

# Study on the Integration Factors of Human Resource Management Strategy and Corporate Strategy

**Sha Ri Na**

Ulaanbaatar Erdem University, Ulaanbaatar, 11000, Mongolia

---

**Abstract:** By analysing the integration factors of human resource management strategy and corporate strategy, this study discusses the factors affecting the integration, including three aspects: organisational culture, human resource management capability and external environment. Among them, in terms of organisational culture, organisational culture has an important impact on the integration of human resource management strategy and corporate strategy, organisational culture plays an important role in shaping employees' behaviour and motivation, and organisational culture has an important impact on the development and enhancement of human resource management capability. In terms of human resource management capability, human resource management capability plays an important role in the smooth implementation of the integration strategy, human resource management capability plays an important role in the shaping and transmission of culture within the organisation, and human resource management capability also plays an important role in promoting staff development and training within the organisation. As for the external environment, five aspects such as political, economic, technological, social and legal are analysed.

**Keywords:** Human Resource Management Strategy; Corporate Strategy; Organisational Culture.

---

## 1. Introduction

In today's competitive business environment, the integration of human resource management (HRM) strategy and corporate strategy is critical to organisational success. Effective integration of HRM strategies can contribute to business performance improvement, employee satisfaction and organisational sustainability. However, despite the extensive attention that has been paid to this area, there are still many unresolved issues and challenges. This study aims to provide insights into the factors that contribute to the integration of HRM strategies with corporate strategies. This study has important theoretical and practical implications. Theoretically, the study can further enrich the theoretical system of HRM and strategic management and reveal the relationship and interaction mechanism between them. Practically speaking, the results of the study can provide guidance for enterprises to help them effectively integrate HRM strategy and corporate strategy, and enhance organisational performance and employee welfare.

## 2. The Impact of Organisational Culture

Organizational culture refers to the basic components of shared values, behavioural norms and working atmosphere formed within an enterprise. It is a collection of a company's unique spirit, values and behaviours that can influence and shape employees' attitudes, behaviours and motivation. In the process of integrating human resource management strategy and enterprise strategy, organisational culture plays an important role, and plays a key role in the effective integration and implementation of both.

First of all, organisational culture has an important influence on the integration of human resource management strategy and enterprise strategy. An enterprise's organisational culture determines its core values and goals, while the integration of HRM strategy and business strategy needs to be

based on common values and goals. If there are inconsistencies between organisational culture and HRM strategy or business strategy, then the effectiveness and sustainability of the integration will be affected. Therefore, understanding and analysing the organisational culture of a company is crucial in determining the integration path between HRM strategy and corporate strategy.

Secondly, organisational culture plays an important role in shaping employee behaviour and motivation. A positive and healthy organisational culture can stimulate employees' passion and motivation, thus improving their work efficiency and work quality. The integration of human resource management strategy and enterprise strategy needs to rely on the participation and dedication of employees, and if the organisational culture fails to motivate the positive behaviour of employees, the effect of integration will be greatly reduced. Therefore, in the integration of human resource management strategy and enterprise strategy, enterprises need to pay attention to the construction of organisational culture, through the creation of a good working atmosphere and incentives, so that employees really agree with the strategic objectives, in order to achieve the smooth progress of integration.

In addition, organisational culture also has an important impact on the development and enhancement of human resource management capabilities. An enterprise with a clear and positive organisational culture will usually give its employees more development opportunities and training resources, thus improving their professional and managerial abilities. Whereas the integration of HRM strategies needs to rely on HRM teams with a certain level of competence, if an enterprise's organisational culture fails to promote and support the enhancement of HRM competence, the implementation and effectiveness of the integration will be affected. Therefore, enterprises need to improve the role of organisational culture in promoting human resource management competence by cultivating and developing employees' competence in the integration process.

### **3. Impact of Human Resource Management Competence**

Human resource management capability refers to the ability of the organisation responsible for the management and development of human resources, which has a direct impact on the integration of human resource management strategy and corporate strategy. In today's competitive market environment, enterprises need to have certain human resource management capabilities in order to better adapt to changes and improve competitiveness.

Firstly, HRM capability plays an important role in the smooth implementation of integration strategy. Without adequate human resource management capabilities, it is difficult for an organisation to translate its strategic objectives into practical actions. For example, when formulating and implementing human resources recruitment strategies, it is necessary to have certain professional knowledge and skills in order to better match with the corporate strategy and ensure that talents suitable for the strategic needs of the organisation are recruited. Therefore, enhancing HRM competence is the key to realising the integration of HRM strategy with corporate strategy.

Secondly, HRM competence plays an important role in shaping and passing on the internal culture of an organisation. An organisation's culture determines the behaviour and values of its employees, and the enhancement of HRM capability can help organisations to shape a positive and healthy culture to support the implementation of corporate strategy. For example, by establishing an effective performance management system, it can motivate employees' positive work attitudes and active participation, and enhance their identification with and support for corporate strategies.

In addition, HRM capability also plays an important role in promoting staff development and training within the organisation. An organisation with strong HRM capability can provide good development opportunities and training resources for employees, helping them to upgrade their skills and knowledge to better adapt to changes and developments in corporate strategy. By nurturing and developing the capabilities of employees, the organisation can be more flexible in adjusting the allocation of human resources to support the implementation of corporate strategy.

### **4. Influence of External Environmental Factors**

The external environment refers to the non-control area in which the enterprise is located, including political, economic, social, technological, legal and other factors. These external environmental factors can have far-reaching impacts on the integration of HRM strategies and corporate strategies of an enterprise.

