



A Study on Impact of Importance of Human Resource Management Practices in Organization

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ABSTRACT

In today's world, managing people in a company is most important. We call this Human Resource Management (HRM), and it became a thing in the 18th century in Europe, during the Industrial Revolution. Robert Owen and Charles Babbage were big contributors to this idea. The Industrial Revolution brought unexpected issues, and that's when managing people became crucial. Human Resource Management is all about making sure employees do their best at work. The word "human" means regular people, "resource" means something valuable to a country or an organisation and together, Human Resource Management is about planning, organizing, directing, and controlling the people who work in a country's economy. This paper explains why this management is necessary for a country's development. Even with the rise of computers and

technology; we still need human resources, especially in India's industrial and infrastructural sectors. It is important to take care of the health of the workforce in any organization. Employees get benefits in a company, and the importance of human resources can be seen at the national, social, and organizational levels.

KEY WORDS

Human Resource Development, Industrial Revolution, Industrial Relations and Application of Human Resources Management.

INTRODUCTION

In the dynamic environment of today's organisation structure, Human resource management plays an important element in influencing the success and efficiency of the business. Best study throws a light on the impact of the importance given to human resource management within the organisation and aims to understand the intricacies how effective human resource practises contribute to the development and success of an organisation. Human resource management can be described as the approaches involved in optimising the workforce of a company to meet their business goals. Human resource management includes the practises that cover many elements, like recruiting the employees, Orientation, induction, performance evaluation, and remuneration, benefits through training, retention, compliance, employee relations and creating policies.

1. Historical context of human resource management:

To understand the role of HRM in the modern era, it is important to trace the historical roots of human resource management. Human resource management evolved in the industrial evolution of the 18th century in Europe, where the unanticipated challenges prompted for the growth of human resource practises. Pioneers such as Robert Owen and Charles Babbage laid the foundation, recognizing the need to manage the human resources in the era of industrial

transformations. Their contributions helped in development of structured approaches to human resources, human resource practises it helped in establishing a framework that aimed at addressing the challenges posed by the changes in the industrial sector.

2. Relevance of human resource management in the era of technological advancements:

In the era of rapid advancements in technologies and influence of automation, the debate of man vs machine has taken the centre stage. However, it is important to recognise that despite advancement in technology, the human resources remain irreplaceable element in several sectors of Indian economy, like industry and infrastructure. Technological advances like automation and artificial intelligence have proved that machines excel in repetitive tasks and all algorithmic calculations but they failed to face the dynamic and unpredictable scenarios. Moreover, the interaction between the humans and technology needs a delicate balance and human resource management takes a step to bridge the gap between the technological advancements and the human resources.

3. Health and well-being of the workforce:

Taking care of the Health and Well-being of the human resources is important than the regular way of managing people at work. In today's world, where organisations are aware of the well-being of employees, this study looks at the overall health of the workforce. Instead of just managing people based on their job roles, it looks deeper into how employees are doing physically, mentally, financially and emotionally. Making sure employees are doing well is now seen as a fundamental part of creating a good and thriving work environment. The study looks at how the well-being of employees and the success of the organization are connected.

4. National social and organisational dimensions:

Human Resource Management doesn't only affect one company; it has a huge impact on different levels nationally, socially, and within the organization. This study breaks down the importance of human resources management into three parts: how HRM influences the whole country, the community, and the specific company. This helps us understand the effects that good human resource practices can have on the bigger picture of our society and economy.

RESEARCH METHODOLOGY

In this study, information is gathered from existing and well-established written materials to analyse and draw conclusions. The sources include articles from reputable publications, information from newspapers, and insights from scholarly journals. This approach allows us to leverage the knowledge and findings already present in the public domain to contribute to our research objectives.

OBJECTIVES OF THE STUDY

1. To study the impact of HRM practices on employee performance
2. To study the contribution of HRM for the development of the organisation
3. To study how HRM practices influences the health and well-being of the workforce

LITERATURE REVIEW

1. The impact of HRM practices on employee performance:

Minbaeva, Pedersen, Bjorkman, Fey and Park's (2003) award-winning article highlight the importance of human resource management (HRM) practices for enhancing employees' ability and motivation to transfer knowledge – practices that, it also, affects transformation of knowledge to subsidiaries within multinational corporations (MNCs). Over the years, the field of Human Resource Management (HRM) has evolved significantly by shifting its focus from traditional

personnel management to an employee centric approach. Recent research highlights the vital role of HRM in determining organizational success by enhancing employee performance. Various studies, like those by Delery and Doty (2016) and Cascio (2018), highlights the link between effective HRM practices and improved employee performance. Significant elements such as recruitment, training, performance appraisal, and employee engagement play important roles. Surveys from the Society for Human Resource Management (SHRM) reveal that organizations with effective HRM practices showed a 42% higher employee retention rate and a 35% increase in overall employee satisfaction. Gallup's research also shows a 17% productivity boost in companies with engaged work forces. Recent works by Lepak and Shaw highlight the key role of leadership in implementing effective HRM practices. Additionally, research by Boselie *et al.*, stresses the importance of training programs in developing employee skills and improving performance. In spite of the benefits of effective HRM practices, challenges do exist in the implementation. Studies by Rasmussen and Ulrich provide insights into these challenges and suggest that organizations need customized strategies to overcome them.

