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The Impact of Human Resource Management Strategies on Organizational Performance in the Creative Industry Sector

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Abstract

This study explores the impact of Human Resource Management (HRM) practices on organizational performance in the creative industry sector, focusing on key HRM practices such as recruitment, training and development, performance management, and compensation. Using a quantitative approach, the research employed multiple regression, correlation analysis, and ANOVA tests to assess the influence of these practices on organizational outcomes, including innovation, productivity, and creativity. The results revealed that training and development had the strongest positive impact on organizational performance, highlighting the importance of continuous skill development in fostering innovation. Recruitment practices also significantly influenced organizational performance, particularly in innovation, while compensation had a less pronounced effect, emphasizing the importance of intrinsic motivation in the creative sector. Additionally, organizational size was found to influence HRM effectiveness, with larger organizations reporting better HRM practices. This study fills a gap in the literature by focusing on the creative industry, offering both theoretical and practical contributions to HRM research, and providing actionable insights for HR practitioners in creative organizations. The findings underscore the need for HRM systems that foster creativity, attract talent, and align employee efforts with organizational goals.

INTRODUCTION

Human resource management (HRM) plays a vital role in shaping organizational outcomes, especially in dynamic sectors like the creative industries. The integration of strategic HRM practices is pivotal for enhancing organizational performance, fostering innovation, and adapting to rapid changes in market demands (Jiang et al., 2012). Creative industries, which encompass fields such as advertising, media, design, and fashion, are heavily reliant on skilled labor that drives innovation, collaboration, and organizational growth. HRM in these industries is particularly complex due to the reliance on talent, the dynamic nature of projects, and the necessity for fostering a creative and flexible work environment (Eikhof & Haunschild, 2007; Caves, 2000).

Strategic HRM in the creative industries often adopts a dual approach. The "hard" approach focuses on aligning human resources with the organizational strategy, ensuring that HR practices support the achievement of business goals (Holbeche, 2022; El-Farr & Hosseingholizadeh, 2019). On the other hand, the "soft" approach places emphasis on employee involvement, motivation, and the alignment of personal values with organizational culture (Boxall & Purcell, 2008). These approaches are not mutually exclusive and are often combined to support both the tactical and human-centric needs of creative organizations.

In the creative sector, HRM strategies must consider the unique nature of the workforce, which often includes freelancers, project-based workers, and self-employed professionals (McKeown & Pichault, 2021; Opara et al., 2019). Such employees bring diverse talents and require different HR practices, particularly in recruitment, compensation, and performance management. Talent attraction and retention are significant challenges in the creative industry due to the highly competitive market for creative professionals (Popo-Olaniyan et al., 2022; Monteiro et al., 2020). HRM strategies that emphasize flexible work arrangements, ongoing professional development, and recognition are often crucial in motivating creative employees and ensuring organizational success (Davidescu et al., 2020; Elrayah & Semlali, 2023; Saks, 2022).

Moreover, the creative industries are characterized by a constant need for innovation, which requires HRM strategies to foster a culture of creativity and knowledge sharing. HR practices that encourage teamwork, collaboration, and a positive organizational climate have been shown to improve creativity and innovation (Bulińska-Stangrecka & Bagieńska, 2019). The ability of HRM to create an environment conducive to innovation significantly influences organizational performance (Botelho, 2020; Iqbal, 2019).

The link between HRM strategies and organizational performance in the creative industries has been further explored through studies focusing on high-performance work systems (HPWS), which are designed to enhance employee performance, engagement, and organizational outcomes. These systems include practices such as selective staffing, extensive training, performance-based compensation, and participative work designs (Ho & Kuvaas, 2020; Mowbray et al., 2021). When properly implemented, HPWS can lead to improved job satisfaction, higher productivity, and greater innovation, all of which contribute to overall organizational performance.

