



STUDY AND VARIOUS FACTORS OF HRM IN REPUTED INDUSTRIES

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Abstract: Human Resource is the most important asset for any organization and is the source of achieving competitive advantage. For the accomplishment of organization objective, Human resource has become the unending source of strength and ability. To cope up with the competitive edge and challenge of managing Human resource organizations require effective HRM system. This HRM system should further be backed up by sound HRM practices. HRM practices refer to organizational activities directed at managing the human resources and ensuring fulfillment of organizational goals through this Human resource. From existing literature it was found that HRM practices get affected by various factors and directly or indirectly also affects other variables such as employee's behavior, attitude, employee's productivity, relations with other employees and employer, financial and overall performance of the organization. This paper is an attempt to review the existing literature available on HRM Practices to develop an understanding of determinant of HRM Practices and determine the dominant factors.

Keywords: Human Resource, HRM Practices

1.0 Introduction:

The practice of human resource management (HRM) is concerned with all aspects of how people are employed and managed in organizations. It covers activities such as strategic HRM, human capital management, corporate social responsibility, knowledge management, organization development, resourcing (human resource planning, recruitment and selection, and talent management), performance management, learning and development, reward management, employee relations, employee well-being and health and safety and the provision of employee services. HRM practice has a strong conceptual basis drawn from the behavioral sciences and from strategic management, human capital and industrial relations theories. This foundation has been built with the help of a multitude of research projects. While human resource management is sometimes referred to as a "soft" management skill, effective practice



within an organization requires a strategic focus, planning and execution to ensure that people resources can facilitate the achievement of organizational goals. Fundamentally, human resource management is based on the assumption that employees are individuals with varying goals and needs. Human resources should not be categorized with basic business resources; on the other hand, HRM is a strategic, integrated and coherent approach to the employment, development and well-being of the people working in organizations. Human resource management involves all management decisions and action that affect the nature of the relationship between the organization and its employees – its human The characteristics of HRM are that it is diverse, strategic and commitment-oriented, adopts a unitary rather than pluralist viewpoint, is founded on the belief that people should be treated as assets and is a management-driven activity. HRM tends to focus on business values although there is a growing body of opinion that it has also to be concerned with employee-centered outcomes. In its fully developed form, HRM functions as a system it links, integrates and coheres. There are no universal characteristics of HRM. Many models exist, and practices within different organizations are diverse, often only corresponding to the conceptual version of HRM in a few respects.

HRM practice in India: The terms „human resource management“ (HRM) and „human

resources“ (HR) have virtually replaced the term „personnel management“ as a description of the processes involved in managing people in organizations, although what is now described as HRM is in practice often synonymous with what used to be described as personnel management. Michael Armstrong, in *A Handbook of Human Resource Management Practice* (2009), describes Human Resource Management as “the strategic and coherent approach to the management of an organization's most valued assets - the people working there who individually and collectively contribute to the achievement of the objectives of the business.” With the growing importance of human capital as a success factor for today’s organizations, the role of HR has become more critical for corporate India as it offers a way to vault into the global league. The outlook to HRM in India has witnessed a sea-change in the last two decades. Economic liberalization in 1991 created a hyper-competitive environment. As international firms entered the Indian market bringing with them innovative and fierce competitiveness, Indian companies were forced to adopt and implement innovative changes in their HR practices. Increasing demand for skilled performers forced the companies to shift focus on attracting and retaining high-performing employees in a competitive marketplace

Industry/Sector Characteristics:



Over the past decade, the Indian IT sector has become the country's premier growth engine, crossing significant milestones in terms of revenue growth, employment generation and value creation, in addition to becoming the global brand ambassador for India. Industry characteristics might affect HRM activities in different ways. Sectors such as manufacturing, retail, construction, food and health etc. create their own type of HRM systems and practices. Some sectors may require to be more sensitive to the needs of its human resources and some may not depending on the characteristics, skills and abilities of their human resource. To retain human talent companies have to tab the competitors practices. Some sectors offer higher income level, such as health. On the other hand, some industries which depend on continuous technological development and innovation give higher personal satisfaction. pointed out the differences of HRM practices according to industrial characteristics, like the characteristics of training. says firm offers low wage or salaries, it would employ personnel who have lower levels of skills, abilities suggest that, HRM practices vary according to manufacturing processes.

