

HUMAN RESOURCE MANAGEMENT PRACTICES: A COMPREHENSIVE REVIEW

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Abstract

Human Resource is the most important asset for any organization and it is the source of achieving competitive advantage. Managing human resources is very challenging as compared to managing technology or capital and for its effective management, organization requires effective HRM system. HRM system should be backed up by sound HRM practices. HRM practices refer to organizational activities directed at managing the pool of human resources and ensuring that the resources are employed towards the fulfillment of organizational goals. This paper has been designed to review the existing literature available on HRM Practices. The purpose of this paper is to develop an understanding of HRM Practices and to examine the unique HRM practices implemented by different companies.

After reviewing the existing literature on HRM practices, the researchers have found that HRM practices get affected by external and internal factors and directly or indirectly affect other variables such as employee's attitude, employee employer relations, financial performance, employee productivity etc. and ultimately contribute to overall corporate performance. On the basis of the literature reviewed, a normative framework has been

developed showing how HRM practices leads to overall corporate performance.

Keywords: Human resource management, HRM practices, Organisations , Innovative practices, Employees performance.

JEL Classification: Z000

I. Introduction

Human resources are the source of achieving competitive advantage because of its capability to convert the other resources (money, machine, methods and material) in to output (product/service). The competitor can imitate other resources like technology and capital but the human resource are unique.

According to Khatri (1999), people are one of the most important factors providing flexibility and adaptability to organizations. Rundle (1997) argues that one needs to bear in mind that people (managers), not the firm, are the adaptive mechanism in determining how the firm will respond to the competitive environment.

Several scholars have noted that managing people is more difficult than managing technology or capital (Barney, 1991; Lado and Wilson, 1994). However those firms that have learnt how to manage their human resources well would have an edge over others for a long time to come because acquiring and deploying human resources effectively is cumbersome and takes much longer (Wright et al., 1994).

The effective management of human resources requires sound Human Resource Management systems. Storey (1995) defines HRM as a distinctive approach to employment management which seeks to obtain competitive advantage

through the deployment of a highly committed and skilled workforce, using an array of techniques.

HRM can help firms improve organizational behavior in such areas as staff commitment, competency and flexibility, which in turn leads to improved staff performance (Koch and McGrath, 1996).

In order to develop a sound HRM system, the organization should have effective Human Resource Management practices. HRM practices refer to organizational activities directed at managing the pool of human resources and ensuring that the resources are employed towards the fulfillment of organizational goals (Schuler & Jackson, 1987; Schuler & MacMillan, 1984; Wright & Snell, 1991). HRM practices may differ from one organization to another and from one country to another.

The next section of the paper will discuss the types of HRM practices, followed by the detailed discussion of the factors affecting HRM practices and various models of HRM practices. The relationship between HRM practices and other important organizational variables is then presented including the HR best practices of Indian companies. The researchers have also developed a conceptual framework on the basis of review of the present studies and implications have been suggested for HR departments. At the end of the paper a synthesis of the review of literature has been given.

II. Types of HRM Practices

Many researches on HRM practices have been conducted from time to time and researchers have identified different practices by different names. As quoted in (Kok Jan de et al., 2003), researchers variously refer to certain sets of HRM practices influenced by the HRM profession as “best practice,”

or “high-performance” (Huselid, 1995), “formal” (Aldrich and Langton, 1997; de Kok and Uhlaner, 2001; Heneman and Berkley, 1999), “sophisticated” (Golhar and Deshpande, 1997; Hornsby and Kuratko, 1990; Goss et al., 1994; Wagner, 1998) or as “professional” (Gnan and Songini, 2003; Matlay, 1999). Pfeffer (1994; 1998), argued the most appropriate term is “Best HRM Practices” .

But according to Chandler and McEvoy (2000) , one of the lingering questions in HRM research is whether or not there is a single set of policies or practices that represents a ‘universally superior approach’ to managing people . Theories on best practices or high commitment theories suggest that universally, certain HRM practices, either separately or in combination are associated with improved organizational performance. Researchers have also found that those well-paid, well motivated workers, working in an atmosphere of mutuality and trust, generate higher productivity gains and lower unit costs (Boxall, 1996; Lowe and Oliver, 1991; Pfeffer, 1994).

