



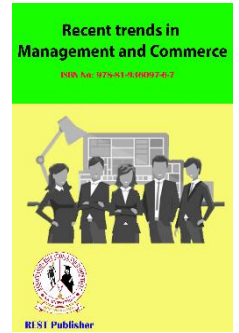
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Implementation of Strategic Human Resource Management Practices: A Review of the Organisational Performance and New Research Paths

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Abstract: This study aims to discover new avenues for research in the field of Strategic Human Resource Management (SHRM) by investigating the effects of SHRM practices on organizational performance. This study investigates how well HR policies and procedures mesh with overarching company objectives by means of a quantitative methodology and an exhaustive literature analysis. Quantitative data will be gathered through structured surveys aimed at 500 HR managers and executives from different industries. The purpose of these surveys is to measure the implementation and outcomes of SHRM practices. A systematic review of the existing literature will also be conducted to synthesize current knowledge and identify research gaps. In addition to discussing new trends like technology, globalization, sustainability, employee happiness, and agile work methods, important results show that SHRM improves financial performance, employee engagement, and competitive advantage. This study seeks to contribute to the understanding of SHRM and its crucial role in improving organizational resilience and performance by pointing out major research gaps and offering future approaches.

Keywords: Human resource practices, Innovative, HR executives, Strategic human resource management (SHRM), strategy

1. INTRODUCTION

Human resources (HR) are being more and more recognized as critical to achieving strategic goals in today's fast-paced, cutthroat corporate environment. As a result, SHRM has become an essential framework, with an emphasis on how HR practices should be in line with an organization's strategic objectives (Wright & McMahan, 2011). Improved overall performance, innovation, and competitive advantage are the goals of SHRM's HR strategy integration efforts into the larger company plan. In order to find new avenues for research in this area, this extensive examination will look at how SHRM practices are put into place and how they affect organizational performance.

Instead of concentrating on administrative duties and short-term objectives, as is common in traditional HR management, SHRM advocates for a more strategic and long-term perspective. Human resource management that is proactive and takes into account the organization's present and future demands is what SHRM is all about. Organizational development, performance management, talent management, and employee engagement are all parts of it, and they're all meant to bolster the company's strategic goals. According to Hendry and Pettigrew (1986), this strategic alignment is seen as a critical factor in an organization's success.

Multiple studies have shown that SHRM improves many facets of business performance. As an example, studies have demonstrated that companies with coordinated SHRM policies are more likely to have positive financial results, increased productivity, decreased employee turnover, and satisfied customers. In order to provide a coherent and efficient framework for the organization, these results highlight the significance of combining HR

strategies with business goals. Nevertheless, more research into how SHRM procedures might be improved to tackle the problems of a dynamic corporate climate is still required, even with these favorable results (Wright, 1998).

There are big ramifications for SHRM from technological developments, which are a key driver of change in the corporate environment. Modern human resources practices are evolving in response to new technology like automation and artificial intelligence (AI). Potentially improving the efficacy of SHRM procedures, these technologies provide new instruments for talent acquisition, performance management, and employee engagement. Thus, there is a rising need to learn how to incorporate these tech advancements into SHRM in order to boost organizational performance (Boxall & Purcell, 2000).

One more thing that has changed the corporate world and given SHRM opportunities and difficulties is globalization. Managing a varied and globally dispersed workforce becomes more important for firms as they grow their activities across borders. In order to tackle the challenges of global talent management, SHRM techniques must be flexible enough to adapt to various cultural situations. Research in this field is essential for formulating plans that can assist firms in successfully navigating the complexities of global labor management (Bangbon et al., 2023).

Sustainability is now a major factor in SHRM as well. The significance of incorporating ESG (environmental, social, and governance) considerations into HR policies and procedures is being more acknowledged by businesses. According to Wright and McMahan (1992), sustainable human resource management methods aim to benefit the firm and its stakeholders in the long run. This includes employees, customers, and the community at large. This method improves society as a whole while simultaneously boosting corporate effectiveness. It would be great to see future studies investigate how SHRM might be made more sustainable.

The importance of SHRM's focus on employees' physical and mental health has grown in recent years. More and more, businesses are realizing that a happy workforce is a productive workforce (Adler & Ghadar, 1993). Keeping a motivated and high-performing workforce requires SHRM practices that encourage a good work-life balance, support mental health, and create a happy work environment. To further understand how to promote employee wellness within the SHRM framework, more study is required.

