THE IMPACT OF HUMAN RESOURCE MANAGEMENT ON ORGANIZATIONAL GOAL

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***Abstract*: We will describe why human resource management (HRM) decisions are likely to have an important and unique influence on organizational performance. For fulfilling Organisational Goal, Corporate reputation is an important factor that influences stakeholder behaviour, including employees, management, customers & investors. In order to add organisational value, the human resource (HR) function must focus on actions that build employee competencies and motivation that in turn positively influence corporate competency & reputation.**

Human resource management (HRM) decisions are likely to have an important and unique influence on organizational performance. We identify key unresolved questions in need of future study and make several suggestions intended to help studying these questions build a more cumulative body of knowledge.

A rapidly changing economic environment, characterized by such phenomena as the globalization and deregulation of markets, changing customer and investor demands, and ever-increasing product-market competition, has become the norm for most organizations. To compete, they must continually improve their performance by reducing costs, innovating products and processes, and improving quality, productivity, and speed to market. With this Special Study, on Human Resource Management and Organizational Performance, we hope to contribute to a better understanding of the role of human resource decisions in creating and sustaining organisational performance & competitive advantage.

High-performance HR practices and Supportive learning are the key elements for proper applications of HRM, which are characterized by team characteristics like psychological safety, appreciation of differences, openness to new ideas social motivation, and team autonomy; team contextual factors including learning resources like time for reflection, access to knowledge, organizational capabilities; incentives; and organizational culture, strategy, and structure; and external environmental factors including institutional pressures, environmental dynamism and competitiveness and learning collaboratives. Lastly learning in the context of quality and safety improvement requires leadership that reinforces learning through actions and behaviors that affect people, such as coaching and trust building, and through influencing contextual factors, including providing resources, developing culture, and taking strategic actions that support Organisational Goal.

In recent years, scholars and practitioners have increasingly recognized the importance of effective humancapital management for organizational performance (Grant, 1996; Hitt, Biermant, Shimizu, & Kochhar, 2001).

***Keywords*: Corporate reputation, HRM role, Organisational performance, High-Performance HR Practice, Supportive collective learning, Behaviour & Attitude.**

INTRODUCTION: A rapidly changing economic environment, characterized by such phenomena as the globalization and deregulation of markets, changing customer and investor demands, and ever-increasing product-market competition, has become the norm for most organizations. To compete, they must continually improve their performance by reducing costs, innovating products and pro-cesses, and improving quality, productivity, and speed to market. Human Resource Management and Organizational Performance, contribute to a better understanding of the role of human resource decisions in creating and sustaining organizational performance and competitive advantage.

The concept of organizational reputation, at once simple and complex, plays a central role in an increasing number of studies in the management literature. In its ubiquitous lay usage, organizational reputation is a simple idea with intuitive appeal. As reflected in the quotation above, the simple idea is that over time an organization can become well known, can accrue a generalized understanding in the minds of observers as to what it is known for, and can be judged favorably or unfavorably by its observers. Reputation is rooted in the organization's historical behavior and associations but can be abruptly changed if new information about the organization's past behavior comes to light or if the organization's latest behaviors or associations are jarring to observers. An organization's reputation, and changes in its reputation, influences the organization's relationships with its stakeholders.

