

Thesis on
Strategic Human Resource Management (SHRM) and
Competitive Global Competition

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A Thesis report submitted to the BRAC Business School in partial fulfillment of
the requirements for the degree of Master of Business Administration

BRAC Business School

Brac University

August 2022

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Declaration

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3. There is no content in the thesis report which has been approved or filed to a university or other institution for any other degree or certificate.
4. I have thanked my primary sources of assistance.

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Acknowledgment

I want to convey my appreciation to Suman Paul Chowdhury, Associate Professor, BRAC Business School, and my supervisor for his assistance. They have been excellent thesis advisors, mentors, and teachers, offering support and direction with just the right amount of knowledge and humor. I am delighted and appreciative that I had the chance to work with Sir. His valuable suggestions and guidance made it possible for me to prepare a well-organized report.

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Abstract:

The present study is currently investigating the competitive strategy of HRM. And recently many studies have shown that a company with Performance is high when strategic human resource management is used (SHRM). It actually describes the effect of the competition on the organization mainly. Globally the strategy is changing. So, the comparison of the relationship between strategic human resource management and the environment is the major focus of this essay. The purpose of this essay is to provide a comprehensive study of the literature on the subject of staff diversity in strategic human resource management (SHRM). Also, the study's goal was to investigate how institutional strategies and HRM can be combined by looking at strategic HRM practices. This conceptual analysis's goal is to spot flaws in earlier research and unresolved problems that can inspire more studies in this area.

Strategic Human Resource Management (SHRM) and Competitive Global Competitions

Introduction:

Globalization, changing investor and customer expectations, and intensifying product-market competition are only a few of the elements contributing to rapid economic environment change. Businesses must constantly improve their performance to compete successfully in this climate by reducing costs, creating new products and processes, increasing output, improving quality, and shortening time to market. The people who comprise an organization, or its human resources, are thought of as one of the most important resources in today's enterprises.

People are becoming increasingly crucial while many other criteria that traditionally contributed to competitive success are becoming less significant. Since approaches for managing human resources are the cornerstones of competitive advantage, it is imperative to create a new frame of reference for thinking about these initiatives. Traditional success factors that have been abandoned, such as protected markets, scale advantages, product and process technology, etc., might still give a company a competitive edge, but its human resources are increasingly crucial to its sustainability. Human resource management is becoming more important as organizations come to appreciate how important human resources are to them. The goal of human resource management is to ensure that the organization's aim can be achieved.

The company finds and keeps the qualified, given, and exceedingly driven workers they require. This involves taking activities to assess and conciliate. A relatively later advancement within the field of human asset administration is vital human asset administration (SHRM). Particularly centered on the arrangement of human assets as a way of achieving a competitive advantage, SHRM is concerned with the part human asset administration frameworks play in company execution. Organizations are getting to be more mindful of the plausibility of moving forward execution over a run of measurements, including financial execution, efficiency, and quality. By offering to memorize and proceeding with advancement openings, ready to superior meet the requests

of future eras whereas improving and creating people's intrinsic capacities, which incorporate their commitments, potential, and employability.

The use of human resources to gain a competitive edge:

Several of a corporate organization's most crucial components are cash, buildings, equipment, products, markets, etc. But business management realized this in the late 20th century. that it is people who are the most important component or differentiator of an organization. The other parts, however, genuinely need human administration or application to be useful. The key to sustaining a profitable company or a healthy economy is the productivity of the workforce.

When the concept of competitive advantage first emerged from Michael Porter. Porter proclaims, results from a company providing value to its customers. Porter underscored the significance of differentiation, This entails demonstrating a service or product 'that is perceived industry-wise as being distinctive, and focusing on seeing a certain buyer group or product market 'more effectively or efficiently than competitors who contend more extensively'. Afterward, he produced his well-known framework of three generic strategies, -cost leadership, differentiation, and focus- that organizations can use to gain a competitive advantage. These were the core points that had to be maintained and focused on for any business enterprise to keep up with the ever-changing world of business which we call globalization. Porter's widely acknowledged view implies that the enterprise – environmental determinants- involves a firm's performance. Resource-based view, on the other hand, claims that the basis for a competitive advantage of a firm lies primarily in the application of the bundle of invaluable resources at the firm's disposal.