Additionally, HRM's role in supporting sustainable innovation is critical for maintaining a competitive edge in the creative industries. The ability of HRM to strategically manage talent, nurture creativity, and foster a culture of innovation can provide significant long-term advantages. As industries increasingly rely on intellectual capital and innovation for competitive advantage, HRM strategies that align with these needs are essential for organizational success (Sokolov & Zavyalova, 2021).

This study investigates the impact of strategic HRM practices on organizational performance in the creative industry sector, focusing on how these practices influence both operational efficiency and creative output. The research aims to provide insights into how HRM strategies can be optimized to support the unique demands of the creative industries and enhance their overall performance. By analyzing various HRM practices and their effects on organizational success, this study contributes to a deeper understanding of the strategic role of HRM in the creative sector and provides practical recommendations for organizations striving to improve their performance in an increasingly competitive and fast-paced market.

METHODS

Research Design

This study employed a quantitative research design to explore the impact of human resource management (HRM) strategies on organizational performance in the creative industry sector. The research aimed to assess how HRM practices such as recruitment, training, performance management, and compensation contribute to innovation, productivity, and overall organizational success. The study involved the collection of primary data using surveys, followed by rigorous statistical analysis to understand the relationships between HRM strategies and various performance outcomes.

Participants

The sample for this study was drawn from employees and HR managers within creative organizations across sectors such as advertising, media, design, and entertainment. A stratified random sampling technique was used to ensure that different subgroups within the creative industry were adequately represented. The population was divided into two main strata: HR managers and creative employees (e.g., designers, writers, and artists). From these strata, 200 participants were randomly selected. This approach ensured that both larger, well-established creative organizations and smaller, independent firms were included in the sample, offering a comprehensive view of the industry's HRM practices across organizational types. The stratified random sampling method was particularly useful in capturing diverse perspectives within the creative sector. It also helped mitigate the potential bias that could arise from focusing solely on one type of organization (e.g., large multinational firms) or one type of employee (e.g., HR managers). The sample was designed to be representative of the broader population of creative organizations, which included a variety of employee roles and organizational structures. The method allowed the study to examine how HRM practices affected organizational performance across different contexts, helping to generalize the findings to a wider range of creative industry organizations.

Instrument

Data were collected using a structured questionnaire designed to measure the key variables of the study: HRM practices and organizational performance. The questionnaire included closed-ended items using a Likert scale (1 = Strongly Disagree to 5 = Strongly Agree) to assess employees' perceptions of HRM strategies and organizational outcomes. The HRM practices were measured based on a framework from existing literature, which highlight practices like recruitment, training, and performance management. The questionnaire was divided into two sections. The first section focused on HRM practices, exploring how recruitment, training, compensation, and performance management were implemented within creative organizations. The second section assessed organizational performance, including both tangible factors such as productivity and intangible elements like employee creativity, innovation, and job satisfaction. Additionally, questions regarding demographic details (e.g., organizational size, employee role) were included to control for potential confounding variables.

Validation of Instrument

Before the main data collection, a pilot study was conducted with a sample of 30 respondents from creative organizations that were not part of the final sample. The pilot test allowed for refinement of the questionnaire to ensure that the items were clear, relevant, and capable of accurately measuring the intended constructs. The feedback from participants was used to adjust the wording and format of certain questions, improving the overall clarity of the instrument.

The content validity of the instrument was ensured through expert review. HRM scholars and industry experts in creative organizations evaluated the questionnaire to confirm that the items effectively captured the key aspects of HRM practices and organizational performance in the creative sector. Their feedback led to minor adjustments in the phrasing of several questions to improve precision and ensure that the questions were reflective of the industry's unique characteristics.

To assess reliability, a Cronbach's Alpha test was conducted using the data from the pilot study. The results indicated that the internal consistency of the questionnaire was high, with a Cronbach's Alpha value exceeding 0.80 for both the HRM practices and organizational performance scales. This demonstrated that the instrument was reliable and could consistently measure the constructs of interest across a sample of respondents.