Scope of HRM:

As HRM has tools of a system which attracts, develops, motivates, and retains the

effective functioning related with the people managing, the scope of HRM is very wide. Researches in behavioral sciences show that new trends in managing workers and advances in the field of training have expanded the scope of HR function in recent years. The Indian Institute of Personnel Management has specified the scope of HRM thus.

Personnel aspect: This is concerned with manpower planning, recruitment, selection, placement, transfer, promotion, training and development, lay off and retrenchment, remuneration, incentives, productivity, etc.

Welfare aspect: It deals with working conditions and amenities such as canteens, crèches, rest and lunch rooms, housing, transport, medical assistance, education, health and safety, recreation facilities, etc.

Industrial relations aspect: This covers union-management relations, joint consultation, collective bargaining, grievance and disciplinary procedures, settlement of disputes, etc.

The main aim of the human resources management is using the salaried staff in an organization effectively and salutary for the organization's benefits. Thanks to this productive work environment, organization can reach its goals and continue its functions.

Today, operating organizations continue their existence for different goals according to organization's type and aims. These organizations can be classified as private, non-governmental and public establishment.



While the preferential aim of the public establishments is fulfilling the public's needs, private establishments' aim is earning profit. Non-governmental (civil) establishments' aim is fulfilling the public's needs and carrying on their business like public establishments these three kind of establishments' common aim is giving quality service. There is an important issue to be considered here: All these three organizations need a common ground. This common ground is human resource No matter how strong the financial resources of an organization, probability of success will be low if the human resources do not have sufficient activity.

2.0 literature review:

Kane and Palmer (1995) external factors affecting HR practices are those pressures on organizations that cannot be controlled and changed as per organization needs For adapting in Human recourse management field is important to have a close look on external factors as these impact the HR practices of the organization. To avoid HR burnt HR have to be sure that they paying close attention to external influences. So well-developed strategy for human resources should takes into considers external factors because there is a good chance that these external factors affects the organization work

Satow & Wang (1994) found that due to development in global economy, the international dimension of HR practices has

become more and more significant. The economic crises in 2001 resulted in degrease of demand, and so manufacturing and employment. Besides, many firms cut the wages and salaries of their like many other countries, Turkey w+as under the influence of economic crises in which, similar results were observed.HR practices focus has shifted from traditional topics to wide concepts such as globalization and international competition cite economic recession resulted in reducing workforce in Australia. discusses economic trends, such as unemployment rate, would have influences on any achievement of an organization stressed the significant interference of national economy on HR policies.

G.E. and Sudzina (2012) Organizational culture consists of the core values, beliefs and assumption that are widely shared by members of an organization. It serves a variety of purposes including communicating what the organization “believe in” and “stand for”, providing employees with a sense of direction and expected behavior, shaping employee's attitudes about themselves, the organization and their role. Pedersen reveal that the accessibility of management and the ways in which decisions are made are reflections of an organization's culture pointed that positive culture in organization earns critical acclaim, and has a positive impact on both retention and recruitment. The history and culture of organizations would reveal what



is good, and what is bad for the organization. It demonstrates the characteristics of best employees for that organization. A number of closely related factors, such as history, traditions and past practices tend to generate resistance to change in most organizations

Rosman et al. (2013) found that, HR department practices in health care sector are majorly affected by top management interference. Line managers are those managers to whom individual employees or teams directly report and who have responsibility to a higher level of management for those employees or teams. Line Management participation in designing and implementing HR activities is the key to organizational success. Recent research indicates that there is substantial potential for human resource specialists and line managers to share more effectively responsibility for their organization's human resource activities in business partnerships suggest that, as line managers are responsible for creating value, they should integrate HR practices in their work. Since line managers know the requirement and necessities of their team and department so they can play a important role in structuring effective HR policies managerial style is one the important elements shaping the policies HR department.

