



IMPACT OF HUMAN RESOURCE MANAGEMENT ON ORGANIZATIONAL PERFORMANCE

Prof. Avinash Suresh Meherkar

Assistant Professor in English, Shri Shivaji Arts, Commerce & Science College,
Motala Dist. Buldana

ABSTRACT

Human resource management is the management of human resources which actually are Human beings who are healthy, educated, and mentally strong can proved to be useful for a country or community and is treated as resources themselves. HRM focuses on maximizing employee productivity, strategic initiatives like mergers and acquisitions, talent management, succession planning, industrial and labor relations and diversity and inclusion.

The Human Resources field evolved first in 18th century in Europe. It built on a simple idea by Robert Owen (1771-1858) and Charles Babbage (1791-1871) during the revolution. Who concluded that people were crucial to the success of an organization. In 1985 The government of India created ministry Human resource development with an aim to improve people's skills. HRM has four basic functions: staffing, training and development, motivation and maintenance. Several researches in literature point to the fact that HRD is a vital strategy for the improvement of employees for the attainment of organizational goals of enhanced products and service delivery for the survival and growth of any enterprise either in public or private sector. However, the study shows that although HRD impact strongly on employee performance, but this is not totally sufficient for sustainability and growth to be achieved in the industrial sector. So there is also the need to tackle the issue in future.

Introduction

Human resource management is the management of human resources.

Human beings who are healthy, educated, and mentally strong can proved to be useful for a country or community and are treated as resources themselves these are called Human Resources.

People are a nation's greatest resource. Nature's bounty becomes significant only when people find it useful. It is people with their demands and abilities that turn them into 'resources'. Hence, human resource is the ultimate resource. Healthy, educated and motivated people develop resources as per their requirements. Human resources like other resources are not equally distributed over the world. They differ in their educational levels, age and sex. Their numbers and characteristics also keep changing.

Commonly referred to as the HR Department, Human Resource Management is designed to maximize employee performance in the service of an employer's strategic objectives. HR is primarily concerned with the management of people within organizations, focusing on policies and on systems. HR departments are responsible for overseeing employee-benefits design, employee recruitment, training and development, performance appraisal, and rewarding. HR also concerns itself with organizational change and industrial relations, that is, the balancing of organizational practices with requirements arising from collective bargaining and from governmental laws.

Human resources focuses on maximizing employee productivity HR professionals manage the human capital of an organization and focus on implementing policies and processes. They can specialize in recruiting, training, employee-relations or benefits. Recruiting specialists find and hire top talent. Training and development professionals ensure that employees are trained

and have continuous development. This is done through training programs, performance evaluations and reward programs. Employee relations deal with concerns of employees when policies are broken, such as in harassment or discrimination. Someone in benefits develops compensation structures, family-leave programs, discounts and other benefits that employees can get. On the other side of the field are Human Resources Generalists or business partners. These human-resources professionals could work in all areas or be labor-relations representatives working with unionized employees.

HR is a product of the human relations movement of the early 20th century, when researchers began documenting ways of creating business value through the strategic management of the workforce. It was initially dominated by transactional work, such as payroll and benefits administration, but due to globalization, technological advances, and further research, HR as of 2015 focuses on strategic initiatives like mergers and acquisitions, talent management, succession planning, industrial and labor relations, and diversity and inclusion. In the current global work environment, most companies focus on lowering employee turnover and on retaining the talent and knowledge held by their workforce. New hiring not only entails a high cost but also increases the risk of a newcomer not being able to replace the person who worked in a position before. HR departments strive to offer benefits that will appeal to workers, thus reducing the risk of losing corporate knowledge.

History (Theoretical developments)

The Human Resources field evolved first in 18th century in Europe. It built on a simple idea by Robert Owen (1771-1858) and Charles Babbage (1791-1871) during the industrial revolution. These men concluded that people were crucial to the success of an organization. They expressed the thought that the well-being of employees led to perfect work; without healthy workers, the organization would not survive. HR emerged as a specific field in the early 20th century, influenced by Frederick Winslow Taylor (1856–1915). Taylor explored what he termed "scientific management" striving to improve economic efficiency in manufacturing jobs. He eventually focused on one of the principal inputs into the

manufacturing process labor sparking inquiry into workforce productivity.

The Government of India has a Ministry of Human Resource Development. The Ministry was created in 1985 with an aim to improve people's skills. This just shows how important people are as a resource for the country.

Birth and development of the discipline

By the time enough theoretical evidence existed to make a business case for strategic workforce management, changes in the business landscape and in public policy had transformed the employer-employee relationship, and the discipline became formalized as "industrial and labor relations. In the Soviet Union, meanwhile, Stalin's use of patronage exercised through the "HR Department" demonstrated the effectiveness and influence of human-resource policies and its practices, and Stalin himself acknowledged the importance of the human resource.

In the late 20th century, development in transportation and communications greatly benefitted workforce mobility and collaboration. Corporations began viewing employees as their property. "Human resources management" consequently became the dominant term for the function. At the macro-level, HR is in charge of overseeing organizational leadership and culture. HR also ensures compliance with employment and labor laws, which differ by geography, and often oversees health, safety, and security.

