

**Links between Human Resource Flexibility, Environmental Dynamism, And  
Firm Performance: An empirical study of firms in India**

**A b s t r a c t**

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It is well recognised that a firm can proactively exploit uncertainties in its environment rather than just absorb it, if it possesses resources that are amenable to multiple uses, and it can reconfigure and redeploy such resources quickly and at low cost to meet the new demands of the changing environment. Therefore, environmental dynamism, resource flexibility, and firm performance are causally interdependent.

This dissertation makes an empirical investigation into the above linkage in the context of flexibility of human resources (HR). Three main research issues that were addressed based on a review of the extant literature were: 1) understanding and refinement of the construct of HR flexibility; 2) deciphering the causal chain

the effects of HR flexibility and environmental dynamism methods used were: hierarchical multiple regression, path analysis, and structural equation modelling. The latter two model-fitting techniques were used to identify best-fit causal models for the hypothesised relationships among the variables of interest.

The results led to some important findings on the research questions posed. First, as a construct, HR flexibility was found to contain a new dimension, namely, flexibility inducing HR practices, which was distinct from its three already identified components involving flexibilities of skill, behaviour, and HR practices.