



International Journal of Organizational Analysis

Is double fit a sufficient condition for SHRM success?: The missing link between intended and implemented HRM strategy

Natalia Garcia-Carbonell Fernando Martin-Alcazar Gonzalo Sanchez-Gardey

Article information:

To cite this document:

Natalia Garcia-Carbonell Fernando Martin-Alcazar Gonzalo Sanchez-Gardey , (2015), "Is double fit a sufficient condition for SHRM success?", International Journal of Organizational Analysis, Vol. 23 Iss 2 pp. 264 - 284

Permanent link to this document:

<http://dx.doi.org/10.1108/IJOA-01-2013-0638>

Downloaded on: 10 November 2016, At: 02:45 (PT)

References: this document contains references to 96 other documents.

To copy this document: permissions@emeraldinsight.com

The fulltext of this document has been downloaded 603 times since 2015*

Users who downloaded this article also downloaded:

(2014), "SHRM: alignment of HR function with business strategy", Strategic HR Review, Vol. 13 Iss 4/5 pp. - <http://dx.doi.org/10.1108/SHR-03-2014-0023>

(2005), "Relationship between strategic human resource management and firm performance: A contingency perspective", International Journal of Manpower, Vol. 26 Iss 5 pp. 434-449 <http://dx.doi.org/10.1108/01437720510615125>

Access to this document was granted through an Emerald subscription provided by emerald-srm:563821 []

For Authors

If you would like to write for this, or any other Emerald publication, then please use our Emerald for Authors service information about how to choose which publication to write for and submission guidelines are available for all. Please visit www.emeraldinsight.com/authors for more information.

About Emerald www.emeraldinsight.com

Emerald is a global publisher linking research and practice to the benefit of society. The company manages a portfolio of more than 290 journals and over 2,350 books and book series volumes, as well as providing an extensive range of online products and additional customer resources and services.

Emerald is both COUNTER 4 and TRANSFER compliant. The organization is a partner of the Committee on Publication Ethics (COPE) and also works with Portico and the LOCKSS initiative for digital archive preservation.

*Related content and download information correct at time of download.

Is double fit a sufficient condition for SHRM success? The missing link between intended and implemented HRM strategy

Natalia Garcia-Carbonell, Fernando Martin-Alcazar and
Gonzalo Sanchez-Gardey

Business Management Department, University of Cádiz, Cádiz, Spain

Abstract

Purpose – This paper aims to discuss the association between human resource management and performance from a process perspective, differentiating intended and implemented vertical and horizontal fit. Although researchers have examined deeply the relationship between these constructs, extant literature demonstrates inconclusive results. Previous studies have stressed the strategic importance of vertical and horizontal fit from a prescriptive view. Nevertheless, a deeper understanding, focused on management processes, is needed.

Design/methodology/approach – This paper reviews and integrates two streams of strategic human resources management (SHRM) literature: the fit perspective, drawing on Martín-Alcázar *et al.*'s (2005) model, and the system strength approach, proposed by Bowen and Ostroff (2004).

Findings – The conceptual analysis developed in this paper concludes that HRM system strength mediates the effects of an aligned strategy on performance. In this sense, the paper argues that success in implementation of the HRM strategy depends on employees' perceptions about the system of policies and practices through which it is carried out. Additionally, organizational communication is considered as the mechanism to create a shared HRM meaning to translate to employees.

Practical implications – Drawing on the theoretical discussions in the paper, the following implications for HRM practice are identified: the usefulness of the system strength construct as a tool to measure employees' perceptions and anticipate potential problems at the implementation stage, the importance of organizational communication mechanisms, the relevance of formal and informal connections between HR managers and top executives and the need for specific training to promote HR managers' communicational skills.

Originality/value – This study examines the relationship between HRM and organizational performance by presenting a new model that integrates HRM strategy formulation and implementation, proposes employee perceptions concerning HRM as mediators of HRM strategy and firm performance, highlights the role of organizational communication in creating and managing shared HR messages and introduces system strength as an instrument to assess vertical and horizontal fit during implementation.

Keywords Performance, Strategic human resource management, Double fit, SHRM, System strength, Organizational performance

Paper type Conceptual paper

Authors are ordered alphabetically. The research described in this paper has been developed under the Research Project PO7-SEJ-02776, funded by the Andalusian Government (Andalusian Plan for R+D+I 2007-2013) and the Research Project ECO2011-26982, funded by the Spanish Ministry for Science and Technology (Non-oriented Fundamental Research Projects Subprogram).



1. Introduction

For decades, human resource management (HRM) researchers have tried to explain the link between HRM and performance to justify the value of human resources. This line of research has evolved rapidly in the past 30 years, but, as different scholars have pointed out, the discipline has reached a crossroad. Inconclusive results found in the empirical tests make it necessary to go a step further, and provide more complex models (Guest, 2011; Kaufman, 2010; Lengnick-Hall *et al.*, 2009). In this sense, recent reviews of the literature have revealed three main issues that limit the progress in clarifying the HRM – performance association:

- (1) lack of theoretical development;
- (2) difficulties in measuring performance; and
- (3) problems related to the methods applied to test models.

Authors such as Guest (2011), Janssens and Steyaert (2009) or Paauwe (2009) have recently stated that the effects of HRM on performance are too complex to be explained by simple and linear models. Third intervening variables are necessary to clarify how the HRM strategy is implemented and how it affects outcomes at the organizational level. In this sense, Dyer and Reeves (1995) proposed to measure how HRM affected specific variables at the individual level (attitudes, behaviours, employee satisfaction, commitment and intention to quit). This approach opened a new path for strategic human resources management (SHRM) research, in which the organizational and individual levels are combined.

Considering the above discussion, this paper tries to contribute to the debate about the HRM – performance relationship by providing a multilevel theoretical analysis, which explains how the implementation of consistently designed HR strategies can be affected by employees' perceptions of the HRM system. To do so, we start from the generic SHRM model proposed by Martín-Alcázar *et al.*'s (2005). Two theoretical approaches in the field of SHRM – the fit perspective and the literature on HRM system strength – are brought together in an attempt to explain why, in some cases, consistently designed HR strategies are not able to achieve expected results.

Figure 1 depicts the starting point of our theoretical analysis, which is based on Martín-Alcázar *et al.*'s (2005) HRM model. According to the authors, HR strategies should fulfil two conditions. First is vertical fit, highlighted by contingent and contextual literature, which offers consistency with external and organizational contexts (Brewster, 1993, 1995, 1999; Wang *et al.*, 2007; Wright *et al.*, 2001). Second is horizontal fit, defined in configurational models as the internal coherence among HR practices (Lepak and Snell, 1998, 1999; Verbarg *et al.*, 2007). By achieving both strategic conditions, HR strategies should influence organizational performance positively (Baird and Meshoulam, 1988; Golden and Ramanujan, 1985; Marchington *et al.*, 2011; Wright and Snell, 1991). Nevertheless, inconclusive results concerning this topic are common (Guest, 2011). Empirical studies suggest a need for double fit, and HR strategies that are designed consistently lead to improved organizational results (Arthur, 1994; Delery and Doty, 1996). Contrarily, other studies have reached non-significant results when exploring this effect (Schalk *et al.*, 2013; Wright *et al.*, 2001). Reviews such as Boselie *et al.* (2005) and Combs *et al.*'s (2006) suggest that although a relationship between fit and performance exists, more research is needed to clarify the reasons it occurs. As

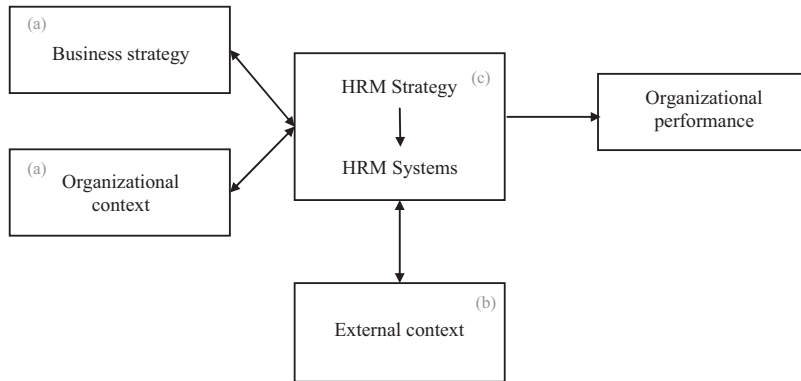


Figure 1.
Initial theoretical
model

Notes: (a) Internal vertical fit; (b) external vertical fit; (c) horizontal fit

Source: Adapted from Martín-Alcázar *et al.* (2005)

