# Achieving Strategic-Fit Between Business And Human Resource Strategies

# Parul Jhajharia<sup>1</sup> and Ritika Kaur<sup>2</sup>

<sup>1</sup>Professor –OB & HR, Additional Director, Amity College of Commerce and Finance Amity University, UP 201313, India <sup>2</sup>Research Scholar, Amity International Business School, Amity University, UP 201313, India

ABSTRACT: Since the past decade, Human Resource Management (HRM) is the key to develop and implement strategic responses to the demands of market competition by being more capable in the operations towards the customer needs. Strategy alignment enables continuous monitoring, look over and apprising of strategy according to environmental changes. This process helps to ensure quality, up to date information for management. Some organizations view Human Resources (HR) department as an administrative function and overlook the need and opportunity to align it with its strategic plans. In this paper, we attempt to seek the relation between Business strategy and HR strategy and thus identifies HR as a new basis of sustainable competitive gain and recognizes its role in achieving business strategies. To give a practical aspect to the model of the integration or Strategic-Fit, a small case study of Ford Motor Company is discussed.

**KEYWORDS:** Strategy, Business strategy, HR strategy, Human resource management, Strategic Human Resource Management (SHRM).

#### I. INTRODUCTION

In the past few years, there has been a significant deal of research aiming on the relationship between Strategic Human Resource Management (SHRM) practices and Business strategies. These studies were initiated by the argument that access to resources and technology, are becoming less effective as they can be easily imitated by competing organizations. Humans as an asset delivers competitive advantage to the organisation as they are not only hard to imitate but they cannot be replaced within the organisation also. Competitive advantage could be attained if organization creates value for its buyer along with profit maximization of the organization. To achieve competitive success organizations must possess a competitive advantage in the form of either low costs or differentiated products that command best prices or by providing higher quality products and amenities or by producing more efficiently. Studies tell that HR strategy has a big impact on the performance too. If there is an alignment between HR strategies and Business strategies then there is improvement in the performance of the organization. So integration of HR strategy and performance plays an important role in performance of organisation. Now the question arises that whether the relationship between Strategic HRM practices and indicators of organizational performance is universal or contingent. The universalistic view suggests that certain types of HRM practices are more effective than others (Pfeffer, 1994; Huselid, 1995). Universalistic models have concentrated mainly on a sub functional point of view, analysing how certain isolated HR policies are linked to organizational performance (Terpstra and Rozell, 1993). In other cases, they analyse more than one best practice, defining what have been called high performance work systems.

For example, organizations that use innovative compensation systems should typically have more effective, efficient and motivated workforce than organizations which do not apply them. The contingency view, on the other hand, suggests that the effectiveness of HRM practices is dependent upon other factors such as organizational climate, culture, competitive strategies, etc. Conflicting to the linearity argued by the Universalists, they propose a model based on interactivity, bringing to the HRM context the generic contingent model proposed by Woodward (1965), Dewar and Werbel (1979), Schoonhoven (1981), Van de Ven and Drazin (1985) or Venkatraman (1989). The relationship between the dependent and the independent variable will no longer be stable, and it will vary depending on other third variables, named contingency variables. Those factors moderate the link between human resource management and performance and, therefore, deny the existence of best practices that could lead to superior performance under any circumstance (Galbraith and Nathanson, 1978; Delery and Doty, 1996). According to above stated argument, HRM practices have an impact on performance of the organisation i.e. these practices improve the knowledge, skills, ability and motivation of employees would have a greater influence on performance if the organization is using a strategy that requires highly skilled and motivated employees (Neal, West and Paterson, 2005).

There are different phases of integration between Business Strategy and Human Resource Management. It has been studied that senior HR managers should take part in organization's top management in the strategic decision-making processes. These relational aspects of business strategy and HRM are discussed in conventional work by Golden and Ramanujam (1985). Wright and McMahan (1992) discussed the assumptions concerning the kind of the relationship. These studies established the clear link between the both. But these concepts were about the content of the integration between the two and contributed very slight knowledge to the means in which this integration takes place. Now other aspect is the aspect of process that tells how the integration between Business Strategy and Human Resource Management was recognised and sustained. This aspect provided ways by which Business Strategy and Human Resource Management was truly realized. Under process aspect Baird and Meshoulam (1988); and Storey (1992) highlighted the role of Human Resource professionals as a positive role. This aspect provided information regarding the strategy formulation and implementation (Sluijs and Kluytmans, 1994). Human Resource Strategies need to care for business initiatives in areas like customer care, re-structuring of organisations, re-engineering of processes, and development of new products, new technologies or process of production. The essential role of Human Resource Strategy should be to serve the business purposes of an organization. Thus, there is a requirement to express Human Resource Strategies within the context of global business assignment and its objectives.

