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Examining the Role of Human Resource Practices in Enhancing Organizational Performance in Small and Medium Enterprises in Tamil Nadu

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Abstract

This research discusses about how Human Resource (HR) and Human resource management (HRM) practices that affect organizational performance Small and Medium Enterprises (SMEs) in Tamil Nadu. Hence, in today's competitive markets effective HRM is a central strategic function. To determine, HR managers, recruiting experts and training coordinators plays a main role in determining workforce competence and managing human capital with business goals. Also, training coordinators find areas where employees' skills are lacking and the place to create programs. The exploration of long-term stability and scalability contributions of complementary HR strategies is done in this study. A mixed-method approach is given in this work using stratified random sampling to collect data from 200 employees working in SMEs in Tamil Nadu. SPSS is used to analyze the collected data through descriptive statistics and Chi-square analysis. The outcome of the organizations includes employee productivity, happiness, and competitive positioning. The results highlight the importance for Small and Medium Enterprises to implement a complete and proactive HR strategy and promotes performance, resilience, and innovation in a changing business environment. The limitations of the study are the SMEs operation only in Tamil Nadu and therefore for future research will consider different regions and industrial sectors. Also, future studies may employ longitudinal designs, larger samples, and advanced analytical techniques.

Keywords: Human Resource Practices, Small and Medium Enterprises, Organizational Performance, Training and Development, Talent Acquisition, Compensation Management, Strategic HRM, Tamil Nadu.

Introduction

HRM development is based on a strategic function that enhances organizational performance and competitiveness beyond administrative tasks. SMEs play a central role in innovation, economic development, and job creation in both developed and developing economies. The challenges for SMEs during the successful implementation of HRM methods are due to limitations in resources, managerial competencies, and increased external market demands [1].

According to existing research, in many corporate settings, HRM methods have an impact on monetary and non-monetary results. Studies have highlighted the improvement of organizational performance as a function of training and development, pay management, performance evaluation, employee engagement (EE), and recruitment.

Recent empirical evidence suggests that SMEs can improve their organizational performance by implementing multiple HRM approaches. The improvements were in innovation capacity, productivity, and competitive positioning [2]. Recent studies indicate that sustainable competitive advantage in SMEs depends on financial and physical resources, along with the effective management of human resources and organizational capabilities. From a resource-based view, strategic HRM enables SMEs to support resilience, competitiveness, and long-term organizational performance [3].

Some existing research also shows that strategic HR strategies, such as those that are in line with company objectives and workforce development, improve EE, retention, happiness, and operational results. In SME settings, HRM faces additional issues, including a lack of HR knowledge, insufficient resources, and an informal organizational structure. In SMEs, some studies suggest that the use of integrated HR frameworks, including Ability Motivation Opportunity models, ranks the combinations of practices and provides the highest performance returns [4].

The former exiting HR approaches are replaced by recent research, including digital HR strategies and the integration of some new technologies. It is also evident that digital HRM solutions help SMEs achieve higher productivity through digital transformation. This is achieved by improving recruitment efficiency, performance monitoring, and employee self-service capabilities [5]. Although HRM practices are important, there are still some gaps, such as the following:

The interaction between several HR practices and organizational performance in resource-constrained SMEs.

The contextual factors include engagement, culture, and strategy alignment.

The role of digital HR management and EE in SME performance models in recent company settings.

The aim of this study is to fill this knowledge gap by studying the impact of fundamental HRM practices of SMEs, especially in Tamil Nadu. These practices include hiring and selection, development and training, pay systems, performance evaluation and EE. This research examines both the impact

and contextual elements that explain why and how HR Practical Suggestions combining quantitative and qualitative findings. A wide spectrum of SMEs in Tamil Nadu, India, participated in this study. The businesses that filled out the survey comprise multiple industries, from manufacturing and retail to IT services, textiles, and agriculture. Companies with large workforces, strong participation in formal HR processes, and substantial economic impact were chosen for this study. These companies provided a rich setting to analyze the efficacy of HR policies, employing 20 to 250 people with varied HR knowledge. This study aimed to collect detailed information on HR strategies. In addition, how this data affects organizational performance from managers, HR workers, training coordinators, and recruiting experts.

