focused, performance driven, result oriented organization, focused on providing value for money to its customers.

The corporations' core business is characterised by three distinct activities, that of a carrier, a terminal operator, and a warehouse operator.

Organisation 16

This company is a Government of India undertaking under the Ministry of Railways. The Corporation was formed in Sept 2000 with the objectives to create nation wide Broadband Telecom and Multimedia Network in all parts of the country, to modernize Train Control Operation and Safety System of Indian Railways and to significantly contribute to realization of goals and objective of national telecom policy 1999. This is a wholly owned subsidiary of Indian Railways, with authorized capital of Rs. 1000 crores.

This corporation was set up to achieve following main objectives: modernize Railways' train control, operational and safety systems and networks; to create a nationwide broadband telecom and multimedia network to supplement national telecom infrastructure to spur growth of telecom internet and IT enabled value added services in all parts of the country specially rural, remote and backward areas; to significantly contribute to realization of goals and objectives of National Telecom Policy, 1999 and to generate much needed

revenues for implementing Railways' development projects, safety enhancement and asset replacement programmes.

The company has created state of the art multimedia telecom network using SDH/DWDM based transmission systems and high end routers for MPLS-IP network. It has extensive expertise in building telecom networks. Moreover, it draws its manpower from Indian Railway which has been in the business of construction, operation and maintenance of telecom systems for more than 50 years.

Railways have seamless Right of Way along 63,000 km of Railway Track passing through 7000 stations across India. The stations in major cities are located in central business districts. This Corporation now owns the 'Right of Way and OFC assets have been transferred to them. Presently, about 32500 km of OFC has already been laid and over 29500 km has been commissioned. Works are on for another 10620 km are in various stage of completion.

Organisation 17

This is a corporation set up by Government of India with the basic purpose of hiring the entire catering and tourism activity of the railways to the new corporation so as to upgrade these services with public-private participation.

A dynamic marketing strategy in association with public and private agencies, tour operators, transporters, hoteliers and local tour promoters is on the anvil. Indian Railways span global volumes in hospitality and catering sectors with services provided to 13 million passengers everyday.

This corporation pursues the mission of "Enhancing customer services and facilitation in railway catering, hospitality, travel and tourism with best industry practices".

In order to pursue above mission it has clearly laid down its objectives as (1) To be a customer friendly company through constant innovation, technology driven and human resource development. (2) Optimise resources, increase manpower productivity through quality product vending and innovative marketing strategies. (3) Upgrade and consolidate catering services in the organized sector. (4) Expand areas of core competencies, enhance business opportunities through efficient public - private partnerships to maximise generation of resources. (5) Imbibe strong and ethical work culture through teamwork, build and reposition Indian Railways in the emerging services sector. (6) Evolve high standards of business ethics, quality management and effective cost control measures. (7) Concern for the environment and heritage tourism. Railway Tourism has seen excellent growth in India.

Right from the inception, it has undertaken dynamic marketing strategy with major tour operators and State Tourism as partners for providing exclusive tour packages across the country. It also arranges for full train charters, coaches as well as reserved berth programmes through regular trains for tourism purposes. Internet Rail Reservation There has been a latent demand in the country for ticket availability at the door-step. It has already developed this facility at Delhi, Chennai, Bangalore, Kolkata and Mumbai. Very soon the facility will spread to Hyderabad, Pune and Ahmedabad. After consolidation at these centres, further development in the major towns will take place. The corporation's web enabled reservation site is one of the most used commercial sites of the world. It is also running Call Centre services for the rail users.

Organisation 18

This company is a private owned firm engaged in providing IT enabled services to rural India in most cost effective technological solutions. This company has created a profit business model designed to affordably meet the latent demand for rural connectivity. The company was incubated by one of the IITs as part of the group's mission to create appropriate and cost-effective technology solutions designed for developing countries. This company has employed a three-tier franchise business model that pushes the delivery and

management of Internet services closer to the end user. Each tier consists of independent, financially self-sustaining entrepreneurs operating interdependently with one another.

On the second tier are the Local Service Providers (LSPs), responsible for managing the project at the local level. In coordination with n-Logue, the LSP invests in and sets up an Access Center that provides last-mile access to subscribers in the project area. On the bottom tier of the company the local entrepreneurs that are recruited by the LSP to invest in and set up Internet kiosks in their villages. The kiosk owners purchase the computer equipment through the company, who also provides training, support and technical assistance. These locally-owned franchises offer a variety of Internet and computer-based services aimed at the rural market. The primary access points are the Chirag kiosks located in the houses of the villagers.