Nowadays an organization doing the best that they always do is not enough in this competitive market of globalization. If that organization wants to keep up with the ever-changing competitive market it will need to obtain the acquaintance of other key competitors in the global marketplace. They need to stay notified of additional domestic and foreign competitors' probable strategies, as well as their competitor's stability and liabilities.

The strategic role of human resource Management:

In order to maintain its standing inside businesses, the human resource management function has continually fought a losing battle. Businesses can readily justify spending on training, personnel, rewards, and employee participation systems during prosperous times when there are ample funds, but when faced with financial challenges, such HR systems experience the earliest budget cuts. One chance to show the worth of HR to the company came with the development of the discipline of strategic human resource management (SHRM), which is focused on investigating HR's role in assisting business strategy. The study of the relationship between company strategy and human resources by Devanna, Fombrun, and Tichy in 1984 is credited with establishing the field of strategic human resource management. Over the past 25 years, there have been several changes to the HRM discipline. These changes signify two important transitions. The first is the change from human resource management to people management. The first transition contributed to the understanding that people can be managed methodically and are a valuable asset to enterprises. The previous knowledge base of the discipline has been expanded upon in the second metamorphosis. This change is based on the knowledge that, in addition to being coordinated among themselves, human resource practices and policies also need to be tied to organizational requirements. This change of "human resource management" into "strategic human resource management" came about because these requirements are mirrored in the firm's strategies. Strategic human resource management is based on the understanding that organizations will get more successful if their human resources are conducted through human resource regulations and procedures that provide the organization with the right number of people who exhibit the necessary behaviors, competencies, and levels of motivation. In other words, "the development of linkage or integration between the overall strategic purposes of business and the human resource strategy and implementation" is what strategic human resource management is. In general, the company's operations and personnel are managed to support the objectives of its corporate strategy and create a coordinated strategy for handling its various duties related to human resources, for example, recruitment, remuneration, and training should complement one another. Human Resources Management must accomplish the following strategic objectives in order to obtain and maintain a competitive edge.

1. Assisting in the achievement of the objective and the company's existence,

2. To make sure the business recognizes the information required to meet its goals, please its clients, and build its intellectual capital.

3. Identifying the behaviors necessary for organizational success and making sure they are rewarded, recognized, and supported

4. To inspire individuals to fully commit to the work they undertake for the organization

5. To encourage adherence to the organization's objectives and ideals by its members.

SHRM Growing popularity is mostly due to the achievable promise of better organizational effectiveness, Growing popularity is mostly due to the achievable promise of better organizational effectiveness,

In order to better understand how human resource practices, affect business performance, the resource-based view of the company is becoming more and more popular among scholars in the field of SHRM. To better understand how human resource practices impact business success, researchers in the area of SHRM are concentrating more and more on the resource-based view of the organization.

Organizational Performance:

Competitive advantage is a process that needs to be maintained or sustained for every company out there. To do that, companies nowadays focus on the organization's performance more than ever. In this sort of globalization, businesses must continuously improve their operational efficiency in order to establish and keep a competitive edge. This technique focuses on rewards, assessments, and matching the staff to the desired performance criteria. (Dr. Priyanka Shrivastav, 2021)This process is carried out through evaluations to identify gaps between actual and desired work. Pay is a crucial instrument for ensuring that work is done to close the performance gap. This compensation is in the form of prizes, bonuses, and appraisals. Organizations are becoming more aware of their human resources' potential as a long-term source of competitive advantage. In connection with this, an expanding number of enterprises rely on measurement instruments, with tools like workforce scorecards, they may learn how their people resources add value. As it is

proven that keeping staff happy can increase their performance of them and make them hungry for more (ÇALIŞKAN, 2010). Companies now provide incentive bonuses through performance which is monitored by HRM all the time. These kinds of practices also must change with the changing market to keep up with competitors and to sustain this competitiveness which can be done by HRM only. IKEA is an excellent illustration of this; the company uses compensation to establish a connection between organizational objectives and personal objectives in order to achieve the required performance.

