

Systematic Literature Review on Human Resource Management Effect on Organization Performance

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KEYWORDS

Human Resource Management, Functionalism, Organization Performance, Systematic Literature Review

ABSTRACT

Present study is a result of a systematic review of literature on human resource management functionalism in the sphere of Organizational performance. It investigates different problems associated with human resource management in predicament organizations under such situation and explores the role of human resource management. The theoretical reinforcements are done through a systematic review and subsequent thematic content analysis of literature like published research papers, along with reports from published literature; these were critically examined and best matching documents are strategically selected for inclusion to reach conclusion. The outcome highlights the need for human resource management managers to adopt innovative techniques for faculty and staff empowerment to navigate through the rapidly changing scenario and do the best on the constrained background. A conceptual qualitative framework is developed and prescribed for functionalism of customized human resource management to engross stakeholders in amicably avoiding recalcitrance. This framework can assist human resource management managers to identify the opportunities during this crisis and make meaningful decisions to solve problems and build a supportive culture. This framework can assist an educational leader to manage stakeholders' expectations through mutual collaboration in working towards overcoming anticipated obstacles and add value to both academicians and practitioners.

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Introduction

Efficient HRM enables managers to make plans and hire skilled staff, at the same time it helps employees find meaningful work with avenues for career development. The key objective of HRM is to increase employee performance and improve organizational performance through

investment in HR (Jacob & Bajama, 2022). Human resource management is a systematic analysis of human resource needs in order to ensure that right number of employees with necessary skills are available when they are required (Khancharovna, 2022). The reason of using human resource management is to find out how many employees do the organization have, what kind of workers do the organization have, how an organization should use their available resources and how can the company stay and maintain its workers (Susanto & Rambano, 2022).

The level of performance of an organization can determine the productivity of the organization. Therefore productivity means the rate of output, degree of result and success which is directly related to profitability and turnover (Usmani et al., 2022). This research study covers the possible literature review of Human Resource Management on Organisational Performance in a systematic way. Management makes control possible, which is, comparing contractual outcome with performance standards and taking corrective action if variable exists. Lastly, human resource management function include staffing, that is acquiring qualified and appropriate number of workers for an organization, to determining and acquiring other resources and proper allocation of these resources (Bieńkowska et al., 2022). In addition, coordination of activities of all members and parts of an organization is another major purpose of human resource management in order to boost production and performance (Huettermann & Bruch, 2019).

A. Statement of the Problem

One of the most serious problems facing organizational worldwide is the acute shortage of qualified resources (Katou et al., 2021). The problem of inadequate skilled manpower could be traced to a number of factors which include the colonial administrative policies which gave the local population more opportunity to develop (Danilwan & Dirhamsyah, 2022). Some of the problem identified in previous literature by the human resources planners is as follows: Management of fund, funds kept for the proper management of the organization is always converted to their private pocket by the top management (Jacob & Bajama, 2022). As a result of lack of motivation money of our expertise has gone to a board where they will be paid and live in a comfortable house with all kinds of fringe benefits (Anwar & Abdullah, 2021).

