

# *Current Strategies Adopted By Industries For The Benefit Of Labours*

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## **Abstract**

The present study examines the relationship between Strategic HRM practices and organisational performance in the Indian context. There have been very few systematic evaluations of the claims that Strategic HRM is linked to the better employee benefit which makes organizational performance better. By carrying out a questionnaire survey in the manufacturing sector companies in Pune city, this study seeks to explore links between Strategic HRM practices and organisational performance. It is hypothesized that HRM outcomes mediate the relationship between Strategic HRM practices and organisational performance. The direct link between Strategic HRM practices and performance is also studied. They are a top management HRM value that sees HRM practices as major sources of competitive advantage, and organisational strategy that seeks to differentiate by innovation.

**Keywords:** *Strategic Human Resource Management, Organizational Performance, Employee etc.*

## **1. INTRODUCTION**

In today's world, managing human capital is critical for all organizations. Organizations compete on a global scale. They are dealing with problems and obstacles in human resource management. To maintain a competitive edge in today's competitive environment, companies must rely on the strength of their workers. Finding the right applicant, training, and preparing them has become a major challenge. A competent and professional employee is an advantage that increases creativity and organizational innovation. Many companies today are struggling to keep their workers fully engaged for an extended period of time. Employee involvement is influenced by a variety of factors such as employee mood, employee retention, personality dispositions, and organizational culture. As a result, HR practitioners are working to establish new HR strategies for engaging, empowering, and attracting employees. Organizational efficiency and productivity improve as a result of these methods. In today's fast-paced and globalized world, assisting workers to be motivated and efficient is critical for organizations to achieve their goals.

### **1.1 Strategic HRM**

In the academic press, there has been a surge of interest in the question of how strategic HRM is. Managers are being encouraged to relate particular HRM activities to strategic results, based on the premise that human capital is one of the most important components of strategic success for many organizations. Since strategic performance is usually evaluated in financial terms, HRM activities must

contribute to the firm's bottom line in order to be considered truly successful. This approach to HRM, which connects it to both policy and organizational success, has come to be known as strategic human resource management.

Strategic human resource management entails developing and enforcing a collection of strategic human resource policies or procedures to ensure that an organization's human capital contributes to the achievement of its corporate objectives. The premise at the heart of this viewpoint is that the collection of HRM activities in place influences organizational efficiency. Strategic HRM connects organizational planning and human resource management, emphasizing the convergence of human resources with the enterprise and its climate. It is assumed that integrating HRM and business strategy leads to successful human resource management, improved organizational efficiency, and, ultimately, the success of a specific business. It may also assist companies in gaining a competitive advantage by developing distinct HRM structures that cannot be imitated by others.

## **2. AIM OF THE STUDY**

The main purpose of the study is to role of strategic human resource management for employee welfare and its impact on organizational performance

## **3. RESEARCH METHODOLOGY**

### **3.1 Research Design**

To investigate Strategic HRM practices and their impact on employee benefits, a questionnaire survey was conducted on a sample of companies based in pune, drawn from different sectors of the manufacturing industry.

### **3.2 Period of the Study**

The questionnaire survey was carried out during the period January 2020 – December 2020.

### **3.3 Sampling and Data Collection**

Three hundred companies present in Pune falling in the product groups of transport equipment, machinery and equipment and chemicals were identified for the study. Each company included in the sample had at least 50 employees.

## **4. RESULTS AND DISCUSSIONS**

### **4.1 Respondent Profile**

The questionnaire was completed by one person responsible in each firm for the HRM function. Two hundred and six usable questionnaires were received. Respondent Profile is given in Table 1.

Sixty eight percent of the respondents were male and 32% were female. Of the respondents, 46.6% were between 51-60 years of age, 32.5% between 41-50 years of age, 19.9% between 31-40 years of age and 1.0% below 30 years of age. Of the respondents, 14.1% were having doctoral degrees, 73.8% Master's degree and 12.1% Bachelor's degree.

With regard to the work experience, 8.7% of the respondents were having a work experience of more than 15 years, 21.4% between 11-15 years, 38.8% between 6-10 years; and 31.1% had work experience of less than 5 years.

**Table 1: Respondent profile**

	Frequency	Percentage
<b>Gender</b>		
Male	140	68.0
Female	66	32.0
<b>Age</b>		
Less than 30	2	1.0
31-40	41	19.9
41-50	67	32.5
51-60	96	46.6
<b>Education Level</b>		
Bachelor's degree	25	12.1
Master's degree	152	73.8
Doctoral degree	29	14.1
<b>Work Experience</b>		
Less than 5 years	64	31.1
6-10 years	80	38.8
11-15 years	44	21.4
More than 15 years	18	8.7

