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## Analysis of the Impact of Recruitment and Selection as A Strategic Human Resource Management Tool on Organizational Performance in Zambia

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### ABSTRACT

This study aims to examine how the strategic implementation of recruitment and selection impacts organizational performance. 169 managers from profit-making organizations in Zambia participated in the research, and a quantitative approach was used to gather data. The questionnaire had three parts: the first part gathered demographic data, the second part collected information about strategic human resource management (HRM) practices, and the third part obtained data on organizational performance. The study focused on a stratified random sample of 169 managers from various organizations. The results indicated that incentives and rewards were significant for achieving excellence, followed by recruitment and selection, and were followed by formal performance appraisal, which had a minor impact on career development. There is a notable correlation between strategic HRM components and organizational performance, including the revenue growth rate, return on equity, return on assets, and overall profitability ( $p < 0.01$ ). The findings indicate that organizations should strategically align their activities to enhance performance, particularly recruitment, which has a direct impact on the organization's output. Furthermore, the research concludes that strategic human resource management (HRM) practices play a pivotal role in propelling organizational performance and should be harmonized with overarching business strategies and operations.

### INTRODUCTION

Recruiting and selecting employees are two of the most critical tasks in managing human resources for any company. These responsibilities involve attracting, assessing, and choosing individuals with the necessary skills and characteristics for the position. The quality of the employees hired by an organization depends heavily on the effectiveness of these two tasks (Gamage, 2014). Hiring unsuitable candidates can have detrimental effects on businesses, leading to significant financial losses and damage to the organization's reputation. Therefore, the recruiting and selecting process must be conducted with utmost care and thoroughness. The primary aim of this process is to ensure that organizations acquire the appropriate number of highly skilled and competent employees to achieve their strategic objectives at minimal cost (Ekwoba et al., 2015).

Strategic HRM involves aligning the HRM function with the overall organizational strategy. Recruiting and selecting personnel are vital HRM functions aimed at meeting organizational needs. Recognizing the need to fill a vacant position is the first step in hiring staff, whether it is due to staff turnover, organizational changes, or specific work requirements. It is important to note that filling a vacancy is not just a replacement; it is also an opportunity to evaluate the organization's human resource needs and align them with company objectives. To effectively recruit and select staff, HRM must take a comprehensive approach by thoroughly analyzing organizational needs and position requirements. After establishing the need to fill a vacancy, HRM must develop a recruitment strategy that aligns with the organization's goals. This strategy should outline the recruitment approach, the selection process, and the assessment

criteria. By implementing a well-defined recruitment strategy, HRM can ensure that the recruitment and selection process is efficient, effective, and in line with organizational objectives.

A well-structured recruitment program enables organizations to fill roles with capable individuals and minimize expenses efficiently. The objective is to onboard candidates who can promptly contribute to the organization and evolve into successful long-term employees. At a strategic level, organizations need to evaluate their external surroundings to gauge potential effects on their future business activities. If an organization foresees substantial changes in external factors, it may opt to postpone new hires or halt all recruitment until there is more clarity about its future. This assessment of the external environment impacts the type of candidates an organization is willing to onboard and the contractual terms it can provide. This study seeks to explore the influence of recruitment and selection on organizational performance in the context of strategic human resource management in Zambia.

## **METHODS**

### **Data Collection**

This research is centered on for-profit businesses in Zambia that have put in place Strategic Human Resource Management (SHRM) procedures in the last seven years. A total of 169 companies that met the criteria were included in the sample, and surveys were given to the heads of the human resource departments of these companies across different industries. The companies were chosen using a method of segmented random sampling. The primary focus of the study was on the company itself, and a multi-evaluator (multi-respondent) method was utilized. To reduce measurement errors in SHRM measures, each company received four questionnaires to be filled out by the head of the Human Resource Department, who should have been one of the three respondents. The respondents for each company included the head of the HR Department, the department head, the senior manager, the general manager, and others as applicable. If companies had fewer than three expected respondents, the average scores of the actual respondents were utilized for each variable.

### **Dependent Variables**

Organizational performance can be measured by factors such as increased Return on Assets (ROA) and Return on Equity (ROE), as well as the growth rate of sales or revenue and profitability. These measures are closely related to anticipated precursors of performance, such as HRM practices (Van Rossenberg et al., 2022; Rotea et al., 2023; Giaque, 2013).

