

# EMERGING TRENDS IN HR PRACTICES AND ITS IMPACT ON EMPLOYEES PERFORMANCE

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**Abstract:** *This paper presents the insights of the various HR practices which impacts the performance, commitment and job satisfaction of employees. In the present dynamic era retaining the employees has become a challenge, gone are the days when employees use to look only for the salaries. Today the aware youth is no more attracted to merely salary, they are expecting more beyond the salary and therefore the organizations are formulating and implementing best HR practices in order to attract retain and develop the employees who can deliver quality output to the organization. The role of today's HR has transformed from support function to strategic function and is now being recognized as strategic partner. To sustain its identity of Strategic Partner HR Managers in many organization are constantly reviewing and researching on their HR practices which influences the performance of employees. The Paper is based on secondary data and has attempted to understand the HR practices in vogue.*

**KEYWORDS:** *Human Resource Practices, Best Human Resource Practices, Employee Satisfaction, HR trends in 2018, Human Resource Practices and Technologies, Benefits of Healthy HR Practices.*

## Introduction

In the present competitive world, the companies are facing lot of skill shortage, talent crunch and attrition those reached historically height ever, that made the companies feel the internal customer also more important equally with external customers, so every company try to devise best HR practices to attract best talent. Modern best practice does more than just improve efficiency, it renovates an entire HR operations. Today, HR Professionals in almost every industry are coping with an array of huge new problems: the growth of global markets, rapid creation of new technologies, skill gaps in critical positions, and increased productivity demands. These are the initial building blocks that will help HR leaders deliver the best possible business decisions. 'Good HR practices do make a difference on many counts. They uplift the internal capacities of an organization to deal with current or future challenges to be faced by an organization. The process of globalization has put heavy pressure on many Organizations to be competitive. The impact of these pressures is all pervasive and long term survival of business is dependent on its ability to improve continuously. Organizations have to gear up with innovative HR Practices to survive and flourish in today's competitive and complex business environment. Good management practices are a key drive of staff performances.

## Objective of the Study:

1. To present contemporary trends in HR practices.
2. To understand how HR practices impact performance of Employees.

## Research Methodology:

The research is based completely upon the secondary sources of data, which is exploratory related to the subject of the research. Sources of this research include e-journals, web portals and text books.

## Literature Review:

**Hanif Khaki (2006)** is of the views that, today's businessman have understood the value of hiring professionals with experience working in HR. The companies have learned the importance of good relations with their workforce. The company which does not realizes the importance of its human resource cannot progress. The employee also likes an organization which cares for them and rewards their services accordingly. Likewise, health benefits are probably the second most important factor, besides financial benefits which is always welcomed by the employee. The HR department is generally very open for such aspects in the workspace. **Sheth Hiral (2005)** did a global IBM study on human capital that provided a deep insight into the issues related to HR practices. He observed that the human resource team is more active and takes care of employee needs in an emerging or upcoming market than in a maturing or developing market. According to the study, the build strategy is a better option in the long term, than buy talent strategy. However a balance between the two is the best approach. It was found in the study that companies that invested in building talent, has higher profits per employee as compared to organizations. **Suman Shikha (2006)** studied the knowledge athletes in organizations. Successful companies effectively manage their human resources to create and market new products and services. Human resource management strategies have the potential to fuel innovation and creativity in the organization. The four dimensions in which the HRM strategies that can push innovation and creativity are: human resource planning, Performance appraisal, Reward system & motivator The motive is to maximize productivity and minimize turnover. The challenge lies in balancing team rewards with individual rewards. Managing employees careers to provide them a well-rounded professional experience. Innovation has as much to do with the environment that is created as the creative types that are employed to support the R&D activities of the organizations.

An effective human resource management practices can be the main factor for the success of a firm. As supported by HRM practices on business performance, namely training and development, teamwork, compensation/incentive, HR planning, performance appraisal, and employee security help improve firms' business performance including employee's productivity, product quality and firm's flexibility. Few researches have been conducted to investigate the relationship between the HR practices and the job performance of the employees. Researchers have noted the importance of aligning HR practices so that they work effectively together in an organization.

Internally aligning practices facilitates commonalities in understanding across different organizational functions and **units (Werbel & DeMarie, 2005)**. For similar reasons, we underscore the importance of communicating and implementing various practices in a coherent manner vis-à-vis relational climates.

**Perlow et al. (2004)** noted that differences in reward systems were associated with distinctive patterns of helping, and certain helping-reward system configurations may be further reinforced by broader institutional conditions. Practices may not only be directly associated with emergent relational climates, but they may interact in ways that enhance or dilute another's effects. For example, in organizations where socialization and training protocols emphasize individual competencies, it would be counterproductive to use a team-oriented incentive system to determine the distribution of rewards. Employees would begin their organization tenure learning that instrumental help (i.e., market pricing climate) is paramount only to discover after experiencing a few performance appraisal cycles that such behavior is not rewarded and incurs social costs from coworkers who have developed behavior norms reflecting interpersonal sharing and concern (i.e., communal sharing climate).

