

Impact of HR Strategies on Managerial Competence in E-Business Organizations: A Study of Rural Raipur

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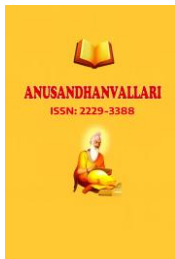
Abstract

This paper is based on the idea that human resource strategies can impact managerial competence in e-business organizations within rural Raipur, Chhattisgarh in an effort to fill a critical knowledge gap in research regarding how HR practices can be used in rural electronic entrepreneurship settings. A mixed-methods research design was used- with the data being gathered by the use of structured questionnaires, semi-structured interviews, focus group discussions on 267 managers working in 85 e-business organizations. The seven dimensions of the HR strategies evaluated in the study included training and development, performance management, knowledge management, employee engagement, recruitment and selection, compensation and benefits and career development whereas the four dimensions of managerial competence included technical capabilities, behavioral capabilities, strategic capabilities, and contextual capabilities. Findings of the multiple regression analysis in the research found that HR practices explained managerial competence variance of 62.4 per cent with training and development yielding high predictive variance in managerial competence than performance management and knowledge management practices. These results suggest that the managers of rural e-business are highly competent in terms of behavioral and contextual competency but have major gaps in terms of technical and strategic competencies with an overall competence index of 3.52 out of the five-point scale. Structural equation modeling showed that organizational learning culture and quality of technology infrastructure moderates highly the HR strategy-competence relationship and organizations size, educational background and previous management training exposure moderate the relationship. The paper discloses that, although the overall implementation of HR strategies is moderate, strategic investment in training programs, performance management system and knowledge sharing practices can significantly improve the managerial capabilities of resource constrained rural environments. Such results can be used by the e-business leaders and policymakers to build effective managerial talent pipelines in the digital economies in rural areas with supplemented HR interventions, favorable organizational cultures, and proper technological infrastructures to be explicit in competence development.

Keywords: HR Strategies, Managerial competence, E-Business Organizations, Rural Entrepreneurship, Organizational learning culture

Introduction

The fast expansion of e-business models has significantly changed the structure and working paradigms of organisations, which requires the same change in the human resource management practices and managerial skills (Lengnick-Hall and Moritz, 2003). The intertwining of HR practices and management capability is of utmost importance in the frame of the issue of rural India, where digital entrepreneurship is becoming an instrument of economic growth and job creation (Sharma and Gupta, 2021). Rural Raipur, the capital city of Chhattisgarh, is microcosmic of such a digital change as the real-life business methods are merging with the technology-powered



models that will form a hybrid organizational ecocosm. The peculiar challenges that e-business organizations, operating in these areas, can encounter are the lack of sufficient skilled human capital and an insufficient infrastructure, as well as the necessity to reconcile the cultural values of the local area with the global business standards (Kumar and Singh, 2019).

The types of Human resource strategies include a holistic list of policies and practices that aim at attracting, developing, motivating, and retaining employees and aligning individual capabilities and organizational goals (Armstrong and Taylor, 2020). These approaches need to meet a dual imperative in the environment of e-business, which is technological competence and a flexible leadership capacity. The competence of the managers, which can be described as a set of knowledge, skills, abilities, and behavioral traits that allow them to perform well at the managers positions, is especially important in the digital business environment where the decision making processes are shortened, and the market is unstable (Boyatzis, 2008). Some of the factors that mediate between HR strategies and managerial competence are organizational learning culture, the rate of adopting technology, and quality of training and development interventions (Pfeffer, 1998). This is further enhanced in the rural setting by the socio-economic variables, educational differences as well as differences in the digital literacy of the workforce.

