# Chapter 19 Transformational Human Resource Management: Crafting Organizational Efficiency

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## ABSTRACT

Human Resource Management plays an essential role for attaining organizational goals. Nowadays, practitioners, researchers, and academicians around the world are emphasizing to transform and reshape the practice of human resource. However, very few research works have been done in the area of Transformational Human Resource Management (T-HRM). Hence, the aim of this chapter is to propose an integrated framework of T-HRM and organizational efficiency. In light of that, this study has proposed potential factors of the T-HRM. Secondly, this study presented positive effect of the factors of T-HRM on organizational efficiency management. Concept of knowledge management has introduced as a potential mediator, and ICT and organizational alignment has presented as a potential moderator of this study. Finally, knowledge of this study will provide better insights on T-HRM for ensuring organizational efficiency.

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### INTRODUCTION

Transformational human resource management (T-HRM) is currently a new concept in the area of human resource management. Now-a-days academicians, researchers and practitioners around the world in the area of organization behavior, management and human resource management are highlighting the importance of transformational human resource management. Alike transformational leadership (Shih & Orochena, 2016), T-HRM also considers employee as a partner in the organizational innovation and improvement. T-HRM is an outcome of cross-functional activities, which results impact on achieving organizational objective. T-HRM has potential impact on employee efficiency development. Being a modern HRM practices, T-HRM also confirms potency to develop employee through the effective knowledge management (Edvardsson, 2008; Oltra, 2005) training (Seeck & Diehl, 2017), leadership (Mehmood & Arif, 2011) talent management (Iles et al., 2010), information technology usage (Bourke & Crowley, 2015; Steijn & Tijdens, 2005) innovation and change (Santangelo & Pini, 2011; Lin & Sanders, 2017), social responsible human resource management (Barrena-Martínez et al., 2017; Milfelner et al., 2015) and organizational alignment (Shih & Chiang, 2005). However, due to the current changes in business industry and more importantly rate of failures or unsuccessful organizational changes or transformations in contemporary business era (Lewis, 2019; Habersang et al., 2019), reducing the rate of employee retention (Silva et al., 2019), job dissatisfaction (Moussa & Somjai, 2019; De Clercq et al., 2019), lack of trust (Mooijman et al., 2019), lack of commitment (Souza et al., 2019), disengagement (Wolff, 2019) and improper alignment (Davidson & Butcher, 2019) between individual employee skills, job attributes, organizational strategy as well as diversify workforce (Karim et al, 2019), global competition (Gershon, 2019) have provoked the notion of T-HRM. In order to attain organizational efficiency in highly competitive changing business environment and to ensure sustainable competitive advantage in organization, T-HRM has become one of the important factor for the organization. Transactional HR activities expressing employees are more likely clerical mundane work whereas Transformational HR activities are strategic.

In contemporary business world, involvement of HR division of an organization not only limited to the transactional functions but also align HR activities with organizational objective. Moreover, T-HRM is more involved with the activities that are strategic, forward thinking, proactive and comprehensive with more technology based to aid HR processes to make them effective, support organizational change and improvement (Manzoor et al., 2019). Hence, T-HRM is concerned with complete revamping and constant pruning of HR processes in order to make them best in class maximize efficiency as well as to ensure sustainable competitive advantage for the organization. However, very limited research work has been done in the area of T-HRM. With this background, formulation of this research is to identify factors of T-HRM and its impact of organizational effectiveness as well as to propose model for integrating factors of T-HRM and organizational efficiency management. Hence, this study will address the following questions:

- What are the important factors of transformational human resource management (T-HRM)?
- Are different factors of T-HRM influences organizational effectiveness?

In order to address the following questions, comprehensive literature review will be conducted to link potential relationships. This study also exhibits association to bring the key factors involved in T-HRM (knowledge management, training and development, organizational leadership, talent management,

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