An Instrument to Measure the Practice of Strategic Human Resource Management in Private Sector Organizations

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Abstract

Human Resources in an organization are the type of resources that possess the ability to make decisions, the ability to create and innovate, and the ability to generate and enhance a sustainable competitive advantage. Hence, managing Human Resources strategically has been critical. Similarly, measuring the practices of strategic human resource management has also been difficult. The objective of this paper is to present an instrument to measure the Practice of Strategic Human Resource Management in Private Sector Organizations. A systematic and adequate attempt was made to conceptualize and operationalize the construct of the Practice of Strategic Human Resource Management and the instrument was based on three dimensions i.e., coherence, integration and devolvement. By using 288 Heads of Human Resources and 288 Chief Executive Officers of Sri Lankan listed firms, various forms of validity and reliability were tested and it was found that the instrument possesses adequate degrees of validity and reliability. It is of the belief that the instrument can be utilized for future research studying the Practice of Strategic Human Resource Management in organizations.

Key Words: Instrument, Private Sector Organizations, Strategic Human Resource Management Practice

Introduction

Strategic Human Resource Management (SHRM) represents a relatively new transformation in the field of Human Resources Management (HRM) (Caliskan, 2010). Today, SHRM is becoming ever more popular. However, according to Jain (2005), SHRM is not a completely new and revolutionary field rather its roots can be traced back to the mid – 1950s. More specifically, the birth of SHRM came in the early 1980s with Devanna, Fombrum and Tichy's (1984) article devoted to extensively exploring the link between business strategy and Human Resource (HR) (Wright, Danford and Snell, 2001). Even though Jain (2005) states that SHRM became popular in the 1980s, according to Ericksen and Dyer (2005), the concept of SHRM has been launched in the mid-1970s. Wright and Mcmahan (1992) had mentioned that the HRM field is integrated into the strategic management process, resulting in a new discipline referred to as SHRM. As per the view of Becker and Huselid (2006), the field of SHRM has enjoyed a remarkable ascendancy during the past two decades, as both an academic literature and focus of management practice. In general, the goal of SHRM is the effective application of human resources to meet organizations' strategic requirements and objectives (Greer, 2008).While traditional human resource ideas emphasize functional and sub-functional specialization and concern for individual efficiency, SHRM ideas emphasize the total contribution to the firm; overall effectiveness and cross functional integration (Backer et al, 2006; Sajeevanie et al, 2016). "The key feature of strategic HRM is the concept

of fit or integration" (Armstrong, 2001, p. 36). In that, two types of fits can be explained as vertical fit and horizontal fit. While vertical fit involves the alignment of HRM practices with the strategic management process of the firm, horizontal fit implies a congruence among the various HRM practices (Wright et al, 1998). Therefore, vertical fit concerns about the whole organization's aspects and horizontal fit concerns the function of HRM in the organization. Apart from the fit, it is needed to discuss the concept of flexibility in SHRM. According to Wright et al (1998), the relationship between fit and flexibility is not well understood. As explained by the same author, organizations are more efficient and effective when they achieve the fit relative to when a lack of fit exists, and flexibility provides organizations with ability to modify current practices. However, an instrument to measure the level of practice of SHRM has not yet been developed properly. Hence, this paper attempts to present an instrument to measure the level of practice of SHRM in private sector organizations. In order to test the validity and reliability of the scale developed it used the population of all listed companies in Sri Lanka which are listed in the Colombo Stock Exchange with a market capitalization of approximately Rs. 262 billion. To test the validity and reliability of the developed measurement, a correlation analysis and factor analysis (exploratory and confirmatory) were conducted. The survey was based on (288) Heads of HR and (288) CEOs of Sri Lankan Listed Companies. Out of 288 Heads of HR, 185 responses were received and out of 288 CEOs, only 117 responses were received.

Literature Review

As explained above, the term "strategic HR" appears frequently in the HR literature. Articles and books that use this term generally urge HR professionals to become more active in shaping strategy and to be more a partner to line management in running the business (McDonald, 2003). Integration of HR activities with a firm's strategy, results in the development of "strategic selection, strategic appraisal, and strategic development" (Beugelsdijk, 2008; Budhwar, 2000; Jain 2005).The aim of SHRM is to provide a future direction i.e. to manage people in an organization in terms of the long term planning of human resource management by aligning it with an organization's overall strategic plan (Jain, 2005).Since SHRM is now well documented in the literature (Othman, 2009), it can be identified as the field of HRM which has sought to become integrated into the strategic management process. The Matching model was conceptualized by Formbrun et al (1984, p. 453), who were known as the formulators of SHRM, and who identified three core elements as necessary for firm to function effectively: mission and strategy, organization strategy and human resource management. Based on the existing literature, SHRM has a number of key features (Boxall and Purcell, 2003; Budhwar, 2000; Jain, 2005). These include the internal integration of personnel policies and their external integration with overall strategy, line management responsibility for HR implementation and, individual rather than collective employee relations; an emphasis on commitment and the exercise of initiative, with managers doing the role of "enabler" "empowered" and "facilitator" (Baker, 1999).