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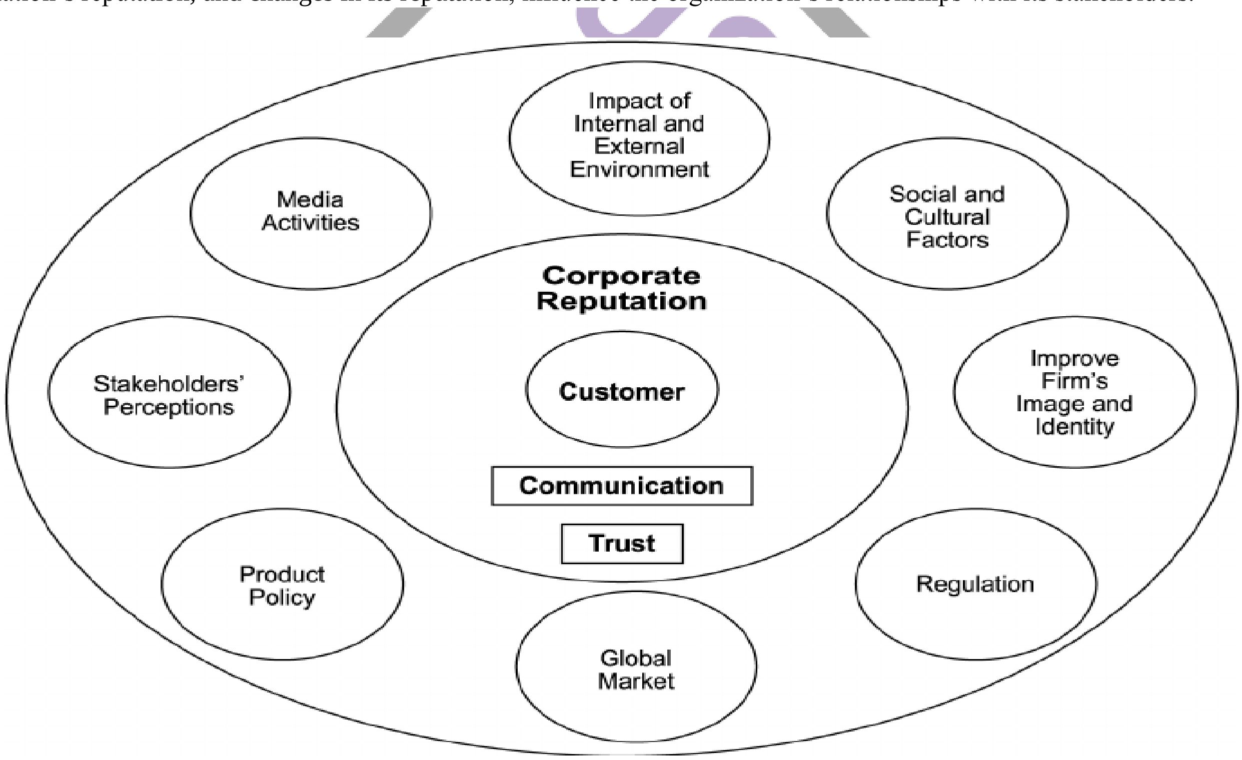


Fig: Corporate relationship between organisations with others.

Having a good reputation would mean that the company is performing well and is able to provide the customers with what they need. So, there is no doubt about the fact that corporate reputation tends to be one of the most important aspects of a growing business.

OBJECTIVE: Most profitable corporations point out their successes to proper management of their human resources (HR). This is also true for small businesses, and because small companies lack the financial resources of multi-national corporations, efficient HR is vital. Managing employees involves balancing between their goals and aspirations with those of the company. A company's goals and objectives often include survival, making profits, gaining market share or gaining global recognition. By getting employees to make things happen in a productive way, HR ensures that the business prospers.

REVIEW:
This issue of Human Resource Management Review considers the past, present, and future of HRM theory and research, exploring how these issues have considerable potential to enhance organizational efficiency and effectiveness. The compilation includes such themes as identifying the shortfalls of the science of HRM; predicting, understanding, and influencing the behavior of individuals in organizations; and the status of research on compensation in organizations. Organizational theorists have suggested that reputation is one of the few resources that can give firms a sustainable competitive advantage, because it is viewed as a non-tradable, non-substitutable, non-imitable, resource that can be managed.

HR-firm performance linkage examines the impact of an overall set of HR practices on firm performance. This perspective advanced the literature from examining the effect of a single HR practice on performance, to examining a set of practices that work together synergistically. Another perspective explains the positive findings between HRM and firm performance by emphasizing the role HR plays in implementing strategies. To effectively implement a particular strategy, HR practices must "fit" with the strategic goals of the firm. The two studies indicate that HR reputation does have an impact on the larger overarching image of the organization. It is important to have an HR reputation of fairness, and to advertise this quality to important stakeholders.

