Strategic Human Resource Management: A Choice or Compulsion?

Jyoti Verma

Institute of Management, Nirma University, Ahmedabad, Gujarat, India

Email:jyoti.gurukul@gmail.com

Abstract

It is anticipated that, as a result of increased competitive pressures, the emphasis is on the search for competitive advantage and strive is to align better personnel policy choice with business strategy. Thus, the purpose of this conceptual paper is to provide an overview of the SHRM literature with the foundation of personnel management (PM) and thereafter of human resource management (HRM) that builds up to our current concern with paradoxes, ambiguities, and balance issues. This paper has addressed the special issue on managing the dualities in SHRM i.e. strategy in HRM practices, whether it is a compulsion or a choice for organizations. After reading this, practitioners might gain more insights in the potential tensions/issues, ambiguities, and conflicts of interest that are characteristic for the field of SHRM in practice and then can take decisions that whether the practice of SHRM should be a compulsion or choice for the organization.

Keywords- Personnel management, Human resource management, Strategic management and Strategic HRM, Business strategy

1.   Objective of the Study

Organizations need to be responsive and very flexible and not rigid because of hyper competition and complex environments. The human factor, if handled effectively and efficiently, is perhaps the most important in imparting organizational flexibility. Managing the human factor as a competitive tool falls in the domain of strategic human resource management (SHRM). The purpose of this conceptual paper is to provide an overview of the SHRM literature with the foundation of personnel management (PM) and thereafter of human resource management (HRM) that builds up to our current concern with paradoxes, ambiguities, and balance issues. This paper also addresses the special issue on managing the dualities in SHRM i.e. strategy in HRM practices with the focus, whether it is a compulsion or a choice for organizations. Not only this, arguably, it was Legge (1978) who started this debate with her focus on human resource ambiguities and in her later work on rhetoric's and realities in human resource management (Legge, 1995, 2005). Almost more than 30 years on we are finding increasing evidence of the dualities, paradoxes, and ambiguities entailed in HRM today. So, on the basis of that, this paper will further debates, whether SHRM is a choice or a compulsion by encouraging a constructive review of HRM theories and then to link up with SHRM literature along with the issues, ambiguities etc.

2.   Introduction

Organisations and managers are aware that at every point they face rapid and complex changes in market environment. One of the most remarkable results is the change of attitude in some firms toward the organisation's people or human resources. Top management in such companies realises, that people are among the organisation's most valuable strategic resources (Pfeffer, 1994). Companies with long term objectives are therefore reappraising the way in which they manage their "human resources". This reappraisal

is leading to a widening of the role of personnel management, as indicated by the increasing popularity of the term "Human Resource Management" (HRM) or SHRM.

The elaboration of academic theories of HRM in the 1980s led to a discussion on the nature of HRM and two main questions were:

(1) Is HRM different from personnel management (PM)?

(2) Is HRM different from industrial relations (IR) models?

In theory a distinction was made between HRM and PM (Guest, 1987). However, there was little or no empirical evidence from practice that people management had radically changed with the emergence of the HRM field (Legge, 1995). Storey (1992) gives an overview of the distinction between PM and IR on the one hand and the emerging HRM concept. He also perceives a shift from a pluralist to a unitarist employee perspective, from personnel departments to HRM enacted by line managers, from rules and procedures to business orientation, and from control to commitment. The managerialism in the emergence of HRM in the 1980s has overthrown the industrial democracy perspectives of the previous PM and IR approaches. The unitarist employee perspective, often represented as "what is good for the employee is good for the employer, and the other way around," is probably one of the major changes caused by the HRM transition. Recently, a growing number of authors dispute this unitarist perspective, stressing the often conflicting interests of employees and employers (Boxall and Purcell, 2008; Janssens and Steayaert, 2009; Keenoy, 1997; Paauwe, 2004).

The existing literature has revealed that there is the lack of consensus with respect to the strategy formulation. SHRM finds difficulty in finding the exact match between the current situation due to changing environment the and the environment which intricacy in the implementation of the strategy. Guest (1989) suggested that SHRM is concerned with ensuring that "human resources management is fully integrated into strategic planning; that HRM policies cohere both across policy areas and across hierarchies and that HRM practices are accepted and used by line managers as part of their everyday work". In other words, SHRM is the macro-organizational approach to viewing the role and function of HRM in the larger organization (Butler et al., 1991).