Huselid (2011) recently stated, the ways by which companies design and implement HRM systems to execute business strategies are ongoing and relevant topics to address. To explore these dynamics, a different perspective is required, emphasizing on strategic processes and adopting a multilevel point of view. In our opinion, the *HRM system strength* construct (Bowen and Ostroff, 2004) could be particularly helpful to advance in this direction. This model starts from the premise that the implementation of HR strategies is affected by the features of the HRM system. In fact, the set of policies and practices applied “send signals to employees that allow them to understand the desired and appropriate responses and form a collective sense of what is expected” (Bowen and Ostroff, 2004, p. 204). Drawing on this approach, the authors define three meta-features of the HRM system (distinctiveness, consensus and consistency). If employees share a common positive interpretation of these three dimensions, the HRM system would be perceived as strong, and the organization would have it easier to achieve the expected behaviours (Sanders *et al.*, 2008).

Bringing together literature on double fit and HRM system strength, this study elucidates the HRM – performance relationship from an alternative perspective. In this sense, the proposed model tries to contribute to previous research in this field in two ways:

- (1) by opening the *black box* to explore potential moderating variables; and
- (2) moving forward from the traditional *content* analysis to adopting a *process* perspective.

The proposed model begins with the assumption that intended fit in the design of HR strategies is a necessary but insufficient condition for SHRM success. A gap exists between what managers want to implement and executed HR practices (Khilji and Wang, 2006; Lengnick-Hall *et al.*, 2009). HR strategies that are properly designed may fail in the transition to implementation because of several moderating variables that should be considered in analysis. We present a model based on double (i.e. vertical and horizontal) strategic fit. Drawing on Martín-Alcázar *et al.*'s (2005) proposal, we introduce the perceived system strength (Bowen and Ostroff, 2004) as a moderator that explains

disparity between formulated and implemented HR strategies, and overall influences on organizational performance. The model suggests that accurate employee perceptions concerning HRM system characteristics (i.e. distinctiveness, consensus and consistency) represent a sufficient condition to ensure that intended vertical and horizontal fit are actually attained.

2. Conceptualizing vertical and horizontal fit

SHRM literature stresses the importance of internal and external consistency (Chadwick, 2010) to explain HRM outcomes. Despite the clarity of arguments for fit in the design of HRM strategies, empirical studies reach inconclusive results and the debate continues in the literature (Table I). We review the literature on these two types of fit to define elements on which the proposed model is based.

2.1 Vertical fit in the design of HRM strategy

A number of studies proposed from the *contingent* perspective (Delery and Doty, 1996) have focused on how organizations pair HR policies/practices with business strategies, as well as with organizational and external factors. In an attempt to clarify these contingent factors, Martin-Alcázar *et al.* (2005) distinguished between an internal and an external vertical fit, as it is depicted in Figure 1.

Type of fit	Authors
Vertical fit	Baird <i>et al.</i> (1983) Boon <i>et al.</i> (2009) Devanna <i>et al.</i> (1984) Golden and Ramanujan (1985) Jackson <i>et al.</i> (1989) Krishnan and Singh (2011) Liu <i>et al.</i> (2007) Lundy (1994) Marchington <i>et al.</i> (2011) Martell and Carroll (1995) Miles and Snow (1984) Schalk <i>et al.</i> (2013) Schuler and Jackson (1987) Wang and Shyu (2008)
Horizontal fit	Becker <i>et al.</i> (1997) Chadwick (2010) Delery (1998) Delery and Doty (1996) Fombrun <i>et al.</i> (1984) Kepes and Delery (2007) Kidron <i>et al.</i> (2013) Liu <i>et al.</i> (2007) Marchington and Grugulis (2000) Marchington <i>et al.</i> (2011) Wright and McMahan (1992)

Table I.
Summary of vertical
and horizontal fit
studies

Source: Own elaboration

Particularly relevant at the beginning of the contingent approach was a study presented by Baird *et al.* (1983). They argue that there is a need to match HRM to diverse contingencies as a condition for organizational efficiency. Another seminal study at the nascence of SHRM (Wright *et al.*, 2001) was conducted by Devanna *et al.* (1984), who studied the degree of alignment between formal organizational structures and HRM systems. The authors defined the HR function as a crucial mechanism to conduct business strategy. Additionally, Miles and Snow (1984) also examined vertical fit, though from a different perspective. They linked business strategies (i.e. defenders, prospectors and analyzers) to human resource configurations (build, acquire and allocate), consolidating the theoretical foundations of vertical fit. Similarly, Schuler and Jackson (1987) analyzed the employee behaviours required to develop each of the three Porter's (1980) strategic types (innovation, quality-enhancement and cost reduction). They also studied how HR practices should be defined in each case, concluding that HR requirements depend on the type of strategy applied. The majority of these studies assume coherence between organizational objectives and HRM strategy orientation, reinforcing the notion of vertical fit (Allen and Wright, 2007; Delery and Doty, 1996; McMahan *et al.*, 1999).

Golden and Ramanujan (1985) contributed to the debate about vertical fit, suggesting four kinds of links between business and human resource strategies:

- (1) an administrative view of HR in which the function does not assume a strategic role;
- (2) a one-way link between business and HRM strategy (Delery and Doty, 1996; Devanna *et al.*, 1984; Dyer, 1984; Mirvis, 1985; Schuler and Walker, 1990);
- (3) a bidirectional and reciprocal relationship between both strategies (Lengnick-Hall and Lengnick-Hall, 1988); and
- (4) whole integration of HR in the strategic process.

These four situations describe the evolution of the relationship between business strategies and HR policies, from a stage in which human capital is not a strategic factor to complete integration, which considers human resources to be an essential element in strategy design. Golden and Ramanujan's (1985) links describe a process in which the role of HR changes, becoming more important and strategic at every step. To achieve the last level of integration, the role played by HR executives is particularly relevant because their participation as members of top management is crucial to creating an HRM strategy that is consistent with business strategy (Caldwell, 2008; Green *et al.*, 2006; Krishnan and Singh, 2011; Lawler *et al.*, 2006; Martell and Carroll, 1995).

Following total integration of HRM and business strategy, Hendry and Pettigrew (1990) criticise the classic, unidirectional view of vertical links. They posit that HR strategies should be proactive to contribute to the strategic process directly and consider links between structure, culture and HRM. Gratton *et al.* (1999) explain that the complexity and sophistication of vertical and reciprocal fit allows researchers to better examine the role of HRM in organizational scenarios. To explore this reciprocal fit, they argue the need to consider *time* as a relevant dimension of strategic fit. As Gratton *et al.* (1999, p. 21) stated, a temporal perspective "is a particularly crucial aspect of people strategies because the time cycles for people resources are considerably longer than those for financial or technological resources". From a different point of view,

Wang and Shyu (2008) espouse complete integration of human resources in strategic planning. They found a positive and direct impact of vertical fit on the effectiveness of HRM effectiveness and labour productivity. Additionally, they studied how HRM effectiveness affects organizational performance, concluding that this relationship is moderated by the strategic fit. Similarly, Chow *et al.* (2008) showed that synergistic interactions between HR configurations and business strategy explain financial profit and sales growth. This result is consistent with Martín-Alcázar *et al.*'s (2005) assumptions about the bidirectional sense of the link between business strategy and HRM system, which reflects the dynamic nature of SHRM. As these authors mention, the HR function should be understood as "an evolving process, not only of adaptation but also of proactive change" (Martín-Alcázar *et al.*, 2005, p. 652).

