Measuring SHRM Vertical and Horizontal Fit: Scale Development and Validation

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Abstract
This study aims to develop a scale for SHRM vertical and horizontal fit in the context of Pakistan. The development of scale was undertaken through the systematic process of literature review, in which scale measures and items were identified and subsequently ensured through the review of PhDs, field experts, and corporate societal representative. The data was collected from Senior HR professionals, working under Pakistan finance and insurance sector organizations. Confirmatory factor analysis applied on the collected data, which established valid and reliable measures for both fits. These measures at SHRM vertical fit were named as the relationship of HRM with strategic management process (SMP), organization strategic and key initiatives (OSKSI) and decision-making process (ODMP). At SHRM horizontal fit, these were named as the relationship of HRM practices and policies at within HRM hierarchy (WIHR) and outside HRM hierarchy (OHH). These developed measures clearly reflect the robust composition of SHRM vertical and horizontal fit in the context of Pakistan.
Keywords: SHRM Vertical Fit, SHRM Horizontal Fit

SHRM became beneficial for creating a fit in between HRM and strategy for adding value in organization performance. This key benefit of SHRM, attracted the attention of scholars, due to which presently the integration of HRM and strategy can be theorized under SHRM, resource-based view, universalistic and fit theoretical approaches. The research on SHRM resource-based view and universalistic theoretical approaches remained very common in literature. However, research under SHRM fit theoretical approach remained very partial (Delaney & Huselid, 1996). Due to which it always remained an unexplored theoretical approach (Wang & Shyu, 2008).

The concept of SHRM fit is embedded from the definition of Wright and McMahan (1992) in which it is being referred to as a pattern of planned HRM deployments and activities intended to achieve organization goals. This definition highlights vertical and horizontal bi-dimensional relationship of organization strategy and HRM to achieve the organization performance.

With an increase in technology and globalization, HR managers are emphasizing the practice of SHRM in the organization to enhance organization performance. Due to which, SHRM fit theoretical approach bi-dimensions are of high significance. But, due to their limited approach, they still remain a major challenge to properly reflect their

robust measurement (Gooderham, Parry, & Ringdal, 2008; Zhu, Cooper, Thomson, Cieri, & Zhao, 2013).

In SHRM, extensive studies on SHRM fit were conducted, the focus of studies was, how HRM and organization strategy can be fit with each other instead of their categorization under fit dimensions. Most of the fit studies were surrounded with the issues of dimensionality, reliability, validity and few items scale. Besides, most of the studies for scale development were country-specific also. Due to which using these scales in the context of Pakistan are highly associated with generating reliability and generalizability issues.

In the context of Pakistan, SHRM research as a whole remained under applied. The literature represents, that Pakistani scholars mostly focused on investigating traditional HRM practices, i.e. (Qamar & Baloch, 2011; Siddique, 2016). Hardly, significant SHRM studies conducted in Pakistan. With the boost in economic activities, organizations in Pakistan are strategic oriented, where preference is given to achieving the performance. But, organizations are implementing SHRM practices, which are not country specific. Due to which, there is a dire need to develop country-specific SHRM scales for generating better performance results.

Since SHRM inception, Darwish, Singh, and Mohamed (2013) opined, SHRM literature demanding to conduct the study from the services sector perspective. Due to which, we selected Pakistan finance and insurance sector. Most of the organizations operating in this sector have well-designed HRM departments. The rapid growth of the sector organizations and past privatization experiences marked the effective use of SHRM policies. SHRM in the sector has helped the organization to shift their strategic focus towards achieving better performance results. Pre and post-privatization financial results of the organizations are associated with effective SHRM activities. The contextual scale of SHRM fit will further help the sector organizations to enhance their organizational performance. In view of SHRM importance and to curtail the highlighted gaps. This study aims to develop SHRM fit scale, based on its vertical and horizontal fit dimensions in the context of Pakistan.

Literature Review

SHRM Fit

The word fit implies the degree to which needs, demands, goals, objectives and/or structure of one component are consistent with another component (Wright & Snell, 1998). While, the word SHRM implies a pattern of planned HRM deployments and activities intended to achieve organization goals (Wright & McMahan, 1992). The association of both words generates the theoretical approach of SHRM fit, in which both are aligned to create an effective integration in between HRM and organization strategy. SHRM fit is a key theoretical approach and based on two pillar dimensions of vertical and horizontal fit. Both these

dimensions role is to create an association of HRM at a specific level in order to achieve the performance objectives of the organization.