Data Analysis

The collected data were analysed using a range of statistical techniques to test the research hypotheses and answer the study's key research questions. Initially, descriptive statistics were used to summarize the demographic characteristics of the sample and to provide an overview of the HRM practices employed in the creative organizations. These descriptive statistics provided a foundation for understanding the makeup of the sample and the distribution of key variables. The primary analysis involved multiple regression analysis to examine the relationship between HRM strategies and organizational performance outcomes. In addition, correlation analysis was conducted to explore the relationships between specific HRM practices (e.g., training, compensation) and organizational performance indicators, such as creativity and innovation. To compare the impact of HRM practices on organizational performance across different types of creative organizations, Analysis of Variance (ANOVA) was used. Analysis of Covariance (ANCOVA) was employed to control for confounding variables, such as the size of the organization or employee role.

RESULTS AND DISCUSSION

This is because the study is based in the creative industry sector that covers advertising, design, media, and fashion. These are very dynamic industries that mostly depend on skilled human capital as the key driver to innovation, collaboration and organizational development. Creative organizations, unlike traditional ones, have the special needs in the sphere of human resources management, as the staff can include freelancers, workers who work in the project and independent workers.

In this industry, Human Resource Management (HRM) is very crucial in determining the performance of an organization. Strategic HRM activities that include recruitment, training and development, performance management, and compensation are essential in ensuring that employee skills are matched with the organizational objectives as well as creating creativity and innovation. The necessity of innovations and flexibility of the sector provides additional emphasis on the significance of HRM strategies that would be flexible not only in terms of hard (strategy alignment, performance targets) and soft (worker engagement, motivation, and cultural fit) approaches to organizational behavior.

Table 1. Descriptive Statistics for HRM Practices

HRM Practice	Mean	Std. Deviation	Min.	Max.	Skewness	Kurtosis
Recruitment Practices	4.20	0.85	2.00	5.00	-0.12	-0.34
Training and Development	4.35	0.75	3.00	5.00	-0.45	-0.21
Performance Management	4.10	0.90	2.50	5.00	-0.10	-0.25

Compensation Practices	3.95	0.80	3.00	5.00	-0.20	-0.10

Recruitment Practices: The mean score of 4.20 indicates that HR practices related to recruitment are viewed positively by the respondents. The standard deviation of 0.85 shows moderate variability in responses. A skewness of -0.12 suggests a near-normal distribution, and the kurtosis value of -0.34 implies a distribution with a slightly flatter peak than a normal distribution, indicating some variation in respondents' perceptions. Training and Development: With a mean of 4.35 and a relatively low standard deviation of 0.75, training and development practices are also viewed positively, with less variation in responses. The negative skewness (-0.45) shows a tendency toward higher agreement, while the kurtosis value of -0.21 suggests a distribution close to normal. Performance Management: The mean score of 4.10 suggests that respondents generally agree that performance management practices are effective. The standard deviation of 0.90 indicates moderate variability in responses. The near-zero skewness (-0.10) and negative kurtosis (-0.25) imply that the distribution is almost normal, with slight flattening. Compensation Practices: A mean of 3.95 reflects a positive perception of compensation practices, though slightly lower than recruitment or training. The standard deviation of 0.80 indicates some variability, while the skewness of -0.20 and kurtosis of -0.10 indicate a near-normal distribution with a slight tendency towards higher agreement on the effectiveness of compensation practices.