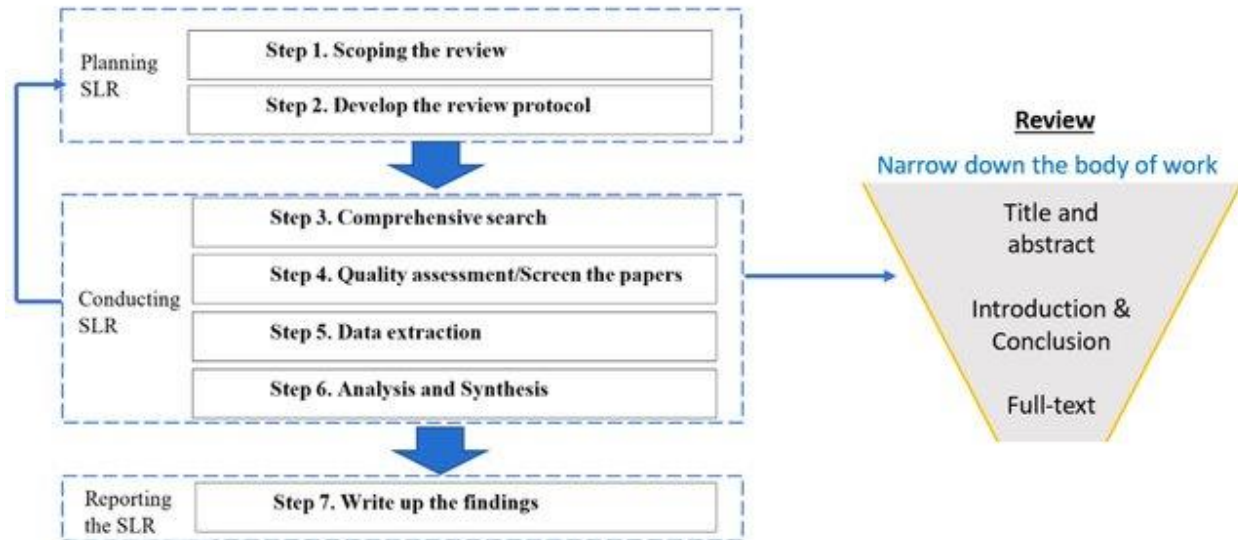
The rate of labour turnover is increasing because of lack of facilities in our higher institutions, irrelevance of the educational curriculum to the need of the economic (Bizri et al., 2021). One of the problems facing business organizations is the shortage of qualified human resources as a result of poor management (Usmani et al., 2022). (Ali et al., 2012) (Ali et al., 2012) (Ali et al., 2012) (Ali et al., 2012) (Ali et al., 2012) (Ali et al., 2012) (Ali et al., 2012) (Ali et al., 2012) Human resources being the set of individuals that make up the workforce in the organization and makes productivity to take place must be well planned for and must be placed in the appropriate positions in other to be effective (Irani et al., 2022).

Objectives:

- To covers the possible literature review of Human Resource Management on Organizational Performance in a systematic way.
- To covers the possible literature review of Human Resource Management on Organizational Performance with PRISMA.

Research Methods

To achieve above objectives a systematic review of literature based on bibliographic references and grey literature of previously published work have been conducted. The search strategy was adopted as per the method of Casino, et. al.(2019). In this search relevant bibliographic references were obtained from books publishing serious research outcomes from Sage, Taylor and Francis (Routhledge), Springer and other relevant publishers.



Source: (Chompunuch, 2019)

Result and Discussions

Research journals (full text and abstracts) were obtained from e-database like Emerald insights, Science Direct (Elsevier-Scopus), Jstor, Springer Journal Archives, Sage Journals, Search EBSCO Host and Google Scholar, ResearchGate and Academia.edu. Search was also conducted on Amazon, and online catalogue search was conducted on National Library of India, American Library, British Council Library and National Digital Library of India. Grey literatures including published documents were identified through electronic search using Google Scholar, moreover newspapers, white papers and websites were explored, and other searches were done using referenced works of relevant articles causing snowball effect.

The search and inclusion strategy are shown in Figure 01 below and the criteria for short listing and inclusion of documents is shown in Table 01 with PRISMA method.