3.   Evolution of SHRM

3.1 *Personnel Management-* The ancients (Paleolithic men), with their stone axes, adzes and other flint tools, might not have appreciated the principle of "transfer of skill from the human to the machine", but they were nevertheless applying the principle, and this separated them from large numbers of other human beings (Megginson, 1977). After that, different philosophies came into being and these contributed a lot toward the development of "managing people", later called Personnel Management (PM). PM did not emerge all of a sudden, but through an evolutionary process-which started after the industrial revolution in the later half of the 18th century in Europe and ended by the emergence of HRM. Table1 summarized about personnel management.

Insert: Table 1

3.2. Human Resource Management- The concept of HRM developed initially from works in the USA in the 1960s and 1970s. Since then it has been adopted increasingly around the world (Brewster, 1994). In the 1980' the introduction of HRM led to the dissimilarity between two early HRM best practice approaches: the Harvard approach (Beer et al., 1984) and the Michigan approach (Fombrun et. al., 1984). The Harvard approach – also called the developmental humanism model by Legge (1995) – is centred on the development of all aspects of an organizational context that will encourage and even direct managerial behaviour with regard to people. The approach also recognized multiple goals of an organization's actions like individual

well-being, organizational effectiveness, and societal well-being as long-term consequences. The Michigan approach is based on philosophy that stem from strategic management. The Michigan approach is also called "hard" HRM model where as Harvard approach is known as the "soft HRM".

Insert: Table 2

3.3. Strategic Human Resource Management- The concept of strategic HRM was first formulated by Fombrun et. al. in 1984. They have mentioned that three core elements are necessary for firm to function effectively, mission and strategy, organization culture and human resource management. They defined strategy as a process through which the basic mission and objectives of the organization are set, and a process through which the organization uses its resources to achieve its objectives. But their most important conclusion was that "HR systems and organizational structure should be managed in a way which is congruent with organizational strategy (Malik, 2009).

4.   Literature

4.1. Business Strategy- An integrated and synchronized set of commitments and actions designed to take advantage of core competencies is strategy. Strategy also helps an organization to gain a competitive advantage. In the sense, strategies are purposeful and precede the taking of actions to which they apply (Slevin and Covin, 1997). The strategy which has been designed to provide value to customers is called Business-level strategy (Dess et al., 1995). Thus, a business-level strategy gives an advantage to the company over its rivals.

Business strategies are concerned with a firm's competitors at industry level or at that position (Porter, 1985). Thus favourably positioned firms may have a competitive advantage over their industry rivals. As to the types of business strategy, Miles and Snow's (1984) strategy types involved defenders, prospectors, and analyzers. Porter, 1985, cost leadership, differentiation, and focus are the three generic strategies. Schuler and Jackson (1987) used labels slightly different from those of Porter to classify business strategy into three types: cost-reduction, innovation, and quality-enhancement. Many scholars (Beaumont, 1993; Dowling and Schuler, 1990; Huang, 2001) have employed Schuler and Jackson's approach, and this study also the adopted their method of classification for following analysis. Cost-reduction strategy involves enhancing competitiveness by lowering the prices of products or services (Schuler and Jackson, 1987). The procedure of products development or services that is unique from those of the competitors has been emphasized by innovation strategy. Finally, the success strategy is achieved by maintaining a standard of quality superior to that of competitors.

4.2 Business Strategy and HRM- According to contingency theory (Miles and Snow, 1984; Porter, 1985; Schuler and Jackson, 1987), HRM practices must be combined with specific business strategies if they are to enhance organizational performance. Firms that use a cost-reduction strategy must rigorously control and minimize expenses, and strive for greater economies of scale. Efficiency is important for firms to succeed. Behaviour control increases predictability by routinizing the transformation process, this includes the following HRM practices: standard operating procedures, behavioural performance appraisal, close supervision, and feedback. By attempting to regulate action, this approach to HRM focuses on issues such as reliability and efficiency.

To adapt to complex environments, rapid market change and technological progress, organizations must have developed some innovative strategies. The organizations must have R& D departments. Their employees

should be innovative and creative, collaborative and cooperative with one another, able to follow long-term objectives, able to provide quality work with quantity of products and services, able to take risks and to cope with ambiguity and uncertainty successfully (Huang, 2001). In cases of absence of proper information, executives can set targets to achieve and have expectations for and from the employees respectively with the interests of the firm. Likewise, executives can utilize input control to ensure that individuals take appropriate without articulating the specific criteria by which they will be assessed (Snell and Youndt, 1995).