It is important to examine the more intermediate linkages between HR reputation and firm reputation and performance. It would also be interesting to examine negative HR reputation signals, and their impact on the reputation of the organization. Employees are likely to recommend an organization for employment when that organization is fully committed to work-family policies.

As human capital continues to gain credence as a critical resource, organizations have viewed their HR departments as holding the key to unlocking this important resource. Thus, the power of HR has increased over the past several years, and should continue to grow. In light of the foregoing review and evaluation, and the strengths and limitations of prior work on HR reputation and effectiveness result in useful and productive streams of work.

"Effectiveness Index" can be one of the tools to identify firms with very progressive or reputable HR functions. Firms bring about this publicity by taking non-conforming actions and proactively seeking to manage impressions to facilitate their own celebrity to the degree that celebrity increases access to critical resources such as human capital, capital markets, and raw materials, celebrity status for the firm increases a firm's competitive advantage. Many firms such as Johnson & Johnson, Starbucks, and Hewlett-Packard, frequently hit these lists year after year and are on several lists each year. Many of these firms are known for their ability to "partner" with the HR function to facilitate strategy execution, administrative efficiency, employee commitment, and innovation.

At such an early stage in the evolution of this area of scientific inquiry, it is not clear that HR reputation necessarily has only linear relationships with outcomes; such relationships could be non-linear in form. Perhaps there is an optimal level of reputation for the HR sub-unit, and that a 'more is always better' is not accurate.

This model shows that, in addition to an understanding of corporate reputation and image, managers needs to understand their firm's corporate identity & corporate communications, and the interrelationships amongst these components. The model also suggests that, the output of the process can be competitive advantage, although numerous others factors exogenous to the model can also affect this outcome.

How Corporate Reputation Works?
Corporate identity is the reality of the corporation. It refers to the distinct characteristics of the organization or, stated very simple, "what the organisation or, stated very simply, "What the organisation is". The management of a corporate identity involves the dynamic interplay amongst the company's business strategy, the philosophy of its key executives, its corporate culture, and its

organizational design. The interaction or intermingled of these factors results in differentiating the firm from all others, making, to use a marketing metaphor, its 'corporate brand' distinct.

Different Factors of Corporate Reputation

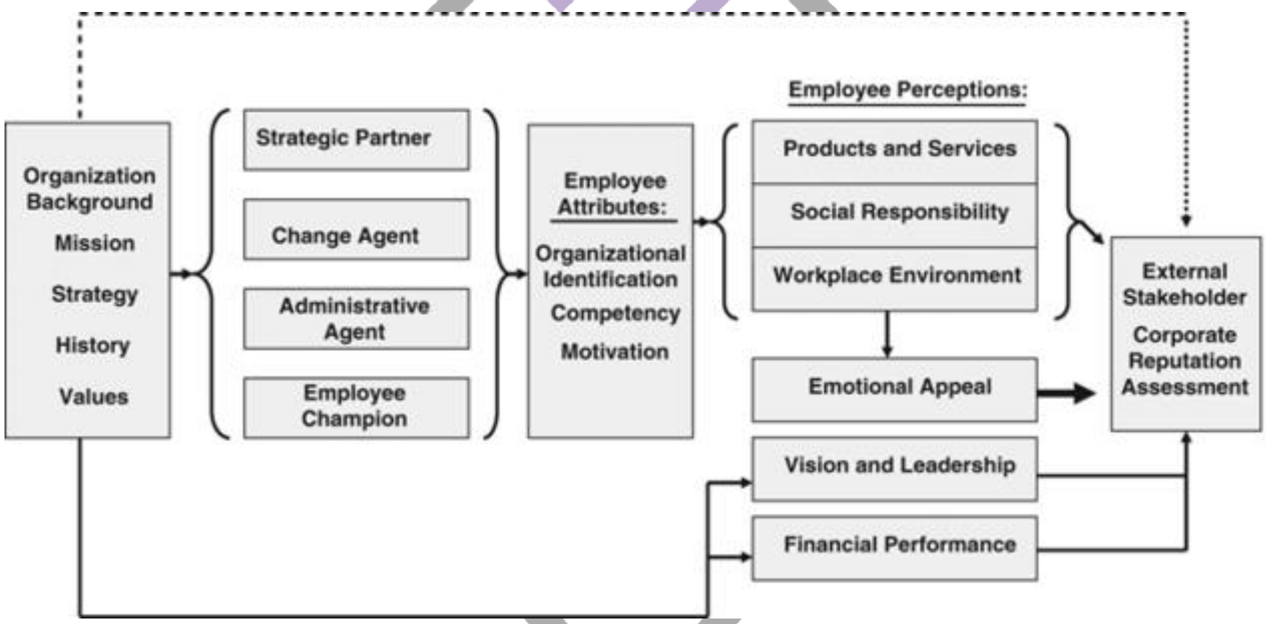
In spite of the major changes in technology, the corporate reputation of any organization still remains one of the most important aspects for sure. When we talk about the major sources of corporate reputation, then only two things come to mind and they are information and experience.