If managers want to increase the chances that employees will develop similar expectations regarding helping exchanges, they will need to first enact relationally consistent bundles of HR practices and then determine through employee feedback and observation whether the practices accomplish targeted relational effects. Broader processes that strengthen the effect of HR practices on climate generally (**cf. Bowen & Ostroff, 2004**) could be used to assist in implementing practices coherently. Evidence has accrued in the climate literature that managers may act as climate engineers (e.g., **Naumann & Bennett, 2000**), and that it is important for managers to behave in ways that demonstrate preferred climate characteristics (**Schneider et al., 2005**). Thus, the roles that managers play in establishing focal relational processes should be underscored. With regard to relational climates, managers may affect climate directly by adhering to the strategic focus of the selected HR practices and insuring coherence in implementation. For example, managers implementing a commitment-based HR practice bundle should insure that work design, rewards, and appraisal practices signal the importance of shared/team activities. Managers may also influence climate indirectly through role modeling and demonstrating competencies reflective of the preferred

### Contemporary trends in HR practices.

#### ➤ **Continuous Feedback And Review Culture**

One of the HR trends predicted for 2018 is a culture of continuous feedback or reviews at the workplace. The way we give feedback has changed over time; managers are now focusing more on improving their teams by giving them constructive and frequent feedback. Most employees prefer real-time feedback/reviews over annual performance reviews because this practice allows them to understand where they are going wrong and gives them a chance to correct themselves instead of having to wait for a whole year to learn where they went wrong.

#### ➤ **Digitized Recognition & Rewards**

Receiving praise and recognition from managers has always been the best motivator for employees. In 2018 it is expected to see the trend of digitizing rewards & recognition. Peer-to-peer recognition is also predicted as a HR trend for 2018 where HRs are expected to make use of more social recognition platforms and provide an appropriate platform for their employees to reward and recognize each other's contributions.

#### ➤ **AI Driven HR (HR Bots)**

One more interesting HR trend to look for in 2018 is Artificial Intelligence (AI) driven human resources. This doesn't mean that AI will replace human HR, instead it will analyze and transform the existing data and help in basic repetitive HR tasks. Using AI for recruiting workforce helps to reduce bias and assess the candidate based on company's requirements effectively. This also enables HR to work more on employee relations and retaining them, instead of getting caught up in mundane HR tasks.

#### ➤ **Team Management Tools**

The trend of using software tools for team management has been widely recognized since past few years. In 2018, many software tools are likely to emerge and make it easier for teams to collaborate with each other.

These tools enable to use features like real-time messaging, knowledge sharing etc. which promote employee engagement and in turn increase the overall productivity at workplace.

#### ➤ **Learning Management System For Training**

The need for developing skills has always been necessary for professionals no matter at which phase of their career they are. Continuous learning is predicted to be one of the most popular HR trends this year.

It is important to provide learning opportunities to employees so that they can improve themselves from time to time and contribute their best at work. Learning management systems will allow to track employee progress accurately and also promote collaboration between departments.

➤ **Video Interviews**

Cisco is the company that came with the interviewing-via-video trend and companies all over the world are currently following this practice. Nowadays, given the increasing number of employees that are working remotely, this innovative practice seems to be the most suitable when it comes to recruiting the most competent employees. As the New York Times and Forbes claim, employees working remotely are happier and more productive than their fellows and facilitating the recruitment process for these employees may be increasing company's overall productivity levels as well. More than 40% of the American employees were working remotely in 2016, according to a Gallup survey and more than 80% of those reported lower stress levels associated with work. Also, more than 85% admitted that working alone brings them the highest productivity rates. Corporate office jobs are also decreasing in popularity; in this case interviewing via video calls can bring the company and HR department an exquisite balance between quality and cost-cutting measures. With sophisticated technological advancements, these interviewing methods become more accessible to an increasing number of companies and employers all over the world.

➤ **Gamification and the recruitment process**

This is a practice first implemented by the Marriott Hotels & Resorts and it consists of accomplishing various tasks on the company's website as part of the interviewing process. Potential tasks that are part of the job description will draw a bigger number of suitable employees for each position open and decrease the average age window of their potential employees. Being attracted by the new interviewing approach, young individuals will be drawn by the careers available here and adding such recruitment methods to HR department's arsenal is an amazing innovation that can increase the profitability of the company in the long run.