Several attempts have been made from time to time by different researchers to identify the type of HRM practices in different sectors. Initially Pfeffer (1994) identified 16 practices which denote best practice. This was later refined to the following seven practices:

1. Employment security
2. Selective hiring
3. Self-managed teams/team working
4. High compensation contingent on organizational performance
5. Extensive training
6. Reduction in status difference
7. Sharing information

In one another study, Redman and Matthews (1998) identify an 'HRM bundle' of key practices which support service organizations quality strategies, these being:

1. Careful recruitment and selection, for example, 'total quality recruitment', 'zero defects recruitment', 'right first time recruitment'.
2. Extensive remuneration systems, for example, bonuses available for staff willing to be multi-skilled.
3. Team working and flexible job design, for example, encouraging a sense of cohesiveness and designing empowered jobs.
4. Training and learning, for example, front line staff having enhanced interpersonal and social skills.
5. Employee involvement, for example, keeping employees informed of key changes in the organization.
6. Performance appraisals with links to contingent reward systems, for example, gathering customer feedback to recognize the work by employees over and above their expected duties, which in turn is likely to lead to a bonus for staff.

Recently, Saxena and Tiwari (2009) examined the HRM Practices implemented by leading IT Companies such as TATA, Infosys and Wipro in India. They developed the 3cTER Framework of HRM practices and identified Training and Development, Employer-Employee Relations, Recognition through Rewards, Culture building, Career Development, Compensation and Benefits as important HRM Practices.

III. Factors affecting HRM Practices

HRM practices differ from one country to another and the factors which affect the HRM practices include external and internal factors. As quoted by Ozutku and Ozturkler (2009),

external and internal factors affecting HR practices differs significantly across countries. Some of the major potential influences are as follows:

External Factors

Kane and Palmer (1995) opine that external factors affecting HR practices are those pressures on firms that cannot be controlled and changed in a favorable way in the short run. These factors include the following:

Economic Changes: Satow & Wang (1994) found that as a result of development of the global economy, the international dimension of HR practices has become more and more significant. The focus of HR practices has shifted from traditional topics such as internal selection and rewards to concepts such as globalization and international competition.

Technological Changes: Technology affects HRM to a greater extent because of high degree of interaction between technology and HR. Technology changes the way we work, the roles we undertake and the interactions through which work gets done (DeFillippi, 2002). Verkinderen and Altman (2002) argued that technology facilitates the growth of a multinational enterprise but generates simultaneous problem of “unpluggedness” among a geographically dispersed workforce. Garavan et al. (2008) suggested that technology lies at the heart of manufacturing industry. It provides a series of business advantages. Technological developments alter the context of HR practices and the way they are implemented.

National Culture: Chandrakumara and Sparrow (2004) found that culture has crucial importance in organizations preferences in developing appropriate structure and methods for HR practices affectivity.

Industry/Sector Characteristics: Organizations can be classified into manufacturing and service organizations for the purpose of analyzing the HRM practices. The idea behind this classification is the fact that different production processes necessitates different HR practices.

Legislations /Regulations: Legislations and regulations are frequently cited as having a direct impact on HR practices (Kane and Palmer, 1995). Every country has developed a set of regulations for the management of human resources, so, the HRM practices have to be designed or modified according to these regulations.

Actions of Competitors: There are many ways in which companies can gain a competitive edge or a lasting and sustained advantage over their competitors, among them being the development of comprehensive human resource practices (Jackson et al., 1989; Kane and Palmer 1995; Poole and Jenkins, 1996; Narsimha, 2000).

Action of Unions: Kochan et al. (1984) opine that the presence or absence of unions in organizations is a salient variable known to be associated with some HR.

Globalization : As a result of globalization, the whole world has become a single market, the companies have crossed the boundaries of their country of origin and opened their operations in other countries. This has created a challenge for the organization in terms of management of human resources, some companies have tried to transfer the HRM practices from one country to another but it has been found that some practices can be transferred across nations almost without any change but some must be modified to become workable in another setting and some are more deeply culture-specific and may not always be transferable. The findings of the study conducted by Tayeb

(1998) support the argument that multinational companies' HRM practices are more prone to local cultural influences than are their overall policies and strategies. Moreover, some of the practices which the company had imported from abroad had to be modified to make them workable, given its local cultural and non-cultural contexts.

