

Research Article

Strategic Management of HRM: Implications for Organizational Engagement

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Abstract: The current study attempted to examine the relationship between some of the strategic HR factors and how they can enhance organizational engagement. Therein, the study strives to explore how training opportunities that can be strategically useful for employees can enhance their organizational engagement. Accordingly, the study also tested how career development opportunities that employees deem to be viable for them in the long run would relate with their organizational engagement. The study sampled employees from the manufacturing sector in Bahrain and reported significant impact of employee training opportunities with organizational engagement. Accordingly, the study also reported significant relationship between career development opportunities provided by the organizations and their organizational engagement. The study therefore concluded that organizations could help enhance employees' connectivity with the company through providing healthy training and career growth opportunities that they will perceive to be useful for them strategically. The paper presents notable implications for HRM practitioners.

Keywords: *Strategy; Training; Career; Engagement; Engagement Strategy; Strategic Management; HRM*

1. Introduction

The most important resource of your organization leaves your doors every day (Bakker & Demerouti, 2008). This important resource is no other than the intellectual human capital. This resource is the heart and soul for any business and without it, there is no possibility of capitalizing and/or utilizing any resource of an organization. Henceforth, an organization need to understand on it they can handle employees' role and behaviors. This therefore calls for outlining the ways through which organizations can ensure that their employee return to work the next day.

To address this, scholars have been discussing many ways and prospects to help address this issue. One of the knowledge cadre suggests that, similar to how organizations plan and strive for their other tangible resource for the long run, they ought to do the same for the human resources (Morgeson, Brannick & Levine, 2019).

A number of scholars these days are working to address how and what they could potentially focus on to enhance on HR elements to further employees' willingness, dedication and commitment, in other words engagement to achieve better organizational results (Shuck & Wollard, 2010).

Notably, scholars in the domain of work psychology have pointed towards the role of connectivity and immersion with the organizations as a key element in this regard (c.f., Barrick et al., 2015; Saks, 2006). This in other words is known as engagement (Schaufeli et al., 2002). However, to what measure, HRM factors can help enhance and enrich engagement of employees with the organizations has received little empirical attention (Saks, 2006).

Hence, the current study has strived to work on some of the important HR factors to help understand the enhancement of employee behaviors and outcomes (organizational engagement) through strategically focusing on some of the important HRM elements (Bailey, Mankin, Kelliher & Garavan, 2018).

2. Literature Review

2.1. Strategic HRM

Strategic human resource management refers to the domain of aligning the HR activities with the long-term plan of the business. Some of the pioneer on the human resource and strategy have mentioned that businesses need to perform strategic HR planning when engaging in business strategy development (Walker, 1980). There have been many studies outlining the role and relationship between how businesses can develop and effectively work on enhancing their goal achievement and boosting employee outcomes. For instance, studies have shown the significance of strategic consideration of human resource management for a variety of outcomes (*see further* Channa, Shah & Ghumro, 2019; Alzyoud & Ogalo, 2019). Authors have proposed for more generalist approach towards viewing HR functions and practices in order to make the most out of the people. This is also essential for the business to develop a mindset across the entire organization that, any element/activity and/or action related to human resources of the business, is not just personnel department's responsibility but it requires a broader consideration from all corners of the enterprise particularly the top management and unit heads (Delery & Roumpi, 2017). Human resource management has to be strategically considered henceforth, to reap better results and benefits from the employees (Paauwe & Boon, 2018; Richard & Johnson, 2001)

2.2. Engagement

Engagement is a positive work-based state that brings passion, immersion and dedication in work (Schaufeli et al., 2002). Pertaining to organizational engagement, it refers to the connectivity, immersion and dedication of employee towards an organization (Saks, 2006). Employees who are engaged tend to work hard, smarter, and more effective in terms of performance (Bakker & Bal, 2010). Research studies have underlined that organizations always aspire to have employees engaged with the business so that they are willing to go extra mile whenever needed by the business (Barrick, Thurgood, Smith & Courtright, 2015). Organizational engagement helps business to achieve way more than the conventional employees particularly when it comes to initiatives and activities from the company that go beyond individually assigned tasks (Saks, 2006).

2.3. Models and Frameworks of Engagement

There has been scholarly discussion on the topic of engagement whereby, scholars have shared different models and frameworks. In connection to the models, JD-R model is one of the most significant ones. The model actually suggests that every organization have resources and pressers (Demerouti et al., 2001). Resources are the one that enhance behaviors and outcomes and pressers deplete psychological wellbeing thus affecting negatively. The model refers them as job resources and job demands (Ahmed, 2019; Bakker & Demerouti, 2017).

One of the recent developments have been in relation to this is the engagement strategy framework (Majid, Ahmed & Zin, 2017) which provides information how organizations can utilize on the different

resources and job stressors to manage engagement. The framework principally goes beyond the JD-R model and suggests that resources itself should be categorized in to two i-e job resources and developmental resources so that a better utilization and implementation could be ensured.

