INNOVATIVE STRATEGIC HRM PRACTICES FOR GLOBAL COMPETITIVENESS – AN EMPIRICAL STUDY

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ABSTRACT
The organizations must capitalize on a changing business environment, improve profitability and overall productivity, formulate and implement a planning process and make better strategic decisions. Perhaps the most striking change in HRM today is its increased involvement in SHRM, while developing and implementing the company's strategy. The concept of SHRM takes an added significance, therefore, in firms that build their competitive advantage around their people. However, there are several basic trends, which pose a threat to the accuracy and validity of SHRM predictions, and which prove to be important factors in determining the strategic direction of most firms today. The most obvious of these trends is the globalization of markets. Firms in days gone by, that competed only with local firms, now face competition from foreign firms. As one expert puts it, "The bottom line is that the growing integration of the world economy into a single, huge market place is increasing the intensity of competition in a wide range of manufacturing and service industries. More globalization means more competition and more competition means more pressures to improve the quality of the business sector that is; lowering costs to make employers more productive, and to find new ways of achieving cost-effectiveness while creating an avenue for doing things in better and more dynamic ways. Effective strategic human resource management practices can lead to competitive advantage. Nevertheless, the mechanism between these two has not been carefully identified. Using the survey data, the paper examines the relationship among strategic human resource management practices, dynamic capabilities and competitive advantage at business environment.

KEYWORDS: Strategic Human Resource Management, Competitive Advantage, Globalization, Business Environment, and Technology