➤ **Rewards for time off and volunteering**

In the past, rewarding the employees with the least days off was a common practice, however, progressive-thinking companies acknowledge the importance of a healthy work-life balance and understand that productivity comes from recharging the energy levels during time-off intervals. The number of weekly working hours for men at the level of EU was in 2017 of about 40 hours weekly. With an average number of working hours so high, an increasing number of companies encourage and even implemented rewards for those taking days off more frequently. It has been proven in numerous times that those employees with a higher number of days off also have increased productivity levels. Time off for volunteering is another practice encouraged by large corporations all over the world. In the case of some big names in the tech industry, the time off for volunteering and helping the community is as high as seven days off. This not only encourages the employees to get involved in various social causes, but also it encourages them to become more dedicated and loyal to their work. It also contributes to satisfying the employee and assuring a happy and balanced work-life ratio.

• **Impact of HR Practices on performance of Employees.**

The word "Performance" has no universal definition defines performance as the action or process of performing a task or function, and a task or operation seen in term of how successfully it is performed. Performance is often confused with effort which refers to energy expended whereas performance is measured in the terms of results. Performance can be defined as the accomplishment of an employee's assigned duties and the outcomes generated on a specified job function or activity within a specified time period given A number of researchers have determined the relationship between HR practices and employees' performance and the results of the studies shows a positive relationship between them According to suggests there is consensus that human capital is significant related to firm performance. Furthermore, there is a long list of high-performance HR practices that may affect the organizational performance. A growing body of empirical evidence, mainly originating from American studies, suggests that firms are increasingly incorporating high-performance HR practices in order to improve financial performance and sustain a competitive advantage as in the studies o In doing so, businesses seek to organize their workplaces in such a way that makes efficient use of human capital.

**Healthy employees are happy, more productive employees**

- Employees seem to appreciate more and more paid health screenings, paid sick leave, gym and wellness memberships, and their overall satisfaction levels increase if these are offered by their employers. The new trend in the business world is offering all of the above for all employees, regardless of their time spent with the company. Satisfied employees are generally more productive, and healthy. Also, HR departments are quickly learning that facilitating the employee's access to mental and physical health benefits is a good motivator in the hiring process, even if the wages are not as high as their competitor's.
- Workplace is an employees' second home. By providing employees with a safe, healthy and a hygienic work area, employees are comfortable at all time. This reflects in the employees' productivity. A complaining employee would be less interested in his job while a happy employee is well motivated to do his job well. It also gives the employees, a very positive image of the company and makes them feel that they are very well cared for thereby boosting their morale.
- In order to support the statement that HRM policies and practices enhance organizational performance we need to look at the various literature on the subject at hand. We can use the study done by scholars like Rondeau and Wager (2001). They were able to discover the relationship that existed between HRM practices, workplace climate and perceptions of organizational performance. A large sample of Canadian nursing homes was used in their study and where they found that nursing homes, which had implemented more 'progressive' HRM practices and which reported a workplace climate and "strongly valued employee participation, empowerment and accountability tended to be perceived to generally perform much better on a number of valued organizational outcomes".

- Another important study was done by **Chand and Katou (2007)** who investigated on whether some specific characteristics of hotels affect organizational performance. This was conducted on the hotel industry in India. Apart from that they were also able to investigate on whether some HRM systems affect organizational performance. In that study they found that the " hotel performance is positively associated with hotel category and type of hotel and hotel performance is positively related to the HRM systems of recruitment and selection, manpower planning ,job design ,training and development ,quality circle, and pay system"
- In another example from a study conducted by **Nayaab et al (2011)**, on banks, they said that that "HRM practices was able to contribute to the enhanced banks performance". Furthermore, they also said that " HRM practices like training, employee participation in decision making were found to be significantly related with banks performance". Further, Osman et al (2011) did aa study on the effectiveness of implementing HR practices in a company and wanted to know whether or not these elements have a major impact towards a firm's performance. Most significantly, and by quoting them it can be said that these findings also show that HR practices have an impact of "nearly 50 percent on firm performance". Given that, it thus supports our argument that effective HRM policies and practices can support business strategies and contribute to improved performance of the organization.

### Conclusion

It's not easy to keep employees happy and satisfied even under the best of circumstances, but to do so when the employee turnover rate of organizations is at an all-time-high is an even more daunting task. Among other things, the key to any organization's long-term success lies in its employees staying happy and its employee turnover ratio being next to negligible. As such, it becomes absolutely essential and the need of the hour for organizations to implement the best HR practices. Doing so not only helps an organization run more smoothly, but it also makes business sense as the practice of hiring new employees is always going to be more costly than retaining old ones. Simply put, ensuring that employees stay loyal should be the priority for any organization planning on becoming (or continuing to stay) successful. Employees should be encouraged to participate in marathons, competitions, drives outside the organization to encourage them to have a healthy lifestyle. In addition to this, following a five-day working policy, providing transportation services and conducting occasional team-bonding activities (appreciation rewards team lunches, common yoga sessions, meditation sessions, competitions, office parties) will go a long way in boosting employee morale and creating a positive working environment.

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