### II. STRATEGIC HUMAN RESOURCE MANAGEMENT (SHRM)

The literature in the field of SHRM has mostly stressed on some serious external and internal factors that were involved in the process of strategy formulation, implementation, and evaluation in HR (Hendry and Pettigrew, 1990; Lengnick-Hall and Lengnick-Hall, 1988; Lundy, 1994; Mello, 2001; Schuler, 1992; Truss and Gratton, 1994).

Truss and Gratton (1994) fetch out five key aspects that should be present in any model explaining SHRM process.

These elements are:

- [1] The external environment,
- [2] The business strategy that affects and is affected by the SHRM process,
- [3] The internal environment the organisational context within which SHRM operates,
- [4] SHRM comprising the HR strategy and individual HRM practices, and
- [5] The outcomes of the process of SHRM.

Whenever strategy formulation process is focused, it is seen that it is influenced by a number of external and internal factors. Fombrun (1984) recognizes technological, economical, socio-cultural and political environment as interconnected external factors that have impact on the strategy formulation of organisations. The variations in these factors that are established through better information processing, automation, variations in the economic growth or growth in specific sectors, variations in the demographics of work force and political influences effect the strategic direction of the organisations and thus create the need for alignment of human resource management to these changes. Lengnick-Hall and Lengnick-Hall (1988) classify the external environment factors into those that affect the competitive strategy formulation and those that specifically affect the human resource strategy. Competitive strategy is influenced by economic conditions, industry structure, competitive advantage, product/market scope and the distinct competence. The labour market, skills and values, economic conditions and the culture at large influence the human resource strategy formulation. In addition to the factors stated by Fombrun (1984), the authors also mention to Tsui (1987) and Freeman (1985) in pointing out the key external stakeholders like the government, media, environmentalists, local community organisations and consumer advocates who can influence the strategy formulation. The internal factors identified by Truss and Gratton (1994) are: organisational culture, dominant coalition, internal stakeholders like the employees and management, HR department and its expertise. Similarly, Mello (2001) refers to key external environment and internal variables that influence strategy formulation. Competition, government regulations, technology, market trends and economic conditions are key external environment variables and culture, structure, politics, employee skills and past strategy are key internal variables Lundberg (1985), examining various influencing factors, proposes a model for business and HR strategy. Business strategy is differentiated into current and longterm business strategy. The current business strategy determines the current HR strategy and tactics whereas the long-term business strategy and current HR strategy determine the probable HR strategy for the future. A major factor that influences the existing business strategy is the dominant coalition, which in turn is influenced by the organisational culture, CEO leadership roles and the current business conditions.

The organisational culture and CEO leadership roles are influenced by the organisational history that contains the founder's vision, technological investments, marketing and financial history, competition, regulations, unions, and consultants. The anticipated business conditions, which are determined by anticipated environmental conditions and state of industry, influence the long-term business strategy. Long-term business strategy is also influenced by the current business strategy. Sparrow and Pettigrew (1987) identify the external factors like technology changes, political, social and economical climate as factors that influence the HR strategy formulation in organisations. The authors point out that internal factor like the structure, culture, internal politics, business direction and business outcomes interact with the external environment in the process of HRM. Some organisational factors influence the SHRM process. A few general factors are identified to be hurdles to effective SHRM. Devanna et al. (1981) put forward some reasons why strategic alignment may lack in the HR function. A major one is that the top management does not perceive it significant to include the HR department in the decision making process. Research has been carried out on the competency requirements of the HR professionals. Ulrich, Brockbank, Yeung and Lake (1995) discovered in a study that knowledge of business, delivery of HR practices and management of change are significant competencies of HR professionals. Also, they should have a high degree of personal credibility and should master HR practices. For SHRM to happen, the cooperation of the line managers is critical (Ulrich, 1998). HRM is more of a line managers' responsibility with the increasing strategic importance of HR (Brewster and Smith, 1990; Mello, 2001; Truss and Gratton, 1994) and this requires a closer relationship between HR and line managers (Becker and Gerhart, 1996). Martell and Caroll (1995) look at the inclusion of line managers in the HR policymaking process as a critical element of SHRM.

