A Study of Impact of HR Management in Business Management in an Organization

Ranjana Jadaun

Department of School of Management Studies, Graphic Era Hill University, Dehradun, Uttarakhand, India 248002

Abstract

The Human Resources (HR) management group advises upper management on best practices for treating employees as strategic assets. This includes directing the hiring process, negotiating contracts, managing benefits, and advising on methods for training and promotion. Hence, human resources professionals are specialists rather than workers in a siloed business role. They advise managers on a wide range of problems pertaining to personnel and how they help the organization achieve its goals. Human resources professionals, for instance, advise managers and CEOs on how to allocate workers among departments, allowing the organization to better respond to changing circumstances. Workers in a flexible company are often shuffled between departments according to what the company requires and what the workers themselves would want to do.

Keywords: Human Resource, Management, Business, Organization.

1. Introduction

It is widely agreed that technology, financial resources, and human capital are the three most important factors in the establishment, growth, and maintenance of a successful enterprise. The importance of people in an organization is frequently downplayed in favor of the role that technical progress and the company's financial resources play. As long as human resources is unaware of this situation, there is no cause for concern; but, as employees become more self-aware of their contributions and begin to believe that their efforts are being undervalued, the real trouble begins (Cerny, 2019).
Humans are the only creatures on Earth that can bring an out-of-control situation under control by amplifying or exacerbating the emotions involved. Following the adage "Machine is vital to meet precision as a consequence of design" provides the factual justification; yet, a machine cannot replace a person, since it is the man behind the machine who has contributed to its control and performance. Due to the productive nature of its operations, it is clear that the importance of people cannot be overstated in terms of an organization's future success. Workers should be seen as internal customers; without happy workers, it would be difficult to please customers. A company's workers are its first and most important customers, and management should treat them as such by keeping them motivated, devoted, and pleased so that they may pour their hearts into their work (Borckbank, 2015).

Definitions & concepts of HRM

Human resource management is the branch of management concerned with maximizing the potential of a company by making the most of its people in terms of their knowledge, skills, creative capacity, aptitudes, talents, and so on. It involves both the number and quality of workers in a company (Buller, 2017).

It's the method of getting the most out of your team members in order to achieve your goals. Human resource management (HRM) is the process of maximizing an organization's effectiveness via its people. This includes recruiting, hiring, orienting, and retaining the right people for the right jobs as well as providing them with the tools they need to succeed.

Human resource management and organization performance

Human resource management (HRM) is crucial to increasing productivity in any firm. Human resource management (HRM) plans aim to maximize productivity within a business. Human resource management (HRM) aims to improve performance by coordinating an organization's people resources with its strategic objectives. Human resource management, therefore, plays a crucial part in keeping any company alive.

Key aspects that contribute to Organization performance

Successfully contributing to profitability, quality, and different objectives in accordance with the mission and vision of the organization depends heavily on the human resource management practices of an organization,
which form the business hub and bearing towards achieving high levels of competency and competitiveness.

**Talent Management:**

The ability to effectively manage, recruit, and retain top talent is a critical factor in the success of any firm. Capability oversight is a must for every successful organization. High potentials are identified via well-defined systems of initiative skills and validated evaluation tools present in every business. Training, teaching, tutoring, activities, and international assignments are just some of the ways in which these individuals might grow, and they are also added to a talent pool that will be used to pair promising workers with future job openings (Sturdy, 2018).

**Performance management:**

The term "performance management" is used to describe the process of overseeing and enhancing an organization's day-to-day operations by identifying and addressing inefficiencies. The 360-degree performance review is one kind of performance management tool. One of the crucial steps in the strategic and fundamental process of human resource management is the performance evaluation (PA). Organizations may use the data gleaned from performance reviews in a variety of ways, including hiring and contracting new employees, enhancing the skillsets of current workers, and encouraging and rewarding high-quality performance. Without a reliable system for assessing employee performance, HRM falters, leading to wasteful utilization of the organization's most valuable asset: its people.

**Human resource management in it industry**

Human resource management (HRM), as defined by Dessler, encompasses all of the planning, analysis, enrollment, selection, introduction, compensation, and assessment of performance, training, and improvement of working conditions that are related with managing people (Sinha, 2016).

