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Human Resource Management Problems in Modern Enterprises: Underlying Causes, Solutions, and an Integrated Alignment Framework

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Abstract

Modern enterprises increasingly depend on the capabilities, commitment, and adaptability of their employees, yet many continue to experience persistent human resource management (HRM) problems. This paper develops a critical, theory-informed synthesis of four consequential problems: capability mismatch in talent acquisition, voluntary turnover and disengagement, disconnected development and performance management, and weakly governed digital HRM. Drawing on the resource-based view, the Ability–Motivation–Opportunity (AMO) framework, and HRM system-strength theory, the analysis argues that these problems share a common root in misalignment: among HR practices, between HR systems and business strategy, and between HR policies as designed and as enacted by line managers. Instead of treating each problem with an isolated programme, the paper proposes an integrated alignment framework linking strategic workforce diagnosis, coherent AMO practice bundles, consistent line-manager enactment, and accountable people analytics through a continuous feedback loop. The paper contributes a problem–cause–solution matrix and four propositions that can guide managerial practice and future empirical testing. Because the study is a conceptual review rather than an empirical investigation, its conclusions are analytical and require validation across enterprise sizes, sectors, and institutional contexts.

Keywords: human resource management; AMO framework; HRM system strength; employee retention; performance management; digital HRM

1. Introduction

HRM has moved from an administrative support activity to a central lever of enterprise competitiveness. As products, processes, and technologies become easier to imitate, the knowledge, skills, and discretionary effort of employees remain a significant source of differentiation. Meta-analytic evidence supports this view: human capital is positively related to firm performance, especially when it is specific to the firm (Crook et al., 2011), and systems of high-performance work practices are positively associated with organizational performance (Combs et al., 2006).

Despite this evidence, many enterprises face recurring difficulties: vacancies filled with poorly matched candidates, costly voluntary turnover, training that does not change workplace behaviour, appraisal systems that employees distrust, and digital HR tools adopted faster than the rules needed to govern them. These difficulties are commonly addressed one at a time through a new recruitment platform, a pay adjustment, a training course, or an analytics dashboard. Such piecemeal responses often disappoint because the underlying problems are interconnected.

This paper argues that the most consequential HRM problems are symptoms of misalignment at three levels: horizontal misalignment among HR practices, vertical misalignment between HR systems and strategy, and an implementation gap between intended and experienced practices. It addresses three questions: (1) Which HRM problems are most consequential for modern enterprises? (2) What underlying causes explain their persistence? (3) What integrated solutions can address them? The paper contributes a problem–cause–solution matrix grounded

in three complementary theories and an integrated alignment framework with testable propositions.

2. Theoretical Background and Critical Literature Review

2.1 Three complementary perspectives

The *resource-based view* (RBV) holds that sustained competitive advantage derives from resources that are valuable, rare, inimitable, and non-substitutable (Barney, 1991). Human capital can meet these conditions when it is embedded in firm-specific routines and relationships. However, the RBV explains *why* people matter more than *how* HR practices create value, leaving the so-called black box between HRM and performance largely unopened (Boselie et al., 2005).

The *AMO framework* addresses this gap by proposing that performance is a function of employees' ability, motivation, and opportunity to participate (Appelbaum et al., 2000). Jiang et al. (2012) showed meta-analytically that skill-enhancing, motivation-enhancing, and opportunity-enhancing practices influence organizational outcomes through human capital and employee motivation. Nonetheless, Bos-Nehles et al. (2023) caution that AMO is conceptualized and measured inconsistently and that interactions among its three components remain under-examined.

HRM system-strength theory adds a process view. Bowen and Ostroff (2004) argue that HR practices act as signals: when the system is distinctive, consistent, and consensual, employees develop shared perceptions of what is expected and rewarded. This explains why identical policies yield different results across units. Because line managers translate policy into daily experience, they are pivotal agents in the HRM–performance chain (Purcell & Hutchinson, 2007), and employees' perceptions of practices, rather than formal policies alone, predict commitment and turnover intentions (Kehoe & Wright, 2013).