Hence, one of the important features of SHRM practices is integration of HRM into business/ Corporate strategy (Badhwar, 2000; Chang and Huang, 2005; Crumpacker et al, 2004; Jain, 2004; Othman, 2009; Wright et al,1992). As such, authors have mentioned that the practice

of such integration is becoming more important and is increasingly recognized. Lengnick – Hall et al (1998) have pointed out three main reasons for recognition of the importance of such integration. Integration provides a broader range of solutions for solving complex organizational problems (Othman, 2009). Holbeche (2003) has described that through the integration of HRM with the organization's business/corporate strategy, rather than HR strategy being a separate set of priorities, employees will be managed more effectively and organizational performance will improve (Othman, 2009).

Baird and Moshoulam (1988) have suggested that there is no overall model that explains how human resource management practices and procedures can be managed to meet present and future business needs. Also the agency /transaction costs model has been demonstrated as useful in the strategic management literature: it seems possible that it could be applied as a theoretical framework for linking strategy to SHRM. Similarly, this framework provides the theoretical foundation for examining why different strategic decisions result in differing HRM practice (Wright et al, 1992). Mowday was one of the first HRM researchers to apply the systems model to HRM practices. In addition, Wright and Snell (1998) used an open systems model of the human resource system for generating HRM strategies (Wright et al, 1992). According to them, the input in the HR system is competencies of the individuals in the organization that the firm must import from its external environment. Moreover, they have mentioned that the output consists of both performance and effective outcomes. Analyzing this model, they have argued that SHRM consists of two general responsibilities. They are competence management and behavior management. One of the major areas of theoretical development in SHRM is associated with the resource- based view (RBV) of the firm. The resource based view of the firm is a mixture of theories and this is a strategic management theory that seeks to identify the resources that may provide a firm with a sustainable competitive advantage (Maijoor and Witteloostuijn, 1996). According to Barney (1998) the resource based view of the organizations has provided an economic foundation for examining the role of HR in gaining firm's competitive advantage. As they explained there are three basic types of resources, which provide competitive advantage, called physical capital resources, organizational capital resources and human capital resources.

Conceptualization of SHRM

Baker (1999) has identified a number of key features of SHRM, including the internal integration of personnel policies and their external integration with overall strategy and line management responsibility for HR implementation. Furthermore, according to academic research conducted by Wan, Ong and Kok (2005) the practice of SHRM is the degree of participation in core decision making and partnership played by the HRM department. In this sense Wan et al, have identified the importance of contributing to the firm's business goals. According to Dessler (2003) SHRM can be defined as "the linking of Human Resource Management with strategic goals and objectives in order to improve business performance and develop organizational cultures that foster innovation and flexibility." As mentioned by Dhar (2010) SHRM means accepting the HR function as a strategic partner in the formulation of the company's strategies as well as in the implementation of those strategies through HR

activities such as recruiting, selecting, training and rewarding personnel. HR professionals become strategic partners when they participate in the process of defining business strategy, when they ask questions that more strategy to action and when they design HR practices that align with the business strategy. Meanwhile, Fombrun, Tichy and Devanna (1984) have explained SHRM is a set of practices, policies and strategies through which organizations manage their human capital that influences and is influenced by the business strategy, the organizational context and the socio economic context. However according to some authors strategic HRM is an outcome 'an organizational system designed to achieve sustainable competitive advantage through people'. On the other hand, other groups of authors have identified SHRM as a process, 'the process of linking HR practice to business strategy'. Accordingly, Budhwar (2000) has explained that SHRM as a process of integrating HRM into the corporate strategy and devolvement of responsibility for HRM to line managers. Here integration can be identified as the Head of HR being intimately involved in the overall strategic process in both formal and informal interactions, a real reflection of SHRM in practice. The level of integration is measured based on representation of personnel on the board; presence of a written personnel strategy; consultation of Head of HR in the development of organization strategy; translation of HR strategy into a clear set of work programs (Badhwer, 2000).The working definition of Practice of Strategic Human Resource Management for the purpose of this study was adopted from Budhwar (2000) and Opatha (2009) as **"HRM policies or functions cohere within themselves and with other functional fields of the organization, practice of integration of HRM into the business/corporate strategy, and devolvement of HRM to line managers."**

The practice of SHRM was measured in terms of three dimensions: Coherence, Integration, and Devolvement. There were 27 questions in the questionnaire relating to these dimensions. The scores were assigned ranging from one to five. This was measured by the responses of the Head of the HR and CEOs of the organization to the questions with five point Likert Scales.