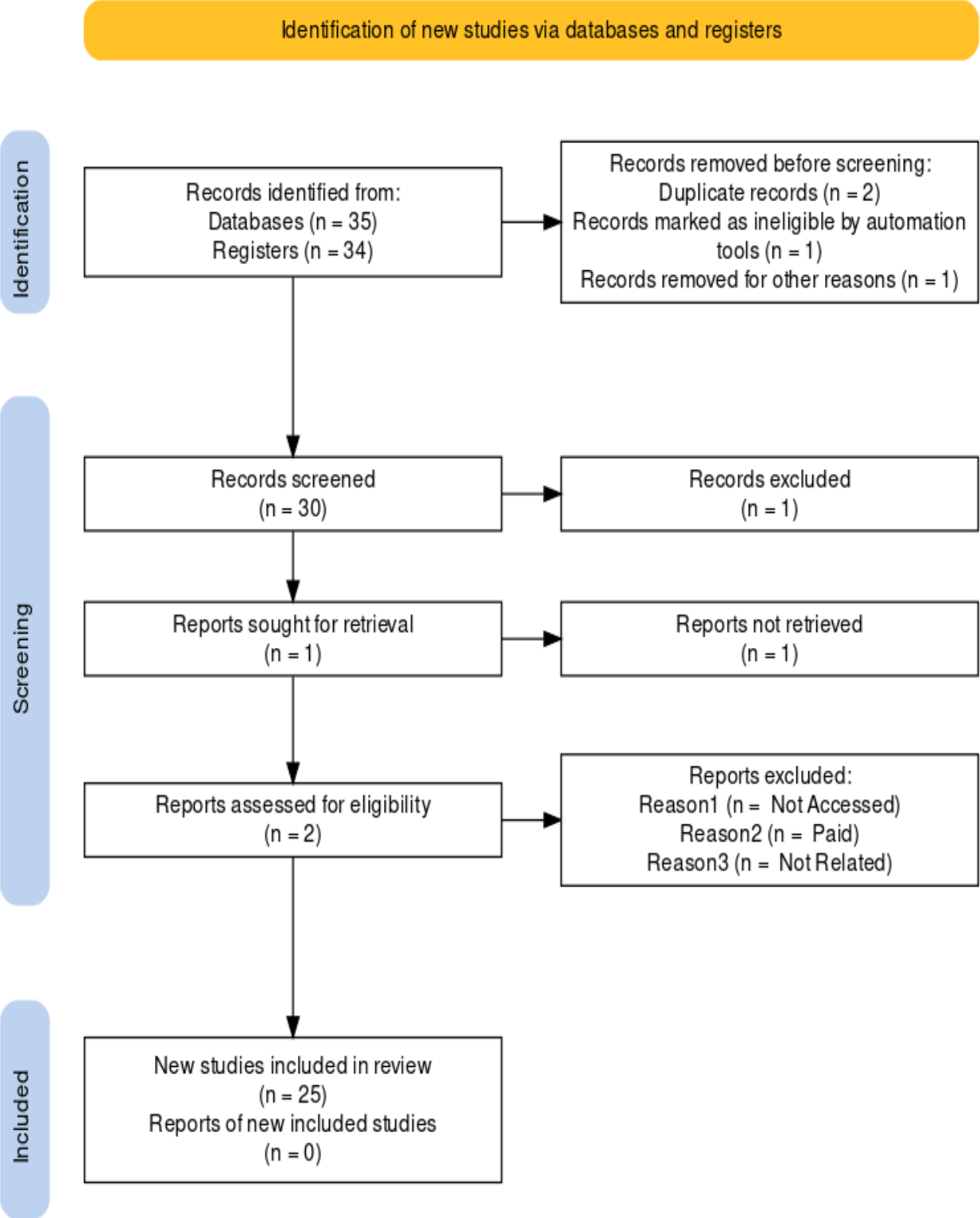


Figure: PRISMA Methodology

Source: PRISMA Output (2023)

Systematic Literature Review On Human Resource Management Effect On Organization Performance

	Iran supply.	and significant but not quality management.		
(Azizi et al., 2021)	A study on the relationship between human resource management and organizational performance by critical reviewing	Reveal that positive relationship between HRM practice and the organizational performance.	The study uses secondary Data only.	The study uses both data primary and secondary as well as qualitative and quantitative.
(Gomes et al., 2023)	Researcher examined the various aspect of human resource management practice in terms of human capital management and organization development in Portugal hotel.	Qualitative approach & Case study design. HRM is key element of the competitiveness of a hotel unit, not only to respond to increasing customer challenges, but also to ensure competitiveness in the face of large-scale competition.	The study was conducted The qualitative approach only is not showing the relationship and the level of effects of variables on organizational performance.	The study focuses on textile industry and also uses both approach qualitative and quantitative.
(Kering et al., 2020)	examine the effect of human resource management process on the performance of Manufacturing SMEs in Nairobi city country, Kenya	Explanatory research design. The HR processes have a positive influence on firm performance.	The study conducted in Kenya and limered Geographical location. And only qualitative.	The in Ethiopia textile industry. Use both qualitative and quantities.
Otoo (2019)	Examine the relationship between human resource practice and organizational performance the mediating role of employee	Using cross-sectional, the study was revealed that all variables are positive and significant effect on OP except	The study focused on hotel business. And use cross-sectional design.	The study uses explanatory design. The result may vary Because of different organization and design.