Human Resource Management has four basic functions: staffing, training and development, motivation and maintenance. Staffing is the recruitment and selection of potential employees, done through interviewing, applications, networking, etc. Training and development is the next step in a continuous process of training and developing competent and adapted employees. Here, motivation is seen as key to keeping employees highly productive. This function can include employee benefits, performance appraisals and rewards. The last function of maintenance involves keeping the employees' commitment and loyalty to the organization. Some businesses globalize and form more diverse teams. HR departments have the role of making sure that these teams can function and that people can communicate across cultures and across borders. The discipline may also engage in mobility management, especially for expatriates; and it is frequently involved in the merger and acquisition process. HR is

generally viewed as a support function to the business, helping to minimize costs and reduce risk.

In startup companies, trained professionals may perform HR duties. In larger companies, an entire functional group is typically dedicated to the discipline, with staff specializing in various HR tasks and functional leadership engaging in strategic decision-making across the business. To train practitioners for the profession, institutions of higher education, professional associations, and companies have established programs of study dedicated explicitly to the duties of the function. Academic and practitioner organizations may produce field-specific publications. HR is also a field of research study that is popular within the fields of management and industrial/organizational psychology, with research articles appearing in a number of academic journals, including those mentioned later in this article.

Some individuals in HR and related fields, such as industrial & organizational psychology and management, are professors who teach HR principles at colleges and universities. They are most often found in Colleges of Business in departments of HR or Management. Many professors conduct research on topics that fall within the HR domain, such as financial compensation, recruitment, and training.

Employee development and organizational performance

Studies have shown that for any organization to achieve enhanced service delivery and profitability; competent employees are required. In this regard, human resource development (HRD) of an organization could be seen as strategy to improve the capacity of employees, bring about organizational commitment (OC) and promote performance.

The twenty-first century organizations are faced with the task of achieving the best possible results in terms of efficiency and effectiveness in products/service delivery and profit maximization with available employees at their disposal. As a result, the concept of human resource development (HRD) has emerged as strategy to enhance the capacity of available employees in organizations for performance. And any financial sector is not an exception in the area of staff development for performance. Studies have shown that the success of an

organization is highly dependent on the skills, knowledge and experience of its employees, which is a direct product of adequate human resource development capability of that particular organization. Mohammed the great scholar posts that “the success and progress of an organization depend on its ability to maximally explore the talent and potentials of its workforce.” And this is more likely to be achieved through the purposeful HRD capability of an organization.

According to Rodrigues and Chincholkar (2005, pp. 6-20), “HRD is the process of enabling people to make things happen.” This means that without availability of capable employees (in terms of required skills, knowledge and experience) to make things happen in the area of quality products/service delivery and profit maximization, the enhanced goal attainment of that particular organization becomes a mirage. Researcher have shown that one of the major challenges facing modern organizations in the twenty-first century is on how to put in place strategies to motivate and encourage their employees to get committed to organizational ideals and aspirations; and also on how to translate these ideals and aspirations into enhanced productivity of the workforce and the organization. In this regard, Ejiofor and Mbachu (2001, pp. 121-126), point out that “...no other factor is as important as human resource in maintaining corporate stability, development and profitability of an enterprise...” Therefore, the successful mobilization of employees to get committed to the ideals and aspirations of an organization (organizational commitment) for the purpose of enhancing its growth and profitability is sine-qua-non to organizational survival. Kim et al (2005, pp. 171-193), see organizational commitment (OC) as loyalty to the organization and mobilization of all employees in the development of its goals, purposes and infrastructure.

Previous researches point to a significant relationship between compensation, supervisory support, readiness for change, social relationship, job satisfaction and organizational commitment of the employees in the workplace

Several researches in literature point to the fact that HRD is a vital strategy for the improvement of employees for the attainment of organizational goals of enhanced products and service delivery for the survival and growth of any enterprise either in public or private sector

According to Harbison and Myers (1964) HRD is the process of increasing the knowledge, skills, and capabilities of all people in a given society or organization. Probably, what appears to be a comprehensive conceptualization of HRD was given by Rodrigues and Chincholkar (2005, pp. 6-20) as the process of improving, moulding and changing skills, knowledge, creative abilities, aptitude, attitude, values, commitment, based on present and future job and organizational requirements for improved productivity in the workplace.

Riordan et al (2005, pp. 471-488), argue that appropriate, ongoing training enables employees to develop the knowledge required for effective performance in an organization for higher productivity.

The conceptualization of HRD by the various scholars have point out the fact that it is a medium by which employees in an organization are transformed from their present state, to a desired state of affairs in the area of improved skills and knowledge through training (capacity building) ability for the purpose of achieving enhanced performance of organizational workforce. This means that an organization that lacks the ability to improve its employees in the area of training for required skills and knowledge through the adoption of the strategy of HRD is more likely not to have in its employment the competent manpower needed to achieve its goals of enhanced products/service delivery for profit maximization.

Few limitation of HR

An important limitation of this research but also of many other studies in this area, is the hidden assumption that the same mix of HR practices will work for all organization. Therefore the inclusion of HR strategy in research designs will be an important addendum. The possibility of considering various data sources (employee, client and "objective" performance data) is an important and unique advantage of this study. However it has also some drawback. The scales used are not based on previous academic

literature. In further research, validated scales should therefore be employed. Moreover, the disadvantage of using secondary data is that not all the desired research concepts were covered in the data.

CONCLUSION

This study was primarily carried out to examine the impact of HRD on employee performance. The study provides an insight into the relevance of HRD and how they impact on employees' performance in the workplace. However, the study shows that although HRD impact strongly on employee performance, but this is not totally sufficient for sustainability and growth to be achieved in the industrial sector. This implies that in spite of the positive impact of HRD on employee performance, there is also the need to tackle the issue in future.

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