2.2 Critical synthesis

Three tensions emerge from the literature. First, the HRM–performance relationship is consistent but moderate, and much of the underlying evidence is cross-sectional and relies on single respondents, which limits causal inference (Boselie et al., 2005; Combs et al., 2006). Second, the debate between universal "best practice" and contingent "best fit" remains unresolved. Research on small and medium-sized enterprises (SMEs) shows that HRM there is often informal and highly context-dependent, so professionalized large-firm models cannot simply be transplanted (Harney & Alkhalaf, 2021); Jackson et al. (2014) similarly call for frameworks that recognize multiple stakeholders and contexts. Third, most HRM frameworks predate digital transformation. Electronic HRM (e-HRM) generally yields positive outcomes, but these depend on organizational resources, user capability, and national context (Zhou et al., 2022), while artificial intelligence in HR raises distinct concerns about fairness, explainability, and employee acceptance (Tambe et al., 2019). The resulting gap is the absence of an integrated framework that connects problem diagnosis, practice design, implementation, and digital governance.

3. Research Methodology

This is a conceptual paper based on an integrative critical review. Sources were selected purposively according to three criteria: (a) peer-reviewed publication in recognized management or psychology outlets; (b) priority for meta-analyses and major reviews, which provide more robust evidence than single studies; and (c) inclusion of foundational theoretical works where necessary. Twenty-five sources published between 1991 and 2023 were retained. The analysis proceeded in three steps: identifying recurring problem areas across the literature;

tracing their underlying causes through the three theoretical lenses; and deriving solutions, indicators, and propositions. The review is not systematic: exhaustive database coverage, formal screening protocols, and quality scoring were not undertaken, and no primary data were collected. The findings are therefore analytical claims intended to guide practice and empirical testing, not estimates of prevalence or causal effects.

4. Major HRM Problems and Their Underlying Causes

Four problems recur across the literature and carry the greatest consequences for enterprise performance. As Figure 1 shows, each is driven by more than one form of misalignment, which explains why single-practice remedies rarely succeed.

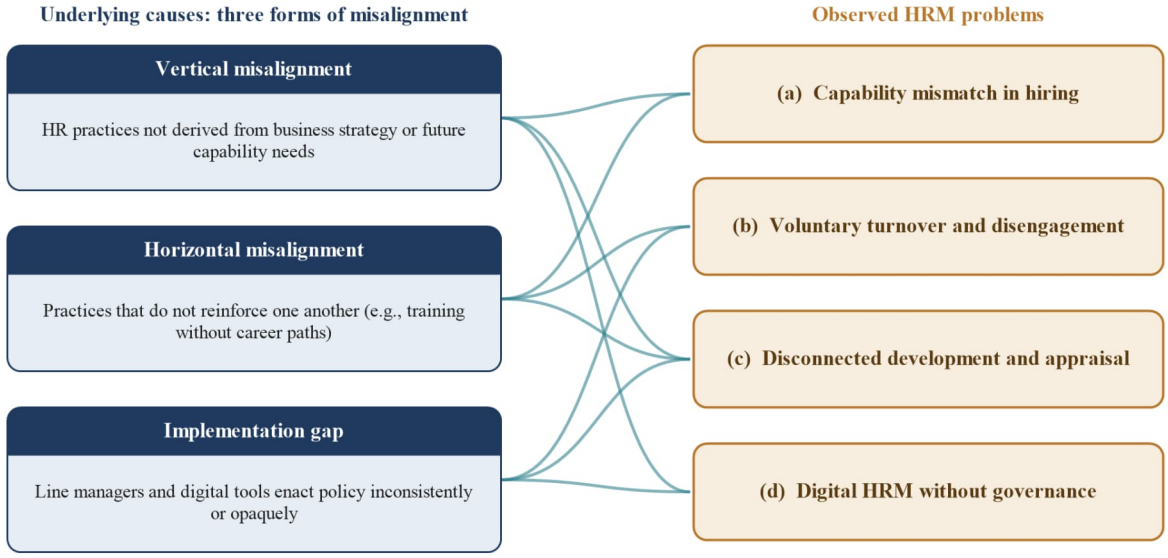


Figure 1
Root-Cause Map Linking Three Forms of Misalignment to Four HRM Problems (Source: author's synthesis.)

