

Strategic HRM And Firm Performance In India- A Review

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ABSTRACT: *In this era, Human Resource Management is concerned with the people in organizations. Human resource explains both the people: Firstly who work for the company and secondly those departments responsible for managing such resources. “The administration of man” is a significant and demanding job because of the dynamic nature of people. . In this paper I am presenting the different author’s view related to HRM and firm performance. This paper contains a review based on articles published and it also focuses on the analysis of HRM and strategic HRM from different angles.*

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I. WHAT IS HUMAN RESOURCE MANAGEMENT?

Human Resource Management is concerned with the individuals in organizations. Human resource explains both the people: Firstly who work for the company and secondly those departments responsible for managing such resources. “The administration of man” is a significant and demanding job because of the dynamic nature of people.

The term Human resource was first recognized in the 1960s, when the term labour relations started gaining awareness and facets such as motivation, organization behaviour and selection assessment began to develop. Previous to this human resource management was termed as Personnel Administration, which was concerned mainly with technical aspects of human beings and solely considered as the “Staff” function in the organization.

Human Resource Management improvised in response to the substantial ascending competitive pressures. Human resource management also termed as personnel management circles the entire activities undertaken by the entities for the effective utilization and development of human beings in the organization.

Human Resource Management is a method of administering people of an organization with the adoption of humanitarian approach. Human Resource management indulges in providing human dignity to the manpower while considering their capacities, talents, potentials, achievements, motivations, and commitments and so on, in order to recognize their individuality.

The apex component of an enterprise is its human resource, According to Leon C. Megginson’s national point of view Human Resources is, “the knowledge, skills, creative abilities, talents and aptitudes obtained in the population; whereas from the view point of the individual enterprise, human resource represents the sum of inherent abilities, acquired knowledge and skills symbolizing the talents and aptitudes of its employees.

Human resource plays a significant role in the success of an organization because a major part of the conflicts in organization arises due to the involvement of human beings. Human resource management is management function that enables the manager to recruit, select, train and develop organizational members. Human Resource. Human resource management is concerned with developing and managing programs that are created to increase the effectiveness of an organization or enterprise. It includes the entire range of creating, managing, and ploughing the employer-employee relationship.

II. STRATEGIC HUMAN RESOURCE MANAGEMENT

Strategic Human resource management implies the use of strategy in the field of human resource management to improve the overall business organization. Strategy is a blueprint designed to achieve something in the future. It is a way in which business organizations plan its actions to improve its current position and to achieve the desired goals in the future. Strategy is a term used by most of the organizations to gain competitive advantage. Human Resource Management deals with the entire aspects of human resource and utilizing it to its core. Strategic human resource management means integrating strategic principle to the optimum utilization and development of human resource so that the organization can achieve the competitive advantage with help of its most effective resource.

The strategic Human Resource implies that Human resource professionals are concerned about the current business facts existing in the market and focus on preparing the business unit in accordance with the future challenges. The major questions which the organizations need to solve are those related to goals of the organization, Compensation policies, strategic roadmap and human resource efforts to achieve better results. Strategies and decisions related to the organizational success are shaped by the apex bodies in the organization beside its execution depends upon the working of the most effective and efficient resource termed as human resource. It is the principal task of HR executives to ensure the execution of strategies with the support of its human resource. Several directorial, administrator, and HR experts are visualizing the necessity of human resource management so as to subscribe in the strategic triumph of the enterprise.

Contrary to the other resources of the enterprise human resource perform independently while those resources dependent on human resource for their productive utilization. The supreme bodies of the organization often forms the part of HR. Human Resource experts apart from implementation of strategies frequently associate in strategy formulation for better outcomes.

Human Resource Satisfaction is one of the prime facets for the continuance of people working in the organization. HR experts are often held accountable for the employee satisfaction, through which entrepreneurial success depends. Strategic decisions that are to be framed should basically circle the existing competitions and the aspect of human resource within the organization, which form the basic element of its success.

III. GOALS OF HR

Human Resource is considered the most significant facet of the triumph business. Human resource assists the organization in achieving its strategic goals. Strategies constructed are the guidelines within which the employees had to perform and attain the difference in the existing environment. Strategies draw the lines of the desired outcome and the employees initiate action. Organizational success largely depends on the efforts of human resource, whose administration is a significant task. Suppose the human resource department goals remains unrealised then the enterprise will lack in skills, effort and enthusiasm which in return leave the strategic goal of the organization unrealised.

Human Resource Management enhances organizational productivity and enables it to achieve competitive advantage. The key role of HR experts is to manage the goal of its employees in order to facilitate the organization's strategies. Realizing HR Department goals facilitates in locating individual needs, enhancing confidence among employees, optimization of human efforts, establishing team performances and enhancing organizational success.

IV. RECRUITMENT AND HIRING

Like any other resources human resource are also scarce in quality. It is the principle goal of HR department to provide quality employees to its organization. An appropriate strategy should be formed for recruiting and placing people in the organization to enhance the quality of work assigned to them. HR experts coordinate with other operational departments and foster information regarding the need for qualified candidates. These needs are fulfilled from the sources where qualified candidates are simply accessible. Effective recruitment and hiring fulfils the motive of human resource planning in the organization.

