

HR INVOLVEMENT IN STRATEGIC DECISIONS: IMPACT ON ORGANISATIONAL PERFORMANCE

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Abstract This study evaluates the extent to which involvement of the HR function in strategic planning predicts organisation performance according to development strategy type. Data were obtained from 639 organisations relating to three of the types of development strategy defined by Miles and Snow. The results indicate that the degree of involvement of the HR function in strategic decision-making is similar, whatever the intended strategy. They also show that for organisations following a prospector strategy, HR function involvement is positively linked to productivity/efficiency, to competitive position and to client acquisition and growth.

Keywords: HR Involvement; Strategic Decisions; Organisational Performance; Development Strategy.

INTRODUCTION

While an organisation's various functions (e.g. marketing, finance, accounting, human resources) have different roles, they share the common objective of assisting the organisation to achieve its goals. In fact, functional strategies that shape the value chain contribute to the creation of an organisation's value proposition (Hill and Jones, 2009; Porter, 1980). The significance of this is particularly evident in relation to the role of the human resources (HR) function (Alagaraja, 2013; Jiang, Lepak, Hu and Baer, 2012). There are many reasons for involving HR managers in strategic decision making. Lengnick-Hall and Lengnick-Hall (1988) maintain that involving the HR function provides a range of solutions for resolving complex organisational problems and ensures that human resources are considered in determining organisation goals and implementing strategic objectives. In the same vein, Bennett *et al.* (1998) contend that the more active the role of managers in developing an organisation's strategy, the more the strategy will be in a position to capitalize on the organisation's human resources strengths. These authors support the position that organisations that integrate their HR function into their strategic decision planning will have HR practices better adapted to the demands of their activities and will improve their competitive position.

REVIEW OF LITERATURE

Development strategies and involvement of the HR function

In theory, HR managers who are fully involved as strategic planning partners will be in a better position to suggest and

adapt HR practices to the organisation's needs. However, the level of involvement of HR managers differs according to the type of development strategy an organisation pursues. As such, strategic human resource management's early development focused on establishing the relation between particular sets of HR practices and an organisation's strategy (Lengnick-Hall *et al.*, 2009). For example, Wright and Snell (1991) and Bennett *et al.* (1998) posited that the development strategy may provide a determining contextual factor in the degree of HR function involvement in the strategic decision-making process. They suggested that the involvement of HR managers would be determined in part by the demands of the pressures ensuing from the strategy adopted by the organisation. The Miles and Snow (1978) model in particular has inspired a great deal of research on the links between HRM and development strategies, since this typology has a solid empirical base. Their typology suggests three basic types of strategy: defender, prospector and analyzer. Each of these strategies represents a model of adapting to the environment depending on whether the organisation must resolve a market problem, a technology problem or an administration problem.

The classic model portrays defenders as organisations with a narrowly defined product/services market, rarely seeking new opportunities and aiming at internal efficiency and tight control. In a relatively stable environment, these organisations would make few strategic changes. This environment is associated with a high degree of technical specialization, formalization and centralization of power, with its dominant coalition centred on production and finance/accounting. Because such an organisation operates in a stable market and avoids change and risk, its personnel

will tend to remain stable and evolve harmoniously. Given its internal and external stability, the organisation's HR systems are less likely to be subject to modification. In this context, the role of the HR function will tend to be more traditional; that is, a supplier of services and guidance, concerned with efficiency, and minimally impacted by the external environment. Other contextual factors, however—such as the nature of the industry (services vs. manufacturing), changes in work organisation as a result of improvements in quality standards (e.g. ISO standards), the presence of a union, increased uncertainty arising from globalisation of markets, development of new production technologies affecting the social system, changes in structure designed to favour team work,; and, finally, life cycle stage—affect defender companies as much as other types of organisations. As a result, despite a generic defender strategy, contextual factors could compel such companies to increasingly consider HR factors in their strategic decisions. Consequently, the hypothesis can be put forward that despite a less dynamic environment, the HR function may be required to change HR systems more frequently than in the past and may be involved in the strategic decision making process, albeit to a lesser degree than is the case for prospector and analyzer organisations.