Internal Factors

The Internal environment of organizations strongly affect their HR practices. According to (Milkovich and Boudreau, 1991) researchers have compiled a lengthy list of organizational characteristics related to HR practices. The important internal factors are as follows:

Organisations Size: According to (McPherson,2008) evidence suggests that there is a large number of small firms that do not institute formal HR practices in large organizations , for each functional level there may a need for a different HR department (Jackson et al.,1989; Kaynak et al., 1998).

Organisational Structure: A firm's strategy and structure are important in determining HR practices flexibility and integration. There are important structural differences among firms that affect the way in which HR practices are designed and implemented (Garwin, 1986; Tomer,1995;Hudson et al.,2001).

Business Strategy: To gain competitive advantage, firms use different competitive strategies .These strategies are more productive when they are systematically liked with human resource management practices Companies can improve their environment by making efficient choices about human resource practices that consistently support their chosen strategy (Milkovich and

Boudreau,1991;Schuler,1992).

Human Resource Strategy: HR strategy is an important determinant of both intensity and diversity of HR practices (Gravan et al., 2008). As a rule HR practices are shaped in accordance with HR strategy.

History, Tradition and past practices: A number of closely related factors, such as history, traditions and past practices tend to generate resistance to change in most organizations (Kane and Palmer, 1995; Pardo and Fuentes, 2003).

Top Management: The influence of top management on HR practices is acknowledged by most writers, even if only to the extent of advising that top managements support should be present (Ondrack and Nininger, 1984; Kane and Palmer, 1995) in designing and implementing HR policies.

Line Management: Line Management participation in designing and implementing HR activities is the key to organizational success. Since line managers are responsible for creating value, they should integrate HR practices in their work (Okpara and Wynn, 2008; Alas et al., 2008).

Power and Politics: Tsui and Milkovich (1987) found that organizational power and politics as exercised by various constituencies are crucial determinants of HR practices.

Academic and Professional influence on HR Practices: HR staffs are often involved in the decision making process about HR policies and practices. Their knowledge about alternative HR practices may represent important variables in their own right (Kane and Palmer, 1995).

VI- Various Models of Human Resource Management

Various models of HRM have been developed from time to time by different teams of the researchers. All these models have helped the HR practitioner to effectively manage the human resources. Some of the important models have been discussed as follows:

Harvard Model

The Harvard model (Beer et al.1984) works as a strategic map to guide all managers in their relations with employees and concentrates on the human or soft aspect of HRM. It strives at employee commitment not control. It also works on the premise that employees needed to be congruent, competent and cost effective.

Michigan Model

The Michigan model (Devanna et al.,1984) focuses on hard HRM. It holds that people should be managed like any other resources and so obtained cheaply, used sparingly, developed and exploited fully. It also emphasised the interrelatedness of HRM activities. According to this model, selection, appraisal, development and rewards were geared towards organizational performance.

Guest Model

Guest comparative model (Guest, 1997) works on the premise that a set of integrated HRM practices will result to superior individual and organisational performance. It advocates a significant difference of HRM from PM. It holds that HRM strategies like differentiation, innovation, the focus on Quality and cost reduction will lead to practices like better training,

appraisal, selection, rewards, job designs, involvement, and security leading to more quality outcomes; commitment and flexibility. It will then affect performance in that productivity will increase; innovation will be achieved as well as limited absences, labour turnover, conflict or customer complaints.

Warwick Model

This model was developed by Hendry and Pettigrew (1990) at centre for strategy and change, Warwick University in early 1990s. It emphasizes on analytical approach to HRM. It also recognizes the impact of the role of the personnel functions on the human resource strategy content. The researcher focused their research on mapping the context, identifying the inner (organizational) and external (environmental) context.

VII- HRM Practices and other Variables

HRM practice directly or indirectly affects several other variables in the organization. The following relationships have been identified in the literature.