4.1 Capability mismatch in talent acquisition

Many enterprises report difficulty in finding suitable employees, yet the problem frequently lies in how candidates are defined and assessed rather than in their scarcity. Job requirements are often copied from outdated descriptions, selection relies on credentials and unstructured interviews, and workforce planning is reactive. Decades of validity research show that structured interviews and job-related assessments predict job performance considerably better than unstructured methods (Schmidt & Hunter, 1998); a recent re-analysis places structured interviews among the most valid predictors available (Sackett et al., 2022). In AMO terms, weak selection creates an *ability* deficit at entry that later training must correct at greater cost. SMEs face an additional constraint because they often lack specialist recruiters and formal procedures (Harney & Alkhalaf, 2021).

4.2 Voluntary turnover and disengagement

Turnover is costly: higher turnover rates are associated with lower organizational performance (Park & Shaw, 2013). A century of turnover research indicates that departures reflect job attitudes, perceived alternatives, embeddedness in the organization, and triggering events rather than pay alone (Hom et al., 2017). Perceived injustice in reward allocation and procedures is strongly related to lower satisfaction, weaker commitment, and withdrawal behaviour (Colquitt et al., 2001). The deeper cause is often an incoherent system: enterprises invest in training but offer no internal career paths, so newly skilled employees leave, or they raise pay while

neglecting supervisory quality and workload. This reflects horizontal misalignment, in which *motivation* and *opportunity* practices fail to complement *ability* investments.

4.3 Disconnected development and performance management

Training is effective on average, but its effects vary substantially with design and evaluation choices (Arthur et al., 2003). The more serious problem is transfer: learning is applied at work only when the work environment, particularly supervisor and peer support, enables it (Blume et al., 2010). Performance management suffers from a parallel problem. Pulakos and O'Leary (2011) argue that it is "broken" because organizations focus on formal annual appraisal procedures rather than ongoing manager–employee interaction, and DeNisi and Murphy (2017) conclude that decades of research on rating formats and accuracy have done little to improve performance. The underlying cause is an implementation gap: line managers who lack time, skill, or incentives deliver inconsistent feedback, which weakens the consistency and consensus that make an HRM system strong (Bowen & Ostroff, 2004; Purcell & Hutchinson, 2007).

4.4 Digital HRM without governance

Enterprises are rapidly adopting e-HRM platforms, people analytics, and algorithmic tools. However, Marler and Boudreau (2017) found that rigorous evidence on HR analytics outcomes remained limited and that adoption depended heavily on HR professionals' analytical capability. Tambe et al. (2019) identify specific obstacles to AI in HR: complex outcomes that are difficult to measure, small datasets, fairness and legal constraints, and negative employee reactions. A systematic review further shows that algorithmic recruitment and development tools can reproduce or amplify discrimination embedded in historical data (Köchling & Wehner, 2020). The underlying causes are technology-first adoption, poor data quality, and missing accountability structures. From a system-strength perspective, opaque algorithms send ambiguous or distrusted signals and thereby undermine the consensus that HRM systems require.

5. Proposed Solutions and Integrated Framework

5.1 Integrated problem–solution matrix

The analysis indicates that the four problems share misalignment as a common root; their solutions must therefore be coordinated rather than separate. Table 1 integrates the problems, their causes, priority solutions, and indicators for monitoring progress.