Firms adopting a quality-enhancement strategy must make frequent changes in the production process in order to continuously upgrade product quality. This strategy requires a high level of employee involvement in order to offer a standard of quality superior to that of other products or services. Quality is a highly crystallized objective. Since information about results tends to be readily available when using output control, subordinates can acquire a great deal of performance data and make adjustments without the intervention of superiors. Based on the notion of a one-dimensional utility function, a crystallized standard refers to the pursuit of a singularly valued performance outcome. The evidence is clear that output control tends to be used more when standards of desirability are crystallized (Hofstede, 1978; Ouchi, 1977 and 1979).

4.3 Strategic Human Resource Management- SHRM literature has been vital in shifting out attention toward issues related to managing people in a particular firm. Behavioural perspective is one of the admired theoretical models used in the literature of SHRM (Jackson et al., 1989; Schuler and Jackson, 1987). The assumed purpose of various HRM practices is to obtain and organize employee attitudes and behaviours. In the context of SHRM, these differences in role behaviours required by the organization's strategy require different HRM practices to elicit and reinforce those behaviours. For example, the behaviours can vary along a number of dimensions, such as imitative versus creative or innovative behaviour, low versus high risk taking, and rigid versus flexible to change (Schuler and Jackson, 1987). Table 3 briefs the concept of SHRM.

Insert: Table 3

Increasingly, SHRM is becoming ever more popular. Today, human resources are seen as "the available talents and energies of people who are available to an organization as potential contributors to the creation and realization of the organization's mission, vision, strategy and goals" (Jackson and Schuler, 2000). Hence, SHRM is not a completely new and revolutionary field – rather its roots can be traced back to the mid-1950s. Schuler and Jackson, 1999 and Jain, 2005 have defined SHRM as "the pattern of planned human resource developments and activities intended to enable an organization to achieve its goals".

Insert: Figure 1

Liao, 2005 has illuminated that the alignment of HRM control and business strategy affects firm performance.

Insert: Figure 2

5.   Gaps Identification

Most of the work in the field of SHRM has emerged in the late 1990s or 2000s and offers an exciting new area for exploration, that how it could be lucrative for the organizations in terms of their sustainability and to have a competitive advantage. An integral component of organizing and staffing is SHR, which is becoming more widely recognized as critical to developing and implementing considered responses to profit pressures (Lam

and Schaunbroeck, 1998; Murphy and Zandvakili, 2000). As a result, much attention has been given to SHR in recent years (Ericksen and Dyer, 2005; Martin-Alcazar, Romero-Fernandez, and Sanchez-Gardey, 2005; Richard and Johnson, 2004). Fombrun et. al., 1984 identified four key areas of personnel policy choice: recruitment, performance appraisal, compensation and rewards and training and development. He also evaluated each in relation to its "fit" with the business strategy but failed to integrate them.

An HRM strategy typically consists of the following factors: - "Best fit" and "best practice" – meaning that there is correlation between the HRM strategy and the overall corporate strategy. As HRM as a field seeks to manage human resources in order to achieve properly organizational goals, on the other hand an organization's HRM strategy seeks to accomplish such management by applying a firm's personnel needs with the goals/objectives of the organisation. Existing researchers have been emphasized on or suggested organizations to have either best practice approach or best fit approach to have a competitive advantage. On the other hand we can say that earlier literatures have-not focused on how and why part of SHRM. The earlier researches are kind of review on SHRM. Here, we will be focusing on how and why SHRM is beneficial for organizations. In this review taking best practice and best fit approach as base, we will be focusing that whether SHRM should be a choice (best fit) or compulsion (best practice) rule for organizations to have competitive advantage as well as sustainable development.

6. Methodology

This conceptual paper studies several literatures concerning Personnel management, HRM and SHRM with the intention to satisfy the author(s) and readers to provide an insight about the various components associated. Several studies have been found on these subjects and the most relevant ones have been incorporated. A time frame from 80' have been taken into consideration to avoid too much of data, duplication and irrelevancy to current practices. The literature was mainly collected from online databases and reputed books and journals from India and abroad. A sincere effort has been made to address the issues sequentially, following the flow of the shift. It is an original work to summarize the concerned data of various researchers together to help in reducing effort for further exploration on this idea.

7. Research Objectives

Based on the literature review and gaps which have been identified we have proposed following research objectives:

RO1: Examining personnel policy choices in context of strategy.

RO2: Identifying employee behaviour as a mediator between strategic approaches and firm performance.

RO3: Re-examine the relationship between business strategy and HRM.

RO4: Role of SHRM IN uncertainty and instability.

