

Strategic Human Resource Management and Corporate Performance

Abstract:

In the twenty-first century business landscape, firms must compete in a complex and challenging context that is being transformed by many factors ranging from globalization, technological advancement, changes in customer tastes and preferences, to rapid environmental changes. This new landscape requires firms to search for better competitive approach for modern business as the traditional concerns and orientations of the human resource function do not respond adequately to fundamental environmental changes particularly in product market conditions. Strategic human resource management looks at human resource areas in which specific human resource strategies need to be developed. It views the people of the organization as a strategic resource for the achievement of goals. This research paper attempts to integrate strategic human resource management and the best practice, best fit and configurational approaches in order to provide a theoretical framework that can be a source of sustainable competitive advantage. An overview of related literature and past studies in this area by the authors indicate that sustained competitive advantage could be generated from a firm's human capital by designing strategic human resource management to diagnose a firm's strategic needs which is required to implement a competitive strategy and achieve operational goals.