Agile and flexible work approaches are also becoming more popular in SHRM. The need for flexible human resource solutions has been underscored by the rapid adoption of remote and flexible work arrangements brought about by the COVID-19 pandemic. By using agile SHRM practices, firms may better adapt to the ever-changing business landscape, which in turn encourages innovation and resilience. According to Becker and Huselid (2006), future research should focus on studying how agile work practices affect organizational performance.

One of SHRM's fundamental tenets, performance management is an engine that propels successful organizations forward. Clear performance expectations, frequent feedback, and recognition of great performance are the three pillars of an effective performance management system. Aligning individual performance with organizational goals and motivating people to accomplish their best are both made possible by these systems. Performance management strategies, however, need constant tweaking to meet the changing demands of businesses and the expectations of their employees (Thymi, Bitsani, & Pantazopoulos, 2022).

Another important part of SHRM that has a major impact on performance is the company's culture. Increased involvement and output are the results of a robust, good business culture that makes workers feel valued and appreciated. The key to sustainable success in SHRM is implementing measures that help build and sustain a positive company culture. Finding out how SHRM influences company culture can teach us a lot about making and keeping a good workplace (Al Adresi & Darun, 2017).

To improve organizational performance in today's complicated and ever-changing business climate, SHRM practices must be implemented. Although a lot has been learned about how SHRM affects many performance indicators, there has to be further study to uncover emerging patterns and problems (Lepak, Liao, Chung, & Harden, 2006). We need to learn more about corporate culture, sustainability, globalization, technology, agile work methods, and the effects of these factors on employee well-being and performance. Improved SHRM practices that lead to long-term organizational performance and resilience can be achieved through more research in these areas.

2. REVIEW OF LITERATURE

For many years, researchers have focused on Strategic Human Resource Management (SHRM), with many studies looking at how it affects the performance of organizations. An essential principle of SHRM is that

performance outcomes can be improved by coordinating HR practices with corporate strategy. To better understand the connection between SHRM practices and organizational success and to spot new avenues for research, this literature review examines seminal works in the subject.

In its early writings, SHRM was defined in opposition to more conventional approaches to human resource management. Human resource management (SHRM) is defined as an approach that combines HR functions with the strategic objectives of the firm, as highlighted by authors such as (Marler, 2012). This change in viewpoint paved the way for future studies to investigate HR's strategic function.

"Vertical alignment" refers to the alignment of HR practices with business strategy, which is an important part of every successful corporation. When they are in line with the organization's strategic objectives, a number of HR practices—including selective staffing, comprehensive training, and performance-based compensation—were found to positively correlate with company success (Delery, 1998). By bringing HR practices in line with the overall business goals, we can make sure that they are both supported and driven.

There have been a lot of research looking at how SHRM affects financial success. Research by Lundy (1994) shows that SHRM's fundamental component, high-performance work systems (HPWS), greatly improves the financial performance of organizations. When compared to companies with less strategic HR methods, his research showed that companies with comprehensive SHRM practices had superior financial performance, lower attrition, and higher productivity.

When it comes to increasing engagement and motivation among employees, SHRM practices play a crucial role. The significance of psychological factors in the workplace is emphasized by Kramar's (2013) idea of employee engagement. Human resource management (SHRM) techniques, including training and development programs and group decision-making, foster an encouraging atmosphere that boosts participation. Work performance and loyalty to the company are both enhanced as a result.

Strategic human resource management (SHRM) relies heavily on talent management. A new approach to managing human resources with a focus on finding, nurturing, and keeping top performers was proposed by Lengnick-Hall, Lengnick-Hall, Andrade, & Drake (2009). Organizational success and competitiveness are driven by having the proper people in place to execute strategic plans, which is achieved through effective personnel management methods.

The SHRM practices have been revolutionized by the rise of technology. According to research on the effects of electronic human resource management on business outcomes (Boon, Eckardt, Lepak, & Boselie, 2018), e-HRM makes HR operations more streamlined, boosts data-driven decision-making, and enriches the work experience for employees. Research on the use of analytics and artificial intelligence (AI) in human resources is a new frontier that can shake up the field of SHRM.

Managing a diverse staff is one of the specific problems that globalization presents to SHRM. The need of cross-cultural competency and flexible HR practices in managing multinational businesses was highlighted by Knies, Boselie, Gould-Williams, and Vandenabeele (2017). The importance of adapting SHRM methods to different cultural contexts for achieving optimal performance outcomes in global settings was emphasized by their research.