Table 2. Descriptive Statistics for Organizational Performance

Organizational Performance Indicator	Mean	Std. Deviation	Min.	Max.	Skewness	Kurtosis
Innovation	4.50	0.70	3.00	5.00	-0.20	-0.10
Productivity	4.20	0.80	2.50	5.00	-0.15	-0.05
Employee Creativity	4.30	0.75	3.00	5.00	-0.25	-0.30
Job Satisfaction	4.40	0.65	3.50	5.00	-0.10	-0.15

The mean of 4.50 indicates a very positive perception of innovation in organizations, with the majority of respondents agreeing that HRM practices contribute to a culture of innovation. The standard deviation of 0.70 shows relatively low variability, suggesting that responses are consistent. The skewness of -0.20 suggests a slightly higher tendency toward agreement, while the kurtosis of -0.10 indicates near-normal distribution. A mean of 4.20 reflects a strong positive perception of productivity, with a standard deviation of 0.80 indicating moderate variability in responses. The skewness of -0.15 suggests a slight tendency toward higher agreement, and the kurtosis value of -0.05 suggests a distribution that is close to normal. With a mean of 4.30, employee creativity is also highly regarded. The low standard deviation of 0.75 shows that most respondents perceive HRM strategies as fostering creativity within their organizations. The skewness of -0.25 indicates a slight bias towards higher agreement, while the kurtosis of -0.30 shows a slight flattening of the distribution, indicating some variability in responses. The mean score of 4.40 reflects positive perceptions of job satisfaction, closely aligning with previous studies that have highlighted the importance of HRM practices in employee satisfaction (Liao et al., 2009). The standard deviation of 0.65 shows little variation in responses, and the skewness of -0.10 suggests a near-normal distribution.

From these descriptive statistics, we can see that HRM practices, especially in areas such as training, recruitment, and performance management, are generally viewed positively in terms of their contribution to organizational performance. Employees perceive these practices as facilitating innovation, improving productivity, enhancing creativity, and increasing job satisfaction. There is a tendency for respondents to agree more strongly with the effectiveness of HRM strategies, with skewness values indicating a preference for higher agreement.

Table 3. Multiple Regression Analysis: Relationship Between HRM Practices and Organizational Performance

Independent Variables	Unstandardized Coefficients (B)	Standardized Coefficients (Beta)	t-value	p-value	R^2
Recruitment Practices	0.25	0.32	4.21	0.001	0.43
Training and Development	0.28	0.34	4.55	0.000	
Performance Management	0.23	0.29	3.95	0.001	
Compensation Practices	0.18	0.22	2.85	0.005	

The unstandardized coefficient of 0.25 and the standardized coefficient (Beta) of 0.32 indicate that recruitment practices significantly impact organizational performance. The p-value of 0.001 (less than the 0.05 threshold) suggests that this effect is statistically significant. This result supports the notion that effective recruitment practices enhance organizational performance, aligning with prior research (Huselid, 1995; Liao et al., 2009). With an unstandardized coefficient of 0.28 and a standardized coefficient of 0.34, training and development have the strongest impact on organizational performance among the HRM practices. The p-value of 0.000 confirms the statistical significance of this relationship. This finding is consistent with studies suggesting that training programs boost employee productivity and innovation (Papa et al., 2020). The unstandardized coefficient of 0.23 and the standardized Beta of 0.29 indicate a significant, albeit slightly weaker, impact on organizational performance. The p-value of 0.001 confirms this relationship, supporting literature that highlights the role of performance management in driving creativity and job satisfaction. The compensation practices coefficient of 0.18 with a Beta of 0.22 suggests a moderate but significant relationship with organizational performance. The p-value of 0.005 shows that this effect is statistically significant, though weaker compared to other HRM practices. This is consistent with past research, which indicates that compensation is important but might not be as influential as training or recruitment (Ashraf, 2020). The R^2 value of 0.43 suggests that the HRM practices together explain 43% of the variance in organizational performance. This shows a moderate fit of the model, with other factors beyond HRM strategies potentially influencing performance outcomes.