Pertaining to developmental resources, the framework indicates on some of the HR resources to further engagement. Keeping this in view, the current study has attempted to test this how looking at some of the HR prospects including employee training opportunities, career development opportunities and developmental performance appraisal can strategically help us address the engagement dilemma. The current study has attempted hence, to test two of these factors to see how they could be strategically vital to enhance organizational engagement of employees.

2.4. Employee Training Opportunities and Organizational Engagement

Training refers to a structured, planned activity aimed for the purpose of enabling participants to gain knowledge and skills on a certain topic (Dessler, 2013). Training plays a critical role for any organizations to help it achieve its objectives. Enterprises spend millions annually on employee training activities to help them reach the competency level required to perform the assigned roles and responsibilities effectively (Elnaga & Imran, 2013). Training has been reaping several benefits for the businesses such as employee satisfaction (Aguinis & Kraiger, 2009); organizational performance (Kessy & Temi, 2010).

Though the evidence is limited yet still, scholarly work suggests that employees who are trained work and make a major impact on boosting engagement levels (Fletcher, 2016). Similar assertions could be found from Shuck & Wollard who indicated that when organizations make a strategic focus on human capital through devising HRD strategy whereby they focus on designing training opportunities that would benefit the employee for a longer period of time to remain effective and efficient, it will enhance their engagement with the business thus we tested the following hypothesis:

H1: Provision of Strategic training opportunities will be positively related to organizational engagement.

2.5. Career Development Opportunities and Organizational Engagement

Career development refers to the provision of development and growth prospects that a company offers to its employees (Kuvaas, 2008). Career development opportunities are significant for businesses to shape the right behavior of employees and align their efforts with the organizational objectives (Kraimer & Wayne, 2004). Career growth opportunities are been found significant when it comes to engagement boosting. For example, study by Ahmed, Awang, Hoque, Siddiqui, Dahri and Muda (2018) reported significant relationship in this regard. When employees are provided with career growth prospects which will help them to see themselves having a promising career in future can significantly result in enhancing their attachment and immersion towards the organization hence, we tested the following hypothesis:

H2: Provision of strategic career development opportunities will be positively related to organizational engagement.

3. Methodology

3.1. Sampling

Manufacturing sector was chosen for the present study. Therein, four major construction businesses were sampled for the study who have been strategically working to offer long range learning and career progression opportunities. This selection was done after an initial screening survey of the construction sector in Bahrain. The study targeted employees on supervisory and managerial positions to express their opinion on how their companies are offering them strategic training and career growth opportunities and how it is helping them to connect with the business thus, enhance organizational engagement. A total list

of 155 employees was retrieved in this regard. All the respondents were targeted through using convenience approach of probability sampling technique. Over the period of 2 weeks, 137 respondents were approached effectively out of which, 132 filled the questionnaire responsively and hence were taken for final analysis.

3.2. Data Analysis

Structural equation modelling using SMART PLS 2.0 (Ringle et al., 2005) was used for the assessment of the hypothesized relationships. The approach follows two stages i-e measurement model and structural model (Hair et al., 2016). The measurement model caters to assessing the robustness of the conceptualized model. In this, convergent validity, individual item reliability and composite reliability are confirmed.

3.3. Measurement Model

In the measurement model, we assessed the individual item reliability for which, outer loading for each of the construct were tested. Based on the recommendations of Chin (1999), the outer loadings should be 0.50 or above. The results showcased in table 1 underline significant outer loadings of all the items. Notably, items with lower loadings were not retained. In addition, the AVE scores for all the constructs were tested based on the assertions of Fornell and Larcker (1981) which also suggested 0.50 threshold for the AVE scores of each of the construct. Table 1 also in this regard shows significant achievement of this threshold. In parallel, the composite reliability coefficients were also tested for all constructs and based on Haier et al. (2016), the scores should be 0.70 or more. Table 1 in this regard also underlines significant achievement of this threshold. Hence, the convergent validity, individual item reliability and composite reliability is confirmed for the model.

Table 1: Loadings, AVE, Composite Reliability and R-square

Construct	Loadings	AVE	Composite Reliability	R ²
Organizational Engagement		0.792253	0.938439	0.538001
		0.903225		
		0.910049		
		0.894786		
		0.851097		
Strategic Training Opportunities		0.599212	0.881887	
		0.781868		
		0.73061		
		0.792124		
		0.806251		
Strategic Career Development Opportunities		0.676125	0.925948	
		0.767303		
		0.818806		
		0.862679		
		0.840305		
	0.851793			
	0.788461			