If you want the corporate reputation of your company to be on your favor, then you need to make sure that you have proper communication techniques to help you out. It also demands that the business gets a personality that can be shaped in the future with the help of performance.

Here, you need to make sure to understand why your user has made a negative mindset about your products and services. Understanding the key reason and resolving that in a well adept and personalized fashion will for sure boost your online repute. If you are pretty sure that the complaint of your audience is legitimate and you can adeptly resolve that, you can engage and interact with then publically. This will also increase your credibility and authority.

Better online reputation showcases that you care about your users. When you make serious attempts to resolve their issues, it establishes that you genuinely want to offer values in their lives that will ensure better connection with your users who will know that you will be there for them, in all the times of their needs.

OPERATIONAL MODEL: **An HRM Role / Corporate Reputation Conceptual Framework**



A conceptual framework that relates HR roles and corporate reputation appears in Figure, corporate history, culture; marketplace and type of organization influence the role HR plays and its potential impact on employees' assessment of their organizations' corporate reputation. The HR function may play a more influential role in organizations whose intellectual capital has a competitive advantage.

For example, the intellectual capital of systems engineers in Google or Intel may make employee satisfaction, compensation and retention important. HR may not be as influential in organizations that produce commodities that do not require specialized or unique skills to produce (eg, commodities).

In such organizations, HR may be relegated to non-strategic administrative roles. Similarly, service organizations where employees have direct contact with consumers may place the HR function in an influential role when compared with manufacturing organizations that have less interaction between employees and consumers.

Competent employee behavior plays a pivotal role in consumer satisfaction with service encounters (Estelami, 2000 ; Estelami and DeMaeyer, 2002 ; Heskett *et al.* , 1997).

In manufacturing organizations, however, less interaction occurs between employees and consumers. HR practices such as compensation and training influence employee behavior that consumers and the general public observe and use to assess corporate reputation.

HR professionals themselves report that their role differs depending on organizational type. Benedict (2008) reports that HR professionals from publicly owned for profit organizations were more likely than HR professionals from private for profit organizations to report that they played a strategic role. HR professionals from small organizations were more likely than HR professionals from large organizations to report that they play administrative roles (Benedict, 2008). HR professionals in large organizations also report that they implement change agent roles more frequently than HR professionals in smaller organizations (Benedict, 2007). In other words, the type of organization and its background influences the extent that the HR function impacts corporate reputation. The HR function *indirectly* influences corporate reputation by implementing roles that increase employee competency, motivation and organizational identification. Organizational leadership should demand more of their HR function to contribute to important outcomes, including corporate reputation (Friedman, 2005).

How does it support the hypothesis?

Reputation of the firm in the market is based on the Human Resource as an asset to the firm. By quoting; The study of reputation in the organizational sciences largely has been focused on reputation at the corporate level. Organizational theorists have suggested that reputation is one of the few resources that can give firms a sustainable competitive advantage, because it is viewed as a non-tradable, non substitutable, non-imitable, resource that can be managed (Barney, 1991; Kothaa, Rajgopala, & Rindova, 2001).