A rising number of studies that link effective human resource management to improved organizational performance are further igniting interest in measurement. Over the past two decades, there has been much discussion on the connection between HRM and company success, with the USA providing the vast majority of the fundamental scientific research, Canada, and, to a lesser extent, the UK. (ÇALIŞKAN, 2010) Organizations and academics are attempting to demonstrate that HRM has a favorable effect on productivity at the bottom line. In general, published research shows statistically significant associations between increased adoption of HR practices and corporate performance. You may view examples of studies on the relationship between HR and organizational performance in Table 1.

Failure to monitor the commitment to follow human resource rules and procedures the company to a second-class position, oversight, disregard, and potential failure in a world where financial success is measured. Understanding how well the practices are producing the desired results and formulating ideas for implementation all depend on input from the measurements.

Arthur (1990, 1992, 1994)	To assess the effect on worker productivity and scrap rate, some information was obtained from 30 US strip mills based on whether a high-commitment plan or a control strategy is in place.	The productivity and quality levels of high-commitment firms were much greater than those of the control firm
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Huselid (1995)	the use of high-performance synergistic development between them and An examination of survey responses from 968 US businesses looked at how these practices matched the competitive strategy.	Employee talents, motivation, and organizational structures all have an impact on financial success. Employee motivation influences productivity.
Huselid and Becker (1996)	To assess the degree to which each organization adopted An index of HR systems in 740 businesses was created in order to create a high-performance work system.	High index values were associated with greater economic and statistical performance for businesses.
Becker et al (1997)	To assess how high-performance work systems, affect shareholder value strategically, several research projects' findings were evaluated.	provided that they are integrated into the management infrastructure, Systems with great performance have an impact.
Patterson et al (1997)	The study examined the link between company culture, different HR procedures, and financial success	Variations in profitability and productivity that are significant were 19% and 18%, respectively, are accounted for by HR procedures. The development of employee skills and the creation of jobs with flexibility, accountability, variety, and the usage of formal teams were two particularly important HR approaches.

Thompson (1998)	Investigation on the effects of high-performance work practices 623 UK aerospace establishments practice teamwork, assessment, job rotation, broad-banded grade structures, and exchange of company information.	HR practices and their volume encompassing the bulk of the workforce seemed to be the main determinant between businesses that are more and less successful.
The 1998 Workplace Employee Relations Survey	About 28,000 employees' opinions were gathered from 2,000 businesses in the survey analysis.	HRM has a significant impact on workplace efficiency and employee attitudes.
Survey on the Future of Work, Guest, et al (2000).	610 human resources specialists and 462 CEOs were questioned as a part of an investigation against 835 private sector businesses.	Higher levels of participation and engagement from employees are connected to greater levels of output and service excellence. This is a result of the increased usage of HR techniques.
Purcell et al (2003)	12 organizations were the subject of a University of Bath longitudinal study to determine the effects of people management on organizational performance.	In the most successful firms, there was something the researchers called "the big notion the companies had a clear vision, as well as a set of integrated values Things, were shared, maintained, watched after, and instilled positivity toward HR procedures and policies, levels of satisfaction, drive, commitment, and operational success all showed a strong correlation.

Table 1. Studying the Relationship Between Human Resources And Organizational Performance

Source: Michael Armstrong (2006). Strategic Human Resource Management: A Guide to Action. Kogan Page. London. p. 73-74.

The basic presumption of HRM practice is that Organizational effectiveness is primarily dependent on its most important resource, its people. As a result, if HR procedures and policies are sufficiently planned and carried out well., HR will have a big effect on how well a company performs. Several studies conducted during the past two decades have attempted to answer two fundamental questions: 'Do HR procedures improve the performance of the organization?' and 'If yes, how?'" The second query is more significant. Justifying HRM by simply demonstrating its benefits is inadequate. What is important is what is possible to make sure it is a good thing.

Organizational Performance and Human Resources:

There is a bridge line between HRM and the performance of the organization. Though there are different kinds of stakeholders whose main concern is to gain higher financial results or increase in profit. (CANIA, 2014) This accomplishment of an organization mostly depends on the operation management of a company. This operational performance is the combination of people, technology, and process. And to reach out with process and technology people need to be more competitive with proper knowledge, skill, and abilities. Operational effectiveness provides good quality products within a very short period of time. Hiring, training, and promoting a pleasant work environment are all part of HRM practices and performance reviews that may improve employees' performance.

