

THE IMPACT OF SITUATIONAL FACTOR ON HRM POLICIES WITH REFERENCE TO HARVARD MODEL OF HRM

Akanksha Kumari, MBA, Student,

Guide: Prof . Niji Shajan

Sadhu Vaswani Institute of ManagementStudies for Girls, Pune.

Abstract:

This research paper examines the influence of situational factors on Human Resource Management (HRM) policies, drawing upon the renowned Harvard Model of HRM as a theoretical framework. The Harvard Model emphasizes the importance of considering multiple contextual factors in shaping HRM practices within organizations.

By conducting a comprehensive literature review, this study identifies and analyzes various situational factors, including the external environment, organizational strategy, technology, labor market conditions, and organizational culture. The research explores how these factors interact and affect the design and implementation of HRM policies.

The findings highlight that situational factors play a significant role in shaping HRM policies and practices. External factors such as economic conditions, legal regulations, and societal expectations influence the HRM approaches adopted by organizations. Internal factors like strategic goals, organizational structure, and available technology also impact the design of HRM policies.

Additionally, the research reveals that situational factors interact with each other, leading to complex dynamics in HRM decision-making. For example, changes in the labor market may necessitate modifications in recruitment and selection practices, while advancements in technology may require organizations to adapt their training and development strategies.

Understanding the impact of situational factors on HRM policies is essential for organizations seeking to align their HR practices with their strategic objectives and adapt to changing circumstances. By considering the Harvard Model of HRM, this research provides a comprehensive framework for HR professionals and organizational leaders to evaluate and adjust their HRM policies based on the situational context.

Overall, this study contributes to the existing body of knowledge on HRM by highlighting the significance of situational factors in shaping HRM policies. It underscores the need for organizations to adopt a flexible and contextual approach to HRM, acknowledging the dynamic nature of the external and internal environments in which they operate.

KEYWORD

Harvard Model of HRM, External Environment, HRM Policies, HRM Practices, Situational Factor, Impact

INTRODUCTION

Human Resource Management (HRM) plays a critical role in organizations, as it encompasses the policies and practices aimed at managing the organization's workforce effectively. HRM policies are not developed in isolation but are influenced by a variety of situational factors. These situational factors, which include the external environment, organizational strategy, technology, labor market conditions, and organizational culture, shape the design and implementation of HRM policies.

The Harvard Model of HRM provides a comprehensive framework for understanding the complex relationship between situational factors and HRM policies. This model emphasizes the importance of considering multiple contextual factors when formulating HRM practices. By considering the Harvard Model as a theoretical framework, this research paper aims to explore the impact of situational factors on HRM policies and shed light on how organizations can align their HR practices with the dynamic situational context.

