

# The Impact of Human Resource Management Strategies on Organizational Performance

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**Abstract:** The present study addressed the "impact of human resources management strategies on organizational performance " where has the objective of human resource management strategies and organizational performance being the growing attention to important topics and the relatively recent, which have a significant impact on the future of organizations in a rapidly changing competitive environment, human resources are one important source of competitive advantage. Objective of the study is to reveal the pattern of human resources management strategies in a sample of the study, and as if they were eligible for effective organizational performance and for this purpose formulated hypothesis major There is a impact with any significant positive relationship between two variables: human resources management strategies (selection& Recruitment, motivation, training and developing) and organizational performance. And for testing hypotheses study used descriptive analytical method and applied to a sample of managers and their assistants and heads of departments in Dr. Reddy's Laboratories Ltd . and data were collected by questionnaire, and field visits, personal interviews and some official documents to complete the study data. Was also used a number of statistical tools for data processing, including: arithmetic mean, percentage, for the purpose of sample description, to test hypotheses. The study found a set of conclusions and recommendations as follows: The study reveals that there is significant improvement in the performance of the employees' after appraisal. Show that the companies researched apply three strategies for the management of human resources, "the strategy of selecting and motivation strategy and training and development strategy and the recommendations was the management should also take proper care in handling dissatisfied employees, because they may create problems in the organization. And the organization should implement modern methods of performance appraisal such as performance management system (PMS).

**Keywords:** Human Resource strategies, Organizational Performance, Performance Appraisal.

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## I. INTRODUCTION

Economic environment has been rapidly changing with globalization and deregulation of markets. Customer has more to choose from and investor demands more information and strategic outlook for financial considerations. Product and market competition has become tighter. Most organizations continually have to improve performance by reducing costs, innovating products and processes, and improving quality, productivity, and speed to market. Human Resource Management plays a critical role in driving the organizational performance. The role of human resource decisions in creating and sustaining organizational performance have been vital in last twenty years.

Human resources, both as labor and as a business function, has traditionally been viewed as a cost to be minimized and a potential source of efficiency gains. Very seldom have HR decisions been considered a source of value creation, or what Hamel and Prahalad (1994) termed "numerator management." Labor costs continue to be the single largest operating cost in many organizations, and reductions in employment continue to be a major aspect of strategies to restructure operations and reduce these costs. Empirically, the challenge is to distinguish between staffing reductions that are purely cost cutting measures and restructurings that require fewer employees but create value because the new structures are more appropriate for the firms' particular strategies.

## II. STUDY METHODOLOGY

### 2.1 Problem of the Study:

The management thought Witnessed at the end of the last century and the beginning of this century narratives and themes generated by the requirements of serious discussions and business environment that has become a constant change inherent feature of her circumstances. And including the topics addressed by the current research is "The impact of human resource management strategies in the performance of the organization," it is here highlights the dilemma of intellectual for this search, it is theoretically there is controversy among researchers on a number of human resource management strategies, and the sequence of these strategies and succession implementation and coherence between These strategies and the possibility of the existence of relations between them. And the role of these strategies to improving of organizational performance to lead it toward the strategic success. Variables witnessed by the business environment and that was one of the most important of the intensification of competition and technological developments accelerating, and the constant change in customer preferences and which has become more complex and dynamic, making it difficult for the public or private organizations to continue and succeed in their work without consideration and attention to the resources human being represents one of the elements of the organization to achieve competitive advantage. From here, The main problem of the study Can be formulated as the following question :

#### **What is the impact of human resource management strategies on the organizational performance?**

From the main problem branching out minor problems as following:

- What are the human resources management strategies? Is there any application of these strategies in Organization surveyed?
- What is the nature and level of human resource strategies (selection& Recruitment, motivation, training and development) and organizational performance in Organization surveyed?
- What is the impact of human resource management strategies (Recruitment, motivation, training and development) on organizational performance?

### 2.2 Objectives of the Study:

1. Analysis and diagnosis of the impact of human resource management strategies on the performance of the organization
2. To assess the importance of human resources management strategies and their impact on the performance of the organization.
3. To study the design of Performance Appraisal System existing in Dr. Reddy's Laboratories Limited.
4. To know the satisfaction level of existing Performance Appraisal System of the organization.
5. To Provide a set of conclusions and recommendations for the Organization surveyed based on the results.