As noted, most studies focus on business strategy to explain vertical fit, but other factors influence HR practices; the literature highlights internal organizational aspects such as firm size and structure, technology and innovation orientation (Jackson and Schuler, 1995; Jackson *et al.*, 1989) and organizational lifecycle (Jackson and Schuler, 1995). A third group of variables with which HRM strategy should be consistent relates to external contextual influences. Jackson and Schuler's (1995) model is particularly relevant in this sense, as it identifies variables related to the legal, social, political and cultural context that should be introduced in HRM studies. More recently, Boon *et al.* (2009) conducted a comparative case study to examine the way in which institutional pressures determine HRM. Their findings revealed that organizational responses to institutional pressures are more decisive in shaping HRM systems than the institutional context itself. From a different point of view, Marchington *et al.* (2011) explored the influence that inter-organizational relationships have on the design of HRM strategies.

A number of variables influence vertical fit, suggesting the complexity of the strategic process. Nevertheless, this study only considers the organizational dimension of fit (Wood, 1999) by considering alignment between HRM and business strategy (Chadwick, 2010). By doing so, we focus on one of the most important strategic variables in SHRM literature – business strategy – and its coherence with HRM systems.

2.2 Horizontal fit in the design of HRM strategy

As Figure 1 shows, horizontal fit refers to the consistency between the components of the HRM system (policies and practices). It measures the extent to which the different HRM initiatives interrelate, reinforcing each other to achieve strategic synergies (Chadwick, 2010; Liu *et al.*, 2007; Samnani and Singh, 2013). This argument draws on the idea that a group of HR practices must be connected and complemented internally to work efficiently (Martín-Alcázar *et al.*, 2005). These consistent sets of HR practices are called bundles, systems or HR configurations in research (Arthur, 1992, 1994; Delery and Doty, 1996; MacDuffie, 1995). This approach to the analysis of HR strategies, named as configurational by Delery and Doty (1996) assumes that individually, HR practices do not contribute to organizational results. To the contrary, a coherent combination of practices must be designed strategically to build an HRM system capable of taking advantage of synergies and improving business strategic development (Benson and Lawler, 2003; Marchington and Grugulis, 2000; Wright and McMahan, 1992).

In the past three decades, various studies have explored horizontal fit. Fombrun *et al.* (1984) explained fit as alignment between HRM systems to obtain desired behaviours from employees. Wright and McMahan (1992) explored internal fit between HR

practices and its influences on firm success. [Delery and Doty \(1996\)](#) described the *configurational* approach explicitly, suggesting a need for internal consistency of HRM systems and the synergies resulting from the fit. [Delery \(1998\)](#) and [Kepes and Delery \(2007\)](#) demonstrate positive consequences of synergies in the design of HRM strategy. The authors identify four types of internal fit drawing on a multi-level conceptualization of HRM systems. Trying to capture the complexity of this strategic process, [Kepes and Delery \(2007\)](#) distinguish between the within-HRM system vertical fit, inter-HRM activity area fit, intra-HRM activity area fit and between-HRM system fit. [Lepak and Snell \(1999, 2002\)](#) propose an HR architectural model that circumscribes four configurations for managing diverse employees that considers the strategic value and uniqueness of human capital. Each configuration includes HR practices that are consistent with each combination of human capital characteristics and each employment mode. [Stavrou and Brewster \(2005\)](#) analyse the European context, describing 15 HR bundles, among which, six showed positive effects on performance. [Marchington et al. \(2011\)](#) found that the role of line managers and the influence of divergent HRM policies implemented by disparate partners of a multiemployer network are two factors that hinder horizontal fit.

Trying to go a step beyond in the analysis of internally consistent HR configurations, authors have described the different types of interactions among HR practices. In this sense, [Becker et al. \(1997\)](#) and [Delery \(1998\)](#) distinguished between:

- (1) additive interactions in which the effects of practices are just summed up; and
- (2) interactive relationships, considering dependence among practices of which there are three subtypes:
 - alternative relationships in which several practices have similar results and, therefore, should not be developed simultaneously;
 - positive synergies in which practices produce positive effects, reinforcing each other; and
 - negative synergies in which practices hinder mutual effects.

More recently, [Jiang et al. \(2012\)](#) reviewed the components of HRM and identified different links between practices at diverse levels of the HRM system. Drawing on the ability – motivation – opportunity theory, they provide an alternative approach to measure the outcomes of the HRM system.

Based on our literature review about double fit, we can conclude that the majority of studies in this field have focused on testing the strategic importance of vertical and horizontal consistency. Reviewing the references included in [Table I](#), we find comparatively fewer studies explaining the elements that influence firms' capability to implement fitted HR strategies. In this sense, [Azmi \(2011\)](#) and [Samnani and Singh \(2013\)](#) have recently stated that to fully understand double fit, it is necessary to analyse it from a process perspective. This line of research could help us to understand why consistently designed HR strategies fail at the implementation stage. With this aim in mind, in the next sections of the paper, we will propose an alternative theoretical model, in which we will try to explain how the implementation of HR strategies is affected by variables at the individual level, related to employees' perceptions about HR contents.

3. Moderation of employee perceptions concerning HRM system strength

There appears to be consensus on conceptualizations of vertical and horizontal fit (Chow *et al.*, 2008; Marchington *et al.*, 2011; Stavrou and Brewster, 2005; Verburg *et al.*, 2007; Wang and Shyu, 2008), but most studies follow a prescriptive focus, which is insufficient to analyse the strategic implications of these processes completely. Many researchers noted recently that further theoretical development and empirical evidence are necessary to explain why fitted HRM strategies do not influence organizational performance (Becker and Huselid, 2006; Gratton *et al.*, 1999; Guest, 2011; Marchington *et al.*, 2011). In our case, Bowen and Ostroff's (2004) system strength is helpful when explaining disparities between designed HRM strategies and implemented HRM systems. Several studies use Bowen and Ostroff's (2004) arguments to explain the link between HRM and firm performance (Guest and Conway, 2011; Li *et al.*, 2011; Sanders *et al.*, 2008). The system strength model can be a more sophisticated and systematic tool to go a step further in vertical and horizontal fit research and avoid previous inconsistent and inconclusive results (Guest, 2011).

To understand how Bowen and Ostroff's (2004) system strength construct moderates the consequences of double fit, we have explored its internal composition. The introduction of this variable in the proposed model allows us to explain deeper those conditions under which HR strategies contribute to organizational performance (Baron and Kenny, 1986; Wu and Zumbo, 2008).

In doing so, we build our theoretical model by discussing two main aspects:

- (1) the link between each of the meta-features of the HRM system strength construct and the dimensions of double fit; and
- (2) the importance of employees' perceptions of HR practices, and the role played by organizational communication in creating a shared HRM meaning.

As it will be explained below, if the HRM system is consistently designed (both at the vertical and horizontal dimensions), and it is appropriately communicated, it will be perceived by employees as *strong* (Figure 2). As Bowen and Ostroff (2004) explain, a strong system is necessary for the implementation of HR strategies, as it promotes commitment and involvement, and helps to align individual and organizational goals.

Bowen and Ostroff (2004) explain that three features define system strength: distinctiveness, consensus and consistency. All must converge to achieve a strong HRM system. Employee perceptions of HR practices depend on HRM system characteristics, and these perceptions drive behaviours. Jackson and Schuler (1995) argue that SHRM influences organizational performance by encouraging required employee behaviours,

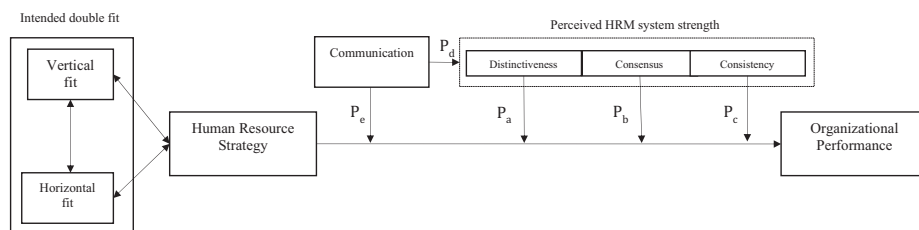


Figure 2.
The moderating role
of employees'
perceptions on HRM
system strength

Source: Own elaboration

so HRM system perceptions influence the effectiveness of HR strategies strongly. [Bowen and Ostroff \(2004\)](#) argue that a positive shared vision related to an HRM system creates a strong internal climate. Strong HRM systems send clear messages to employees, creating unambiguous psychological meaning of work ([Rousseau, 1995](#)), so employee behaviours are more likely aligned with organizational objectives ([Bowen and Ostroff, 2004](#); [Weick, 1995](#)). To explore the ways in which this process occurs, each dimension of system strength is analyzed, paying special attention to the way each influences fitted HRM strategy implementation.