SHRM Vertical Fit

It is based, on an alignment of HRM and strategy at the top-level process of the organization. This alignment of HRM and strategy defined to an extent of organization strategic management process. In which HRM alignment is created with organization mission and objectives (Green, Wu, Whitten, & Medlin, 2006). Conversely, the need of HRM relationship with organization strategies and key initiatives was also theorized by (Greer, 2001; Wright & Snell, 1998). The focus of such alignment at the top level of the organization is to differentiate an organization from its competitor by achieving its competitive advantage and yielding its key initiatives benefits. In addition to it, most of the scholars, considered the relationship of HR professionals in the organizational decision-making process very necessary, due to which it is considered a key pillar of HRM and strategy relationship at the vertical level. Prominent scholars, Bennett, Ketchen, and Schultz (1998), and Zhu et al. (2013) highlighted the need for considering organization HR professionals in the decision-making process to achieve organizational results.

SHRM Horizontal Fit

It is based, on an alignment of HRM policies and practices within and outside HRM hierarchy. At within HRM hierarchy, HRM policies and practices remain supportive of each other and their core objective is to derive employees behavior, achieving organizations results (Bellairs, Halbeslebe, & Leon, 2014). Whilst, HRM policies and practices outside the HRM hierarchy are business driven Zupan and Ograjensek (2004) where their key focus is to create an alignment in between HRM and organization structure to generate synergetic results (Verburg, Hartog, & Koopman, 2007).

Measurement of SHRM Vertical and Horizontal Fit

For measuring SHRM vertical and horizontal fit, a number of scales were designed; few of these discussed in this section. One of the earliest attempts at measuring HRM and strategy alignment was from Fey, Bjorkman, and Pavlovskaya (2000) in Russia, in which an adjustment of HRM with strategy assessment was identified. This measurement was not categorized under any SHRM fit; however, it marked the evolution of HRM and strategy in SHRM research. A more generalized scale was developed under SHRM vertical fit decision making perspective by Chang and Huang (2005) in the context of China. In which HR representation was assessed. An effective SHRM vertical and horizontal fit study was conducted by Green et al. (2006) in the USA, in which scale items were developed through the ensuring process of reliability and validity. The scale items were categorized but were limited to six items only. A comprehensive association of HRM with the

competitive strategy was assessed by Wang and Shyu (2008) in Taiwan. This was a novel study, in which HRM role with organization competitive strategy was highlighted. Amongst all the studies, one of the most significant studies on SHRM fit scale development was conducted by Azmi (2010) in which four fits were identified in India. The study highlighted the four fits categories vis-à-vis strategy, role, intra and cross-functional fits but it did not categorize these fits under SHRM vertical and horizontal fit dimensions. Zhu et al. (2013) developed a Likert scale on six items but was also contextualized to China province and was lacking the reliability assessment and categorization.

The limitations highlighted in each of the studies, essentially require a proper consideration for the measurement of SHRM vertical and horizontal fit. Due to which, this study will focus to develop SHRM fit scale in the context of Pakistan finance and insurance sector.

Research Methodology

A literature review approach adopted to develop the measures and items of SHRM vertical and horizontal fit. This approach is very common and been used by (Azmi, 2010; Gurbuz & Mert, 2011; Singh, 2003; Zhu et al., 2013).

Research Setting

Finance and insurance sector is a core sector of Pakistan and effectively contributing in its GDP. Most of the organizations operating in this sector are equipped with well-established HR departments, in which the presence of significant SHRM practices is common. A review of Pakistan finance and insurance sector revealed that 153 pertinent organizations are operating. Universally, it is believed that organization HR professionals are well aware of organization SHRM activities, due to which we approached Senior HR professionals of these organization for data collection. The steps followed in the research for scale development are as follows.

Step 1: Review of the Literature for Generation of Domains Measures

Once, SHRM vertical and horizontal fit are identified as pillars of a larger domain, i.e. (SHRM fit). The review of the literature carried out to identify their measures. During the review, it was identified that vertically the relationship of HRM and strategy can be categorized under three perspectives; HRM relationship with, strategic management process, organization strategies, and key strategic initiatives and with the decision-making process. Whilst, horizontally, HRM policies and practices association can be categorized under two perspectives, within and outside HRM hierarchy. These three perspectives of SHRM vertical fit and two perspectives of SHRM horizontal fit will be broadly treated as measures in our study.

