

## **INTEGRATING THE PRINCIPLE OF STRATEGIC HUMAN RESOURCE MANAGEMENT TO IMPROVE ORGANISATIONAL PERFORMANCE**

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### **Abstract:**

Similar to other corporate organisations, universities work to establish, preserve, and perpetuate their competitive edge. Researchers looked at the impact of "strategic human resources management (HRM) techniques" on achieving "competitive advantages" that will last, as well as the function that "human capital" creation plays in regulating this relationship and the dedication of staff members in an academic setting. In modern firms, corporate strategy is a widely used management strategy. The idea that it is a successful technique in both public and private enterprises that has favourable effects on organisational performance is what has led to its acceptance. Corporate strategy has nevertheless come under fire for

being overly analytical and for stifling creativity. Strategic human resources are considered to be an extension of sustainable HRM, offering a fresh perspective on human resource administration. This study used perceptions of HRM procedures to elaborate on the relationship between employee loyalty to the company and the growth of their human capital. Therefore, by assessing the mediating roles of developing human capital and employee engagement, this study will examine the connection between the techniques used by the institutions in Iraq and the durability of their competitive edge.

**Keywords:** *“Strategic Human Resource Management or SHRM”, HRM, Competitive, Human capital.*

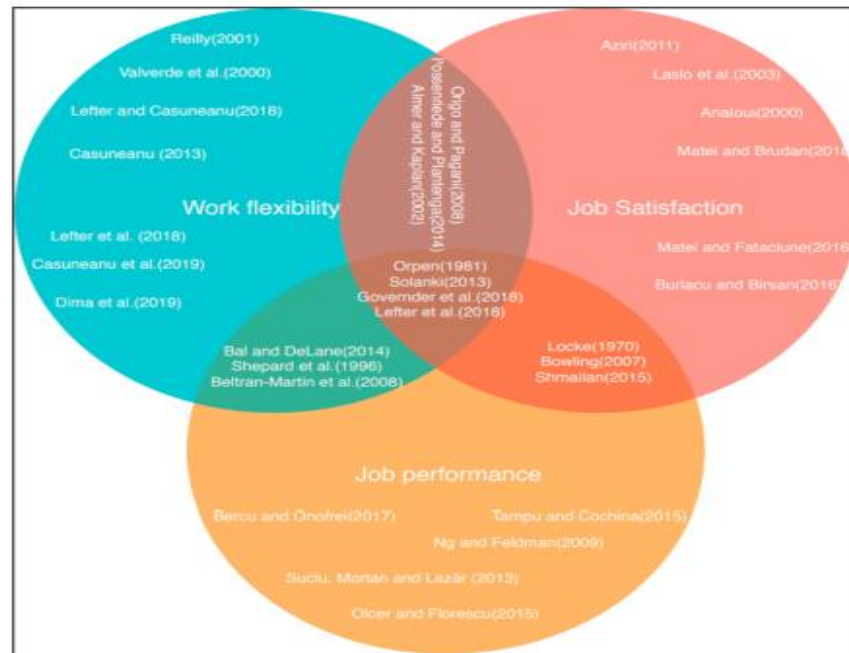
## **1. INTRODUCTION**

Firms experience fierce rivalry, among other things leading to a rise in revenues, clients, and profitability. The advent of new information technology, internationalisation, and a host of other causes have indeed increased competitiveness. Several firms are motivated by the marketplace to establish performance standards, and many institutions want to foster more competitiveness at their own levels. Among the objectives are decreasing expenses, boosting revenues margins, luring in more clients, snatching up a bigger customer base, enhancing effectiveness and efficiency, and creating distinctive products. In contrast to other approaches, successful human resource management is more crucial since employers also own other capabilities that drive growth and the accomplishment of organisational objectives [1]. Strategic human resource management seeks to boost performance through personnel administration. Via people management, strategic human resource management seeks to boost performance. The process of developing HR strategies that are substantially linked with the business strategy is known as strategic human resource management (SHRM). These techniques are used to explain the objectives and goals related to more fundamental elements of employee engagement, such as incentives, development and growth funding, and communication between employees, as well as overall organisational difficulties, including operational productivity. Human resource management has just recently shifted to strategic human resource management (SHRM). SHRM is focusing on the importance of human resource management systems in organisational effectiveness, with an emphasis on human resource synchronisation as a strategy for increasing comparative benefit [2]. Innovative human resource management strategies may boost productivity in a variety of aspects, including competence, reliability, and financial performance, as companies are already conscious. Strategic human resource management is based on the knowledge that institutions can be more productive when their human resources are administered by human resource laws and procedures that provide the business with the appropriate quantity of individuals with the appropriate attitudes, key competencies, and degree of motivation [3]. Strategic human resource management refers to the development of links or partnerships between an organisation's broad strategic interests and its human resource strategy and implementation. By closely analysing the strategic human resource management concept, this research seeks to enhance organisational effectiveness.