Table 4. Correlation Analysis (Relationship Between HRM Practices and Innovation)

HRM Practice	Innovation (r)	p-value
Recruitment Practices	0.52	0.000
Training and Development	0.57	0.000
Performance Management	0.49	0.001
Compensation Practices	0.45	0.002

The correlation of 0.52 between recruitment practices and innovation suggests a moderate positive relationship. This means that better recruitment practices tend to be associated with higher innovation in organizations. The p-value of 0.000 indicates that this relationship is statistically significant. The correlation of 0.57 is the highest, indicating a strong positive relationship between training and innovation. This result is consistent with literature showing that employee development initiatives, such as training, significantly contribute to fostering innovation in organizations. A correlation of 0.49 indicates a moderate positive relationship between performance management and innovation. The result supports findings in previous research that highlight the importance of aligning performance management systems with innovation objectives. The correlation coefficient of 0.45 suggests a moderate positive relationship, albeit slightly weaker than the other HRM practices. This aligns with previous studies which show that while compensation is important, its impact on innovation may not be as direct or significant as training or performance management.

Table 5. ANOVA (Organizational Type and HRM Practices)

Organizational Type	Mean Recruitment Practices	Mean Training & Development	Mean Performance Management	Mean Compensation Practices
Small Organizations	3.85	3.95	3.70	3.80
Medium Organizations	4.20	4.40	4.10	4.00
Large Organizations	4.40	4.55	4.30	4.20
F-value	7.35	9.12	8.67	6.94
p-value	0.001	0.000	0.000	0.001

The ANOVA results indicate significant differences in the perception of HRM practices across organizations of different sizes for all four HRM practices. The F-values for recruitment (7.35), training (9.12), performance management (8.67), and compensation (6.94) are all significant at the 0.05 level, as the p-values are less than 0.05. Large organizations (mean = 4.40) reported higher recruitment effectiveness compared to small organizations (mean = 3.85). This result suggests that larger organizations may have more formal and structured recruitment processes. Again, large organizations scored the highest (mean = 4.55) in training and development, with medium organizations (mean = 4.40) and small organizations (mean = 3.95) following. This trend indicates that larger organizations may invest more resources into employee development programs. A similar pattern emerged for performance management, with larger organizations rating this practice higher. The difference suggests that large organizations may have more sophisticated and comprehensive performance management systems. Compensation practices were also rated highest by large organizations (mean = 4.20), highlighting that larger organizations may offer more competitive compensation packages, although the difference is relatively smaller compared to other HRM practices.

These inferential statistics provide strong evidence that HRM practices significantly influence organizational performance in the creative sector. Regression analysis revealed that recruitment, training, performance management, and compensation all have a positive impact on performance outcomes, particularly innovation. Correlation analysis further supported this, with HRM practices showing strong relationships with organizational innovation. Additionally, ANOVA results demonstrated that larger organizations tend to report more favorable perceptions of HRM practices, indicating a potential link between organizational size and the effectiveness of HRM strategies. These findings align with existing research on the importance of HRM practices in enhancing organizational performance (Collin et al., 2020) and suggest that organizations in the creative sector can improve performance by refining HRM practices, particularly in training and recruitment.

Table 6. ANOVA Results for HRM Practices Across Organizational Types

Organizational Type	Mean Recruitment Practices	Mean Training & Development	Mean Performance Management	Mean Compensation Practices
Small Organizations	3.85	3.95	3.70	3.80
Medium Organizations	4.20	4.40	4.10	4.00
Large Organizations	4.40	4.55	4.30	4.20
F-value	7.35	9.12	8.67	6.94
p-value	0.001	0.000	0.000	0.001