Validity tests how well an instrument that is developed measures the particular concept it is supposed to measure (Opatha, 2003; Sekaran, 2003). Validity is concerned with whether the instruments are measuring the right concept. According to Sekeran (2003) several types of validity tests are used to test the goodness of measures such as content validity, criterion related validity and construct validity. The content validity of the questionnaire of this study was ensured since the measure included an adequate and representative set of items that tap the concepts. The more the scale items represent the domain or universe of the concept being measured the greater the content validity (Sekaran, 2003). As Sekaran and Bougie (2010) stated that there are three kinds of evidences to support the content validity called, proper conceptualization and operationalization, judgment of those who constructed the instrument or other experts familiar with the subject area, and high internal consistency reliability. This study has ensured the content validity of the instrument through proper operationalization and conceptualization of the variable of practice of SHRM using related literature and with experts' judgments, including authors.

Reliability is how well the instrument consistently and stably measures whatever the concept it measures (Opatha, 2003; Sekaran, 2003). That means reliability is concerned with whether the instrument is measuring the concept accurately. The ability of a measure to remain the same over time- despite uncontrollable testing conditions or the state of the respondents themselves is indicative of its stability and vulnerability to changes in the situation.

Stability means the ability of a measure to remain the same over time and this was ensured in the pilot study by doing test retest for 30 Heads of HR and CEOs in Sri Lankan Listed Companies with a two weeks-time interval between the two administrations. According to the test results coefficient of the test retest of the instrument was 0.861. Hence, it is clear that the instrument has a high external reliability.

Data Analysis

Unidimensionality means all indicators load as only one construct, and the correlations among indicators could be accounted for by a single common factor (Hair et al, 2006). Herman Single Factor analysis was used to test the unidimensionality of the instrument. Further this can be accessed through the Exploratory Factor analysis (EFA), followed by a confirmatory factor analysis. The EFA is conducted using principal component analysis, and Varimax rotation methods, with Kaiser normalization (Kinnear and Gray 1997). Prior to the analysis of EFA, the appropriateness of using EFA is determined by the results of KMO and Bartlett's test of Sphericity. Table 01 presents the results of KMO and Bartlett's test relating to Practice of Strategic Human Resource Management (SHRMN).

As mentioned in Table 01 the KMO value for the construct is above 0.8. This can be reported as fulfillment of sample adequacy. Further, Bartlett's Test of Sphericity is significant for the construct. This justifies that the construct correlates perfectly with itself. Hence, the results of KMO and Bartlett's test of Sphericity (p<0.001) allow to forward data of this study for the EFA. In order to investigate these relations, using varimax rotation was conducted identifying factors with an eigenvalue. Accordingly, EFA was performed for each individual construct.

Table: 1 KMO and Bartlett's Test for the Construct

		SHRMN
KMO measure of sampling adequacy		.841
Barlett's Test of Sphericity	Approx. Chi-Square	4.852
	Df	351
	Sin	.000

EFA for Practice of Strategic Human Resource Management
The results of the EFA for Practice of Strategic Human Resource Management (SHRMN) are depicted in annex 2. Theoretically there are three factors for SHRM. According to that Table the eigen values >1 generated four factors and all items are reported to be above 0.6 factor loadings. Therefore, the unidimensionality of the construct is fully assured. As well, total variance explained by the four factors is 68.389 per cent.

Reliability

Reliability of a measure is an indication of the stability and consistency with which the instrument measures the concept and helps to assess the "goodness" of a measure (Sekaran and Bougie, 2010, p 161). The internal consistency of measures is indicative of the homogeneity of the items in the measure that taps the construct. As Sekaran and Bougie, (2010) explained that internal consistency can be tested through the interitem consistency and split- half reliability tests. The inter item consistency reliability is a test of the consistency of respondents' answers to all the items in a measure. As mentioned above Cronbach's Alpha is used to determine the internal consistency of the measures. As a rule of thumb, the scale is considered reliable when Cronbach's alpha is greater than 0.7. An alpha value of more than 0.7 would indicate that the items are homogeneous, measuring the same construct (Sekaran and Bougie, 2010).

Table 2: Inter item Consistency Reliability (Cronbach's Alpha)

Construct/Item	Cronbach's Alpha
Practice of Strategic Human Resource Management	0.900
Cohesiveness	0.843
Integration	0.864
Devolvement	0.921

Table 2 shows Cronbach's Alpha values for constructs and items, which were calculated using SPSS. As exhibited in the Table all constructs were reported to be above 0.7 Cronbach's Alpha reliability. All the item correlations were above threshold (threshold is 0.25 for item-total correlation). Hence, it can be concluded that all constructs have high internal consistency.