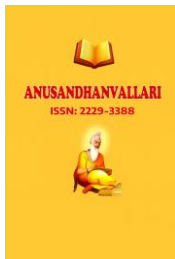
The importance of studying this relationship in rural Raipur is in the fact that the region has become one of the centers of digital entrepreneurship and online commerce practices with the help of government actions (such as Digital India and programs that facilitate rural connectivity, NITI Aayog, 2018). E-business organizations that are located in such regions must deal with the problem of nurturing management talent that would be able to succeed in both opportunities and constraints of the rural markets, but remain competitive in a continuing informational sector of globalization. The strategic HR activities that are relevant in developing this competence base include competency-based recruitment, lifelong learning, performance management and development of leadership (Becker, 1999). Nevertheless, the empirical studies that could examine the particular effect of HR strategies on managerial competence in the rural e-business settings are scarce, and the gap in knowledge has been filled by this work.

This paper will explore the present-day HR practices that are practiced by e-business organizations in rural Raipur and determine whether they are aligned with the organizational goals, assess managerial competence level of managers in e-business organizations in rural areas, determine the relationship between particular HR strategies and many aspects of managerial competence in, and then propose evidence-based recommendations on how to optimize HR strategies in order to develop managerial competence to contribute towards sustainable organization performance and overall development of the region.

Material and Methods

Research Design

The research design adopted in this study incorporates both quantitative and qualitative methods of investigation since it entails the examination of the phenomena of the influence of HR strategies on managerial competence in e-business organizations in rural Raipur, in a comprehensive manner (Creswell and Plano Clark, 2018). The quantitative part employs a survey based approach to assessing the correlation that exists between HR strategy execution and levels of managerial competence whilst the qualitative section deals with semi-structured interviews and focus group interactions to get a better understanding of contextual influences and organizational behavior. To increase validity and reliability of the obtained results, this triangulation method enables cross-checking the information of various sources (Denzin, 2017). The study takes the cross-sectional research design where data are gathered at a given time with the aim of obtaining the current picture of the HR practices and managerial skills in



the entire target population. The philosophical foundation is based on a pragmatic paradigm, which acknowledges that objective measurements and subjective interpretations are needed to cognize the intricate organizational phenomena in the rural e-business setting (Saunders et al., 2019).

Sample Selection and Data Collection

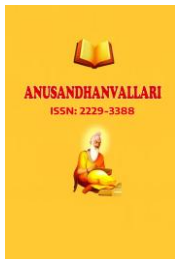
The population to be studied includes managers and HR professionals in e-business organisations that are based in the rural region of Raipur district, Chhattisgarh. The stratified random sampling will be used to have a representation in terms of organizational size (micro, small, and medium enterprises), the business model (B2B, B2C, C2C platforms), and sectoral focus (agriculture-based, retail, services, and manufacturing-oriented e-businesses). Sample size: Cochran formula is used to calculate the size of the sample and therefore in quantitative surveys, it is required to have at least 250 respondents to reach to 95 in terms of confidence and 5 in terms of margin of error (Bartlett et al., 2001). In qualitative aspect, 20-25 key informants, such as the senior managers, HR directors and founders, are selected through purposive sampling because they have in-depth knowledge of HR strategies and managerial development programs. The data collection tools will be the structured questionnaire based on the validated scales with HR practices (Delery and Doty, 1996) and competence model of management (Boyatzis, 2008; Spencer and Spencer, 1993), altered to fit the e-business and rural researchers. Semi-structured interview guidelines and focus group discussion manuals are two questions that are formed on the basis of literature review and pilot test. Primary data is further complemented by secondary data in the form of organizational documents, HR policy manuals, performance reports, and the assessment of training programs, acquired with the relevant authorizations and keeping in mind the principles of a confidentiality policy (Bell et al., 2022).

