

## Chapter 4

# The Influence of SHRM and Organizational Agility: Do They Really Boost Organizational Performance?

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### ABSTRACT

*This chapter reveals the significance of strategic human resource management (SHRM) as well as organizational agility (OA) and their impact on organizational performance that empowers organizations to achieve innovative excellence. As, nowadays organizational effectiveness is viewed as a prerequisite condition for upholding organizational performance, income and employment. Consistently, the essence of OA and importance of SHRM is considered as an eminent approach to meet the global challenges that enabling the effect of change in organizations and shielding employees against the unwanted effects. Thus, authors intention to investigate what makes an organization to be competitive? How the influence of SHRM and OA can really boost the organizational performance? To retort these queries, this chapter represents a conceptual perception of SHRM and OA that discuss the HRM strategies relation to OA. It also highlights the way organizations can respond rapidly and flexibly to cope up with the changing environment without facing business turmoil.*

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## **INTRODUCTION**

In the contemporary age of globalization and industrialization, organizational efficiency is perceived as a prerequisite condition for upholding organizational performance, income and employment. Currently, the most innovative and performance-oriented organizations are under excessive pressure to work in a dynamic environment, with frequently changing unstable events, in order to enhance their organizational competency. Under these environments, competitiveness and innovation have become a burning topic of academic, business and managerial debates with respect to be agile and be able to sense and respond to market changes quickly and smoothly to maintain their effectiveness, i.e., organizational performance.

In this chapter, the influence of SHRM and importance of organizational agility (OA) has been comprised with the impression of knowledge development process that strives for increasing the competence of an individual and organizational performance. Moreover, OA is accountable for high ability to adapt, the ability to recognize changes in the marketplace and assign resources to take benefit of that change. Accordingly, Ebrahimpour et al, (2012) mentioned that agility capabilities of an organization are considered to those today's forward-looking organizations that retain such characteristics in order to attain competitive advantage and gain an edge over competitors. On the other hand, Breu et al., (2001) also highlighted that while considering the strategic activities of human resources as the most important assets in organizations, it is necessary to think about the possible organizational competencies that enables them to reconsider and transform the workforce to meet the business needs and to create organizational agility. Consequently, research shows that the influence of strategic human resource management (SHRM) and organizational agility (OA) represents one of the most common premeditated approaches to discourse the stresses of organizations during the recent trends of management development. Since, the beginning of 21st century, the progress of management competency gradually becomes a part of exclusive competence pillars. Hence, in recent years, many organizations have attempted to manage their performance using different strategies in order to cope with the global challenges.

The comprehensive perspective of this chapter is to light up the impression of organizational agility (OA) and strategic human resource management's tactical role that boost organizations to meet their goals as well as it enables them to improve their level of performance. Therefore, the authors planned to present an exceptional determined framework that takes into account an accessible approach to identifying managerial activities of strategic human resources management (SHRM). Where, it is reinforced with organizational agility with a special emphasis on human resources value in an organization to survive in this ever-changing vibrant environment. Relating to this issue, Harraf, Wanasika, Tate and Talbott (2015) mentioned that globalization has caused markets, technologies, and organizations to be more interconnected and as result of it outsourcing, global partnerships, and overall internationalization has accepted the illustrated shift. Therefore, competitive advantage is increasingly becoming transient due to intensity of global rivalry. Where, customers expect attractive prices, high quality and fast delivery to fulfill their need. Thus, to comprehend, the present circumstances it can be said that the emerging concept of strategic human resource management has now become a burning topic to give a decent and responsive direction to the research, which will provide an enthusiastic scheme and methodology for academics, researchers, students and policy-makers in an organization interested in the advancement of knowledge in business as well as industrial communities. Moreover, through research authors have observed that various academic literature has provided several unique and useful insights in connection with the individual employees' competencies, group competencies and managerial competencies, which led to the completion of this chapter with innovative concepts.

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