Prospector organisations are characterized by a broad and diversified products/services market, the pursuit of new opportunities, flexible production technology and a relaxed control system. Given that prospector organisations operate in an extremely dynamic and unpredictable environment, they are faced with the choice of innovating or perishing. In this context, a very high level of HR involvement in the decision-making process is to be expected, in order to ensure the constant adjustment of HR systems to frequent changes of priorities and objectives. The HR function would take on the role of a strategic partner; that is, there would be a high level of involvement of top HR managers in realigning organisational systems and developing strategy. This more active role would respond to the expectations of senior management, the pressures of the environment and the priority of realigning HR practices to make the organisation more competitive, flexible, responsive and able to supply better quality products. The dynamic internal and external environment should ensure that input from the HR function is actively sought, to contribute to the organisation's ongoing adaptation to its environment.

The characteristics of the third type of organisation, the analyzer, represent a hybrid approach. Analyzer organisations operate in two markets, one stable, the other changing. They compete with the respective products/services of both defenders and prospectors and thus combine certain characteristics of the other two strategies. Given the need to maintain more complex HR systems appropriate to two strategies, the HR function should be especially involved in this environment.

Following the reasoning outlined above, involvement of the HR function in the strategic process may be expected to vary according to the development strategy. We **therefore hypothesize** that (1) *the involvement of the HR function in the strategic decision process is greater in analyzer and prospector organisations than in defender organisations.*

Strategies, HR involvement and organisation performance

For over 25 years, researchers have maintained that organisations involving HRM in the strategic decision process will outperform organisations that neglect this aspect (Wright and Boswell, 2002; Bae and Lawler, 2000; Fericelli and Sire, 1996; Huselid, 1995; Cook and Ferris, 1986). One deduction underlying this point of view is that the involvement of the HR function in this process fosters better alignment of HR practices with key success factors, thus enhancing a company's competitive advantage. We know that prospector and analyzer organisations are characterized by a more dynamic environment than are defenders. For the former, the need to become more competitive, flexible and responsive is a matter of survival, with the result that the urgency of realigning HR practices with organisational objectives should be a more crucial determinant for prospector and analyzer firms than for defenders. If we accept that prospector and analyzer organisations have a greater need to involve the HR function, we should expect to find that organisations failing to take HR input into consideration in strategic decisions would have a harder time meeting their strategic objectives and thus their performance would be affected. At the other end of the spectrum, the performance of defender-type businesses, with their stable internal and external environment, would be much less affected by lack of HR involvement in the strategic decision process. Nevertheless, in light of the many new contextual factors that these organisations must deal with, taking input from their HR managers into consideration should enhance organisational performance, though to a lesser degree than for the other two types of company.

The preceding theoretical overview raises a number of questions concerning the subject of this research, among them: Does the involvement of the HR function in strategic planning assume a different significance depending on the organisation's strategic orientation? Does the involvement of the HR function affect organisational performance differently depending on whether distinct generic strategies are pursued? Does HR involvement affect organisational performance indicators differently? Is HR involvement more critical at certain stages of the organisation's life cycle, for example growth or maturity—life cycle stages closely linked to development strategies?

Answers to these questions would give a clearer picture of the real importance of HR input in the strategic decision making process as a determinant of organisational performance. Positive answers would reinforce the HR department's position as a strategic actor within the company and justify its participation in the various phases of strategic development. Demonstrating that HR makes an essential contribution to strategic discussions would enhance the department's importance. Moreover, positive answers would make senior management more aware of the importance of the attendance of senior HR managers at strategic meetings and could contribute to how the HR perspective is received during the process.

This paper, therefore, also intends to examine to what extent the impact of HR function involvement on organisational performance differs according the organisation's major strategies. We hypothesize that (2a) *the more all three organisation types—prospectors, analyzers and defenders—involve their HR function in the strategic decision process, the more the organisation's performance will be strengthened*. It is also anticipated that (2b) *the impact of integrating the HR function will be less for defender-type organisations than for the other two organisation types*.

METHODOLOGY

Data were collected from a questionnaire sent to the senior manager of the human resources departments of 689 organisations in the primary, secondary and tertiary sectors in Quebec and Ontario (Canada), which had indicated that they pursued a development strategy in line with the defender, prospector and analyzer typology. The questionnaires were completed by an individual with management responsibilities in the human resources department (director, vice-president, etc.). It is reasonable to assume that these people were well-placed to provide us with information about their organisation's development strategy and the involvement of the HR function in its strategic process. As the respondents held senior management positions, they were also in a good position to provide a meaningful evaluation of their firm's organisational performance. Of the 689 organisations, 41 had no formal HR department and were eliminated from the study, as were 9 organisations whose data were incomplete. To classify the organisations according to their development strategy, respondents had to choose from among the following three descriptions the one that best characterized their organisation: (1) *My organisation focuses on a limited range of products and actively defends its market position* (defender); (2) *My organisation tries aggressively to develop new products and markets* (prospector); and (3) *My organisation has a range of products in a very stable market and other products in a rapidly developing market* (analyzer). Of the 639 organisations that remained, 175 said that they followed a