Work done by Reed & DeFillippi, 1990; Barney, 1991; Lado & Wilson, 1994; Huselid 1995; Delaney and Huselid, 1996; Ulrich, 1997; Becker & Huselid, 1998; Boxall in 2003; Lawler & Mohrman in the year 2003;; Colbert 2004;; Hatch & Dyer, 2004; Bowen & Ostroff 2004 showed that personal reputation is a collectively agreed upon perception by others, and that reputation exists in a vacuum of imperfect information. When an audience is attempting to gather information regarding an individual (or organization), reputation is relied on to "fill in the blanks." This is similar to corporate reputation theory in that personal reputation is based upon social norms, as opposed to market norms. Established upon the notion that reputation is related to social norms, current research suggests that to successfully acquire a reputation, an individual or organization must "stand out" from others in the field.

Rindova, Pollock and Hayward (2006) reflected these beliefs in a recent piece devoted to celebrity firms, acknowledging the relationship between reputation and celebrity. Suggesting that reputation reflects a predictive measure, they argued that both celebrity and reputation are based on others' perception of some entity.
Similarly the department level reputation depends on the production of the department individuals respectively and collectively different departments form the reputation of the organization as a whole. This view is supported by work done in 2005 by Roberts. Research in CEO celebrity has shown that a leader's reputation may change the reputation of the company (Hayward, Rindova, & Pollock, 2004). Logically, the same process should apply to departments. **If an HR department has a strong, powerful leader, the members of the department should feel an increase in power (Cialdini et al., 1976).** Consistent support has been found for the HRM firm performance link in the literature, and with the continued development of theory, a richer understanding of how this relationship occurs can both advance the literature and facilitate improvement in practice.

The theoretical underpinnings of the literature examining the relationship between HRM and firm performance have developed from;

- Examining specific sets of HR practices.
- Examining a match between HR practices and strategy
- Examining the role of HRM in building and maintaining organizational resources and capabilities that contribute directly to a firm's competitive advantage.

HR reputation does have an impact on the larger overarching image of the organization. It is important to have an HR reputation of fairness, and to advertise this quality to important stakeholders. Although only one of the signals from the study affected share price, there may be other advantages of HR reputation at the firm level that are just as important, such as performance, labor costs, and employee turnover.
This theory is based on the work done by Wright, Ferris, Hiller and Kroll in 1995; Hannon & Milkovich in 1996 and Koys in 1997.

Diagnosing Human Resource Management Practices:

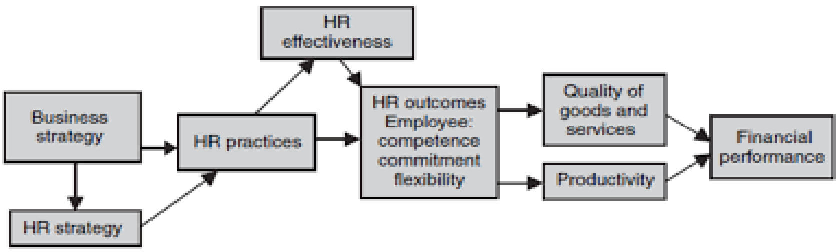
Increasingly, teamwork is seen as one of the main building blocks of successful organizations and much time, effort and resources are being invested in developing and managing cohesive teams **(Katzenbach and Smith, 1994)** The potential benefits of these investments are numerous and diverse. Perhaps the greatest is the achievement of organizational synergy where the **output of the whole team becomes greater than the sum of the individual contributors** and in so doing boosts the productivity and creativity of their units and functions. In addition, teamwork can benefit the company and its members in the following ways (Wilson, 1994).

For many organizations, decentralization and delegation have been central features of their new management philosophy. Current thinking leads to the removal of as many levels as possible in an attempt to rid the organization of bureaucracy. This is expected to provide faster communication both up and down the organization with less chance of distortion. Another benefit of de layering is that individuals and groups can be more autonomous and responsive to customer needs **(Wilson, 1994).** Within the general policy guidelines of the organization, employees at the customer interface are 'empowered' to make decisions that previously would have to be referred to higher levels.

