

Exploratory Study Analysing Factors Influencing Strategic Human Resource Management Practices in Indian IT Companies

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Abstract:

The present study aims to identify factors influencing Strategic Human resource management practices in Indian IT Companies and to quantitatively assess factors influencing Strategic Human resource management practices in Indian IT Companies. The present research is exploratory and primary in nature. The respondents of the study are the employees of the Indian IT companies. The sample size of the study is 384 respondents. The self-structured questionnaire was constructed and responses obtained on Likert scale. The selected variables under study was Social and economic environment, Technological change, Leadership styles, Organisational culture, Skills set of Employees, Manpower requirements, Organisational Structure. The findings of the study stated that SHRM is more than a collection of procedures; it's a way of thinking about strategy that acknowledges the importance of people in accomplishing company objectives. Firms face complicated and ever-changing environments. SHRM offers a framework to help organisations optimise employee contributions, stimulate innovation, and stay competitive in the global marketplace. Adapting to the difficulties of the future of work, SHRM will continue to be an important subject of research and practice due to the continuing growth of technology, globalisation, and workforce dynamics.

Keywords: companies, employees, Information Technology, Indian, strategic human resource management.

Introduction:

Aligning HR policies and practices with the company's overarching strategic goals and objectives is the essence of Strategic Human Resource Management (SHRM). It entails enhancing company performance and gaining a competitive edge by integrating HR initiatives with the organization's strategic strategy. Instead of seeing workers as an expense, SHRM advocates seeing them as an investment in the company's future success (Hendry & Pettigrew, 1986).

Essential elements and tenets of SHRM include:

Consistency with Company Goals:

The first step for SHRM is to learn the company's overarching business plan. The next step is to establish HR policies and procedures that will aid in the attainment of these overarching goals (Wright & McMahan, 2011).

Management of Talent:

The significance of acquiring, cultivating, and maintaining elite talent is emphasised by SHRM. Assuring the company has the appropriate people with the correct talents at the right time requires effective recruiting, training, performance management, and succession planning (Ferdousi & Abedin, 2023).

Participation from employees:

Motivated employees are more willing to go above and above for their employer. SHRM is all about making the workplace a better place by listening to and responding to employees' feedback, promoting an atmosphere of teamwork, and generally making people feel more invested in their job (Phiri & Phiri, 2022).

HR Analytics and Metrics:

Metrics and analytics are essential in strategic human resources for determining how well HR programmes are doing and how they affect company results. Decisions are better made and HR processes are improved regularly with this data-driven approach (Collings, McMackin, Nyberg, & Wright, 2021).

Managing Change:

Human resources are essential in guiding firms through periods of transformation. Supporting a seamless transition, embracing new technology, and making sure people are prepared to deal with changes in the workplace are all part of SHRM (Yeganegi & Tajdani, 2018).

Staffing Strategy:

Strategic human resources must anticipate the demands placed on the workforce in the future. In order to prepare for the future demands of an organization's workforce, it is necessary to take stock of the skills and knowledge its employees will need (Phanwattana & Vichit, 2017).

Benefits and Compensation Strategy:

The goal of developing compensation and benefits plans is to entice and keep the best employees. Implementing SHRM entails coordinating these plans with the overarching objectives of the company, all the while keeping an eye on market competitiveness and equity (Eneh & Awara, 2016).

Conformity with Law:

In SHRM, following all applicable labour rules and regulations is of the utmost importance. Human resources experts should monitor developments in the law and check that their organisations' policies and procedures adhere to all relevant statutes and rules (Salehi, 2013).

An important part of SHRM is making sure that everyone follows the rules when it comes to labour. It is the responsibility of human resources professionals to keep themselves apprised of legislative developments and to check that HR policies and procedures comply with all relevant statutes and rules.

