iJRASET
International Journal For Research in Applied Science and Engineering Technology



INTERNATIONAL JOURNAL FOR RESEARCH

IN APPLIED SCIENCE & ENGINEERING TECHNOLOGY

Volume: 14 **Issue:** III **Month of publication:** March 2026

DOI: https://doi.org/10.22214/ijraset.2026.78278

www.ijraset.com

Call: 08813907089 | E-mail ID: ijraset@gmail.com

International Journal for Research in Applied Science & Engineering Technology (IJRASET)
ISSN: 2321-9653; IC Value: 45.98; SJ Impact Factor: 7.538
Volume 14 Issue III Mar 2026- Available at www.ijraset.com

Strategic HRM Practices and Their Impact on Organisational Competitiveness

Spoorthi P Kumar[1], Yogita[2], Khated Poonam Naresh[3], Priyam Singha Roy[4], Rajaganesh R G[5], Dr. M. Nalini[6]
[1, 2, 3, 4, 5]*MBA student, CMS –B school, Jain (Deemed-to-be) University*
[6]*Assistant Professor, Faculty of Management studies, CMS –B school, Jain (Deemed-to-be) University*

Abstract: ***This paper aims to examine the impact of strategic HRM practices on organizational competitiveness by reviewing recent empirical studies published between 2020 and 2026. The study focuses on key HRM practices such as recruitment and selection, training and development, performance management, and employee engagement, and analyzes how these practices contribute to competitive advantage. Findings from existing literature indicate that organizations adopting strategic HRM practices experience improved productivity, enhanced employee commitment, and better adaptability to environmental changes. Human capital development and employee commitment emerge as important factors that strengthen the relationship between SHRM and competitiveness. The paper concludes that strategic alignment of HR practices is essential for organizations seeking sustainable competitive advantage and provides practical implications for managers and policy makers.***
Keywords: strategic HRM practices, recruitment, selection, training and development, performance management, employee engagement, competitive advantage.

I. INTRODUCTION

In today's fast-paced business world, human resources have become a vital asset for maintaining a competitive edge, as physical and financial resources are no longer sufficient on their own. Strategic Human Resource Management (SHRM) distinguishes itself from traditional, administrative HR by positioning the department as a strategic partner that aligns its practices—such as recruitment, continuous training, and engagement—directly with the organization's broader goals. While adopting these practices enhances productivity, innovation, and operational efficiency across various global economies, many firms still struggle to effectively integrate HR strategy with business objectives. Consequently, this paper explores how specific SHRM mechanisms, particularly human capital development and employee commitment, strengthen a firm's ability to achieve a sustainable advantage over its competitors.

II. PROBLEM STATEMENT

Many organizations still treat Human Resource Management as a mere administrative function, leading to a "siloed" approach where recruitment and training aren't aligned with overarching business goals. This lack of strategic integration stifles competitiveness and leaves companies vulnerable to high turnover and low productivity in volatile markets. To achieve long-term sustainability, firms must transition to Strategic HRM, focusing on how human capital development and employee commitment act as the specific engines that transform HR practices into a distinct, sustained competitive advantage.

III. RESEARCH OBJECTIVES

The primary objective of this research paper is to examine the impact of Strategic Human Resource Management practices on organizational competitiveness based on a review of recent empirical studies.
The specific objectives of the study are:

1) To examine the relationship between strategic HRM practices and organizational performance outcomes.
2) To understand how employee commitment strengthens the impact of SHRM practices on competitive advantage.

IV. LITERATURE REVIEW

The strategic human resource management (SHRM) literature consistently highlights its critical role in driving sustainable organizational outcomes. Hamadamin and Atan (2019) demonstrate that SHRM practices contribute to sustainable competitive advantage, with human capital development and employee commitment acting as key mediating mechanisms. Extending this perspective to the public sector, Knies (2024) finds that strategically aligned HR systems significantly enhance organizational performance and service effectiveness.