Roli Nigam, Zhang Su (2011) in their research titled Management in Emerging versus Developed Countries: A Comparative

Study from an Indian Perspective 1 has done a comparative study on management practices between emerging and developed countries. Globalization and liberalization together have helped many developing countries including India to emerge from their regions and become part of the globalized world. With the opening up of the Indian economy, many Indian multinational companies have started operating abroad in more developed countries. Management in India varies because of cultural and institutional differences. In view of the growing Indian economy, it is of much relevance to understand Indian HRM practices and examine the best cross-cultural strategies for optimal organizational performance across geographical borders. The main objective of this research is twofold: first to show the specificity of the Indian management culture versus developed country management cultures and second, study the performance implications on the subsidiary because of the management culture followed at the foreign subsidiary. For this research, specific articles with a special focus on management, Asian management, and Indian management in particular were strategically identified

3.0 Methodology:

This study is based on both primary and secondary data. Primary data were collected through a structured questionnaire. Random sample technique has been used to interview the HR managers of the firms. A sample of



210 employees was selected from manufacturing firm in Delhi NCR. The questionnaire was developed by using a five point Like scale, From 1= no impact to 5=Great Impact. Data was analyzed using descriptive statistics such as Mean, SD & percentages. Correlation analysis was done to establish the relationship between various HRM practices and Environmental factors.

Role of HRM in IT Industry: People are our greatest asset“ is a mantra that companies have been chanting for years. There are many IT companies which have started putting Human Resources Management (HRM) systems in place that support this philosophy. There are a number of challenges in the Indian IT industry which require the serious attention of HR managers to „find the right candidate“ and build a „conducive work environment“ which will be beneficial for the employees, as well as the organization. The IT industry is already under stress on account of persistent problems such as attrition, confidentiality, and loyalty. Other problems are managing people, motivation to adopt new technology changes, recruitment and training, performance management, development, and compensation management. With these challenges, it is timely for organizations to rethink the ways they manage their people. Managing HR in the knowledge based industry is a significant challenge for HR managers as it involves a multi task responsibility. In the present scenario, HR managers perform a variety of

responsibilities. Earlier their role was confined to administrative functions like managing manpower requirements and maintaining rolls for the organization. Now it is more strategic as per the demands of the industry. There are certain tasks which can be fulfilled effectively if the company has proper HRM in place

Recruitment and Training:

Recruitment has become a major function from an imperative sub system in HR, particularly in the IT industry. HR managers play a vital role in creating assets for the organization in the form of quality manpower. Attracting new talent also is a top priority for software companies, but less so for smaller companies. Another challenge for HR managers is to put systems in place to make the people a perfect fit for the job. Skill redundancy is fast in the IT industry. To overcome this problem, organizations give the utmost priority to training and skill enhancement programs on a continuous basis. Many IT companies are providing technical training to the employees on a quarterly basis. These trainings are quite useful also in terms of providing security to the employees

Work life Balance:

Another dimension to the challenges faced by IT Industry is the growing pace of talent acquisition. This aspect creates with it the challenge of a smoother assimilation and the cultural binding of the new comers into the



organization fold. The pressure of delivering the best of quality services in a reduced time frame calls for ensuring that employees maintain a work life balance

HR as a Tool of Sustained Competitive Advantage:

The importance of human resource management to a firm was highlighted by Peter Drucker (1950) wherein he wrote about the importance of future Human Resource Management to a firm. He said, the prosperity if not the survival, of any business depends on the performance of its managers tomorrow. The importance and implications of this statement are being increasingly recognized by responsible persons both in business and other organizations, who realize that the existence of an excellent management team does not happen by chance. Provision must be made for these managers before they occupy their positions; unless this is done organizations will be left in the care of those not fully capable of managing it. Although, the above reference is made specifically to managers, it is also true for other categories of employees. Much of the literature on HRM contains an assumption that there is an —ideall model of HRM. This model appears to contain elements that are drawn from practices in a number of western countries, especially United States.