Line managers could be in a better position to respond to issues concerning the employees enabling HR managers to find more time to perform strategic functions related to HRM (Budhwar and Sparrow, 2002). However, effective contribution may be restricted by factors like the lack of HR competence of the line managers, lack of training for taking up devolved HR responsibilities, insufficient time for people management issues, and stress on short term performance measures that causes lack of focus on achieving results through managing people (McGovern, Gratton, Hope-Hailey, Stiles and Truss, 1997).

Mello (2001) puts forth eight barriers to effective SHRM. The first one is the short-term orientation of firms. As most of the HR involvements or practices have long-term implications, short-term oriented actions can hinder effective HRM. The second one is the inability of the HR managers to think strategically. Their inadequate general management training or inability to influence colleagues in other departments is seen as a constraint. The third is lack of appreciation for HRM as a function. The fourth is lack of cooperation from the line managers and their unreliability in handling HR function in their respective departments. The fifth reason that hinders HR functioning is the increasing focus on the quantifying results. The feeling of risk in investing heavily on human resources is the sixth reason that can hamper the development of the employees for complementing organisational performance. The seventh reason that can also hamper strategic linkage is the inability of the HR practices to change according to the business needs. Most of the HR practices tend to get fixed as something permanent and then it becomes difficult to change. The final reason would be the disincentives related to changes associated with SHRM. Implementation of SHRM may involve drastic changes in the work practices and other HR processes and hence may affect a lot of employees. Bringing about change is a difficult process and people who have faced negative consequences of an unsuccessful effort to change may obstruct the change processes of the future.

# III. ALIGNMENT OF HR AND BUSINESS STRATEGY

The relationship shared by business strategy and human resource management: The interpersonal aspect of the assimilation of business strategy and human resource management discusses the relationships between the factors and players involved. This is reflected more or less irrespective of the content of both policy areas and also irrespective the way in which both areas are given shape in actual situations. This matter has received a great deal of attention, both in exercise and in the literature. It is often supported that the high-ranking human resource manager should be an associate of the board of directors or management team. Also, the extensive debates about the professionalization of the human resource department fairly belong to this interpersonal aspect. The assumption was, and often still is, that, as soon as the high-ranking personnel manager is contributing to the firm's top management, and there is also an expert personnel department, the strategic appeal of the human resource management will be assured. Alongside this line of reasoning, personnel management of businesses can be characterised in terms of its virtual weight relative to the business strategy. The standard work by Golden and Ramanujam (1985) is one of the key articles within this interpersonal vision. They distinguished between administrative, one-way, two-way, and integrative relations between business strategy and human

resource management and found that the integrative connection was only present in one of the ten businesses considered by them. Buller (1988), using the Golden and Ramanujam categories, found matched results. A number of other investigators have examined the relation between business strategy and human resource management (Rowland & Summers, 1981; Lorange & Murphy, 1984; Nkomo, 1984; Mills, 1985; Buller & Napier, 1993; Brewster, 1994). Everybody is going in the same way but in only a rare case, full incorporation of business strategy and human resource management is actually achieved. For some reasons, assured for the level of strategic integration, Golden and Ramanujam distinguished two groups, to be precise organisation-specific factors and human resource-specific factors (p.440-448). Particularly HR-factors are obviously allied to the personnel department or HR function within the organisations and only very little care is given, for example, to the quantity of time and energy used by line managers or other key people on HR issues. Thus, we are tending to determine that the agenda of Golden and Ramanujam is about the cooperation and communication among the top management and the personnel department, comparatively to the incorporation of business strategy and human resource management.

Additional distinctive feature of most of the effort on interpersonal aspects is the evolutionary character. In fact, the four relations of Golden and Ramanujam should be recited as growing phases, and they undertake that all firms will move through these phases over time. This is quite understandable because they indirectly report the management role and the role of the personnel function. An extra assumption underlying most of this work is that a high level of assimilation is a need for the ideal performance of firms. Even though Buller (1988) first states that the whole level of integration is not of key relevance, he adds to this that struggling for two-way or integrative relations would be helpful for most of the firms, since most firms are working in vibrant and random environments. In such situations, firms attaining a higher level of integration between business strategy and human resource management would have a viable advantage. In conclusion, one of the important assumptions is that the level of incorporation is below the preference of the firm. People have challenged this elementary assumption by declaring that the degree to which the level of incorporation can be sensibly determined by the firm fairly depends upon contextual, political and process factors (Quinn, 1980; Hendry & Pettigrew, 1986; Buller & Napier, 1993). Hence it appears to be quite useless to approach strategic human resource management merely from the perspective of the relation between business strategy and human resource management. Also, other aspects seem to be at least as important, and the relation is closely allied to the content of both the strategy of the organisation and of the human resource policies and practices. The relation between strategy and human resource management a lot develops into the popular discussion about the position of the human resource manager. This may not be the most appropriate way to increase the strategic level of human resource management. We have stated frequently that firms are supposed to progress freely through various phases in order to achieve a maximum level of integration between business strategy and human resource management. In the next section, this appears to be slightly changed. The ideas discussed in the next section assume that the position and content of human resource management is unexpected and depends on defined environmental features and product-market strategies.