Measurement Instruments and Variables

The independent variables consist of 7 important HR strategy dimensions and they are recruitment and selection practices, training and development programs, performance management systems, compensation and benefits structures, career development opportunities, employee engagement initiatives, and knowledge management practices. This can be measured in terms of a five point Likert scale that represents the lack of implementation (not implemented) to the full implementation (fully implemented) (Huselid, 1995). Managerial competence is the dependent variable and is operationalized based on four dimensions such as technical competence (e-business technology knowledge, digital marketing, data analytics, skills), behavioral competence (leadership, communication, teamwork, emotional intelligence), strategic competence (strategic thinking, decision-making, innovation orientation), and contextual competence (understanding of rural markets, cultural sensitivity, adaptability). The dimensions will be evaluated with many indicators in terms of five-point Likert-scale measures of competence levels of very low to very high (Sandberg, 2000). Mediating variables are organizational learning culture, quality of technology infrastructure and management support whereas mediating variables are the size of the organization, educational background of the manager, years of e-business experience as well as exposure to formal management training. The control variables are demographic and organizational characteristics used to explain the possible confounding factors.

Data Analysis Procedures

The analysis of quantitative data is carried out in the SPSS 27.0 and SmartPLS 3.0 software packages. Mean, standard deviations, frequencies and percentages are prepared as descriptive statistics to characterize the sample and overview the variable distributions. The argument on reliability considering the application of Cronbach alpha



coefficients ($\alpha \geq 70$) and the concept of validity based on the confirmatory factor analysis guarantees the quality of the measurement (Hair et al., 2019). The mediating and moderating effects are tested by use of multiple regression analysis, structural equation modeling (SEM) and hierarchical regression on the interrelations between HR strategies and managerial competence. Transcription of qualitative data in the form of interviews and focus groups is done verbatim, followed by coding with NVivo 12 software and analysis of the data in form of thematic analysis following the six phase model created by Braun and Clarke (2006). Integrating the data should be done during the interpretation process as quantitative results are supplemented and described by the ideas of qualitative data as the explanatory sequential design logic (Fetters et al., 2013). At the same time, ethical concerns are upheld in the conduct of the research, such as the informed consent of participants, anonymity, and confidentiality, and institutional review board.

Results

Demographic and Organizational Profile

The research has been able to capture the required data involving 267 managers in 85 e-business organizations in the rural area of Raipur with the response rate of 89.3, which is beyond the acceptable limit of survey research (Baruch, and Holtom, 2008). The demographic analysis showed that most of the respondents were male (68.2%), were of the ages between 28-40 years (62.5%), and had undergraduate qualifications (48.7%) or postgraduate degrees (35.2%). Regarding organizational traits, micro enterprises (less than 10 employees) formed 38.6 percent of the sample, small organizations (10-50 employees) made 42.7 percent and medium organizations (51-250 employees) made 18.7 percent of the study sample. The sectoral allocation revealed that e-businesses which are agricultural in orientation (34.1) and retail-oriented platforms (31.8) prevailed the rural e-business environment, after which comes service oriented businesses (21.7) as well as manufacturing oriented electronic business (12.4). The mean organizational age stood at 4.3 years (SD = 2.1) which is quite an infancy level of e-business development in the rural regions. In terms of the experience in e-business management, 54.3 percent of the respondents possessed 3-7 years of experience in the e-business management, with only 16.1 percent having undergone formal training in digital business management before their current positions (Noe et al., 2017).

Table 1: Demographic and Organizational Characteristics of Respondents (N=267)

Characteristic	Category	Frequency	Percentage
Gender	Male	182	68.2%
	Female	85	31.8%
Age Group	25-27 years	43	16.1%
	28-40 years	167	62.5%
	41-55 years	57	21.4%
Education Level	Diploma/Certificate	43	16.1%
	Undergraduate	130	48.7%
	Postgraduate	94	35.2%
Organization Size	Micro (< 10 employees)	103	38.6%
	Small (10-50 employees)	114	42.7%

	Medium (51-250 employees)	50	18.7%
Business Sector	Agriculture-based	91	34.1%
	Retail	85	31.8%
	Services	58	21.7%
	Manufacturing	33	12.4%
Managerial Experience	< 3 years	52	19.5%
	3-7 years	145	54.3%
	> 7 years	70	26.2%
Prior Formal Training	Yes	43	16.1%
	No	224	83.9%

