

HUMAN RESOURCE MANAGEMENT AND THE ROLE IN ORGANIZATIONAL PERFORMANCE

MANU P

Assistant Professor

Department of Business Administration

R Sankar Memorial SNDP Yogam College, Koyilandy

ABSTRACT

This study explores the intricate patterns of the relationships between Human Resource Management (HRM) practices and the performance. The purpose of this paper discovers rule and effect of Human Resource Management practices on employees. The Department of Human Resources Management occupies place in all companies and institutions - whatever its field of work - it specifies and placement of employees and solve their issues. HRM is the essential foundation of organizational performance. Organizational performance ensures the continuity of organization to be competitive in the global market. In this paper we introduced the concept of human resources management, Human resources management functions, the challenges it faces and its role in the success of the institution, the strategies used in achieving the objectives of human resources management, the definition of institutional performance and the rules of institutional performance, the relationship between human resource management and institutional performance.

Keywords: Human Management Resource, Performance, Performance

INTRODUCTION

Human resources an important element in the institution, human resources is capable of innovation, replenishment, development and implementation and seeks to favor the value of the enterprise. Therefore, the management of human resources in the institution observe range of challenges in the selecting suitable staff for the institution and to meet the requirements work. Thus, there is need to develop the ideas and strategies to improve Interaction between employees and employers and develop a comprehensive vision to help human resources Managers to get better results and improved performance.

The first officially department to human resources management has been identified since the 1920s (Ferris, Buckley, 1999). Typically, managers viewed the department of human resources management as a tool to dealing with staff, saving reports, and maintaining organizations. Today, the world recognizes the importance of human resources in achieving access in the efficient way. Only a few axes can devise the hidden power of human resources and introducing them into market leaders. HRM's function has evolved to become a strategic partner, exchanging ideas, points of view, and resources with marketing, finance, and accounting department. (Lee, Wu, & Others, 2009).

Organizations seek to improve organizational performance, create competition between them, take more markets, more customers, more sales, and achieve goals such as: cost reduction, sales levels, increased customer numbers, increased market share, improved productivity and quality, And innovative products. These goals will be achieved through human resources and human resources management in organizations, as the key to. :

- The studies indicate that the purpose of strategic human resources management to improve business performance through personnel management. The question that inspired this paper how human Resources management improves the performance.
- Human resource management
- Before defining human resources management, we need to know the concept of human resources. Human resources are all individuals and manpower in an organization or company, including managers and employees.

LITERATURE REVIEW

There is a enlarge form of research that recommend that HRM practices possess a notable impact on organizational performance. For example, a study by Huselid (1995) found that a set of HRM operations, which he called "high-performance work practices," were associated with significantly higher levels of financial performance. These practices included employee selection based on job-related criteria, training and development, performance appraisal, and compensation linked to performance. Another study, by Pfeffer (1998), found that a number of HRM practices, such as providing employees with opportunities for growth and development, giving them a voice in decision-making, and treating them with respect, were associated with higher levels of employee satisfaction and performance. These studies suggest that HRM could be a strong device for improving organizational performance. Although, it is essential to record that the effect of HRM practices will vary depending on the specific context of the organization. For example, the effect of Human Resource Management operation execution may be greater in some industries than in others.

OBJECTIVE OF THE STUDY

- Impact of Human Resource Management on Organizational Performance
- Role of Human Resource Management in Improving Organizational Performance
- To Study the relationship between Human Resource Management Practices and Perceived Organizational Performance.
- To examine the mediating role of Team Competence in the relationship between Human Resource Management Practices and Perceived Organisational Performance.

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) "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) 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-quanon to organizational survival. Kim et al (2005) 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

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) 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) argues 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.

DEFINITION OF STRATEGIC HUMAN RESOURCES MANAGEMENT

Human resources management has more than meaning. The first definition of HRM is the process of managing people in organizations in a structured and thorough manner. This covers the fields of staffing (hiring people), retention of people, pay and perks setting and management, performance management, change management. This is the classical definition of HRM which leads some experts to define it as a modern version of the Personnel Management function that was used earlier.

The second definition of human resources management involves managing people in the form of a collective relationship between management and staff. This approach focuses on the objectives and results of the human resources management function. that means the human resource function in contemporary organizations is concerned with the concepts of empowering people, developing individuals, and focusing on relationship consolidation between management and staff. Therefore, the human resources management is "both the art of managing people by recourse to creative and innovative approaches".

LIMITATION AND CHALLENGES OF HUMAN RESOURCES MANAGEMENT

In view of the recent developments that accompanied the phenomenon of globalization and the technological developments in this time, this requires business organization to add practices and strategies that increase the flexibility of performance and the speed of

adaptation. the most prominent obstacles and challenges faced the process of human resources management, the following:

Globalization: Today's the technological development and its drastic changes in the work environment have an impact on human resources management in terms of the problems and laws.

Changing Demographics of Workforce: Reflects the frequent tweaking of the workforce on the performance of human resources management.

Government legislation and laws: Government regulations are the basic structure governing the performance of human resources managers, as they are the primary administrative authority of administration in the institution.

HUMAN RESOURCES MANAGEMENT FUNCTIONS

Strategic Management : The strategic management of human resources improves the company's net profit by knowing how human capital affects organizational success.

Training and Development : Human resources training and development specialists coordinate new staff orientation, a fundamental step in establishing a strong relationship between employer and employee. HR training and development also provides training that supports the Company's fair recruitment practices and staff development to prepare leaders who aspire to supervisory and managerial roles.

