

Employees Performance & Role of Human Resources Management Practices

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HRM practices refer to organizational activities directed at managing the group of human resources and ensuring that the resources are employed towards the fulfillment of organizational goals. The purpose of this study is to explore contribution of Human Resource Management (HRM) practices including selection, training, career planning, compensation, performance appraisal, job definition and employee participation on perceived employee performance. This research describe why human resource management (HRM) decisions are likely to have an important and unique influence on organizational performance.

Main Word : Human Resources Management, Employees Performance, Training, Career Planning, Job Definition.

Introduction

Human Resource Management practices are required to be implemented. Best HR practices only can ensure continued success of business organizations. In developing economies like ours, best Human Resource practices are a recent phenomenon, Human resources are the source of achieving competitive advantage because of its capability to convert the other resources (money, machine, methods and material) in to output (product/service). The competitor can imitate other resources like technology and capital but the human resource are unique.

HRM is composed of the policies, practices and systems that influence employees' behavior, attitude and performance. The presumed link between individual performance has been well established in business literature. Aware of such a fact, organizations have been in a state of constant search for leverages of employee performance. The leverages are the factors that promote or enhance the level of employee effort and activities related to his/ her work, which ultimately improve organizational performance. Agonies regard HRM as "involving all management decisions that affect the relationship between the organization and employees, its human resources". HRM practices include job analysis, orientation,

performance appraisal, human resource planning, labour relations, selection, recruitment, compensation and training and development. It is assumed that HR practices are closely associated with job satisfaction. Because many scholars and practitioners believe that sound HR practices result in better level of job satisfaction which ultimately improves organizational performance.

Employee Satisfaction:

Employee satisfaction is a "function of the perceived relationship between what one wants from one's job and what one perceives it as offering on the other hand, mentions that employee satisfaction is positively correlated with motivation, job involvement, organizational citizenship behavior, organizational commitment, life satisfaction, mental health and job performance and negatively related to absenteeism, turnover and perceived stress and identify it as the degree to which a person feels satisfied by his/her job. Rousseau (1978) identified three components of employee satisfaction: they are characteristics of the organization, job task factors and personal characteristics. Personal characteristics can be regarded as non-work factors of job satisfaction. The most referred definition of job satisfaction was offered by Locke (1976) who defined job satisfaction as a pleasing or positive

emotional state resulting from the evaluation of a person's job.

Employee Performance :

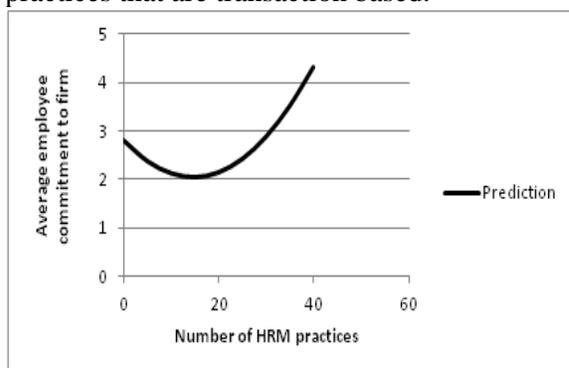
According to MacDuffie (1995), there are basically three types of employee performance data available, which include qualitative (customer complaints, number of errors) or quantitative (customers served, units produced), measures of time (absence, lost working time, lateness and failure to meet deadlines) and financial indicators that consists of a large array of possibilities.

The measures for employee performance will be adopted from established empirical studies linking HRM practices and employee performance. Human resource management researchers and practioners have increasingly stressed the utility of HRM in meeting the strategic goals of the organization. Organizations that invest in "best" HRM practices often increase firm productivity and profitability.

The impact of human resource management (HRM) policies and practices on employee performance is an important topic in the fields of human re-source management, industrial relations and industrial and organizational psychology.

The contribution of even a highly skilled and motivated workforce will be limited if jobs are structured, or programmed, in such a way that employees, who presumably know their work better than anyone else, do not have the opportunity to use their skills and abilities to design new and better ways of performing their roles.

A Growing body of evidence suggests that commitment based HR practices are more positively related to firm performance than are practices that are transaction based.



The commitment based HR practices create an organizational social climate that motivates employees to act in the best interests of their firm rather than only in their individual self interest.

Training :

Training can influence performance by improving skills and abilities relevant to employees' tasks and development. The findings of McEvoy (1997) reveal that training influences organizational commitment, participant knowledge and organization based self-esteem. Similarly, Bartel (1994) found that investment in training boosts employee morale and increases performance. In general, training allows employees to acquire greater competencies that are needed to perform their jobs efficiently and effectively.

