

## HRM: A REVIEW OF RELATED LITERATURE

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### ABSTRACT

*Human Resource Management (HRM or HR) is the strategic approach to the effective management of people in a company or organization such that they help their business gain a competitive advantage. It is designed to maximize employee performance in service of an employer's strategic objectives. Human resource management is primarily concerned with the management of people within organizations, focusing on policies and systems. HR departments are responsible for overseeing employee – benefits design, employee recruitment, training and development, performance appraisal, and reward management, such as managing pay and benefit systems. HR also concerns itself with organizational change and industrial relations, or the balancing of organizational practices with requirements arising from collective bargaining and governmental laws.*

*A review of literature on HRM has been pursued to provide researchers with immediate information about the developments in this discipline through ages.*

**Key Words:** HRM, insurance, review, literature.

### ABOUT AUTHORS



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**INTRODUCTION**

Human resources are the wealth of an organization which can help it in achieving its goals. Rensis Likert rightly observes that, "All the activities of any enterprises are determined and initiated by the people who make up the institutions, plants, offices, computers, automated equipment and all the resources that modern firm uses remain unproductive without the human efforts and directions. Human being design or order the equipment, they modernize the technology employed, they secure the capital needed and decide on the accounting and physical procedures to be used for the achievement of overall objectives of the organization". Therefore, the success of any organization irrefutably depends largely upon the efficient and co-ordinate working of human resources. Rensis Likert has rightly observed that, "Every aspect of organizational activities is determined by the competence, motivation and general effectiveness of its human organization".<sup>19</sup>In the word of Banerjee and Sharma "human resources constitute the organic part of an organization" Manpower is managed in order to gain objectives for the both, the individuals and the society from its employment. The physical resources will not give result unless the human resources are applied to them. In addition to providing value to the physical resources, these factors provide a dynamic character to the economy. In the achievement of organizational goal, human resources play an important role. Machine, cannot be handled without men and material, and not be converted into finished product without human beings. So, human factor is involved in almost every aspect of an economy.

According to K. Aswathappa, a definition of HRM must cover following core points:

- Organizations are not mere bricks, mortar, machineries or inventories. They are people. It is people who staff and manage organization.
- HRM involves the application of management functions and principles. The functions and principles are applied to acquisitioning, developing, maintaining and remunerating employees in an organization.
- Decisions relating to employees must be integrated; decisions on different aspects of employees must be consistent with other Human Resource decisions.
- Decisions made must influence the effectiveness of an organization. Effectiveness of an organization must result in betterment of services to customer in the form of high quality products supplied at reasonable cost.
- HRM functions are not confined to business establishment only. They are applicable to non-business organizations too, such as education, health care, recreation etc.

The review of literature for the present study is based on extensive survey of books, journals, web sources, international indices. A review of research and non-research literature relevant to the study was undertaken, which helped the investigator to develop deeper insight into the problem and gain information on what has been done in the past and to build foundation of the study.

**REVIEW OF RELATED LITERATURE**

**Sajuyigbe Ademola. S et al (2016):** Effective utilization of human resources has been recognised as a strong factor that paves the path to achieve organizational goals. This study investigates the influence of human resource management practices on organizational performance with particular reference to Nigerian insurance industry. A structured questionnaire was used to collect the data from two hundred (200) respondents through purposive sampling technique. Descriptive Statistics and Ordinary Least Square method were used to analyse the data. Results show that human resource management practices jointly influence organizational performance at 1% level of significant. Results also indicate that human resource management practices contribute 88.3% to organizational performance. The study concludes that human resource management practices are major factors that influence organizational performance in Nigerian insurance industry. Study also confirms that employee participation has the highest influence on organizational performance followed by career planning systems and performance appraisal. Study also reveals that selection processes and compensation systems in Nigerian insurance industry are still below industry standard. Subsequently, the study recommends that the human resource department should be given free hand without undue interference to select suitable candidates and management should review salaries, commissions, and allowances upwardly on a regular basis. **Hicks Sabrina et al (2000)** explored that for the organization to be successful four important factors are required, the new employees should feel welcome to the organization, employees should have a clear view of their work and behaviour at work, they should understand the organization in broad sense and the employees should socialize into ways of working of the firm.