defender strategy; 295 pursued a prospector strategy; and 169 were analyzers. Of the organisations in the sample, 4% were companies in the primary sector (e.g. mining); 37% were in the manufacturing sector (e.g. machined parts); 39% were in the services industry (e.g. banks); and the remaining 20% were hybrid organisations, that is, with both service and manufacturing components (e.g. a number of high-tech companies). By number of employees, the breakdown was as follows: 27% were firms with fewer than 200 employees; 28% had between 200 and 600; 13% between 600 and 1200; and 32% had more than 1200 employees. Lastly, 44% of the organisations were not unionized, while in the rest the unionisation rate ranged from 30% to 60% of employees. Respondents thus came from organisations in three industrial sectors. Lack of a current theoretical model did not justify an a priori distinction by industrial sector. Nevertheless, given that contextual characteristics particular to each sector could exist and interfere with the results, we introduced this dimension as a control variable in our regression analyses.

Independent variables

HR function involvement in strategic decisions: The extent of the HR function's involvement in strategic decision-making was measured on a 4-point continuum, where each point was a description of the degree of linkage between the HR function and the strategic decision process. Respondents had to choose from among four descriptions the one that most nearly represented their situation. The descriptions, inspired by Golden and Ramanujam (1985), were as follows: (1) *The human resources department is essentially limited to basic operational support, it develops internal programs to fill specific needs and is concerned mostly with administrative duties and paperwork*; (2) *The human resources department mainly reacts to strategic directions and requests coming from senior management*; (3) *The human resources department is involved in and contributes to strategic decisions but only on issues that concern employees*; and (4) *The human resources department is actively involved in all kinds of strategic decisions, whether or not the decisions directly concern employees*. The higher the score of HR involvement in decision making, the more the HR function is integrated into the strategic decisions. HR function involvement in the strategic process broke down as follows: 74 organisations at level 1; 50 at level 2; 185 at level 3; and 329 at level 4. The results indicate that nearly half of the respondents say that their department is involved in the strategic planning process.

Dependent variables

Measures of perceived organisational performance:

The dependent variables are represented by three factors encompassing qualitative measures of the perceived performance of the organisation: productivity and efficiency, competitive positioning, and client acquisition and growth. The contents of these three measures are taken from the work of Barrette and Ouellette (2000) and consist of 13 items measuring perceived organisational performance. The scale reliability of each factor is greater than .80. This measurement of perceived organisation performance uses a scale that derives from that of Huselid (1995) and asks each respondent to answer, for each performance element, the following question: *Generally speaking, how would you compare the performance of your organisation to that of other organisations in the same field, on the following element.*

Table 1: Means, Standard Deviations, Correlations, and Scale Reliability Coefficients for Study and Control Variables

	Mean	SD	n	1	2	3	4	5	6	7
1. Age (organisation)	6.58	2.48	833							
2. Size	3.47	3.65	836	.243**						
3. Unionisation	2.24	2.26	837	.209**	.194**					
4. HR Involvement	2.20	1.01	818	-.015	.106**	.008				
5. Productivity and Efficiency	4.13	0.98	800	-.031	.017	-.074*	.136**	(.86)		
6. Competitive Positioning	4.20	0.85	791	-.039	.002	-.133**	.217**	.676**	(.84)	
7. Client Acquisition and Growth	3.82	1.24	790	-.020	.115**	-.092*	.171**	.435**	.577**	(.85)

Notes: N ranges from 790 to 837 due to missing data; ** $p < 0.01$; * $p < 0.05$; Diagonals in parentheses represent Cronbach's Alpha

Table 1, HR Involvement is significantly and positively correlated with Productivity and Efficiency ($r = 0.136$, $p < 0.01$), Competitive Positioning ($r = 0.217$, $p < 0.01$), and Client Acquisition and Growth ($r = 0.171$, $p < 0.01$). This suggests that hypothesis 2a is corroborated.