Performance Appraisal:

It is seen that employees develop more positive attitudes when they receive favorable outcomes. For example, the level of extrinsic rewards (e.g., amount of pay) employees receive has been found to be negatively related to turnover levels.

The level of social rewards individuals receive has also been found to positively influence job attitudes. For instance, the level of social support individuals receive from coworkers has been shown to positively influence their job satisfaction.

Companies can influence employees' perceptions of the fairness and favorability of pay in their workplace by developing "a written reward strategy that asserts the importance of fair, non-discriminatory pay" and by training managers to be as open and honest as possible when communicating information about rewards.

Employee Participation:

Employees participated is organizational support is defined as "the extent to which employees perceived that the organization valued their contribution and cared about their well being". The support that is provided by the organization is directly related to employees' performance. Employees exchange their genuine effort for greater care, concern and support they received from their organization. DeCotiis and summers (1987) reported that when employees were traded with

consideration, they displayed grater levels of commitment.

Career Planning:

Studies have revealed that developing a sense of justice on employees can increase satisfaction, commitment, effort and performance. The human resource policies and practices of the firm have implications for the creation of competitive advantage by providing the organization with a unique source of talent that is difficult to replicate has been prevalent for many years.

It has been argued that the provision of job security encourages employees to work harder. HRM practices have a positive “main effect” on fir level outcomes.

Compensation:

Taylor had suggested prescriptions which looked for the ‘one best way’ of production attached to a reward package which enabled ‘economic man’ to maximize income in return for his/her great effort. The was an early attempt to couple employee motivation with productivity and output.

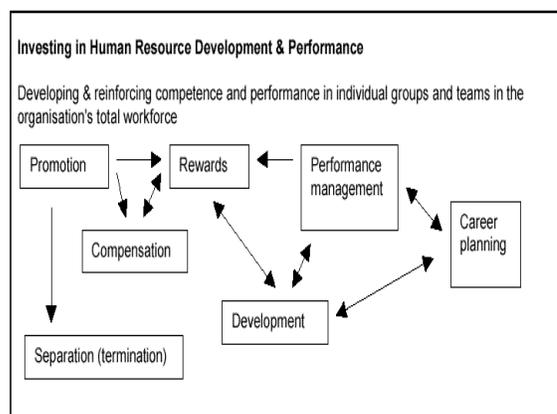
Intrinsic paybacks, in terms of rewards and compensation, do enhance the employees’ in-role performance to some degree. When organizations set goals of improving their effectiveness, as well as efficiency. Extra role performance by the employees is an indicator of positive individual contribution to overall organizational effectiveness.

Fulmer (2003) investigate the association between compensation and work performance and found positive association between them. Compensation has a significant correlation with worker performance outcomes.

Job Definition :

Current trends of HR practices suggest that HR managers are more customer oriented. For example, HR practitioners view coworkers as internal customers and outsiders as external customers. This suggests that the contemporary HRM viewpoint is consistent with the definition of organizational culture where employees strive towards internal integration and external adaptation.

Romero (2004) indicated that the organizations that are traditionally looked upon as great places to work are also better performers.



Conclusion:

The need today, is to review, revamp and rejuvenate the existing people management (HR) systems, such as the reward and incentive systems, promotions and transfers, training and development programmes, recruitment and selection processes, employee relations, compensation, befits and employee motivation such as pay for performance, gain sharing and team incentives. They all need to be made more dynamic, effective and in tune with the changing situation. It is also important to keep reviewing how systems are working. Similarly, the systems should blinked to quality service, cost effectiveness and such other bottom-line issues (Rao, 1996)

It is universally assumed that there are always HR activities that are better than others and, therefore, organizations should adopt these activities. If HR practices can impact business success through building up organizational capabilities, improving employee satisfaction and commitment, New HR measures should be developed to drive business performance (Yeung and Berman, 1997; Hiltrop, 1998; Cappelli and Crocker, 1996).

All those organizations who are interested for High growth through increasing employee participation must pay attention on Training, Selection, Compensation and Employee Participation for policy development.

Drawing from the study, it emerges that though the people factor has always been important, its importance will grow in the future. This is because the changes are occurring today in the business environment, changes that require the personnel function to play an even more crucial role in organizations. The developmental aspect

needs to be given importance in the management of human resources for the enhancement of the effectiveness of the organization and specially Employee Performance. It becomes imperative to modify various routine activities and mould them to serve the employees' development.

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