

# Strategic HRM and Organizational Agility Enable Firms to Respond Rapidly and Flexibly to the Changing Environment

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## INTRODUCTION

In the era of globalization and industrialization, the most pioneering and modern organizations are under excessive strain to work in a dynamic environment that always force them for prompt and quantifiable advantage in order to survive in this international competitive market. Under these circumstances, competitiveness and innovation as well as organizational resilience, i.e. organizational agility have become a hot issue of academic, business and managerial debates with regard to be agile and be able to sense and respond to market changes quickly and smoothly to sustain their efficiency, i.e. organizational competitiveness. Where, organizational agility is accountable for high ability to adapt, the ability to recognize change in the marketplace and allocate resources to take advantage of that change. Similarly, strategic HRM play the role of a facilitator that enables an organization to utilize its existing human resources in order to achieve its strategic goals and objectives. Additionally, strategic HRM also empowers organizations to enhance its business performance; develop an appropriate organizational culture, i.e. work culture which, will boost the organizational flexibility and innovation (Alsaadat, 2019); (Jackson et al, 2014); (Oppong & Nasir, 2017). Research shows that nowadays, strategic HRM along with organizational agility specially with the presence of human capital plays a crucial role in gaining competitive advantage and improving organizational performance.

This sub-chapter highlighted the significant features of strategic human resource management that endeavored for enhancing organizational learning through organizational agility and organizational capability. According to Wahyono (2018) Agility is nowadays a key aspects of organizational excellence due to its distinctive characteristics that incorporates the aptitude of an organization or firms' to successfully respond to the ever changing environment especially when the transforming businesses is going on so firms are needed to fit for the fulfilment of the purpose in this digitally enabled world (Abraham and Perkin, 2017). Current research has explored the significant aspects or perspectives of organizational agility. However, this chapter has been organized to provide a unique integrative framework that encompasses all dimensions of organizational agility development. Hence, the purpose of this sub-chapter is to discourse this gap in order to enhance firms' competitiveness and sustainability by presenting a conceptual and thematic model that captures various critical extents to the development of agility within firms' or organizations. Moreover, this chapter also emphasized the linkage between SHRM practices and organizational agility that enable firms to respond rapidly and flexibly to keep pace with the changing environment. In this sub-chapter the focus has been given on how firms can develop an ability as well as capacity to respond rapidly and flexibly to the changing environment and why firms' realize that they are capable to accept these unwanted challenges for the benefit of their organizational

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performance development. Finally, this subchapter highlights the important role that strategic human resource management plays in both developing organizational agility and strategic flexibility.

Accordingly, this study demonstrates that organization's capability for flexibility is developed through strategically managing human resources that enable to create competencies among the core employees at the organizational level. In addition, this flexible condition within the organization facilitate them to achieve the ability to respond and resist the unwanted shocks (Lengnick-Hall, Beck and Lengnick-Hall, 2011). Furthermore, to get the vivid description about the said topic this sub-chapter took effort to review two important elements about the possibilities of organizational capability to be flexible, i.e. organizations specific cognitive abilities (organizational agility), organizational behavioral characteristics, and contextual conditions (Strategic HRM capabilities) that enable them to respond rapidly in the dynamic environment (Saha et al, 2019). Similarly, in order to address a firms' competitiveness, it is necessary to highlight the strategic flexibility of a firm (i.e., their ability to accept the change for the benefit of overall performance) that empower them to face the prompt changes through organizational transformation. Hence it can be said that the outcome of this study envisaged the way SHRM practices affect the flexibility dimensions of an organization that enhance the robustness of firms, especially it significantly influences organizational agility and integrity (Bouaziz and Hachicha, 2018).

To comprehend the influence of strategic HRM on firms' competitiveness, it is necessary to indicate the key activities of human resources that facilitate businesses or organizations to create, undertake and maintain a sustainable organizational advantage. The theoretical framework of this study induces various approaches and models concerning organizational agility (OA), organizational learning, organizational knowledge. In this circumstances, it is necessary to mention that the notion of organizational learning is presently a subject of continuing debates between behaviorists and economists. Actually the concept of organizational learning was first introduced by Cyert and March, (1963) in the book "*a behavioral theory of the firm*". According to them organizational learning is a field of academic research and professional practice with a relatively recent development. Thus, companies should learn from their experiences with the intention of adapting themselves to the conditions of the environment. Correspondingly, Basten and Haamann (2018) acknowledged that Organizational learning (OL) enables organizations to transform individual knowledge into organizational knowledge and enhance organizational effectiveness and guides the organizations to design the appropriate learning processes in order to improve long-term performance. This chapter reveals the perception of organizational agility and human resource management strategy as an emerging perspective for knowledge and performance-driven organizational capability. Precisely, this study put efforts to identify and classify, the way businesses or an organization can rapidly improve its sustainable organizational knowledge, skills and abilities (KSAs) development strategy through progressing their organizational performance.

Consequently, to foresee the modern business world, it is essential to remark that the essence of organizational knowledge, organizational agility and importance of human resource strategy is viewed as an eminent approach to meet the global challenges. Where, in the new phase of globalization, HR is responsible for empowering the effect of change in organizations and shielding employees against the unwanted effects. Therefore, the purpose of this sub-chapter is to tighten and elucidate a conceptualization of organizational agility and organizational learning process that discusses about the spirit of organizational agility, i.e. flexibility, nimbleness, and speed of an organization as well as key activities of HR. It also accentuates the way HR specialists are involved in operational matters and are progressively observed as a source of competitive advantage in order to meet the global challenges. Though, it is very difficult to enhance firms' sustainable growth quickly due to the urge of gradual expansion of the competitive marketplace and today's rapidly-changing business world. In another way, it can have

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