Results and discussions:

The six categories have earlier been identified of HRM practices. And, the responses of questionnaires have been collected for all six categories. These categories are: HR Strategy and Processes, Compensation and Benefits, Talent Acquisition and Retention, Performance Management and Measurement, Training and Development, and Organizational Culture. Levene's Test for Equality of Variances has Sig. value as 0.489 (greater than 0.05) which means first row needs to be read for analyzing statistical significance. The Sig. (2-tailed) value in the first row is 0.085 (greater than 0.05). Hence, there is no difference of opinion between HR and non-HR department people in terms all the responses. These two groups have almost similar means, standard deviations, and variance That means participants in the Indian IT companies and in MNCs have the same means. In the Independent Samples Test, to find out which row to read from, Levene's Test for Equality of Variances is read. Since Sig. value is 0.042 (less than 0.05), the second row needs to read. The Sig. (2-tailed) value in the first row is 0.681 (which is greater than 0.05). It can be concluded that there is no difference between Indian IT companies and MNCs as far as HR Strategy and Processes are concerned. Hence the below hypothesis is accepted.

The role of strategic HRM on performance:



Strategic management of human resources represents a transformation that is relatively new in the field of human resource management. An important role of strategic human resource management is about focusing the management in employees as a tool to gain competitive advantage. Now, organizations are made aware that successful human resources policies and practices of appropriate can increase performance in various areas such as productivity, quality and financial performance. Performance management is a planned process in which key elements are different measurement, feedback, positive reinforcement and ongoing dialogue between managers and employees. It has to do with measurement results in the form of performance achieved in comparison with the expectations expressed as objectives. Also, it has to do with the inputs and values. Inputs are the knowledge, skills and behaviors necessary to produce the expected results. Needs are identified by defining these requirements and evaluate the degree to which the expected levels of performance are achieved through effective use of knowledge and skills, appropriate behavior.

Discussions:

Performance management can be defined as a systematic process for improving organizational performance by developing the performance of individuals and teams (Armstrong, 2006). According to him, it is a means of getting better results from the

organization, teams and individuals by understanding and managing performance within an agreed framework of planned goals, standard sand competence requirements. Previous studies have emphasized the importance of human resource management in the organization. Human resources play a key role in order to be competitive in the market. A proper management of human resources will enable the achievement of the objectives required by the organization. The potential use of skills, knowledge and competencies of employees in the organization would make possible the realization of organizational performance. Basically, it is also confirmed by other research that strategic management of human resources has an impact on organizational performance. The study analyzed 30 organizations, which 16 organizations are the service sector and 14 organizations are in the manufacturing sector. The structure of the research, to give a better verification assumption or rejection it, is as follows: a. Organizations know the concepts of organizational performance and strategic management of human resources. This theoretical knowledge translates in practical implementation in these organizations. b. The organizational performance will have impacts from strategic management of human resources

Conclusions:

The results of this research supported the hypotheses, which propose positive and



significant association between HRM Practices and internal and external environmental factors. The results indicate that most important internal factor that impact HRM practices are Priorities of Top management followed by Organization/ Business strategy and size of the organization. And external factor that impact HRM practices most are Government regulation followed by Industry culture and national Economic changes. The result and findings reflect the current reality that, business environments are becoming more complex day by day, and the number of environmental factor are increases, and they are changing in a fast way. Thus business while formulating their strategies and HR policies should take this environmental factor into consideration effectively. Furthermore, organizations of different countries should be compared for their environmental system that shape HR planning and implementations.

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