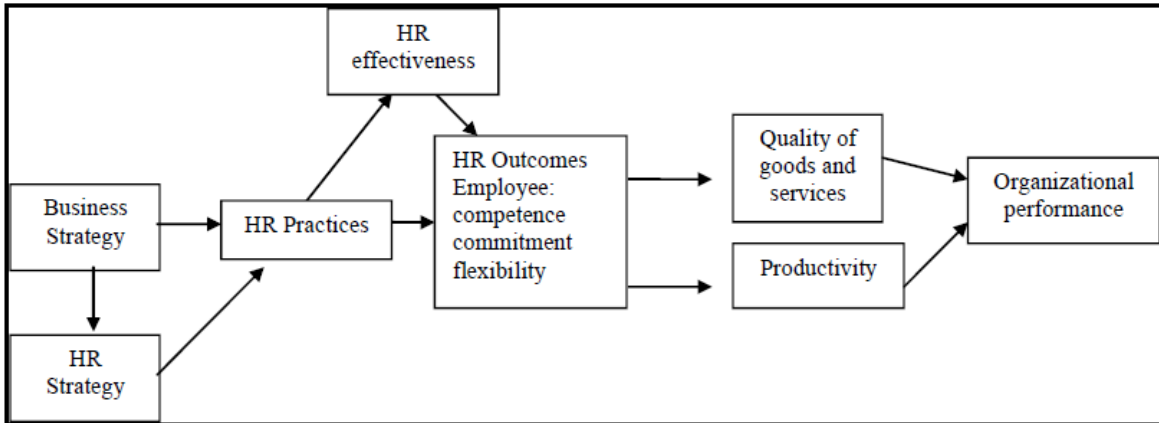


Figure 1. The Relationship Between HRM and Performance Source: Michael Armstrong (2006). *Strategic Human Resource Management: A Guide to*

Action. Kogan Page. London. p. 75.

Definitely, A company's performance seldom ever directly correlates with human resources. because in business HR effect is required human resources need to drive performance by its role in facilitating successful strategy execution. Understanding how important it is that there be causal relationships between HR activities and these intermediate results, which, in the end, determine organizational strategic success, is crucial to strategic thinking. Following is the discussion relating to the HR practice area and its effects:

relating to the HR practice area and its effects on top-notch personnel: matches individuals with the organization's operational and strategic needs. provides for the hiring, training, and retention of skilled workers who can meet the organization's strategic goals and deliver excellent performance, flexibility, creativity, and high levels of individualized customer service.

- a) Management of talent: wins the "battle for talent" by making sure that the company has access to the skilled and highly driven people needed to meet its current and future needs.
- b) Core values, leadership balancing work-life: create "the big concept," or a clear direction and a shared set of ideals. makes the company "a fantastic environment to work"
- c) Work and a job: HRM affords people the freedom and flexibility they need to do their jobs well while giving them work that is both stimulating and interesting. increases flexibility and job happiness, encouraging high output and performance.

- d) Learning and development: It broadens one's skill set and raises the degrees of expertise required in the workplace. promotes employees' active pursuit of knowledge and skills that will advance the company's objectives to engage in arbitrary education.
- e) High-performance management: It creates a culture of performance that promotes excellence in areas such as growth, earnings, customer satisfaction, productivity, quality, and, ultimately, the creation of increasing value to shareholders. enables employees to act in autonomous ways most directly linked to improved business performance, including taking risks, innovating, and developing trust between managers and personnel through knowledge exchange.
- f) Reward Administration: By valuing and compensating workers for their contributions, one can increase motivation, commitment, job engagement, and discretionary behavior.

Importance of linking Strategic HRM & Global competition:

International strategic management's objective is to develop and put into action plans that help companies compete successfully on a global scale. (Triantafillido, Vol 4, No 1 (2020) > Triantafillidou) Senior management at company headquarters and in domestic or international branches typically carries out strategic planning or the procedure for creating a global plan to identify key deep-rooted objectives of a business, adopt strategies, and allot the assets necessary to accomplish these aims. Businesses are being pushed to become global, their operations are interconnected, or Consider regional markets when they enter the global marketplace. To achieve worldwide efficiency, synergy, and interaction as well as to take advantage of the similarities between nations, international integration coordinates the company's activities in its operational nations. Response-based management strives to satisfy particular client requirements in particular markets.