The respondents anonymously rate these indicators on a 5-point Likert scale (1 = Strongly Disagree; 5 = Strongly Agree). Each rating is compared to the perceived performance of the best-performing organizations in the industry to which the firm belongs. Participants are queried, "To what extent do you agree with the statement that SHRM has resulted in enhanced organizational performance over the past seven years?" The ratings for all the indicators are aggregated and averaged among the organization's participants to determine the organization's score on the index of relative perceived organizational performance.

### **Independent Variables**

The study evaluates strategic HRM practices using several independent variables, including Incentives and Rewards, Formal training System, Recruitment and Selection, Formal Performance Appraisal, Career Development, Internal Career Opportunities, and Organization Development. These variables are based on extensive research on strategic HRM practices and their connection to company performance. The assessment of 'SHRM practices' is conducted using a 5-point scale ranging from 1 'not at all' to 5 'to a great extent'. The survey items are designed to emphasize the involvement of line managers in implementing specific HR practices such as 'recruiting new people', 'selecting applicants', 'training employees', 'conducting performance assessments', and designing job roles. An aggregate score for the seven HR practices is determined by adding up the scores. For example, companies indicating the presence of incentives and rewards in a particular HR practice would receive a score from 1 to 5.

The evaluation of the 'Formal Training System' includes gathering feedback from participants to determine the percentage of line managers who have received HR practice training within the company. The assessment scale ranges from 1 to 10, where 1 signifies 'less than 10%', and 10

represents 'more than 90%.' Companies that do not provide HR practice training to their line managers receive a score of zero. The 'Recruitment and Selection' aspect is assessed using a questionnaire with 5 items, each rated on a 5-point scale. Participants are asked to rate the importance their organizations place on the use of selection tools and tests during recruitment, with 1 representing 'strongly disagree' and 5 indicating 'strongly agree.' For 'Formal Performance Appraisal,' an 8-item scale is utilized. Participants are asked to indicate the extent to which performance is evaluated based on measurable results and performance appraisal data utilization. They are also requested to express their level of agreement, using a scale of 1 for 'strongly disagree' to 5 for 'strongly agree,' regarding the performance appraisal system in their organizations.

One example of an inquiry is that 'employees are evaluated based on objective, quantifiable outcomes.' The 'Incentives and Rewards' system is evaluated using a scale with 5 items. Participants are asked to indicate on a scale from 1 to 5 how compensation is linked to employee performance and qualifications in their organizations. An example question is, 'In our company, the salary and other benefits are in line with industry standards.' The 'Training and Development' variable is measured using a tool with 7 items, each rated on a 5-point scale. Participants are required to rate how training and development needs are identified and met in their organizations. An example question is, 'Employees in each job typically receive annual training programs.' The 'Internal Career Opportunities' variable is assessed using a tool with 7 items, each rated on a 5-point scale. Participants were asked to rate the transparency and utilization of career planning systems in their organizations. An example question is, 'Our company provides employees with clear information about career paths.' 'Career Development' is evaluated using a 3-item scale. Participants rate the degree to which superiors allow employees to participate in operational decisions and suggest improvements in work processes. An example question is, 'Employees in this company have the opportunity to suggest improvements in work processes.'

#### **Analytical Procedures**

The collected data underwent three main types of analysis. First, we calculated Cronbach's alpha to assess the reliability and validity of the research

instrument and data. Next, we analyzed the responses to create a frequency distribution and gain insights into the socio-demographic characteristics of the respondents. We then used descriptive statistics to assess the extent of strategic HRM practices in the companies being studied. Additional analytical methods included correlation analysis to demonstrate the connections between identified strategic HRM practices and regression analysis to determine the variables' predictive abilities on organizational performance and for hypothesis testing.

#### **Hypothesis Development**

The examination of organizational performance has been the focus of extensive research, primarily due to the methodologies deployed by organizations in executing their policies to realize their mission and vision. There is a mounting recognition among managerial circles that a competitive advantage is derived from the establishment of effective frameworks for the attraction and management of human resources. While profitability is attainable for some organizations with minimal employee input, the attainment of genuine excellence, quality, creativity, and innovation is contingent upon employee commitment to enhancing their performance.