Human resource management (HRM) receives a lot of attention from academics because of the impact it has on a company's productivity and the need to quantify that impact. Human resource management (HRM) is an important focus for academics and business professionals since a company's success is largely dependent on the success of its employees as a whole. Relationships with employees working inside the offices and the
cooperative energy of such compelling collaboration determine the operational achievement, rather than technology and procedures. HRM practices such as work analysis, enrollment and choice, preparation and advancement, workplace and execution evaluation may improve the fitness of representatives for elite apart from collaboration with technology and procedures. Strong synergistic linkage in the workplace is crucial for maximizing productivity (Minbaeva, 2019).

2. Literature review

Sumbal, (2015) made an Effort to learn how Employee Happiness is related to Organizational Performance. Forty-four public sector enterprise supervisors were selected at random from a single division of the Company to participate in the research. The study's primary aim was to determine whether or whether individual characteristics (such as age, education, salary, and duration of service) influenced participants' levels of satisfaction with their organizations. Employee satisfaction dimensions were shown to have more explanatory power than respondents' individual characteristics. Human resource development strategies and procedures implemented by the Organization led to an improved working atmosphere, which in turn increased employee happiness and productivity.

Sinha & Chaudhary, (2019) this article helped me better comprehend the studies conducted on workers' perspectives and their level of contentment in their jobs. The article outlined three areas where Human Resource practice and academic research diverge when it comes to employee attitudes in general and the most focal employee attitude in particular - Employee satisfaction: the causes of employee attitudes, the result of positive or negative Employee satisfaction, and how to measure and influence Employee attitudes. Recommendations are made for how practitioners might fill up the knowledge gaps and assess the effectiveness of already used approaches.

Russell, (2017) investigated how HRM procedures affect creativity in businesses. Human resource management practices were used as an independent variable, while organizational innovation was used as the dependent variable. There were three forms of organizational innovation taken into account: product innovation, process innovation, and administrative innovation. The five HRM practices of performance evaluation, career guidance, training, rewards, and recruiting were the independent variables. The
findings demonstrated that training had a favorable and statistically significant impact on three types of organizational innovation. Furthermore, a performance review has a notable and beneficial impact on administrative creativity. It's possible that the constructive criticism that comes with performance reviews has sparked new forms of administrative creativity in various businesses.

Paauwe, (2019) the Indian IT sector was the subject of a 2002 research by a prominent human resources consultant. It has been shown that employee recommendations are the primary source of new hires in Indian IT firms. It also shows that a sizable segment of the Indian IT sector offers structured career pathways and developing procedures for its workers. High-tech companies place a premium on finding, keeping, and inspiring the brightest minds in their field. The study also reveals that most IT firms provide generous monetary compensation packages to their staff. In order to recruit, retain, and inspire IT experts, businesses in this sector are using some novel and enticing practices.

Acito and Khatri, (2019) the research "Impact of Information Technology on Growth of Indian Economy" revealed that India has the intellectual capacity for higher levels of software. Absurd quantities of software used as litmus test for the most talented individuals; also acts as a wealth creator. Here is where the IT department should focus its efforts. If the right circumstances are created, this one area has the potential to transform our IT, electronic, and industrial sector into a major economic factor. The dissemination of information technology (IT) applications throughout the country is another area of focus, with applications ranging from those that promote business to those that teach people about their rights and responsibilities, skills, and preventative social insurance policies. It has the potential to be a very useful tool for disseminating education to the furthest reaches of our country. If we can creatively and deliberately transport IT technology to India, we can alter the country's system of training and aptitude age in that time frame.

3. Objectives of the study

• To study the impact of HR management on organizational performance

4. Hypothesis of the study
1. There is no correlation between HR management practices and levels of employee satisfaction.
2. The performance of a business is not significantly affected by HR management practices.

5. Research Methodology

The degree of happiness and the causes for employee satisfaction in HRM practices of IT sectors, as well as the influence of HRM practices on overall organizational performance among IT professionals working in such firms. It is a diagnostic and descriptive research in its own right.

Research design

In this study, we use a descriptive, in-depth, cross-sectional approach. To better understand a topic, researchers often perform exploratory studies. Distribution of a questionnaire for the purpose of researching HRM's effect on productivity inside a business. The quantitative approach ensures objectivity, dependability, rationality, and validity, whereas the qualitative approach places special emphasis on intangible characteristics like character and background. To grasp the whole picture, it's essential to be familiar with and skilled at qualitative research, which often does not use numerical or statistical data.

Sample size

The sample is 80 employees working in IT industry in Delhi NCR.

Data collection

A self-administered questionnaire was used in this study. Primary data and secondary data are the two types of information that may be obtained for a research project.