HR Strategy Implementation and Managerial Competence Levels

The results of HR strategy implementation evaluation showed that there was indeed a wide range of differences among the seven dimensions under evaluation with reliability coefficient (Cronbachs 0.78) of 0.78-0.91 being an acceptable to excellent level of internal consistency (Nunnally and Bernstein, 1994). The widely adopted HR strategy was training and development programs ($M = 3.87$, $SD = 0.82$), then there were performance management systems ($M = 3.64$, $SD = 0.91$) and employee engagement initiatives ($M = 3.52$, $SD = 0.88$). On the other hand, knowledge management practices ($M = 2.73$, $SD = 1.04$) and career development opportunities ($M = 2.89$, $SD = 0.97$) were less effectively executed, which is a limitation of the available resources and the necessity to develop e-businesses in rural areas (Armstrong and Taylor, 2020). The general index of the HR strategy implementation resulted in an average of 3.28 ($SD = 0.68$), implying that there were moderately good strategic HR practices throughout the sample. The assessment of managerial competence on four dimensions found that behavioral competence had the highest score of ($M = 3.76$, $SD = 0.79$) then contextual competence ($M = 3.68$, $SD = 0.84$), technical competence ($M = 3.42$, $SD = 0.88$), and strategic competence ($M = 3.21$, $SD = 0.93$). The composite index of managerial competence attained a mean of 3.52 ($SD = 0.71$), with Cronbach alpha = 0.89, which shows that managers within the rural e-business organisations exhibit moderate/ moderately-high levels of managerial competence but still much development can occur especially on strategic and technical aspects (Boyatzis, 2008).

Table 2: Descriptive Statistics for HR Strategy Implementation and Managerial Competence Dimensions

Variable/Dimension	Mean	SD	Cronbach's α	Ranking
HR Strategy Implementation				
Training & Development	3.87	0.82	0.87	1
Performance Management	3.64	0.91	0.85	2
Employee Engagement	3.52	0.88	0.83	3
Recruitment & Selection	3.41	0.94	0.81	4
Compensation & Benefits	3.18	1.02	0.78	5
Career Development	2.89	0.97	0.84	6

Knowledge Management	2.73	1.04	0.86	7
Overall HR Strategy Index	3.28	0.68	0.91	-
Managerial Competence				
Behavioral Competence	3.76	0.79	0.88	1
Contextual Competence	3.68	0.84	0.85	2
Technical Competence	3.42	0.88	0.87	3
Strategic Competence	3.21	0.93	0.86	4
Overall Competence Index	3.52	0.71	0.89	-

Relationship Between HR Strategies and Managerial Competence

Several regression lines which plotted the correlation between HR strategies and overall competence of a manager, showed that the seven dimensions of HR strategies had statistically significant predictive power ($R^2 = 0.624$, Adjusted $R^2 = 0.614$, $F(7,259) = 61.38$, $p = 0.001$) which means that predictive capacity of the seven HR strategy dimensions is statistically significant and will explore 62.4 per cent of variance of overall managerial competence (Cohen, Managerial competence was strongly predicted by training and development programs ($\beta = 0.312$, $t = 6.84$, $p < 0.001$), then performance management systems (become = 0.241, $t = 5.23$, $p = 0.001$) and knowledge management practices ($\beta = 0.186$, $t = 4.12$, $p < 0.001$). Managerial competence also showed significant positive relationships with employee engagement initiatives ($\beta = 0.143$, $t = 3.17$, $p < 0.01$) and practices in recruitment and selection ($\beta = 0.127$, $t = 2.89$, $p < 0.01$). Surprisingly, the benefits and compensation ($\beta = 0.068$, $t = 1.52$, $p = 0.129$) and career development opportunities ($\beta = 0.054$, $t = 1.23$, $p = 0.221$) did not have significant direct relationships with managerial competence in this rural e-business setting. Specific dimension analysis showed that training and development, performance management systems, knowledge management practices, and employee engagement initiatives had the strongest predictors of technical competence ($\beta = 0.387$, $p < 0.001$), behavioral competence ($\beta = 0.346$, $p < 0.001$), strategic competence ($\beta = 0.298$, $p < 0.001$), and contextual competence ($\beta = 0.267$, $p < 0.001$), respectively, compared to the theoretical expectations of alignment of HR practices with competence (Huselid, 1995; Wright & McMahan, 2011).