Finally, another application of the framework presented in this paper would be to investigate the relative influence of so-called 'best practices' on different organizational outcomes. Many of the HRM practices identified in the recent literature seem like fads because they often are implemented without much understanding of the underlying principles of human behavior as well as a tendency to do whatever is popular at the moment, regardless of whether it makes sense in the specific setting or organization (Pfeffer, 1994). It is this trendiness that makes the task of measuring and demonstrating the effective contribution of HR policies and practices of organizations so difficult. Yet, for many line managers, it is the ability to show that HR adds value, not the rhetoric, that forms the basis of policy making and which gives HR its place on company boards. If the HR policies and practices are misaligned, or no attempt is made to provide line managers with a framework to assess practices on an ongoing basis, the credibility and influence of the HR function will suffer. The framework put forward in this article may help to avoid these mistakes.

Linkage between Production and Effective HRM: Source: Armstrong (2006, p. 75)

The aspect of this model presenting the greatest practical difficulty is in specifying and measuring employee productivity. A couple of factors complicate this task. The one receiving the most attention in the past has been the problem of measuring productivity, and the more fundamental problem concerning the definition of productivity. At the simplest level, productivity can be defined in terms of quantity of output. Quality is also an important aspect of productivity, but it is the quantity definition of productivity that has received the most attention. The practical difficulty is that many measures of productivity (both quantity and particularly quality) are subjective measures, and thus not very amenable to simulation. Due to the difficulty in determining acceptable objective performance measures, many organizations and studies rely upon subjective measures of productivity, but **Bommer et al.** conclude that the measures are not interchangeable due to the low published correlations between objective and subjective performance measures. In practical terms, this means that the performance measures used by most organizations are useless for the purpose of simulation studies.



Leaders influence on organizational effectiveness:

Most effects of human capital on firm performance are mediated by efficiency and innovative adaptation. Employees with strong skills and motivation are likely to be more productive, because they will do the work faster and smarter. Research shows that talented employees can improve efficiency and process reliability (e.g., Hatch & Dyer, 2004; Ichniowski & Shaw, 1999). Talented employees can also improve adaptation by helping to develop innovative products and services, by marketing them effectively, and by providing excellent customer service (Baer & Frese, 2003; Pfeffer, 1998; Vermeulen, Jong, & O'Shaughnessy, 2005).

Because efficiency and adaptation mediate the effects of human resources and relations on firm performance, the importance of human resources and relations increases when talented, dedicated employees are needed to achieve optimal levels for these other two performance determinants. Human resources are more important when operations are labor intensive, the work is complex and difficult to learn, successful performance requires a high level of skill and experience, and it is difficult to recruit and train competent replacements for people who leave. Examples of organizations likely to have such conditions include hospitals, consulting firms, law firms, advertising agencies, research universities, and companies that rely on advanced manufacturing technology (Snell & Dean, 1992).

Human resources and relations are very important when the competitive strategy requires unique experts or celebrities to attract and retain customers (Grant, 1996; Pennings et al., 1998). If unusually talented employees are dissatisfied, they can often find jobs in competing companies or start their own company. Voluntary turnover of key employees can be important not only for the loss of unique skills, but also for the loss of their special external relationships with clients, suppliers, strategic partners, and others (Dess & Shaw, 2001; Leana & Van Buren, 1999; Pennings et al., 1998). Examples of organizations with high dependence on uniquely talented members include professional sports teams, advertising agencies, talent agencies, consulting companies, and investment banking firms.

Human relations and resources are less important when much of the work can be done by unskilled workers, there are many people who are able and willing to do simple repetitive work for low wages and benefits, and there are few labor laws or other limitations on how employees are treated (as in many third-world countries). Likewise, human resources and relations are less important when an organization needs few employees except for the headquarters staff (e.g., a chemicals company with highly automated processes, an internet services company, or a "virtual organization" for which nearly all functions are outsourced).