Extensive research has unveiled a strong link between how an organization carries out its recruitment and selection processes and the overall success it achieves. Companies that have well-developed recruitment strategies are more likely to outperform others since they can bring on board highly competent individuals who not only possess the necessary expertise but also align well with the organizational culture (Ekwoaba, Ikeije, & Ufoma, 2015). Effective recruitment and selection practices can lead to reduced turnover, heightened employee motivation, better financial performance, and an increase in both creativity and innovation within the organization (Boxall & Purcell, 2016). Ultimately, the competence of an organization depends heavily on the qualifications of its workforce and the strength of its interpersonal connections. Thus, recruiting exceptional employees enhances organizational performance and gives the company a distinctive human capital advantage.

The effective handling of recruitment and selection processes can have a substantial impact on the overall performance and image of an

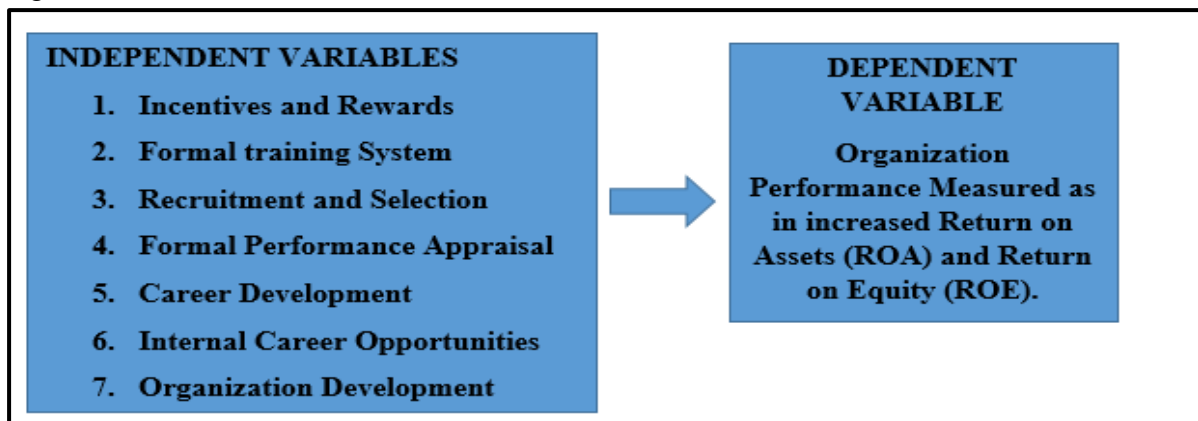
organization. Research indicates that companies that are adept at recruiting and selecting highly qualified candidates are more likely to experience increased productivity and enhanced financial results (Boxall & Purcell, 2016). Recruitment activities enable organizations to tap into a diverse talent pool comprising individuals with a wide range of skills and expertise. The success of a business hinges on its ability to identify the most suitable candidates for various positions within the organization (Ekwoaba et al., 2015). By selecting employees who are both skilled and knowledgeable, organizations can achieve higher standards of product quality and service, ultimately leading to an upsurge in sales.

The successful execution of the human resource procedures mentioned earlier is vital for

ensuring the efficient functioning of organizations. Achieving high productivity depends on identifying and recruiting individuals with the necessary skills and expertise to perform organizational tasks and contribute to its vision and objectives (Boxall & Purcell, 2016). While organizations can readily obtain technology and financial resources to further their goals, sourcing highly qualified and committed employees who can seamlessly integrate into their roles poses a significant challenge. This underscores the importance of companies exercising prudence when carrying out recruitment and selection processes. Therefore, we hypothesize that:

H0: Recruitment and selection have a significant effect on organizational performance.

Figure 1. Research Model



Source: Created by the author, 2024

## RESULTS AND DISCUSSION

Out of 200 questionnaires distributed to 203 companies, 169 were completed and returned, resulting in a response rate of 83.25%. To account for potential common method variance, all measures underwent a Cronbach Alpha reliability test. The analysis indicated that the measures' reliability ranged from 0.796 to 0.826, which meets acceptable standards for an exploratory study (Nunnally, 1978). The overall Cronbach alpha for the eight scales used in this study was calculated at 0.831, indicating a high level of reliability and strong internal consistency among the measurement items. The questionnaire's reliability was evaluated using Cronbach's alpha, with a minimum value of 0.796 for Formal Performance Appraisal, which exceeds the acceptable threshold for this type of research. Notably, the highest reliability was

achieved when all variables were tested together for SHRM components (0.831) and the formal training system (0.826).