RO5: Linking human resource activities like performance appraisal, staffing, training and development etc. with the organisational strategy.

RO6. Identify relationship between SHRM and organizations' mission and vision statement.

8. Findings and Discussion

In the evolutionary process of PM, people were considered as a commodity and in the later stages people were considered "human beings" and their welfare was taken into account means output was the main

concern. As a different philosophy, in HRM people are considered not only "human" but also "resource. Based on the "hard" version of HRM, people are considered a resource of the organization; and based on the "soft" version of HRM; the humanistic side of managing people is seen (Kazmi).

In SHRM, people are not merely treated as "human resource", but are considered "strategic" human resource. They are considered such because they are the important tool for planning and implementing the business strategy and they help in gaining the "competitive advantage" of the firm. In every stage the objective of "people management" is to attain the goal, but the difference is attaining that goal by emphasizing "what-thing". Only in SHRM, human capabilities and effort are connected with the overall strategy of the firm and the gaining of "competitive advantage" comes by using the human resource.

Most of the literature that focuses on strategy content does so with a good understanding of external context (e.g. Porter's generic strategies) but much of this kind of work fails to address internal context and process issues. One of the major problems with Porter's generic strategies for example is that the recommendations do not adequately address how such strategies should be implemented given certain organizational variables and procedures. It is increasingly being recognized that a detailed knowledge of what should be done is simply not enough for strategic success, and that, unless strategists consider how actions are to be carried out, difficulties may arise when it is too late. Kiechel (1984) was among the authors who launched attacks on "strategic planners who zealously promote unrealistic strategies at the expense of common-sense management". Similarly, Argyris (1989) and Kemball (1972) have outlined the need for an approach which is considerably more practical than the conventional content-oriented approaches. The need to incorporate these considerations further identifies HRM as an integral part of the development of strategy in that the respective activities of individuals and groups need to be a central part of the planning process both before that activity has begun, and while it is underway. Linking of HRM with strategy and putting particular emphasis on the facilitation of a more "process centred agenda" in relation to strategic goals through the integration of the HRM function is one of the aim of this paper.

Personnel policy choice represents a key strategic decision for organizations. It has a major impact on competitive advantage, organization structure and culture. While much of the prescriptive personnel management literature suggests that organizations should adopt particular "best practice" modes in each personnel area, it is increasingly accepted that optimal personnel policy choice is linked to the unique characteristics of the individual organization (i.e. its internal and external context). Consequently, it is argued that organizations need to achieve a fit between personnel policy choice and broader strategic considerations, particularly product market conditions and business strategy. It is argued here that there is a range of personnel policy options from which organizations can choose, with the final choice guided by the need to ensure that the organization's approach to workforce complements overall strategic purpose.

The aim of SHRM is to provide a future direction. To organize and control people in an organisation in terms of the systematic planning of human resource management by aligning it with an organisation's strategy is also the aim of SHRM. Thus, the whole of this paper concentrates on these idealized (fit) agendas specifically in terms of strategic involvement or choice and the devolution of operational personnel activities to the line.

Insert: Figure 3

9.   Implications and Conclusion

As global business competition shifts from efficiency to innovation and from enlargement of scale to creation of value, management needs to be oriented towards the strategic use of human resources. Strategic human resources management practices enhance employee productivity and the ability of agencies to achieve their mission. Integrating the use of personnel practices into the strategic planning process enables an organization to better achieve its goals and objectives. Combining human resource practices, all with a focus on the achievement of organizational goals and objectives, can have a substantial affect on the ultimate success of the organization. To manage future operations effectively, it is essential that companies produce "business leaders" and "innovators" through SHRM Approach.

Despite many theoretical and empirical studies in strategic HRM, no coherent theoretical framework has emerged in the field. This review has been discussed the key strategic HRM issues. It is hoped that an understanding of these issues would go a long way in developing a coherent body of knowledge in the field that SHRM should not be a compulsion for any firm/organization. One approach which is best for one firm could not be beneficial for the other even if they are in the same industry. SHRM is just a matter of best fit not any practice.