## **2. LITERATURE REVIEW**

Companies are seeking to ratchet up competition between themselves in an effort to increase sales volume, customer base, income, etc. The swift reforms introduced on by internationalization, the advancement of information systems, and other factors lead to greater competition. When creating objectives and determining accomplishment, the marketplace serves as a significant incentive for many organisations. Among the goals are price reduction, achieving sales expectations, increasing clientele, expanding market share, improving effectiveness and quality, and creating novel items. To accomplish these goals, human

resource management in businesses will be employed [4, 5]. The personnel, which would be crucial for success, will enable an organisation to function effectively. Organisations now see their human resources as one of their greatest important revenue streams. Since these people make utilization of other corporate assets, increase competitiveness, and achieve goals.



**Figure 1: “Theoretical considerations between work flexibility, job satisfaction, and job performance”**

(Source: [5])

Managing human resources is more important than managing other types of competition. Businesses must first comprehend the requirements of their personnel in order to achieve the required productivity. Employee expectations being met will promote the desirable behaviours inside the company. Some of the consequences that the institution hopes to accomplish in maintaining their working population include professionalism, worker collaboration with supervisors, worker partnership among themselves, illustrating the abilities of the employees, inspiration, dedication, gratification, mindset and existence, and employee attitudes. The main purpose of performance management is to foster an environment wherein departments and people accept responsibility for the continuous improvement of business practices and their skills and actively contribute to achieving executives' goals [6]. Managerial performance may be explicitly defined as the perfect correlation of workers' individual ambitions with those of the firm if employees embrace the corporate culture. The objective of strategic human resource management is to improve organizational effectiveness via efficient employee engagement. Organizations must handle their human resources more effectively in order to achieve the necessary targets and goals. Efficiency increases when the targets and objectives are met. Strategic HRM is the method of developing HR strategies utilising broad plans that are connected to the company strategy both horizontally and vertically [7]. The objectives and goals are set out in these approaches for more narrowly focused aspects of organizational leadership, such as staffing, learning and development reward and recognition, in addition to corporate considerations at large, such as

organizational outcomes. Strategic HRM concentrates on programmes that differentiate the business from competitors [8]. There are seven possible explanations offered by academic studies:

Systems are founded on employment regulation and workforce strategy; they are commonly supported by an "ideology"; HRM activities and guidelines are paired to a certain explicit corporate strategy; staff members are considered a strategic asset, and competitiveness is accomplished. Scheduling is being used, a coherent approach is adopted to the design and administration of employees, and people management systems are developed and managed. Strategic HRM has a keen definition of implementing transformational planning and enhancing the organisational skill set in order to guarantee that the company can contend effectively in the future. SHRM makes it simpler to create human capital that fits with the company's competitive approach requirements, guaranteeing that the organization's objectives and vision are achieved [9]. The human resource management strategy is a crucial element of company strategy. In this approach, accomplishing organization objectives is given top priority. A strategy is made up of strategy formulation, some of which may have been expressly planned. Organisational performance has indeed been defined as the difference between the revenue a firm generates and the benefits shareholders expect from the business. Scholars claim that a constrained definition of performance focuses on the use of uncomplicated, outcome-based financial measurements that are thought to indicate the accomplishment of the company's operating goals [10, 11]. Research on the connection between strategic HRM and corporate performance has occupied academic and practitioner discourse for more than 20 years. Corresponds to HRM policies and procedures that, in the opinion of academics, have an impact on how well workers' function. They focus on a variety of essential processes, such as human resource planning, hiring, evaluating, training, and promoting personnel, as well as compensation, performance appraisal, and employee engagement, that may help the company operate better [12].

### 3. RESEARCH METHODOLOGY

Research strategy, which incorporates group approaches used to find, pick, analyse, and handle trustworthy material about a specific issue, can also be seen as the framework of a single research study. By reading this section, the reader of this research project can critically analyse the study's validity and reliability. A research methodology is made up of various components, including the **"research philosophy, approach, design, method, and data gathering method"**. These factors determine the specific research study that is conducted. All of those items might be regarded as the analysis's foundation.