The analysis in Table 2 presents a comprehensive insight into the demographic makeup of the individuals who took part in the survey. The data reveals that the majority of survey participants were male, accounting for 55.6% of the total, while females made up the remaining 44.4%. A substantial 87% of the participants have educational qualifications surpassing a diploma, indicating a highly educated sample. Moreover, around 70% of the participants hold the position of assistant manager or higher, suggesting a strong level of expertise and understanding of their companies' strategic human resource management practices.

An impressive 84% of the participants have served for a minimum of 5 years, denoting a committed and experienced group. Similarly, a significant 84% of the participants are married. It is also noteworthy that the overwhelming majority (88%) of the respondents are aged 30 or older. The data suggests a mature and experienced cohort, well-versed in the intricacies of their respective

companies' management. A considerable number of participants hold at least a bachelor's degree, further attesting to their high level of education. This well-educated and experienced group of respondents are poised to provide valuable insights into the study's focus on strategic human resource management practices.

#### **Reliability Statistics**

Cronbach's Alpha	Cronbach's Alpha Based on Standardised Items	N of Items
.831	.832	8

Table 1. Reliability Analysis of Major Variables using Cronbach's alpha

Variable	Value
Organization Performance	.812
Incentives and Rewards	.817
Formal training System	.826
Recruitment and Selection	.809
Formal Performance Appraisal	.796
Career Development	.809
Internal Career Opportunities	.810
Organization Development	.809

Table 2. Demographic Characteristics of the Respondents (N = 169)

Characteristics	Frequency	Percentage
<b>Gender</b>		
Male	94	55.6
Female	75	44.4
<b>Age</b>		
18-29 Years	19	11.2
30-39 Years	63	37.3
40-49 Years	59	34.9
50-59 Years	28	16.6
<b>Education Level</b>		
Certificate/Diploma	13	7.7
Bachelor's Degree	65	38.5
Master's Degree	88	52.1
Doctorate Degree	3	1.8
<b>Work Experience</b>		
1-4 Years	16	9.5
5-14 Years	79	46.7
15-25 Years	55	32.5
More than 25 Years	19	11.2
<b>Job Title</b>		
Head of Department	30	17.8
Assistant Manager	22	13.0
Senior Manager	110	65.1
General Manager and Above	7	4.1

<b>Marital Status</b>		
Single	8	5
Married	142	84
Divorced/Separated	19	11

Source: Field Survey, 2023.

#### **Extent of Strategic Human Resource Management Practices**

In Table 3, we analyzed the statistical characteristics of the variables. The average score for organizational performance is 4.1953, indicating that a high proportion (62.94%) of strategic human resource factors contribute to overall organizational performance. Among the five HR practices, Incentives and Rewards achieved an average score of 3.6154 (63.62%). The Formal Training System suggests that only 62.67% of line managers are trained to implement HR practices, indicating a low level of training for non-personnel officers. The

Recruitment and Selection system scored an average of 3.8876 (66.75%) out of 5.

The Formal Performance Appraisal received an average score of 2.8580 (89.50%), showing a moderate level of employee engagement. The Career Development system achieved an average of 3.2959 (71.22%). The current personnel appraisal system effectively monitors employee attitudes and behaviors. Internal Career Opportunities scored an average of 2.8817 (85.09%), indicating a good match for perceived internal career prospects in Zambian companies. Finally, the Organization Development received an average score of 4.1953 (79.42%).

Table 3. Descriptive Statistics of the Measurement Variables (N = 169)

Measurement Variables	Mean	Standard Deviation
Organization Performance	4.1953	.62942
Incentives and Rewards	3.6154	.63621
Formal training System	3.6154	.62678
Recruitment and Selection	3.8876	.66755
Formal Performance Appraisal	2.8580	.89506
Career Development	3.2959	.71217
Internal Career Opportunities	2.8817	.85089
Organization Development	4.1953	.79433

Source: Author's Computations using SPSS version 23, 2023

#### **Relationship between Strategic HRM Practices and Organizational Performance**

In our analysis, we identified several strong correlations with organizational performance. Table 4 illustrates a notably strong positive correlation between Incentives and Rewards and organizational performance, with a correlation coefficient (r) of 0.501. Additionally, the formal training system showed a significant positive relationship, with a correlation coefficient of 0.282. Furthermore, Recruitment and Selection, as well as Formal Performance Appraisal systems, both demonstrated

substantial positive connections with organizational performance, with correlation coefficients of 0.409 and 0.309, respectively. Similarly, Career Development and Internal Career Opportunities were found to be significantly associated with organizational performance, with correlation coefficients of 0.288 and 0.434, respectively. Moreover, Organizational Development also exhibited a significant positive correlation with organizational performance, reporting a correlation coefficient of 0.434.

