

The Impact of Strategic Human Resource Management (SHRM) Practices in Public Sector Organizations of a Developing State – A View from the Contextual Approach to SHRM

S D K Wanninayake

Abstract

This concept paper contributes to the existing knowledge in the field of strategic human resource management (SHRM) by exploring the positive impact on organizational performance of implementing strategic human resource management practices in public sector organizations of developing countries. This relationship is explored from the contextual perspective to strategic human resource management. Theories such as the social exchange theory, agency theory and human capital theory were used to establish the positive link between individual SHRM practices and organizational performance. An extensive literature survey revealed a number of SHRM practices that result in positive organizational performance in public sector organizations which is proposed to be moderated through a few contextual factors specific to the public sector. The value of this paper lies in the fact that it is focused on developing a theory to explore the relationship between SHRM practices and organizational performance in public sector organizations of developing states which is lacking in the existing literature.

Key Words: Strategic human resources management, Performance, Public sector, Contextual approach

Ms. SDK Wanninayake is a Lecturer in the Department of Human Resources Management, Faculty of Management and Finance, University of Colombo. E-mail: dananja_j27@yahoo.com