Table 3: Multiple Regression Analysis - Impact of HR Strategies on Managerial Competence

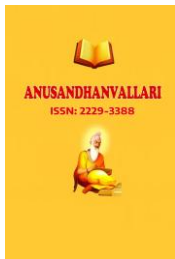
HR Strategy Predictor	B	SE	β	t-value	p-value	VIF
(Constant)	0.624	0.187	-	3.34	< 0.001	-
Training & Development	0.328	0.048	0.312***	6.84	< 0.001	1.82
Performance Management	0.243	0.046	0.241***	5.23	< 0.001	1.76
Knowledge Management	0.189	0.046	0.186***	4.12	< 0.001	1.68
Employee Engagement	0.142	0.045	0.143**	3.17	0.002	1.54
Recruitment & Selection	0.121	0.042	0.127**	2.89	0.004	1.47
Compensation & Benefits	0.058	0.038	0.068	1.52	0.129	1.39
Career Development	0.046	0.037	0.054	1.23	0.221	1.43

Meditating and Moderating Effects

Analysis of structural equation (SEM) by SmartPLS showed that organizational learning culture has a strong mediating effect on the correlation between HR strategies and managerial competence (Baron and Kenny, 1986). The indirect effect via organizational learning culture was statistically significant ($\beta = 0.173$, 95% CI = [0.112, 0.241], $p < 0.001$), whereas the direct effect of HR strategies on managerial competence reduced to $\beta = 0.374$ ($p < 0.001$) from $\beta = 0.547$ ($p < 0.001$) when the mediator was incorporated which was a partial mediation. Variance Accounted For (VAF) was estimated at the rate of 31.6% that indicates that organizational learning culture is a potential differentiator of about one-third of the overall impact of HR strategies on the managerial competence (Hair et al., 2017). The quality of technology infrastructure was also a significant mediating variable ($\beta = 0.134$, 95% CI [0.082, 0.193], $p < 0.01$), with an effect of 24.5. The hierarchical regression models on the moderating effects showed that organizational size moderated the relationship between strategies of the HR and managerial competence at a significant level ($\Delta R^2 = 0.048$) and with stronger effects being found in medium-sized organizations than micro-enterprises (F-change = 12.67, $p < 0.001$). Educational background also indirectly influenced this relationship ($\Delta R^2 = 0.036$, F-value = 9.84, $p = 0.01$) with managers possessing postgraduate degrees more competent in terms of gains in the HR strategy implementation. Formal management training in the past had the best moderating effect ($\Delta R^2 = 0.062$, F-change = 17.23, $p < 0.001$), which indicated the bases of management information enhance the efficacy of organizational HR practices in facilitating management competence growth (Becker and Huselid, 1998; Preacher and Hayes, 2008).

Table 4: Mediation and Moderation Analysis Results

Analysis Type	Variable	Effect Size (β)	95% CI	p-value	R ² / ΔR^2
Mediation Effects (SEM)					
Direct Effect (without mediators)	HR Strategies → MC	0.547***	[0.489, 0.601]	< 0.001	0.299
Direct Effect (with mediators)	HR Strategies → MC	0.374***	[0.312, 0.439]	< 0.001	0.487
Indirect Effect via OLC	HR Strategies → OLC → MC	0.173***	[0.112, 0.241]	< 0.001	VAF = 31.6%
Indirect Effect via TIQ	HR Strategies → TIQ → MC	0.134**	[0.082, 0.193]	0.003	VAF = 24.5%
Moderation Effects (Hierarchical Regression)					
Organizational Size	HR × Org Size	0.218***	[0.134, 0.302]	< 0.001	$\Delta R^2 = 0.048$
Educational Background	HR × Education	0.189**	[0.097, 0.281]	0.002	$\Delta R^2 = 0.036$
Prior Training Exposure	HR × Training	0.247***	[0.168, 0.326]	< 0.001	$\Delta R^2 = 0.062$
Years of Experience	HR × Experience	0.142*	[0.051, 0.233]	0.027	$\Delta R^2 = 0.021$