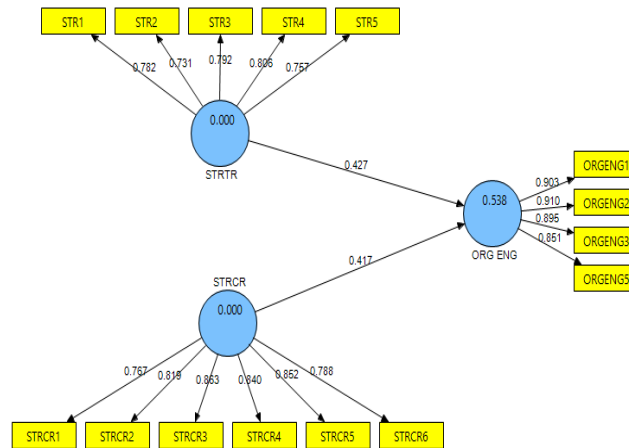


Figure 1: Measurement Model

In parallel to this, following the recommendations of Fornell and Larcker (1981), the discriminant validity was also examined which is the square root of the AVE scores of each of the construct. Table 2 shows that all the constructs have scored higher than the cross-table scores thus signaling significant discriminant validity for the constructs.

Table 2: Discriminant Validity

CONSTRUCT	ORG ENG	STRCR	STRTR
ORG ENG	0.890086		
STRCR	0.634779	0.8222682	
STRTR	0.639875	0.510055	0.774088

Note: The BOLD values are the square root of the AVE scores

3.4. Structural Model

Once the measurement model was assessed and confirmed, the present study advanced to examine the significance of path coefficients for the hypothesized relationships. Through running bootstrapping approach, the study reported significant relationship between strategic training opportunities and organizational engagement hence accepting hypothesis 1. Accordingly, the study found significant relationship between strategic career development and organizational engagement thus confirming hypothesis 2. Henceforth, the study has reported acceptance of both hypothesized relationships.

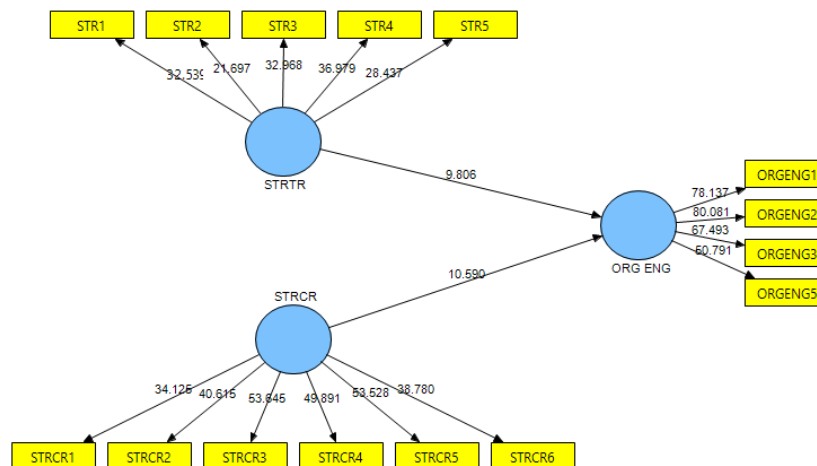


Figure 2: Structural Model

5. Discussion

The present study attempted to examine critical relationship for scholars in the strategic management and HRM domain. The study worked to examine how organizational engagement could be addressed in the modern day where there is a lot of stress and tough work environment everywhere. The study has underlined that organizations with all such can effectively work on managing and enhancing employee engagement with the organization through designing HR functions strategically. The study found that when organizations plan and offer training programs for employees that will enhance their skills, knowledge and expertise in the long run; this will result in developing a more sense of connectivity, immersion and zest for the organization thus, enhancing their organizational engagement. In a way, the findings are parallel to the empirical assertions of Ahmed, Majid & Zin (2016) who confirmed training opportunities provision with individual engagement. Organizations, hence, need to work on introducing training interventions that not only enhance individual skills, knowledge and performance for current role but also boosts their competence for future endeavors to boost their engagement with the enterprise. Accordingly, the study also reported that when organizations offer career growth opportunities that employees could view benefiting them in the long run also enhances their engagement with the business. Employees in this case will boost their engagement with the company and will see more benefits in this regard. These empirical findings could be understood from assertions of Kuvaas (2008) who recommended career growth opportunities for organizations to consider enhancing the achievement of their objectives.

5.1. Limitation and Scope for Future Studies:

The current study was conducted with a cross sectional design thus, future studies may consider looking into longitudinal studies on the framework. Accordingly, the study sampled employees from one particular work sector. Future studies, therefore, may consider looking into other industries in this regard. The model may also be tried and tested across different organizational and demographic sectors to provide better results for the scholars. Future studies may also consider testing other strategic HR factors such as strategic performance management and strategic staffing to facilitate organizational scholars in predicting organizational engagement, responsively.

5.2. Conclusion

Conclusively, the present study has confirmed the significance of strategic training and career growth opportunities towards enhance organizational engagement. The study has underlined acute role and relationship between the strategic provision of HR factors towards enabling employees to connect with the organization and express more commitment, immersion and dedication.

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