The remainder of this paper is organized as follows. Section 2 provides a thorough literature analysis that identifies research gaps in previous studies. The theoretical and conceptual details of the study are presented in Section 3. Section 4 describes the research methodologies, including data collection instruments, sampling strategies, and analyses that test the hypotheses. Section 5 analyzes the results and data obtained from SME workers. Section 6 concludes the study and provides policymakers and SME managers with future suggestions.

Literature Review

For many years, the strategic HR research focus has been on the connection between HRM practices and business outcomes. According to the strategic HRM process model by Suhail et al. [6], the relationship between HR policy and organizational results is facilitated by workers' opinions of HR activities, which include training, recruiting, and assessment.

HRM Practices and Organizational Performance

According to existing studies, there is a positive connection between recruitment and selection, development and training, performance evaluation, pay management, and EE. An existing empirical investigation by Huselid [7] demonstrated that High-Performance Work Practices knowingly reduce employee turnover while improving corporate financial performance and productivity, creating a strategic HRM research empirical foundation.

The study by Mohammed Kutpudeen and Tahir [8] showed a correlation between HRM practices and increased productivity, creativity, and competitive advantage in SMEs. Recent empirical evidence by Abid [9] also suggests that talent management philosophies and institutional factors significantly influence the effectiveness of HRM practices in SMEs. Organizations that adopt structured talent management approaches improve employee retention, capability development, and total organizational performance.

Existing studies have comprehensively analyzed HRM practices in SMEs. This analysis identified core topics, including HR planning, workforce development, EE, and performance evaluation, as frequent research areas. Jindal et al. [10] suggest that HRM is becoming increasingly important in small-scale company environments worldwide. Another recent empirical study states that innovative HR methods, including performance evaluation, recruitment, and EE, have a favorable effect on product and service results through employee outcome mediators such as dedication and skill development.

Training and Development

Training and development are important stages in boosting an organization's efficiency. Shamsudin et al. [11] have done systematic research on training. According to this study, training should improve employee competency and work satisfaction. Training also contributes to organizational adaptation in changing circumstances.

Compensation and Rewards

The results of compensation approaches improve role performance outcomes. Alternatively, this increases work satisfaction and emotional commitment, which, in turn, improves internal career advancement chances and incentive systems. Ouabi et al. [12] found widespread agreement that has a positive impact on employee motivation.

Employee Engagement and Experience

HRM's two important strategic objectives are EE and job satisfaction. Abagus et al. [13] highlight the importance of participative HR practices and continual growth that create an impact on organizational success in the long run. These factors help promote employee engagement and experience. Recent empirical findings by Yeboah et al. [14] further demonstrate that EE, when integrated with human capital development and organizational innovation, significantly improves strategic performance. This also supports the competitive position of SMEs operating in dynamic business environments.

HR Analytics and Digital HR Practices

HR analytics gains control in SMEs because it is a performance enhancer. Analytics allow data-driven decision-making, streamlined workforce planning, and enhanced performance management systems. However, SMEs face many issues, such as a lack of cultural preparedness and technological infrastructure, as per the study by Ulum et al. [15]. Traditional HR responsibilities are better connected to digital transformation requirements. This occurs during the use of strategic digital HRM solutions for streamlining recruitment, performance monitoring, and EE.

HRM Innovations and Organizational Performance

HRM innovations comprise improvements in performance outcomes, including innovation-oriented HR practices and empowering leadership, along with standard HR practices. According to Eyiusta, Ceyda Maden, and Ayla Esen [16], this is true when these innovations are combined with strategic leadership and organizational learning. The focus and outcomes of some existing approaches are presented in Table 1.

Table 1 Existing Literature on HRM Practices and Organizational Performance

Study	Focus	Key HR Practices	Outcome/ Contribution
Sharma et al. [17]	HRM in Indian SMEs	HR Policy, Implementation	Notes informal HR practices and need for formalization
Hendri and Muhammad Irfani [18]	Performance management in SMEs	Integrative HR practices	Bibliometric view of performance management

Ilic et al. [19]	HRM and Organizational Performance	HRM integration	Descriptive evidence of HRM's effect on competitive advantage
Wang et al. [20]	Strategic HRM (SHRM) & SME innovation	SHRM factors, learning	Mediation of learning between SHRM & innovation

Although existing studies have extensively examined individual HRM practices such as recruitment, training, EE, compensation, and digital HRM, limited empirical evidence exists concerning their joint influence on organizational performance within SMEs operating in developing economies, particularly in Tamil Nadu. In addition, existing studies have focused on large organizations or single HR dimensions without sufficiently combining organizational learning and employee competencies into a unified framework. Additionally, few studies have examined the strategic roles of HR managers, recruitment specialists, and training coordinators in improving organizational performance. Therefore, this study addresses these gaps by developing an integrated conceptual framework and empirically identifying the relationship between HRM practices and organizational performance among SMEs in Tamil Nadu.