Alignment of Business strategy and Human Resource strategy: Business Strategy highlights how to flourish in its designated market place. It helps to generate the way in which the organization is going in relation to its environment. The Business Strategy of an organization must disclose the aims of managers about what they believe to achieve over a period of time. Therefore, Business Strategy is about beating competitors in meeting customer's needs, but this does not suggest that a Business Strategy is the same thing as a marketing strategy. Business Strategies should deduce the changing needs and critical resources preferred to carry out the strategic aims. Thus, organizations must certainly make choices about how they would follow competitive advantage. Business plans are structured to work on three to five years phase and yearly business plans are formed within this. These plans consist of strategies like cost reduction, cost leadership, quality leadership, innovation, customer focus, growth, value added through acquisition, joint venturing etc. Business strategy responses to three basic questions: what (vision, mission, goals), how (organization design, functional strategies, resource and cost allocation, budget requirements, planning) and who (workforce planning, performance management, development).

The elements of Business Strategy are business scope, governance and distinctive competencies. Business scope is referred to as environmental aspects that influence business. This includes markets, products, customers, services and the location of the business, competitors, buyers, suppliers, and potential competitors. The characteristic competencies referred to all the things that make a business successful in the market place. This comprised of core skills of the business that allowed it to strive with others. This would include the brand, product and new product development, cost and pricing, and sales and distribution channels.

The business governance referred to the relationships that occurred between the stockholders and board of the directors, government regulations and relationship with other business partners (Henderson and Venkatraman, 1996). A competitive strategy recognizes how to figure and strengthen the business long- term competitive position in the marketplace. Competitive benefit is any factor that permits an organization to distinguish its product or services from those of its competitors to increase market share (Dessler and Varkkey, 2009). Reasonable advantage could be achieved if organization makes value for its buyer along with profit maximization of the organization. To manage competitive success organizations must own a competitive advantage in the form of either low costs or distinguished products that appreciates or by providing higher quality products and services or by producing more competently (Porter, 1985). Organization's today have capital and technology but, it is its human resource and its ability that act as a key source of its unique competitive advantage. Thus, to attain competitive advantage organizational resources must: enhance positive value to the organization; be unique; be imperfectly imitable; and not be replaced with another resource by the competing organizations.

Human Resource Strategies pursue to succeed the human resource in order to attain the organizational goals. It emphases on what the organization proposes to do in relation to its Human Resource policies and practices. Hence, the way human resource is deployed, motivated, managed and engaged will impact upon the Business Strategy implementation. Human Resource Strategy assists Human Resource professionals who want to add value to their business. These are created in respect of recruitment, employee deployment, and engagement by considering the mission and objectives of organizations. By doing this organizations put itself in the place of being able to attain its goals through its human resources. The process of linking Human Resource Strategies with Business Strategies serves investors, customers and employees of the organization who want the business to deliver results. Thus, key purpose of Human Resource Strategy is to have operational linkages to fit Human Resource Management with the strategic drive of the organization. Communication between Business Strategy and Human Resource Strategy of organizations also need to chiefly take care of uncontrollable factors which occur in external environment. Since external environmental factor's influences and needs to be understood, therefore Human Resource professionals should try to reduce their adverse effect during implementation process of strategies. External environmental factors could be measured or minimized with the help of leadership and course provided by departmental managers, training and instructions given to employees, key implementation tasks and activities which must be defined with enough details, and information systems used for observing the route of implementation which also should be suitable enough.