Review of Literature:

- Minbaeva & Navrbjerg, (2023) This article examines the open questions in strategic human resource management (SHRM) to help direct future SHRM studies in the face of ecological disasters. The study provides recommendations for future studies that will steer debates over SHRM's contribution to bolstering businesses' capacity to withstand environmental shocks.
- Yu, Yuan, Han, Li, & Li, (2022) This research aims to better understand the impact of strategic human resource management on organisational resilience, as well as the roles played by self-efficacy and self-management as mediators and moderators, respectively. The findings demonstrated that strategic HRM may successfully contribute to organisational resilience. This research examines organisational resilience from the angle of SHRM and finds confirmation that this approach may help Chinese businesses become more resilient.
- Li, Zhang, & Yan, (2022) Organizational competitiveness may be boosted through listening to and encouraging innovative behaviour from staff members. Organizations need to give different reward, feedback, and supporting programmes to encourage workers to contribute good advice and unique ideas. Using a combination of the social exchange and social cognitive theories, this research shows evidence supporting the claim that sound HRM practises have a positive impact on worker self-efficacy, psychological contract, voice behaviours, and innovation behaviours.
- Nafari & Rezaei, (2022) Today, hospitals need to maximise their organisational performance to gain an edge in a health business that is both complicated and continuously evolving. The purpose of this research was to examine how balanced scorecard-based HR policies affect business outcomes. Human resources methods (including staff training and development plan, staff pay & reward strategy, and compensation strategy) may be considered by hospital management to enhance hospital performance.
- Osman, Jalil, & Kabir, (2022) Human resource management has evolved to include a number of related ideas and practises, such as strategic human resource management (SHRM), human capital management (HCM), and talent management (TM). This paper's primary objective is to investigate what SHRM, HCM and TM are and how they might be used in a business environment. This study would clarify the meaning of these notions by elucidating their operational nature, breadth, significance, and applicability.
- Hermansyah, Tukiran, Herlina, & Andrianto, (2022) This study applied a qualitative descriptive approach to three recent publications for a literature evaluation of journals included in the SCOPUS database. The findings demonstrate that researchers often use the resource-based view (RBV), the social exchange theory (SET), and human capital theories (HCT), to draw connections between SHRM, corporate performance, human capital, and competitive advantage. They all show that vertical and horizontal alignment of HR practices is crucial and point out research needs in the field of SHRM.
- Phiri & Phiri, (2022) The focus of this research was to determine how strategic HRM practises affect business success. All human resource management methods were found to have an association with organisational performance in the National Assembly of Zambia. Organizational performance

was shown to be negatively impacted by resourcing, and marginally positively impacted by organisation. There was a direct correlation between investment in employee learning and development, management of employee performance and compensation, and the success of businesses.

- Choudhary, Ovais, Pachouri, & Batra, (2021) The varied levels of performance among workers are a significant obstacle for most companies. Researchers have been interested in HRM's history, its widespread application in businesses, and the novel approaches that have proven effective in retaining valuable employees. Organizational transformation is reflected in the current research. Human resources strategies, such as HR planning, were examined in this research to reveal their effect on employee productivity. It was shown that HR planning had a noticeable effect on employee productivity.

- Castro, de Araújo, Ribeiro, Demo, & Meneses, (2020) SHRM is recognised as an important area of study and application in the discipline of business administration. SHRM may be vertically, the link between HRM practises and worldwide strategy, and horizontally, the harmony between different types of HRM. Considering the developing research gaps in the sector, we created a sociogram depicting Brazil's research connection networks and a bibliometric analysis of Brazilian journals in the field of business administration. In the 32 papers we looked at, only 19 articles focused on SHRM's implementation between 1997 and 2017. According to the situation, SHRM is still a topic of discussion and development in Brazil.

- Muriithi & Tadesse, (2018) The purpose of this research was to examine the National Insurance Corporation of Eritrea to determine the extent to which strategic human resource management approaches have impacted the organization's perceived performance. Research showed that the company supported some SHRM practises, but failed to systematically apply them due to a lack of official rules and standards and a documented strategy. There is also the issue of staff mobility and lack of highly qualified personnel. The company also has issues with its motivation and performance management.”

Research Gap:

The review of prior research works stated that there is no study till date that explore factors of strategic human resource management till date. Therefore, present study made an attempt and explored factors that influence SHRM practices in Indian IT Companies.

Objectives of the study:

- To identify factors influencing Strategic Human resource management practices in Indian IT Companies.
- To quantitatively assess factors influencing Strategic Human resource management practices in Indian IT Companies.

Research Methodology:

The existing study aims to find out factors that affect Strategic human resource management. The present research is exploratory and primary in nature. The respondents of the study are the employees of the Indian IT companies. The sample size of the study is 384 respondents. The self-structured questionnaire was constructed and responses obtained on Likert scale. The selected variables

understudy was Social and economic environment, Technological change, Leadership styles, Organisational culture, Skills set of Employees, Manpower requirements and Organisational Structure.

