Contribution of strategic human resource management towards the growth of the modern era organizations: A research study on the Indian retail industry

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The strategic model of business is interlinked with the development of organizational productivity. In this context, organizational strategic human resource management (SHRM) practices regarding employee engagement and firm performance have helped to secure a competitive position in the market. Apart from this, a wide range of activities and resource-based views by SHRM has been accomplished to expand professional opportunities for the workforce. Development of the workforce has helped to increase organizational production as well as brand image in the market. Besides, proper implementation of SHRM practices has played a role in developing a healthy work environment for the employees. It is also useful for introducing a positive impact on the market due to appropriate concern on employee activities. This research has discussed the role of SHRM in business strategy with the aid of some evidence based on instances from Indian retail industry.

KEYWORDS
HRM; organizational performance; business strategy; SHRM; employee engagement.

Introduction

The business model has mainly represented the core strategic approach of an organization in terms of acquiring profitability from the market. The classical approach to business has included a stable competitive advantage of the market environment. The main aim of this strategic approach is to obtain a sustainable competitive advantage in the business environment. Thus, a positional environment is considered as the prime potential advantage of this business strategy. The development of a visionary approach by organizational business professionals has been accomplished to enhance profit margin by acquiring different relevant market opportunities [1]. The introduction of successful sustainable competition to other market competitors is considered as a prime objective of this business strategy.

It has positively influenced organizational objective and goal achievement processes based on market situations [2], where the application of management tools according to the organizational and market situation has helped to improve business goals as an important part of its strategic approach. Further, the involvement of innovation, increase in investment, coupled with many other factors enhance the classical strategic approach of a business.

Apart from this, strategic human resource management (SHRM) of a business is beneficial for satisfying the basic requirements and needs of the company in
terms of promoting and achieving organizational goals [3]. The introduction of SHRM in business has been considered as a vital tool for achieving competitive advantage in the market. It has helped to align the practice of firm, the strategy to organizational production through the improvement of employee performance. Accordingly, it can be stated that SHRM is important for a business in terms of fulfilling its classic approach of business strategy by improving organizational production. Moreover, it also focuses on market research to generate a proper strategy for a business by enhancing employee performance according to the needs and demands of the market.

Having considered what stated above, we tried to examine the following hypothesis:

H1: Classical approach to business strategy influences business performance.
H2: SHRM is considered as the prime strategic partner of an organization.
H3: SHRM has helped to improve employee productivity to ensure organizational strategic business achievement prominently.

**Literature review**

**Importance of classical business strategy**

The classical strategy deals with a process of achieving sustainable as well as a competitive advantage in the market by enhancing the firm's position. A growth-oriented classical approach of business strategy has helped to set some paradigms for an organization in terms of achieving sustainability and shared values in the market [6]. In this term, it can be highlighted that planning, executing, and analysing have been considered as the prime aspects of this classical strategic approach. Apart from this, [5] has narrated the role of the corporate view in terms of defining the classical business approach of a firm. At the same time, classical ideas regarding business have helped to introduce an alignment between market competition and sustainable development to secure a strong position in the industry.

**FIGURE 1** The importance of classical business strategy

Here, the business performance of a firm has increased in terms of prioritizing a strong and competitive position in the market. According to previous research [5], businesses have concentrated on developing a positive reputation in the market as a prime aspect of classical business strategy. It is beneficial for generating revenue from business products or
Contribution of strategic human resource services. Moreover, this indicates the positive impacts of the classical strategic approach of the business. Cultivation of corporate brand improvement is also influenced by the respective business strategic approach. On the other hand, the competitive strategy of this classical business approach by stimulating its facilities towards the customers has been highlighted [4].

Moreover, the implementation of the classic business strategy has helped to improve a firm's performance by enhancing customer relationships with the aid of brand-building activities. It is also beneficial for offering effective promotional strategies to attract a wide range of customers. These are essential for securing competitive advantages in the market. Therefore, it can be emphasized that classical business strategy is beneficial for enhancing organizational performance to secure a strong position in the market competition. Further, it is useful for improving the performance of a business by improving both operational as well as marketing activities simultaneously.

Role of SHRM in different business activities

SHRM has represented a procedure of addressing business risks and developing long-term organizational objectives by enhancing human resource practices prominently. As explained [8], SHRM aims at defining logical thinking of HR practices in terms of achieving organizational objectives and goals prominently. It has helped to develop research in terms of generating as well as sustaining competitive advantage simultaneously.