Distinctiveness is the degree to which an element attracts attention, stands out and creates interest. To measure this dimension in the context of HRM strategies, [Bowen and Ostroff \(2004\)](#) propose four indicators: visibility, understandability, authority legitimacy and relevance. An HRM system is visible when employees observe it and get information about it easily. This is a relevant aspect in employee interpretation because it determines the cognitive processes by which individuals receive HR messages ([Tajfel, 1968](#)) and understand cause – effect relationships derived from elements in the HRM system ([Taylor and Fiske, 1978](#)). Understandability is the extent to which employees comprehend the HRM content. If an HRM system meets this condition, employee interpretations are unambiguous; HRM signals are concrete and clear, and there is only one accurate and shared interpretation concerning them ([Feldman, 1981](#); [Stanton et al., 2010](#)). Legitimacy links with status and credibility of HR. Literature highlights the role top managers play, as perceived importance of HR depends on top executive beliefs and attitudes toward the strategic value of human capital ([Mitsuhashi et al., 2000](#); [Ostroff, 1995](#)). The fourth indicator, which relates to distinctiveness, is relevance, and is the degree to which employees consider human capital and HRM strategic factors ([Kelman and Hamilton, 1989](#)).

Drawing on the indicators defined above, we can conclude that the distinctiveness dimension is principally related to vertical fit. In fact, its indicators measure different aspects of the strategic contribution of the HR function within organizations. As [Golden and Ramanujan \(1985\)](#) explained, to integrate the HR function in strategic planning processes, organizations must first understand the contribution of HRM and how it is linked to business strategy. Our review of the role played by employee perceptions suggests that to influence organizational performance, HRM strategies require something more than consistent design; employees must perceive strategic value and coherence. In these situations, HRM should be appreciated as a relevant function that develops clear policies and practices that link to strategic development. Organizations must ensure employees know and understand both the role played by HR and what they can expect from them. Besides being conscious of the existence of HR, employees must understand easily how HR practices work to guide employees' behaviours and the meaning of their content. Perceptions of HR practices will be useful to explain HRM success ([Kehoe and Wright, 2013](#)), clarifying those conditions under which HR strategies are able to improve the organizational performance. Only if a system demonstrates these attributes, will organizations be able to take advantage of a vertically fit HRM strategy.

These arguments imply that not only distinctiveness is required in the HRM strategy definition. Additionally, the way in which employees observe and understand HRM strategies will be a determinant factor to correctly implement HR practices. According to previous discussion, we introduce in the model the following proposition ([Figure 2](#)):

Pa. Employee perceptions of distinctiveness of an HRM system benefit implementation of HRM strategies.

Intended and
implemented
HRM strategy

Regarding the second dimension, consensus, [Bowen and Ostroff \(2004\)](#) propose two indicators:

- (1) level of agreement among key HR decision-makers; and
- (2) a system's perceived fairness.

273

Agreement is achieved when top managers and HR executives discuss strategic objectives and formulate HR strategies through collaborative decision-making. Perceived agreement among internal agents responsible for creating HRM strategies reinforces messages concerning HRM, fostering organizational consensus ([Fiske and Taylor, 1991](#)). [Bowen and Ostroff \(2004\)](#) argue that fairness is employee perceptions concerning an HRM system's capacity to respond to various dimensions of justice. Distributive fairness relates to evaluations of outcomes, procedural fairness focuses on implemented processes to achieve results, and interactional fairness is based on communication and explanations of procedures and results ([Bowen et al., 1999](#)). Research demonstrates that perceived fairness influences strongly the ability of an HRM system to motivate employee behaviours. Fairness links directly to system acceptance and the extent to which an organization uses HRM policies and practices to align individual and organizational objectives ([Waldman and Bowen, 1998](#)).

Thus defined, consensus is also closely related to vertical fit. The alignment between HRM and business strategy also fosters agreement between HR decision-makers on HR meanings. In these situations, HR messages sent by top managers, HR executives and middle managers will be coherent, and employees will perceive that managers share the same vision concerning the HR strategy. Therefore, it will be easier for an organization to foster an exchange of knowledge and information to identify and solve problems at various levels ([Delmotte et al., 2012](#)). Agreement on HR issues facilitates transition from HR formulation to implementation, ensuring all agents receive accurate and consistent information.

On the other hand, if criteria applied to define and implement HR policies and practices are perceived as fair, it is much easier for an organization to establish common objectives and orient manager and employee behaviours toward them. [Kepes and Delery \(2007\)](#) suggest perceived fairness influences employee commitment to an organization strongly.

The *consensus* dimension of HRM system strength also helps us to understand the conditions under which vertical fit should be implemented. Similarly to distinctiveness, we propose that the intended level of consensus in the HRM design will not be sufficient to obtain HR practices objectives. It is necessary that employees clearly notice that the HRM system is the result of a consensual and deliberative process. Perceived consensus among HR decision-makers influences the way employees interpret and respond to HR policies and practices. Following this reasoning, this proposition is introduced in [Figure 2](#):

Pb. Employee perceptions of consensus of an HRM system benefit implementation of HRM strategies.

The last dimension, consistency, moderates consequences of horizontal fit. According to [Bowen and Ostroff's \(2004\)](#) definition, this meta-feature considers three attributes: instrumentality, validity and coherence. Consistency refers to the extent employees perceive that implemented HR policies result from past and deliberated strategic decision-making. Instrumentality relates to perceptions of non-ambiguity of cause – effect relationships between HRM policies and practices, and their effects on employees ([Kelley, 1967](#)). This indicator also assesses employee perceptions of HRM usefulness, and to achieve this, organizations must juxtapose implementation of HR practices and resulting behaviours. Validity conveys the correct design of HR practices in terms of expected effects ([Fiske and Taylor, 1991](#)). If employees perceive internal consistency among HR practices, HRM system strength improves ([Delery and Doty, 1996](#); [Wright and McMahan, 1992](#)), further augmenting organizational performance ([Wright et al., 1994](#)). Additionally, consistency represents coherence of HR messages. Coherence is achieved when employees perceive that messages sent by HRM systems are compatible and stable. Lack of coherence provokes disparate interpretations of the messages ([Kepes and Delery, 2007](#)). To avoid this, strong links among HR policies are needed, reinforcing the meanings of HR information to create shared understanding of the system ([Kepes and Delery, 2007](#)).

The indicators measuring *consistency* represent those features of the HRM system required to ensure synergistic effects of HR practices. Because of this reason, the proposed model links *usefulness*, *functioning* and *internal coherence* to horizontal fit ([Figure 2](#)). Nevertheless, drawing on the above discussion, we conclude that something more than a consistent internal design is necessary to influence organizational performance. Employees must perceive and understand that an HRM system can influence their behaviours, and that this fact is positive for organizational success. Organizations must also ensure that employees perceive an HRM system as an internally coherent bundle of policies and practices that is stable ([Delmotte et al., 2012](#)). Different HR practices have varying effects on employee perceptions and behaviours. An HRM strategy should be implemented through a synergistic system of policies and practices oriented to strategic organizational goals, avoiding conflicting messages and negative consequences of practices that are unaligned ([Samnani and Singh, 2013](#)). Considering the logic of these arguments, we define the following proposition:

Pc. Employee perceptions of consistency of an HRM system benefit implementation of HRM strategies.