Systematic Literature Review On Human Resource Management Effect On Organization Performance

	competencies	career management and performance appraisal.		
(Irani et al., 2022)	Investigate whether this set of HRM practices in the Indian hospitality enterprises depends on the demographic characteristic.	Category and type, but there is no relationship between HRM practice variables and age and size (capital or employees).	Generalized other study area. The study was focuses HRM practices for hotel companies has an impact on the OP. The scale used in the questionnaire may not always accurately reflect the opinions or opinions of the interviewee.	The study focuses on different industry the result may be vary. And is not show the cause -effect. The study will use explanatory.
(Nadeem et al., 2019)	Influence of high-performance work system on employee service performance and OCB: The mediating role of psycap.	Cross-sectional research designs The revealed that HRM practice has positive and significant relationship with OP.	The study only sees the relationship of variables	The study focuses in different organization and different design and analysis the result may vary.
(Halid et al., 2020)	To investigate deeper into HRM in the digital Age towards organization performance	Systematic review of literature was conducted by using an archival Method. The findings of research indicate that there is a positive impact of digital transformation on all variables	In the era of digital transformation, the organizations need to adapt themselves with the changing HRM practices.	It is recommended that the researchers study deeper on how the performance has changed from the past to the present, how much it has affected the organizations, role of HR manager and evaluation on investment of the implementation.
(Alshammari,	This study	This study	This study has	It has been

Systematic Literature Review On Human Resource Management Effect On Organization Performance

2020)	investigates the mediating role of knowledge management for organizational performance (OP), and human resource management (HRM) practices and the moderating role of organizational learning (OL) on the relationship between organizational performance and knowledge management capability (KMC).	employs structural model estimates to address the hypotheses. The model was suggested by the previous research and is interlinked with HR practices. The findings of this study explored a significant effect of HRM practices on knowledge management capabilities, organizational culture, organizational performance, and organizational learning in Saudi Arabia during 2019.	some limitations such as the survey has been taken via emails. The answers to some questions might be biased. The collected data have been clustered from the non-industrial sector of the Kingdom of Saudi Arabia. The attributes of the selected companies may be varied from the other areas of the countries.	explored by the previous work that by investing more in human capital, the organizations can earn more. This study will be beneficial for the non-industrial organization in Saudi Arabia while preparing the strategies for human resource management.
(Danilwan & Dirhamsyah, 2022)	to examine the impact of human resource practices on organizational performance in the manufacturing sector in Indonesia	PLS-SEM used as measurement tool. The research findings on the moderating and direct effects have contributed to the existing set of OP and HRM practices literature.	For a more comprehensive study, the author should also pay attention to other factors along with these five HRM practices while dealing with the organization's performance.	The use of one source to acquire relevant data causes a lack of comprehensive study. That is why scholars in the future must turn to use more sources for the acquisition of data.
(Nyathi & Kekwaletswe, 2022)	The purpose of this paper is to propose and test a model designed to realize employee	Data were collected through a survey in 35 organizations using e-HRM	Electronic-HRM use, complemented by human resource best	Employee performance mediation effect will be likely to further

Systematic Literature Review On Human Resource Management Effect On Organization Performance

	and organizational performance gains in developing economies	systems. Regression analysis making use of Process macro was used. The organization-wide gains are enhanced through employee performance mediation.	practices that impact positively on individual performance, is likely to enhance organizational performance gains was not well defined.	investigation for enhancing the effect of e-HRM usage on organizational performance.
(Bieńkowska et al., 2022)	To explain the role of MISMANAGEMENT OF HRM oriented HRM strategies in shaping job performance through job related attitudes.	To verify the hypotheses, descriptive statistics were calculated using IBM SPSS and path analysis was performed using IBM AMOS. The result shows that combined set of "hard" HRM strategies related to the financial aspects and "soft" HRM strategies related to keeping employees' wellbeing during the crisis gives the best results in shaping OP.	The selection of the elements for the sample was purposive; the only limitation was the geographical scope of the activity. The non-response bias was eliminated by the use of professional respondents' panel.	MISMANAGEMENT OF HRM pandemic is a phenomenon that has broken the previously known and relatively stabilized order in the management of contemporary organizations. The observable effects of the corona virus outbreak will be further studied for impact on management, including Human resource management.
(Katou et al., 2021)	Line manager implementation and employee HR attributions mediating mechanisms in the HRM system— Organizational performance relationship: A multilevel and multipath study	Drawing on the attribution and social exchange theories. Employee HR attributions found that between organizations (a) HR strength fully mediates the relationship between HRM	First, the data were collected using a questionnaire at a single point in time. As a result, the study does not allow for dynamic causal inferences. Second, all	Source of bias. Use of multilevel analysis increased the unbiased results. All variables were reported in retrospect, raising measurement concerns about recall bias. Fourth, the organizational