Conceptual and Theoretical Frameworks

This section presents the conceptual frameworks and theoretical foundations that support this study. In the context of SMEs, these models describe how factors such as knowledge management, human capital, and HRM practices contribute to organizational success.

Conceptual Framework

The principle of the conceptual model is to analyze how SMEs' knowledge management processes are impacted by multiple factors. These factors comprise organizational structures, technology utilization, leadership, trust, strategic intent, and organizational culture. These factors affect HR strategy effectiveness, which in turn affects business performance. The description of these factors is given below

Structure: An organization's formal hierarchy and clarity of roles influence how information moves through it.

Strategy: The document states some of the best practices for HR initiative creation and alignment with business goals.

Technology: It allows efficient communication in real time, knowledge diffusion, and data storage.

Culture: The symbol represents commonly held beliefs and practices that either facilitate or slow down the exchange of insights.

Leadership: It enables the establishment of trust and the union of knowledge-driven HR processes.

Trust: Look after an environment of trust and open dialogue, which in turn motivates teamwork and creativity.

By enhancing knowledge acquisition, sharing, and application, the grouping of these factors enhances human capital and improves performance results. Figure 1 illustrates the conceptual framework.

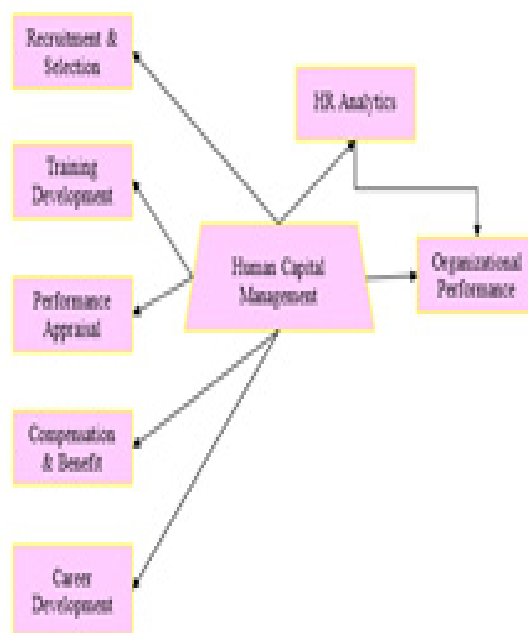


Figure 1 Conceptual Framework

Theoretical Framework

The theoretical foundation combines Organizational Learning Theory with the High-Performance Work System (HPWS) model. This dual-framework method makes it easier to see how HR practice packages, when purposely implemented, create an environment that is beneficial to learning, flexibility, and long-term organizational success. The key HR practices in HPWS are as follows: Becker and Brian (1998) [21] state that HPWS combines complementary HR practices that improve employee capability, motivation, and organizational effectiveness, rather than operating as isolated HR initiatives. Extensive training enhances workers' capacity to deal with ever-changing jobs and technology. Performance management and appraisal manage personal objectives with company strategy and provide constructive criticism, which aids in growth. Through another practice of performance-based compensation, the company recompenses the best employees and rewards good conduct. Empowerment practice helps promote independence and take the initiative to work with issues. The aim of competency development is to satisfy both present and future skill requirements.

The organizational learning components are as follows:

- Knowledge Acquisition: Gathers information from both within and outside the company.
- Knowledge Distribution: It facilitates the movement of data both horizontally and vertically.
- Knowledge Interpretation: It allows for mutual comprehension and deliberate action.
- Organizational Memory: The program standardizes methods for long-term success in the field.

A learning culture is fostered by several HR factors, such as High-Performance HR Systems (HR-HPWS), which mediate the link between HR inputs and company outputs, including operational efficiency, financial growth, and employee performance. The theoretical framework is shown in Figure 2.



Figure 2 Theoretical Framework

Hypotheses Development

This study proposes four testing hypotheses based on the theoretical and conceptual frameworks.