Apart from the explained relationships between double strategic fit and dimensions of system strength, we also conclude that vertical and horizontal fit relate intrinsically and should not be considered unconnected conditions. As a consequence of this, distinctiveness, consensus and consistency of the HRM system will also be interrelated ([Bowen and Ostroff, 2004](#); [Delmotte et al., 2012](#)). If organizations wish to foster employee behaviours oriented toward firm objectives, coherent HR practices are required. As [Bowen and Ostroff \(2004\)](#) explained, a consistent set of practices promotes the distinctiveness and consensus of the HRM system. [Delmotte et al. \(2012, p. 1,501\)](#) argue that “if all HR practices are aligned with the same strategic goals (vertical fit), the consistency between these HR practices (horizontal fit) will also increase”. Similarly, [Ridder et al. \(2013\)](#) have recently argued that firms’ strategic orientations are necessary inputs for the internal design of HR architectures. The best way to ensure disparate

HRM initiatives are coordinated is by connecting them through common objectives. To build a highly consistent and synergistic HRM system, organizations need to use business strategies as basic reference points (Delery and Doty, 1996). This view of the double fit condition accords with the integrative and holistic vision of HRM adopted in this paper (Figure 1). We assume both fits must work simultaneously because one (vertical fit) is the basis of the other (horizontal fit).

Implicit in the above discussion is the importance of organizational communication in the transition from HRM strategy formulation to implementation (Figure 2). Communication processes are particularly relevant to create and manage HRM meanings that will be translated to employees, affecting their perceptions of the HRM system (Stanton *et al.*, 2010). As Nishii *et al.* (2008) explained, efficient communication can help organizations to obtain desired employee behaviours, and clarify what is expected from them to carry out the business strategy (Nishii *et al.*, 2008). Nevertheless, organizational communication is not only important to guide employees' perceptions but it also helps line managers to implement practices, by providing consensual and coherent HRM messages. In these situations, it will be easier to build shared understanding about the HRM system, avoiding gaps between intended HR strategies and implemented practices (Kehoe and Wright, 2013). To introduce this last effect in the model, we propose the following:

- Pd.* Communication of HRM contents and processes improves employee perceptions of the HRM system.
- Pe.* Efficient communication processes facilitate HR strategies implementation, improving organizational performance.

Drawing on the above discussion, we propose an alternative model to explain the HRM–performance relationship, which is depicted in Figure 2. By introducing employees' perceptions in previous SHRM models (Martín-Alcázar *et al.*, 2005), we try to respond to Guest (2011) and Lengnick-Hall *et al.*'s (2009) calls for deeper analyses concerning relationships between HRM strategies and organizational performance. In this sense, the proposed model starts from the premise that the effects of double fit in the design of HRM strategies depend on how the intended strategy is perceived by employees. To orient employee behaviours toward organizational goals, employees must perceive the HRM system as a distinct, consensual and consistent bundle of practices. As it was explained before, the two fit processes (vertical and horizontal) need to be simultaneously developed, as they are closely related. As Delmotte *et al.* (2012) explained, horizontal fit needs to be built on the basis of a vertically aligned system. Therefore, perceptions of consistency, distinctiveness and consensus are interdependent, making the implementation of HR strategies more complex than expected. For instance, the implementation of a consistent HRM strategy (horizontal fit) can fail if employees do not perceive the HRM system as being distinct and consensual (vertical fit). Similarly, a vertically fitted strategy will never impact organizational performance if it is not implemented through a consistent set of HR practices. Trying to explain these complex dynamics, the model distinguishes:

- the HR formulation process, in which managers propose an intended HRM strategy with a theoretical degree of double fit; and
- HR implementation, in which line managers execute HR practices.

A gap between these two strategic stages (formulation and implementation) exists, making expected alignment unreachable through HRM strategy. According to our model and propositions, this gap can be explained partially by employee acceptance of HRM systems, a necessary condition to implement fitted HR strategies. Drawing on our review of the literature, we also conclude that the extent to which the organization is able to implement a consistently designed strategy will depend on its capabilities to communicate HR practices accurately and effectively.

4. Conclusions and implications

The purpose of this paper is to contribute to extant literature concerning the HRM – performance relationship by analyzing why aligned HR strategies do not always influence organizational performance. To address this problem, we review vertical and horizontal fit literature, adopting the integrative perspective suggested by [Martín-Alcázar et al. \(2005\)](#). To complete the analysis, we also review another stream of SHRM research, focusing on assessment of HRM system strength ([Bowen and Ostroff, 2004](#)). Combining conclusions from both streams and by considering the influence of employee perceptions on HRM systems, we propose a model that augments previous explanations concerning the effects of HRM on performance.

[Bowen and Ostroff's \(2004\)](#) model provides a more sophisticated and complete explanation concerning the effects of double fit, which allows further analysis in this line of research. Drawing on their explanation of HRM system strength, a consistent HRM strategy design – with both vertical and horizontal dimensions – may not be sufficient to improve organizational performance. Considering that the primary objective of HRM strategy is to drive individual behaviours toward organizational goals, practical effects depend highly on employee perceptions of HRM content and the extent to which they understand and accept policies and practices ([Jiang et al., 2012](#)). The review and model proposed in this paper contribute to extant SHRM research variously. The study connects two strategic processes (i.e. HR formulation and implementation) that have been analyzed traditionally separately. According to our model, the transition from one phase to the other is one of the most relevant aspects of SHRM. The dynamics between both stages help to explain the failure of consistently designed HRM strategies. Trying to cover this gap, the model simultaneously analyses formulation and implementation, paying special attention to the link between them. We conclude that employee perceptions of HRM are particularly relevant during this transition, as their vision of the HRM system determines the success of implemented HR practices ([Kehoe and Wright, 2013](#)). Consequently, to influence performance, the system of policies and practices through which HRM strategies are implemented needs to meet two conditions:

- (1) to be consistently designed, ensuring both vertical and horizontal fit; and
- (2) to be positively perceived and accepted by employees, so that their attitudes and behaviours could be effectively oriented towards strategic objectives.

Despite its theoretical focus, the model presented in this paper also has professional implications. One of them arises from the process perspective adopted in our analysis. Trying to go a step beyond in the analysis of the HRM – performance relationship, we apply to the *implementation* stage the arguments presented from the double fit perspective, which are normally proposed from a *formulation* point of view. In this sense, the new model suggests that when making decisions about HRM, top managers

should not only define a consistent and synergistic strategy but also consider implementation issues. Specifically, they must take into account how employees' perceptions and reactions influence the implementation of the HRM management system. The system strength construct (Bowen and Ostroff, 2004) and the tools proposed by Delmotte *et al.* (2012) to measure it could be useful for top managers to assess potential problems at the implementation stage and to correct them. To make this analysis possible, authors such as Krishnan and Singh (2011), Lundy (1994) and Wright *et al.* (2004) stressed the need to understand HRM as a strategic process. The process should start with generic strategic stages such as environmental analysis and the interpretation of strategic issues. Systematic development of these first phases facilitates the design of a vertically fitted strategy. The process should continue with specific HR stages such as identifying core employees and defining the HRM system (Lepak and Snell, 1999, 2002; Wright *et al.*, 2004). The participation of HR executives is essential to ensure an internally consistent design of the HRM strategy. Their role in this strategic process is twofold:

- as members of the top management board in the formulation stage; and
- as being responsible for the transition from formulation to implementation, translating HR strategies into a consistent system of policies and practices (Caldwell, 2008; Krishnan and Singh, 2011).

Another implication for practitioners that arises from our discussion about employees' perception is the importance of organizational communication for the achievement of the benefits from double fit. Efficient communications allow firms to transmit HRM strategy clearly, avoiding discrepancies between what HRM decision-makers communicate and what employees receive and interpret. Communication policies are links between formulation and implementation. Stanton *et al.* (2010) argue these policies determine the extent HR messages are interpreted unambiguously. If the content of HRM strategy is not transmitted to employees adequately, it is difficult for an organization to drive behaviours toward organizational goals, a primary objective of SHRM. In this respect, top managers and HR executives are required to work together and to agree on HR messages before transmitting them. Formal communication between them needs to be fostered through the use of regular meetings, intranets and HR manuals (Delmotte *et al.*, 2012; Kidron *et al.*, 2013). Moreover, HR contents should be transmitted using written and accessible documents (Doving and Nordhaug, 2010; Wright *et al.*, 2004). This formal communication should be complemented with informal contacts, through which HR agents can also transmit relevant information to different managerial levels. This *soft* information is particularly relevant to promote the acceptability of HR policies, making the HRM system *stronger*, as Bowen and Ostroff (2004) suggested.