After testing Cronbach's alpha reliability all variables were forwarded to confirmatory factor analysis (CFA). CFA computes composite reliability (CR) and Average Variance Extracted (AVE). Moreover, composite reliability is known as construct reliability (CR) (Hair et al, 2006). Composite reliability (construct reliability) is a measure of the overall reliability of a collection of heterogeneous but similar items. Furthermore, composite reliability (CR) indicates the extent to which a set of indicators is being consistent in their measurement of the same construct (Badrullahand Shahid, 2011). The recommended threshold is CR>0.6

(Fornell and Larker, 1981). As mentioned by Hair et al (2006) the measurement reliability is very important, but it does not guarantee the validity of the instrument. Hence, the validity of each construct is calculated.

Validity

As mentioned above there are different types of validity tests that are used to test the goodness of measures and writers use different terms to denote them (Sekaran and Bougie, 2010, p.158). Basically, validity tests can be categorized under three broad headings: content validity, criterion- related validity, and construct validity. Content validity; in order to ensure the face validity, the survey instruments considered in the present study are established, as they have been aptly developed though a thorough review of related literature. It is also refined with reference to the relevant experts' opinions. This was assessed in the pre-test stage before finalizing the measurement instrument for the final data collection. The dimensions and elements of the variables were delineated carefully after having conceptualized the working definition based on the literature. In addition, the instrument had a high degree of internal consistency reliability (alpha).

Construct validity concerns the extent to which a set of measured variable actually represents the theoretical latent constructs (Hair et al, 2006, p.776). According to Sekaran and Bougie (2010) construct validity can be assessed through convergent and discriminant validity. Some authors have included face and nomological components into this. Convergent validity is established when the scores obtained with two different instruments measuring the same concept are highly correlated (Sekaran and Bougie, 2010, p 161). In addition, this represents the extent to which items of the same latent variable are measuring the same construct, and it can be assessed by factor loadings. As Hair et al (2006) explained higher factor loadings represent higher convergent validity, while all factor loadings should be statistically significant. Further, they have mentioned that a good rule of thumb is that standardized loading estimates should be 0.5 or higher, and ideally 0.7 or higher. Furthermore, the average percentage of Variance Extracted (VE) is another indicator of convergence. The AVE is an estimate, which calculates the average amount of variances in indicators that are accounted for by the underlying factor (Taylor, Sinha and Ghoshal, 2007). According to them AVE achieves 0.5 or greater taken as the cut off value, assures that at least 50 per cent or more of the variances in the observed variables are explained by the set of indicators.

Discriminant validity is established when, based on theory, two variables are predicted to be uncorrelated, and the scores obtained by measuring them are indeed empirically found to be so (Sekaran at el., 2010, p.160). Discriminant validity test shows how much variance is in the indicators that are able to explain variance in the construct. This indicates the extent to which a construct is truly distinct from other constructs. As a rule of thumb, all construct average variance extracted estimates should be larger than the corresponding 'squared inter-construct correlation estimates (SIC). This validity can be established when two distinctly different concepts are not correlated with each other.

In order to test the validity of the developed scale, the measurement model of SEM performs confirmatory factor analysis (CFA), which further tests and verifies the reliability and validity of the scale. Hair et al (2006) had explained the reported GOF (goodness of fit) indices include at least one absolute measure, incremental measure and parsimony fit measure. The following Table indicates a brief explanation of these indices. The measurement model is tested and constructed with first order and second order CFA. Accordingly, the first section discusses the first order CFA for each construct, in order to finalize the first order measurement model. Then the second order CFA will further confirm the appropriateness of the measurement model for the structural model. CFA assumes the normality of data, hence simultaneously testing it in AMOS output.