Regression analyses and interpretation of the results

To further test the hypotheses, we conducted a series of regression analyses (Table 2). Hypothesis 1 was not substantiated. It assumed that there would be mean differences for the integration of the HR function into strategic decision-making depending on whether the organisations pursued a defender, analyzer or prospector strategy. To verify this hypothesis, an analysis of variance, in co-variation with the control variables (organisation age, industrial sector, size, unionisation rate), was conducted on the HR function involvement score among the three types of organisation. The findings indicate that the primary effect was not significant ($F = .614$, $df = (5,627)$, $p > .05$). This suggests that development strategy would not be a determining factor in senior management's decision whether or not to involve their HR function in strategic decision-making. It should be remembered that the results of the distribution breakdown of levels of HR function involvement showed that half of the

FINDINGS

Correlations between variables

Bivariate correlations and descriptive statistics are presented in Table 1. Two control variables showed significant correlations with variables in the study. First, size (number of employees) had a positive correlation with Client Acquisition and Growth ($r = 0.115$, $p < 0.01$). Second, unionization had a negative correlation with Productivity and Efficiency ($r = -0.074$, $p < 0.05$), Competitive Positioning ($r = -0.133$, $p < 0.01$), and Client Acquisition and Growth ($r = -0.092$, $p < 0.05$).

Of greater importance are the correlations between the predictor variable and the outcome variable. As noted in

respondents stated that they were involved in the strategic process. These results, coupled with the absence of mean differences linked to development strategy, suggest that other factors determine the degree of HR involvement in strategic planning.

Hypothesis 2a was partly supported. It predicted a positive relationship between organisation performance and the integration of the HR function in the strategic planning process in prospector and analyzer organisations. In this analysis, all the control variables were introduced together in stage 1 of each regression, followed in the second block by the measure of HR function involvement. Only the results for the prospector organisations were significant. These (Table 1) show that the *HR function involvement* variable explains a significant increase in variance on each of the three organisational performance factors, that is: an ΔR^2 of .05 for the productivity and efficiency factor ($F(1,294) = 16.25$, $p \leq .001$); of .07 for competitive positioning ($F(1,294) = 21.65$, $p \leq .001$); and .05 for the customer acquisition and growth factor ($F(1,294) = 10.86$, $p \leq .001$). The standardized beta scores are positive.

Hypothesis 2b was not substantiated. It predicted a positive relationship between organisation performance and integration of the HR function in strategic decisions for defender organisations, but to a lesser degree than for the other two types of organisation.

Table 2: Results of the Hierarchical Regression Analyses Regressing 3 Factors of Perceived Organisational Performance on HR Involvement

Strategic Type	Dependent Variables	Blocks	Independent Variables		F	R ² adjusted
Defender (n = 175)	Produc. and Efficiency	1	Control			
		2	HR Involvement	—	—	NS
	Competitive Positioning	1	Control			
		2	HR Involvement	—	—	NS
	Client Acquisition and Growth	1	Control			
		2	Intégration RH	—	—	NS
Analyzer (n = 169)	Produc. and Efficiency	1	Control			
		2	HR Involvement	—	—	NS
	Competitive Positioning	1	Control			
		2	HR Involvement	—	—	NS
	Client Acquisition and Growth	1	Control			
		2	HR Involvement	—	—	NS
Prospector (n = 295)	Produc. and Efficiency	1	Control			
		2	HR Involvement	0,22	16,25	.05***
	Competitive Positioning	1	Control			
		2	HR Involvement	0,26	21,65	.07***
	Client Acquisition and Growth	1	Control (size)	0,12	5,51	.01*
		2	HR Involvement	0,23	10,86	.06***

* : $p \leq .05$; ** : $p \leq .01$; *** : $p \leq .001$

DISCUSSION

In the first hypothesis, it was expected that defender-type firms would involve their HR function to a lesser degree than the other two types. The findings show no mean differences in relation to the involvement of the HR function according to development strategy. This outcome is especially interesting, and it raises questions about the currentness of the Miles and Snow (1978) model. When the theory was developed, in the 1970s, the external environment for

defender companies was much more stable and predictable. Production technologies were as yet barely affected by the development of computer technology, market globalisation was still a politician's dream, work organisation had not yet been impacted by the trend towards total quality, labour force diversity was minimal, etc. Consequently, the defender development strategy was confronted with far fewer external contingencies. The evolution of the HR function was accelerated by these factors, and it is possible to think that the new circumstances are the reason for its increased involvement in the strategic planning process.

