THE RELATIONSHIP BETWEEN STRATEGIC HUMAN RESOURCE MANAGEMENT (SHRM) AND ORGANIZATIONAL PERFORMANCE

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I hereby declare that any valuable contributions and all resources have been used as an acknowledgement to this thesis research.

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ABSTRAK

Sejak kebelakangan ini, organisasi semakin menyedari kepentingan peranan yang dimainkan oleh jabatan sumber manusia dalam kejayaan prestasi sebuah organisasi. Tujuan kajian ini adalah untuk menguji perhubungan antara amalan pengurusan sumber manusia dan prestasi organisasi. Ia juga bertujuan untuk menentukan sejauh mana kesan amalan pengurusan sumber manusia (pengambilalihan, latihan, retensi dan pasaran tenaga kerja dalam) terhadap prestasi organisasi. Sampel kajian diperolehi daripada pengumpulan dari kertas kaji soal selidik yang diedarkan kepada 105 pekerja dari organisasi Intel Shared Sumber Manusia Global Services (HR SSC) organisasi yang terlokal di Pulau Pinang Malaysia. Sebanyak 100 kaji soal selidik yang sah digunakan untuk tujuan analisis. Data dianalisis menggunakan statistik Package untuk Ilmu Pengetahuan Sosial (SPSS) Versi 12,0 dengan uji reliabilitas, analisis korelasi Pearson dan regresi linier untuk menguji hubungan antara SHRM dan prestasi organisasi. Keputusan kajian menunjukkan bahawa di antara keempat pembolehubah bebas, pasaran tenaga kerja dalam dan pengambilalihan mempunyai pengaruh paling besar terhadap prestasi organisasi. Hasil dari kajian ini boleh menjadi satu asas cadangan yang berguna kepada pengurusan dalam menggalakkan amalan pengurusan sumber manusia dan kepada pekerja yang begitu prihatin untuk mengekalkan kelebihan bersaing mereka untuk kejayaan jangka panjang sebuah organisasi.
ABSTRACT

Over the last decade, Organizations are becoming more aware of the important role human resources play in the success of their organizations to achieve financial performance. The purpose of this study is to examine the relationship between SHRM and organizational performance and to determine the extent of impact of SHRM (acquisition, training, retention and internal labor market) on organization's performance. The data were collected via hard copy questionnaire distributed to 105 employees within Intel Human Resource Global Shared Services (HR SSC) organization located in Penang Malaysia. A total of 100 useable responses were obtained and used for the purpose of analysis. Data were analyzed using Statistical Package for Social Science (SPSS) Version 12.0 with reliability test, Pearson correlation analysis and Linear Regression to examine the relationship between SHRM and organizational performance. The result shown that among all four independent variables, internal labor market and acquisition have the most influence on the organizational performance. The findings can form the basis for useful recommendations for managers in encouraging the practice of human resource management and for employees who are concerned with maintaining their competitive advantage for long-term organizational success.
I would like to express my sincere gratitude to all my UUM lecturers for their encouragement, coaching and support throughout my study in the past two years. Also I would like express my greatest appreciation to my supervisor Dr. Faridahwati Bt Mohd Shamsudin for her patience, advice and support in guiding me completing this project paper.

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advantage in today's global market economy that provides wider access to technology, finance and other resources. According to resource-based view (Barney, 2001), competitive advantage of an organization lies primarily in the application of the bundle of valuable resources at the organization's disposal. Traditionally, sources such as natural resources, technology and economics of scales, could create competitive advantage for organizations, but these traditional sources have lost their competitive edge as they could be easily imitated by the competitors. As a result, HR has replaced them as a main source of competitive advantage. High quality HR enables organizations to compete on the basis of market responsiveness, quality of product and service, differentiated products, and technological innovation (Becker, Huselid & Ulrich, 2001). Effective HRM assists in developing human resources into a high-quality and efficient workforce, thus enabling the organization to obtain a competitive advantage through their people. In contrast, inefficient workforce can increase labor costs and decrease an organization's productivity and performance. HR strategy is an invisible asset; it creates value when embedded in the operational system that enhances organization ability to deal with a turbulent environment. Indeed, HR has increasingly affected organizations' market valuations, although it does not appear on organization's financial statements (Lev, 2001).

The argument that suggests that organizations can gain competitive advantage through their HR has led to increasing scholarly investigations into the impact of HRM on organizational performance. Organizational performance can be classified into financial performance, customer performance, internal process performance, learning and development performance, social performance and environmental performance etc (Mitchell, 2002). The interest in HR-performance link may be heightened by the
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REFERENCES


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