After measures identification, we approached two domain PhDs for review. Both the PhDs, reviewed our literature, identified measures

and suggested treating both scales separately for its development, whilst both will remain part of the larger domain i.e. (SHRM fit). Similarly, the measures, which were obtained from a review of the literature, should be used vis-à-vis for SHRM vertical and horizontal fit. Based on a review of the literature and subsequent endorsement of PhDs, the yielded measures of both the fits are highlighted as below.

SHRM vertical fit. The yielded measures of SHRM vertical fit are reflected as under. These were named in terms of their relationship with HRM.

- Strategic Management Process (SMP): Through a review of the literature, we observed that vertically the relationship of HRM and organization strategy could be measured in terms of integration of HRM with strategic management process of the organization. In literature, we found support for this measure through the studies of (Chen, Hsu, & Yip, 2011; Green et al., 2006; Michie & Sheehan, 2005; Wright & McMahan, 1992; Zhu et al., 2013).

- Organization Strategies and Key Strategic Initiatives (OSKSI): Through a review of the literature, we observed that vertically the relationship of HRM and organization strategy could be measured in terms of integration of HRM with organization strategies and key strategic initiatives. In literature, we found support for this measure through the studies of (Baird & Meshoulam, 1988; Bellairs et al., 2014; Delery & Doty, 1996; Greer, 2001; Wright & Snell, 1998).

- Decision-Making Process (ODMP): Through a review of the literature, we observed vertically the relationship of HRM and organization strategy could also be measured in terms of involvement of HRM professionals in the decision-making process to generate effective results. In literature, we found support for this measure through the studies of (Bennett et al., 1998; Chen et al., 2011; Green et al., 2006; Singh, 2003).

SHRM horizontal fit. The yielded measures of SHRM horizontal fit are reflected as under. These were named as HRM policies and practices association at a specific level.

- Within HRM Hierarchy (WIHR): Through a review of the literature, we observed that within HRM hierarchy, HRM policies and practices could be measured in terms of their consistency with each other. In literature, we found support for this measure through the studies of (Bellairs et al., 2014; Delery, 1998; Delery & Doty, 1996; Greer, 2001; Wright & Snell, 1998).

- Outside HRM Hierarchy (OHH): Through a review of the literature, we observed that outside HRM hierarchy, HRM policies and practices could be measured in terms of consistency with other departments of the organization. In literature, we found support for this measure through the studies of (Chang &

Huang, 2005; Green et al., 2006; Verburg et al., 2007; Zupan & Ograjensek, 2004).

Step 2: Review of the Literature for Generation of Items

After measures confirmation, a review of the literature was carried out, in which items were identified. These generated items were presented to PhDs, who reviewed the items and recommended minor corrections along with their incorporation under the most widely adopted measurement scale in literature. The items under each measure along with their sources is provided in Appendix A.

Step 3: Identification of the Measurement Scale and Incorporation of Items

The review of the literature revealed the Likert scale having five endpoints based on (*1 representing strongly disagree and 5 representing strongly agree*) is a commonly used scale. After identification of the scale, the same was discussed with both PhDs, who had recommended to incorporate the items on the same scale.

Step 4: Ensuring Content Validity of the Scales

Once, scale measures and items are developed. We approached two different PhDs, having the domain knowledge to review our scales. Both the PhDs thoroughly reviewed the scale development procedure and satisfactorily endorsed its domains, measures, and items. The satisfactory review of both PhDs helped us in ensuring and establishing the content validity of scales. During the review, both the PhDs recommended to get scales to review from field experts and subsequently from a corporate societal representative.

Step 5: Review of Field Experts

The scales were presented to two field experts, who reviewed developed scales and recommended minor corrections in items words, through replacement of certain difficult words with suitable synonymous. This recommendation of both experts was incorporated in both scales, before review of corporate societal representative.

Step 6: Review of Corporate Societal Representative

A corporate societal representative is a person, having domain knowledge and involved in societal work. The review of corporate societal representative was recommended to ensure, ethical standards of society. Corporate societal representative thoroughly reviewed the scales and endorsed, they are meeting with ethical standards.

Initial Data Collection and Purification

After generation of initial sets of items and measures, the questionnaire was distributed to Senior HR Professionals for their feedback and pilot phase data collection. During that phase, an issue regarding, difficulty in understanding English words was identified, due to which certain words were replaced with possible synonymous. Thirty responses were collected and pretested for statistical appropriateness through Cronbach's alpha.