©IJRASET: All Rights are Reserved

From a theoretical standpoint, Apascaritei (2022) integrates SHRM with dynamic capabilities theory, arguing that SHRM fosters adaptability, resilience, and employee well-being in rapidly changing environments. Similarly, Yamin et al. (2024) link SHRM with artificial intelligence adoption, showing that the integration of AI-driven HR practices strengthens supply chain agility and resilience, thereby expanding the strategic scope of HR in technologically advanced settings.

At the employee level, Hina, Siraj, and Yasmeen (2025) provide a comprehensive review demonstrating that SHRM practices positively influence job satisfaction and organizational commitment. Complementing this evidence, Mwambela (2024) empirically confirms that SHRM systems significantly improve organizational performance in profit-oriented firms within emerging economies. Collectively, these studies reinforce the multidimensional impact of SHRM on competitive advantage, employee outcomes, agility, and overall organizational effectiveness across diverse institutional contexts. Sunil, N. (2024), in the study titled "Exploring the Influence of Employee Engagement on Organizational Performance," examines the relationship between employee engagement and overall organizational outcomes. The findings reveal that higher levels of engagement significantly enhance productivity, commitment, and performance effectiveness. The study underscores the strategic role of HR in fostering engagement practices that contribute to sustained organizational performance.

V. METHODOLOGY

This study utilizes secondary data sourced from peer-reviewed journal articles, scholarly books, industry reports, and credible online databases, selected for their reliability and relevance to strategic HRM practices and their impact on organisational competitiveness. The use of secondary data enables a broader analytical perspective by integrating diverse theoretical frameworks and empirical findings across contexts. This approach enhances the robustness of the study by ensuring evidence-based insights, comparative analysis, and a comprehensive understanding of the evolving role of strategic HRM in driving sustainable competitive advantage.

VI. FINDINGS

The review of literature published between 2020 and 2026 provides clear and consistent evidence on the relationship between Strategic Human Resource Management (SHRM) practices and organizational competitiveness. The findings derived from empirical studies, conceptual frameworks, and comparative analyses are discussed below.

Firstly, the literature indicates that organizations implementing SHRM practices achieve better organizational performance than those following traditional human resource approaches. Strategic recruitment and selection practices play a significant role in improving workforce quality by ensuring alignment between employee skills, competencies, and organizational objectives. Studies consistently report that such alignment leads to higher job performance, improved employee retention, and reduced turnover rates.

Secondly, training and development emerge as key drivers of organizational competitiveness. The reviewed studies emphasize that continuous learning initiatives enhance employee productivity, innovation, and adaptability. Organizations that invest in systematic training programs are better equipped to respond to technological advancements, changing market demands, and environmental uncertainties. As a result, these organizations are able to sustain a competitive advantage in dynamic business environments.

Thirdly, the findings highlight the positive impact of strategically aligned performance management systems on employee behaviour and organizational outcomes. Research evidence suggests that regular performance appraisals, constructive feedback, and performance-based reward systems significantly improve employee motivation, accountability, and engagement. Such practices encourage employees to align their efforts with organizational goals, thereby contributing to improved overall performance.

Another important finding is the mediating role of human capital development and employee commitment in the relationship between SHRM practices and organizational competitiveness. The literature indicates that SHRM practices strengthen employee skills, knowledge, and commitment, which in turn enhance organizational effectiveness. Committed employees demonstrate higher levels of loyalty, increased discretionary effort, and a stronger willingness to support organizational objectives, leading to improved operational efficiency and long-term sustainability. Overall, the reviewed literature confirms a strong and positive relationship between Strategic Human Resource Management practices and organizational competitiveness across different industries and geographical contexts. These findings reinforce the view that SHRM is not merely a support function but a strategic tool that contributes significantly to organizational success and sustainable competitive advantage.