Organizations must emphasis on its Human Resource Strategies as these are less probable to be copied by competitors as these are not noticeable to competitors. Even if noticeable, it might not be positive as different organizations setting require different strategies. The custom of Human Resource Strategies to figure employees commitment and morale would result into providing excellent customer services by employees. This would in turn produce profits and would assist in obtaining sustainable competitive advantage with high quality workforce. The role of organization's cycle in the preparation of strategies is significant. To realize successful interaction between Business Strategy and Human Resource Strategy, Human Resource professionals need to study the lifecycle phases of their organization and each phase to be linked with Human Resource Strategies. Human Resource professionals in this phase need to outline future skill necessities and project career ladder map for their employees. Organizations in starting phase need to set basic employee relations viewpoints as well; growing phase needs to recruit acceptable number of employees with multi-skills so as to build up talent pool. In this phase organization has to meet external market status and need to provide compensation and benefits to their employees accordingly. Here there is a need to cast an effective employee training and development programme as well; maturity phase needs to inspire enough revenue to reduce terminations and provide new openings along with flexibility of employees by shifting of jobs. In this phase organization desires to control compensation structure and control labour costs with enhanced productivity; and decline phase needs to plan and implement terminations and reforms with tight cost control measures. In this phase employees need to be rehabilitated and career advocating need to be provided (Wright and McMahan, 1992). It is essential for organization's to select apt strategy to meet challenges and transform them into chances to persist and flourish in today's overactive viable business environment. Human Resource Strategies must be coordinated to the Business Strategy with the same care as the financial control systems or marketing strategies are devised.

Emerging and executing Human Resource Strategy ensures that activities in managing human resource are aligned with competitive demands which need to be imitated in the strategic planning. The integration between Business Strategy and Human Resource Strategy and planning is very closely linked.

### IV. HOW TO ALIGN HR STRATEGY AND ACTIONS WITH BUSINESS STRATEGY

- [1] Formulation of Business Strategy, i.e., "What are the strategic goals of the business?
- [2] Identification of workforce requirements, i.e., "What employee competencies and behaviours must HR deliver to enable the business to reach its goals?"
- [3] Formulation of HR strategic policies and activities, i.e., "Which HR strategies and practices will produce these employee competencies and behaviour?"
- [4] Detailed development of HR scorecard measures, i.e., "How can HR measure whether it is executing well for the business in terms of producing the required workforce competencies and behaviour?" (Walker and MacDonald, 2001)

Human Resource Planning desired to be accepted in successive manner which include environmental scanning and an interface with strategic planning, forecasting human resource demand and inventory, examining external supplies of labour, and developing plans to deal with shortage and surplus of manpower. One of the means in which recruiting can be more strongly linked to Business Strategy is to give emphasis on those sources that provide the greatest number of desirable employees. Thus, this would require Human Resource executives to be able to predict the future availability of manpower having knowledge. Human Resource Planning entails Human Resource professionals to communicate with other managers, senior executives and staff members about the future human resource environment and other associated staffing issues. Top management's support need to be ongoing and noticeable towards Human Resource Departments. The dynamic leadership from top management is considered to be a crucial source to exploit the returns from human resource. A noticeable involvement of senior management directs message to other employees that top levels are dedicated to strategy and strategic objectives. Alignment of Human Resource Strategy and Business Strategy required not only infrequent oral reactions but it also required active participation to ensure development (Venkatratnam, 1997).

The degree to which the Human Resource functions are involved in both organizational and Human Resource Strategy development would rely on whether the most senior Human Resource person was a member of the board of directors or not . But at the same time the board membership of Human Resource professionals would not promise the involvement of experts in strategy as it is not essential that they would act as active members. Perhaps, that is why currently attention has been paid by organizations to judge the percentage of Human Resource Directors and professionals as strategy makers. Aligning board level experiments and Human Resource objectives deliver great openings for Human Resource professionals to put their hands into it. This would change Human Resource role from a business partner to business leader. The planning and arrangement of Business Strategies is done by top managerial people within the organization and Human Resource managers act as champions for Human Resource excellence. Human Resource managers are tasked with the primary accountability of leading and directing to support Business Strategies. Human Resource professionals need to become strategic partners who emphasis on strategy and practices of an organization. As leaders Human Resource managers need to be visionaries and a relists. It is vital that Human Resource Practices to have the potential to make a change to organizational performance and specialists needs to organize people management arrangements to protect steadiness and support.