Khatri, 1999 has mentioned that a major limitation of prior work in the strategic HRM area is the lack of in-depth qualitative studies (Dyer, 1985; Boxall, 1996; Becker and Gerhart, 1996; Guest, 1997). This study helps the researchers and readers to develop comprehensive and more valid models and frameworks in the field of SHRM. Because of the extended, multidimensional and bureaucratic nature of both business and organization's strategies, HRM should be strategic in nature (Ropo, 1993; Kelly and Gennard, 1996; Tyson, 1995). Qualitative research also focused not only on the content but also on the process. This paper also takes attention of professionals or organizations towards planning and strategizing their actions for the implementation of effective SHRM approach. For instance, Dyer, 1985 argued that "the immediate need is for descriptive research aimed as much as possible at providing accurate descriptions of what is in a variety of settings. Such research is exploratory as being pursued through qualitative methods. Becker and Gerhart, 1996 also suggested that deeper qualitative research is needed to complement the large-scale, multiple-firm studies that are available in order to find out managers' HR decision making process.

Because of the ever changing needs and the challenges mentioned above, the approach towards the SHRM should be the choice (best fit) by the organisations not the compulsion (best practice) from the outer world because one size cannot fit every size and shape.

Although most of the studies in the strategic HRM field are based on the Western context and there is relatively little research in the eastern context. Boxall and Dowling (1990) noted that the seminal HRM texts are all American and the most significant critical responses to date have been British. Boxall (1996) suggested that globalization and increasing environmental complexity have called for the development of a comparative and international stance on the subject. Likewise, Guest (1997) emphasized that researchers need to ensure that the studies are not confined to the USA only. Therefore, conducting strategic HRM studies in other parts of the world, for example Asia, would help to meet the shortage of empirical work in the field in those parts of the world and also serve as a vehicle for comparative studies. But still whatever literature we have, on the basis of that we can easily conclude that the HR concept is actually redesigned according to the strategic needs of the environment which becomes SHRM. The organizations are moving towards the SHRM field with choice and they should move with choice to have a competitive advantage and for the sustainable growth of the firm.

References

Argyris, C. (1989). Strategy Implementation: An Experience in Learning, Organisational Dynamics, Autumn.

Baker, D. (1999). Strategic human resource management: performance, alignment, management. *Library Career Development*, Vol. 7 No. 5, pp. 51-63.

Beaumont, P., B. (1993). *Human Resource Management: Key Concepts and Skills*, Sage Publications, London.

Becker, B., & Gerhart, B. (1996). The Impact of Human Resource Management on Organizational Performance: Progress and Prospects. *Academy of Management Journal*, Vol. 39, No. 4.

Becton, Bret J.; Schraeder, Mike. (2009). Strategic Human Resource management: *Journal for Quality & Participation*, Vol. 31 Issue 4, p11-18, p. 8.

Beer, M., Spector, B., Lawrence, P., R., Mills, D.Q. & Walton, R., E. (1984). *Managing Human Assets*, Free Press, New York, NY.

Boxall, P. (1996). The Strategic HRM Debate and the Resource-Based View of the Firm. *Human Resource Management Journal*, Vol. 6, No. 3, 59-75.

Boxall, P., & Dowling, P.,J. (1990). Human resource management and the industrial relations. Tradition, *Labor and Industry*, Vol. 3 pp.195-214.

Boxall, P., & Purcell, J. (2008). *Strategy and Human Resource Management*, 2nd ed., Palgrave MacMillan, New York, NY.

Brewster, C (1994). Towards a 'European' model of human resource management. *Journal of International Business Studies*, Vol. 25, No. 3.

Butler, J.E., Ferris, G.R., Napier, N.K. (1991). *Strategy and Human Resource Management*. South-Western, Cincinnati, OH.

Dess, G.,G., Gupta, A., Hennart, J.F. & Hill, C.W.L. (1995). Conducting and integrating strategy research at the international, corporate, and business levels: issues and directions, *Journal of Management*, Vol. 21, pp. 357-93.

Dowling, P. and Schuler, R. (1990). Human resource management in Blanpian, R. (Ed.), *Comparative Labor Law and Industrial Relations in Industrialized Market Economics*, Vol. 2, Boston Kluwer Law and Taxation Publishers, Deventer, pp. 125-49.

Drucker, P. (1968). *The practice of Management*, Pan, London.

Dyer, L. (1985). Strategic Human Resource Management and Planning. *Research in Personnel and Human Resource Management*, Vol. 3, p. 130.

Ericksen, J. & Dyer, L., (2005). Toward a Strategic Human Resource Management Model of High Reliability Organization Performance. *International Journal of Human Resource Management*, Vol. 16, No. 6, pp. 907-928.

Fombrun, C.J., Tichy, N.M. & Devanna, M.A. (1984). *Strategic Human Resource Management*, John Wiley & Sons, New York, NY .