Table 1. *Cronbach's Alpha Scale Results in Pilot Testing*

S.No	Scale	Number of Items	Cronbach's Alpha
1	SHRM Vertical Fit	15	0.88
2	SHRM Horizontal Fit	13	0.83

Table 2. *Cronbach's Alpha Scale Measures Results in Pilot Testing*

S.No	Scale	Number of Items	Cronbach's Alpha
1.	SHRM Vertical Fit		
A.	SMP	03	0.81
B.	OSKSI	07	0.68
C.	ODMP	05	0.84
2.	SHRM Horizontal Fit		
A.	WIHR	05	0.88
B.	OHH	08	0.66

Scales, Cronbach's Alpha values approached the accepted value. Hence, it was decided to proceed to next phase.

Primary Data Collection

After scales identification with the necessary statistical requirements in pilot phase. We approached, Senior HR Professionals working under Pakistan finance and insurance sector organizations, located at Head Office Level to participant in study. Total, 58 respondents responded the questionnaire, out of which 52 were treated for final analysis. The data was collected from these Senior HR Professionals, through organization representative who was contacted through telephone, email followed by personal visit.

Data Analysis and Results

Scale Dimensionality

The widely approaches for assessing the unidimensionality of scales is through exploratory factor analysis (EFA) or confirmatory factor analysis (CFA).

Exploratory factor analysis (EFA) approach. According to Hair, Black, Babin, and Anderson (2010), before applying EFA, minimum sample size of 50, measure of sampling adequacy (*MSA*) value of above 0.50 and Bartlett test of sphericity significance value of ($p < .05$) must be met.

The first condition for applying EFA was already met by getting the required number of responses from the respondents. For second condition; *MSA* was applied on both fit scales separately which provided values of 0.79 and 0.73. Both the scales values were 'above middling' and over acceptable limit of 0.50. For third condition Bartlett test was applied on both fit scales separately, which provided, SHRM vertical fit ($\chi^2 = 394$, n=52, $p < .01$) and SHRM horizontal fit ($\chi^2 = 317$, n=52, $p < .01$) results. These results highlighted the suitability of factor analysis

and revealed that correlation matrix is not an identity matrix. All three conditions before proceeding to EFA were met.

Principal component analysis with varimax rotation was used for factor analysis. The decision for factor extraction was based on the minimum eigenvalue of 1. The results of EFA revealed that all items loadings in both the scales were over 0.50. These factor loadings results are provided in Appendix B.

Through EFA we failed to obtain the desired results for both our scales. The EFA results provided four principal components instead of three for SHRM vertical fit with 68.4% total variance and five principal components instead of two for SHRM horizontal fit with 78.9% of total variance. Due to which, the factor loadings obtained from EFA were further considered to eliminate the items which performed poorly. But with the review of scree plot and generated factors, it was observed in both the scales all the factors are accounting major variance in their first component only. Due to which removing any item will not provide the suitable results, Since, EFA is a data exploratory technique due to which its yielded results do not endorsed our measures and items. This limitation of EFA is very common, specially observed when measures are driven from literature. Hence, it was decided to apply CFA for achieving unidimensionality.