Therefore, Business Strategy is seen as crucial to any organization, but any strategy will be well-intentioned if good Human Resource Strategies also exist. Business Strategy and Human Resource Strategy are inseparably linked with each other and they both are mutually related. Lacking of Human Resource Strategies linked with business objective, high level of organizational performance is not likely to place. Thus, Business Strategy places the way that the organization will take in the upcoming era and Human Resource Management acts as a tool to nearly every aspect of strategy implementation. It has been accepted that high quality workforce aids organizations to compete on the basis of market responsiveness, quality, product and services differentiation and technological innovation. Hence, the starting point will be personnel planning strategies based on business plans leading to prediction of the future demand for different types of employees along with the analysis of present workforce present mainly in relation to its age profile, qualification, length of service, gender mix, training records, competency data etc. Based on business plans, workforce plans need to be frequently monitored and revised to react towards the changing situations.

### V. STRATEGY IN ACTION

Ford Motor Company Organizes the Taurus Success: In the early 1980's, amidst a recession in the automobile business, Ford executives finally realised that fuel economy was not the only reason why consumers were buying sports cars. They realised that Ford car quality was not comparable to the Japanese products, and they set out to correct the problems. Company managers decided to take radical steps in planning, production and labour relations in order to build new, higher quality car. Ford executives backed up this commitment by investing \$3 billion on the development of the new cars and decided that the new model would replace the company's most stable line-Ford LTD and Mercury Marquis- which sold 273,000 units in 1985. The first thing Ford did was change its traditional structure for building new cars. Instead of the sequential five-year process (in which each component works in isolation without communication between each component), Ford adopted a "Program Management" approach whereby representatives from each unit-production, planning, design, engineering, and manufacturing-worked together as a group and took final responsibility for the car.

The group first set out to determine which were the world's best-designed and –engineered automotive features. The group determined 400 "best in class features" and then it determined how they were designed, assembled, and manufactured. And 80 percent of those features were incorporated in the Taurus. In order to determine consumer preferences, Ford launched its largest series of market studies ever. Interviews at grocery stores, schools, car washes, self-service filling stations, focus groups, and other settings led to the identification of 1,401 suggested features. Ford incorporated over 700 of these "wants" in the Taurus and Sable cars. Finally, Ford did something no one had done in the U.S auto industry. It asked assembly line workers for their advice before the car designed. Numerous suggestions were incorporated in the design. The Taurus team also signed long-term contracts with suppliers and invited them to participate in planning sessions as well.

The approach paid off. By 1987, Taurus had become the top U.S. automobile. Ford has 100,000-plus backlogs in orders. Elated dealers say that customers-some of whom haven't set foot in a domestic producer's showroom for years-are content to wait patiently for two months or more for Taurus or Sable. (Anonymous, 1986, June 30; Anonymous, 1986, November 24)

# VI. CONCLUSION

In this paper we conclude that the Human Resource Strategy and Business Strategy should be executed with the same care as the financial control systems or marketing plans are implemented. Organizations must emphasis on its Human Resource Strategies as these are less likely to be imitated by opponents as these are not visible to opponents. The use of Human Resource Strategies to build employees commitment and morale would result into providing excellent customer services by employees. This would in turn produce profits and would help in obtaining sustainable competitive advantage with high quality workforce. To survive challenges and transform them into opportunities it is essential for organization to choose suitable strategy so that they can flourish in today's hyper competitive business environment. For success, organization has to make sure that there is link between Strategic Business needs and Strategic HR management activities. Such linkages can occur only by the organisation's efforts to formulate and implement strategy. In the case presented above Ford initiated the process of integration with the identification of strategic business need that was to build high quality cars and attain competitive edge in the market which was converted into the vision and mission statements which were translated to strategic business objectives. These organisational needs would not be accomplished without the pillars of organisation, Employees.

# Certain Strategic HRM activities are carried out which include 5 P's:

- [1] Human Resources Philosophy: which expresses the way employees are treated and valued. In this case Ford treated their employee's very critical part of the change attained by the organization for new cars.
- [2] Human Resources Policies: It establishes guidelines for action on people-related business issues and HR programs.
- [3] Human Resources Programs: It coordinates the efforts to facilitate change to address major people-related business issues.
- [4] Human Resources Practices: It helps in motivating people to perform needed role behaviours.
- [5] Human Resources Processes: It defines how these activities are carried out.

All these aspects are covered by the company and therefore they were able to attain the goals formed. It can be concluded that every organisation has their needs which cannot be fulfilled without the integration with the HR strategies.