Leaders can improve the performance of an organization by influencing the performance determinants. One form of influence is the use of specific leadership behaviors in interactions with subordinates, peers, and outsiders. A second form of influence involves decisions about management programs and systems, and organizational structure. A third form of influence involves decisions about the competitive strategy for the organization. The three forms of influence must be used together in a consistent way for effective strategic leadership.

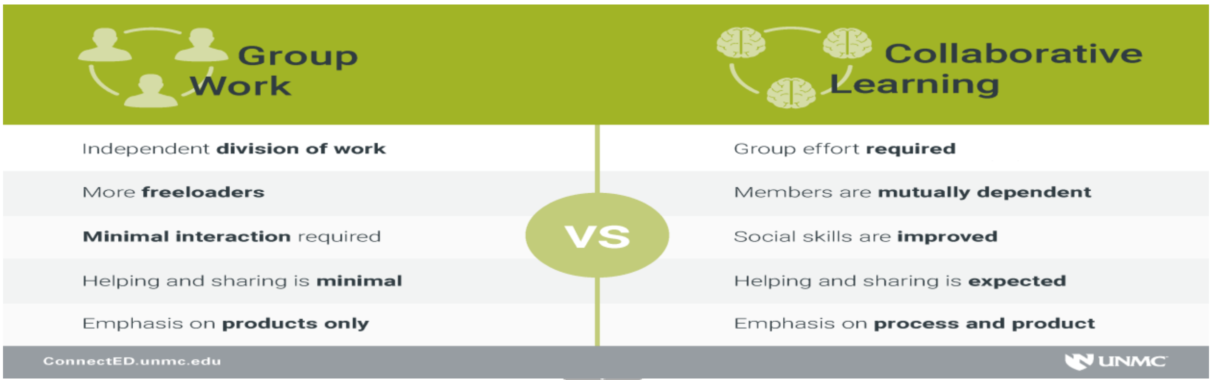
Finally, it is clear the contribution of even highly skilled and motivated employees will be limited if jobs are programmed or structured in such a way that employees do not get the opportunity to use their skills and abilities to improve their performance. Consequently, HRM practices can also create competitive advantage through provision of organizational structures, leadership and work conditions that encourage initiative and creativity among employees and allow them to find ways to improve how their jobs are performed. Delegation, cross-functional teamwork and participative management are examples of such conditions.

COLLABORATIVE LEARNING:
What factors are effective to the collaborative learning process?
There are three key conditions for effective collaborative learning:

- **Group composition: One factor that determines the efficiency of collaborative learning is the composition of the group.**
- **Task features.**
- **Communication media.**

Collaborative learning is a situation in which two or more people learn or attempt to learn something together. Unlike individual learning, people engaged in collaborative learning capitalize on one another's resources and skills (asking one another for information, evaluating one another's ideas, monitoring one another's work, etc.). More specifically, collaborative learning is based on the model that knowledge can be created within a population where members actively interact by sharing experiences and take on asymmetric roles. Put differently, collaborative learning refers to methodologies and environments in which learners engage in a common task where each individual depends on and is accountable to each other. These include both face-to-face conversations and computer discussions (online forums, chat rooms, etc.). Methods for examining collaborative learning processes include conversation analysis and statistical discourse analysis.

Thus, collaborative learning is commonly illustrated when groups of students work together to search for understanding, meaning, or solutions or to create an artifact or product of their learning. Furthermore, collaborative learning redefines the traditional student-teacher relationship in the classroom which results in controversy over whether this paradigm is more beneficial than harmful. Collaborative learning activities can include collaborative writing, group projects, joint problem solving, debates, study teams, and other activities. The approach is closely related to cooperative learning.



Differences from cooperative learning:

There has been a split regarding the differences between collaborative and cooperative learning. Some believe that collaborative learning is similar to, yet distinct from, cooperative learning. While both models use a division of labor, collaborative learning requires the mutual engagement of all participants and a coordinated effort to solve the problem whereas cooperative learning requires individuals to take responsibility for a specific section and then coordinate their respective parts together. Another proposed differentiation is that cooperative learning is typically used for children because it is used to understand the foundations of knowledge while collaborative learning applies to college and university students because it is used to teach non-foundations of learning. Another believed difference is that collaborative learning is a philosophy of interaction whereas cooperative learning is a structure of interaction.