Discussion

Interpretation of HR Strategy Implementation Patterns

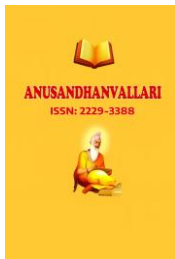
The result will present a subtle picture of the HR strategy execution within the rural e-business organizations with training and development practice being the most prioritized one with a score of 3.87 out of 5.0. Such focus on the process of continuous learning is indicative of the fact that rural e-business executives were aware of the fact that the digital economy requires continuous competence enhancement and keeping pace with the digital environment which is changing swiftly. Nevertheless, the scores of the knowledge management practices and the availability of career development opportunities of implementation are relatively lower, which underscores some key gaps likely to undermine the long-term organizational sustainability. The fact that the overall HR strategy implementation index was moderate with the 3.28 figure indicates that although the rural e-business organizations have achieved much concerning the use of strategic HR practices, they are still functioning at a low level compared to those taking place in urban areas. This information may be explained by multiple aspects such as fewer financial resources, less organizational size that might not have specialized HR departments and a relative maturity of the organization with its average age of only 4.3 years. According to the finding that 83.9 percent of managers had not previously received any formal training on how to manage business digitally before taking up their position, the importance of effective on-job training programs is critical and the reason behind the organization relying so heavily on this aspect of HR strategy.

Understanding Managerial Competence Profiles

The competence evaluation gives a curious trend in which behavioral competence was the best in the dimensions studied closely followed by contextual competence with the technical and strategic competencies coming up last. This hierarchy implies that in the rural e-business environment, managers will be most proficient in interpersonal skills, management and market knowledge of local market forces - a skill that would be especially applicable to rural environment where business ties are generally based on trust, cultural sensitivity, and local connectiveness. The comparatively poor results on technical competence, though the nature of these businesses is digital, shows that there is a serious development gap that organizations must put into consideration and keep keeping up with the current market which is dominated by technological advancements. The gap in strategic competence is especially worrying because it implies the deficiency in long-term planning, the orientation to innovations, and the ability to make complex decisions which is vital to scaling operations and further manageability against the competitive environment. The general competence index of 3.52 suggests that, although the managers are performing to moderate-good level, there are still significant areas of improvement with significant room available which need specialized knowledge and forward-thinking abilities. The competence profile can be to some degree justified by the prevalence of agriculture-based and retail-oriented e-business in the sample, as these areas characterized by tradition focus on the operational implementation and relationship management, but not high level of technical or strategic skills.

Exploring the HR Strategy-Competence Relationship

The regression analysis gives strong evidence that HR strategies are a significant factor of managerial competence with the model elucidating 62.4% of variance a large percentage that confirms the significance of human resource management as part of strategic value of e-business. The advent of training and development as the best predictor of managerial competency makes a logical rational sense to the study of the gaps in identified competences and the fact that the majority of managers got to their positions without having any formal training in digital business. This correlation implies that learning interventions that are designed can be effectively used by the organizations