Table 4. Correlation Matrix of the Measurement Variables

	1	2	3	4	5	6	7	8
1. Organization Performance	1	.501**	.282**	.520**	.409**	.309**	.288**	.434**
2. Incentives and Rewards		1	.313**	.500**	.290**	.279**	.289**	.365**
3. Formal Training System			1	.351**	.337**	.270**	.271**	.299**
4. Recruitment and Selection				1	.471**	.408**	.280**	.308**
5. Formal Performance Appraisal					1	.627**	.556**	.392**
6. Career Development						1	.422**	.370**
7. Internal Career Opportunities							1	.560**
8. Organization Development								1

Note: Bold correlations are significant at either 0.05 or 0.01 level of significance (two-tailed). Source: Author's Computations using SPSS version, 2023.

#### Effect of Strategic HRM Practices on Organizational Performance

In Table 5, we observed a strong positive relationship between strategic HRM practices and organizational performance. The multiple correlation (R) is 0.644, indicating that 41.5% of the variance in organizational performance can be explained by the strategic HRM practices analyzed in this study. The results demonstrated that strategic HRM practices such as Incentives and Rewards, Recruitment and Selection, Formal Performance Appraisal, and Organization Development have a

favorable impact on organizational performance, with coefficients of 0.258, 0.268, 0.184, and 0.248, respectively. Conversely, Career Development and Internal Career Opportunities were found to exert a negative influence on organizational performance, with coefficients of -0.046 and -0.086, respectively. Furthermore, at a 5 percent significance level, the F-statistics confirm the validity of the model in establishing a significant relationship between strategic HRM practices and organizational performance.

Table 5. Regression Results on Perceived Organisational Performance

Independent Variables	Standardized Coefficients	t-values	p-values
(Constant)			
Incentives and Rewards	.258	3.550**	.001
Formal training System	.006	.093	.926
Recruitment and Selection	.268	3.466**	.001
Formal Performance Appraisal	.184	2.073**	.040
Career Development	-.046	-.576	.565
Internal Career Opportunities	-.086	-1.050	.295
Organization Development	.248	3.239**	.001
R	0.644		
R <sup>2</sup>	0.415		
Adjusted R <sup>2</sup>	0.389		
F-statistic	16.296**		
N	169		

Dependent variable = Organisational Performance.

\*\*Significant at 0.05 level of significance.

### **Hypothesis Testing**

H0: Recruitment and selection have a significant effect on organizational performance.

The study findings indicate that Strategic Human Resource Management (SHRM) components have a significant impact on organizational performance. Specifically, recruitment and selection emerged as the most influential component ( $\beta = 0.268$ ), while career development had the most negligible impact ( $\beta = -0.046$ ) and was not statistically significant. In addition, incentives and rewards also had a substantial impact, as did formal performance appraisal ( $\beta = 0.184$ ). Consequently, the hypothesis regarding the impact of recruitment and selection on organizational performance was rejected, signifying its significant influence as a strategic management tool in the Zambian context.

The research was conducted to examine how the strategic use of recruitment and selection processes influences the performance of profit-driven industrial firms in Zambia. The study revealed that human resource management (HRM) plays a vital role in the day-to-day operations of these organizations. The findings indicated a positive connection between strategic HRM practices, such as offering incentives and rewards, implementing formal performance evaluations, and employing effective recruitment and selection methods, and the overall performance of profit-oriented companies in Zambia. The data strongly supports the conclusion that incentives, performance appraisals, and recruitment and selection are critical strategic HR practices that directly impact organizational performance. As a result, it is recommended that Zambian businesses aiming for profitability prioritize the adoption of these practices to enhance their performance. These conclusions are consistent with existing literature, underlining the significant influence of recruitment and selection criteria on organizational performance. In line with observations made by Ekwoaba et al. (2015), it was noted that recruitment and selection criteria have a substantial impact on organizational performance by attracting a large pool of qualified candidates. When combined with a reliable and valid selection process, this greatly influences the skills and caliber of new employees.