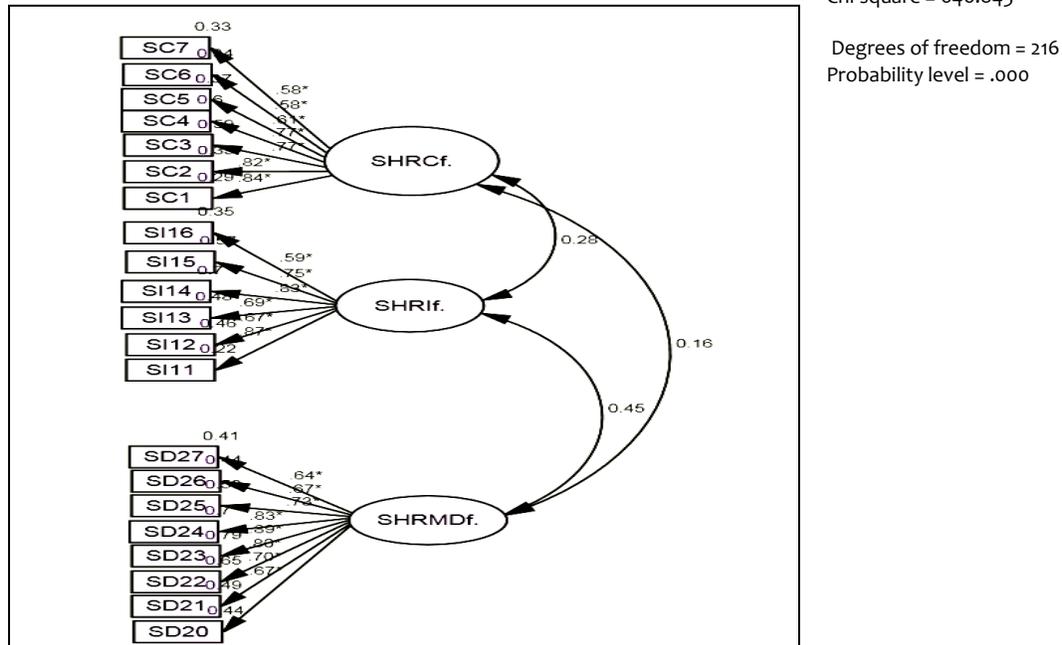**First Order Measurement Model for Practice of Strategic Human Resource Management**
Practice of Strategic Human Resource Management is refined with Cronbach's alpha value. All items were forwarded into CFA. The first order CFA for Practice of SHRM is shown in Figure 1. Furthermore, SI8, SI9, SI10, SI11, SI19, SI18 and SI17 report standardized regression weights below 0.5. These items drop when stepwise deletion by starting from the lowest standardized regression weight was conducted. For instance, SI8 reports the lowest value (.42), hence it is discarded first, followed by SI9, SI10, SI11, SI17, SI18and SI19 in successive stages. Ultimately, the measurement model for Practice of SHRM is finalized, this is depicted in Figure 2.

Figure 1: 1ˢᵗ Order Measurement Model for Practice of Strategic Human Resource Management
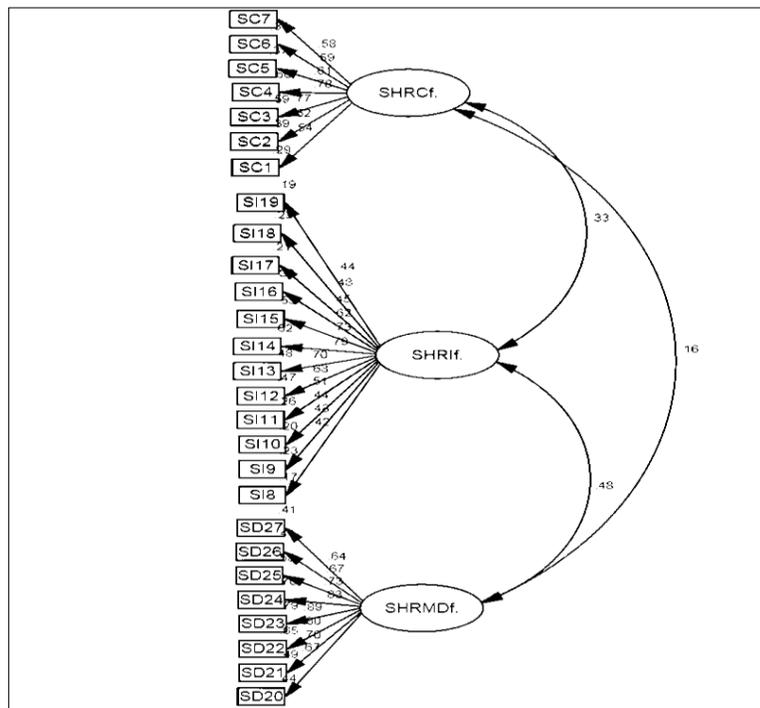
The refined model consists of 21 items. All standardized regression weights and correlations are significant at 5 percent significance level. Furthermore, the observed data demonstrate that the purified scale has satisfactory goodness of fit (GOF). As Table 3 shows the absolute fit indices confirm the fit between the observed data and the model. Moreover, the RMSEA is below 0.08, indicating that badness of fit of the model is negligible. The incremental indices are above 0.9, confirming that the construct fits the baseline model.

Figure 2: Purified 1st Order Measurement Model for Practice of Strategic Human Resource Management

Chi-square = 646.843

Degrees of freedom = 216
Probability level = .000

*correlation is significant at 0.05 level

Table 3: GOF Measures of Practice of Strategic Human Resource Management

Absolute	CIMN/DF	2.720
	GFI	0.870
	RMSEA	0.076
	AGFI	0.832
Incremental	NFI	0.958
	IFI	0.953
	TLI	0.928
	CFI	0.952