Table 1
Integrated Problem–Cause–Solution Matrix

HRM problem	Underlying causes	Priority solutions	Illustrative indicators
Capability mismatch in hiring	Outdated role definitions; credential-based, unstructured selection; reactive planning	Skills-based role profiles linked to strategy; structured interviews and work samples; rolling workforce plans	Quality of hire; probation pass rate; time-to-productivity
Turnover and disengagement	Limited career paths; perceived reward injustice; poor supervision; misaligned practice bundles	Transparent pay criteria; internal mobility and career ladders; employee voice channels; manager selection and coaching	Regretted voluntary turnover; internal fill rate; justice and engagement scores
Disconnected development and appraisal	Training detached from work; weak transfer support; annual, inconsistent appraisal by untrained managers	Needs-based applied learning with supervisor follow-up; continuous feedback; calibrated ratings; review and appeal procedure	Skill application on the job; feedback frequency; rating consistency across units
Ungoverned digital HRM	Technology-first adoption; poor data quality; low HR analytics capability; opaque algorithms	Data governance and privacy rules; bias audits; human review of consequential decisions; HR analytics training	Data error rate; subgroup outcome gaps; employee trust; appeal outcomes

5.2 AMO practice bundles and the integrated alignment framework

The solutions in Table 1 are most effective when they are combined into bundles that address all three AMO components at once. Figure 2 maps the priority practices onto ability, motivation, and opportunity. Their overlap represents the condition under which retention and performance are most likely: employees who are capable, willing, and able to contribute. The outer ring indicates that these bundles operate only through consistent line-manager enactment, while strategy determines which capabilities matter most and digital tools support all three components when properly governed.

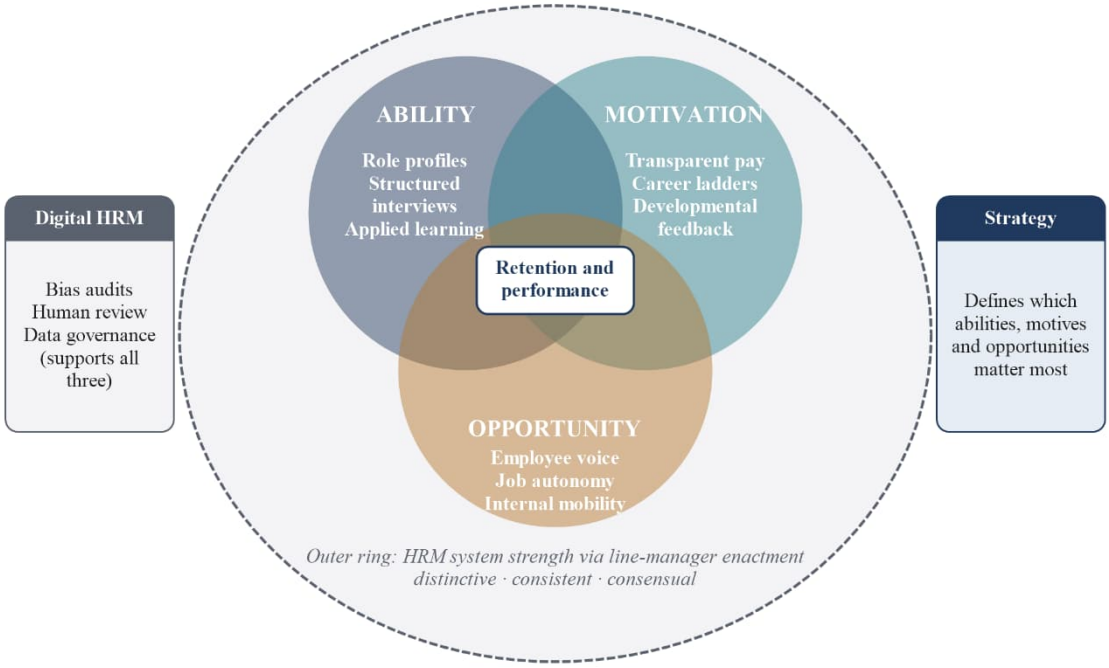


Figure 2
Mapping Priority Solutions onto the AMO Framework (Source: author's synthesis based on Appelbaum et al., 2000; Bowen & Ostroff, 2004.)