- H₁: Determining the role of the training coordinator is important where employees lack competence and how to best fill such gaps by employing different forms of professional development.
- H₂: A key component of any successful company strategy is attracting, acquiring, and retaining people; recruiting expert teams is also important in this process.
- H₃: It is critical to implement effective pay management and succession planning to guarantee the organization's sustainability in the long run.
- H₄: To improve overall employee performance and work satisfaction, training coordinators are necessary, which leads to professional development programs.

Using the empirical data gathered from SME workers, this study tests each hypothesis using the constructs shown in Figures 1 and 2.

Research Methodology

This study uses a quantitative-dominant mixed-method approach to examine HRM practices and organizational performance in SMEs. During the selection of an approach for this study, both statistical reliability and contextual richness were considered. This method combines quantitative trends with qualitative distinctions to offer a comprehensive

depiction of organizational dynamics, making it ideal for SME studies.

Research Objectives

The primary objectives of this study are as follows:

- The aim is to identify skill gaps and enhance the skills of the staff, which is done by evaluating the role of training coordinators.
- To support the company's expansion, the goal is to evaluate the role of recruitment experts in sourcing, recruiting, and retaining talent.
- Long-term organizational sustainability can be understood by examining the impact of pay management and succession planning.
- The goal of this study was to determine how effectively performance appraisal methods align incentives with employee happiness.

Sampling Design

Researchers in this study used stratified random sampling to obtain a satisfactory cross-section of SMEs from all across Tamil Nadu's economy, including the garment, information technology (IT), and retail sectors. In addition to regular workers with relevant HR experience, training coordinators, recruitment officers, and HR managers were respondents. Using both online and offline distribution methods, 200 answers were gathered using structured questionnaires. Formula (1) was used to calculate the sample size.

$$n = \frac{Z^2 \cdot p(1-p)}{e^2} \quad (1)$$

where n is the required sample size, Z is the z -value (1.96 for 95% confidence), p is the estimated population proportion (0.5 for maximum variability), and e is the margin of error (0.05). This formula yielded a minimum required sample of approximately 196, and 200 valid responses were ultimately analyzed. Table 2 shows the sample distribution by role in the organization.

Table 2 Sample Distribution by Role

HR Role	Number of Respondents	Percentage (%)
Recruitment Specialists	78	38.93

Training Coordinators	60	29.77
HR Managers	46	22.90
Others	16	8.00

Data Collection Methods

A systematic survey questionnaire, derived from previously validated scales in HRM and organizational performance research, was used to collect the primary data. Surveys continue to be one of the most popular research methods in HRM because they provide a large-scale, systematic assessment of perceptions, behaviors, and organizational practices in HRM. Quantitative surveys are useful for capturing variances in HR practices and performance results across sectors and settings, as shown by prior research on HRM practices in SMEs. For instance, 25 studies on HRM practices and organizational performance employed surveys, reinforcing their value in empirical research.

Before being administered, the questionnaire was pilot-tested with 30 workers from SMEs, and HR specialists assessed it to confirm its content validity. According to current methodological research, using both online and offline modalities may help reduce non-response bias by increasing accessibility and response rates. The items on the final test were closed-ended and scored using a 5-point Likert scale, where 1 indicates severe disagreement and 5 indicates strong agreement.

Respondents were questioned about their perceptions of important HRM practices and organizational performance indicators, including recruitment, training, performance appraisal, and remuneration practices. Structured questionnaires allow researchers to quantitatively examine hypothesized HRM-performance correlations [22], which is in line with this survey methodology.

Instrument Design and Variables Measurement

Several parts of the survey measured HRM practices as independent variables and organizational performance as the dependent variable. To ensure construct validity and reliability, item construction was adapted from previously published scales. For example:

- The elements related to recruitment and selection were derived from previous research on HR

practices and business results, with an emphasis on the methods used by SMEs acquiring new talent [23].

- Research showing a relationship between training and development measures and employee commitment and job performance [24] motivated these measures.
- Performance appraisal components were used to record feedback methods and the degree to which objectives were aligned.
- The practices that drive both intrinsic and extrinsic motivation were expressed in the Compensation and Rewards objects.

This study used well-known HRM performance scales to evaluate quantitative results (such as productivity and turnover rates) and qualitative perceptions (such as employee happiness and innovation outcomes). HR research synthesis and survey technique literature both advise using numerous items to increase statistical robustness and internal consistency [25].