One of the effective methods for analysing, obtaining, and using reliable data is **"research philosophy"**. After the analysis has been done, it can also engage with relevant sources, ecology, and the development of creative ideas. It helps in analysing recent discoveries connected to the research issue and coming to a convincing judgment. For this study, an interpretivist research philosophy is appropriate. By analysing the effects on the present-day world, this research project gives the researcher the opportunity to play a vital role.

Another crucial factor that thoroughly completes study of the research issue is the research approach. The **"deductive research approach"** is the most suitable for the actual subject. Researchers can honestly interpret the majority of pertinent data sets that are collected by the present research issue using the deductive approach. It also incorporates diverse ideas and highlights researchers' observations at all times. The overall idea of a research strategy is indicated by the research design. It aids the researcher in logically synchronising several study elements. For this particular topic, a **"descriptive research design"** is used in accordance with various research design models. The best way to collect statistical data and analyse that

data coherently is using this study strategy. Additionally, it enables the use of qualitative data and provides that effective elements are sought after when attempting to convey the researcher's actual experiences.

#### 4. RESEARCH FINDINGS AND ANALYSIS

The field of human resource management is now being entirely reimagined by cutting-edge innovations. In fact, the explosive growth and various applications of Artificial Intelligence (AI) and other ground-breaking technologies are fundamentally changing the interactions between businesses, workers, and clients, and the mechanisation of the managerial functions of HRM tasks and processes is intensifying. Despite the fact that industrialization heralded the start of HRM's technical progress, very few changes to physical or mental services were made at this time. Substantial changes in organisational structures, processes, and roles, as well as in human behaviour, have been made feasible by information technology [13]. Due to scholars' efforts to comprehend exterior consequences rather than internal factors on company processes in general and HRM methods in particular, the intersection of HRM and IT, or eHRM, has gained more attention. Both the HRM practitioner and the HRM discourse are evolving as a result of these innovations. As potential results of this engagement, five affordances are listed: visualising whole operating procedures, real-time/flexible product and service creation, virtual cooperation, mass cooperation, and simulation/synthetic realism. As emerging business models start to take hold, workforce management techniques are drastically changing, and new goods and services are also being created [14, 15]. The heuristic correlation evaluation function is employed to choose the best feature subset once the ML approach establishes the relationship between all characteristics and the output class. It explores the relationship between nominal and category properties, with numerical components represented by discrete values. The formula must be used to select the correlation function.

$$r_{zc} = \frac{K\bar{r}_{zi}}{\sqrt{K + K(K-1)\bar{r}_{ii}}}$$

Where  $r_{zc}$  denotes the relationship between features and class variable, K represents the number of features,  $\bar{r}_{zi}$  indicates the mean value of correlated feature-classes and  $\bar{r}_{ii}$  represents the mean value of inter-correlated features.

Expertise governs how much data a phrase in a text receives for class prediction throughout the human resource procedure. Obtaining knowledge in connection to the construction of a subgroup on the classifier, it chooses the right information quantity [16]. It is common practise to evaluate attributes using indices based on data interpretation. The primary objective of this research is to give a spectrum of undesired data gains or to determine the entropy value for each data point. This feature selection method is supervised, univariate, simple, symmetrical, and reliable. For the functions X and Y, the following information is provided:

$$Informationgain(X,Y) = H(X) - H(X|Y)$$

Where H(X), H (X| Y) is calculated on X and Y for entropy values. X entropy can be computed as

$$H(X) = - \sum_i P(x_i) \log_2(P(x_i))$$

X|Y entropy calculation is shown below:

$$H(X|Y) = - \sum_j P(y_j) \sum_i P(x_i|y_j) \log_2(P(x_i|y_j))$$

In a style analogous to the earlier method, this one examines the ratio for each characteristic independently and chooses "m" as the most appropriate function, or the most relevant function F with the maximum information gain. The key disadvantage of this method is that it selects a high data gain feature that could or might not be more informative [17]. Because the qualities are selected worldwide, knowledge acquisition cannot handle duplicate features.

Organization performance is still one of the most ill-defined and inaccurate concepts, while being one of the response variables in organization studies that is employed the most frequently nowadays. Abstractly, organisational quality was described as the difference between the value that a firm offers and the worth that its shareholders anticipate getting in return. Organizational HRM concentrates mostly on integrating organisational transformation and the organization's talent base in order for the company to be capable of successfully competing in the forward [18]. SHRM encourages the creation of human resources that are in accordance with a successful corporate strategy to carry out the organization's missions and objectives. The human resource management plan is a crucial part of the business strategy. This strategy's success depends on the accomplishment of organizational objectives.