Figure 3: 2nd Order Model for Practice of Strategic Human Resource Management
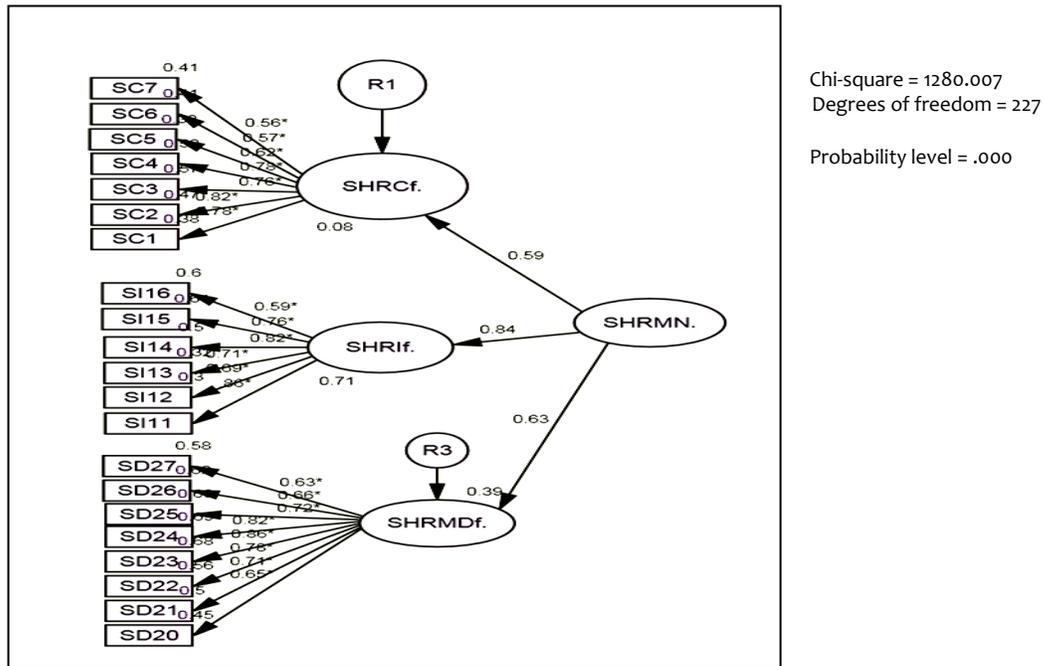

Figure 3 shows the second order CFA for Practice of Strategic Human Resource Management. As depicted there the standard regression weights of all items and covariance are significant at 0.5 and they are above 0.5. This indicates that the items in the model ensured the appropriate level of convergence.

Table 4: GOF Measures of Second Order Measurement Model- Practice of Strategic Human Resource Management

Absolute	CIMN/DF	2.082
	RMR	0.028
	RMSEA	0.079
Incremental	IFI	0.766
	TLI	0.752
	CFI	0.764
Parsimony	PRATIO	0.951

Further Testing of Convergent Validity, Composite Reliability and Discriminant Validity
The first order CFA is more important in verifying the convergent and discriminant validity. The next part assesses them with regard to first order CFA. As mentioned previously the convergent validity of each construct can be further assessed with the Average Variance

Extracted (AVE) and Composite Reliability (CR). Table 5 shows AVE and CR for each variable in the measurement model.

Table 5: Standardized Regression Weights, Average Variance Extracted and Composite Reliability

	AVE	CR
Variable/ Items		
Practice of Strategic Human Resource Management (SHRMN)	0.540	0.960
Cohesiveness (SHRCf)	0.516	0.879
Integration (SHRIf)	0.549	0.878
Devolvement (SHRDf)	0.556	0.908

The CR was intended to determine the consistency of constructs. Hair et al (2010) have mentioned that a scale with over 0.6 CR value could be considered as having reasonable internal consistency. As shown in Table 5, all the variables have good CR values (>0.5) then the construct's composite reliability is acceptable. Since the CR, values of all constructs are over 0.7 it can be pointed out that the items have a higher level of consistency in their measurement of the same construct. As mentioned earlier the convergent validity was assured since its factor loadings are high and significant. Furthermore, it has a standardized factor loadings estimate greater than 0.5. In addition, convergent validity can be determined by considering AVE. As above Table 5, shows AVE and CR for the variables and construct were examined. According to that, AVEs of the construct are above 0.5. Hence, it can be identified as having adequate convergent validity of the construct.

Table 6: Squared Multiple Correlation (SMC) and Average Variance of Extracted (AVE) Matrix for Discriminant Validity

	SHRCf	SHRIf	SHRMDf
SHRCf	**0.516**		
SHRIf	.343	**0.549**	
SHRMDf	.158	.433	**0.556**

As mentioned earlier, EFA can be used to assess the discriminant validity. Further, AVE is also used to test the discriminant validity. This can be done with the pair wise comparison of AVE of the construct and squared multiple correlation (SMC) variables. Table 6 shows the SMC matrix used to assess the discriminant validity. As illustrated in the Table AVE values are written diagonally, in order to compare the squared correlation values. In order to assure

the discriminant validity, the AVE value should be higher than the squared correlation values. As the Table 6, shows all the values are lower than AVE. Hence, all variables have high level of discriminant validity.   Moreover, considering the above convergent validity and discriminant validity it can be concluded that the construct has high construct validity.