Systematic Literature Review On Human Resource Management Effect On Organization Performance

		content and line manager HR implementation.	variables were self-reported, giving rise to concerns about common method bias.	sample size (N ¼ 158) is rather small for studying such a large and complex models.
(Anwar & Abdullah, 2021)	The present research studies the impact of human resource management on the performance of government institutions	The current research utilizes quantitative research method as the research approach. The findings revealed that all hypotheses were rejected except fifth hypothesis which stated that ‘‘Decentralization is positively associated with organizational performance’’.	The relationship between the Human Resource Management Practices and the organizational performance have been judged differently by varying researchers and researches.	Sometimes due to decentralized decision making lower employee level makes huge profits which are not anticipated from them but this appears just because of delegating authorities and providing power to employees for making decisions.
(Tensay & Singh, 2020)	The nexus between HRM, employee engagement and organizational performance of federal public service organizations in Ethiopia	This study tested the intervening effect of Employee Engagement in the HRM-performance link.	Study has paid little attention to the public service from developing country's sphere.	This result contradictory to the HRM-performance debate.
(Thathsara & Sutha, 2021)	Investigating the influence of e-HRM practices on organizational performance: The mediating role of organizational agility	Baron and Kenny mediator analysis method and Sobel test. Results of the analysis indicated that E-HRM practices significantly and positively impact OP while organizational agility mediates the relationship	These research findings depend on only a few financial institutions in Sri Lanka and thus finding only reflect regarding this area. So, the study may not be enough to generalize the	Result cannot be generalized to an entire population. Moreover, this study was based on cross-sectional data. Because of that, Future research should go beyond cross-sectional designs and employ longitudinal or

Systematic Literature Review On Human Resource Management Effect On Organization Performance

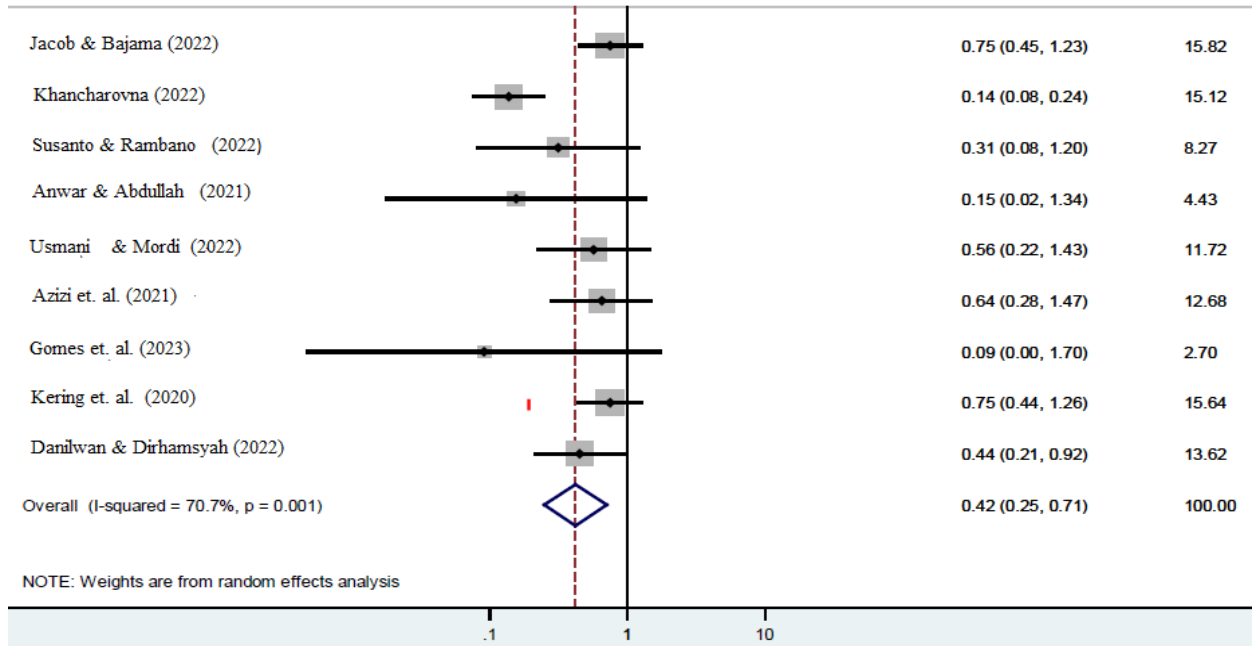
		between E-HRM practices and OP.	findings.	experimental research designs to test the hypothesis.
(Ahmed, 2019)	E-HRM Practices and its impact on Organizational Performance: A study on the Manufacturing industry in Bangladesh	Quantitative and qualitative method was used.	The respondents may not be found intending to give time to response the question or they may feel uncomfortable.	The findings are subject to the respondent's bias. Data was collected through google form which can deviate slightly from the actual scenario.
(Huettermann & Bruch, 2019)	Mutual gains? Health-related HRM, collective well-being and organizational performance	Building on signaling theory and conservation of resources theory, study investigates the relationship between health-related human resource management (HHRM), employees' collective well-being (in terms of collective emotional exhaustion and collective engagement) and organizational performance.	Analysis is cross-sectional, thus precluding the possibility of drawing causal inferences.	Regarding the stress mindset concept, future studies may investigate the emergence of collective, 'organizational mindsets'. Given the limited amount of variance in employees' stress mindset that can be attributed to organizational membership in our study,
(Ahmed, 2019)	Impact of HRM on OP of service sector institutions in Nepal.	Explanatory and descriptive design. HRM have positively significantly affected OP.	Measured the performance of the organization using employee turnover and productivity.	The study focused on textile industry in Ethiopia. Measure the performance financially and non-financial.