### 2.3 Hypotheses of the study:

#### ***-The Main hypothesis of the study:***

There is no impact with any significant positive relationship between two variables: human resources management strategies (selection& Recruitment, motivation, training and developing) and organizational performance .

#### ***The Main hypothesis of the study Can be subdivided into:***

- 1- There is no impact with any significant positive relationship between strategy of selection& Recruitment and the organizational performance .
- 2- There is no impact with any significant positive relationship between motivation strategy and the organizational performance .
- 3- There is no impact with any significant positive relationship between training and developing strategy and the organizational performance .

### 2.4 Need and Importance of the Study:

This study on the impact of human resource management strategies (selection& Recruitment, motivation, training and development) on organizational performance helps, one to understand the methods adopted at Dr. Reddy's Laboratories

Ltd in appraising the employees, which makes or motivates them to work towards achieving organizational goals. Understanding the strategies adopted at Dr. Reddy's Laboratories Ltd in selection, motivation and training and development to filling its available positions and that is reflected in the development of the organization's performance.

### **III. STUDY BACKGROUND**

#### **3.1 The Concept of Human Resource Management Strategy:**

Strategy determines the direction in which the organization is going in relation to its environment. It is the process of defining intentions, strategic intent and allocating or matching resources to opportunities and needs (resource based strategy), thus achieving strategic fit between them. Business strategy is concerned with achieving competitive advantage. The effective development and implementation of strategy depend on the strategic capability of the organization, which will include the ability not only to formulate strategic goals, but also to develop and implement strategic plans through the process of strategic management. Strategy is about implementation, which includes the management of change, as well as planning. The concept of strategy is not a straightforward one. There are many different theories about what it is and how it works. (Aquinas P.G.,1983).

#### **3.2 selection and Recruitment Strategy:**

Although it might seem easy, recruitment of the right talent, at the right place and at the right time, takes skill and practice, but more importantly, it takes strategic planning. development of staffing plans is discussed. An understanding of the labor market and the factors determining the relevant aspects of the labor market is key to being strategic about your recruiting processes. Based on this information, when a job opening occurs, the HRM professional should be ready to fill that position. Here are the aspects of developing a recruitment strategy:( Decenzo Robbins,2005:78) .

#### **3.3 Motivation strategy:**

According to Webster's New Collegiate Dictionary, a motive is "something a need or desire that causes a person to act". "Motivate, in turn, means "to provide with a motive," and motivation is defined as "the act or process of motivating". Consequently, motivation is the performance or procedure of presenting an intention that origin a person to capture some accomplishment (Shanks.N. H.). According to Butkus & Green (1999), motivation is derived from the word "motivate", means to move, push or influence to proceed for fulfilling a want (Kalimullah et al, 2010:432) . Bartol and Martin (1998) describe motivation as a power that strengthens behavior, gives route to behavior, and triggers the tendency to continue (Hall, Laura & Torrington, Derek, 2011:54). This explanation identifies that in order to attain assured targets; individuals must be satisfactorily energetic and be clear about their destinations. In view of Bedeian, (1993) it is an internal drives to satisfy an unsatisfied need and the will to accomplish. Motivation is a procedure that initiates through a physiological or psychological want that stimulates a performance that is intended at an objective. It is the concluding product of interface among personality behavior and organizational distinctiveness (IRCO). It symbolizes those psychological procedures that foundations the stimulation, route, and determination of deliberate actions that are target oriented (Farhad et al, 2011).

#### ***Training and Developing strategy:***

Andrew Mayo (1998) has noted that the mid-1990s were a time when organizations

began to realize that their human/intellectual capital was as important as – if not more important than – all their physical and financial assets.

Organizational growth, change and success ultimately depend on the actions of human beings. Training and development are the ways in which an organization invests in its human capital. Like all investments, the aim is that the organization should receive a benefit from its investment.