According to Gamage (2014), it is crucial to acknowledge the significant impact of hiring and selection procedures within the overall recruitment process. Well-thought-out procedures not only facilitate the identification of well-qualified candidates but also guarantee a precise match with the job's specific requirements. The proper implementation of effective selection methods markedly enhances the probability of selecting the most fitting individual for a particular position, ultimately leading to heightened productivity.

In today's business environment, it is increasingly important to establish consistent and effective Strategic Human Resource Management (SHRM) practices. To address this issue, scholars have put forward a mediating model that encompasses two critical SHRM practice systems: resourcing, development, and rewards. The former system is focused on the attraction and cultivation of human resources, while the latter is centered on retaining and motivating them. Gürhan (2020) and Stirpe et al. (2022) have emphasized the adoption of this model to standardize SHRM practices. By integrating this model, organizations can effectively attract, develop, retain, and motivate human resources. Incorporating this model into SHRM practices has the potential to bolster organizational performance by aligning human resource management strategies with overall organizational objectives. Therefore, adopting the mediating model is crucial to ensure that SHRM practices contribute to organizational success. This research delves into the impact of SHRM practices on organizational performance through the lens of motivation. Studies have demonstrated that motivation, which reflects the effort and intensity of behavior, leads to enhanced performance. However, it is crucial to account for individual and situational factors in order to understand the overall influence of motivation on performance fully.

### **Strategic HRM Practices**

#### **1. Integration of HRM with Corporate Strategies**

The integration of human resource management (HRM) involves actively participating in developing and executing organizational strategies and aligning HRM with the strategic needs of the company (Aiko, 2023a). According to Zhao et al. (2019), HR managers should play an active role in making strategic decisions alongside senior managers in order to serve as strategic



partners effectively. To accomplish this, HR managers must have a deep understanding of the company's mission, vision, and goals and be cognizant of external factors that could impact its success. Additionally, HR managers should collaborate with other senior managers to create and implement strategic plans that are consistent with the company's overall objectives. This approach allows HR managers to significantly contribute to the company's success and establish themselves as essential strategic partners within the leadership team. By doing so, HR managers are able to align HR goals, strategies, philosophies, and practices with corporate objectives and effectively contribute to implementing the business strategy. It is crucial to involve HR managers in the highest management teams of the company to ensure that HRM concerns are expressed and that the business strategy is influenced from the initial stages of decision-making. This can be achieved by including HR managers as part of the company's top management teams. Connecting the senior HR manager with the CEO could further enhance the potential for integration and value creation.

To be considered as equal business partners, HR managers in this role should possess a thorough understanding of key markets, competitors, expenses, profitability metrics, and stakeholders (Armstrong & Brown, 2019a). The presence of a senior HR manager within a company's senior management team is vital as it establishes an essential channel for the exchange of interactive information and communication. Having a documented HRM strategy is recommended to align HRM with business strategies (Aklilu, 2020; Aiko, 2023b). This strategy can elucidate the role and authority of HR managers in corporate decision-making and assist the organization in addressing external factors such as a competitive labor market (Brown et al. 2019). A documented HRM strategy allows the organization to establish an HRM vision, set objectives, and monitor performance. Previous research suggests that the full impact of HR practices on organizational performance is realized when HR practices are strategically aligned and consistent with one another (Armstrong and Brown, 2019b).

## 2. Recruitment and Selection System

It's important to establish a thorough selection process that can identify the right candidate with the potential to succeed. A rigorous selection process not only creates a sense of exclusivity and raises performance expectations but also highlights the importance of individuals within the organization (Rivera, 2012). Failing to ensure a good fit between the individual and the job can have a detrimental impact on performance. Conversely, a well-designed selection process can ensure better alignment between the individual's capabilities and the organization's needs. Additionally, the research by Miao, Khan, Ghauri, and Zaman (2023) indicates a positive connection between effective selection and company performance.