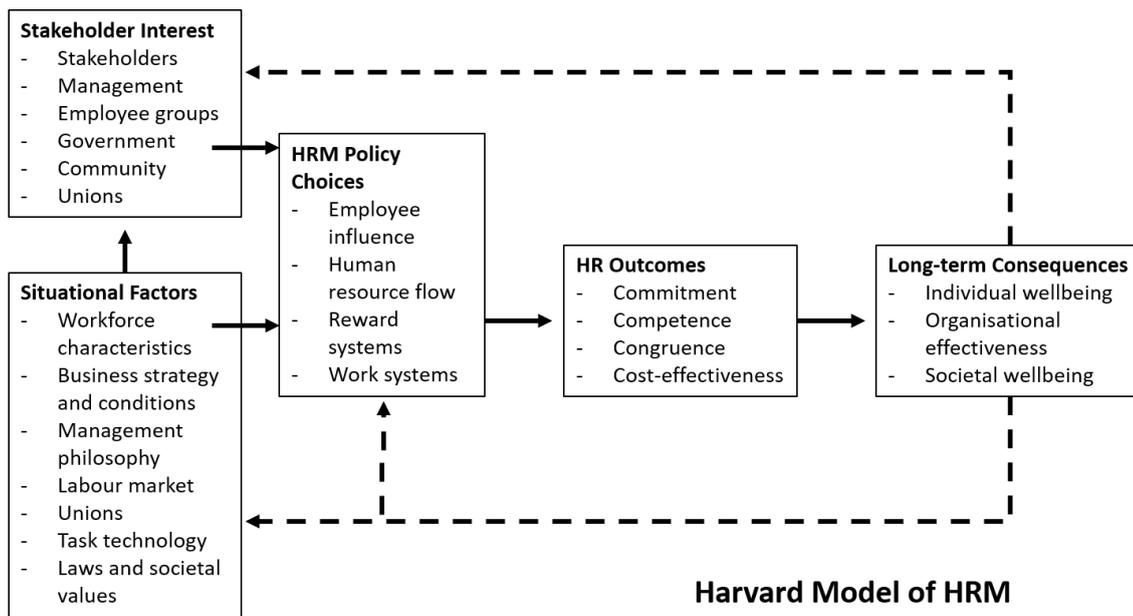
Understanding the impact of situational factors on HRM policies is crucial for organizations. The external environment, such as economic conditions, legal regulations, and societal expectations, significantly influences the HRM approaches adopted by organizations. Internal factors, including strategic goals, organizational structure, and available technology, also shape the design of HRM policies. Recognizing these situational factors and their interplay is essential for organizations to adapt and respond effectively to changes in their external and internal environments.

By examining the interrelationship between situational factors and HRM policies, this research paper seeks to contribute to the existing body of knowledge on HRM. It aims to provide HR professionals and organizational leaders with insights and guidance on how to evaluate and adjust their HRM policies based on the situational context, using the Harvard Model as a guide.

In the following sections, this research paper will delve into a comprehensive analysis of the impact of situational factors on HRM policies, drawing upon relevant literature and real-world examples. Through this exploration, we will gain a deeper understanding of the significance of situational factors and their implications for effective HRM practices within organizations.

OBJECTIVES:

1. To examine the role of situational factors in shaping HRM policies within organizations, with specific reference to the Harvard Model of HRM.
2. To identify and analyze the key situational factors, including the external environment, organizational strategy, technology, labor market conditions, and organizational culture, and their influence on HRM policies.
3. To Investigate the impact of situational factors on HRM practices such as recruitment, training and development, performance management, and employee relations.



METHODOLOGY

Research Methodology:

1. Research Design: The research design is a qualitative study aimed to explore the impact of situational factors on HRM policies within the framework of the Harvard Model of HRM. The qualitative approach will allow for an in-depth understanding of the complexities .

2. Research Objectives:

- a. To examine the influence of organizational culture on HRM policies.
- b. To analyze the impact of industrial characteristics on HRM strategies.
- c. To assess the role of legal and regulatory environment laws in shaping HRM practices.

3. Data Collection: Conduct literature review: Gather relevant academic articles, books, and research papers that discuss the impact of situational factors on HRM policies within the Harvard Model of HRM. This will provide a theoretical foundation for the study.

Interviews: Conduct structured interviews with HR professionals and managers from organizations that have prior experience with the Harvard Model of HRM.

Surveys and questionnaires: surveys to a diverse group of employees to gather their perceptions of the impact of situational factors on HRM policies and practices.

4. Sample Selection and Study:

A) Purposive sampling: Select organizations that have adopted the Harvard Model of HRM and represent various industries and sizes.

B) Interviews: Choose HR professionals and managers who have experience in implementing HRM policies with the Harvard Model.

5. Data Analysis: Thematic analysis: Analyze interview transcripts and survey responses to identify recurring themes related to the impact of situational factors on HRM policies. Use coding techniques to categorize and interpret the data which is observed. Identify patterns and relationships between the employee and the employer. Analyze the collected data using appropriate statistical techniques for quantitative data, such as descriptive statistics and regression analysis to distinguish the parameters, to identify relationships patterns between situational factors and HRM policies. For qualitative data, employ thematic analysis to extract key themes and patterns from interview transcripts and qualitative observations. By employing a rigorous research methodology, this study will contribute to the existing knowledge on the impact of situational factors on HRM policies, providing valuable insights for organizations to effectively manage their human resources in diverse situational contexts.