Primary Data:

Primary data are information that is collected specifically for the purpose of the research, making it one-of-a-kind. Informational tools such as questionnaires, meetings, and people's own impressions are used to compile the necessary data.

Secondary Data:

Secondary data refers to information that has already been gathered and is easily accessible. Magazines, the internet, reference books, essays, and diaries all contribute to the pile of secondary sources employed.

Data Analysis

The following descriptive statistics have been applied to the research data:
6. Results

As the obtained raw data is useless without adequate analysis and interpretation to provide useful information and actionable intelligence and recommendations, data analysis is a crucial element of every research project. It's the most important step in the research process, despite their being several. Effective and efficient data analysis is fundamental to the research process. It sheds numeric and qualitative light on the bright and dark sides of the relevant facts.

Eighty respondents from different IT companies in Gurugram were given a well-structured questionnaire to fill up. Seventy-three out of eighty answers are correct. Thus, 73 replies out of a possible 80 were included in the study; the following characteristics of the sample population were taken into account.

<table>
<thead>
<tr>
<th>Gender based classification of Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
</tr>
<tr>
<td>57</td>
</tr>
</tbody>
</table>

Men and women alike now fill positions in the information technology sector. Eighty people filled out questionnaires that were sent to them in the mail for my research. This random sample of 80 IT workers includes 57 men and 16 women, representing the proportion of employees who responded depending on their gender (Table 1).

<table>
<thead>
<tr>
<th>Respondent’s Gender Proportion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
</tr>
<tr>
<td>Male</td>
</tr>
<tr>
<td>Female</td>
</tr>
</tbody>
</table>
Female respondents make up 21.91780822 of the total, as seen in the pie chart on top. There were 16 total female respondents. There are 57 male respondents (shown by blue), indicating a male participation rate of 78.0821978 (Table 2).

Table 3: Impact of HR practices on organizational performance

<table>
<thead>
<tr>
<th>Summary output</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Regression Statistics</strong></td>
</tr>
<tr>
<td>Multiple R</td>
</tr>
<tr>
<td>R Square</td>
</tr>
<tr>
<td>Adjusted R Square</td>
</tr>
<tr>
<td>Standard Error</td>
</tr>
<tr>
<td>Observations</td>
</tr>
</tbody>
</table>

The impact of HRM on business results was investigated using a linear regression model. According to the model's executive summary, human resource management is responsible for 42% of the variation in organizational performance, while the other 58% might be attributable to other variables (Table 3).

Table 4: ANOVA - Impact of HR practices on organizational performance

<table>
<thead>
<tr>
<th>ANOVA</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>df</td>
<td>SS</td>
</tr>
<tr>
<td>------</td>
<td>----</td>
</tr>
<tr>
<td>Regression</td>
<td>1</td>
</tr>
<tr>
<td>Residual</td>
<td>71</td>
</tr>
<tr>
<td>Total</td>
<td>72</td>
</tr>
</tbody>
</table>
The aforementioned table allowed us to calculate the value's significance level, which we found to be 3.30E-10, indicating that the value is not statistically significant at the level of 0.05; this finding is consistent with a linear connection between HRM and organizational performance. There is a 95% possibility that the observed correlation between variables is not the result of random chance at the 0.05 level (Table 4).

Table 5: Coefficient- Impact of HR practices on organizational performance

<table>
<thead>
<tr>
<th></th>
<th>Coefficient</th>
<th>Standard Error</th>
<th>t Stat</th>
<th>P-value</th>
<th>Lower 95%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intercept</td>
<td>6.27601</td>
<td>3.93489</td>
<td>1.5949</td>
<td>6</td>
<td>-1.5699</td>
</tr>
<tr>
<td>HRM</td>
<td>1.65828</td>
<td>0.22716</td>
<td>7.3000</td>
<td>5</td>
<td>1.2053</td>
</tr>
</tbody>
</table>

The intercept was calculated using the table of coefficients. Our regression equation's findings are summarized in the table above. Our regression coefficients and intercept (Table 5).

7. Conclusion

It may seem that drawing a conclusion from a piece of research is only suggestive, but in reality, it frequently reveals the planned, contested, and even feigned regions, even after they have been hidden throughout the investigation. Several thoughts occurred to me throughout my investigation that first seemed to be conclusions but, upon further examination, turned out to be just conjunctures. Human subject research is not a rocket science endeavor; hence incontestable conclusions cannot be formed from it. More than anything else, probability connected to the surrounding environment has a role. The research's overarching conclusion is tied to the data analysis and the information gleaned from it.

References