Systematic Literature Review On Human Resource Management Effect On Organization Performance

(Jacob & Bajama, 2022)	Impact of human resource management on organizational performance in Nigeria: Nigeria breweries Kaduna plc as a case study	Explanatory and descriptive design. Show positive linkage between HRM practice and firm performance.	Show only, the extant of effect in SME.	The study focused on analyzing the effect of HRM & OP in mediating variables industry. Use primary and secondary data.
(Khancharovna, 2022)	The importance of the functionalism of human resources management in the management of public sector	The research was employed descriptive design.	Descriptive design It is not showing the relationship of the variables.	This study will use inferential analysis.
(Susanto & Rambano, 2022)	Role of HRM Factors in Improving Performance Analysis of Local Government Financial Reports	Study employed explanatory design and descriptive and inferential analysis. HR practices are more effective in improving the OP than opportunity-enhancing.	The study was not showing the extent of effect.	The study will use different variable and different performance measurement technique
(Anwar & Abdullah, 2021)	Examines the impact of Human resource management practice on organization performance in banking sector.	Descriptive design and descriptive static tools and correlation. Significant and positively correlate with OP	The study uses quantitative approach & descriptive design.	The study focuses on textile industry and inferential static.
(Bizri et al., 2021)	To assess the extent to which HRM practice on OP in Lebanese bank sector.	Research design was descriptive & explanatory. HRM practice and mediating variables influence OP.	The study did not show the extent to which the dependent variable was clearly affect results.	The result may be differing in other organization. The study will conduct on textile industry

1.5.1 Meta-analysis using STATA

Study Id:
OR (95%CI) Wt.%



Source: Meta Analysis Using STATA.

Conclusion

The purpose of this review was to view the trends in human resource management studies within the past four years and see how commentary on human resource management writing has changed and is still changing. It is clear from the research reviewed that evaluative commentary is very immersed and widely practiced throughout human resource management in today's organizations. Along with this, it is also clear that the field of human resource management studies just in regards to the types of human resource management that researchers receive on their writing is varied and continues to be studied and analyzed in order to most benefit human resource management researchers and society at large. Corrective vs. evaluative human resource management literature review is still being debated, though, and continues to be problematic in the discourse human resource management and even human resource management writing as seen in reviewed studies. This field of human resource management inquiry is very important as at its center is a concern with helping researchers become better writers. Helping researchers become better writers and getting researchers to see the importance in growing as independent writers is also extremely important in our current society with declining research budgets and liberal arts losing popularity and funding.

To fill the existing gaps using future research present systematic literature review contributors provide short and succinct reviews of 25 key researches on human resource management. Each systematic literature review on human resource management identifies the strengths and gaps in present research knowledge, maps out the important intellectual boundaries for on human resource management field, and outlines current and future research agendas and

how these will be addressed. For starter researchers, present study delivers a clear and comprehensive overview of available evidence on human resource management. Moreover, systematic literature review also helps identify research gaps in our current understanding of a field of human resource management.

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