Confirmatory factor analysis (CFA) approach. CFA on both the scales was applied through SPSS-AMOS. In CFA, the unidimensionality of the scale is mainly claimed by getting a goodness of fit index (*GFI*) value of 0.90 Ahire, Golhar, and Waller (1996) but in addition to it, non-normed fit (*NNFI*), comparative fit (*CFI*) indices values greater than 0.90 and root mean squared approximation of error (*RMSEA*) ideal values in between 0.05 and 0.08 also support a claim of unidimensionality (Green et al., 2006). The initial CFA output results along with items standardized loadings of both the scales, are reflected below.
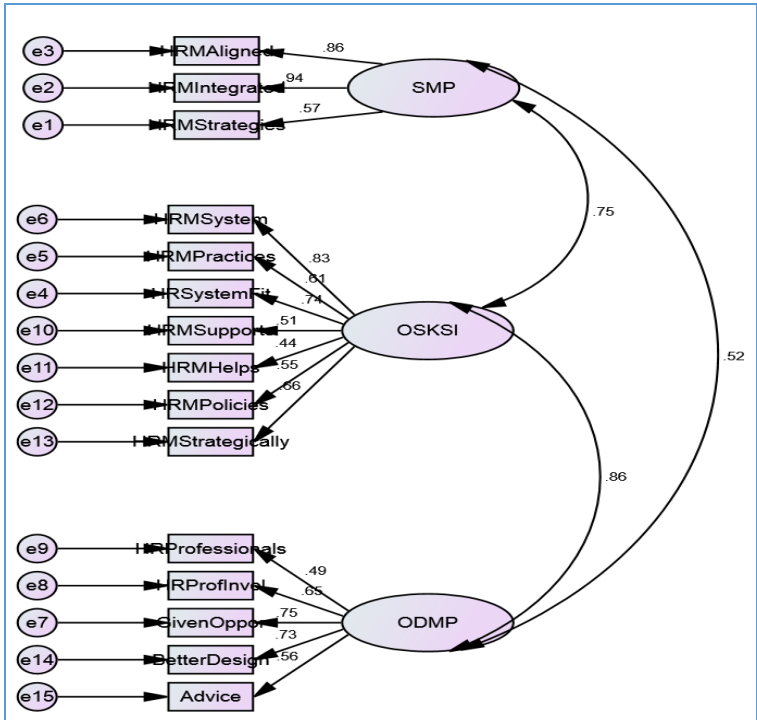
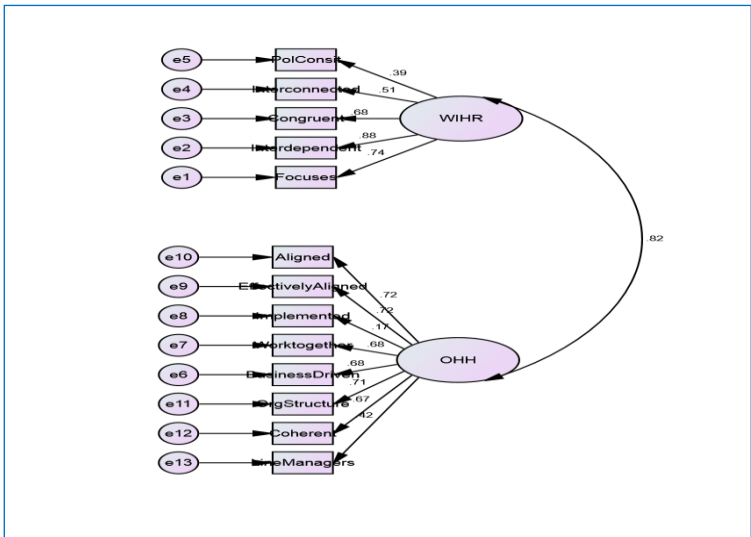*Figure 1*. CFA output along with standardized loadings for SHRM vertical fit

Figure 2. CFA output along with standardized loadings for SHRM horizontal fit

In CFA, standardized loadings below 0.5 become candidates for deletion (Hair et al., 2010). In SHRM vertical fit scale, standardized loading of 'HRM helps organization in its development' and 'HR professionals considered as strategic partners' items were 0.44 and 0.49 were deleted, which in result reduced the SHRM vertical fit items to thirteen. In SHRM horizontal fit scale, standardized loadings of 'HRM policies are consistent, coherent and mutual supportive with each other', 'HRM policies are implemented by line manager' and 'HRM practices are used by line managers' items were 0.39, 0.17 and 0.42, were also deleted, which reduced the SHRM horizontal fit items to ten. After deletion of the items, CFA was applied, which had yielded the following results.

Table 3. *CFA Indices Results for Original Scales*

Fit Indices	Ideal Value	SHRM Vertical Fit Original Scale (13 Items)[a]	SHRM Horizontal Fit Original Scale (10 Items)[b]
Goodness of Fit Index (GFI)	> 0.90	0.82	0.81
Normed Fit Index (NFI)	> 0.90	0.76	0.79
Non-Normed Fit Index (NNFI) or Tucker Lewis Co-efficient (TLI)	> 0.90	0.89	0.88
Comparative Fit Index (CFI)	> 0.90	0.91	0.91
Root Mean Square Error of Approximation (RMSEA)	>0.05< 0.08	0.08	0.10

Note. [a] 02 items of SHRM Vertical fit were already deleted due to low standardized loadings of 0.5.
[b] 03 items of SHRM Horizontal Fit were already deleted due to low standardized loadings of 0.5.