Additionally, the presence of innovation in SHRM has contributed to enhancing business productivity by influencing as well as improving employee performance positively. It has also been reported that resource-based review by SHRM has helped it to be a strategic partner of a firm [8]. It is useful for developing the goals and objectives of a firm to achieve a long-term effect. On the other hand, the role of SHRM is underlined in terms of improving organizational workforce practices to drive up its competitiveness in the market [9].

**FIGURE 2** Role of strategic human resource management in business

In addition, it also develops strategic decisions to measure an expected outcome from the organizational performances. HR professionals of a firm have also followed the basic principles of SHRM in terms of creating as well as managing HR practices by...
improving workforce developmental aspects. With the aid of basic and improved HR practices, SHRM has helped to invoice high production as well as profit margin. It is important for securing competitive advantage in the market. According to [7], SHRM has contributed widely to introduction of innovation and managing quality to improve overall firms’ operations.

Additionally, the changing demands and aspects of markets have been thoroughly evaluated by the practices of SHRM to understand and develop organizational objectives and goals. Therefore, it can be highlighted that SHRM has helped to influence organizational long-term performance such as improving employee engagement, introducing best practices for the workforce, and generating organizational goals according to in-depth market research.

*Role of SHRM in developing classic business strategy for the Indian retail industry*

The strategic approach of HRM has played a vital role as a stakeholder and partner of organizational success. The integration of operational and HR management has helped to empower business strategy by evaluating operational management procedures appropriately [7]. Therefore, the determination of the operational performance of a business has been influenced by the practices of SHRM. On the other hand, as highlighted in the literature [10], the role of the classical strategic approach of business is considered in terms of enhancing employee productivity for developing organizational profit margins and sales volume.

Additionally, the classical concept of business strategy has mainly focused on a suitable and healthy work environment for employees in terms of improving organizational reputation as a part of a competitive advantage in the market. The development in workers’ performance helps to increase their productivity that can lead to an improvement in business production simultaneously. So, the practices of SHRM have mainly concentrated on improving organizational HR practices for satisfying employees as a part of organizational business strategy. The role of SHRM has been evaluated in terms of ensuring high-performance work practices (HPWP) in an organization for motivating the advantage of human capital [8]. According to [11], retail industries in India have followed a differentiation strategy for securing competitive advantage in the market through the promotion of substantial discounts to consumers.

On the other hand, generating human-resource motivation approaches is beneficial for exchanging a firm’s knowledge creation ability prominently. Moreover, the role of resource-based review for analysing market scenarios and developing organizational strategic goals according to the situation has been accentuated [8]. These issues are connected with the classical approach of business strategy in terms of securing a competitive position in a market. Therefore, it can be said that SHRM and classical strategic approach of business are interrelated to each other in the context of presenting long-term, business objectives with the aid of workforce productivity.

*Challenges in implementing a classical strategy model of business*

The implementation of strategic business approaches has been influenced by several challenging aspects. In this regard, the presentation of weak strategy has negatively affected the opportunities of a form in terms of securing competitive advantage in the markets. As discussed in previous research [12], creation of commitment as well as alignment has been considered as the prime challenge for implementing business strategy. At the same time, fragmented views of the strategic approach have developed issues in its implementation. Moreover, the absence of
a proper understanding of business requirements has also created difficulties in implementing classical strategic approaches to business. Improper development of functional activities has also created challenges for a business.

Methods

The positivist type of research philosophy has been adopted in this research project for taking various quantitative tools into account and arriving at an appropriate solution to research questions. Moreover, the deductive type of research approach has been adopted to rely on existing theories and assimilate those into a research study [13]. To provide a generalized explanation of HRM strategies and its contribution to organizations, a descriptive research design has been incorporated [14]. Secondary qualitative and quantitative data analysis methods have been performed here.

Sampling

In this study, the PRISMA framework was utilized for sampling. Overall, 18 references were used for performing this research project that has been selected from Google Scholar and Pro-Quest. Out of previously selected 65 research journals, only 18 journals were selected after using exclusion and inclusion criteria based on the year of publication after 2016 and keyword searching.

