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EFFECTIVENESS OF HUMAN RESOURCE MANAGEMENT PRACTICES FOR ORGANIZATIONAL AND HUMAN WELFARE

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ABSTRACT

This paper examines relationships between human resource management (HRM) and necessary conditions to improve productivity by boosting policies related to welfare of organization and employee associated with. Work climate, employee retention and good social environments are few of them; these all measures initiated by HR can improve organizational performance. Significant correlations are found between good human resource practices and business performance. The functional area of an organization that is responsible for all aspects of hiring and supporting employees, all the activities related to the recruitment, hiring, training, promotion, retention, separation and support of employees are generally performed by HR department of an organization. Effective use of human resources is essential in order to enhance organizational performance. This article here summarizing some research emphasizing the policies and practices of HR responsible for the improved productivity of organization.

Keywords: human resource management, retention, working environments, performance

INTRODUCTION

The general HRM-practices involve job design, selection, appraisal and training. All necessary actions for employee empowerment taken by organization also a part of HRM-Practices. Human resources if applied properly then it can help people to succeed, improve performance and decreases chances of human error. An effective human resource management practices namely employee empowerment, training and development, appraisal system compensation are the main factor for the success of a firm on employee performance which directly enhances productivity of any business due to the longer employee retention and good working social environments. HR policies determine how employees regard importance of their empowerment, equity of compensation, job design through training and expectancy toward effective performance management on their satisfaction towards their job. Various researches have been conducted on this regards by many researchers.



Figure 1. Performance correlation chart

The conclusive study of all researchers observed that training and development, appraisal system, compensation are significant approaches of HR to meet the requirements of employee satisfaction [1, 2].

Retention of employee for long terms and generating healthy working environments are the few HR policies which improves performances of organization and employee; here we are describing such policies with their conclusive research facts.

MATERIALS AND METHODS

EMPLOYEE RETENTION

Employees are the backbone of an organization. Hence, the retention of the employees is important in controlling the proper working conditions of organization appropriately. Generally, organization can retain their employee for a specified period of time to utilize their experiences and emotional association with organization. The motivation is an important factor contributing to employee retention, it is essential to consider motivational theories as motivated employees tend to stay with an organization longer. Sufficient guidance through training & development appraisal and compensation are also affect employee retention effectively.

Retention			
Employee Training	Employee Empowerment	Appraisal System	Employee Compensation

Figure 2. Factor affecting retention of employee.

There are various organizational strategies which affects employee retention. There are different perceptions of each individual employee towards training, compensation and appraisal aspects when they make decision to stay an organization. Employees are generally concerned with all these aspects as each variable affects employee retention. Organization should look forward to fulfill employee satisfaction in all these aspects to boost retention rate of employee. When an organization is able to motivate its employees it will directly increase productivity and efficiency. The different working conditions on different places may affect retention of employee differently since every individual having different thought process towards the organization policies. Thus every individual organization needs to set their goal differently to comply the strategy of employee retention.

The empowerment is not so significant factor which affects employee retention strongly. Different culture might have different expectation on determining their employment satisfaction and retention.

All such type of research concluded that training, compensation, motivation and appraisal are fundamental requirements to be implemented by HR management for increase sustainability of their employee ^[3].

WORKING ENVIRONMENTS

Socio working environments of an organization also affects its performance; there is a strong correlation between organization working climate and productivity. Human resource management (HRM) is responsible for the overall working culture of an organization.

Some organizations can evaluate their performance accurately by averaging the performance of their employees. Generally the performance of an organization is determined by the productivity. Each organization having separate departments or units to perform specific work, these productive units can be compared with each other when they consume the same type of resources and produce the same type of outputs. Examples of such units within an organization are branches of a bank, stores in a retail chain or assembly lines in a factory. At a higher level, whole organizations in the same industry can also be treated as single unit or department.

Many types of organizational behavior and many indicators of organizational performance exist only at the group level and have no obvious equivalent at the individual level.

Progressive HRM practices may enhance both climate perceptions and business performance. This raises the possibility that the observed associations between climate and performance are spurious (dependent on a common third factor) and thus that climate and performance are not causally connected. Climate of an organization may act as a mediating link between HRM and performance. The conjecture here is that progressive HRM practices foster a positive work climate, which increases employee well-being and motivation, and this in turn leads to enhanced performance. There may be more than one dimension of organizational climates which may affect functioning and performance of organization hence this should be considered with all dimensions which actually correlates climate and performance. Work climate in turn is posited to influence the cognitive and affective states of employees in the workplace, in particular, work motivation and job satisfaction; and these psychological states serve to shape individual behaviors such as job performance and citizenship, which in turn have an effect on organizational productivity and performance.

While considering effect of working environments on performance other factors also need to be consider and a rational conclusion require consideration of all aspect of an organization which might affect performance. Different organization on different palaces may have distinct correlation between working climate and productivity. Favorable psychological environments in the work place and progressive HRM practices, such as management of job demand and support for professional development, are associated with superior organizational performance. Relationships between climate and performance cannot be explained by their common dependence on HRM factors. There

are both direct and an indirect influence on performance. HRM decisions exert effect by enhancing or depressing the work climate which in turn produces subsequent changes in performance. Thus decision making sense is also a factor which may affect correlation between climate and performance, HRM decisions, climate and performance are connected.

The effect of Human Resource (HR) policies on firm performance has been a major research issue in recent years; smaller, entrepreneurial firms have received less attention in this area because they do not typically have formal HR management departments. The success of entrepreneurial firms is highly dependent upon contributions from each employee and maximum contributions can be obtained from each employee when HR policies become liberal towards them. Many entrepreneurial firms use an alternative approach to traditional HR by establishing work climates where employees feel valued and important. The expectation is that this climate will have a dramatic effect on employee behaviors that ultimately lead to successful firm performance. Generally the correlation between working climate and performance can be observed or analyzed by studying some factors like; job satisfaction, employees' behaviors and retention.

Generally both working climate and self-efficacy affect work engagement both directly and indirectly through influencing the other^[4].

CONCLUSION

HR strategies must be developed to support the achievement of the organization's objectives. HR strategies can themselves be critical inputs in determining the strategic initiatives for the organization. Management of employee in organization is essential tool for HR policies. HR needs to develop an effective retention management plan with healthy working climate to motivate employee which ultimately boost organizational performance. Along with providing the company a road map for forecasting their staffing demand, effective human resources planning documents the talents and skills of the people who are in place and finally retention of such talent by creating good working climate.

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