VII. FINDINGS & DISCUSSION

This study confirms that Strategic Human Resource Management (SHRM) is a primary driver of sustainable competitive advantage. By aligning HR strategies with business objectives—consistent with the Resource Based View (RBV)—organizations can transform "rare and inimitable" human capital into a long-term strategic asset.

©IJRASET: All Rights are Reserved

The findings highlight that investment in human capital development and fostering employee commitment are the specific mechanisms that translate HR policies into improved performance. In dynamic markets, success depends on management's ability to maintain flexible, continuous learning environments. While this research is based on secondary data, it establishes a clear foundation for future empirical studies to measure these causal relationships directly.

VIII. CONCLUSION

Recent research from 2020 to 2026 confirms that Strategic Human Resource Management (SHRM) has transitioned from an administrative task to a vital engine for market dominance. The study concludes that sustainable competitiveness stems not just from having HR policies, but from their deliberate alignment with specific business goals. In volatile markets like Zambia and Thailand, human capital and employee commitment serve as the unique, non-replicable assets that drive organizational resilience. Ultimately, SHRM acts as the essential catalyst that transforms the human element into a firm's most durable competitive advantage

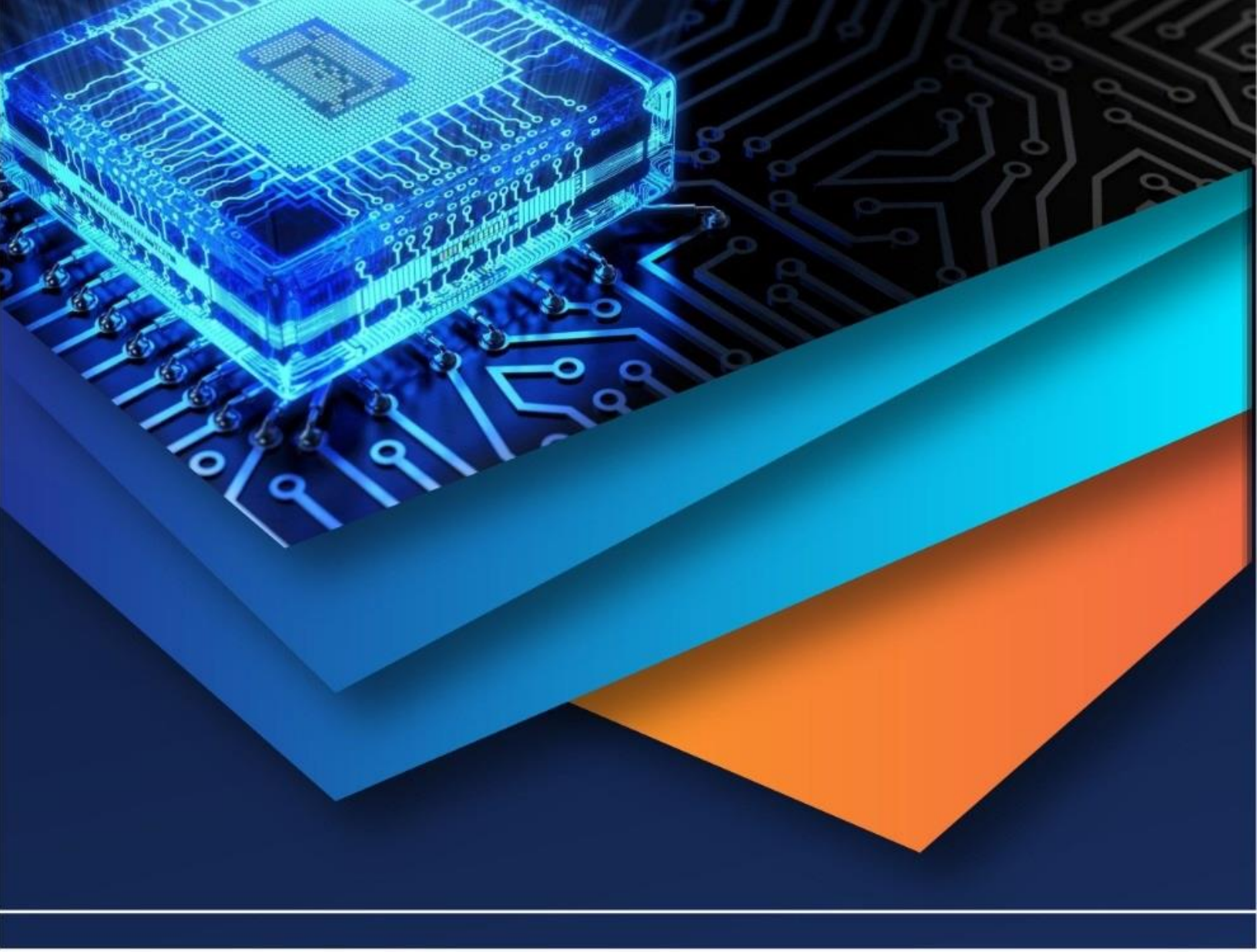
IX. RECOMMENDATIONS

To enhance competitiveness, organizations should integrate HR leadership into core strategic decision-making to align talent development with business goals. Management must transition from viewing training as an expense to treating it as a critical investment in human capital and adaptive learning. Furthermore, implementing data-driven performance systems allows for real-time strategy adjustments, while fostering deep employee engagement ensures the long-term loyalty necessary to maintain a sustainable market edge.

REFERENCES

[1] Hamadamin, H. H., & Atan, T. (2019). The impact of strategic human resource management practices on competitive advantage sustainability: The mediation of human capital development and employee commitment. Sustainability, 11(20), Article 5782. https://doi.org/10.3390/su11205782