The project has been replicated in many locations in Tamil Nadu including Nellikupam, Madira, Tirpur, Bhawani, Melladudurai, Shivganga and Tiruvallen. At the time of the study, 6,000 kiosks in Gujarat and Maharashtra had been sanctioned to be opened using the same methodology of implementation. The project has also been also replicated in Andhra Pradesh and Karnataka.

Organisation 19

This company is a leading IT company of the prestigious, a US\$ 8 billion, and Indian conglomerate with interests in a variety of manufacturing, engineering and service industries. This firm is one of the pioneers in India in the field of Information Technology, with an international reputation for being a highly competent systems integrator and solutions provider. Since its Inception in 1978, it has made great strides recording revenues of US\$ 60.6 million for 1996-97.

Its employee strength is nearly 3,000 and growing steadily. The company has executed more than 3,000 projects in over 50 countries and has a presence in USA, UK, Continental Europe, Japan, Australia and India. The thrust of its activities includes systems integration, software development and consultancy, hardware manufacture, distribution of

international software products, collaborations in advanced technologies and educational services.

This firm has an impressive track record in consulting with vast international activity and experience in delivering high quality solutions in a cost-effective manner. Business and Government Agencies around the globe have been transformed by such innovative solutions.

The wide spectrum of services offered in the field of software consultancy includes: establishing offshore software development centers, providing on-site and remote consultancy services, executing turnkey projects involving re-engineering of applications, application design, development and customization, migrations, modernization and right sizing, support services, and central point support for global installations.

For better focus on industry needs, this company has built significant functional expertise in niche segments in various vertical markets such as finance, banking and insurance, industrial, commercial and public sectors; telecommunications, airlines and transportation.

Organisation 20

This organisation was formed by the government of India in the air transport sector on 1st April 1995 with a view to accelerate the integrated development, expansion and modernization of the operational, terminal and cargo facilities at the airports in the country conforming to international standards

It manages 126 airports, which include 11 international airports, 89 domestic airports and 26 civil enclaves at Defense airfields. It also provides Air Traffic Management Services over entire Indian Air Space and adjoining oceanic areas with ground installations at all airports and 25 other locations to ensure safety of aircraft operations.

The airports at Ahmedabad, Amritsar, Bangalore, Goa, Guwahati, Hyderabad and CIAL (Pvt.), in addition to those at Mumbai, Delhi, Calcutta, Chennai and

Thiruvananthapuram, are today International Airports open to operations even by Foreign International Airlines. Besides the International flights by National Flag Carriers operate from Calicut, Coimbatore, Tiruchirappalli, Varanasi, Jaipur and Gaya airports too. Tourist Charters now touch Agra, Coimbatore, Jaipur, Lucknow, Patna airports etc.

All major air-routes over Indian landmass are Radar covered (24 Radar installations at 11 locations) alongwith VOR/DVOR coverage (72 installations) co-located with Distance Measuring Equipment (71 installations), 39 runways provided with ILS installations with Night Landing Facilities at 36 airports and Automatic Message Switching System at 15 airports.

This organisation has implemented Automatic Dependence Surveillance system, using indigenous technology, at Calcutta and Chennai Air Traffic Control Centres, gave India the distinction of being the first country to use this advanced technology in the South East Asian region enabling effective Air Traffic Control over oceanic areas using satellite mode of communication. Linking of 80 locations by V-Sat installations during 2005 has enhanced Air Traffic Management and in turn safety of aircraft operations besides enabling administrative and operational control over our extensive airport network.

The organisation is making efforts to enhance focus on 'customer's expectations'. It has evinced enthusiastic response to independent agency organized customer satisfaction surveys at 30 busy airports. These surveys have enabled us to undertake improvements on aspects recommended by the airport users.

The specific training focus on improving employee response and professional skill up gradation has been manifested. This company has four training establishments viz. Civil Aviation Training College - Allahabad, National Institute of Aviation Management and Research - Delhi and Fire Training Centers at Delhi and Kolkata.

These Four Institutes meet all requirements of in-house human resource development and manpower training for terminal management.

Organisation 21

This is a private firm based out of India and provides diverse range of VoIP Solutions to traditional Wireline, Wireless and Broadband operators globally. Operators use these solutions to provide Value Added Services and enjoy Unified Network Management. It has an installation base of its solutions with more than 20 Large and Medium size operators in USA, UK, India, UAE and South East Asia. With more than 6 years in this business, it provides value of cutting edge technology and customization requirements whose needs are as diverse as the community they serve.

This firm is a privately held entity Venture funded and is backed by some very prominent personalities who have shaped the future of IP Communications industry. The company empowers Carriers and Broadband Service Providers with the necessary building blocks of tomorrow's networks.

This is one of the startup firm incubated by IIT Madras and employs around 30 highly skilled workforce in computer software and hardware. The firm is backed by the best brains in this area in the country.