CFA results do not provide the unidimensionality of scales, due to which it was decided to obtain the refined scales through item reduction method. For item reduction, standardized residuals method was used to achieve the scale unidimensionality. The items with having the highest standardized residuals were simultaneously deleted, until the refined scales did not achieve the desired values.

For SHRM vertical fit, three items 'HRM strategies are configured according to the organization business plans', 'HRM practices are according to the organization competitive strategy', and 'HR system is fit with the organization structure' were deleted. For SHRM horizontal fit one item, 'HRM practices are congruent with each other' was deleted. The result of the scales have reflected that the scales have achieved unidimensionality, by achieving the desired values.

Table 4. *CFA Indices Results for Refined Scales*

Fit Indices	Ideal Value	SHRM Vertical Fit Original Scale (10 Items)[a]	SHRM Horizontal Fit Original Scale (09 Items)[b]
Goodness of Fit Index (GFI)	> 0.90	0.92	0.91
Normed Fit Index (NFI)	> 0.90	0.90	0.90
Non-Normed Fit Index (NNFI) or Tucker Lewis Co-efficient (TLI)	> 0.90	1.08	1.03
Comparative Fit Index (CFI)	> 0.90	1	1
Root Mean Square Error of Approximation (RMSEA)	>0.05< 0.08	0.00	0.00

Note. [a] Three items for SHRM vertical fit were deleted on the basis of highest standardized residual
[b] One item for SHRM horizontal fit was deleted on the basis of highest standardized residual

Assessment of Reliability

The reliability of the scales was assessed through Cronbach's alpha which has provided following results.

Table 5. *Cronbach's Alpha Scale Results*

S. No	Scale	Number of items	Cronbach's Alpha
1	SHRM Vertical Fit	10	0.86
2	SHRM Horizontal Fit	09	0.87

Note. The Cronbach's alpha was assessed after deleting the items, which were removed during the process of achieving scale unidimensionality.

Table 6. *Cronbach's Alpha Scale Measures Results*

S. No	Scale	Number of Items	Cronbach's Alpha
A	SHRM Vertical Fit Measures		
1	SMP	02	0.90
2	OSKSI	04	0.71
3	ODMP	04	0.76
B	SHRM Horizontal Fit Measures		
1	WIHR	03	0.74
2	OHH	06	0.84

All the values were above 0.70, hence signifying good reliability of the scales.

Assessment of Validity

Validity was assessed through content, convergent, discriminant and nomological validities.

Content validity. The content validity of the scales was assessed at the time of scale development through subject review of experts as mentioned above.

Convergent validity. The convergent validity was assessed through the Bentler- Bonettt Normal Fit Index (*NFI*) co-efficient value of above 0.90. The *NFI* co-efficient of both the scales were over 0.90, hence supported convergent validity of the scales. The *NFI* co-efficient results for both the scales, mentioned in CFA indices tables.

Discriminant validity. According to Ahire et al. (1996) for discriminant validity, confirmatory factor analysis should be applied on the scales in two run. In the first run, confirmatory factor analysis should be run by allowing the correlation amongst the measures and in the second run, confirmatory factor analysis should be run by setting the correlation at 01, amongst the measures. The difference between chi-squares should be tested for significance. Based on it, chi-square was run on both the scales pairs, the chi-square differences ranged from 22 to 24, with 1 to 3 degree of freedom along with strong significance support. Hence, signifying the discriminant validity in scales.

Nomological validity. Since, SHRM vertical and horizontal fit are part of larger measure SHRM fit and it is necessary for them to theoretically correlate with each other. Due to which, their correlation was computed through Bivariate 'Pearson Correlation' coefficients by averaging across scales items. The correlation result of the both scales was 0.67 at ($p < .01$). Hence, signifying the support for nomological validity. After assessing scales reliability and validity, the final refined scales, are provided in Appendix C.

Discussion

The study extends the understanding of SHRM vertical and horizontal fit in Pakistan. The developed measures of both fits are discussed in the following section.