6. Ethical Considerations: Obtain informed consent from participants. Maintain confidentiality and anonymity of participants' responses. Adhere to ethical guidelines in the research .

7. Limitations:

Acknowledge potential limitations, such as sample size and generalizability of findings. The findings are not accurate, randomness in the data. Complexity and mixing of ideas.

8. Conclusion:

The study can provide valuable insights into the impact of situational factors on HRM policies within the Harvard Model of HRM, contributing to the existing body of knowledge in HRM and guiding organizations in their strategic HRM to make decision-making processes more impact full.

DISCUSSION AND ANALYSIS :

1. Beer, M., Spector, B., Lawrence, P. R., Quinn Mills, D., & Walton, R. E. (1984). "Managing Human Assets". The Free This study is significant to examine the impact of Human Resource Management Practices (HRMP) of the managers on Perceived Organizational Performance (POP). This study has established that selected HRMP such as recruitment & selection, training & development, performance appraisal and reward management has a significant impact on POP in the context of CFC. The study utilized quantitative method and cross sectional approach.

2. Schuler, R. S., & Jackson, S. E. (1987). "Linking competitive strategies with human resource management practices". The Academy of Management Executive, 1(3), 207-219. Few studies have tackled the issue from the point of view of employers and how policy might affect the personnel recruitment. The aim of this is to understand the impact of labour policy on the processes involved in seeking personnel, with specific reference to business

organizations. The results that emerge highlight the fact that labor policy affects certain specific aspects of the personnel recruitment: employee turnover, an individual's employability, outplacement, efficiency of matching between job supply and demand, competitiveness of candidates and their productivity, efficient allocation is also affected.

3. Ulrich, D., & Lake, D. G. (1991). "Organizational capability: Competing from the inside out. Wiley". This aims at reconsidering knowledge, skills and competencies from a capability perspective while addressing firms' strategic response. This is a one of recent attempts in addressing capabilities from two dimensional . Identifying nature of capabilities (knowledge, skills and competencies) with respect to this classification align them with firms' strategic growth

4. Wright, P. M., & McMahan, G. C. (1992). Theoretical perspectives for strategic human resource management. *Journal of Management*, 18(2), 295-320. This paper discusses the difference between human resource management (HRM) and strategic HRM. The theoretical development of strategic HRM

5. Truss, C., & Gratton, L. (1994). Strategic human resource management: A conceptual approach. *International Journal of Human Resource Management*, 5(3), 663-686. In this paper conceptual issues associated with strategic human resource management are addressed. The rapidly expanding international interest in strategic human resource management is highlighted as a major point. Then explores some of the broader issues around the SHRM.-

6. Legge, K. (1995). *Human resource management: Rhetorics and realities*. Macmillan International Higher Education.

7. Huselid, M. A. (1995). The impact of human resource management practices on turnover, productivity, and corporate financial performance. *Academy of Management Journal*, 38(3), 635-672. HPWP includes comprehensive employee recruitment and selection procedures, incentive compensation and performance management systems, and extensive employee involvement and training. Human resources professionals at 968 firms completed questionnaires on HPWP, internal and external fit, turnover, productivity, and financial performance. Control variables included size, growth in sales, and levels of profitability. Results indicate that HPWP practices had an economically and statistically significant impact on both intermediate employee outcomes (turnover and productivity) and short- and long-term measures of corporate financial performance.

8. Boxall, P. (1996). The strategic HRM debate and the resource-based view of the firm. *Human Resource Management Journal*, 6(3), 59-75.