HRM Practices & Competitive Advantage

HRM practices help the organizations to achieve competitive advantage. According to the resource based view of the firm (Penrose 1995; Barney 1991), competitive advantage can be developed and sustained by creating value in a way that is rare and difficult for competitors to imitate and the quality the human resource within is difficult to imitate.

HRM Practices & Employee-Employer Relationship

Employee-employer relations can be made improved if the organization implements effective HRM practices. Tzafirir et al. (2004) conducted a survey to find out the consequences of

effective human resource management practices on employees trust. The result indicated a positive and significant influence of empowerment, organizational communication and procedural justice as determinants of employees trust in their managers. The result also indicated that procedural justice mediates the impact of employee development on their trust in their managers. The HRM practices help the organization to increase mutual understanding between the employees and the employer. Guzzo and Noonan (1994) considered HRM practices as a communication channel between employer and employees. Rousseau and Greller (1994) proposed HRM practices as contract-shaping events.

HRM Practices and Trust

Vanhala and Ahteela (2011) in their study found that employee trust in the whole organization is connected to perceptions of the fairness and functioning of HRM practices. Such practices can therefore be used in order to build the impersonal dimension of Organizational trust

HRM Practices & Effective utilization of employees

Bailey (1993) presented an argument for the application of promoting HRM practices on the grounds that human resources are frequently underutilized. Employees often perform below their potential. Bailey points out that HRM practices may have an influence on employee skills and motivation. HRM practices influence employee skills through the acquisition and development of a firms human capital. Recruiting procedures and selection regimes will have an influence over the quality and type of skills new employees possess.

HRM Practices & Service Quality

Researches provide evidence to show that HRM practices help the organization to improve the quality of services Tsaura and Lin (2004) empirically explored the relationship among human resource management practices, service behavior and service quality in the tourist hotels. The results indicated that HRM practices had partially a direct effect on customer perceptions of service quality and an indirect effect through employees' service behavior. This means that service behavior only partially mediates the relationship between human resource management practices and service quality.

HRM Practices and Employee Commitment

The implementation of HRM practices in the organization leads to enhanced employee commitment. Maheshwari et al. (2005) conducted a study to find out the commitment of health officials and its implications for HR practices in Maharashtra. The study suggests that the district health officials do not share a strong emotional bond with their department. The state needs to reform its Human Resource Management practices to effectively strengthen the functioning of the health system. The study also suggests that investing in development of multiple strategies for the growth and career development of health professionals is required. Similarly, Smeenk et al. (2006) examined the factors which affect organizational commitment among Dutch university employees in two faculties with different academic identities (separatist versus hegemonist,). The analyses of data reveals that in the separatist faculty decentralization, compensation, training/development, positional tenure and career mobility have significant effects. Age, organizational tenure, level of autonomy, working hours, social involvement and personal importance significantly affect the employees' organizational commitment in the hegemonist faculty. Participation, social interactions and

job level are factors that are important in both faculties. Shahnawaz and Juyal (2006) compared various HRM practices in two different organizations—a consultancy/research based organization and a fashion firms. The study also aimed at assessing how much of commitment in the two industries can be attributed to HRM practices. HRM practices were found significantly different in two organizations and mean scores on various HRM practices were found more in the fashion organization. Regression results showed that various HRM practices were significantly predicting organizational commitment in both organizations and also when they were combined. Performance appraisal and ‘attitudes towards HRM department’ were the significant predictors of organizational commitment in both the organizations. In an another study, Chew and Chan (2008) examined the impact of HR practices on permanent employee’s organizational commitment and their intention to stay and found that organizational commitment was positively affected by person-organization fit, remuneration, recognition, and an opportunity to undertake challenging employment assignments. Intention to stay was significantly related to person-organization fit, remuneration recognition, training and career development. Further, he found that training and career development was not significantly related to organizational commitment and challenging assignments was not significantly related to intention to stay.