Related to the internal communication, a third professional conclusion that follows from the model relates to the importance of the role played by HR managers because they are responsible for managing the transition from formulation to implementation of policies and practices. This process implies transmissions of HRM content and explanations of the processes through which strategies are executed. HR managers' communication skills are particularly relevant (Brewster *et al.*, 2000). Organizations need to pay particular attention to HR managers training in this sense, fostering their communicational competences. As Stanton *et al.* (2010) stated, if HR contents are present

in communications, companies could mitigate discrepancies between HRM content and employee perceptions.

Finally, another implication derives from introduction of system strength, an especially useful tool for HR executives that can be used to assess double fit from an implementation viewpoint. By applying measurement models (Delmotte *et al.*, 2012), it is possible to evaluate those aspects of the HRM system (i.e. distinctiveness, consensus and consistency) that are not implemented conveniently. According to evidence obtained from an instrument, managers can improve employee understanding and acceptance of an HRM system. For example, distinctiveness can be enhanced by providing HR customers with transparent information about HR decisions, or an organizational chart in which HR positions and hierarchy are clearly defined. Evaluation of HRM should be developed in a continuous management cycle so the organization can examine interactions among business strategy, HRM strategy, and the implemented HRM system. Samnani and Singh (2013) suggest this feedback process requires the organization to gather primary information directly from staff members, the primary recipients of HR practices and the element through which HR strategies influence both individual and organizational performance.

Finally, we recognise both limitations of this study and future research that can be derived from them. One limitation relates to ignoring analyses of external variables that influence vertical fit. Vertical fit relates not only to business strategy but also to other organizational elements. The conditions under which vertical fit takes place depend highly on external elements such as sector, national context, cultural issues, and regulations (Jackson and Schuler, 1995; Marchington *et al.*, 2011). Future research should complete the model by considering these dimensions. To do so, it would be necessary to propose specific tools to measure external alignment during implementation. It is particularly relevant for future studies in this field to explore the relationships between the different dimensions of system's strength (distinctiveness, consensus and consistency), as well as their relative importance in different contexts. By going a step beyond in the internal analysis of the system strength construct, we would be able to provide better explanations about the way in which consistently designed HR strategies are implemented. The dimensions explaining vertical and horizontal fit are intensely related, so the effects of both types of consistency are mutually dependant.

To continue advancing in this line of research, it would be necessary to test the model to empirically examine the extent to which perceived HRM system strength moderates the relationship between HRM strategy and organizational performance. Despite that SHRM literature examines vertical and horizontal fit exhaustively, new approaches and insights are needed to clarify inconsistent results. This paper contributes to this debate, suggesting that by introducing employee perceptions in SHRM models, researchers can fill gaps regarding consequences of double fit during implementation of HRM strategy.

References

- Allen, M. and Wright, P. (2007), "Strategic management and HRM", in Boxall, P., Purcell, J. and Wright, P. (Eds), *The Oxford Handbook of Human Resource Management*, Oxford University Press, Oxford, pp. 88-107.
- Arthur, J.B. (1992), "The link between business strategy and industrial relations systems in American steel minimills", *Industrial and Labor Relations Review*, Vol. 45 No. 3, pp. 488-506.

- Arthur, J.B. (1994), "Effects of human resource systems on manufacturing performance", *Academy of Management Journal*, Vol. 37 No. 3, pp. 670-687.
- Azmi, F.T. (2011), "Strategic human resource management and its linkage with HRM effectiveness and organizational performance: evidence from India", *The International Journal of Human Resource Management*, Vol. 22 No. 18, pp. 3888-3912.
- Baird, L. and Meshoulam, I. (1988), "Managing two fits of strategic human resource management", *Academy of Management Review*, Vol. 13 No. 1, pp. 116-128.
- Baird, L., Meshoulam, I. and Degive, G. (1983), "Meshing human resources planning with strategic business planning: a model approach", *Personnel*, Vol. 60 No. 5, pp. 14-25.
- Baron, R.M. and Kenny, D.A. (1986), "The moderator – mediator variable distinction in social psychological research: conceptual, strategic, and statistical considerations", *Journal of Personality and Social Psychology*, Vol. 51 No. 6, pp. 1173-1182.
- Becker, B.E. and Huselid, M.A. (2006), "Strategic human resources management: where do we go from here?", *Journal of Management*, Vol. 32 No. 6, pp. 898-925.
- Becker, B.E., Huselid, M.A., Pickus, P.S. and Spratt, M.F. (1997), "HR as a source of shareholder value: research and recommendations", *Human Resource Management*, Vol. 36 No. 1, pp. 39-47.
- Benson, G. and Lawler, E. (2003), "Employee involvement: utilization, impacts, and future prospects", in Holman, D., Wall, T., Clegg, C., Sparrow, P. and Howard, A. (Eds), *The New Workplace: A Guide to the Human Impact of Modern Working Practices*, John Wiley and Sons, New York, NY, pp. 155-173.
- Boon, C., Paauwe, J., Boselie, P. and Den Hartog, D. (2009), "Institutional pressures and HRM: developing institutional fit", *Personnel Review*, Vol. 38 No. 5, pp. 492-508.
- Boselie, P., Dietz, G. and Boon, C. (2005), "Commonalities and contradictions in HRM and performance research", *Human Resource Management Journal*, Vol. 15 No. 3, pp. 67-94.
- Bowen, D.E. and Ostroff, C. (2004), "Understanding HRM – firm performance linkages: the role of the 'strength' of the system of the HRM system", *Academy of Management Review*, Vol. 29 No. 2, pp. 203-221.
- Bowen, D.E., Gilliland, S.W. and Folger, R. (1999), "HRM and service fairness: how being fair with employees spills over to customers", *Organizational Dynamics*, Vol. 27 No. 3, pp. 7-23.
- Brewster, C. (1993), "Developing a 'European' model of human resource management", *The International Journal of Human Resource Management*, Vol. 4 No. 4, pp. 765-784.
- Brewster, C. (1995), "Towards a European model of human resource management", *Journal of International Business Studies*, Vol. 26 No. 1, pp. 1-21.
- Brewster, C. (1999), "Strategic human resource management: the value of different paradigms", *Management International Review*, Vol. 39 No. 3, pp. 45-64.
- Brewster, C., Fandale, E. and Ommeren, J. (2000), *HR Competencies and Professional Standards*, World Federations of Personnel Management Associations, London.
- Caldwell, R. (2008), "HR business partner competency models: re-contextualising effectiveness", *Human Resource Management Journal*, Vol. 18 No. 3, pp. 275-294.
- Chadwick, C. (2010), "Theoretic insights on the nature of performance synergies in human resource systems: toward greater precision", *Human Resource Management Review*, Vol. 20 No. 2, pp. 85-101.
- Chow, I.H., Huang, J.C. and Liu, S. (2008), "Strategic human resource management in China: configurations and competitive advantage", *Human Resource Management*, Vol. 47 No. 4, pp. 687-706.

