

A STUDY ON LITERATURE SURVEY ON THE EFFECTS OF HRM PRACTICES ON WORKERS' PERFORMANCE ACROSS SECTORS

Balaji R¹, Dr.Kandavel R²

¹MBA Student, School of Arts, Humanities and Management, Jeppiaar University, Chennai ,India.

²Associate Professor, School of Arts, Humanities and Management, Jeppiaar University, Chennai ,India.

¹balavishal1999@gmail.com, ²krkandavel@gmail.com

DOI: <https://www.doi.org/10.58257/IJPREMS40581>

ABSTRACT

Any organization's human resources are essential to its success. Human resources possess the abilities, know-how, and skills needed to carry out organizational planning and policy. Improved business performance and a sustained competitive advantage depend heavily on human resources. A human resource management practice addresses every facet of how employees are hired and overseen within the company. Strategic human resource management, resourcing (including talent management, recruiting and selection, and human resource planning), performance management, learning and development, reward management, employee relations, and employee well-being are among the topics it covers. This study uses a review of the literature on research done between 2009 and 2019 to investigate how HRM practices affect employee performance across all industries. Secondary data from earlier studies and a literature review of research papers on HRM practices and employee performance comprise the research approach used in this work. Employee performance is impacted by HR strategies related to hiring and selection, training and development, and compensation, according to this paper's extensive literature review. Numerous studies on human resource management have shown that HR strategies improve employee performance. However, some research showed that HR procedures had a detrimental effect on workers' performance. As a result, this study suggests that the three practices are what determine an employee's performance. However, by gathering and analyzing pertinent data, this study can be further empirically supported.

Keywords: employee performance, HR procedures, hiring and selection, education and training, and pay.

1. INTRODUCTION

Any organization's people resources are its most important and crucial asset. The individuals who work for a company and contribute to its competitive edge are known as human resources. The optimal use of human resources to accomplish the organization's goals and objectives is referred to as integrating the notion of human resource with human resource management.

About 90% of people worked in jobs related to agriculture in the 1890s. These people were in charge of carrying out a range of duties and were usually their own employers. The quality of their output determined whether they succeeded or failed. The majority of nations transitioned from agrarian to industrial societies between the late 1800s and the 1960s.

The management began to understand the value of human resources throughout this transition. Up until that point, every company had an administrative or personnel department that handled hiring, managing wages, granting leave, making promotions, and placing and transferring employees.

Indian management began to understand the value of human resources in preserving competitive advantage in 1981. This made it necessary to connect capabilities and improve labor skills in order to meet market demands.

The Human Resource Management Department gained more prominence in the field of organizational practices following globalization. For the past few years, the western world has considered human resources (HR) to be a substantial and vital component of management, including HR practices. Over the past 25 years, HR practices' impact on performance has drawn a lot of attention from throughout the world (Mohammad, Miah, Rahman, & Rahaman, 2017), which was mentioned by Khan, Yusoff, Hussain, & Ismail, 2019. Over the last two decades, academics have also started to pay closer attention to the impact that HR policies have on employee well-being and on employee-centered outcomes like employee well-being (e.g., Jiang et al., 2012), which Khoreva & Wechter (2017) note. According to Fisher (2010) and Van De Voorde and Beijer (2015), who were mentioned by Khoreva & Wechter (2017), research has also been done on the relationship between employee well-being and how HR practices impact worker performance.

Numerous studies have demonstrated the connection between employee performance and HR procedures. The literature on human resource practices, including hiring and selection, training and development, pay, and employee performance, is the main subject of this essay.

2. LITERATURE REVIEW

According to Goyal and Shrivastava (2012), the practices can be a system, a procedure, an activity, a norm, a rule, an accepted or anticipated habit, or just a way of doing things. Human resource practices are what set the foundation for company management culture; they raise awareness of the need for employees to accomplish company objectives in the most effective and moral way feasible. It is generally acknowledged that personnel are an essential component of an organization's resources and have the capacity to increase its practical advantage (Hazra, Sengupta, & Ghosh, 2013). Employee performance refers to the tasks that are expected of them on the job and the quality of their execution. In order to identify areas for general improvement, the majority of firms evaluate employee performance either annually or periodically. The way your employees perform on a daily basis within your company is referred to as employee performance. The quality, quantity, and efficacy of an employee's job as well as the behaviors they exhibit at work are all part of their performance. According to Andrew (2017), employee performance is the results of activities taken by those who perform in a certain environment.