[2] Knies, E. (2024). Strategic human resource management and public sector organizational performance. Human Resource Management Journal, 34(1), 1–19. https://doi.org/10.1080/09585192.2017.1407088
[3] Apascaritei, D. (2022). An integrative review of SHRM and dynamic capabilities: implications for performance and well-being. Human Resource Management Review, 32(1), Article 100756. https://doi.org/10.1016/j.hrmr.2021.100756
[4] Yamin, M. A., Almuteri, S. D., Bogari, K. J., & Ashi, A. K. (2024). The influence of strategic human resource management and artificial intelligence in determining supply chain agility and supply chain resilience. Sustainability, 16(7), 2688. https://doi.org/10.3390/su16072688
[5] Hina, H., Siraj, R., & Yasmeen, G. (2025). Strategic human resource management and employee outcomes: A comprehensive literature review on the impact of SHRM practices on job satisfaction and organizational commitment. The Critical Review of Social Sciences Studies, 3(1), 3154–3164. https://doi.org/10.59075/gh4rzd88
[6] Mwambela, A. (2024). Strategic human resource management and organizational performance: An investigation of profit-oriented companies in Zambia. International Journal of Research and Innovation in Social Science, 8(1), 976–992.
[7] Ali, M. H., Zafar, H., & Alam, S. M. F. (2025). The impact of strategic HRM practices on competitive advantage sustainability: The mediation of human capital development and employee commitment. Physical Education, Health and Social Sciences.
[8] Prakash, C. S., Rangkuti, Z., & Singh, P. (2024). Strategic Human Resource Management Practices: Enhancing Organizational Performance in Dynamic Environments. Educational Administration: Theory and Practice.
[9] Sunil, N. (2024). Exploring the influence of employee engagement on organizational performance. Journal of Emerging Technologies and Innovative Research, 11(5).

©IJRASET: All Rights are Reserved | SJ Impact Factor 7.538 | ISRA Journal Impact Factor 7.894 |



10.22214/IJRASET

45.98

IMPACT FACTOR: 7.129

IMPACT FACTOR: 7.429

INTERNATIONAL JOURNAL FOR RESEARCH

IN APPLIED SCIENCE & ENGINEERING TECHNOLOGY

Call : 08813907089 (24*7 Support on Whatsapp)