Another possible explanation for these results could be found in Resource Dependence Theory (Pfeffer and Salancik, 2003). According to this theory, groups and organisations derive power over others by controlling important resources. The integration of HR managers in strategic decision-making, whatever the strategy, could be a manifestation of the increased power of HR managers in recent years. There is no doubt that the roles attributed to the HR function have developed enormously over the past 15 years. The role of operational partner grew under the pressures of higher management's increasing requirement for HR departments to understand operational problems, come up with solutions and participate in their implementation. In such a context, the HR function has come to control more and more of the resources and activities that the organisation's other functions and operations depend on. The hypothesis could also be advanced that the increase in the professionalism and skills of HR managers over the course of time has played a significant role in their increased presence in strategic discussions.

However, it should be recognized that business strategy is only one of the contingency factors explaining the importance of the HR function's role in an organisation. The significance of a number of other internal and external factors has emerged since the theory was published (Pichaut and Nizet, 2000). Internal factors such as technology, structure and life cycle influence the importance accorded to the HR input in strategic decisions. As well, external contextual factors, such as legal and political aspects, unionisation, the labour market and the nature of the industry, can play a very important role in the demands on the HR function (Jackson and Schuler, 1995).

On another level, our findings show that despite a comparable involvement of the HR function for each of the development strategies, the involvement within each strategy has different impacts on organisational performance. It is easy enough to understand why the involvement of the HR function is linked to positive impacts on organisational performance for prospector companies. This concurs with the point of view of authors who hold that in an environment requiring great flexibility, rapid adaptation to external forces and frequent changes related to product and service innovation, the HR function plays a more strategic role (Becker, Huselid and Ulrich, 2001). As innovation is a shared characteristic of prospector companies, the theory of human capital is quite applicable here. This theory assumes that skills, experience and knowledge have an economic value for the organisation, because they enable it to be more productive and adaptable (Jackson and Schuler, 1995). Given the imperative of innovation, and that innovation necessarily comes through people, this resource inevitably becomes more strategic in prospector organisations than in other organisations.

We hypothesized that the HR function would be associated with better organisational performance for defender-type firms, given the many contextual factors that have impinged

on their environment in the last 25 years. According to our hypothesis, these environmental factors would necessitate greater adaptation in their HR systems now than previously. The absence in our findings of any relationship with organisational performance does not necessarily indicate the absence of impact of the HR function on other performance factors, especially in relation to the human outcomes resulting from the effect of HR practices established to contribute to key success factors. In a more stable environment, such as that normally associated with defenders, the impact of the HR function could make itself felt more directly on behaviour and indirectly on organisational performance. In other words, for these organisations, the relationship between HR integration and organisational performance might be better grasped through a number of intermediary links. These outcomes would then fall much more within the current "step" or "HR value chain" models. On the other hand, for prospector organisations, the impact of HR function involvement in strategic decisions would be much more direct.

Another explanation for the findings involving defender and analyzer organisations could be linked to the level of analysis. Grouping organisations by a characteristic as general as development strategy means studying organisations with very different industrial characteristics, especially in relation to activity sector (services vs. manufacturing). The use of respondents from widely differing organisations is a routine approach in HRM studies, in order to obtain a sufficiently large sample of organisations to meet statistical requirements, and also to arrive at the most generalisable results possible. However, this can also interfere with calculating predictions, if distinct industrial contexts underlie non-specific and unknown variables capable of affecting statistical outcomes. The distinction can be corrected to some extent by including this variable as a control variable, but the correction is not perfect. Analysis by sector could shed a different light. Though, to our knowledge, there is no theoretical model supporting the idea that HR involvement may vary by industrial sector, we suggest that HR involvement could express itself differently according to the characteristics of each sector. Further research along this line would be necessary to better understand whether the industrial sector influences the HR role. With our desired objective of generalising, we risk comparing organisations that are too distinct, and obscuring the results with statistical artefacts.