The F-value of 7.35 and the p-value of 0.001 indicate a significant difference in the perception of recruitment practices across different organizational types. Large organizations (mean = 4.40) reported more effective recruitment practices compared to small organizations (mean = 3.85). The results suggest that larger organizations may have more structured, formal recruitment processes in place, allowing them to attract more skilled employees. The F-value of 9.12 with a p-value of 0.000 indicates a statistically significant difference in training and development practices across organizational sizes. Large organizations (mean = 4.55) rated training and development higher compared to both medium (mean = 4.40) and small organizations (mean = 3.95). This aligns with prior research suggesting that larger organizations tend to allocate more resources to employee development (Jimenez-Jimenez & Sanz-Valle, 2005). The F-value of 8.67 with a p-value of 0.000 also reveals significant differences in performance management practices across organizational sizes. Large organizations (mean = 4.30) reported more advanced or effective performance management systems, while small organizations (mean = 3.70) reported lower ratings. This finding is consistent with studies suggesting that performance management systems tend to be more formalized and effective in larger firms. The F-value of 6.94 with a p-value of 0.001 indicates that compensation practices differ significantly across organizational sizes. Large organizations (mean = 4.20) rated compensation more favorably compared to small organizations (mean = 3.80). This suggests that larger organizations may offer more competitive or varied compensation packages, which is consistent with research that suggests larger firms have more resources to offer better compensation packages to attract and retain talent.

Table 7. Post-Hoc Tukey Test Results for HRM Practices Across Organizational Types

Organizational Comparison	Recruitment Practices (p-value)	Training & Development (p-value)	Performance Management (p-value)	Compensation Practices (p-value)
Small vs Medium	0.05	0.01	0.04	0.10
Small vs Large	0.01	0.000	0.001	0.03
Medium vs Large	0.25	0.15	0.30	0.45

The p-value of 0.05 suggests a marginally significant difference in recruitment practices between small and medium organizations. Medium organizations (mean = 4.20) had more favorable perceptions of recruitment practices than small organizations (mean = 3.85), likely due to better recruitment systems and practices. The p-value of 0.01 shows a significant difference in training and development, with medium organizations (mean = 4.40) rating their training programs higher than small organizations (mean = 3.95). The p-value of 0.01 suggests a significant difference between small (mean = 3.85) and large organizations (mean = 4.40), indicating that large organizations have significantly better recruitment practices. With a p-value of 0.000, the difference between small (mean = 3.95) and large organizations (mean = 4.55) is highly significant, highlighting the stronger training and development programs in larger organizations. The significant p-value of 0.001 between small (mean = 3.70) and large organizations (mean = 4.30) indicates that larger organizations tend to have better performance management systems. No significant differences were found between medium (mean = 4.20) and large organizations (mean = 4.40) in recruitment practices, training and development, or performance management, as indicated by the p-values (all greater than 0.05). This suggests that, although large organizations tend to have slightly better HRM practices, the differences between medium and large organizations are not statistically significant.

Discussion

This study examined the impact of Human Resource Management (HRM) practices on organizational performance within the creative industry sector. The key HRM practices investigated recruitment, training and development, performance management, and compensation have been linked to a variety of organizational outcomes in previous research. The results from the statistical analysis (multiple regression, correlation, ANOVA) confirm that these HRM practices play a significant role in enhancing organizational performance, particularly in areas such as innovation, productivity, and creativity.

HRM Practices and Organizational Performance

The findings from the multiple regression analysis indicate that all four HRM practices significantly contribute to organizational performance, with training and development having the strongest impact. This result aligns with existing literature that emphasizes the role of employee training in fostering innovation and improving overall performance. For instance, Jimenez-Jimenez and Sanz-Valle (2005) found that investment in training programs can directly contribute to increased organizational innovation. Similarly, Memon et al. (2021) highlight the relationship between HRM practices, particularly training, and improved organizational outcomes such as productivity and job satisfaction.

The recruitment practices also showed a positive relationship with organizational performance, particularly in innovation. This supports the assertion that effective recruitment processes allow organizations to attract talent that is well-suited to their strategic goals. The recruitment process is critical in the creative industry, where attracting the right talent can determine the success of innovation and creativity.

Performance management, while slightly weaker in its influence compared to training, still showed a statistically significant relationship with organizational performance. This finding aligns with previous studies, which suggest that performance management systems help align employee efforts with organizational goals, fostering higher productivity and job satisfaction. Compensation practices, while important, exhibited a relatively weaker influence on organizational performance in this study compared to the other HRM practices. This result may seem counterintuitive, but it is consistent with studies that have found that compensation alone may not be as significant as factors like job satisfaction, training, and performance management in driving performance.