**Silvia Sacchetti et al (2016):** The paper deals with the mediating role of immaterial satisfaction between substantive human resources (HR) features and organizational performance. We address this relationship in

the Italian social service sector using a survey dataset that includes 4134 workers and 320 not-for-profit social cooperatives. The obtained results show that human resource management (HRM) practices influence immaterial satisfaction and, satisfaction positively impacts on firm performance. However, the impact of the different HRM practices is not the same. In this sense, worker involvement and workload pressure have a positive impact on firm performance; but task autonomy or collaborative teamwork do not have impact on organizational performance.

**Tan Cheng Ling and Azzat MohdNasurdin et al (2011):** Organizational innovation has been viewed as an essential weapon for organizations to compete in this competitive business environment. Particularly, Malaysia manufacturing firms strive to transform their business model from labour-intensive to knowledge-intensive, which aim to immerse themselves in higher value added activities such as, developing new products, processes, and services, to continual sustain the competitiveness within the rivalries. One of the ways to heighten the organizational innovation is through effective human resource management (HRM) practices and effective knowledge management. This study examined the direct relationships between HRM practices (performance appraisal, career management, training, reward system, and recruitment) and organizational innovation (product innovation, process innovation, and administrative innovation). Additionally, it also examined the mediating role of KM effectiveness on the direct relationship. Data was drawn from a sample of 171 large manufacturing firms in Malaysia. The regression results showed that HRM practices generally have a positive effect on organizational innovation. Specifically, the findings indicate that training was positively related to three dimensions of organizational innovation (product innovation, process innovation, and administrative innovation). Performance appraisal also found to have a positive effect on administrative innovation. Additionally, this study also demonstrates that training and performance appraisal, are positively related to knowledge management effectiveness. Knowledge management effectiveness fully mediates the relationship between training and process innovation, training and administrative innovation, and performance appraisal and administrative innovation. A discussion of the findings, limitations, and implications are provided.

**Jamie A. Gruman et al (2011):** Many contemporary organizations are placing a greater emphasis on their performance management systems as a means of generating higher levels of job performance. We suggest that producing performance increments may be best achieved by orienting the performance management system to promote employee engagement. To this end, we describe a new approach to the performance management process that includes employee engagement and the key drivers of employee engagement at each stage. We present a model of engagement management that incorporates the main ideas of the paper and suggests a new perspective for thinking about how to foster and manage employee engagement to achieve high levels of job performance.

**Amy C. Edmondson et al (2018):** Cross-boundary teaming, within and across organizations, is an increasingly popular strategy for innovation. Knowledge diversity is seen to expand the range of views and ideas that teams can draw upon to innovate. Yet, case studies reveal that teaming across knowledge boundaries can be difficult in practice, and innovation is not always realized. Two streams of research are particularly relevant for understanding the challenges inherent in cross-boundary teaming: research on team effectiveness and research on knowledge in organizations. They offer complementary insights: the former stream focuses on group dynamics and measures team inputs, processes, emergent states, and outcomes, while the latter closely investigates dialog and objects in recurrent social practices. Drawing from both streams, this paper seeks to shed light on the complexity of cross-boundary teaming, while highlighting factors that may enhance its effectiveness. We develop an integrative model to provide greater explanatory power than previous approaches to assess cross-boundary teaming efforts and their innovation performance.

**Diana L Stone et al (2015):** Today, the field of Human Resource Management (HR) is experiencing numerous pressures for change. Shifts in the economy, globalization, domestic diversity, and technology have created new demands for organizations, and propelled the field in some completely new directions. However, we believe that these challenges also create numerous opportunities for HR and organizations as a whole. Thus, the primary purposes of this article are to (a) examine some of the challenges and opportunities that should influence the future of HR, and (b) provide an overview of the very interesting articles included in the special issue. We also consider implications for future research and practice in the field.

**Robert E. Lewis (2006):** If the volume of literature in the popular and practitioner press is any guide, practitioners in the field of human resources are now primarily in the business of talent management. But what is talent management and what basis does it have in scientific principles of human resources and management? In this paper we address this question by reviewing problems with the definition of talent management and the lack of data supporting many practitioner claims. We then outline research that supports a systems-oriented definition of talent management that focuses on the strategic management of talent. We

then outline future avenues of research to further develop the field of talent management and tie it more closely to the large volume of work in strategic human resources management.