However, many psychologists have defined cooperative learning and collaborative learning similarly. Both are group learning mechanisms for learners to obtain a set of skills or knowledge. Some notable psychologists that use this definition for both collaborative and cooperative learning are Johnson & Johnson, Slavin, Cooper and more.

Technology

Technology has become an important factor in collaborative learning. Over the past ten years, the Internet has allowed for a shared space for groups to communicate. Virtual environments have been critical to allowing people to communicate long-distances but still feel like they are part of the group. Research has been conducted on how technology has helped increase the potential of collaborative learning. One study in particular conducted by Elizabeth Stacey looked at how technology affected the communication of postgraduate students studying a Master of Business Administration (MBA) using computer-mediated communication (CMC). Many of these students were able to still remotely learn even when they were not present on their university campus. The results of the study helped build an online learning environment model but since this research was conducted the Internet has grown extensively and thus new software is changing these means of communication.

There has been a development of new technology that supports collaborative learning in higher education and the workplace. These tools allow for a strong more power and engaging learning environment. **Chickering** (Theory of Identity Development) identified seven principles for good practice in undergraduate education developed by Chickering. Two of these principles are especially important in developing technology for collaboration.

1. **"Good practice develops reciprocity and cooperation among students,"**
2. **Good practice uses active learning techniques.**

Traditional Organisation	Learning Organisation
• Vision is provided by top management.	• There is shared vision that can emerge from many places,but top management is responsible for ensuring this vision exists and is nurtured.
• Top management decides what is to be done and the rest of the organisation acts on these ideas.	• Formation and implementation of ideas that take place at all levels of the organisation.
• Each person is responsible for his or her job responsibilities, and the focus is on developing individual competence.	• Personnel understand their own jobs as well as the way in which their work interrelates and influences that of other personal.
• Conflicts are resolved through the use of power and hierarchical influence.	• Conflicts are resolved through the use of collaborative learning and the integration of diverse viewpoints of personnel throughout the organisation.
• The role of leader is to establish the organisation's vision, provide rewards and punishment as appropriate, and maintain overall control of employee activities.	• The role of the leader is to build shared vision, empower the personnel, inspire commitments and encourage effective decision making throughout the enterprise through the use of empowerment and charismatic leadership.

Fig: Advantage of Learning Organisation in HRM process.

CONCLUSION

From above study, we have explored that with the increasing demands of today's business environment, company executives are placing more pressure on the human resource function to perform better, smarter, faster, and cheaper, while providing more value added services. Now, in addition to supporting workforce requirements and general business initiatives, the activities of HR are increasingly focused on managing the broader human capital capabilities required to achieve and sustain a competitive advantage (e.g., succession planning, leadership development, performance management, cultural transformation). In order to accommodate this shift in focus, HR needs to rapidly align their priorities and resources to provide the wider range of expertise necessary. The practice of HRM must be viewed through the prism of overall strategic goals for the organization instead of a standalone tint that takes a unit based or a micro approach. The idea here is to adopt a holistic perspective towards HRM that ensures that there are no piecemeal strategies and the HRM policy enmeshes itself fully with those of the organizational goals. For instance, if the training needs of the employees are simply met with perfunctory trainings on omnibus topics, the firm stands to lose not only from the time that the employees spend in training but also a loss of direction. Hence, the organization that takes its HRM policies seriously will ensure that training is based on focused and topical methods.

In conclusion, the practice of HRM needs to be integrated with the overall strategy to improve corporate reputation ensure effective use of people and provide better returns to the organizations in terms of ROI (Return on Investment) for every rupee or dollar spent on them. Unless the HRM practice is designed in this way, the firms stand to lose from not utilizing people fully. And this does not bode well for the success of the organization.

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