The field of human resource management (HRM) is presently undergoing a substantial evolution, transitioning from conventional personnel administration to a more strategic and all-encompassing approach. This shift entails the utilization of HRM practices to effectively bolster an organization's strategic goals and long-term objectives (Gezici and Aslan, 2016; Fleming, 2000). Progressive companies increasingly acknowledge the significant advantages of investing in and cultivating their human resources, prompting them to embrace strategic HRM practices. Essentially, strategic HRM encompasses the development and implementation of HRM strategies that seamlessly align with an organization's overall goals. This framework strives to fuse HRM with business strategies to assist in accomplishing organizational objectives. The principal objective of strategic HRM is to seamlessly integrate the human resource function with the organization's strategic goals, consequently enhancing overall performance. In this manner, strategic human resource management ensures the full integration of HRM within the organization's strategic processes.

## 3. Training and Development System

The implementation of training and development programs is paramount in augmenting the capabilities of an organization's workforce. Studies have demonstrated that investing in employee training, particularly in problem-solving, teamwork, and interpersonal skills, can yield manifold advantageous outcomes for the organization (Arulsamy et al., 2023; Yimam, 2022). Through the enhancement of their employees'

competencies and skills, organisations can heighten their overall performance and competitive advantage. Training programs empower employees to acquire new knowledge and skills directly applicable to their roles, thereby contributing to the organization's success. Additionally, training engenders greater engagement and motivation among employees, leading to augmented job satisfaction and retention. Consequently, organizations need to prioritize investments in their employees' development and provide them with the requisite support and resources for excelling. This proactive approach cultivates a culture of continual learning and enhancement within organizations, laying the groundwork for sustained success and expansion (Mikołajczyk, 2022; Li, 2022; EL Hajjar, 2018).

#### 4. Performance Appraisal System

Organizations utilize performance evaluations as a means of monitoring employee attitudes and behaviors. This process entails the collection and analysis of data pertaining to employee conduct, performance, and demeanour. By assessing this information, organizations can tailor their hiring and training approaches to attract and cultivate employees whose positive attitudes and behaviors are in line with the organization's values and objectives (Nickson, 2020). Waheed et al. (2018) contend that even highly skilled employees may only achieve their optimal performance if they are internally motivated. Intrinsic motivation arises from an individual's internal drive to pursue and accomplish meaningful and fulfilling objectives.

Consequently, organizations must prioritize the establishment of a work environment that fosters and sustains employee motivation. Critical considerations for enhancing employee motivation include elements such as job security, growth opportunities, recognition and rewards for exemplary performance, and the cultivation of a positive workplace culture. Organizations must acknowledge that individual variances, job characteristics, and overall organizational culture significantly influence employee motivation. Therefore, organizations must adopt an approach that fully encompasses these factors to address employee motivation effectively. This approach involves creating an environment where employees are entrusted with challenging and enriching tasks that resonate with their skills and passions.

Additionally, it consists in providing ample opportunities for continuous learning and development, as well as regular feedback and acknowledgment. Furthermore, it necessitates fostering a workplace culture that is optimistic and supportive, one that encourages collaboration, innovation, and creativity (Boswell et al., 2012; Engidaw, 2021; Shahzadi et al., 2014).

#### 5. Incentives and Rewards

Businesses can positively impact employee motivation using various methods. One highly effective approach is performance-based pay, which involves rewarding employees for achieving specific goals and targets. Research consistently demonstrates the positive impact of incentive-based pay on overall company performance (Ibrahim and Abiddin, 2023). This type of pay not only significantly improves company performance but also plays a crucial role in motivating employees to achieve company objectives. By providing incentives for meeting specific targets, businesses can ensure that their employees are encouraged to contribute to the accomplishment of organizational goals.

#### 6. Career Development System

The effective implementation of a strong career planning system is extremely important in enabling employees to take charge of their professional development and acquire the necessary skills to contribute to the organization's success. Els and Meyer's (2023) research clearly shows that a well-designed career development program, combined with internal advancement opportunities based on merit, significantly influences employee motivation and the overall performance of the organization. According to Hedge and Rineer, the integration of a career development program can result in the creation of a highly motivated workforce capable of overcoming challenges and driving success. This program allows employees to actively pursue their professional growth, acquire new skills, and advance within the organization. By providing employees with the necessary tools and resources, organizations can cultivate an environment that promotes growth and development, ultimately boosting employee morale, nurturing a sense of purpose, and fostering a feeling of achievement (Ferdiana et al., 2023).