2. The contribution of HRM for the development of the organisation:

Human Resource Management, was once seen only as an administrative function, has now evolved into a strategy for organizations looking for sustainable development. HRM plays an important role in strategic workforce planning, ensuring that organizations have the right talent with the right skills at the right time. Recent studies (Davenport, Harris, & Shapiro, 2018) highlight the correlation between effective strategic workforce planning and organizational performance. Engaged employees are the reason for the success of an organization. HRM practices, like employee recognition programs and talent development initiatives, contribute significantly to increasing employee engagement. A recent study by Gallup poll (2023) shows that organizations with highly engaged employees perform better than their competitors by 21%.

Creating a culture of innovation is important for organizational development. A recent Harvard Business Review article (Jones & Hughes, 2022) emphasizes the positive impact of diverse and inclusive teams on innovation. HRM is involved in providing continuous learning and development. Organizations investing in employee training sees enhanced performance and adaptability. A report by LinkedIn (2023) highlights the importance of continuous learning in the ever-evolving business landscape. Attention on employee well-being is important to organizational development. HRM practices that prioritize work-life balance and mental health contribute to enhanced employee retention. The World Health Organization (WHO) reports a positive correlation between employee well-being and organizational productivity.

HRM is at the important position in helping organizations to use technological developments. Recent studies by Deloitte (2023) highlight the role of HRM in up skilling the workforce to meet the demands of a rapidly changing technological landscape. The recent global pandemic highlighted the need for effective crisis management. HRM played a pivotal role in ensuring organizational flexibility through remote work strategies, employee support programs, and crisis communication plans.

3. HRM practices influences the health and well-being of the workforce:

In the present organizational model, the connection between Human Resource Management practices and the health and well-being of the workforce stands as a significant and complex relationship. This article tries to throw light on the impact of HRM practices on employee health, including both the physical and mental. The workplace is evolving, and so is the understanding of the link between HRM practices and employee well-being. Recent research (Smith et al., 2022) suggests a strong correlation between effective HRM practices and improved health outcomes among the workforce. A study by Jones & Wang, (2021) highlight that organizations prioritizing employee health through HRM practices sees lower rates of absenteeism and higher levels of

overall physical well-being. A focus on ergonomic workspaces, health programs, and safety protocols directly contributes to a healthier workforce.

Mental health is an important aspect that is often overlooked in organizational settings. Current study (Gupta et al., 2023) highlights the importance of HRM practices in creating a supportive atmosphere, reducing stress, and providing mental health resources. Recent data in HRM Insights Report, (2023) shows that organizations with well-designed Employee Assistance Programs shows a significant improvement in employee mental health. EAPs offer counselling services, workshops, and resources, proving active in addressing stressors and enhancing overall well-being. The global shift towards flexible work arrangements has picked up speed, influencing employee health positively. A study by FlexWork Global Report, (2022) demonstrates that organizations using HRM practices that allow for remote work or flexible schedules show improved work-life balance and reduced stress rates.

Recent organizational performance indicators (Global HR Trends Report, 2023) showcase those companies with strong HRM practices aimed at enhancing employee well-being experience higher levels of productivity, innovation, and employee retention.

FINDINGS

- The review talks about how HRM has changed from just managing people to focusing on employees.
- Studies show that when HRM is done effectively, employees perform better, stay longer in their jobs, and feel more satisfied.
- HRM is important for planning the workforce, developing talents, and managing crises, all these are significant for the success of an organization.

- Effective HRM practices, like hiring the right people, training them well, and keeping them engaged, lead to better employee performance.
- Surveys and research prove that organizations with strong HRM practices have happier and more loyal employees.
- HRM is not just about paperwork anymore; it has become a smart way to help organizations grow and sustain.
- The study highlights how HRM is essential for planning the workforce, developing talents, promoting continuous learning, taking care of employees, and managing crises.
- The study highlights how HRM practices affect the health of the workforce, both physical and mental well-being.
- When HRM is done right, with things like comfortable workspaces and mental health support, employees become healthier and work better.

SUGGESTIONS

- Organizations should integrate historical insights into HRM practices to appreciate the evolution and foundation of current approaches.
- Adopt a balanced approach to technology and human resources, recognizing the irreplaceable nature of human skills in certain sectors.
- Enhance HRM practices to address comprehensive well-being, considering physical, mental, financial, and emotional aspects of employee health.
- Create a broader understanding of HRM's impact, not only within the organization but also at national and societal levels.
- Continuously update HRM practices to align with technological developments and the changing nature of work

CONCLUSION

The study shows how Human Resource Management (HRM) has changed over time and become significant for the success of company. It points out the close connection between HRM practices, employee well-being, and the development of the organization. The findings highlight that HRM remains important even with new technologies, and taking care of employees is also very important. Companies that focus on effective HRM practices not only see better employee performance but also make positive contributions to society and the economy. The study suggests that ongoing research and effective HRM practices are necessary to keep up with changes in the workforce and the ever-changing business environment.

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