Data collection

Secondary data were collected from online databases based on the research topic of the contemporary period of publication. The data were gathered from 18 journal articles

<table>
<thead>
<tr>
<th>Names of theme</th>
<th>Keywords in journals</th>
<th>Boolean operators applied</th>
<th>Identified in article</th>
</tr>
</thead>
<tbody>
<tr>
<td>Improvement of organizational performance has been influenced by classical business strategy</td>
<td>Strategic leadership, Operational excellence, Strategic orientation, Organizational performance</td>
<td>(Strategic leadership and Operational excellence) or (Strategic orientation and Organizational performance) or (Strategic leadership and Organizational performance)</td>
<td>“How the countrywide car producer, Proton, practices strategic leadership approach to influence the functioning tactic and business presentation.”</td>
</tr>
<tr>
<td>SHRM has helped to improve employee and business performance</td>
<td>Meta-Review, strategic Human Resource Management</td>
<td>(Meta-Review and strategic Human Resource Management)</td>
<td>“Strategic HRM has expanded in an accumulative volume of consideration in administration research as well as among specialists in the last several years”</td>
</tr>
<tr>
<td>Increased performance of employees is beneficial for securing organizational competitive advantage</td>
<td>Organizational culture, Employee Engagement, Leadership</td>
<td>(Organizational Culture and Employee engagement) or (Employee engagement and Leadership) or (Organizational culture and leadership)</td>
<td>The connection between team, leader, professed organizational sustenance, and administrative culture, which is being facilitated by staff motivation</td>
</tr>
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Ethical consideration

Ethical considerations during the research study were observed by maintaining the guidelines mentioned in the predefined Data Protection Act 1988. Attempts were made to preserve data confidentiality. During the research work, no subject was compelled to contribute to the study [15].

Results

Hypothesis 1: Improvement of organizational performance has been influenced by classical business strategy

The classical strategic approach of business includes significant statistical aspects for improving organizational performance. According to [16], different orientations of business strategy has helped to enhance the
Contributor of strategic human resource management has positively influenced a firm’s performance by focusing on market competition and survival aspects simultaneously. The business performance of a company has been influenced by profitability and financial success. These aspects have been influenced by the proper implementation of a business strategy based on favourable market conditions. Besides, the importance of business strategy in terms of determining the success of a firm in a competitive market has been highlighted [17]. Obtaining a competitive advantage is also considered as the prime concern for a business.

Accordingly, the application of business strategy has helped to develop both external as well as internal activities to enhance competitive advantage. It included production, sales services, HRM, pricing strategy, and many other aspects. Hence, involvement and application of specific as well as useful business strategies help fulfil the operations activities of the company. Moreover, it has helped to introduce strategic approaches by analysing different environmental factors of the business environment.

Hypothesis 2: SHRM has helped to improve employee and business performance

The performance of an organization has been measured through different activities and indicators. As opined by [18], the strategic role of HRM has influenced basic human resource motivation techniques for enhancing their engagement. It helps develop workforce productivity and has led to improved organizational production. Also, the development of HPWP is beneficial for improving organizational performance.

The introduction of skill-enhancing motivation skills by SHRM has contributed to workforce activities. According to [19], offering performance appraisal to employees plays a role in organizational success. This systematic evaluation has increased engagement of employees to the assigned task and it has enhanced organizational productivity as a sign of the firm's success. The role of SHRM activities in terms of introducing innovation and technology for examining market conditions and developing organizational strategy according to that situational context has been focused upon 18].

The integration of employee engagement and business strategy development procedures by SHRM is beneficial for generating higher sales volume and profit margins simultaneously. Moreover, the exploration of various SHRM practices has helped to develop an interrelationship between employee and organizational performance for progressing the firm’s success in the market. Additionally, it helps improve organizational business with the aid of workforce practice and improvement based on the goals and objectives of a firm.

Hypothesis 3: Increased performance of employees is beneficial for securing organizational competitive advantage

Achievement of organizational success through employee performance is beneficial for securing a strong and competitive position in the market [20]; employee engagement is considered as a positive force for motivating the workforce to the organization based on cognitive, physical, and emotional contexts. The presence of an engaged workforce in a firm has developed individuals' performance in organizational production.

In this regard, the engaged and motivated workforce of a firm has been considered as a prime reason for improving organizational competitive advantage. On the other hand, the role of talents in a firm for enhancing organizational competitive advantage as a result of the increased production rates is of importance [21]. Additionally, capabilities and innovative perceptions of the workforce have been proved to facilitate consumers
prominently. This aspect is essential for introducing a positive brand image in the market.