- Combs, J.G., Ketchen, D.J. Jr, Hall, A.T. and Liu, Y. (2006), "Do high performance work practices matter? A meta-analysis of their effects on organizational performance", *Personnel Psychology*, Vol. 59 No. 3, pp. 501-528.
- Delery, J.E. (1998), "Issues of fit in strategic human resource management: implications for research", *Human Resource Management Review*, Vol. 8 No. 3, pp. 289-309.
- Delery, J.E. and Doty, D.H. (1996), "Modes of theorizing in strategic human resource management: test of universalistic, contingency, and configurational performance predictions", *Academy of Management Journal*, Vol. 39 No. 4, pp. 802-835.
- Delmotte, J., De Winne, S. and Sels, L. (2012), "Toward an assessment of perceived HRM system strength: scale development and validation", *The International Journal of Human Resource Management*, Vol. 23 No. 7, pp. 1481-1506.
- Devanna, M.A., Fombrun, C.J. and Tichy, N.M. (1984), "A framework for strategic human resource management", in Fombrun, C., Tichy, N.M. and Devanna, M.A. (Eds), *Strategic Human Resource Management*, John Wiley and Sons, New York, NY, pp. 33-51.
- Doving, E. and Nordhaug, O. (2010), "Investing in human resource planning: an international study", *Management Revue*, Vol. 21 No. 3, pp. 293-307.
- Dyer, L. (1984), "Linking human resource and business strategies", *Human Resource Planning*, Vol. 7 No. 2, pp. 79-84.
- Dyer, L. and Reeves, T. (1995), "Human resource strategies and firm performance: what do we know and where do we need to go?", *The International Journal of Human Resource Management*, Vol. 6 No. 3, pp. 656-670.
- Feldman, J.M. (1981), "Perception, cognition, and the organization", *Journal of Applied Psychology*, Vol. 66 No. 2, pp. 128-138.
- Fiske, S.T. and Taylor, S.E. (1991), *Social Cognition*, McGraw-Hill, New York, NY.
- Fombrun, C., Tichy, N. and Devanna, M. (1984), *Strategic Human Resource Management*, John Wiley and Sons, New York, NY.
- Golden, K.A. and Ramanujan, V. (1985), "Between a dream and a nightmare: on the integration of the human resource management and strategic business planning process", *Human Resource Management*, Vol. 24 No. 4, pp. 429-452.
- Gratton, L., Hope-Hailey, V., Stiles, P. and Truss, C. (1999), "Linking individual performance business strategy: the people process model", *Human Resource Management*, Vol. 38 No. 1, pp. 17-31.
- Green, K.W., Wu, C., Whitten, D. and Medlin, B. (2006), "The impact of strategic human resource management on firm performance and HR professionals' work attitude and work performance", *The International Journal of Human Resource Management*, Vol. 17 No. 4, pp. 559-579.
- Guest, D.E. (2011), "Human resource management and performance: still searching for some answers", *Human Resource Management Journal*, Vol. 21 No. 1, pp. 3-13.
- Guest, D. and Conway, N. (2011), "The impact of HR practices, HR effectiveness and a 'strong HR system' on organisational outcomes: a stakeholder perspective", *The International Journal of Human Resource Management*, Vol. 22 No. 8, pp. 1686-1702.
- Hendry, C. and Pettigrew, A. (1990), "Human resource management: an agenda for the 1990s", *The International Journal of Human Resource Management*, Vol. 1 No. 1, pp. 17-44.
- Huselid, M.A. (2011), "Celebrating 50 years: looking back and looking forward: 50 years of human resource management", *Human Resource Management*, Vol. 50 No. 3, pp. 309-312.

- Jackson, S.E. and Schuler, R.S. (1995), "Understanding human resource management in the context of organizations and their environment", *Annual Review of Psychology*, Vol. 46 No. 1, pp. 237-264.
- Jackson, S.E., Schuler, R.S. and Rivero, J.C. (1989), "Organizational characteristics as predictors of personnel practices", *Personnel Psychology*, Vol. 42 No. 4, pp. 727-786.
- Janssens, M. and Steyaert, C. (2009), "HRM and performance: a plea for reflexivity in HRM studies", *Journal of Management Studies*, Vol. 46 No. 1, pp. 143-155.
- Jiang, K., Lepak, D.P., Han, K., Hong, Y., Kim, A. and Winkler, A.L. (2012), "Clarifying the construct of human resource systems: relating human resource management to employee performance", *Human Resource Management Review*, Vol. 22 No. 2, pp. 73-85.
- Kaufman, B.E. (2010), "SHRM theory in the post-Huselid era: why it is fundamentally misspecified?", *Industrial Relations*, Vol. 49 No. 2, pp. 286-312.
- Kehoe, R.R. and Wright, P.M. (2013), "The impact of high performance human resource practices on employees' attitudes and behaviors", *Journal of Management*, Vol. 39 No. 2, pp. 366-391.
- Kelley, H.H. (1967), "Attribution theory in social psychology", in Levine, D. (Ed.), *Nebraska Symposium on Motivation*, University of Nebraska Press, Lincoln, pp. 192-240.
- Kelman, H.C. and Hamilton, V.C. (1989), *Crimes of Obedience: Toward a Social Psychology of Authority and Responsibility*, Yale University Press, New Haven, CT.
- Kepes, S. and Delery, J.E. (2007), "HRM systems and the problem of internal fit", in Boxall, P., Purcell, J. and Wright, P.M. (Eds), *The Handbook of Human Resource Management*, Oxford University Press, Oxford, pp. 385-404.
- Khilji, S.E. and Wang, X. (2006), "'Intended' and 'implemented' HRM: the missing linchpin in strategic human resource management research", *The International Journal of Human Resource Management*, Vol. 17 No. 7, pp. 1171-1189.
- Kidron, A., Tzafirir, S.S., Meshulam, I. and Iverson, R.D. (2013), "Internal integration within human resource management subsystems", *Journal of Managerial Psychology*, Vol. 28 No. 6, pp. 699-719.
- Krishnan, S.K. and Singh, M. (2011), "Strategic HRM: three-stage process and its influencing factors", *South Asian Journal of Management*, Vol. 18 No. 1, pp. 60-83.
- Lawler, E.E., Boudreau, J.W. and Mohrman, S.A. (2006), *Achieving Strategic Excellence: An Assessment of Human Resource Organizations*, Stanford University Press, Stanford, CA.
- Lengnick-Hall, C.A. and Lengnick-Hall, M.L. (1988), "Strategic human resource management: a review of the literature and a proposed typology", *Academy of Management Review*, Vol. 13 No. 3, pp. 454-470.
- Lengnick-Hall, M.L., Lengnick-Hall, C.A., Andrade, L. and Drake, B. (2009), "Strategic human resource management: the evolution of the field", *Human Resource Management Review*, Vol. 19 No. 2, pp. 64-85.
- Lepak, D. and Snell, S. (1998), "Virtual HR: strategic human resource management in the 21st century", *Human Resource Management Review*, Vol. 8 No. 3, pp. 215-234.
- Lepak, D. and Snell, S. (1999), "The human resource architecture: toward a theory of human capital allocation and development", *Academy of Management Review*, Vol. 24 No. 1, pp. 31-48.
- Lepak, D. and Snell, S. (2002), "Examining the human resource architecture: the relationships among human capital, employment, and human resource configurations", *Journal of Management*, Vol. 28 No. 4, pp. 517-543.