Employee Satisfaction : Personnel Relations Officer at the Human Resource Management Division assists the organization in achieving high standards of performance, spirits and satisfaction of the employees, by finding ways to enhance the relationship between the manager and the employees.

Employment and on Boarding : HR personnel manage the recruitment process from a CV scan to scheduling interviews to equip new employees. It identifies the most effective ways to recruit applicants, including the assessment of which applicant tracking systems are best suited to the needs of the organization.

Accountability Issues : Human resources staff reduces the Company's exposure and responsibility for allegations of unfair recruitment practices; identify and analyze and solve problems in the workplace.

ORGANIZATION PERFORMANCE

Institutional performance is the sum of the outputs that the institution aims to achieve and refers to the means used to achieve those goals.

Organization performance concept: Organizational performance includes three specific areas: financial performance such as profits, return on assets, return on investment; product market such as sales, market share; and shareholder return such as total contributor return, economic value added. (Yip & Others, 2009)

A weak measurement methodology can be a major factor contributing to thwarting the company's progress. on a nether hand, A well-designed performance management system, is a key factor contributing to enhanced management planning and management. In fact, it can be said that property management (PM) allows business management to excel by enhancing motivation, monitoring performance, and improving the 7 degrees of communication, problem diagnosis. (Waggoner & Neely, 1999) In addition, PM can provide an effective approach to the study and definition of management strategy, as well as enabling the correct perception of the current and booming conditions that affect the company's progress. (Lebas, 1995).

THE RELATIONSHIP BETWEEN HUMAN RESOURCES MANAGEMENT AND PERFORMANCE

Organizational performance has a significant impact on the behavior of the companies and their employees. One of the results of this effect the increase in the number and variety of technique and methods to accurately measure performance and the establishment of a gradually important research field for both companies and academics. (Metzger, 2007)

Research has confirmed a relationship between strategic human resources management and business performance. Most studies and publications in human resources management have identified the concept in terms of individual practices, human resource management practices and policies that affect attitudes conducts and employee performance. It focuses on several important practices that positively impact organizational performance, such as HR planning, placement, selection, training, development, reparations, performance management, and employee relations.

Human resources management plays an important role in the management of institutional work, from the strategic planning of the image of the company and Completion of the development process and raising the value of the institution.

CONCLUSIONS

This paper aims to provide an overview of the concept of human resources management and institutional performance, strategic management, the most important strategies in the development of institutional performance, the relationship between human resources management practices and business development, some human resources management objectives such as reduce cost, increase the number of Customer, increased product quality, improved productivity, and The relation between human resource management and organizational performance. Human Resource Management has played an important role in enhancing the relationship and trust between employees and their institutions through training, polarization and motivation.

Human resources department improve the company net profit through knowing how to human capital effects on organizational success. Human resources professionals develop realistic compensation structures that determine the company's competitive wages with other companies in the region, in the same field or companies competing for employees with similar skills. Conduct wage and salary surveys to maintain compensation costs with the organization's current financial position and expected income.

REFERENCES

- Allen, R. S., Dawson, G., Wheatley, K., & White, C. S. (2008). Perceived diversity and organizational performance. *Employee Relations*, 30(1), 20-33.
- Armstrong, M. (1999). *A handbook of Human Resource Management Practice*. Kogan Page: UK.
- Coyne, J. S. (1986). A financial model for assessing hospital performance: an application to multi- institutional organizations. *Hospital & Health Services Administration*, 31(2), 28-40.
- Delery, J.E., & Doty, D.H. (1996). Modes of Theorizing in Strategic Human Resource Management: Tests of Universalistic, Contingency, and Configurational Performance Predictions. *Academy of Management Journal*, 39(4), 802–835.
- Ferris, G., Buckley, R (1999). Human Resource management: Some New Directions. *Journal of Management*, 3(25), 385-415.
- Fornell, C., & Larcker, D. F. (1981). Evaluating structural equation models with unobservable variables and measurement error. *Journal of marketing research*, 18(1), 39-50.

- Jee, F. H., Wu, Y. (2009). The relationship between human resource management practices. taiwan: The International Journal of Human Resource Management.
- Joshi, p. n. (2007). challenges of human resource management in borderless word . researchgate.
- Katou, A. A., & Budhwar, P. S. (2007). The effect of human resource management policies on organizational performance in Greek manufacturing firms. Thunderbird international business review, 49(1), 1-35".
- Katou, A. A., & Budhwar, P. S. (2007). The effect of human resource management policies on organizational performance in Greek manufacturing firms. Thunderbird international business review, 49(1), 1-35.
- Lebas, M. (1995). performance measurement and performance management. International Journal of Production Economics.
- Mellor, S., Barnes-Farrell, J. L., & Stanton, J. M. (1999). Unions as justice-promoting organizations: The interactive effect of ethnicity, gender, and perceived union effectiveness. Sex roles, 40(5-6), 331- 346.
- Petrescu, A. & Simmons, R. (2008). Human resource management practices and workers' job satisfaction. International Journal of Manpower, 29(7), 651-667.
- Singh, K. (2004). Impact of HR practices on perceived firm performance in India. Asia Pacific Journal of Human Resources, 42(3), 301-317.
- Waggoner, D., & Neely, A. (1999). The forces that shape organisational performance measurement system. International Journal of Production Economics.
- Yip,G., & others (2009). measuring organizational performance. journal of management.