A strategy is made up of tactical decisions, most of which will be stated openly. A significant percentage, if not the majority, of an organization's strategy, is likely to show up as a flow of activity occurring over time. Organizational culture is often connected with accomplishing the organization's core objectives. The varied employees' behaviour will have an effect on the organisation's effectiveness. Organization policies and procedures have an impact on employee motivation and the standard of the corporate. A few of these include creating relationships with employees, hiring, choosing prospects, training and development, and rewarding employees. Google is among the best corporations in the world to work for, according to studies. The employees are what really make Google a terrific work environment [19]. The business is not just a leader in the internet sector; it also has a seven-acre sports complex, three health and fitness centres, indoor roller rinks, horseshoe pits, and more than 100,000 free massages each year at its Mountain View, California headquarters. The driving premise at Google is that if the company have the right resources and can boost productivity and employee morale, the company can always locate the best candidates. International management recognition for Google is made possible by these HR efforts. Trusting a team is the first step toward good business sense. How much a business relies on its contract workers will decide how far it can go. Most firms are coping with challenging economic times. In this type of climate, businesses must endeavour to develop their market strategy in order to gain and maintain a strategic advantage [20]. The significance of their human resources as a foundation of the continued strategic edge is being more and more recognised by businesses. In addition, to better understand how their company contributes to human resources, many organisations are utilising assessment strategies like workspace scoreboard.

A company's performance management involves people, processes, and technology. Employees within the organisation must have the knowledge and abilities necessary to properly engage with systems and software. Worker proficiency has a significant impact on operational effectiveness in order to deliver high-quality products and services on schedule. Labour productivity may be increased through HRM practices such as recruiting, education, work environment, and performance reviews. Human resources seldom have a direct influence on the company's success. This is particularly true given that HR's stored procedures allow human resources to boost company effectiveness by assisting with the successful implementation of the

strategy. The foundation of shareholder value is the effective execution of initiatives, and HR professionals need to understand that this is a network of indirect results. The performance of an organization and human resource management are related [20]. The key aspects of strategic human resource management that have an impact on organisational performance are First, attracting and retaining skilled employees. Employee alignment with the operational and strategic requirements of the company will affect the organisation. Furthermore, through establishing policies for the recruitment, training, and employment of competent employees who can provide high standards of performance, efficacy, and ethical customer support and who "fit" the culture of the company and its overall strategy. Additionally, the workplace's environment, mission, work-life harmony, and diversification will have an effect.

When skilled employees get this impression, they will believe that the company is welcoming and would be a fulfilling place to work. The Reward system will also ensure staff dedication and motivation to their jobs. In compensation, the company will pay employees according to their efficiency and contribution to the firm as a whole. Furthermore, learning and development are crucial for an organization's success. It identifies the kind of skills that the workplace needs and widens knowledge and understanding. Additionally, having the appropriate job classifications has a massive effect on an organization's success. Moreover, via SHRM potential employees will be given job duties that will offer them the flexibility to enhance their productivity. Furthermore, this will boost their internal job satisfaction and performance [21]. Two examples of businesses that excel in strategic human resource planning are Google and LinkedIn. These companies employ cutting-edge HR techniques that are well-known across the globe. Despite the fact that most of the notable companies on these rankings are elevated companies, it is reassuring to see companies that have had a longstanding experience of being influential in the HR field.

## **5. CONCLUSION**

Companies strive to control their human resources so that they can achieve the necessary organisational performance that is required to be as successful as feasible in the marketplace. Among the goals are cost savings, hitting sales quotas, expanding the clientele, boosting market share, raising customer satisfaction, and increasing productivity. Human resources are essential for meeting these performance measures. To get employees to show their skills, be inspired, and behave in ways that will assist the business to achieve its objectives, organisations must first become aware of the expectations they establish for their staff. Strategic HRM is a comprehensive process for managing human resources throughout the whole company and is tied to the overarching strategy of the company. Employing individuals with the right skills and assigning them to positions that correspond to their educational background and experience benefits the company. Numerous authors have provided different definitions of company effectiveness. The achievement of the organisation's goals is frequently associated with the functioning of the company. Employee engagement inside the company plays a role in achieving organisational performance. Work motivation and organizational effectiveness are influenced by organisational policies and procedures. A few of them include human resource planning, recruiting, hiring, choosing applicants, offering training and advancement compensating workers, managerial leadership, and employee engagement. Strategic human resource management and organisational success are related, according to scholars. According to them, performance is influenced by skill, desire and opportunities. A company's human resources must be seen as a tool for attaining the competitive advantage required to create efficient policies and processes.

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