Organizational Type and HRM Perceptions

The ANOVA results showed significant differences in HRM practices across organizational types, with larger organizations generally reporting more effective HRM systems. This is consistent with literature that suggests larger firms are better equipped to implement formal and structured HRM systems (Harney & Alkhalaf, 2021). These organizations often have more resources to invest in comprehensive recruitment strategies, training programs, performance management systems, and competitive compensation packages. Conversely, small and medium sized organizations, due to resource constraints, may have less structured HRM practices, which could explain the lower ratings for HRM practices in these organizations.

However, the lack of significant differences between medium and large organizations, particularly in compensation and performance management practices, suggests that organizational size does not necessarily translate into differences across all HRM dimensions. In line with Yadegaridehkordi et al. (2023) finding highlights that while larger firms may have more resources, medium sized firms can also be effective in implementing strategic HRM practices if they allocate their resources wisely.

Addressing Gaps in Literature

This study contributes to the literature by focusing specifically on the creative industry sector, an area that has been under researched compared to other industries. While much of the existing research on HRM practices and organizational performance has been conducted in sectors like manufacturing and services, fewer studies have explored how HRM practices affect performance in creative industries, which are heavily reliant on innovation and employee creativity. By focusing on this sector, this study addresses a gap in the literature and provides insights into the unique HRM needs of organizations in creative fields.

Furthermore, this study expands on prior work by using a quantitative approach to rigorously test the impact of HRM practices on organizational performance. Most studies in the HRM field, especially those focused on creative industries, have employed qualitative or case study approaches, which often provide rich but non-generalizable findings. By using regression analysis, correlation analysis, and ANOVA, this study adds robust statistical evidence to the growing body of research on the effectiveness of HRM practices in driving organizational success.

Lastly, the study adds to the conversation on the role of organizational size in shaping HRM perceptions and practices. While previous studies have suggested that larger organizations tend to have more effective HRM practices, this study confirms these findings within the context of the creative industry and provides a nuanced understanding of how organizational size influences HRM effectiveness.

Practical Implications

The findings of this study have important implications for practitioners in the creative sector. First, the strong link between training and development and organizational performance highlights the need for organizations to prioritize employee development to foster innovation and creativity. Training programs should be tailored to the needs of creative professionals, focusing not just on technical skills but also on fostering soft skills such as problem-solving and collaboration. Additionally, recruitment strategies should focus on attracting individuals with the creativity and skills that align with the organization's innovation goals.

For small and medium-sized organizations, the results underscore the importance of maximizing available resources to implement HRM practices that support innovation and creativity. These organizations may benefit from adopting more structured HRM practices, especially in recruitment and training, to compete with larger firms

CONCLUSION

This study highlights the pivotal role of Human Resource Management (HRM) practices in enhancing organizational performance within the creative industry sector. The findings suggest that practices such as training and development, recruitment, and performance management are essential for fostering creativity, innovation, and overall productivity. Training and development stood out as the most significant factor, which aligns with research emphasizing its importance in building a skilled workforce capable of adapting to the dynamic nature of the creative sector. This focus on continuous learning enables organizations to keep pace with industry changes and remain competitive. In addition, recruitment practices were found to be crucial in ensuring the attraction of talent that aligns with organizational values, which is particularly vital in creative industries where innovation is key to success. The relatively weaker impact of compensation in this study suggests that non-financial motivators, such as autonomy and recognition, play a more significant role in driving performance in the creative sector. Furthermore, the study revealed that organizational size influences the effectiveness of HRM practices, with larger organizations benefiting from more structured HR systems, although small and medium sized enterprises can still achieve similar results with the right focus. These findings contribute to the HRM literature by filling a gap in research on creative industries and offering practical insights for HR practitioners in this field. The study underscores the importance of aligning HRM practices with the unique needs of the creative sector, particularly in fostering innovation and organizational success.

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