Impact of Recruitment and selection on employees' performance via Literature survey

Collins and Kehoe (2009) investigated the relationship between firm-level performance and various staffing systems. In order to better comprehend the function of recruitment and selection, this study examines current theories of organizational design and structure. Internet recruitment techniques have been identified by Kumar & Garg (2010) from important literature, and they explain how their advantages can affect recruitment performance. The study's conclusions demonstrated the growing significance of information technology in hiring procedures. **Kepha et al. (2012)** demonstrated how hiring and selection practices affect staff performance in a Kenyan research institute. 256 employees made up the sample size for this study, which used a stratified sampling technique. Data was gathered via a questionnaire, and SPSS was used for analysis. The findings showed a significantly substantial correlation between hiring and selection practices and employee performance. When filling open posts, the report advised research institutions to closely follow job specifications. **Mokaya (2013)** investigated how hiring procedures affected worker performance in Kenya's cooperative industry. 177 employees completed a questionnaire to provide data, which was then evaluated using descriptive statistical tools like frequencies, percentages, means, and SD as well as inferential statistical methods like regression and correlation to find any connections. According to the study, hiring sources have a greater impact on an employee's performance.

Ntiamoah (2014) assessed Ghanaian public sector hiring and selection procedures. A self-administered questionnaire was used to gather data, and regression and correlation analysis were used for analysis. The findings indicated a strong direct relationship between the public sector, selection decisions, and the architecture of recruitment and selection procedures. Qudah et al. (2014) investigated how HRM methods affected Malaysian Skill Institute (MSI) employees' performance. Questionnaires were used to gather data, and descriptive statistics and correlation analysis were used for analysis. The findings showed a substantial correlation between employee performance and recruitment, selection, and compensation. According to **Kepha et al. (2014)**, employing top-notch personnel can be greatly aided by HRM practices. Specifically, recruitment and selection have been identified as key HRM practices that will impact employee performance levels inside the organizations. This study ascertained the impact on the degree of employee performance within the company. To achieve the goal, 256 employees were selected as the sample size using a representative sampling technique. A questionnaire was used to gather data from the employees, and statistical methods such as tables, bar graphs, and pie charts were used for analysis. The study's findings showed a significantly significant relationship between hiring and selecting practices and employee performance. Additionally, this study suggests that while hiring for open positions, research organizations should closely follow the job specifications. **Ekwoabo et al. (2015)** use Fidelity Bank PLC Lagos Nigeria as their focus to examine how hiring and selection criteria affect performance. A self-administered questionnaire was used to gather data from 130 participants. According to the study, performance was significantly impacted by recruiting and selection criteria. **Sutanto and Kurniawan (2016)** looked at the various ways that labor relations, hiring, and employee retention affect worker performance. 712 participants' data were gathered, and T-statistics and partial least square analysis were used for analysis. The study found that a strong hiring program can positively impact employee dedication, productivity, and, consequently, labor quality, including performance. This study also suggests that hiring, retention, and labor relations have a significant impact on worker performance.

Oaya et al. (2017) used a descriptive survey study approach to investigate how hiring and selection practices affect employee performance in the real sector. A one sample T-test was used to assess the data that was gathered from 150 employees. According to the study's findings, an organization's strength and weakness are determined by the quality of its workforce, and an ethical hiring process helps the company find qualified candidates who will improve performance. This study also suggests that organizations can hire devoted and effective workers by using internal employee recommendations of recruiting agencies in the hiring and selection process.

Rehmany (2018) evaluated how the hiring and selection process affected worker performance and found a direct correlation between employee performance and organizational performance. For the purpose A total of 120 respondents provided primary and secondary data. According to the report, companies with highly skilled workers see improvements in performance and results. The study also found a strong association between hiring and selection procedures and employee performance; as a result, hiring and selection procedures are highly trusted based on employee performance. **Wambua & Genga (2018)** assessed how the hiring and selection procedure affected teachers' performance. 347 respondents including teachers, principals, and teacher managers completed a questionnaire to provide data, which was then evaluated using descriptive statistics. The study's findings demonstrated a clear link between hiring and selection practices and teacher effectiveness. The researchers advise the Teacher Service Commission to prioritize carrying out fair and transparent hiring and selection procedures. At PT Green Glover Indonesia, **Suwarto & Subyantoro (2019)** ascertained the impact of placement on performance, the impact of selection on placement, and the impact of selection on performance. Ninety employees provided data, which was then evaluated using the Partial Least Squares (PLS) method in conjunction with Structural Equation Modeling (SEM).