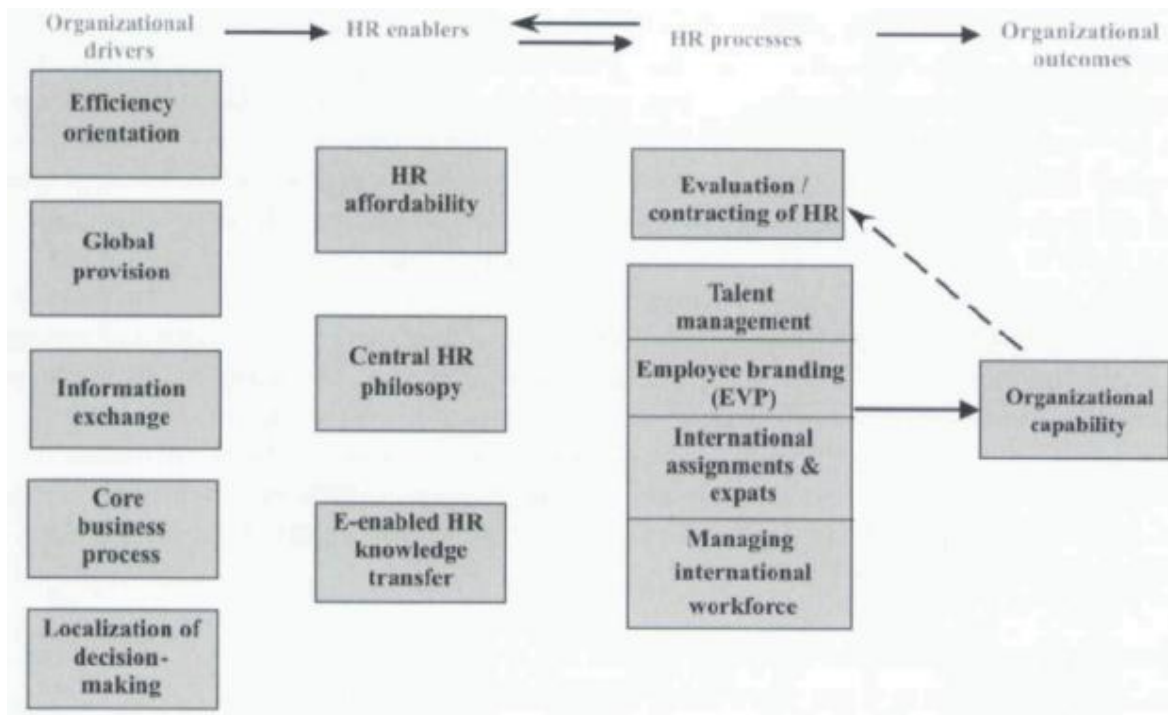
This transformational culture has a significant impact on people Each commercial choice has an effect on reality and HR departments are most placed to assist and inform strategically to people as they make the necessary modifications. Consider the following arguments for why HR must be strategically aligned with international competition:

- Goals are always more likely to be achieved when all teams are on board and collaborating.

- In today's dynamic economy, there are numerous ways to locate, entice, educate, develop, and assist people. However, working on all of the projects at once is not practical. Prioritizing objectives and providing HR a strategic focus by cooperating with business strategy.

- A company's current strategic objectives and growth stages have a significant impact on how it is structured. If a business is experiencing rapid expansion, it may be more sales-oriented and employ more salespeople. and sales executives' judgment call positions. The HR department's work plan becomes more coordinated when it adopts a global perspective. Mature companies with a retention-focused strategy may be able to fill more positions in customer success. Based on the objectives and active operations of the firm, it could be necessary to train employees in new skill sets. When some employees may be reluctant to accept new jobs and responsibilities, HR must encourage additional training and ensure that teams are formed to keep up with changing needs.