#### REFERENCES

- [1] Anonymous. (1986, June 30). How Ford Hit the Bull's –Eye with Taurus. Business Week. Print.
- [2] Anonymous. (1986, November 24). Ford's Idea Machine. Newsweek. Print.
- [3] Baird, L. and Meshoulam, I. (1988). Managing Two Fits of Strategic Human Resource Management. Academy of Management Review, 14: 116–28.
- [4] Becker, B., & Gerhart, B. (1996). The impact of human resource management on organizational performance: progress and prospects. Academy of Management Journal, 39 (4): 779-802.
- [5] Brewster, C., & Smith, C. 1990. Corporate strategy: A no-go area for personnel? Personnel Management, 22 (7): 36-40.
- [6] Brewster, C. (1994). The integration of human resource management and corporate strategy. In: Brewster, C. and Hegewisch, A. (eds.), Policy and Practice in European Human Resource Management, pp. 23-35. London: Routledge.
- [7] Budhwar, P.S., & Sparrow, P.R. (2002). Strategic HRM through the cultural looking glass: mapping the cognition of British and Indian managers. International Journal of Human Resource Management, 23 (4): 599-638.
- [8] Buller, P.F. (1988). Successful partnership: HR and strategic planning at eight top firms. Organizational Dynamics, vol. 17, no. 2, 27-43.
- [9] Buller, P.F. and Napier, N.K. (1993). Strategy and human resource management integration in fast growth versus other mid-sized firms. British Journal of Management, vol. 4, 77-90.
- [10] Delery, J.E. and Doty, D.H. (1996). Modes of Theorizing in Strategic Human Resource Management: Test of Universalistic Contingency and Configurational Performance Predictions. The Academy of Management Journal, 39(4): 802–35.
- [11] Dessler, G. And Varkkey, B. (2009). Human Resource Management- Concepts, Competencies and Application, 10th ed. Dorling Kindersley (India) Pvt. Ltd.
- [12] Devanna, M.A., Fombrun, C. &Tichy, N. (1981). Human resource management: A strategic perspective. Organizational Dynamics, 9 (3): 51-68.
- [13] Dewar, R. and Werbel, J. (1979). Universalistic and Contingency Predictions of Employee Satisfaction and Conflict. Administrative Science Quarterly, 24: 426–48.
- [14] Fombrun, C.J. (1984). The external context of human resource management. In C.J. Fomburn, N.M. Tichy, & M.A. Devanna, (Eds.), Strategic Human Resource Management: 3-18. New York: John Wiley and Sons.
- [15] Freeman, R.E. (1985). Managing in turbulent times, In M. Beer & B. Spector (Eds), Readings in Human Resource Management: 36-65. New York: Free Press.
- [16] Galbraith, J. and Nathanson, D. (1978). Strategy Implementation: The Role of Structure and Process. St. Paul, MN: West Publishing.
- [17] Golden, K.A. and Ramanujam, V. (1985) Between a Dream and a Nightmare: On the Integration of Human Resource Management and Strategic Business Planning. Human Resource Management, 24(4): 429-452.
- [18] Henderson, J. and Venkatraman, N. (1996) Aligning Business and IT Strategies Competing in the Information Age, Luftman, New York, Oxford University Press.
- [19] Hendry, C. and Pettigrew, A.M. (1986). The practice of strategic human resource management. Personnel Review, vol. 15, no. 5, 3-8.
- [20] Hendry, C. & Pettigrew, A. (1990). Human resource management: An agenda for the 1990's. International Journal of Human Resource Management, 1 (1): 17-44.
- [21] Huselid, M. (1995). The Impact of Human Resource Management Practices on Turnover, Productivity, and Financial Performance. Academy of Management Journal, 38, 635–672.
- [22] Krishnan, S.K. and Singh, M. (2011). Strategic Human Resource Management: Three-Stage Process and Influencing Organisational Factors. South Asian Journal of Management, 18(1): 60-82.
- [23] Lengnick-Hall, C. and Lengnick-Hall, M. (1988). Strategic Human Resource Management: A Review of the Literature and a Proposed Typology. Academy of Management Review, 13(3):454-470.
- [24] Lorange, P. and Murphy, D.C. (1984). Bring human resources into strategic planning: Systems design considerations. In: Fombrun, C., Tichy, N. and Devanna, M. (eds.), Strategic human resource management, 275-296. New York: John Wiley & Sons.
- [25] Lundberg, C.C. (1985). Towards a contextual model of human resource strategy: Lessons from the Reynolds corporation. Human Resource Management, 24 (1): 91-112.
- [26] Lundy, O. (1994). From personnel management to strategic human resource management. International Journal of Human Resource Management, 5 (3): 687-720.
- [27] Martell, K. & Carroll, S.J. (1995). How strategic is HRM? Human Resource Management, 34 (2): 253-267.
- [28] McGovern, P., Gratton, L. Hope-Hailey, V., Stiles, P. & Truss, C. (1997). Human resource management on the line? Human Resource Management Journal, 7 (4): 12-29.
- [29] Mello, J.A. (2001). Strategic Human Resource Management. Cincinnati: South Western.
- [30] Mills, D.Q. (1985). Planning with people in mind. Harvard Business Review, July-August, 97-105.
- [31] Neal, A., West, M. A., & Patterson, M. G. (2005). Do Organizational Climate and Competitive Strategy Moderate Relationship Between Human Resource Management and Productivity? Journal of Management, 31 (4), 492-512.
- [32] Nkomo, S.M. (1984). Prescription vs. practice: the state of human resource planning in large U.S. organizations. Paper presented at the Southern Management Association meeting, 14-17 November, New Orleans, Louisiana.
- [33] Pfeffer, J. (1994) Competitive Advantage through People: Unclosing the Power of the Work Force. Boston, MA: Harvard Business School Press.
- [34] Porter, M. (1985) Competitive Advantage: Creating and Sustaining Superior Performance, New York, The Free Press.
- [35] Quinn, J. (1980). Strategies for change: Logical incrementalism. Homewood, Illinois: Richard D.Erwin. Rowland, K. and Summers, S. (1981). Human resource planning: A second look. Personnel Administrator, December, 73-80.
- [36] Schoonhoven, C.B. (1981), 'Problems with Contingency Theory: Testing Assumptions Hidden within the Language of Contingency Theory', Administrative Science Quarterly, 26: 349–77.
- [37] Schuler, R.S. (1992). Strategic human resource management: Linking the people with the strategic needs of the business. Organizational Dynamics, 21 (1): 18-33.
- [38] Sluijs, Ed. and Kluytmans, F. (1994) Business Strategy and Human Resource Management: Setting the Scene. MERIT Research Memoranda. 1-23.
- [39] Sparrow, P.R. & Pettigrew, A.M. (1987). Britain's training problems: The search for a strategic human resource management approach. Human Resource Management, 26 (1): 109-128.
- [40] Storey, J. (1992). Development in the Management of Human Resource, Oxford, Blackwell Publishers.