#### 4.2 Factor Analysis of Strategic HRM Practices

The things evaluating Strategic HRM activities were factored using principal component factor analysis, which was accompanied by varimax rotation. This study identified nine dimensions of Strategic HRM activities that accounted for 78.11 percent of the variance (Table 2). Factor 1 includes elements that capture facets of hiring activities such as the amount of money spent on staffing. This factor was responsible for 12.54 percent of the variance ( $\alpha=.91$ ). Factor 2 includes things that illustrate the organization's contact and information-sharing activities. It accounted for 10.63 percent of the variance ( $\alpha=.90$ ). Factor 3, which assesses employment security policy, accounted for 9.42 percent of the variance ( $\alpha=.89$ ). Factor 4 includes elements that represent the pace and breadth of

training programs. This variable accounted for 8.93% of the variance ( $\alpha=.88$ ). Factor 5 contains elements that reflect how detailed and up to date job descriptions are, accounting for 8.90% of the variance ( $\alpha=.89$ ). Factor 6 includes elements that show how well managers know their subordinates' career goals and how

well employees are provided with specific career pathways and opportunities for advancement. This factor accounted for 8.70% of the variance ( $\alpha=.88$ ). Factor 7 includes items on employee decision-making engagement, superior-subordinate contact, and opportunities to propose changes. It clarified 8.65% of the variance ( $\alpha=.90$ ). Factor 8 reflects outcome-based performance evaluations, which account for 5.27 percent of the variance ( $\alpha=.91$ ). Factor 9 accounts for 5.08 percent of the variance ( $\alpha=.86$ ) and tests the prevalence of stock ownership and benefit sharing.

**Table 2: Factor structure of strategic human resource management practices**

		1	2	3	4	5	6	7	8	9
<b>Selective Staffing</b>										
1.	Our business spends a lot of money on attracting top talent.	<b>.858</b>	.086	.079	.101	.071	.117	.054	.111	.023
2.	Our organisation makes every effort to select the best person for a given job	<b>.834</b>	.148	.052	.086	.079	.061	.123	.108	.111
3.	Many people are involved in the selection decisions.	<b>.834</b>	.079	.036	.030	.080	.059	.004	.128	.012
4.	In recruiting, our organisation emphasizes the potential of new hires	<b>.825</b>	.090	.101	.160	.054	.044	.157	.010	.141
5.	Great Emphasis is placed on the staffing process in this organisation	<b>.819</b>	.129	.068	.147	.062	.042	.089	.011	.096
6.	There is an extensive employee selection process for jobs (for example, use of tests, interviews, etc)	<b>.791</b>	.093	.067	.076	.030	.113	.012	.008	.051
<b>Communication/Information Sharing</b>										
7.	Dialogue and debate with staff representatives are held to facilitate effective employer/employee relations.	.066	<b>.872</b>	.095	.063	.057	.005	.038	.081	.026
8.	Best practices and knowledge are shared in the organisation	.141	<b>.852</b>	.105	.079	.033	.062	.027	.050	.017
9.	Communication needs are identified in the organisation	.106	<b>.851</b>	.075	.021	.012	.052	.097	.036	.019
10.	Communication policies, strategies and plans based on communication needs are developed in the organisation	.131	<b>.830</b>	.097	.125	.007	.079	.063	.104	.080
11.	Various forms of communication channels – topdown, bottomup and horizontal channels are	.121	<b>.777</b>	.096	.032	.111	.048	.000	.018	.041

	developed and used in the organisation									
<b>Employment Security</b>										
12.	There is a guarantee of Job security in our company	.068	.169	<b>.834</b>	.094	.137	.121	.194	.075	.010
13.	Downsizing employees would be last option of company at the time of financial crises.	.067	.124	<b>.818</b>	.105	.125	.146	.172	.035	.025
14.	In our company, employee can stay as long as possible if they wants	.135	.106	<b>.789</b>	.212	.094	.125	.074	.074	.062
15.	employee firing rarely happens	.100	.120	<b>.766</b>	.200	.152	.103	.115	.094	.088
<b>Training</b>										
16.	To give proper training and skills to the employees, training programs are organized	.060	.103	.087	<b>.850</b>	.051	.120	.159	.016	.092
17.	Every few years, employees can attend training programmes.	.072	.129	.060	<b>.817</b>	.141	.050	.197	.056	.021
18.	Formal training programs have been organized to promoting employees in our organization	.087	.009	.316	<b>.754</b>	.125	.081	.183	.138	.098
19.	Extensive training programs have been offered to employees	.098	.002	.293	<b>.732</b>	.120	.090	.217	.151	.118
<b>Job Descriptions</b>										
20.	Job descriptions are normally uptodate	.108	.018	.052	.113	<b>.841</b>	.096	.157	.132	.074
21.	The duties of jobs are clearly defined	.112	.041	.089	.153	<b>.823</b>	.115	.064	.050	.003
22.	All duties are mentioned in job descriptions performed by individual employees	.105	.098	.197	.077	<b>.811</b>	.187	.163	.120	.123
23.	The actual work duties are determined more by the employee than by a job description.	.028	.086	.238	.065	<b>.759</b>	.217	.177	.197	.103
<b>Internal Career Opportunities</b>										
24.	There is a clear career path of employees in our company	.137	.016	.166	.103	.142	<b>.863</b>	.194	.068	.083
25.	The immediate superiors of employees are aware of their career goals in our organization.	.064	.015	.120	.037	.185	<b>.847</b>	.189	.050	.117
26.	There is more than one potential position for employees if they want to be promoted	.131	.094	.303	.041	.113	<b>.749</b>	.154	.019	.144