Result and Discussion:

Table 1: Reliability Statistics

Reliability Statistics	
Cronbach's Alpha	N of Items
0.714	7

According to Table 1, which detailed the study's reliability data, the estimated Cronbach Alpha value is .714 (N=7), which is higher than the permissible threshold limit of 0.60. As a result, the interdependence of the existent factors has been shown.

Table 2: Descriptive Statistics

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
Organisational Structure	384	1	5	4.13	.877
Skills set of Employees	384	1	5	4.09	.900
Leadership styles	384	1	5	4.33	.826
Manpower requirements	384	1	5	4.15	.812
Organisational culture	384	1	5	3.82	.962
Technological change	384	1	5	3.22	1.140
Social and economic environment	384	1	5	4.51	.723
Valid N (listwise)	384				

According to Table 2, which presents the descriptive statistics of the research, the most important elements influencing strategic human resource management are the social and economic environment (Mean=4.51 and standard deviation=.723) and leadership styles (Mean=4.33 and standard deviation=.826). Considered the least significant element under investigation was technological change (Mean =3.22 and Standard deviation=1.140).

Table 3: One Sample Statistics

One-Sample Statistics				
	N	Mean	Std. Deviation	Std. Error Mean
Organisational Structure	384	4.13	.877	.045
Skills set of Employees	384	4.09	.900	.046
Leadership styles	384	4.33	.826	.042

Manpower requirements	384	4.15	.812	.041
Organisational culture	384	3.82	.962	.049
Technological change	384	3.22	1.140	.058
Social and economic environment	384	4.51	.723	.037

Table 3 analysed the one sample statistics of the study related to factors affecting Strategic human resource management and documented that social and economic environment (Mean=4.51 and Standard deviation=.723 and standard error=.037) followed by leadership styles (Mean=4.33 and standard deviation=.826 and standard error=.042) are the prime factors affecting Strategic human resource management. Technological change (Mean =3.22 and Standard deviation=1.140 and standard error=.058) found to be least affecting factor understudy.

Table 4: One-Sample t Test

One-Sample t Test						
	Test Value = 0					
	T	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
Organisational Structure	92.030	383	.000	4.125	4.04	4.21
Skills set of Employees	88.974	383	.000	4.086	4.00	4.18
Leadership styles	102.804	383	.000	4.331	4.25	4.41
Manpower requirements	100.112	383	.000	4.148	4.07	4.23
Organisational culture	77.803	383	.000	3.820	3.72	3.92
Technological change	55.335	383	.000	3.219	3.10	3.33
Social and economic environment	122.173	383	.000	4.505	4.43	4.58

Table 4 analysed the t test statistics of the study related to factors affecting Strategic human resource management and documented that social and economic environment (t=122.173) followed by leadership styles (t=102.804) are the prime factors affecting Strategic human resource management. Technological change (t=55.335) found to be least affecting factor understudy.

Table 5: Correlation Analysis

Correlations								
		Organisational Structure	Skills set of Employees	Leadership styles	Manpower requirements	Organisational culture	Technological change	Social and economic environment

Organisational Structure	Pearson Correlation	1	.405**	.224**	.375**	.361**	.265**	.366**
	Sig. (2-tailed)		0.000	0.000	0.000	0.000	0.000	0.000
	N	383	383	383	383	383	383	383
Skills set of Employees	Pearson Correlation	.405**	1	.267**	.290**	.226**	.208**	.286**
	Sig. (2-tailed)	0.000		0.000	0.000	0.000	0.000	0.000
	N	383	384	384	384	384	384	384
Leadership styles	Pearson Correlation	.224**	.267**	1	.382**	.160**	0.087	.328**
	Sig. (2-tailed)	0.000	0.000		0.000	0.002	0.090	0.000
	N	383	384	384	384	384	384	384
Manpower requirements	Pearson Correlation	.375**	.290**	.382**	1	.271**	.230**	.361**
	Sig. (2-tailed)	0.000	0.000	0.000		0.000	0.000	0.000
	N	383	384	384	384	384	384	384
Organisational culture	Pearson Correlation	.361**	.226**	.160**	.271**	1	.293**	.262**
	Sig. (2-tailed)	0.000	0.000	0.002	0.000		0.000	0.000
	N	383	384	384	384	384	384	384
Technological change	Pearson Correlation	.265**	.208**	0.087	.230**	.293**	1	.132**
	Sig. (2-tailed)	0.000	0.000	0.090	0.000	0.000		0.010
	N	383	384	384	384	384	384	384
Social and economic	Pearson Correlation	.366**	.286**	.328**	.361**	.262**	.132**	1

environm ent								
	Sig. (2- tailed)	0.000	0.000	0.000	0.000	0.000	0.010	
	N	383	384	384	384	384	384	384
**. Correlation is significant at the 0.01 level (2-tailed).								