## 7. Studies on Strategic HRM

In a research study called “How Entrepreneurial Orientation Acts as a Link between Strategic Human Resource Management and Firm Performance”, conducted by Zehir et al. (2016), data was collected from businesses in Istanbul across different industries using a standardized survey. The gathered data was then analyzed using statistical software packages such as SPSS and AMOS. The results of the study indicated that entrepreneurial orientation plays a role as a mediator between strategic human resource management and firm performance. This encompasses various aspects, including financial performance and employee-related outcomes. Alfawaire and Atan's (2021) research delved into “The Impact of Strategic Human Resource and Knowledge Management on Sustainable Competitive Advantages at Jordanian Universities”. Their analysis revealed that specific strategic human resource activities can effectively anticipate organizational innovation. Moreover, the study uncovered a significant association between strategic human resource activities and the organization's ability to manage knowledge. The results underscored the substantial predictive value of service compensation, training systems, and performance evaluation in relation to the dependent variables.

Daragahi (2017) conducted a research study on how innovation positively influences customer satisfaction, focusing on a cosmetics manufacturer in Tehran. The study aimed to explore the impact of unique product presentation on customer contentment. Participants included cosmetic consumers from ten companies in Iran, with a sample size of 387 individuals selected using the simple random sampling method. The results indicated a strong and positive correlation between unique product displays and customer happiness. Notably, the study incorporated both open innovation and closed innovation models to address the primary research question effectively. Green et al. (2006) carried out a research project that emphasizes the beneficial impacts of strategic human resource management (SHRM) on company performance, as well as the attitudes and performance of HR practitioners. The analysis of data collected from 269 HR practitioners working in major US manufacturing firms demonstrated that

SHRM directly and positively affects organizational performance. Furthermore, the findings emphasized the substantial and advantageous influence of SHRM on individual performance, organizational dedication, and job contentment. As a result, businesses that implement an SHRM framework can expect enhancements in their overall performance and increased levels of individual performance, job satisfaction, and commitment to the organization among their HR professionals.

In a recent study by Rožman et al. (2023) titled “Improving Competitiveness through Strategic Talent Management and Agile Management Ecosystems”, it was found that companies can succeed in rapidly changing business environments by achieving and maintaining competitiveness. The research suggests that companies can enhance their competitiveness through a comprehensive approach that involves strategic talent management and strategic agile management perspectives. This approach includes critical elements for promoting strategic talent management, such as recruiting and developing talented employees, establishing effective talent teams, and fostering talent leadership. It also encompasses essential elements for cultivating strategic, agile management, such as forming agile teams, encouraging agile leadership, and nurturing an agile management culture. The study included 532 business owners and managers, and the researchers used structural equation modeling to validate their hypotheses. The results showed that implementing a strategic talent management ecosystem positively influences the development of a strategic, agile management ecosystem, ultimately leading to improved organizational competitiveness. By embracing this comprehensive model, business owners and managers can seamlessly integrate agility into their organizations, thereby strengthening their competitiveness.

## CONCLUSIONS

The study's findings suggest that companies in Zambia place moderate emphasis on implementing strategic HRM when focusing on profitability. Interestingly, the research indicates that incorporating four out of seven strategic HRM practices significantly enhances these companies' performance, as evidenced by metrics such as revenue growth, return on equity, return on assets,

and overall profitability. This underscores the potential value gained from integrating HR functions into an organization's key strategies and operations. Additionally, it prompts reflection on the comparatively moderate level of engagement in strategic HRM practices in Zambia when contrasted with higher levels reported in other regions. The outcomes we observe may be a result of various factors, such as grappling with new ideas, adapting to specific data requirements, navigating through procedures, or even interpreting findings. Resolving these inquiries can occur in various contexts.

Nonetheless, managers consistently face identical hurdles when dealing with intricate issues amidst limited resources. They are tasked with setting priorities, inspiring their teams, instigating change, and providing tangible results. Strategic human resource management (HRM) involves managers confronting these challenges head-on to accomplish organizational goals, both theoretically and practically. It's essential to recognize that individuals may possess knowledge of reward systems, formal performance evaluations, and recruitment and selection methods without effectively implementing them. To secure employee dedication, the work environment needs to be nurturing to cultivate and uphold staff motivation and stellar performance (Admit, 2023; Kruse, 2022; Karima et al., 2019). The strategic HRM practices uncovered in this study should effectively accomplish this objective, and in order to be a driving force, organizations should investigate the benefits of aligning their HR function with their overall strategies and operations in the recruitment and selection process.

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