**James A. Breugh et al (2008):** Over the last forty years, research on employee recruitment has increased dramatically. In this paper, I review research on recruitment topics that have received considerable attention (e.g., recruitment methods, realistic job previews). I also address topics (e.g., targeted recruitment, the site visit) that have received relatively little attention but that have the potential to be quite important. In examining these topics, job applicant variables (e.g., self-insight), that should influence how an employer conducts the recruitment process but that have frequently been neglected, are discussed. Throughout the paper, important areas for future research are suggested.

**Dave Ulrich et al (2015):** Over the last three decades, the practice of HR has experienced significant transformation. This has included HR moving from being a lower level, administrative and maintenance oriented function to operating in many organizations as a core business function and a strategic business partner. Because of dramatic changes that have occurred in HR, the question arises whether HR has arrived at its final destination or whether the journey will continue and if so, what is next for HR? In setting the stage to discuss the future of HR, we briefly describe the journey HR has travelled thus far since its emergence as a field. We characterize HR's journey as having a singular direction and that is to add value to the organization. To continue in this direction we propose that future HR will need to adopt an outside/inside approach where the external environment and stakeholders influence what HR does inside the organization. From this, we discuss other specific actions HR will need, in order to add value, with respect to targets for HR work (individual, organizational, and leadership) and areas for HR investments (HR function, HR practices, HR people, and HR analytics). We present a number of propositions on these that can be used by researchers and practitioners in guiding future research and practice.

**T Alexandra Beauregard, Lesley C. Henry et al (2009):** The business case for work-life balance practices, as espoused by many organizations, rests on attracting better applicants and reducing work-life conflict among existing employees in order to enhance organizational performance. This review of the literature provides some evidence for the claim regarding recruitment, but there is insufficient evidence to support the notion that work-life practices enhance performance by means of reduced work-life conflict. We suggest that the business case may therefore need to be modified to reflect the number of additional routes by which work-life balance practices can influence organizational performance, including enhanced social exchange processes, increased cost savings, improved productivity, and reduced turnover. The impact of these processes may, however, be moderated by a number of factors, including national context, job level, and managerial support. The importance of further research into the effects of these practices is discussed.

**Suzanne Zivnuska et al (2014):** The purpose of this research was to explore the interactive effect of organizational politics and impression management on supervisor ratings of employee performance. We hypothesized that the negative relationship between organizational politics and supervisor-rated performance is weaker among employees who are high in impression management than among those low in impression management. Data were collected from a matched sample of 112 white-collar employees and their supervisors. Results indicated that the interaction of organizational politics and impression management explained a significant incremental amount of variance in supervisor ratings of employee performance. These findings demonstrated that the extent to which an individual engaged in impression management in a non-political atmosphere may have been a key component to receiving favourable performance ratings.

**Sara L. Rynes, Berry Gerhart et al (2004):** A majority of human resources professionals appear to believe that employees are likely to over report the importance of pay in employee surveys. However, research suggests the opposite is actually true. We review evidence showing the discrepancies between what people say and do with respect to pay. We then discuss why pay is likely to be such an important general motivator, as well as a variety of reasons why managers might underestimate its importance. We note that pay is not equally important in all situations or to all individuals, and identify circumstances under which pay is likely to be more (or less) important to employees. We close with recommendations for implementing research findings with respect to pay and suggestions for evaluating pay systems.

**Anton arulrajah Anthonypillai et al (2014):** The objective of this review is to explore the theoretical and empirical findings of research work, which link human resource management (HRM) practices with organisational innovation. Innovation models demand innovation oriented and focused bundles of HRM practices to develop and sustain innovation potential and capacity of organisations. Findings of this review reveal that the theoretical and empirical status of HRM practices on development and retention of innovation potential and capacity of organizations, and further enhances the existing body of knowledge and the literature on the relationship between HRM practices and organisational innovation. In addition, this review demonstrates three key roles of HRM practices on organisational innovation.

**CONCLUSIONS:**

While conducting this review work scholar concluded that to provide services it is essential for administration to have committed, trained and motivated manpower at different levels. Therefore, organization for better performance require better human resource management, which includes knowledge about training and development, performance, planning, recruitment policies, job classification, staff evaluation, transfers etc. for effective utilization of human resources. Thus, the success of any organization largely depends upon efficient functioning of human resource management.

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