HRM Practices and Organizational Performance

HRM practices enhances organizational performance. Rondeau and Wager (2001) examined the relationship between HRM practices, workplace climate and perceptions of organizational performance, in a large sample of Canadian nursing homes and found that nursing homes, which had implemented more ‘progressive’ HRM practices and which reported a workplace climate that strongly valued employee participation, empowerment and accountability tended to be perceived to generally perform better on a number of valued organizational outcomes. Chand

and Katou (2007) conducted a study to investigate whether some specific characteristics of hotels affect organizational performance in the hotel industry in India; and to investigate whether some HRM systems affect organizational performance. They found that 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.

Joseph & Dai (2009) found that there are significant connections between HRM practices and firm performance; that the strategic alignment of HRM is also a driver for firm performance.

In the study conducted by Nayaab et al (2011), it has been found that HRM practices contribute to the enhanced banks performance. Further, the result indicated that HRM practices like training, employee participation in decision making was found significantly related with banks performance. Further, Osman et al (2011) found that the effectiveness of implementing HR practices in a company does indeed have a major impact towards a firm's performance. The findings also show that HR practices have an impact of nearly 50 percent on firm performance.

HRM Practices & Financial Performance

Huselid (1995) conducted a study to evaluate the link between systems of High Performance work practices and firm performance and found that these practices have a statistically significant impact on intermediate employee outcomes (turnover and productivity) and short and long term measures of corporate financial performance. Hyde et al. (2008) examined the impact of HRM practices on firm profitability. They found that little support for a positive relationship between HRM practices and firm

profitability. Fey Carl F. (2000) investigated the relationship between human resource management (HRM) practices and the performance of 101 foreign-owned subsidiaries in Russia. The study's results provide support for the assertion that investments in HRM practices can substantially help a firm perform better. Further, different HRM practices for managerial and non-managerial employees are found to be significantly related with firm performance. Ngo et al. (2008) examined SHRM (Strategic Human Resource Management) practices in China to assess the impact of these practices on firm performance and employee relation climate and found that SHRM practices have direct and positive effects on financial performance, operational performance, and the employee relations climate.

HRM Practices and Employees Productivity

Some studies show that certain HRM practices, such as working in teams, greater discretion and autonomy in the workplace and various employee involvement and pay schemes, do motivate workers and generate higher labor productivity (Cully et al. 1999; Boselie and Wiele 2002). Employees' involvement in terms of delegation of responsibility and systems of collecting proposals from employees may have a positive impact on productivity (Arthur 1994, Wallace 1995). Cross functional teams, job rotation, quality circles and integration of functions may all contribute positively to labor productivity. (Banker et al., 1996). HRM activities providing informal and formal training as well as recruitment and selection have also shown to have an impact on productivity and market value.(Huselid 1995, Delery and Doty 1996).

Recently in the study conducted by Soomro et al. (2011), it has been found that HRM practices (training, selection, career planning, employee participation, job definition, compensation, performance appraisal) were correlated positively with the

employee performance. Further respondents gave highest importance to performance appraisal and then to compensation among individual HRM practices.

HRM Practices and Effective Management of Employees

Tripathy and Tripathy (2008) found that the majority of the IT companies sampled, institute such HRM practices that are complex in nature and a majority of the IT companies do follow such HRM practices which can be termed as adaptive in nature. They suggested that offering job plus education referral recruitment, online and open house tests (in case of recruitment & selection), flexible training choice, skills & project centric training (in case of training & development) and lastly, transparent appraisal systems, above average salary, more non-salary benefits, flexi timing and opportunity for growth are some of the selective practices which, if followed with rigor, would help managing enhance human resources of an IT company.

HRM Practices and Growth and Innovations

Panayotopoulou and Papalexandris (2004) found that HRM has a more significant influence on growth / innovation indices as opposed to financial performance. Li et al (2005) examined the relationship between HRM, technology innovation and performance in China and found that employee training, immaterial motivation and process control have positive effects on technological innovation, while material motivation and outcome control have a negative influence on technological innovation. It is also found that technological innovation is positively related with performance.

HRM Practices & HRD Climate

It has been found that the HRM practices help the organization to develop better HRD climate in the organization. Hassan et al. (2006) measured employee's perception of HRD practices, to explore whether ISO certification leads to any improvement in HRD climate and examined the role of HRD practices on employee's developmental climate and quality orientation in the organization. They found that ISO certified companies obtained higher means on some HRD variables as compared to others. Organizations with better learning, training and development systems, reward and recognition, and information systems promoted a favorable HRD climate. Quality orientation was predicted by career planning, performance guidance and development, role efficacy and reward and recognition system.