Table 5 analysed the correlation analysis of the study and documented that all the selected factor in the study having estimated value lies between -1 to +1 and also having significance value 0.000 which is less than the acceptable threshold limit of .005. Therefore, all the existing factors are having positive correlation with each other.

Table 6: Regression Analysis (Model Summary)

Model Summary									
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. Change
1	.356 ^a	.308	.394	.881	.208	14.096	7	375	.000

a. Predictors: (Constant), Social and economic environment, Technological change, Leadership styles, Organisational culture, Skills set of Employees, Manpower requirements, Organisational Structure

Table 6 analysed the Regression analysis and documented that R square and R value is close to each other and greater than 30%. Also, significance F value is 0.000 which is less than the acceptable threshold limit of 0.005. Hence, dependent variable (factors affecting SHRM) is significantly influenced from independent variables (Social and economic environment, Technological change, Leadership styles, Organisational culture, Skills set of Employees, Manpower requirements, Organisational Structure).

Table 7: ANOVA

ANOVA^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	76.510	7	10.930	14.096	.000 ^b
	Residual	290.775	375	.775		
	Total	367.285	382			

a. Dependent Variable: Factors affecting SHRM
b. Predictors: (Constant), Social and economic environment, Technological change, Leadership styles, Organisational culture, Skills set of Employees, Manpower requirements, Organisational Structure

Table 5 analysed the ANOVA analysis and documented that significance F value is 0.000 which is less than the acceptable threshold limit of 0.005. Hence, dependent variable (factors affecting SHRM) is significantly influenced from independent variables (Social and economic environment, Technological change, Leadership styles, Organisational culture, Skills set of Employees, Manpower requirements, Organisational Structure).

Conclusion:

SHRM is a fundamental and ever-changing method of managing a company's most important asset: its people. A number of important aspects that add to SHRM's relevance in modern organisational practises have been highlighted in the literature.

Harmony with the Overarching Business Plan:

HR procedures must be in sync with the organization's overarching strategic goals and objectives, according to SHRM. By bringing everyone on the same page, we can make sure that our human resources are working towards the same goals as the rest of the company.

The Role of Talent in Business Success:

Gaining a competitive edge is emphasised in the literature on talent management time and time again. Recognizing that talented and motivated workers provide a company a competitive edge in the long run, SHRM places a premium on finding, developing, and keeping top talent.

Participation and Contentment among employees:

The importance of happy and engaged employees to a company's performance is something that SHRM has long acknowledged. Innovation, customer satisfaction, and productivity all take a good turn when staff is engaged. The literature delves into methods for making the workplace more pleasant and encouraging a culture where employees are appreciated.

Making Decisions Based on Data:

Technology has made HR metrics and analytics an essential part of SHRM. Organizations may gauge the success of HR programmes, foresee changes in the workforce, and make educated strategic choices with the help of data-driven decision-making, according to the literature.

Flexibility in the Face of Innovation and Change:

Research published by SHRM examines HR's function in facilitating innovation and overseeing organisational transformation. Ability to adapt to change and foster a culture of innovation are critical in today's fast-paced corporate world, and human resources plays a key part in making these things happen.

Diversity in an Interconnected World:

In today's increasingly worldwide business environment, the SHRM literature delves into the many aspects of managing a multicultural workforce, including the advantages and disadvantages of doing so. For SHRM to be successful, it must take cultural sensitivity, diversity, and inclusion into account.

Important Moral Factors:

The literature highlights the ethical aspects of SHRM, stressing the significance of equitable labour practises, diversity and inclusion, and data ethics. To create a responsible and long-lasting company culture, ethical issues are considered essential.

Fundamentally, SHRM is more than a collection of procedures; it's a way of thinking about strategy that acknowledges the importance of people in accomplishing company objectives. Firms face complicated and ever-changing environments. SHRM offers a framework to help organisations optimise employee contributions, stimulate innovation, and stay competitive in the global marketplace. Adapting to the difficulties of the future of work, SHRM will continue to be an important subject of research and practise due to the continuing growth of technology, globalisation, and workforce dynamics.

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