Shafiq and Hamza (2017) looked into how employee performance was affected by training and development. A questionnaire was used to gather information from 105 employees. Analysis was done using regression and correlation. The study's findings demonstrated that while work enrichment had a considerable impact on employee performance, on-the-job training, off-the-job training, and job rotation had little effects. According to this study, in order to accomplish the goal of developing high-performing employees within the firm, the corporation should embrace progressive HR programs and policies.

Owotunse & Yetunde (2018) look into the potential effects of coaching and development on worker productivity and performance. A questionnaire with a two-point Likert scale (1 being agree and 2 being disagree) was used to gather data from 80 employees. The study's findings indicated a strong correlation between employee performance and training and development. According to this study, the only choice left to administrators of institutions concerned with their efficiency and productivity is to implement training and development.

Sanyal & Hisam (2018) looked at how training and development procedures affected the performance of the chosen Omani banking companies in the public and private sectors. A sample size of 300 was obtained using the convenience sampling approach for data collection, and descriptive statistics, Pearson Correlation Analysis, Regression Analysis, and ANOVA were utilized for analysis. The study's findings indicated that employee performance was positively impacted by training and development.

Yonas et al. (2018) investigated how employee performance was affected by training and development. A five-point Likert scale questionnaire was used to gather data from 500 employees, and Pearson correlation was used for analysis. The results of this study showed that training and development both improve employee performance and have a favorable effect on it. Development also results in greater employee performance. According to this study, a firm should invest in staff training and development to maintain a competitive edge over the long run.

3. RESEARCH FRAMEWORK

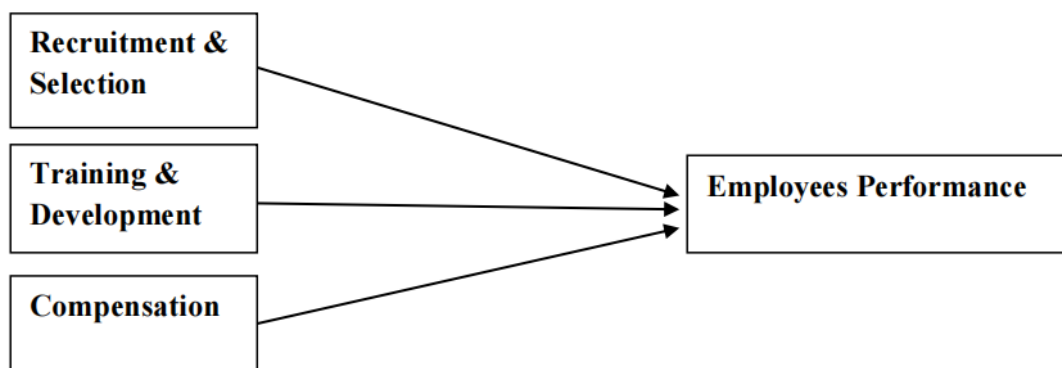


Figure - 1 the Proposed Framework

According to the literature review, many HR procedures, including hiring and selection, training and development, and compensation, have an effect on employees' performance. It is suggested that there is sufficient data to demonstrate how HR procedures affect employees' performance based on an analysis of pertinent literature. This is demonstrated in Figure 1, which shows the suggested structure with employee performance as the dependent variable and HR procedures as the

independent factors. Training and development, as well as recruiting and selection, are used to gauge HR practices. Task and contextual performance could be used to gauge employee performance and determine compensation.

4. CONCLUSION AND DISCUSSION

The study's goal was to use a literature review to ascertain how HRM methods affected workers' performance across all industries. This study reviewed the literature on how hiring and selection procedures, training and development, and pay affect workers' performance.

Studies on recruiting and selection procedures revealed a strong relationship between worker performance and these procedures in research institutes (Kepha, Mukulu, & Waittu, 2014). The performance of the employee is highly influenced by recruitment resources (Makaya, Mukhweso, & Njugana, 2013). There was a strong favorable association between the public sector and the hiring process. The Malaysian Skill Institute (MSI) found a significant correlation between employee performance and hiring, selection, and pay. According to real sector research, an organization's strength and weakness are determined by the quality of its workforce, and a sound plan can help an organization hire skilled workers who can improve performance (Oaya, Ogbu, & Ramibkun, 2017). The education sector discovered that teacher performance and recruitment and selection were positively correlated, and they suggested that the teacher service commission should place more emphasis on carrying out fair and transparent recruitment and selection.

Studies on training and development practices revealed that companies can improve employee performance, competencies, and skills by investing in the right kind of training. They also discovered a significant negative correlation between job satisfaction and training and development in the telecommunications sector and a significant positive correlation between training and development and employee productivity. Employee training and development at ESCON are impacted by working circumstances and a lack of resources (Kum, Cowden, & Karodia, 2014).