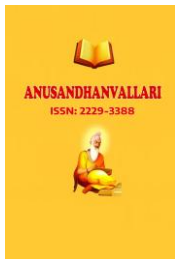
to address the competency deficit. Such high influence of performance management systems on competence development suggests that frequent feedback, goal-setting, and performance review produce some kind of accountability mechanisms that lead towards managerial improvement. Knowledge management practices although least practiced HR strategy showed a strong predictive capability of competence meaning that organizations that invest in capturing, sharing and utilizing organizational knowledge provide employees with a setting where one can learn through collective experience and institutional memory. The dimension-specific results, which demonstrated differences in the effect, including training positively predicting technical competence and performance management affecting behavioral competence, have practical implications in the work of the organization, striving to create specific interventions. The non-significant contribution of compensation and career development to the managerial competence in such rural environment is perhaps the indicative of the fact that financial benefits and promotion are limited by the size and resources of organization, so these two aspects play less significant role than learning and development opportunities which managers in these institutions attach higher importance.

Contextual Factors Shaping Effectiveness

Additional insights are brought by the mediation and moderation analyses on when and how the HR strategies are translated into managerial competence. The large mediation contribution of organizational learning culture (around a third of the overall impact) proves that HR strategies do not act independently but rather necessitate a favorable organizational culture where the continuous improvement, experimentation, and share of knowledge is valued. Companies that are at the point of developing learning cultures multiplier the effectiveness of investments made by their HRs, making it synergistic in which formal training initiatives are enhanced with informal learning experiences and colleagueships. Likewise, the quality of technology infrastructure as mediator shows that despite well-meaning HR programs, that need to have proper technological underpinnings, in this case, reliable internet connection, proper hardware and software, and digital collaboration tools are necessary to be completely effective in e-business. Organizational size, educational background, and previous exposure to training, as moderating factors, demonstrate useful heterogeneity in the ways of beneficence of HR strategies by different managers and organizations. The middle-sized organizations seem to be further prepared to transform HR strategies to yield competence gains, presumably due to its resources in order to execute extensive programmes without the inflexibility of big bureaucracies. The high moderating value of formal management training in the past, as indicated by the biggest change in the value of R-squared of 0.062 result, is that formal management training forms a mental structure and helps managers, to a greater degree, assimilate and transfer new learning effectively, which basically forms a learning how to learn advantage that increases over time. All these contextual factors hence imply that rural e-business organizations do not easily just adapt urban HR but rather should critically consider adjusting strategies to their own resources, circumstances and their workforce so as to have the most developmental impact.

Conclusion

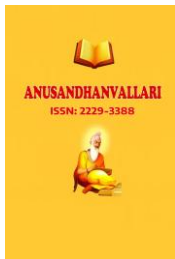
This research presents a strong empirical data to prove that the HR strategies in e-business organizations undertaking operations within the rural villages of Raipur can influence managerial competence to a considerable extent, with practices of training and development, performance management, and knowledge management turning out to be the strongest forces influencing competence development. The study shows that Although the rural e-business managers are rich in behavioural and situational competencies based on interpersonal skill and local market knowledge, there are serious gap in technical and strategic competencies that are needed to prolong the competitive advantage in the digital economy. The statistical result that human resource strategies as a group



accounted 62.4 percentage variance of competence in the managers provides confirmation of strategic significance of systematic human resource management, considering 83.9 percentage of managers started their jobs without proper training in digital business. Nevertheless, the effect of HR strategies is highly mediated by organizational learning culture and quality of technology infrastructure and moderated by such factors as organizational size and educational background and experience of past management training, which clearly indicate that context is critical in the transformation of HR investment into competence gains. The average level of overall HR strategies application with specific areas of weaknesses in knowledge management and career development practices indicates that the rural e-business organizations have already achieved good achievements but they still work far below their full potential. As a practitioner, these results imply the importance of focusing on extensive training initiatives, enhancing performance management measures, developing learning-focused cultures, and proper technology base and considering that single-fit strategy cannot be successful in all the organizational situations and varying managerial backgrounds. The advantages of HR strategies applied in the competence development can be studied longitudinally in the future, the importance of the influence of external ecosystem factors like government support programs and industry networks, as well as the role of competence improvements in terms of an organizational performance outcome and economic development in rural regions can be examined.

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