- Li, X., Frenkel, S.J. and Sanders, K. (2011), "Strategic HRM: how HR system and organizational climate strength influence Chinese employee attitudes", *The International Journal of Human Resource Management*, Vol. 22 No. 9, pp. 1825-1842.
- Liu, Y., Combs, J.G., Ketchen, D.J. and Ireland, R.D. (2007), "The value of human resource management for organizational performance", *Business Horizons*, Vol. 50 No. 6, pp. 503-511.
- Lundy, O. (1994), "From personnel management to strategic human resource management", *The International Journal of Human Resource Management*, Vol. 5 No. 3, pp. 687-720.
- McMahan, G.C., Virick, M. and Wright, P.M. (1999), "Alternative theoretical perspectives for SHRM: progress, problems, and prospects", in Wright, P., Dyer, L., Boudreau, J. and Milkovich, G. (Eds), *Research in Personnel and Human Resource Management*, JAI Press, Greenwich, CT, pp. 99-122.
- MacDuffie, J.P. (1995), "Human resource bundles and manufacturing performance: organisational logic and flexible production systems in the world auto industry", *Industrial and Labor Relations Review*, Vol. 48 No. 2, pp. 197-221.
- Marchington, M. and Grugulis, I. (2000), "Best Practice human resource management: perfect opportunity or dangerous illusion?", *The International Journal of Human Resource Management*, Vol. 11 No. 6, pp. 1104-1124.
- Marchington, M., Rubery, J. and Grimshaw, D. (2011), "Alignment, integration and consistency in HRM across multi-employer networks", *Human Resource Management*, Vol. 53 No. 3, pp. 313-339.
- Martell, K. and Carroll, S.J. (1995), "How strategic is HRM?", *Human Resource Management*, Vol. 34 No. 2, pp. 253-267.
- Martín-Alcázar, M., Romero-Fernández, P.M. and Sánchez-Gardey, G. (2005), "Strategic human resource management: integrating the universalistic, contingent, configurational and contextual perspectives", *The International Journal of Human Resource Management*, Vol. 16 No. 5, pp. 633-659.
- Miles, R. and Snow, C. (1984), "Designing strategic human resource systems", *Organizational Dynamics*, Vol. 13 No. 1, pp. 36-52.
- Mirvis, P.H. (1985), "Formulating and implementing human resource strategy: a model of how to do it, two examples of how it is done", *Human Resource Management*, Vol. 24 No. 4, pp. 385-412.
- Mitsuhashi, H., Park, H.J., Wright, P.M. and Chua, R.S. (2000), "Line and HR executives' perceptions of HR effectiveness in firms in people's Republic of China", *The International Journal of Human Resource Management*, Vol. 11 No. 2, pp. 197-216.
- Nishii, L.H., Lepak, D.P. and Schneider, B. (2008), "Employee attributions of the 'why' of HR practices: their effects on employee attitudes and behaviors and customer satisfaction", *Personnel Psychology*, Vol. 61 No. 3, pp. 503-545.
- Ostroff, C. (1995), "SHRM/CCH survey", *Human Resources Management: Ideas and Trends in Personnel*, Vol. 356, pp. 1-12.
- Paauwe, J. (2009), "HRM performance: achievements, methodological issues and prospects", *Journal of Management Studies*, Vol. 46 No. 1, pp. 129-142.
- Porter, M.E. (1980), *Competitive Strategy: Techniques for Analyzing Industries and Competitors*, Free Press, New York, NY.
- Ridder, H.G., Baluch, A.M. and Piening, E.P. (2013), "The whole is more than the sum of its parts? How HRM is configured in non-profit organizations and why it matters", *Human Resource Management Review*, Vol. 22 No. 1, pp. 1-14.

- Rousseau, D.M. (1995), *Psychological Contract in Organizations: Understanding Written and Unwritten Agreements*, Sage, Thousand Oaks, CA.
- Sammani, A.-K. and Singh, P. (2013), "Exploring the fit perspective: an ethnographic approach", *Human Resource Management*, Vol. 52 No. 1, pp. 123-144.
- Sanders, K., Dorenbosch, L. and de Reuver, R. (2008), "The impact of individual shared employee perceptions of HRM on affective commitment", *Personnel Review*, Vol. 37 No. 4, pp. 412-425.
- Schalk, R., Timmerman, V. and Van Den Heuvel, S. (2013), "How strategic considerations influence decision making on e-HRM applications", *Human Resource Management Review*, Vol. 23 No. 1, pp. 84-92.
- Schuler, R.S. and Jackson, S.E. (1987), "Linking competitive strategies with human resource management practices", *The Academy of Management Executive*, Vol. 1 No. 3, pp. 207-219.
- Schuler, R.S. and Walker, J. (1990), "Human resource strategy: focusing on issues and actions", *Organisational Dynamics*, Vol. 19 No. 1, pp. 5-19.
- Stanton, S.Y., Bartram, T. and Leggat, S.G. (2010), "Singing the same song: translating HRM messages across management hierarchies in Australian hospitals", *The International Journal of Human Resource Management*, Vol. 21 No. 4, pp. 567-581.
- Stavrou, E.T. and Brewster, C. (2005), "The configurational approach to linking strategic human resource management bundles with business performance: myth or reality", *Management Revue*, Vol. 16 No. 2, pp. 186-201.
- Tajfel, H. (1968), "Social and cultural factors in perception", in Lindzey, G. and Aronson, E. (Eds), *Handbook of Social Psychology*, Addison-Wesley, Reading, MA, pp. 315-394.
- Taylor, S.E. and Fiske, S.T. (1978), "Salience, attention, and attributions: top of the head phenomena", in Berkowitz, L. (Ed.), *Advances in Experimental Social Psychology*, Academic Press, New York, NY, pp. 249-287.
- Verburg, R.M., Den Hartog, D.N. and Koopman, P.L. (2007), "Configurations of human resource management practices: a model and test of internal fit", *The International Journal of Human Resource Management*, Vol. 18 No. 2, pp. 184-208.
- Waldman, D.A. and Bowen, D.E. (1998), "The acceptability of 360-degree appraisals: a customer-supplier relationship perspective", *Human Resource Management*, Vol. 37 No. 2, pp. 117-130.
- Wang, D.S. and Shyu, C.L. (2008), "Will the strategic fit between business and HRM strategy influence HRM effectiveness and organizational performance?", *International Journal of Manpower*, Vol. 29 No. 2, pp. 92-110.
- Wang, X., Bruning, N.S. and Peng, S. (2007), "Western high-performance HR practices in China: a comparison among public-owned, private and foreign-invested enterprises", *The International Journal of Human Resource Management*, Vol. 18 No. 4, pp. 684-701.
- Weick, K.E. (1995), *Sensemaking in Organizations*, Sage, Thousand Oaks, CA.
- Wood, S. (1999), "Getting the measure of the transformed high-performance organization", *British Journal of Industrial Relations*, Vol. 37 No. 3, pp. 391-417.
- Wright, P.M., Dunford, B.B. and Snell, S.A. (2001), "Human resources and the resource based view of the firm", *Journal of Management*, Vol. 27 No. 6, pp. 701-721.
- Wright, P.M. and McMahan, G.C. (1992), "Theoretical perspectives for strategic human resource management", *Journal of Management*, Vol. 18 No. 2, pp. 295-320.
- Wright, P.M., McMahan, G.C. and McWilliams, A. (1994), "Human resources and sustained competitive advantage: a resource-based perspective", *The International Journal of Human Resource Management*, Vol. 5 No. 2, pp. 301-326.

- Wright, P.M. and Snell, S.A. (1991), "Toward an integrative view of strategic human resource management", *Human Resource Management Review*, Vol. 1 No. 3, pp. 203-225.
- Wright, P.M., Snell, S. and Jacobsen, P. (2004), "Current approaches to HR strategies: inside-out versus outside-in", *Human Resource Planning*, Vol. 27 No. 4, pp. 36-47.
- Wu, A.D. and Zumbo, B.D. (2008), "Understanding and using mediators and moderators", *Social Indicators Research*, Vol. 87 No. 3, pp. 367-392.

About the authors

Natalia Garcia-Carbonell is Research Scholar at the Business Management Department of the University of Cádiz. She researches across the broad spectrum of strategy, human resources and people management, particularly on the HRM strategy formulation process, which is the main topic of the submitted paper. Together with the coauthors of the paper, she has published in top international and Spanish journals, and her background also includes five years of experience in HRM teaching.

Fernando Martin-Alcazar is Professor of Organization at Cádiz University. He is currently leading two funded research projects, both of them focused on the effects of human resource strategies on group's intellectual capital. He has published his work in the field of HRM in international peer-reviewed journals, such as the *International Journal of Human Resource Management*, the *Journal of Business Research* and the *Journal of Knowledge Management*.

Gonzalo Sanchez-Gardey is Associate Professor of HRM at Cádiz University, and he has been visiting fellow at the Oxford Brookes Business School, the European Institute for Managing Diversity and Cornell University. His PhD dissertation focuses on intellectual capital and SHRM configurations. His work has appeared in some research reading books, as well as in international journals, such as the *International Journal of Human Resource Management*, *British Management Journal* and *Journal of Business Ethics or Group Decision and Negotiation*. Gonzalo Sanchez-Gardey is the corresponding author and can be contacted at: gonzalo.sanchez@uca.es

For instructions on how to order reprints of this article, please visit our website:

www.emeraldgrouppublishing.com/licensing/reprints.htm

Or contact us for further details: permissions@emeraldinsight.com