HRM Practices and Technology

HRM practices and Technology affects each other. On one side HRM practices affects implementation of the technology because the success of information technology (IT) projects is highly dependent upon the end-users' behaviour. Whether end-users are able and willing to work with newly introduced software applications is fundamental. Hence, a key issue is supporting targeted employees of newly introduced software applications in their proper utilisation. HRM practices have the potential to provide such support (Bondarouk and Ruel, 2008).

On the other side Lawler & Mohrman, (2003) argued that with the growth of information technology, much of the administrative aspects of human resource management can be accomplished through technology solutions hosted by the company or outsourced. As technology frees up HR from some

of its routine tasks, there is a greater opportunity for HR professionals to become a strategic partner (Ulrich, 1997).

HRM Practices and Job Satisfaction

HRM practices also affect the level of job satisfaction of the employees. Petrescu and Simmons (2008) examined the relationship between HRM practices and workers overall job satisfaction and their satisfaction with pay. The result indicated that several HRM practices raise workers overall job satisfaction and their satisfaction with pay.

HRM Practices and Employees Intention to Leave

Employee turnover is a major challenge for the organization but the companies implementing effective HRM practices can reduce the rate of the employee turnover. Abeysekera (2007) empirically evaluated six HR practices (realistic job information, job analysis, work family balance, career development, compensation and supervisor support) and their likely impact on marketing executives intention to leave (MEIL) in the Sri Lankan leasing companies. The result indicated job analysis, compensation, career development, realistic job information variables were negatively and significantly correlated with MEIL. The work family balance was not negatively correlated with MEIL. Results of regressing the HR practices on MEIL showed that compensation and job analysis are strong predictors of MEIL.

VIII-HR Best Practices of Indian Companies: Leading Examples

HRM practices differs from one organization to another and from one country to another but the outcome remains the same i.e. HRM practices leads to increase in the productivity and performance of employees as well as of the organization. In

addition to the traditional HRM practices, many organizations have implemented unique HRM practices according to their needs. The HRM practices depicted in Table 1 are some of the innovative HRM practices implemented by the companies.

Table-1

S.no	ORGANISATIONS	HRM PRACTICES
1	JK Lakshmi Cement	Special Task Force, Young Leaders Forum, and Periodic Blood Pressure check up camps, Quiz competitions, Open House Communication meetings and outbound training programmes.
2	Grasim Industries Limited	It has been awarded as the best place to work, by Hewitt's and Economic times in the year 2007 and has implemented several innovative HRM Practices.
3	TATA AIG General Insurance Co.Ltd.	Friday Movie Mania (Popular movies are screened on demand), indoor games and competition annual theme parties like WOW (World of World) where the children of the employees can spend time in their parents place of work, a rewards and recognition program ,called "The Success Matrix", rewards employees on monthly, quarterly and annual basis along with on spot recognition also. At all branches citations and awards are displayed on the "Wall of Fame".