Guest, D. (1989). Personnel and HRM: can you tell the difference?. *Personnel Management*, Jan.

Guest, D. (1992). Employee commitment and control in Hartley, J. and Stephenson, G. (Eds), *Employment Relations*, Blackwell, Oxford, pp. 111-35.

Guest, D. (1997). Human resource management and performance: a review and research agenda. *International Journal of Human Resource Management*, Vol. 8, No. 3, pp.263-276.

Guest, D.E. (1987), Human Resource Management and Industrial Relations, *Journal of Management Studies*, Vol. 24 No. 5, pp. 503-21.

Hendry, C. & Pettigrew, A. (1990). Human resource management: an agenda for the 1990s. *The International Journal of Human Resource Management*, Vol. 1, No. 1, pp. 17-23.

www.iiste.org

Hendry, C., & Pettigrew, A. (1986). The Practice of Human Resource Management. *PR*, Vol. 15, No. 5, p 5.

Herzberg, F., Mausnee, B. and Snyderman, B. (1959). *The Motivation to Work.* New York: John Wiley and Sons.

Hofstede, G. (1978). The Poverty of Management Control Philosophy. *The Academy of Management Review*, Vol. 3, No. 3, pp. 450-461.

Horwitz, F., M. (1999). The Emergence of Strategic Training and Development: The Current State of Play. *Journal of European Industrial Training*, Vol. 23, No. 4/5, pp. 180-190.

Huang, T.C. (2001). The effects of linkage between business and human resource management strategies. *Personnel Review*, Vol. 30, pp. 132-145.

Jackson, S., E., & Schuler, R., S. (2000). *Managing Human Resources: A Partnership Perspective*, 7th ed., South-Western College Publishing (Thomson Learning), Cincinnati, OH.

Jackson, S.E. and Schuler, R.S. (1999). *Understanding human resource management in the context of organizations and their environments in Schuler*, R.S. and Jackson, S.E. (Eds).

Jackson, S.E., Schuler, R.S., Rivero, J.C. (1989). Organizational characteristics as predictors of personnel practices. *Personnel Psychology*, Vol. 46, pp.569-92.

Jain, P. (2005). A Comparative Analysis of Strategic Human Resource Management (SHRM) Issues in an Organisational Context, *Library Review*, Vol. 54 No. 3, pp. 166-179.

Janssens, M. & Steyaert, C. (2009). HRM and performance: a plea for reflexivity in HRM studies. *Journal of Management Studies*, Vol. 46, No. 1, pp. 143-155.

Keenoy, T. (1997). HRMism and the Languages of Re-presentation. *Journal of Management Studies*, Vol. 34, No.5, 825 - 841.

Kelly, J., Gennard, J. (1996). The role of personnel directors on the board of directors. *Personnel Review*, Vol. 25 No.1, pp.6-24.

Kemball-Cook, R.B. (1972). *The Organisation Gap*, George Allen & Unwin, London.

Khatri, N. (1999). Emerging issues in strategic HRM in Singapore. *International Journal of Manpower*, Vol. 20, No. 8, pp. 516-529.

Kiechel, W. (1984). Sniping at Strategic Planning. *Planning Review*, pp. 8-11.

Lam, S.S.K. and Schaubroeck, J. (1998). Integrating HR Planning and Organizational Strategy. *Human Resource Management Journal*, Vol. 8, No. 3.

Legge, K. (1978). *Power, Innovation, and Problem-Solving in Personnel Management*, McGraw-Hill, New York, NY.

Legge, K. (1989). *Human resource management: a critical analysis in: J Storey (ed)*, (1992), New Perspectives on Human Resource Management, London: Routledge.

Legge, K. (1995). *Human Resource Management, Rhetorics and Realities*, MacMillan Business, London.

Legge, K. (2005). *Human Resource Management: Rhetorics and Realities*, Palgrave MacMillan, Basingstoke.

Liao, Y. (2005). Business strategy and performance: the role of human resource management control. *Personnel Review*, VOl. 34, No. 3, pp. 294-309.

Likert, R. (1961). *New Patterns of Management*. New York: McGraw-Hill.

Malik, N., & Rehman, S. (2009). Emergence of Strategic Human Resource Management Historical Perspective. *Academic Leadership*, Vol. 7, No. 1.

Martin-Alcazar, F., Romero-Fernandes, P.M. and Sanchez-Gardey, G. (2005). Strategic human resource management: integrating the universalistic, contingent, configurational and contextual perspectives. *International Journal of Human Resource Management*, Vol. 16, No. 5, pp. 633-59.