Measurement of Practice of SHRM

As explained above,27 questions were included in the questionnaire in order to measure the construct of Practice of Strategic Human Resource Management. There were three dimensions namely coherence, integration, and devolvement. The scores were assigned ranging from one to five. The scores of the practice of SHRM can fall within the upper and lower limit of 135 and 27 respectively. Between these limits the Practice of SHRM can be shown in a continuum (Figure 4) of which the range of values or the difference of levels can be calculated as (135-27)/5=21.6.

Figure 4: A Continuum Showing the Levels of Practice of Strategic Human Resource Management

| Very Low | Low | Moderate | High | Very High |

| 27 | 48.6 | 70.2 | 91.8 | 113.4 | 135 |
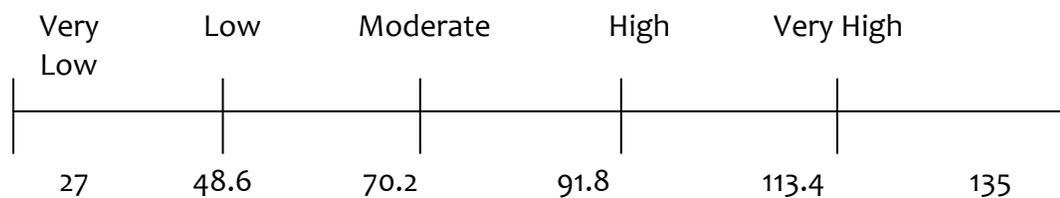
For the purpose of analysis these values were transformed to new values as indicated in the Table 7.

Table 7: Transformation of the Levels of Practice of Strategic Human Resource Management

Scale	Range of Points	New Values
Very Low	27-48.6	1
Low	48.7 – 70.2	2
Moderate	70.3 – 91.8	3
High	91.9 – 113.4	4
Very High	113.5 – 135	5

Table 8shows these descriptive statistics for the practice of SHRM. This includes the minimum; maximum, mean and standard deviation for the (SHRMN) construct as well each dimension of the practice of SHRM.

Table 8: Descriptive Statistics for Practice of Strategic Human Resource Management

	N	Minimum	Maximum	Mean	Std. Deviation
SHRMN	301	3.22	5.00	4.2493	.33766
SHRCf	301	3.00	5.00	4.2613	.44974
SHRIf	301	3.17	5.00	4.3001	.40041
SHRMDf	301	2.88	5.00	4.1653	.52894
Valid N (listwise)	301				

Figure 5: Histogram of Descriptive Statistics for Practice of Strategic Human Resource Management

SHRMN
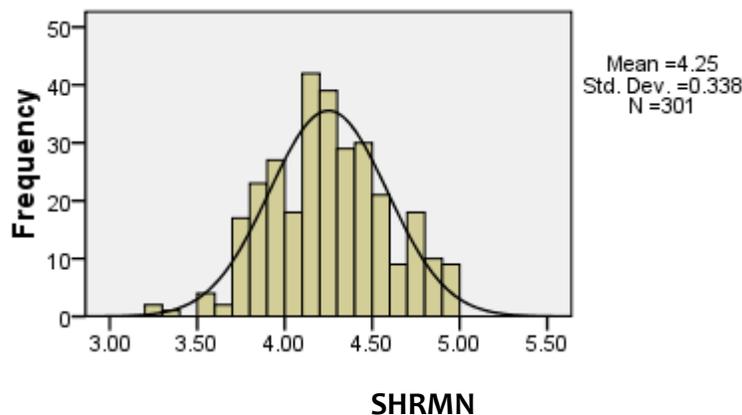
As shown in Table 8and the Figure 5 the mean score is reported as 4.24 ±0.33 (M±SD). This indicates that the majority of respondents have perceived as High (i.e. Score 4) level of practice of SHRM. Each dimension has the mean value of 4.26, 4.3, and 4.16 respectively. Among the items in the variable, SI13 reports the highest value (4.37±0.63). This explained, "HR representative at the board ensures that HRM issues are incorporated in the business/corporate strategies". However, the lowest mean value (4.12±.65) is reported from SD21, which is devolvement of "Designing of job description". More specially, when comparing each item there is no significant difference in the respondents' agreements.

Discussion

After identifying the findings of the study, it is important to evaluate these findings in light of the existing literature. The research findings indicated that the Practice of Strategic HRM in Sri Lankan Listed Companies is "High". Ayada and Sani (2010) have found that there was a moderate level of SHRM practice in government ministries and agencies in Niger state. However, in 2008, Dharmasiri (2008) found that the HR involvement at Strategic Level in Sri Lanka was relatively low. He has further explained "the HR professionals are typically loaded

with administrative tasks" in Sri Lanka. In year 1999, Basu and Miroshnik has mentioned that most of the HR officers in developing counties go little beyond routine administrative tasks of record keeping, drafting personal procedures, pay roll and staff welfare. But the present study found empirical evidence to show that now the Sri Lankan Situation is changing. Hence, the well-developed organizations in Sri Lanka like the Sri Lankan Listed companies are practicing SHRM (Sajeevanie, 2011).Based on the results it was finalized the developed instrument to measure the Practice of SHRM in private sector organizations.