Before hypothesis testing, exploratory factor analysis (EFA) and reliability tests (e.g., Cronbach's alpha) were performed using SPSS to increase the instrument's rigor. Consistent with the generally acknowledged criteria for survey-based research, variables were included in the final analysis if their reliability ratings were greater than 0.70.

HRM practices impact organizational performance through intermediate elements, including organizational learning culture and staff skills, as shown in Figure 3, which highlights the integrative framework that guides this study. The top level of HRM practices described four practices: recruitment and selection, training and development, performance appraisal, and compensation and succession planning. These inputs help improve staff competence, motivation, and alignment with strategic objectives.

The second layer comprises five major knowledge processes: knowledge acquisition, knowledge sharing (representing cross-functional flow twice), knowledge application, and organizational memory. This layer positions the culture of organizational learning. The factors in this layer reflect a company's ability to absorb and use HRM-related information, enabling adaptive and ongoing development. Following this, the framework emphasizes the growth of employee competencies, particularly in relation to work engagement, skills, and abilities. These skills indicate an employee's ability to contribute to performance goals. These skills are developed in a business learning environment.

The last layer of organizational performance includes three outcomes: employee satisfaction, innovation, and productivity. These outcomes impact competencies and learning culture, which are the definitive metrics for HRM success. The model's vertical flow illustrates a causal channel in which HR practices influence the learning culture. This subsequently enhances employees' skills, leading to improved organizational results. This layered approach supports both organizational learning theory and High-Performance Work Systems (HPWS).

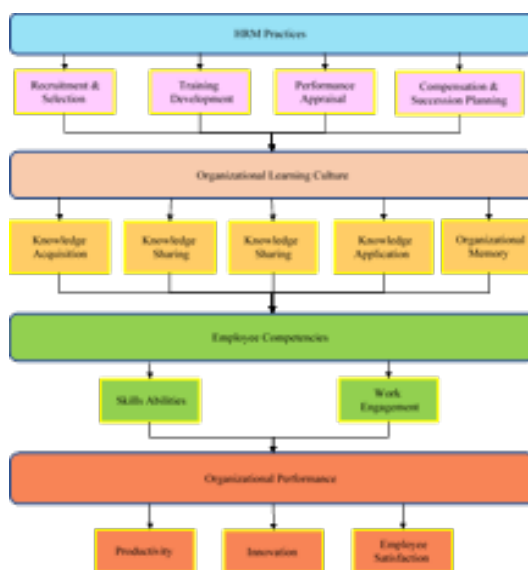


Figure 3 Framework of Research Methodology

Results and Discussion

This section presents the empirical results of the survey administered to 200 workers from various SMEs in Tamil Nadu. This study includes descriptive information on respondents' demographics, HR position allocation, and perceptions of recruitment, training, and appraisal methods. Section 3.3 presents the hypotheses used to understand these results.

Demographic Profile of Respondents

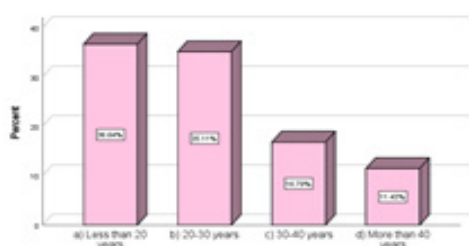


Figure 4 Age of Respondents

Figure 4 shows that 36.64% of the respondents were under the age of 20, with 35.11% falling between the ages of 20 and 30 coming in close behind. Only 11.45% of respondents were above 40 years of age, while 16.79% were between the ages of 30 and 40. The significant proportion of respondents under the age of 35 is consistent with recent trends in SME employment and with Hypotheses 1 and 4, which concern the training and development requirements of younger workers.

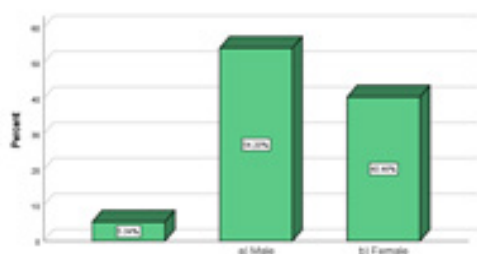


Figure 5 Gender of Respondents

Males made up 54.20% of the sample, females 40.46%, and 5.34% opted not to declare their gender, as shown in Figure 5. There is a slight gender disparity; however, there is sufficient variety to provide a well-rounded view of HR perceptions and practices, as shown by gender representation.