Maslow, A. H. (1954). *Motivation and Personality*. New York: Harper and Brothers.

Mayo, E. (1933). *The Human Problems of an Industrial Civilization: Early Sociology of Management and Organizations*. Routledge.

Megginson, L. C. (1977). *Personnel and Human Resource Administration*, Illinois, Homewood: Richard D Irwin.

Miles, R.E. and Snow, C.C. (1984). Designing Strategic Human Resource Systems, *Organization Dynamics*, Vol. 13, pp. 36-52.

Miller, (1989). Strategic Human Resource Management: what it is and what it isn't, *Personnel Management, February*, pp. 46-51.

Murphy, T. Zandvakili, S. (2000). Data and Metrics Driven Approach to Human Resource Practices: Using Customers, Employees and Financial Metrics. *Human Resource Management,* Vol. 39, No. 1, pp. 91-105.

Ouchi, W. (1977). The relationship between organizational structure and organizational control. *Administrative Science Quarterly*, 21, 173-192.

Ouchi, W. (1979). A conceptual framework for the design of organizational control mechanisms. *Management Science*, Vol. 25, 833-848.

Paauwe, J. (2004). *HRM and Performance: Achieving Long-Term Viability*, Oxford University Press, Oxford.

Pfeffer, J. (1994), *Competitive Advantage through People*, Harvard Business School Press, Boston, MA.

Porter, M. (1985). *Competitive Advantage: Creating and Sustaining Superior Performance*, The Free Press, New York, NY.

Purcell, J. (1999). Best Practice and Best Fit: Chimera or cul-de-sac?. *Human Resource Management Journal*, Vol. 9 No. 3, pp. 26-41.

Richard, O. C. and N. B. Johnson (2004). High performance work practices and human resource management effectiveness: substitutes or compliments?. Journal of Business Strategies, Vol. 21, No. 2, pp. 133-148.

Ropo, A. (1993). Towards Strategic Human Resource Management: A pilot study in Finnish Power Industry Company. *Personnel Review*, Vol. 22, No. 4, pp. 35-53.

Rowland, K. M. & Summers, S. L. (1981). Human resource planning: a second look. *Personnel Administrator*, Vol. 26, pp. 73-80.

Schuler, R. & Jackson, S. (1987). Linking competitive strategies and human resource management practices. *Academy of Management* Executive, Vol. 1, No. 3, pp. 207-219.

Slevin, D. and Covin, J. (1997). Strategy Formation Patterns, Performance, and the Significance of Context. *Journal of Management*, Vol. 23, No. 2, 189 - 209.

Snell, S. and Youndt, M. 1995. Human Resource Management and Firm Performance: Testing a Contingency Model of Executive Controls. *Journal of Management*, 21, 4, 711 - 737.

Storey, J. (1992). Developments in the Management of Human Resources. *Strategic Human Resource Management*, Blackwell, Oxford.

Tyson, S. (1995). *Human Resource Strategy: Towards a General Theory of Human Resource Management*, Pitman Publishing, London.

Tyson, S. and Witcher, M. (1994). Getting In Gear: Post-Recession HR Management. *Personnel Management*, August, pp. 20-23.

Walker, J.W. (1992). *Human Resource Strategy*, McGraw-Hill, New York.

Watson, J. (1977). *The personnel managers: a study in the sociology of work and employment*, Routledge & Kegan Paul, London.

Study (Author and Year)	Literature on PM
Elton Mayo (1933)	The author has emphasized on two things that are people's social needs and belief that productivity is directly related to job satisfaction
Maslow (1954), Argyris (1957), Herzberg (1957) and Likert (1961)	Underlined the importance of integration and involvement and highlighted the idea that management should accept as a basic value to increase the quality of work life for improved motivation and better results.
Drucker, 1968; Watson, 1977; Legge, 1978; Rowland and summers, 1981	Personnel management lacks the strategic relevance because it performs mainly administrative-type role.

Table 1 Personnel Management review

Study	PM Vs. HRM
Hendry and Pettigrew (1990)	HRM can be perceived as a perspective on personnel management and not personnel management itself.
Legge (1989)	Has identified three features: (1) Personnel management is an activity aimed at non-managers whereas HRM is less clearly focused but is certainly more concerned with managerial staff. (2) HRM is more of an integrated line management activity whereas personnel management seeks to influence line management. (3) HRM emphasizes the importance of senior management being involved in the management culture whereas personnel management has always been rather suspicious of organization development or related unitary, social psychology orientated ideas.