Building on Table 1 and Figure 2, Figure 3 presents an integrated alignment framework with four linked components. *Strategic workforce diagnosis* establishes vertical alignment by identifying the capabilities the strategy requires and locating the specific causes of current problems; for example, turnover data should be analysed by role, tenure, team, and reason before any response is chosen. *AMO practice bundles* establish horizontal alignment: selection and development build ability, fair rewards and career paths sustain motivation, and participation and job design create opportunity, so that each investment reinforces the others (Jiang et al., 2012). *Line-manager enactment* closes the implementation gap by making the system distinctive, consistent, and consensual through manager training, clear responsibilities, and accountability for people outcomes (Bowen & Ostroff, 2004). *Accountable people analytics* provides the feedback loop: it tracks leading and lagging indicators, pilots changes in comparable units, and audits digital tools for bias and errors before scaling them.

The framework yields four propositions for empirical testing. **P1:** The effect of any single HR practice on retention and performance is stronger when it is embedded in a complementary AMO bundle. **P2:** HRM system strength, as shaped by line-manager enactment, moderates the relationship between intended HR practices and employee outcomes. **P3:** Digital HRM improves HR effectiveness only when accompanied by data governance and human review mechanisms. **P4:** Enterprises that evaluate HR interventions against pre-set indicators adapt

practices faster and achieve more sustainable outcomes than those that adopt practices by imitation.

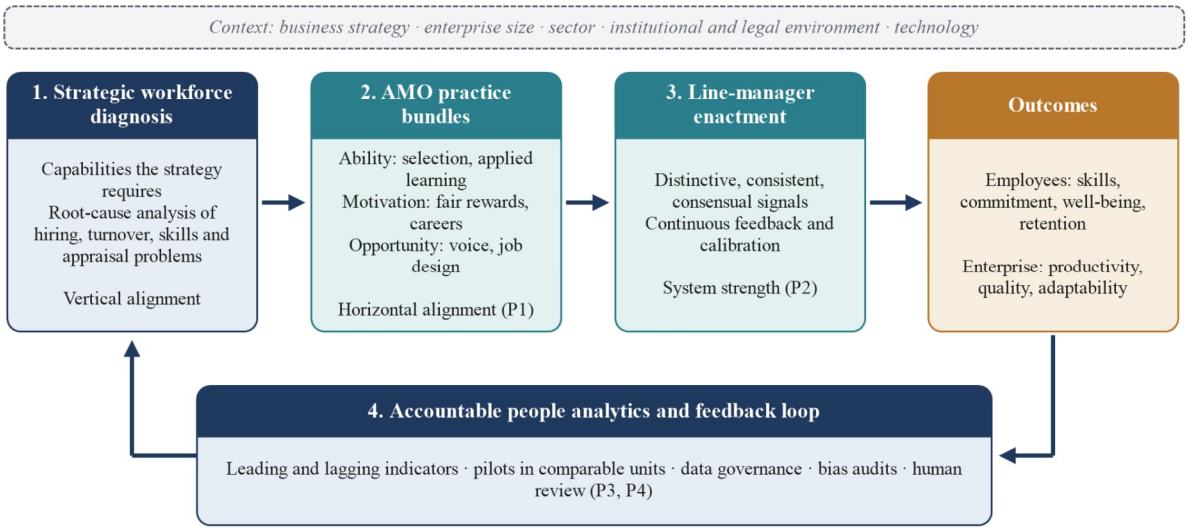


Figure 3
Integrated HRM Alignment Framework (Source: author's synthesis; conceptual, not empirically estimated.)