It is beneficial for enhancing the competitive advantage of the company due to workforce capabilities considering every individual employee [21]. It has also been shown that training and development, workplace planning, and innovation are beneficial for incorporating employees' talents for organizational improvement. As an example, Indian retail firms have focused on the development of organizational policies for positively influencing employee productivity as a part of the firm's competitive advantage improvement.

**Discussion**

The classical approach regarding business strategy has helped to influence business performance positively. As mentioned earlier [22], the innovative context of business strategy has helped to introduce business performance in terms of securing a sustainable competitive advantage in the market. Additionally, it has facilitated the explanations of different complex approaches regarding business operational activities, such as communication and many others. Innovation is considered as a part of this strategic approach [2]; financial and other aspects of business strategy has helped to develop future perspectives and operational activities for a firm. The major influences of strategic orientation regarding business strategies for managing organizational performance prominently per individual have been studied [16, 23]. Big Bazaar (a reputed Indian retail firm) has business strategies for surprising and facilitating customers at a low pricing strategy. It has helped to enhance organizational business performance by satisfying consumers appropriately.

As a prime and significant strategic partner, SHRM has played a crucial role per individual [24], highlighting the role of organizational HR practices to develop workforce performance prominently. Therefore, the strategic approach of HR practice has been approached to manage employee performance with the aid of different appraisal and recognition techniques simultaneously per individual. The role of resource-based review by SHRM for analysing market environments has been reported [8]. It is beneficial for developing operational strategies for a firm in terms of securing competitive advantage in the market per individual [25]. The assessment of job utility, and fulfilment of job expectations by employees has been maintained by SHRM practices in Indian retail firms. It has been proved to develop a positive impact on organizational production due to the development of loyal relationships between employees and the firm. Therefore, practices of SHRM can play a vital role in ensuring organizational success with the aid of employee performance.

The prominent success of the organizational strategic business approach has been influenced by SHRM practices in terms of ensuring employee performance. The presence of a healthy work environment has developed a positive impact on employees' minds [20]. It also introduces a positive reputation of that form regarding employee management. If realized, a firm has achieved a competitive position in the market through the employee development approach. According to [26], a major role of SHRM practices in terms of developing employee commitment has been introducing a positive impact on the workforce. Thus, the productivity of the workforce has been increased rapidly. Additionally, the improvement of intellectual as well as knowledge capital with the aid of SHRM is beneficial for understanding the production requirement of a firm. Therefore, it has developed a prominent impact on the development of the competitive advantage of a firm in the market. The role of the marketplace business model by Amazon India
in terms of selling its electronic goods has been discussed [23]. Besides, career development plays a role in SHRM practice for enhancing employee support in the Indian retail industry [25]. It is beneficial for developing alignment between SHRM practice and the implementation of business strategies. **(Please note that, in this term, the Indian retail industry is considered as a fast-paced and prime industry as it accounts for more than 10% of Indian GDP as per [27]. Additionally, it also offers approximately 80% of national employment as per [27])**

**Conclusion**

SHRM practices play a crucial role in the development of organizational productivity. It also has a salient role in improving organizational competitive advantage in the market due to the enhancement of production as well as sales and profit margins. Apart from this, to ensure a competitive position in the market, concentration on classic business strategic approaches is beneficial. It helps to introduce appropriate and relevant business plans for a firm's success. The presence of engaged employees in a firm has been found to enhance organizational production. Therefore, it can be stated that SHRM practices for employee engagement and resource-based views have helped to increase productivity as a part of classic business strategy based on competitive market context. With the aid of thematic analysis and narrative description, this research has dwelled on the role of SHRM practices in terms of satisfying employees to develop potential services to the customers. It is beneficial for positively influencing the business strategic approach of a firm.

**Recommendation**

To improve the business strategic approach, Indian retail firms are recommended to consider some relevant procedures. These firms can develop a training session for business leaders in terms of developing more appropriate and significant competitive strategies based on recent market environments. It will help improve organizational performance. Further, HR leaders of the Indian retail industry will introduce career-improvement activities and certification courses for the employees. It will be useful for satisfying and developing the engagement of workers. Therefore, organizational production will be increased. Moreover, it will help secure a competitive position in the market as a part of the business strategy of a firm.

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