Research on compensation methods revealed a strong correlation between employee productivity and pay in the banking industry (Yamoah, 2013). The service industry found that in order to retain talent over time, monetary rewards have to be accompanied by non-monetary benefits (Premalatha, 2013). The manufacturing industry demonstrated a considerable positive correlation between employee performance and compensation management (Ogunlami & Mathew, 2014). Engro Food Limited discovered that discrimination based on title and status existed in several industries, which will help employees perform better and decrease employee turnover.

5. BIBIOLIGRAPHY AND REFERENCES

Books

- [1] Armstrong, M. (2010). *Armstrong Essential Human Resource Management Practices: A Guide to*
- [2] *People Management*. Great Britain and United State: Kogan Page Limited.
- [3] DeCenzo, D. A., & Robbins, S. P. (2005). *Fundamentals of Human Resource Management* (Eighth
- [4] Ed.). Kundli, Haryana: JOHN WILEY & SONS.
- [5] Rao, V.S.P., (2016). *Human Resource Management: Text and Cases* (3 Ed.). New Delhi: Dr. Rajan
- [6] Chopra.

Journal

- [1] Andrew (2017). Employee dedication and how it affects the operation of the company. *Asian Journal of Business, Accounting, and Economics*, 1–13.
- Siddiqui, U. I., Shouqat, U., Akhter, N., Ijaz, M., & Raja, A. (2016). Effects of pay discrimination on workers' performance at Pakistan's top company, Sahiwal, and Engro Food Limited. *International Review of Business Research and Management*, 5 (2).
- [2] Nasir, A., Anis, A., Rehman, I. U., & Safwan, N. (2011). A remuneration perspective on the relationship between employee retention and training and development. 5 (7), 2679-2685, *African Journal of Business Management*.
- [3] Kahoe, R. R., and Collins, C. J. (2009). hiring and choosing. ILS school digital communications at Coenell University, 209–223.
- [4] In 2017, Dayanandan, R. A meta-analysis examining the impact of pay on hospital staff members' work performance. *Journal of Science and Management*, 4.
- [5] H. Ehsan (2018). An analysis of the telecom industry shows how employee performance is affected by pay, work design, and performance reviews. *Global Economy Journal*, 6(3).
- [6] Ikeiji, U. U., Ekwoabo, J. O., and Ufoma, N. (2015). Selection and recruitment criteria's effects on an organization's performance. *Human resource management worldwide*, 3 (2), 22–33.

-
- [7] Imbulana, L., and Gamage, P. N. (2013). Employee performance, training, and development: evidence from Pakistan's telecom industry in Sri Lanka. *International Journal of Management Research, Financial Services, and Marketing*, 2 (9).
 - [8] Shrivastava, M., and R. Goyal (2012). An analysis of HR procedures and how they affect workers' job satisfaction and organizational loyalty in the pharmaceutical sector. *International Journal of Teaching and Business Trends*, 2 (3).
 - [9] Sengupta, P. p., Hazra, K., and Ghosh, P. (2013). An empirical investigation of a few chosen hospitality organizations on the effects of HR policies on worker performance. 3 (2), 654-674, *SIT Journal of Management*.
 - [10] Mago, S., and Hofisi, C. (2012). Compensation's varied effects on public sector employees' performance: An example involving Zimbabwe's premier medical aid society. *Journal of Public Affairs in Africa*, 5 (2).
 - [11] Jean, K. N., Robert, A., and Ngui, T. K. (2017). A case study of Mambasa Cement Limited examining the impact of compensation strategies on worker performance. *International Journal of Humanities and Social Science Research*, 25-42.
 - [12] Omoke, W., A., Kagiri, O. K., & Dismaso (2014). the impact of education and training on staff performance in Kenyan research institutes. *Journal of Science and Research International*, 3 (5), 139-146
 - [13] Waititu, A., Gichuhi, E., and Kepha, O. (2014). the impact of hiring and selection practices on staff performance in Kenyan research institutions. *Journal of Science and Research International*, 3 (5).
 - [14] Waittu, G. A., Mukulu, E., and Kepha, O. (2014). the impact of hiring and selection practices on staff performance in Kenyan research institutes. *Journal of Science and Research International*, 3 (5).
 - [15] Hussain, A., Khan, M. A., Yusoff, R. M., & Ismail, F. B. (2019). Empirical data from the higher education industry demonstrates the mediating role that work satisfaction plays in the relationship between HR practices and employee job performance. *International Organizational Leadership Journal*, 78-94.