SHRM Vertical Fit

The first measure of SHRM vertical fit was HRM relationship with strategic management process of the organization. This measure consists of two items and provides relationship of HRM with mission, objectives and business strategies. This finding in our study is extensively supported in the literature and has been reflected in the studies of (Green et al., 2006; Gurbuz & Mert, 2011). The second measure of SHRM vertical fit was HRM relationship with the organization strategies and key initiatives. This measure consists of four items and provide the relationship with overall organization strategy, support in key organization initiatives, preparing HRM policies as per external stakeholders and aligning HRM for generating organization

competence and congruence results. This finding in our study is partially supported and has been reflected in the study of (Wang & Shyu, 2008). The third measure of SHRM vertical fit was, HRM professionals representation in organization decision making process. This measure consists of four items and highlighting HRM professionals involvement in decision making, providing opportunities to HR managers in setting goals, designing HRM practices and providing advice to management. This finding in our study is extensively supported in the literature and has been reflected in the studies of (Azmi, 2010; Chang & Huang, 2005).

SHRM Horizontal Fit

The first measure of SHRM horizontal fit, based on the HRM practices and policies alignment with in the HRM hierarchy. This measure consists of three items and highlights HRM practices interconnection, interdependence, support and focus on entire HRM system. This finding in our study is extensively supported in literature and has been reflected in the study of (Gurbuz & Mert, 2011). The second measure of SHRM horizontal fit, based on the HRM practices and policies alignment outside HRM hierarchy. This measure consists of six items and highlights HRM alignment with tactical and operating goals, organization structure, organization objectives, HRM practices support for other functions and generation of HRM practices through business objectives. This finding in our study is extensively supported in the literature and has been reflected in the study of (Green et al., 2006).

Contributions of the Study

This study contributes to the literature in the areas of SHRM vertical and horizontal fit measurement and their scale development, in the context of Pakistan. This represents a vast contribution in the SHRM literature, which has remained dominated in the western context. Whilst, in, SHRM literature, this study also contributes due to is uniqueness of vast measures, items and their rigorous development. The study also represents, an answer of a call of the literature, by focusing on the service sector, as endorsed by (Darwish et al., 2013; Green et al., 2006).

Limitations and Direction for Future Research

The research study has certain limitations, first, the selection of Pakistan finance and insurance sector on the basis of well-established HRM departments limited our ability to expand study on other sectors. Second, limitation is derived from existing studies heavy reliance on literature review approach for generation of study measures and items. In future, researchers may expand our study in other sectors of Pakistan through collecting longitudinal data. Further, a comparative study may be conducted in developing SHRM scales in different sector.

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Appendices

Appendix A
Items Sources

Scale	Measures	Items	Source
SHRM Vertical Fit	SMP	Association of the human resource management with the organization mission and objectives	Green et al. (2006)
		Configuration of the human resource management strategies according to the organization business plans	Armstrong (2008)
		Integration of the organization human resource with the organization business strategy	Delery and Shaw (2001), Ericksen and Dyer (2005), and Bellairs et al. (2014)
SHRM Vertical Fit	OSKSI	Appropriate human resource management system with the organization strategy	Delery and Doty (1996)
		Fit of human resource management practices with the organization competitive strategies such as cost leadership, focus and differentiation	Greer (2001)
		Fit of human resource management with the organization system and organization structure	Baird and Meshoulam (1988)
		Fit of human resource management with the key initiatives of the organization	Wright and Snell (1998)
		Fit of organization human resource management with the organization development	Bellairs et al. (2014)
		Strategically matching of human resource policies according to the expectations of external organization stakeholders	Bellairs et al. (2014)
		Strategically aligning human resource management for generating organization competence, similarity and cost effectiveness results	Zhu et al. (2013)
SHRM Vertical Fit	ODMP	Consideration of human resource professionals as strategic partners	Green et al. (2006)
		Involvement of human resource professionals in the organization decision making process	Singh (2003), and Zhu et al. (2013)
		Providing opportunity to human resource professionals in setting human resource management goals,	Zhu et al. (2013)