9. Delery, J. E., & Doty, D. H. (1996). Modes of theorizing in strategic human resource management: Tests of universalistic, contingency, and configurational performance predictions. *Academy of Management Journal*, 39(4), 802-835. This study is to examine the ability of technical HRM versus strategic HRM in predicting organizational performance in the health care industry. A postal survey was distributed to the HR managers of all the hospitals in Taiwan, with a response rate of 56%. Hierarchical regression analyses were based on data from the 277 responding hospitals. From the result, we found that technical HRM is more important in explaining perceived organizational performance, and strategic HRM is better at predicting human capital accumulation. Technical HRM does not moderate the relationship between strategic HRM and perceived organizational performance, but it does moderate HR strategy and human capital accumulation.

10. Guest, D. E. (1997). Human resource management and performance: A review and research agenda. *International Journal of Human Resource Management*, 8(3), 263-276. The labor factor is most impotent factor of production factors,

because it makes the difference. It makes the difference in the businesses environment in all organisations to become more profitable and sustained as completed ones. And also employee engagement becomes a popular topic of the workplace which is approved to affect the organizational outcome. Employee retention is a process in which the employees are encouraged to remain with the organization for life time or maximum period of time. It is a strategic tool for the success of the firm. Employee retention is a technique adopted by businesses to maintain an effective workforce and at the same time meet operational requirements. Employees are the greatest asset for an organization.

11. Purcell, J., Kinnie, N., Hutchinson, S., Rayton, B., & Swart, J. (2003). *People and performance: How people management impacts on organizational performance*. CIPD Publishing.

12. Storey, J. (2007). *Human resource management: A critical text*. Cengage Learning EMEA.

This study is significant to examine the impact of Human Resource Management Practices (HRMP) of the managers on Perceived Organizational Performance (POP). Employees in Managerial category at Ceylon Fisheries Corporation (CFC) in Sri Lanka totaling 123 responded for the survey. The survey questionnaire had comprised with 67 items enveloping selected HRMP and POP of CFC. This study has established that selected HRMP such as recruitment & selection, training & development, performance appraisal and reward management has a significant impact on POP in the context of CFC in Sri Lanka. The study utilized quantitative method and cross sectional approach. The results were derived from the survey study at the convenience of the researcher with quantitative approach.

13. Paauwe, J., & Boon, C. (2009). *Strategic HRM: A critical review*. In *Handbook of human resource management* (pp. 38-54). Sage Publications. This article summarizes the literature in this field by conducting a meta-review, a review of the reviews that have covered various topics of strategic HRM. In doing so, the authors highlight theoretical frameworks and empirical findings of studies in the field over the past three decades, identify methodological issues and challenges in the previous research, and discuss recent trends in the field of strategic HRM. The author concludes by suggesting some interesting and important directions for future work.

14. Jackson, S. E., Schuler, R. S., & Jiang, K. (2014). An aspirational framework for strategic human resource management. *Academy of Management Annals*, 8(1), 1-56. The field of strategic human resource management (HRM) has a long and rich tradition. As a prelude to our description of the field's history, we provide an expansive definition of strategic HRM scholarship and offer an aspirational framework for strategic HRM scholarship that captures the multidisciplinary nature of the field. We then systematically review and critique three decades of strategic HRM theory and research, paying particular attention to the value of HRM systems as management tools for influencing a wide variety of outcomes of concern to internal (employees and their managers) and external (owners, customers, society, other organizations) stakeholders. I

15. Bratton, J., & Gold, J. (2017). *Human resource management: theory and practice*. Palgrave. The main aim of this study was to analyze the relationship between employee commitment and job attitude in the tourism industry and its effect on service quality. This research study attempts to explain the various theories related to employee commitment and job attitude. Primary data for the study was obtained through questionnaires, using structured questions to explain the main objective. The study used a cross-sectional research design to meet the objectives. The data were analyzed using various statistical techniques: SPSS, ANOVA, regression, and correlation analysis. The study found that biographical characteristics of the employees have an effect on job attitude and job commitment. In order to enhance job satisfaction, employees need to be motivated in a relevant manner.