27.	There is a little scope of future of an Employee in our company	.134	.015	.014	.305	.175	<b>.744</b>	.132	.108	.075
<b>Participation</b>										
28.	Employees are allowed to make many decisions	.083	.052	.183	.212	.116	.182	<b>.874</b>	.094	.076
29.	Superiors keep open communications with employees	.099	.087	.170	.203	.204	.209	<b>.817</b>	.152	.048
30.	Employees have been asked to make their participation in decision making by superior	.138	.078	.327	.158	.085	.165	<b>.753</b>	.144	.052
31.	Employees are given the ability to suggest ways to change the way things are done.	.028	.058	.029	.290	.229	.188	<b>.685</b>	.012	.089
<b>Result oriented Appraisal</b>										
32.	Each employee has a set of performance goals.	.078	.021	.117	.153	.211	.091	.162	<b>.880</b>	.083
33.	Performance evaluations are focused on objective, quantifiable outcomes.	.017	.012	.140	.131	.226	.108	.124	<b>.877</b>	.149
<b>Profit Sharing</b>										
34.	Individuals are paid cash incentives depending on the organization's benefit.	.075	.032	.076	.089	.144	.163	.060	.141	<b>.883</b>
35.	Individuals are given ownership stakes as a form of incentive pay.	.111	.046	.063	.169	.082	.174	.128	.073	<b>.879</b>
<b>Percentage of Variance Explained</b>		12.5	10.63	9.42	8.93	8.90	8.70	8.65	5.27	5.08
<b>Coefficient Alpha</b>		.91	.90	.89	.88	.89	.88	.90	.91	.86

#### 4.3 Descriptive Statistics and Correlations

Table 3 displays the inter-item correlation matrices for the scales used in the study. The table demonstrates that there are important relationships between the different factors, providing statistical evidence for the positive relationship between the basic strategic HRM variables and organizational success. It can be observed that job descriptions, training and appraisal have relatively high mean scores of 3.819, 3.816 and 3.813 respectively, whereas profit sharing, employment security and communication obtained relatively low scores of 3.162, 3.351 and 3.368 respectively. The mean score of organisational performance was higher than the mean score of HRM outcomes. The HRM outcomes and Organizational Performance had a moderate correlation of 0.449. All Strategic HRM practices had positive and significant correlations with HRM outcomes. All Strategic HRM practices had positive and significant correlations with organisational performance. The significant relationships among the various factors provide statistical support to the positive associations among the variables.

**Table 3: Descriptive statistics and correlations**

Variables	Mean	SD	1	2	3	4	5	6	7	8	9	10	11
1. Staffing	3.5016	.62361	—										
2. Communication	3.3680	.59620	.270**	—									
3. Employment security	3.3519	.74689	.237**	.292**	—								
4. Training	3.8167	.69016	.207**	.178*	.449**	—							
5. Job descriptions	3.8192	.65033	.226**	.169*	.385**	.355**	—						
6. Internal careeropportunities	3.5583	.62684	.266**	.137*	.394**	.330**	.432**	—					
7. Participation	3.5595	.64660	.205**	.190**	.463**	.536**	.441*	.487**	—				
8. Appraisal	3.8131	.66095	.134	.083	.312**	.344**	.435**	.291**	.367**	—			
9. Profit sharing	3.1626	.89115	.191**	.109	.220**	.312**	.294**	.367**	.295**	.309**	—		
10. HR outcomes	3.4160	.54344	.312**	.285**	.329**	.408**	.349**	.380**	.370**	.272**	.249*	—	
11. Organizational performance	3.5049	.63351	.259**	.227**	.432**	.464**	.446**	.488**	.443**	.339**	.381*	.449**	—

**5. CONCLUSION**

Multiple Regression analysis was used to examine the main effects of the nine Strategic HRM practices on Employee benefits and it turns into their performance. The findings reveal that all the Strategic HRM variables have a positive impact on HRM outcomes. Strategic HRM practices of training, internal career opportunities, staffing and communication had significant effects on HRM outcomes. The Strategic HRM practices of internal career opportunities, training, job descriptions and profit sharing had significant effects on organisational performance. Results indicated that HRM outcomes partially mediated the relationship between Strategic HRM practices and organisational performance. Both HRM values and innovation strategy variables were positively associated with Strategic HRM practices. HRM values and innovation strategy can be considered as two antecedents for the implementation of Strategic HRM practices.

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