HR Roles and Organizational Practices

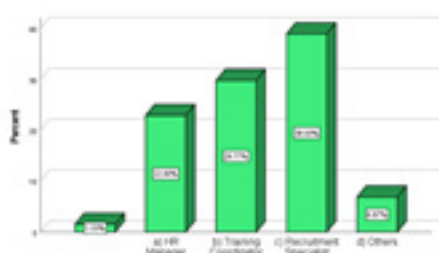


Figure 6 Roles of the Respondents

The roles of the respondents are shown in Figure 6. HR Managers (22.90%), Training Coordinators (29.77%), and Recruitment Specialists (38.93%) made up the largest share of respondents. As each HR function is associated with a hypothesis (H1, H2, H3), this provides solid evidence for the study's hypotheses regarding HRM in SMEs.

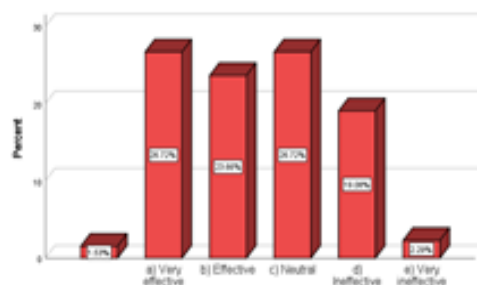


Figure 7 Effectiveness of Organizational Recruitment

Figure 7 reveals the effectiveness of organizational recruiting. The following is an analysis of how respondents perceived the efficacy of recruitment: 26.72% extremely effective, 26.72% neutral, 23.66% effective, 19.08% ineffective, and 2.29% very effective. Although recruitment systems exist, their influence varies and depends on precise circumstances, as specified by these conflicting perceptions, which supports H2.

Training Practices

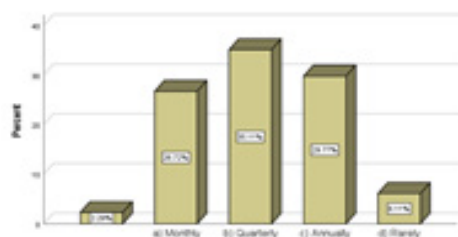


Figure 8 Frequency of Training Programs

Figure 8 illustrates the frequency of training programs. Quarterly training sessions were reported by nearly 35.11% of respondents, followed by 29.77% for yearly and 26.72% for monthly. Only 6.11% of the respondents reported rarely attending training sessions. Structured professional development is present in many SMEs, but variations still exist. This confirms the frequency statistics and supports H1 and H4.

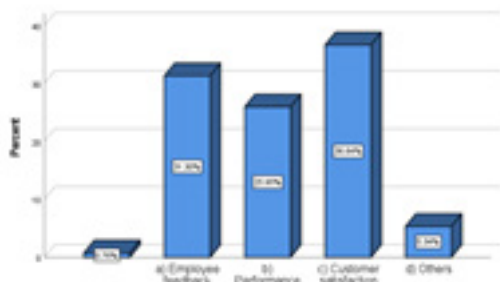


Figure 9 Effectiveness of Training Programs

Figure 9 depicts a graphical representation of the training program effectiveness. The respondents evaluated the training results using four criteria. Among these, customer satisfaction accounts for 36.64%, employee feedback for 31.30%, performance metrics for 25.95%, and other approaches for 5.34%. These results highlight the significant value of training and its function. This improves internal (employee feedback) and external (customer satisfaction) performance, thus directly supporting H4.

Hypothesis Testing and Interpretation

This section assesses the proposed hypotheses using chi-square testing. The relationship between HR procedures and employees' perceptions of performance-linked outcomes is also discussed. The analysis provides insight into the statistical significance and strength of these correlations. Table 3 presents the case processing summary.

Table 3 Case Processing Summary

Statistic	Value
Valid Cases	131
Missing Cases	0
Completeness	100%

Out of a total of 200 replies, 131 were deemed full and valid for analysis. For the sake of statistical integrity, this study did not include missing data.

