

# Chapter 15

## Strategic Human Resource Management in the 21st–Century Organizational Landscape: Human and Intellectual Capital as Drivers for Performance Management

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### ABSTRACT

*These days, employability and sustainability in the Romanian marketplace are seriously challenged by the general economic development conditions, the continuously rising living standards, and the unfortunate imbalance and irregularities in the policies of labor markets. These defining factors mirror in this current research that focuses on describing the importance, implications, and specificities of human resource management (HRM) and strategic human resource management in the 21st-century organizational landscape, while seeking to pinpoint the considerable and valuable benefits brought by human and intellectual capital as drivers for performance management at the organizational level. The results of the study themselves possess the explanatory power of showing that human resources are the main assets of the organization, which decisively determines the potential for present and future line of action, since human resources have unlimited growth and development potential, even though they are regarded as extremely rare, highly valuable, yet difficult to insure or replace.*

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## INTRODUCTION

Nowadays, Human Resource Management (HRM) – as the sophisticated process of managing people belonging to entities in a structured, constant and thorough manner, is fast becoming a key instrument in the 21st-century organizational landscape, while Strategic Human Resource Management (SHRM) – as the complex practice and sustainable process of attracting, developing, rewarding and retaining employees for the benefit of individuals, companies and society, emphasizes the role played by both human capital and intellectual capital as drivers for performance management.

To begin with, human resources represent one of the entities' main resources having the powerful capacity to increase their value over time, unlike other enterprises' resources which may be used in some cases physically and in other cases morally (Tociu *et al.*, 2017). Additionally, as organizations develop over time, it should be pointed out that they have to deal with a number of essential activities and tasks strongly related with HRM (Popescu & Popescu, 2015). Thus, among these particular activities and tasks can be mentioned the following components: firstly, managers will need to create a complex organizational plan capable to attract and to retain people possessing the exact skills the organization's need (Popescu, 1997; Popescu & Popescu, 2000); secondly, the implementation of the plan will involve several significant steps, among which can be stressed recruiting, selecting, integrating, training, rewarding, and evaluating the employees' performances in order to check on a continuous bases wheatear the organizational objectives are achieved (Popescu *et al.*, 2015).

In the new global economy, the management of human resources takes into consideration all the activities oriented towards ensuring, developing, motivating and maintaining human resources within the organization focusing on the methods needed, on the one hand, in order to achieve with maximum efficiency the entities' objectives and, on the other hand, in order to satisfy the needs of the employees (European Commission, 2017). A primary concern for specialists these days is closely related with the organizations' development and growth processes: in this context, entities worldwide have to deal more and more with a larger and more complex number of essential aspects of HRM (European Commission, 2018a). Likewise, another significant concern for specialists these days is closely related with the organizations' managerial processes and structures: in this context, managers worldwide have to deal more and more with the challenges derived from the need to thoroughly create and constantly adapt a plan capable to attract and retain people with the precise skills needed by their organizations (Holban *et al.*, 2017). Investigating the implementation of the entities' managerial plan as well as the entities' activities considered components of human resources management: (a) involves recruiting, selecting, integrating, training, rewarding the organizations employees, and, in the same time (European Commission, 2018b), (b) choosing the most appropriate benefits and permanently evaluating the performances in order to check if the organizational objectives are achieved (European Commission, 2018c).

Recent developments in business administration, economics and management have heightened the need for better understanding the implications of SHRM in the 21st-century organizational landscape, with a particular emphasis on the role and the importance of human and intellectual capital as drivers for performance management (European Commission, 2019).

Previous studies on SHRM have reported the significance and connections derived from HRM functions, examining the crucial and unprecedented contribution made by people in the astonishing and complex process of offering entities worldwide competitive advantages (Popescu & Dumitrescu, 2016a).

However, a major problem concerning SHRM comes precisely from the fast changes taking place in today's business environment and organizational landscape (Popescu & Dumitrescu, 2016b). This lead

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