Corporate organizations can gain a lot from SHRM practices to access an engaged and well-aligned workplace. Important organizational drivers must be considered while focusing on the globalization of the company's activities and the centralized control over performance results. (Dr. Bandar Khalaf Alharthey, 29 March 2018) Knowledge transmission among the diverse workforce makes it easier for HR managers to emphasize essential business operations and create strategies for partnerships with employees. Brewster and his associates' (2005) organizational drivers-based global HR model is depicted here, which is useful for examining how the HR procedures and organizational outputs correlate.



Global HR Model (Brewster, et al.2005)

The structure is useful in highlighting the various organizational factors' respective importance that serves as compass points for employee alignment and corporate expansion. Business performance might be on the path to success in the globalized marketplace with the help of the adoption of SHRM practices. The HR directors of multinational companies must demonstrate their ability to deal with the issues brought on by globalization. To ensure long-term success and growth in the current era of globalization, corporate organizations must place a strong emphasis on the human factor.

Literature review: This section evaluates the literature review to investigate the elements for assessing the performance of worldwide companies. It provides the research framework as well as prepositions for the activities based on prior research. An overview of the basic ideas on the creation and preservation of a competitive edge concludes the chapter. Previously we found that many articles and periodicals are published about this strategic HRM in the competitive environment. Human resource management (The integration of HRM rules and procedures must be at its best in the contemporary business environment to succeed in the global business climate. Globalization's consequences have changed the patterns and challenges in HRM, which need to be

addressed. To underline the necessity of SHRM in enterprises, it is researched how significant SHRM is on the global market. It has received increasing attention as a result of the beginning of globalization and the growth of companies in new markets. With a global view on personnel management and trend compliance, SHRM assists managers. The globalization wave has given HR managers the chance to adopt a strategic approach to HRM, enabling the greatest possible integration of a diverse workforce globally.

Methodology: To write a report that is acceptable, beneficial, and instructional, there are some rules, strategies, and techniques. It is necessary to collect several types of data to prepare for this. To improve this report's acceptance, relevance, and utility, a variety of tables and data will be included. A lo This study will mostly employ qualitative research to determine the answers to the research questions posed in this paper. The goal of this study is to learn more about the worldwide company and its strategic HRM method and to use a qualitative investigation to look at factors affecting competitive advantage in business and its consequences on organizational performance the qualitative study, which records attitudes, feelings, and behaviors as in other methodologies offers depth and detail that probes deeper than evaluating ranks and counts. Additionally, it fosters openness, enticing people to elaborate on their answers, opens up the previously unexplored subject matter, and eliminates the possibility of bias in the data.

Data Collection Process: The information gathered for this research came from secondary sources or information that was already published or otherwise available. The secondary data were gathered from freely accessible online sources. The widely used Google search engine has been utilized to hunt for pertinent definitions, statistics, and other information regarding the effect of the relation between the SHRM and the Competitive environment.

Findings: Globalization and the diversity of the cultural environment have a significant impact on the business elements of the enterprises. The coordination of the complementary forces is the main obstacle that HR managers must overcome to plan and integrate global operations and implement the idea of soft HRM. This strategy is advantageous in that it places a strong emphasis on meeting employee needs and achieving possible advantages to acquire a competitive edge. The discovery is that the wave of globalization has changed how HR managers view and focus on the management of the effectiveness of the organization and individual behavior. (Gachoka, 2008)

To create the best possible fit and alignment between the business plan and HR practices, more emphasis is being placed on integrating value-added business tasks with the help of SHRM practices. It is a methodical way of enhancing to underline the necessity of SHRM in enterprises, it is researched how significant SHRM is in the global market. To gain a competitive edge and guide the business toward success, the SHRM framework is important in determining the optimal fit between HR and business goals. To be in line with the strategies' goals for assuring growth, the priceless human capital must be carefully positioned.

Conclusion: There is a saying “The value of a business is a function of how well the financial capital and intellectual capital are managed by human capital. You'd better get the human capital part right.” - Dave Bookbinder

According to the debate above, commercial enterprises need to understand the importance of human capital in how they conduct their business in the global market. HR managers must put a priority on integrating and aligning the diverse workforce while taking into account their needs and cultural peculiarities. An organization's level of competence on a global scale can be increased by using a strategic approach to human resource management, which helps managers recognize the potential for organizational growth and maintain a competitive workforce.

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