5.3 Phased implementation roadmap

Because enterprises cannot redesign every practice at once, Figure 4 translates the framework into a phased roadmap. In the diagnosis phase, the enterprise establishes baseline indicators, analyses turnover and skills data, gathers employee and manager views, and selects one or two priority problems. In the design and pilot phase, it builds a complete AMO bundle for each priority problem, trains the line managers who will deliver it, sets data governance rules, and pilots the bundle in comparable units so that results can be compared against a baseline. In the scaling and governance phase, effective practices are rolled out, digital tools are audited for bias and error, manager accountability for people outcomes is embedded in performance objectives, and practices that fail to deliver are discontinued. Indicators are reviewed quarterly and fed back into diagnosis. Non-randomized pilots cannot establish causation conclusively, but they provide considerably stronger evidence than adopting practices by imitation.

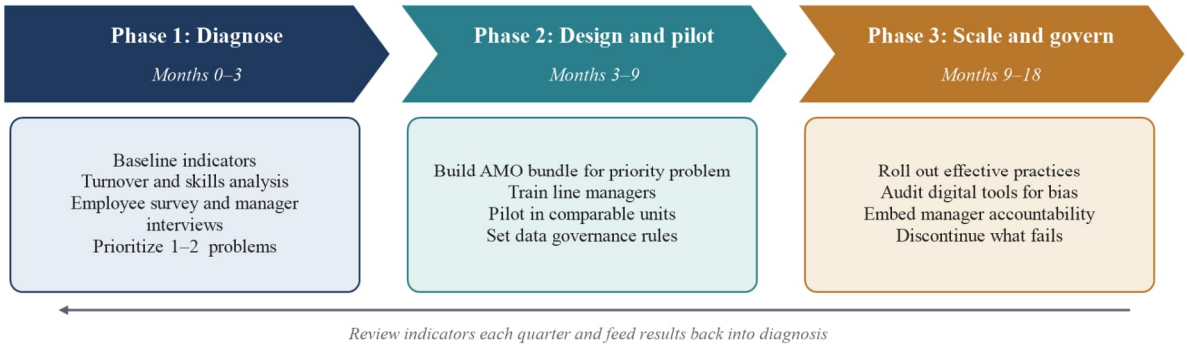


Figure 4
Phased Implementation Roadmap for the Alignment Framework (Source: author's synthesis; timeframes are indicative.)

6. Discussion and Implications

Theoretically, the paper integrates three perspectives that are often applied separately. The RBV identifies the strategic value of human capital, AMO specifies the content of the practices that develop it, and system-strength theory explains why implementation determines whether

that content takes effect. The paper also extends system-strength reasoning to digital HRM by treating algorithms and dashboards as HR signals that employees interpret: opaque or biased tools weaken consistency and consensus as surely as inconsistent managers do. This responds to calls for context-sensitive and multi-stakeholder frameworks (Bos-Nehles et al., 2023; Jackson et al., 2014).

Practically, managers should resist adopting fashionable practices in isolation and should instead ask which AMO component is weak, why, and which complementary practices are missing. Line managers deserve particular investment because they are the channel through which every other practice is experienced. For SMEs, the framework should be applied proportionately: structured interview guides, a simple skills matrix, regular one-to-one feedback, and transparent pay criteria can create a coherent system without costly platforms (Harney & Alkhalaf, 2021). Larger enterprises adopting analytics or AI should establish governance before scaling, including privacy safeguards, bias testing, and employee routes to contest automated decisions (Köchling & Wehner, 2020; Tambe et al., 2019). Finally, HR performance should be judged by evidence of employee and organizational outcomes rather than by activity counts such as training hours or the number of systems implemented.

7. Conclusion and Limitations

Capability mismatch, turnover, disconnected development and appraisal, and ungoverned digital HRM persist in modern enterprises largely because HR practices are misaligned with one another, with strategy, and with how managers enact them. An integrated alignment framework of diagnosis, AMO bundles, manager enactment, and accountable analytics offers a coherent response. The study has limitations: it is a non-systematic conceptual review that may omit relevant studies; it draws mainly on research from Western and large-firm contexts; and its framework and propositions have not been empirically validated. Future research should test the propositions with longitudinal, multilevel, and multi-respondent designs across enterprise sizes, industries, and institutional settings, including China.

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