STRATEGIC HUMAN RESOURCE MANAGEMENT AND ORGANIZATIONAL PERFORMANCE IN THE DIGITAL ERA

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ABSTRACT

Strategic Human Resource Management (HRM) has become a critical factor in organizational success under conditions of globalization and digital transformation. This article examines the influence of modern HRM practices on organizational performance using international empirical evidence and contemporary management theories. The study applies the IMRAD structure and relies on secondary data obtained from international organizations, scientific journals, and HRM reports. The findings indicate that employee training, digital recruitment, performance management, and employee engagement significantly improve productivity and organizational competitiveness. Furthermore, digital technologies such as Artificial Intelligence (AI) and Human Resource Information Systems (HRIS) enhance decision-making efficiency and workforce management. The study concludes that organizations adopting strategic HRM systems achieve stronger innovation capacity, employee satisfaction, and sustainable development.

Introduction. Human Resource Management (HRM) has evolved from a traditional administrative function into a strategic organizational system. In the modern digital economy, organizations increasingly depend on human capital, innovation, and technological adaptability to maintain competitiveness.

According to the World Economic Forum, nearly 44% of employee skills will require transformation due to automation and artificial intelligence technologies. Similarly, the International Labour Organization emphasizes that investment in employee development and digital competencies directly contributes to labor productivity and economic growth.

Methods. The research uses a qualitative analytical approach based on secondary data analysis. Scientific literature, international HR reports, and empirical studies published between 2020 and 2025 were reviewed.

Data Sources

The study analyzed materials from:

- World Bank,

- International Labour Organization,
- World Economic Forum,
- peer-reviewed HRM journals,
- organizational performance studies.

Results. Recruitment and Talent Management

Digital recruitment systems significantly improve hiring efficiency. Organizations using AI-based recruitment platforms reduce recruitment costs and identify qualified employees more effectively.

Research shows that companies implementing strategic talent management systems achieve higher employee retention and stronger innovation performance. Diversity-oriented recruitment policies also improve creativity and organizational adaptability.

Employee Training and Development

Employee development remains one of the strongest predictors of organizational productivity.

Studies demonstrate that organizations investing in workforce development experience approximately 20% higher productivity growth compared to organizations with limited employee training systems.

Online learning platforms, virtual workshops, and digital skill development programs have become central components of modern HRM.

Performance Management

Traditional annual employee evaluations are increasingly replaced by continuous feedback systems and digital performance analytics. Modern performance management systems improve transparency, accountability, and employee motivation.

Organizations using digital performance management tools report:

- improved employee engagement,
- reduced turnover rates,
- higher operational efficiency,
- better communication between managers and employees.

According to international HR studies, organizations with highly engaged employees achieve:

21% higher profitability,

17% higher productivity,

lower absenteeism rates.

Discussion. The findings confirm that strategic HRM practices positively influence organizational performance and competitiveness. Human capital has become a strategic organizational resource in knowledge-based economies.

The study supports modern HRM theories developed by Michael Armstrong and Gary Dessler, which emphasize the importance of aligning HR strategies with organizational objectives.

Digital transformation creates opportunities for efficiency improvement but also introduces new challenges:

- technological adaptation,
- cybersecurity risks,

- employee stress,
- digital skill gaps.

Organizations must therefore combine technological innovation with employee-centered management approaches.

Moreover, flexible work arrangements and digital communication systems increasingly influence employee satisfaction and organizational culture.

Conclusion. Strategic Human Resource Management (SHRM) has become one of the key determinants of organizational effectiveness and sustainability in the digital economy. The study demonstrates that modern HRM practices, including strategic recruitment, employee training and development, performance management, and the integration of digital technologies, positively influence organizational productivity, innovation capacity, and employee engagement.

The findings indicate that organizations investing in human capital and digital HR systems achieve stronger competitive advantages, higher employee satisfaction, and improved operational efficiency. In particular, continuous employee learning, digital skills enhancement, and data-driven workforce management contribute significantly to long-term organizational performance.

In conclusion, Human Resource Management should not be viewed merely as an administrative activity, but rather as a strategic organizational function that ensures sustainable growth, adaptability, and long-term economic success in the modern digital era.

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