- [41] Terpstra, D.E. and Rozell, E.J. (1993). The Relationship of Staffing Practices to Organizational Level Measures of Performance. Personnel Psychology, 46: 27–8.
- [42] Truss, C. & Gratton, L. (1994). Strategic human resource management: A conceptual approach. International Journal of Human Resource Management, 5 (3): 663-686.
- [43] Tsui, A.S. (1987). Defining the activities and effectiveness of the human resource department: A multiple constituency approach. Human Resource Management, 26 (1): 35-69.
- [44] Ulrich, D., Brockbank, W., Yeung, A.K. & Lake, D.G. (1995). Human resource competencies: An empirical assessment. Human Resource Management, 34 (4): 473-495.
- [45] Ulrich, D. (1998). A new mandate for human resources. Harvard Business Review, 76 (1): 124-135.
- [46] Van de Ven, A.H. and Drazin, R. (1985) 'The Concept of Fit in Strategy Research'. In Cummings, L. and Staw, B.M. (eds) Research in Organizational Behavior, Vol. 7. Greenwich, CT: JAI Press, pp. 333–65.
- [47] Venkatraman, N. (1989). The Concept of Fit in Strategy Research: Toward Verbal and Statistical Correspondence. The Academy of Management Review, 14: 423–44.
- [48] Venkatratnam, C.S. (1997). Trade unions and Structural Adjustment: A Guide for Trade Union Participation, ACTRAV International Labour Office, Geneva.
- [49] Walker, G. and MacDonald, R. (2001). Designing and Implementing an HR Scorecard. Human Resources Management 40(4):370.
- [50] Woodward, J. (1965). Industrial Organization: Theory and Practice. New York: Oxford University Press.
- [51] Wright, P.M. and McMahan, G.C. (1992). Theoretical Perspectives for Strategic Human Resource Management. Journal of Management, 18(2): 295-320.