Firstly, political factors are one of the important factors affecting business operations. The political situation, the formulation and change of policies and regulations in different countries or regions will have an impact on the development strategy of enterprises. For example, changes in the government's industrial policy, employment policy and labour regulations will directly affect the formulation and adjustment of HRM strategies of enterprises. The instability of political factors may lead to frequent strategic adjustments of enterprises, which puts forward higher requirements for the integration of human resource management strategy and

enterprise strategy.

Secondly, economic factors are also important factors that must be considered in the development strategy of enterprises. Changes in the economic environment will have a direct impact on the development strategy of enterprises and the formulation of human resource management strategy. For example, the ups and downs of the economic cycle, the intensity of market competition, and changes in consumer demand will all have an impact on the enterprise's human resource demand and allocation. Enterprises need to make timely adjustments to their organisational structure, job settings and staffing in accordance with changes in the economic environment in order to adapt to the changing needs of the market. Therefore, external economic factors play an important role in the integration of human resource management strategy and enterprise strategy.

Social factors also have an important impact on the integration of HRM strategy and business strategy. Social changes, demographic shifts, and shifts in cultural values can all have an impact on a company's human resource needs and management style. For example, with the emphasis on work-life balance in society, enterprises need to provide flexible work systems and benefits according to the needs of their employees in order to attract and retain talents. At the same time, social opinion's concern for corporate ethics and social responsibility also has an impact on the strategic decisions of enterprises, which puts forward higher requirements for the integration of human resource management strategies with corporate strategies.

Technological factors are an important driving force for the development of current society, and also have an important impact on the integration of human resource management strategy and enterprise strategy. The continuous progress and innovation of technology constantly changes the business mode and organisational form of enterprises. Enterprises need to adjust the direction of human resources allocation and training according to the development trend of technology in order to better adapt to the challenges and opportunities brought by technological change. At the same time, the development of technology also provides enterprises with more tools and means to support the implementation of human resource management strategies, such as the application of human resource management information systems.

Legal factors are also an important part of the integration of HRM strategy and corporate strategy. The labour laws and regulations of different countries or regions have certain norms and restrictions on the operation of enterprises, and enterprises need to comply with the relevant laws and regulations and reasonably formulate HR policies and management measures. For example, the labour contract law, working hours system and remuneration policy need to be consistent with the laws and regulations, otherwise they may face legal risks and employee dissatisfaction. Therefore, enterprises need to fully consider legal factors when formulating HRM strategies and integrate them with corporate strategies.

### **5. Conclusion**

Organisational culture is an important factor that cannot be ignored in the process of integrating human resource management strategy and enterprise strategy. Enterprises should pay attention to the construction of organisational culture, solve the problem of inconsistency between

organisational culture and strategy in the process of integration, and at the same time create a positive organisational culture to motivate the positive behaviour and participation of employees, as well as promote the smooth implementation of the integration through the enhancement of human resource management capabilities, so as to achieve better integration results.

HRM competence has an important impact on the integration of HRM strategy and corporate strategy. An organisation with a high level of HRM competence is better able to adapt to change and competition and achieve strategic goals. Therefore, organisations should pay attention to the enhancement of HRM capability and incorporate it into strategic planning to ensure the effective integration of HRM strategy and corporate strategy.

External environmental factors have an important impact on the integration of HRM strategy and enterprise strategy. Enterprises need to pay attention to and adapt to the changes in the external environment in a timely manner in order to better formulate and implement human resource management strategies and achieve integration with enterprise strategies. Only by fully considering and reasonably responding to the influence of external environmental factors can enterprises maintain competitive advantages in the highly competitive market.

## References

- [1] Barney, J., & Wright, P. M. (1998). On becoming a strategic partner: The role of human resources in gaining competitive advantage. *Human Resource Management*, 37(1), 31-46.
- [2] Boxall, P., & Purcell, J. (2011). *Strategy and human resource management*. Palgrave Macmillan.
- [3] Delery, J. E., & Doty, D. H. (1996). Modes of theorizing in strategic human resource management: tests of universalistic, contingency, and configurational performance predictions. *Academy of Management Journal*, 39(4), 802-835.
- [4] Huselid, M. A., Jackson, S. E., & Schuler, R. S. (1997). Technical and strategic human resource management effectiveness as determinants of firm performance. *Academy of Management Journal*, 40(1), 171-188.
- [5] Lengnick-Hall, M. L., & Lengnick-Hall, C. A. (2003). Human resource management in the knowledge economy: New challenges, new roles, new capabilities. *Human Resource Management Review*, 13(2), 138-154.
- [6] Paauwe, J., & Boselie, P. (2005). HRM and performance: What next? *Human Resource Management Journal*, 15(4), 68-83.
- [7] Schuler, R. S., & Jackson, S. E. (1987). Linking competitive strategies with human resource management practices. *Academy of Management Executive*, 1(3), 207-219.
- [8] Teece, D. J. (2007). Explicating dynamic capabilities: The nature and microfoundations of (sustainable) enterprise performance. *Strategic Management Journal*, 28(13), 1319-1350. 1319-1350.
- [9] Ulrich, D., & Dulebohn, J. H. (2015). Are we there yet? what's next for HR? *Human Resource Management Review*, 25(2), 188-204.
- [10] Wright, P. M., & McMahan, G. C. (1992). Theoretical perspectives for strategic human resource management. *Journal of Management*, 18(2), 295-320.