Table 6 Hypothesis Evaluation Summary

Hypothesis	Statement	Support Status	Statistical Basis
H1	Training coordinators enhance competencies through development programs	Supported	Descriptive data (Figures 8, 9) show strong training presence

Table 4 Chi-Square Test Results

Variable Pair	Pearson Chi-Square	Degrees of Freedom (df)	Significance (p-value)
Age of responder × Satisfaction with performance appraisal and rewards linkage	11.566	14	0.712

Table 4 displays the chi-square test results. With a significance level of $p = 0.712$, the Pearson Chi-Square value evaluating the connection between performance appraisal methods and reward satisfaction is 11.566. There is no statistical significance at the 95% confidence level for the link, since the p-value is higher than 0.05.

In this sample, there was no significant correlation between employee happiness and the perceived fairness or efficacy of the structured appraisal-reward system. Although pay and performance appraisal systems are established, there is room for improvement in terms of strategic alignment and openness, according to this conclusion, which partially supports H3. Podsakoff et al. (2003) found that a person's perception of fairness, rather than the system itself, typically drives satisfaction. This finding is consistent with the existing literature. Table 5 summarizes the satisfaction levels.

Table 5 Summary of Satisfaction Levels

Response Category	Number of Respondents
Strongly Agree	49
Agree	29
Neutral	26
Disagree	16
Strongly Disagree	9
Total	129

There is a need for more openness or communication, since these replies show a varied perception of how well the performance appraisal system connects to incentives. The summary of the hypothesis evaluation is presented in Table 6.

H2	Recruitment specialists improve talent acquisition and business growth	Partially Supported	Mixed perceptions (Figure 7); further testing needed
H3	Compensation and succession planning improve sustainability	Partially Supported	Chi-square test showed no significant link (Table 2)
H4	Development programs improve performance and satisfaction	Supported	Figures 8 and 9 reflect high perceived training impact

Conclusion and Recommendations

This study explores the impact of HRM practices on the organizational performance of SMEs in Tamil Nadu. This study examined the impact of HR interventions on employee competencies, engagement, and overall company performance. The responsibilities of recruitment experts, training coordinators, and HR managers are the main focus of this study. This study uses conceptual and theoretical frameworks incorporating quantitative survey methodologies with descriptive analysis and hypothesis testing. The results of this study confirm that each factor is an important HR strategy. These factors improve employee happiness and organizational results. These factors include strategic recruitment, competency-based training, and the professional development of teachers. This study contributes to the HRM literature by demonstrating the importance of strategic HR practices in enhancing organizational performance among SME in Tamil Nadu. Additionally, this study highlights the importance of employee perceptions, learning culture, and management commitment in determining the efficacy of HR initiatives in SMEs. The findings illustrate the importance of investing in people by focusing on HR practices, instituting frequent training, aligning incentives with performance, and raising a culture of continuous development for SME leaders.

Practical Suggestions

Based on the study findings, SMEs should adopt structured and strategic HRM practices to improve organizational performance and long-term sustainability. Organizations are encouraged to institutionalize standardized HR policies that cover recruitment, performance appraisal, training, and compensation management. Competency-based training programs should be conducted regularly to improve employee skills and adaptability in a

dynamic business environment. SMEs should adopt digital HRM platforms to streamline recruitment, performance monitoring, and workforce planning. Transparent appraisal and reward systems should be implemented to strengthen employee motivation, trust, and retention. Additionally, organizations should invest in leadership development and succession planning to ensure their business continuity. Finally, managers should periodically evaluate HR effectiveness using key performance indicators (KPIs) while promoting a culture of continuous organizational learning, innovation, and EE to attain sustainable organizational growth.

Study Limitations

This study has several limitations. Initially, the sample was limited to Tamil Nadu, which restricted the generalizability of the findings to other regions. Second, the cross-sectional design of the research captures only employee perceptions and therefore cannot establish causal relationships. Third, the use of self-reported responses to assess organizational performance may introduce common method bias. Fourth, although this study considers major HR practices, other organizational variables, including organizational culture, leadership style, and innovation capability, were not considered. Finally, this study relied mainly on quantitative survey responses, with limited qualitative evidence.

Future Research Directions

Future studies should include SMEs from other Indian states and different industrial sectors to improve generalizability. Longitudinal studies should be conducted to examine the long-term impact of HRM practices on organizational performance. Future work will include advanced statistical techniques such as Structural Equation Modeling (SEM) and investigate additional variables to provide a broader understanding of HRM effectiveness.

To further understand the growing significance of digital HR tools in SME competitiveness, future studies should investigate longitudinal implications, broaden their scope to include additional areas, or unite them.

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