To thoroughly understand the impact of HR function involvement in the strategic decision process, it would be advisable to look at the question from the perspective of organisational configuration; that is, to create classes of organisations sharing several contingencies and to study whether organisational performance varies within and between the different classes. Organisational configuration theories maintain that some organisational configurations entail the implementation of particular HR practices. Pichaut and Nizet (2000), for example, highlight the presence of

some HR practices linked to Mintzberg's (1982) structural configurations, but also to certain other contingencies such as the labour market and cultural values. The findings might perhaps be more revealing if the organisations studied shared a set of internal and external contingencies. For example, working from the Pichaut and Nizet (2000) model, it could be thought that the impact of HR integration would be felt more powerfully in a missionary configuration, where a large part of the power is localised in the techno structure, compared to a professional configuration dominated by a high degree of decentralisation of qualified operators. The impact of HR function involvement would be better delimited to a particular internal and external context. Accordingly, the absence of impact of HR involvement obtained in relation to the defender and analyzer strategies does not mean that significant results might not be obtained using other internal and external contingency variables in the study.

The relationship between protagonists could also provide an explanation for a possible link between the HR function and organisation performance. Pichaut and Nizet (2000) emphasized the highly political nature of HRM models where contextual elements can be manipulated by the participating actors to represent in their own way the contradictory issues that often accompany a major organisational change. For example, it can be imagined that senior management would actively seek the input of the HR function during an important period of organisational transition, such as moving from a prospector to a defender strategy. In these circumstances, the HR function would be called on to play a much more significant role and its influence and impact would be enhanced.

In this article, we intended to demonstrate that having a HR strategy that is integrated with a business strategy has different effects on performance based on that business strategy. It appears however, that HR integration always results in better performance, regardless of the business strategy being used, in companies where there is integration. An integrated HR strategy is therefore important for performance, regardless of the business strategy, and the preliminary results appear to be interesting. In further studies, we intend to examine the principle of equifinality by calculating the Euclidean distance weight. This technique will allow us to see whether businesses that remain consistent between their business strategy and HR manage to obtain the same level of performance. The task will therefore be to isolate the profile of performing businesses based on different business strategies. In terms of profile, preliminary results indicate that performing businesses that adopt a prospector strategy have a different HR strategy than performing businesses that adopt a defender strategy. Prospectors use on average, one additional HR practice, invest slightly more in training (2 days on average versus 1.7), encourage participation in decision-making (3.9 vs. 2.8 on a 5-point scale), encourage teamwork (4.1 vs. 2.9), but have exactly the same HR integration level with the business strategy (3.5 vs. 3.5). It

is therefore interesting to observe significant differences, mainly in terms of participation and teamwork.

It would also be interesting to enrich this research by adopting the logic of growth periods of businesses (e.g. emergence, growth, maturity and decline). Statistics indicate that these growth periods have different effects on performance. In fact, emerging and growing businesses seem to show higher performance, while the opposite is true for the other two growth stages (maturity, decline). Further research could attempt to verify whether a declining business that selects a prospector strategy to turn things around manages to perform better than others, to show that it is possible to counteract a decline period. Furthermore, we will verify triple interactions with the growth period, business strategy and HR integration level.

This study works within the normal limitations for this type of research design. Among these limitations, we should note the use of perceived indicators for evaluating organisational performance. This limitation is mitigated by the results of research that tend to demonstrate that these indicators correlate with objective performance indicators (Delany and Huselid, 1996; Dess and Robinson, 1984). As well, perception measures have the advantage of allowing an evaluation of HR involvement in organisations where direct financial performance measures are not generally available (e.g. private companies). However, an evaluation of organisational performance coupled with judgements about the involvement of the HR function necessarily presents the possibility of pooled variance. This means that respondents can unconsciously shade their responses to the items measuring performance in such a way as to affirm the value of their HR functions. In future studies, it would be desirable for researchers interested in this question to obtain data on the independent and dependent variables from different respondents. For example, judgements on organisation performance could come from managers from different departments or levels of seniority. The cross-sectional nature of the data also precludes the possibility of conducting lagged analyses to determine whether common method variance is a contributor to the findings. In this regard, since all data were collected from self-reports, this source may further introduce spurious results. Finally, the measures for HR involvement and development strategy could be strengthened by additional items in order to define the construct more fully.

CONCLUSION

Despite its limitations, this study does provide researchers with empirical evidence supporting the idea that HR function involvement in strategic planning can be linked to organisational performance. The results indicate that the degree of involvement of the HR function in strategic decision-making is similar, whatever the intended strategy.

However, the results also show that HR function involvement can be linked to organisational performance according to development strategy type. In particular, involvement of the HR function in strategic decisions predicts productivity/efficiency, competitive position and client acquisition and growth in prospector-type organisations. This finding is particularly useful to HR practitioners who work in organisations that are continually exploring new markets and new opportunities, and are directed toward growth and risk taking.

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