Conclusion

There may be several ways of measuring the Practice of Strategic Human Resource Management and we presented here one way by developing an instrument whose validity and reliability were argued and tested empirically. The instrument developed here possesses adequate degrees of different forms of validity and reliability implying that the instrument can be utilized for future research studies in relation to Strategic HRM. There may be differences with regard to the practice of Strategic HRM among different industries, different sectors (public and private) different sizes (small, medium and large) and under different types ownerships (local and foreign). It will be further interesting to search whether there exist such differences and if so why.

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Annex 01: Questionnaire – Practice of Strategic Human Resource Management

Practice of Strategic Human Resource Management

Cohesiveness

Please indicate the extent to which you agree with the following statements:

| 1 | Strongly Disagree | 2 | Disagree | 3 | Neither Agree nor Disagree | 4 | Agree | 5 | Strongly Agree |

No	Questions	1	2	3	4	5
01.	There are no HRM systems within the organization which are contradictory with each other.					
02.	HRM systems are designed and implemented to match needs and/or solve problems of other departments of the organization.					
03.	HRM strategies are decided according to the organization competitive business strategy (either product differentiation or cost leadership).					
04.	HR Professionals of the HR Department view their purpose of the firm as serving the firm's needs rather than those of the HR departments or their positions.					
05.	When presenting proposals HR department has shown clearly how they were related to business strategy and how they would give benefits to the overall organization in terms of financial results.					
06.	HR Department seeks opportunities to address needs of each of the firm's business departments and support their strategy related objectives.					
07.	HR Department has translated the plans of other departments into human capital terms.					

Strategy Integration

To what extent does each of the following things occur

| 1 | Very Low Extent | 2 | Low Extent | 3 | Moderate Extent | 4 | High Extent | 5 | Very High Extent |

No	Question	1	2	3	4	5
08.	HR professionals give advice and suggestions based on their expertise to top management to make strategic decisions.					

09.	HR department has so far given the expected impact on implementing various strategic decisions taken by the top management.					
10.	HR Professionals facilitate the top management in assessing the effectiveness of the strategy.					
11.	Head of the HR department is a regular member of the strategic planning board/committee.					
12.	HR representative at the board has the business knowledge of Company's operations.					
13.	HR representative at the board ensures that HRM issues are incorporated in the business/corporate strategies.					
14.	HR issues are an integral part of strategic business/ corporate strategy along with other functional issues.					
15.	Development of business/corporate strategies is a top – down process.					
16.	HR Director is able to influence the management in the strategic decision making process.					
17.	Business/corporate strategies are developed by a combination of top – down, bottom – up approach.					
18.	Employees are given the opportunities to contribute to the development of business/corporate strategies.					
19.	Each Head of the department has his/ her part in the business/corporate strategy formulation process.					

Devolvement of HR Function

To what extent is each of the following HR functions being devolved (or delegated) to the line management?

1	Very Low Extent	2	Low Extent	3	Moderate Extent	4	High Extent	5	Very High Extent

No	Question	1	2	3	4	5
20.	Determining manpower requirements					
21.	Preparing of job descriptions and job specifications					
22.	Participating in the panel of interview in the selection process					
23.	Decision – making in the selection process					
24.	Identifying training needs					
25.	Deciding to offer training programs					
26.	Designing training programs					
27.	Implementing training programs					

Annex 02

The EFA Results of Practice of SHRM

	Component			
	1	2	3	4
SC1	.016	.102	.031	.779
SC2	.093	.096	.119	.762
SC3	.092	.103	.040	.686
SC4	.028	.085	.087	.662
SC5	.036	.009	.114	.739
SC6	.048	.245	-.011	.679
SC7	.021	.345	-.001	.682
SI8	.030	.585	.098	.362
SI9	.028	.783	.119	.232
SI10	.060	.609	.166	.098
SI11	.086	.728	.254	-.029
SI12	.110	.436	.638	.006
SI13	.140	.351	.663	-.015
SI14	.203	.196	.785	.048
SI15	.210	.027	.804	.107
SI16	.185	.027	.630	.168
SI17	.209	.029	.590	.054
SI18	.199	.051	.634	.094
SI19	.212	.121	.514	.064
SD20	.667	.149	.090	-.183
SD21	.689	.107	.144	-.124
SD22	.726	.018	.109	-.178
SD23	.785	.066	.137	-.047
SD24	.810	.036	.110	.040
SD25	.855	.024	.154	.217
SD26	.832	-.005	.103	.235
SD27	.825	.018	.119	.165

a.   Rotation converged in 8 iterations