#### **3.4 Performance Appraisal:**

In any organization performance appraisal plays a vital role in developing the skills of the employees. It is a systematic evaluation of subordinates by their superiors of their performance. Generally, the superiors wish to know the performance of their subordinates. On the other hand, the employees like to know their positions in the organization. (Aken Van and Coleman Gary,2002)

Performance appraisal of the groups, individuals and organizations has become a common practice in all societies. It can be a structured form or unstructured form. This appraising of performance helps one to know where and how an individual or groups are performing the work.

***Methods for Appraising Performance:***

As there is lot of changes taking place as the time passes number of methods of performance appraisal have been developed. Each of them has been used for measuring the performance of employees. Strauss and Sayles categorize these methods (Egovern, H. of Tvorik,1997). They divided them into:

- 1.Traditional Methods
- 2. Modern Methods

***Traditional Methods:***

- Straight Ranking Method.
- Man-To-Man Comparison Method.
- Grading Method.
- Graphic Rating Scales Method.
- Forced Choice Description Method.
- Check Lists Method.
- Free From Essay Method.
- Critical Incident Method.
- Group Appraisal Method.
- Field Review Method.

***Modern Methods:***

- Assessment Center Method
- Management By Objectives Method
- Human Asset Accounting Method
- Behaviorally Anchored Rating Scales

**IV. DATA INTERPRETATION & ANALYSIS**

**4.1 Data interpretation& Analysis of Human Resource Management Strategies:**

***1-Selection Strategy:***

-selection strategy Focus to fill the vacancies from within the company.

**Table.1 selection strategy data analysis**

<b>Characteristics</b>	<b>No. of respondents</b>	<b>% of respondents</b>
large extent	25	50
Certain extent	5	10
Little extent	10	20
Less extent	10	20
Not at all	0	0
Total	50	100

Interpretation: From the above table, it is observed that 50% the company have selection strategy Focus to fill the vacancies from within the company a large extent, 10% certain extent, 20% little extent and other 20% less extent.

**2-Training and development strategy:**

-training programs are designed according to the requirements of the business of the company.

**Table.2 Training and development strategy: data analysis**

Characteristics	No. of respondents	% of respondents
large extent	10	20
Certain extent	25	50
Little extent	10	20
Less extent	5	10
Not at all	0	0
Total	50	100

Interpretation: From the above table, it is observed that 50% the company have training programs are designed according to the requirements of the business of the company Certain extent, 20% large extent, 20% little extent and other 10% less extent.

**3-Motivation strategy:**

-The company provides incentives according to the basis of the skills that are owned by the individual worker.

**Table.3 Motivation strategy::data analysis**

Characteristics	No. of respondents	% of respondents
large extent	25	50
Certain extent	10	20
Little extent	10	20
Less extent	5	10
Not at all	0	0
Total	50	100

Interpretation: From the above table, it is observed that 50% The company provides incentives according to the basis of the skills that are owned by the individual worker a large extent, 20% certain extent, 20% little extent and other 10% less extent.

**4.2Test of hypotheses of study:**

**The main study hypothesis:**

There is no impact with any significant positive relationship between two variables: human resources management strategies (selection& Recruitment, motivation, training and developing) and organizational performance.

**Table.4 the main hypothesis test results**

F CALCULATED	F TABULATE D	(SIG-F)	CORRELATION COEFFICIENT R	COEFFICIENT OF DETERMINATION R2	RESULT H
2.6	106.957	0.88	0.775	0.698	Reject

Have been used of test multiple regression to test the previous hypothesis, Noting (F) Calculated value is less than of its Tabulated value When the confidence level is (%95), It also (Sig-F) is more than The level of significance (0.05), And depending on the decision rule we reject this hypothesis. Relationship strength has reached (0.775) , Coefficient of

determination is (0.698) , Reflecting the rising strength of this relationship and the degree of interpretation of variables of Human Resource Management strategies for the organizational performance variable.

## **V. CONCLUSIONS**

1. Show that the companies researched apply three strategies for the management of human resources, “selecting strategy, motivation strategy and training and development strategy.
2. There is a impact with any significant positive relationship between strategy of selection& Recruitment and the organizational performance.
3. There is a impact with any significant positive relationship between motivation strategy and the organizational performance.
4. There is a impact with any significant positive relationship between training and developing strategy and the organizational performance.

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