		strategies, attitudes and practices with the organization objectives and organization strategic needs	
		Involvement of human resource professionals for better designing of human resource management practices for provoking employees behaviour supportive of the organization strategy	Bennett et al.(1998)
		Human resource professionals involvement in providing advice to the management	Zhu et al. (2013)
SHRM Horizontal Fit	WIHR	Internal consistency, unity and mutual support in between HR policies	Armstrong (2008), Delery and Doty (1996), and Delery (1998)
		Interrelated framework of HR policies with consistent focus motivating preferred employees behaviour	Bellairs et al. (2014)
		Coordination or congruence amongst the various human resource management practices	Wright and McMahan (1992), Wright and Snell (1998)
		Interdependent, balanced, supportive and integrated HR practices	Greer (2001), Michie and Sheehan (2005), and Zhu et al. (2013)
		Focus from individual HRM practices to the entire HRM system	Delery (1998)
SHRM Horizontal Fit	OHH	Alignment of HR system with the operating and strategic goals which establish a closer relationship between HR and other functions	Chang and Huang (2005), and Bellairs et al. (2014)
		HR policies must best fit with organization structure while maintaining the most flexibility and increasing the interaction	Bellairs et al. (2014)
		HR policies should be implemented by line managers	Bellairs et al. (2014)
		HRM practices work together as a system to achieve organizational objectives	Delery (1998)
		Effective HRM Practices are	Zupan and

		business driven	Ograjensek (2004)
		HRM practices need to fit key aspects of the organization context such as organizational structure or form	Verburg et al. (2007)
		Human resource practices are orchestrated in a coherent and consistent manner to best support one another and integrated with other departments	Green et al. (2006)
		HRM practices are accepted and used by line managers as part of their everyday work	Wright and McMahan (1992)

Appendix B
EFA Loadings

Scale	Measures	Items	Loadings
SHRM Vertical Fit	SMP	HRM is aligned with the organization mission and objectives	0.85
		HRM is integrated with the organization business strategy	0.87
		HRM strategies are configured according to the organization business plans	0.65
SHRM Vertical Fit	OSKSI	HR system is fit with the organization overall strategy	0.71
		HRM practices are according to the organization competitive strategy	0.64
		HR system is fit with the organization structure.	0.66
		HR supports organization in its key initiatives	0.71
		HR helps organization in its development	0.87
		HRM policies are strategically, according to the norms of key external stakeholders	0.55
SHRM Vertical Fit	ODMP	HR professionals are considered as strategic partners	0.80
		HR professionals are involved in organization decision making	0.56
		HR professionals are given opportunity in setting human resource management goals, strategies, philosophies and practices as per organization objectives and	0.57

		strategic needs	
		HR professional are involved for better designing of human resource management practices for eliciting employees behavior supportive of the organization strategy	0.61
		HR professional are involved in providing advice to the management	0.63
SHRM Horizontal Fit	WIHR	HRM policies are consistent, coherent and mutual supportive with each other	0.89
		HRM policies are interconnected with a framework which consistently driving preferred employees behavior	0.82
		HRM practices are congruent with each other	0.71
		HR practices are interdependent, balanced, supportive and integrated with each other	0.76
		HR practices focuses on the entire human resource management system	0.66
SHRM Horizontal Fit	OHH	HRM is aligned with the tactical and operational goals of the organization	0.85
		HRM is effectively aligned with organization structure which increase flexibility and synergy	0.80
		HRM policies are implemented by line manager	0.91
		HRM practices work together to achieve organizational objectives	0.69
		HRM practices are business driven	0.77
		HRM practices are fit with organization structure	0.73
		HRM practices are orchestrated, coherent, integrated and supportive with other departments	0.71
		HRM practices are used by line managers	0.90

Appendix C
Retained Items in Scales

Scale	Measures	Items
SHRM Vertical Fit	SMP	HRM is aligned with the organization mission and objectives
		HRM is integrated with the organization business strategy
SHRM	OSKSI	HR system is fit with the organization overall strategy

Vertical Fit		HR supports organization in its key initiatives HRM policies are strategically, according to the norms of key external stakeholders HRM is strategically aligned for generating organization competence, congruence and cost effectiveness results
SHRM Vertical Fit	ODMP	HR professionals are involved in organization decision making HR professionals are given opportunity in setting human resource management goals, strategies, philosophies and practices as per organization objectives and strategic needs HR professional are involved for better designing of human resource management practices for eliciting employees behaviour supportive of the organization strategy HR professional are involved in providing advice to the management
SHRM Horizontal Fit	WIHR	HRM policies are interconnected with a framework which consistently driving preferred employees behaviour HR practices are interdependent, balanced, supportive and integrated with each other HR practices focus on the entire human resource management system
SHRM Horizontal Fit	OHH	HRM is aligned with the tactical and operational goals of the organization HRM is effectively aligned with organization structure which increase flexibility and synergy HRM practices work together to achieve organizational objectives HRM practices are business driven HRM practices are fit with organization structure HRM practices are orchestrated, coherent, integrated and supportive with other departments