Organisation 22

This corporation is in the business of insurance and enjoys the leading market share. It is wholly owned by the Government of India. In 1956, the Indian government nationalized 245 Indian and foreign insurers and provident societies and formed a corporation of its own by an Act of Parliament, with a capital contribution of Rs.50 million from the government of India. This corporation now stands at Rs 58 billion while its first year premium income during 2005-06 grew by a record 48 per cent to Rs.180 billion. Besides new products in existing categories, it has approached the regulator IRDA for launching a micro insurance product for the rural poor.

The corporation mainly offers a range of insurance schemes, together with pension plans, unit plans, group schemes and social security schemes.

The corporation has offices throughout the spread of the country. The corporation has regional, divisional and branch offices. It employs over 5 lakh regular employees beside advisers and agents on profit sharing basis.

Organisation 23

This is one of the departments of Government of India, which provides mail, parcel and related services in India and throughout the world.

This has been at the service of the nation for over 150 years now. Positioned as the nerve centre of communication in community life, today, it faces tough competition from newer modes of technology, which have redefined 'connectivity'. Even in the face of tough competition, the focus towards fulfilling social commitment continues unabated. This network forms the largest postal system in the world with an array of about 1.55 lakh of post offices; it dwarfs all other postal systems in sheer numbers. There are 5926 Panchayat Sanchar Sewa Kendras to provide basic postal services in the rural areas, in addition to 1.55 lakh post offices. Not only in sheer size and numbers, historically too, India Post has the distinction of being the one of the oldest organization in the world. The four main areas of services offered by the department are (i) Communication services – Letters, Post Cards, etc. (ii) Transportation services – Parcel, Logistics, etc. (iii) Financial services – Savings Bank, Money Order, Insurance, etc. (iv) Value added services – Speed Post Service, Business Post, Direct Post, etc.

At present: on an average, a post office covers an area of 21.2 sq. km and serves 7166 people. This compares favorably with USA, where a post office covers an area of 259.25 sq. km. and serves 8029 people, and China where a post office covers an area of 145.59 sq. km. and serves 19962 people. To further augment the network, plans are on the anvil for opening 3000 Branch Post Offices in the rural areas, in the upcoming Five Year Plan.

Organisation 24

This wholly government owned corporation is the second largest integrated oil refining and marketing company in India. It reported a turnover of Rs.646.89 billion last year.

Always innovative in its approach to business, it has tied up at some of its retail outlets with FedEx for courier services and with vehicle insurance companies. It has also initiated numerous health, welfare and educational activities, as well as income-generating schemes, especially in villages' inhabitant by the socially and economically weaker sections. It was also the first in the Indian oil industry to commission a retail outlet for the welfare of the dependents of the martyrs of the Kargil conflict.

The primary business of the corporation is the operation of oil refineries. It refineries upgrade crude petroleum into many value-added products like petrol, diesel, kerosene, liquefied petroleum gas and naphtha and over 300 grades of lubricants, specialties and greases. It markets LPG and has nearly 22 million domestic consumers. Piped LPG for domestic use has recently been introduced by the company in Mumbai, Pune, Jaipur, Cochin, Delhi, Vizakh, Hyderabad, Kolkata and Bangalore.

The corporation has its headquarters at Mumbai. It has two offshore refineries — at Mumbai and Vishakhapatnam — and a joint venture refinery at Mangalore. The company has six lube blending plants at Mumbai, Calcutta, Chennai and Silvassa.

The company exports fuel oils and lubricating oils to countries like Nepal, Bangladesh, Malaysia, Sri Lanka and Saudi Arabia. It is also the second largest producer of bitumen in India with the annual sales of over 600,000 metric tones.

Organisation 25

It is a private multinational company engaged in the business of courier and logistic provider in transportation sector. This courier logistic firm was set up by three company founders in whose first letters of names the company was named.

Set up in 1969, the firm has continued to grow at an incredible pace. The company expanded from Hawaii into the Far East and Pacific, then the Middle East, Africa and Europe. By 1988, it was already present in 170 countries and had 16,000 employees. At the beginning of 2002, Deutsche Post World Net became the major shareholder in the firm. It has around 111,000 employees in 135 countries offers transport and logistics solutions for key customers in more than 20 countries.

This company is the global market leader in international express, overland transport and air freight. It is also the world's number 1 in ocean freight and contract logistics. It offers a full range of customized solutions - from express document shipping to supply chain management. At present it operates with four SBUs having focused business areas.

It has world's largest express and logistics Network. With global expertise in express, air and ocean freight, overland transport and logistics solutions, it combines worldwide coverage with an in-depth understanding of local markets.

This organisation has huge network of over 500 thousand employees with over 1000 bases in more than 150 countries.