CONCLUSION:

The impact of situational factors on HRM policies, within the framework of the Harvard Model of HRM, are highlighted. In shaping the HRM policies various situational factors such as organizational culture, industrial characteristics, legal and regulatory external environment, employee stand plays a crucial role. Organizational culture significantly influences HRM practices which includes recruitment, selection and Performance management system. The legal and regulatory environment imposes certain on HRM policies such as foster diversity that is distinct culture and inclusion. HRM must follow legal obligations and promote a fair and inclusive work environment. Overall, the interplay between situational factors and HRM policies is important and which manages everything at par. HRM policies is crucial to understand the impact of situational factors on HRM policies collected in the Harvard model with the guidance of HRM enables a organization to develop and grow with thd HRM strategies.

Industry characteristics, such as market competitiveness and disruptive forces, also impact HRM policies. Organizations operating in highly competitive industries may focus on attracting and retaining top talent through innovative HRM strategies, while those facing industry disruptions may need to adapt their HRM practices to meet evolving challenges.

The legal and regulatory environment imposes certain requirements on HRM policies, such as compliance with employment laws and fostering diversity and inclusion. HRM practices must adhere to legal obligations and promote a fair and inclusive work environment. By considering the unique context and aligning HRM practices with situational factors, organizations can maximize their HRM effectiveness and achieve strategic goals.

In conclusion, understanding the impact of situational factors on HRM policies, as guided by the Harvard Model of HRM, enables organizations to develop tailored HRM strategies. By aligning HRM practices with organizational culture, industry dynamics, legal requirements, and employee voice, organizations can optimize their human capital management and gain a competitive advantage in today's dynamic business environment.

BIBLIOGRAPHY

DISCUSSION AND ANALYSIS :

1. Beer, M., Spector, B., Lawrence, P. R., Quinn Mills, D., & Walton, R. E. (1984). "Managing Human Assets".
2. Schuler, R. S., & Jackson, S. E. (1987). "Linking competitive strategies with human resource management practices". *The Academy of Management Executive*, 1(3), 207-219.
3. Ulrich, D., & Lake, D. G. (1991). "Organizational capability: Competing from the inside out. Wiley".
4. Wright, P. M., & McMahan, G. C. (1992). Theoretical perspectives for strategic human resource management. *Journal of Management*, 18(2), 295-320.
5. Truss, C., & Gratton, L. (1994). Strategic human resource management: A conceptual approach. *International Journal of Human Resource Management*, 5(3), 663-686.

6. Legge, K. (1995). *Human resource management: Rhetorics and realities*. Macmillan International Higher Education.
7. Huselid, M. A. (1995). The impact of human resource management practices on turnover, productivity, and corporate financial performance. *Academy of Management Journal*, 38(3), 635-672.
8. Boxall, P. (1996). The strategic HRM debate and the resource-based view of the firm. *Human Resource Management Journal*, 6(3), 59-75.
9. Delery, J. E., & Doty, D. H. (1996). Modes of theorizing in strategic human resource management: Tests of universalistic, contingency, and configurational performance predictions. *Academy of Management Journal*, 39(4), 802-835.
10. Guest, D. E. (1997). Human resource management and performance: A review and research agenda. *International Journal of Human Resource Management*, 8(3), 263-276.
11. Purcell, J., Kinnie, N., Hutchinson, S., Rayton, B., & Swart, J. (2003). *People and performance: How people management impacts on organizational performance*. CIPD Publishing.
12. Storey, J. (2007). *Human resource management: A critical text*. Cengage Learning EMEA.
13. Paauwe, J., & Boon, C. (2009). Strategic HRM: A critical review. In *Handbook of human resource management* (pp. 38-54). Sage Publications.
14. Jackson, S. E., Schuler, R. S., & Jiang, K. (2014). An aspirational framework for strategic human resource management. *Academy of Management Annals*, 8(1), 1-56.
15. Bratton, J., & Gold, J. (2017). *Human resource management: theory and practice*. Palgrave.