

# Role of HRM Practices in Organization Performance: A Survey Approach

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## ABSTRACT

In recent years, HRM has received a lot of traction. Human resource management is essential for all types of enterprises. The bulk of research indicates that HRM and organizational performance have a positive link. Each organization's main goal is to attain high levels of performance in its goals and objectives. In this paper, HRM and practices were investigated. What part do human resources play in achieving organizational objectives? This survey will also evaluate HRM practices by analyzing the 40 papers that have been submitted. In addition, this article offers a thorough examination of the chronological assessment based on each publication. In addition, the results of each research paper's analysis are displayed. A review of the literature was utilized to focus on and review the issue knowledge in this study. Finally, it expands on many research concerns that may be useful to researchers in doing more studies on HRM practices.

## KEYWORDS

Employee Engagement, Employee Retention, HRM, HRM Practices, Human Resource Management, Job Satisfaction, Organization Performance

## 1. INTRODUCTION

The investigation of HRM and practices was done in this study. How do human resources contribute to accomplishing organizational goals? In addition to evaluating HRM practices, this survey will also examine the 40 articles that were submitted. In addition, this page includes a full study of the historical assessment depending on each article. The outcomes of each article's analysis are also shown. To concentrate on and evaluate the issue knowledge in this study, a survey of the literature was used. Sustainability concerns are increasingly on the worldwide political agenda, and many

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businesses are concerned about them. Managers, policymakers, and employees must assess and revise their definitions of organizational performance and the aim of management practice to meet the wide idea of sustainability, which includes financial, environmental, and social long-term results. It also necessitates a review of the methods for achieving these long-term goals (Aycan et al. 2000). Human resource management methods are critical for the development of competencies and organizational culture and hence contribute to long-term results (Momani, 2020; Aulawi, 2021; Akour et al., 2021). Human resource practices and their outputs, such as creative, risk-taking, and inventive capacities, are also a result of sustainable practice and a link between sustainability goals and organizational performance.

Various methods have been established to support human resource management's significant impact on organizational performance (Sinha et al., 2022; Wang et al., 2023). A variety of mediating elements that contribute to organizational effectiveness have been discovered in studies. HRM's ability to impact parts of organizational outcomes, notably human and organizational skills that contribute to short- and long-term organizational success (Schuler and MacMillan 1984; Ahmad and Schroeder 2003), is one of them. Individual characteristics such as knowledge, skills, talents, and also behaviors, and attitudes, have been proved to improve organizational performance through HRM methods. HR strategies also appear to contribute to the creation of unique cultures and organizational competencies like technology and knowledge management, according to research (Sivathanu and Pillai, 2019). Despite the semantic challenges involved with the phrases HRM and SHRM, HRM, and SHRM may be identified as activities that have a beneficial influence on organizational outcomes and performance. The assumption that a stated organizational strategy provides the context for the development of human resource management practices is central to the SHRM concept (De Menezes et al. 2010). High-performance work practices, such as incentive pay, training, sharing of information, participative management, preferential recruiting and selection, an egalitarian culture, and teamwork, are all practices that contribute to organizational performance, according to a large body of research. According to SHRM theory, to increase performance, HPWPs, and organizational strategies should have a strategic fit. According to a concept of research on the relationship between HPWPs and organizational performance, HPWPs do have a favorable influence on organizational performance; however, the practices of performance assessment, teams, and information sharing do not. The study also discovered that systems of practices had a greater influence than individual practices and that the positive association between human resource practices and organizational performance remained regardless of the performance metric utilized. The extent of the impact of the HPWPs-organizational performance link was shown to be influenced by context, with the impact being twice as large in manufacturing as it was in services. Even though the organizational strategy was recognized as a mediator between HPWPs and organizational performance by (Macke and Genari 2019), they have been unable to test for this relationship due to coding issues.

**Human resource management practices:** HRM is described by (Harel and Tzafrir 1999) as the process of attracting, retaining, and developing talented and engaged employees to support the firm's goal, mission, and strategy. The traditional understanding of HRM focuses on monitoring, managing, and controlling a company's employees. Technical and strategic HRM focuses on recruiting and selection, training, assessment, and administrative benefits, whereas HRM activities include employee engagement, communication, engagement, team-based task design, and management development. As a result, HR relies on a commitment that focuses on the emotional ties between employees and the company's goals, as well as increasing management engagement, which provides greater compensation and training to subordinates (Subramony 2006; Albrecht et al., 2015). Moreover, it can be claimed that HR is still focused on objective assessment and rewarding the best performers. Recruitment and selection, teaching, performance assessment, developing HR policies, and managing HR records are all part of HRMPs, according to (Ulrich 1997). Following a review of the literature on HRMPs, it can be concluded that they improve employee skills and motivation, as well as assist in the achievement of company objectives through technical skills and creativity. Effective HRMPs are gaining traction

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