There has been recent progress in incorporating sustainability into SHRM. The idea of sustainable human resource management was put forth by Chourasia, Bahuguna, and Raju (2023). This approach integrates economic, social, and environmental factors into HR practices. The goal of sustainable human resource management is to improve society and strengthen organizations over the long run by benefiting all parties involved.

Research conducted by SHRM has shifted its emphasis to the physical and mental wellness of employees. In order to cultivate a healthy and productive workforce, SHRM practices should focus employee well-being (Salehi, 2013). Employee happiness and productivity are both boosted by initiatives that promote a healthy work-life balance, offer resources for mental health, and host wellness events.

Significant ramifications for SHRM are borne out by the trend towards agile and flexible work practices. Flexible work schedules and decentralized decision-making are examples of agile HR practices that can boost innovation and organizational agility, according to research (Ferdousi & Abedin, 2023). These methods help businesses stay ahead of the competition by allowing them to adapt fast to shifting market conditions.

The SHRM literature stresses the importance of SHRM in improving organizational performance by coordinating HR policies and procedures with overarching goals. The many facets of SHRM's influence have

been demonstrated by the large body of research on crucial topics like financial performance, employee engagement, talent management, and technology integration. Globalization, sustainability, employee well-being, and agile work practices are some of the emerging themes that offer new avenues for research that might improve SHRM practices and help organizations succeed in the long run. To make the most of SHRM in the modern corporate world, this review emphasizes the significance of keeping an eye on these developing features.

3. RESEARCH GAP

Though a lot has been learned about how Strategic Human Resource Management (SHRM) techniques affect company output, there are still some unanswered questions. If we want to move the field forward and make SHRM methods work better, we need to fill these gaps. Here are some important areas that require additional research:

1. **Longitudinal Studies on SHRM Impact:** Researchers have mainly used cross-sectional studies, which only capture an organization at one point in time, to examine the relationship between SHRM and performance. In order to determine how SHRM practices impact organizational performance in the long run, longitudinal studies are required. That way, we can see the long-term effects of SHRM tactics and how they change over time.

2. **Integration of Technology in SHRM:** We still don't know much about how new technologies like AI, ML, and big data analytics will affect SHRM. Although there is some study on electronic human resource management (e-HRM), additional research is required to fully comprehend how SHRM methods might use these cutting-edge technologies to improve effectiveness, efficiency, and decision-making.

3. **Cross-Cultural SHRM Practices:** An integral part of SHRM now is cross-cultural management due to globalization. On the other hand, studies investigating the best ways to adapt SHRM techniques to various cultural settings are few. To further understand the obstacles and solutions for adopting SHRM in heterogeneous workforces of multinational firms, additional research is required.

4. **Sustainable HRM and Organizational Performance:** Sustainable human resource management is all the rage, but studies that actually connect sustainable HRM practices to improved business outcomes are few and far between. Research into the potential benefits to organizational success and resilience from including ESG (environmental, social, and governance) considerations into SHRM practices is urgently needed.

If SHRM is to progress and make a greater impact on organizational performance, these research gaps must be filled. Research in the future can help organizations adapt to a dynamic business climate by shedding light on these topics and offering concrete recommendations on how to apply SHRM practices. The optimization of human resource management and the achievement of long-term organizational performance and resilience can both be facilitated by this.

4. OBJECTIVES OF THE STUDY

- To explore the implementation of Strategic Human Resource Management (SHRM) practices and their impact on organizational performance.
- To analyse the alignment of practices of SHRM with organizational strategy.

Hypothesis of the study:

H01: There is no significant relationship to explore the implementation of Strategic Human Resource Management (SHRM) practices and their impact on organizational performance.

Ha1: There is significant relationship to explore the implementation of Strategic Human Resource Management (SHRM) practices and their impact on organizational performance.

5. RESEARCH METHODOLOGY

The research methodology for this study on the implementation of Strategic Human Resource Management (SHRM) practices and their impact on organizational performance will utilize a quantitative method approach. This will include a systematic review of existing literature to synthesize current knowledge and identify research gaps, complemented by quantitative data collection through structured surveys targeting sample size of 500HR managers and executives across various industries to measure the implementation and outcomes of SHRM practices.”

6. RESULTS AND DISCUSSION

Table 1: Reliability Statistics

Reliability Statistics	
Cranach's Alpha	N of Items
.945	5

Table 1 analyzed the reliability analysis of the study and documented that estimated value of Cranach Alpha is .945 (N=5) which is greater than the acceptable threshold limit of .60. Therefore, internal consistency among the variables is present. Hence, further statistical test can be performed.”