V. TRAINING

Training succeeds recruitment and placement. Every human resource department make provisions for training of its employees for taking benefit of skilled and qualified employees. It is the role of HR expert to develop training objectives, develop training matter and ensure the appropriate delivery of information to the candidates. Training promotes a well skilled and developed employee which contributes in the organizational success.

VI. PERFORMANCE MANAGEMENT

In current scenario human resource management focuses more on performance of employees rather than outcomes. It is the performance of workforce which majorly contributes to the organizational effectiveness. Employees are recognized and appraised because of their good performances; if the performances of employees are unsatisfying then the employees as well as the organization may suffer in case of competitiveness. Identifying and evaluating individual performance is considered as the complex task as people differ according to skills, knowledge and capabilities; performance paradigm helps in computing the performance of employees and further helps the HR experts in making decisions related to the particular employees.

VII. COMPENSATION

Remuneration is an important component of HR department goals. Every HR experts should ensure payment of fair pay to its employees. It is one of the major motivating forces. Every employee should receive the remuneration for its contribution of labour in the organization. Remuneration can be provided to employees directly and indirectly considering the entire legal system and competition in market in order to make effective utilization of human resources.

VIII. EMPLOYEE BENEFITS

Employee benefits play a crucial role in the achievement of HR department goals. Benefits and incentives delivered to employees contribute in the development of the whole family of an individual employee. Benefits related to health and welfare enables the organization to dazzle and preserve the qualified employees. It is the decision which is often taken by HR experts in coordination with the human resources.

IX. RETENTION

Human Resources can be clearly stated as the most active and productive asset of an organization. These resources provide reality to the policies set by the apex bodies. Qualified candidates are scarce and required by the competitors so it is an utmost responsibility of HR experts to preserve these qualified and limited people. Employees committed towards their work and organization can be retained with minimum efforts in comparison with other employees. HR experts are needed to be aware of such employees and continue to conduct efforts for the preservation of employees so the organization can efficiently achieve the triumph position.

X. REVIEW ON HRM

Before writing this article I went through a series of papers, articles and books related to human resource management and firm performance. Jyotsana Bhatnagar et.al. (Bhatnagar, Jyotsna & Sharma, Anuradha. (2005). The Indian perspective of strategic HR roles and organizational learning capability. *International Journal of Human Resource Management - INT J HUM RESOUR MANAG.* 16. 10.1080/09585190500239424.), concentrated on the observational investigation of vital HR parts and authoritative learning ability. Debi S. Saini (Saini, Debi. (2007). The Role of Strategic Human Resource Management in Globalizing India: Issues and Future Prospects. *MAIM Journal of Management.* 3. 1-7.), breaks down the issue of the development of HRM in India from the phase of conventional work force administration and modern relations (IR) to the present phase of criticality of vital individuals administration in dawn parts. Anuradha Sharma et.al. (Pal, S S. (2007). Strategic Human Resource Management: An Indian Perspective ? By Anuradha Sharma and Aradhana Khandekar. *International Journal of Training and Development - Int J Train Dev.* 11. 150-151. 10.1111/j.1468-2419.2007.00276.x.), examinations the theoretical advancement in the field of SHRM and the impression of HR directors about the part of SHRM in Indian worldwide associations and outside worldwide associations working in India. Sanders Kk et.al. (Sanders, Kk & Bainbridge, Hugh & Kim, Sunghoon & Cogin, Julie & Lin, Cai-Hui Veronica. (2012). Strategic human resource management research: A content analysis.), this article looks at the methodological selections of analysts examining the HR practices–result relationship by means of a substance examination of 281 investigations distributed over the previous 20 years. Bruce E. Kaufman (Bruce E. Kaufman. (2012). Strategic Human Resource Management Research in the United States: A Failing Grade After 30 Years?). Kumar Kunal Kamal et.al. (Kamal Kumar, Kunal & Kumar, Ashok. (2011). Strategic Human Resource Management Content in the Annual Report of Companies: An Analysis Through Text Mining.), portrayed that yearly reports, thought to be rich wellspring of data about the future system of any organization, can be dissected for discovering the significance that best administration puts on SHRM ideas. By utilizing recurrence examination under content mining approach, the paper initially distinguishes top positioned SHRM ideas by testing SHRM writing and after that thinks about their positioning in the content of yearly reports. Surabhi Loshali et.al.(Loshali, Surabhi & Krishnan, Venkat. (2013). Strategic human resource management and firm performance: Mediating role of transformational leadership. *Journal of Strategic Human Resource Management.* 2. 9-19.), investigations the outcomes that demonstrates that vital HR somewhat intervenes the connection between transformational initiative and execution.

XI. CONCLUSION

This paper focuses on today's most complex subject "Human Resource". It introduces the concept of human resource management and strategic human resource management and describes the significance of strategic human resource management towards the contribution of organizational success with reference to the views of various authors. Human resource is considered as the most productive resource among the entire resources available in the world; which is to be strategically used for achieving the competitiveness of the organization.

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