Table 2 Difference between PM and HRM

Study	SHRM
Miller, 1989	SHRM is necessary to ensure that management initiatives in the field of HRM are consistent with those decisions taken in other functional areas in the organization and consistent with an analysis of the product-market situation.
Tyson and Witcher (1994)	Human Resource **strategy** can only be studied in the context of corporate and business strategies.
Fombrun et al (1984)	SHRM helps when firms face inefficiencies and try to implement new strategies with outmoded structures as well as when problems of implementation of new strategies with inappropriate HRM systems.
Guest (1989)	Strategic HRM is largely about integration and one of the key policy goals for HRM.
Walker (1992)	HR strategies are functional strategies like financial, marketing, production or IT strategies.
Beer et al., 1984	An uncertainty and complexity creates an imperative need for a comprehensive and strategic perspective regarding human resources.

Table 3 Strategic Human Resource Management
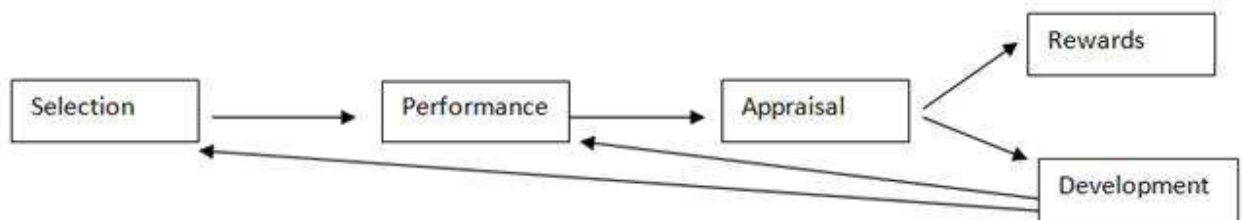
Source: Hendry and Pettigrew, 1986

Figure 1 Strategic HRM is to match HRM activities and policies to some explicit business strategy (Human Resource Cycle)
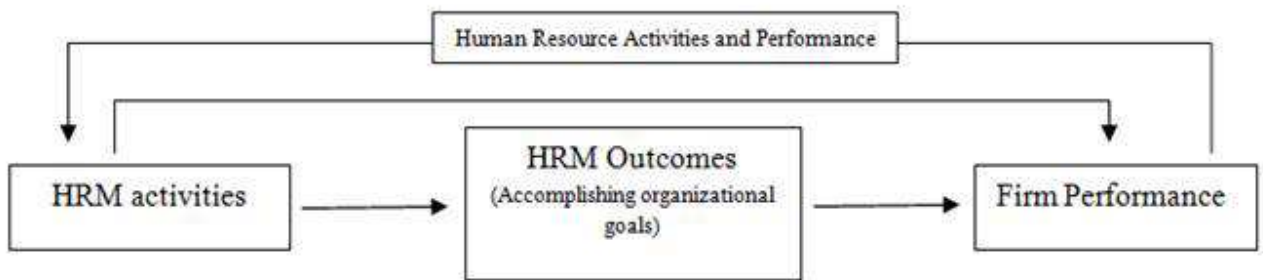
Figure 2. A cause-effect relationship between firm performance and HRM activities (Horwitz, 1999)

Figure 2 The causal model
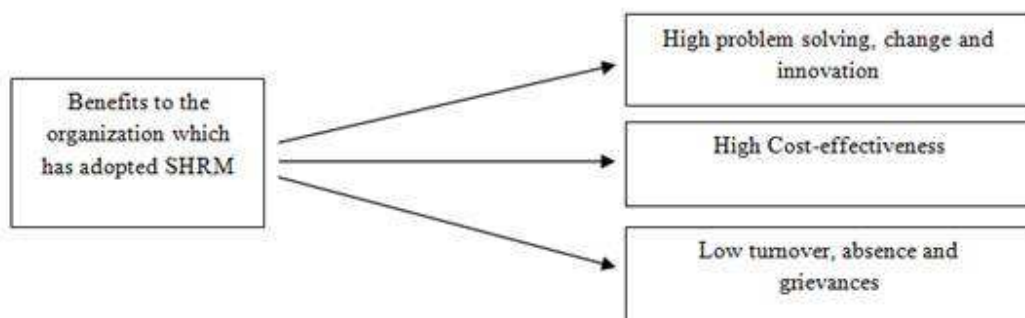
Figure 3. (Source: Guest, 1992 and Baker, 1999)

Figure 3 Advantage of SHRM