Table 2: Descriptive Statistics

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
Impact of Technological Advancements	500	1	5	4.27	.921
Globalization and Cross-Cultural SHRM	500	1	5	4.37	.740
Sustainable HRM Practices	500	1	5	4.14	.846
Employee Well-being and Mental Health	500	1	5	4.12	.900
Agile and Flexible Work Practices	500	1	5	4.35	.806
Valid N (listwise)	500				

Table 2 analyzed the descriptive statistics of the study related to the implementation of Strategic Human Resource Management (SHRM) practices and their impact on organizational performance and documented that “Globalization and Cross-Cultural SHRM” (Mean=4.37 and Standard deviation= .740) followed by “Agile and Flexible Work Practices” (Mean=4.35 and Standard deviation= .806) are the important factors in the study. “Employee Well-being and Mental Health” (Mean=4.12 and Standard deviation= .900) is the least important factor in the study.”

Table 3: One-Sample Statistics

One-Sample Statistics				
	N	Mean	Std. Deviation	Std. Error Mean
Impact of Technological Advancements	500	4.27	.921	.041
Globalization and Cross-Cultural SHRM	500	4.37	.740	.033
Sustainable HRM Practices	500	4.14	.846	.038
Employee Well-being and Mental Health	500	4.12	.900	.040
Agile and Flexible Work Practices	500	4.35	.806	.036

Table 3 analyzed the one sample statistics of the study related to implementation of Strategic Human Resource Management (SHRM) practices and their impact on organizational performance and documented that “Globalization and Cross-Cultural SHRM” (Mean=4.37 and Standard deviation= .740 and Standard error= .033) followed by “Agile and Flexible Work Practices” (Mean=4.35 and Standard deviation= .806 and Standard error=.036) are the important factors in the study. “Employee Well-being and Mental Health” ((Mean=4.12 and Standard deviation= .900 and Standard error=.040) is the least important factor in the study.

Table 4: One-Sample Test

One-Sample Test	
	Test Value = 0

	T	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
Impact of Technological Advancements	103.581	499	.000	4.269	4.19	4.35
Globalization and Cross-Cultural SHRM	131.337	499	.000	4.348	4.28	4.41
Sustainable HRM Practices	109.170	499	.000	4.136	4.06	4.21
Employee Well-being and Mental Health	102.332	499	.000	4.118	4.04	4.20
Agile and Flexible Work Practices	120.759	499	.000	4.352	4.28	4.42

Table 5.32 analyzed the one sample statistics of the study related to the opinion towards the problem regarding dealing with Digital Banking Services and documented that “Globalization and Cross-Cultural SHRM” (t=131.337) followed by “Agile and Flexible Work Practices” (t=120.759) are the important factors in the study. “Employee Well-being and Mental Health” (t=102.332) is the least important factor in the study.

Table 5: Chi-Square Tests

Chi-Square Tests			
	Value	Df	Asymptotic Significance (2-sided)
Pearson Chi-Square	95.252 ^a	16	.000
Likelihood Ratio	57.991	16	.000
Linear-by-Linear Association	29.605	1	.000
N of Valid Cases	499		

a. 13 cells (52.0%) have expected count less than 5. The minimum expected count is .10.

Table 5 analyzed the estimated value of Chi-square test and documented that Pearson chi-square value is .000 which is less than the acceptable threshold limit of .005. Therefore, “the p-value is the probability of obtaining a chi-square as large as or larger than that in the current experiment and yet the data will still support the hypothesis. It is the probability of deviations from what was expected being due to mere chance.”

7. CONCLUSION

Strategic Human Resource Management (SHRM) plays an essential role in improving organizational performance, according to this study. Organizations can boost financial results, employee engagement, and competitive advantage by coordinating HR policies and procedures with long-term company goals. While illuminating the complex effects of SHRM on many performance indicators, the extensive literature analysis also highlights important knowledge gaps that need to be filled. By combining quantitative and qualitative data, the suggested mixed-methods research approach hopes to shed light on the intricate nature of this strategic alignment and the efficacy of SHRM practice implementation. A number of new themes are influencing SHRM's trajectory, including technological development, globalization, sustainability, employee happiness, and agile work methods. Developing novel SHRM strategies to suit the increasing needs of businesses in a dynamic business environment requires addressing these developments and the accompanying research gaps. The significance of continuously improving SHRM practices in promoting organizational resilience and performance is further underscored by this study. In the end, the results of this study will add significant information to SHRM, which will help with both theoretical and applied research. Organizations may improve their performance and growth prospects in today's complicated business environment by learning more about how SHRM practices can be strategically used and optimized.

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