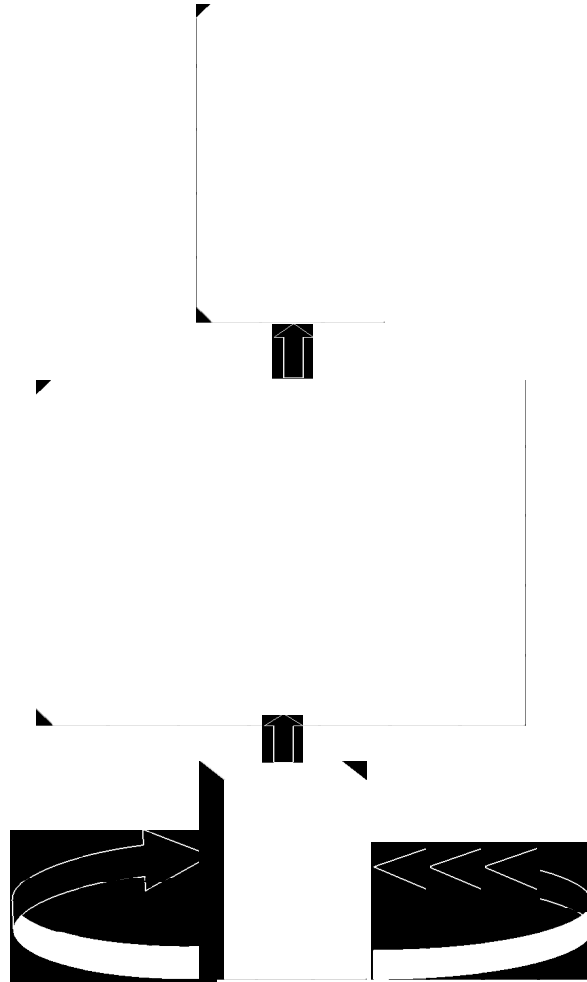
4	Maruti Udyog Limited (MUL)	Maruti has changed the whole perspective of HR from merely being paper pusher and time keeper to a more active strategic business partner. Newer initiatives were adapted in performance appraisals competency mapping and job rotations .Communication become more open and transparent by involving active participation of the people in the whole process, excellent teams emerged and the best compensation was offered in the industry for motivating the workforce.
4	HCL Technologies Ltd.	HCL Technologies gave birth to new concept called as Employee First, Customer Second (EFCS), which focuses on giving people, whatever they need to succeed.CEO Connect in which he is personally available to each and every employee that works in HCL. Functional heads hold down hall meetings through "Employee first governing council" that collectively addresses all the issues and questions of its employees.
5	LG India	LG India spends close to Rs.15-17 crores in a year on HR Training .The basic idea behind this is to make employees believe that nothing is impossible.
6	Pantaloons (India) Limited.	Pantaloon Retails has talent management programs like 'GURUKUL' for training frontline staff just before they join.

These innovative HRM practices have resulted into building image of the company in the mind of the employees and it is very clear that these companies are performing well in their sectors.

IX- HRM Practices Framework

On the basis of the review of the several studies and various models of HRM which have been developed from time to time, the researchers have designed the following framework providing an overview of HRM practices.

Figure 1: A Conceptual model of HRM Practices



The framework indicates how external and internal factors affect HRM practices and how these HRM practices generate into certain benefits for the organization and ultimately lead to overall corporate performance.

The review of various studies conducted on HRM practices shows that there are several factors in side and outside the organization that affect HRM practices and the HR mangers should carefully analyze these factors while designing the HRM practices. The following things should in particular be kept in mind according to the findings of our literature survey.

1. Due consideration should be given to link the HRM practices with the long term objectives and the strategies of the organization.
2. The HRM practices should be evaluated from time to time by conducting a survey among the employees and the provisions should be made to incorporate changes from time to time.
3. The traditions of the organization and the past practices should be kept in mind while designing and implementing HRM practices.
4. The top management should provide fullest possible support (financial as well as moral) to the HR department in designing and implementing the HRM practices.
5. The HR managers should keep themselves up to date with state of art HRM practices.
6. The HRM practices differ from one country to another and from one organization to another, so due consideration should be given to the organization and the country's specific environment.

7. The line managers should be involved in the process of the design of the HRM practices because line managers are the people who deal with the employees in their department and they can provide valuable insights.
8. There is a need to critically examine the actions of the competitors because it directly or indirectly affects the organization.
9. The power centre and the politics that is prevailing in the organization should be properly studied.
10. If trade unions exist in the organization, then the proper opportunity of representation should be given to them.

Conclusion

The review of the literature on HRM practices have shown that to effectively manage the human resources the organizations have to implement innovative HRM practices. The organizations which implements such practices with dedication, remains ahead of their competitors because such practices affects other variables such as competitive advantage, job satisfaction, financial performance, employee turnover, service quality, employee commitment etc. in a positive manner and leads to overall corporate performance. While designing and implementing such practices, one important thing is to be kept in mind that the HRM practices should be analysed from time to time and it should be updated accordingly. Line managers should be involved in designing HRM practices and survey should be conducted among employees to know their opinion about HRM practices. This will help the organization to take corrective actions at the right time.

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