

HUMAN RESOURCE POLICIES

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ABSTRACT: All companies must develop, identify, and utilize appropriate human resource policies. These policies play a vital role of running any business. Each company is based on their size and the nature of their business which requires applicable human resource tactics based on the needs of each individual company. The aspects discussed will include employee relations and separation, employment processes and employee compensation and benefits. This project is meant to know the human Resource Policies in the organization. The HR Policies are a tool to achieve employee satisfaction and thus highly motivated employees. The main objectives of various HR Policies are to increase efficiently by increasing motivation and thus fulfill organizational goals and objectives.

Keywords: Human Resource policies, employees, motivation, compensation etc.

1. INTRODUCTION

Human Resources Policies are continuing guidelines on the approach the organization intends to adopt in managing its people. It represents specific guidelines to HR managers various matters concerning employments. It states the intend of the organization about different aspects of Human Resource management such as recruitment, promotion, compensation, training, selections etc. They define the conception and value of the organization on how people and things should be treated. Therefore, it serves as a reference point when human resources management practices are being developed or when decisions are being made about people. A good HR policy could provide generalized guidance on the approach adopted by the organization, and therefore its employees, concerning various aspects of employments. A procedure spells out precisely what action should be taken in line with the policy.

However, each company has a different set of circumstances, and so develops an individual set of human resource policies.

1.1 Meaning of HR policies

Human Resource policies are formal rules and procedures that dictate how certain matters should be addressed in the workplace, including employee rights and duties. HR policies are tied to employment law. To avoid non-compliance and penalties from the government, employers must adhere to HR policies.

1.2 Types of Human Resource Policies

HR policies could be classified on the basis of sources or description.

On the basis of source

On the basis of their source, policies could be classified into

1. Originated Policies.
2. Implicit Policies.
3. Imposed policies.
4. Appealed Policies.

Originated Policies

These are the policies usually established by the senior managers in order to guide their subordinates.

Implicit Policies

These are the policies which are not formally expressed, they are inferred from the behavior of managers, which are also known as the implied policies.

Imposed Policies

Policies are sometimes imposed on the business by external agencies such as government, trade associations and trade unions.

Appealed Policies

Appealed policies arise because the particular case is not covered by the earlier policies. In order to know how to handle some situations, subordinates may request or appeal for the formulation of specific policies.

On the basis of description

On the basis of description, policies may be general or specific

1. General Policies.
2. Specific policies.

General Policies

These policies do not related to any specific issue in particular. General policies are formulated by the top management, this kind of policies are called 'general' because they do not related to any specific issue in particular.

Specific Policies

These policies are related to specific issues like staffing, compensation, collective bargaining etc. Specific policies must confirm to the board pattern laid down by the general policies.

1.3 Purpose of Human Resource policies

1. They provide clear communication between the organization and their employees regarding their condition of employment.
2. They form a basis for treating all employees fairly and equally.
3. They are a set of guidelines for supervisors and managers.
4. They create a basis for developing the employees handbook.
5. They establish a basis for regularly reviewing possible changes affecting employees.
6. They form a context for supervisor training programs and employee orientation programs.

1.4 Process of developing Human Resource Policies

1. Identify the purpose and objectives which the organization wish to attain regarding to its Human Resources department.
2. Analysis of all the factors under which the organization's HR policy will be operating.
3. Examining the possible alternatives in each area which the HR policy statement is necessary.
4. Implementation of the policy through the development of a procedure to support the policy.
5. Communication of the policy and procedures adapted to the entire organization.
6. Auditing the policy so as to reveal the necessary areas requiring change.
7. Continuous revaluation and revision of policy to meet the current needs of the organization.

1.5 Objectives of the Study

Primary Objectives

- To study about the HR policies in Varnik System Service Pvt. Ltd., at Trichy.

Secondary Objectives

- To study the satisfactory level of the employees.
- To identify the welfare practices in the organization.
- To know the Training and Development in the organization.
- To study the framed policy in the recruitment and Selection process.

1.6 Scope of the Study

This study mainly attempts to explain about organization HR policies at VarNik System Service Pvt Ltd,. This study enable the management to provide good environment and create good HR policies to work for employees and also this will help the company to improve the working condition of the employees in the organization.

2. REVIEW OF LITERATURE

Legge(2006) say,it is possible to observe that people have been assuming a strategic and relevant role in organizations, and therefore cohesive and coherent theories- aligned to both planning and organizational strategy must properly sustain HRM.

HRM policies and practices may vary among organizations and should be aligned with business strategy (**Chenevert & Tremblay,2009**)

From the perspective of strategic HRM, policies and practices can be mutually reinforced and create a strong impact on organizational goals (**morris & snell,2010**) moreover, HRM policies are guided by the logic of skills developed in accordance to the requirements of business processes (**Serpell & Ferrada, 2007**)

HRM polices define the attitude, expectations and values of the organization concerning how individuals are treated, and still serve as point of reference for the development of organizational practices and for decisions made by people, besides resulting in equal treatment among individuals(**Armstrong,2009**)

In this study the term HRM Policy ,means on organizationally articulated proposal, with theoretical and practical constructions within human relations aiming to reach the desire results..

The effectiveness and acceptance of HRM policies are related to organizational values and culture (**Stone, Stone-Romero, and Lukaszewski, 2007**)

HRM Policies assume special connotation in development, appreciation and retention of talents. They also promote employee commitment and, as a result, goodwill on their part to act in a flexible and adaptive manner towards excellence in organizations (**legge, 2006**)

Kumar's (2009) study revealed that Human Resource policies and practices were followed in Indian Cement Industry. Kumar also confirmed that human input was the single largest input that goes in the cement industry. This study proved the pertinent existence of Human Resource Practices in India. Kumar suggested that Human Resource professionals needed to focus on the individual needs and aspirations to the extent that they develop the ethos of organizational commitment. The Study also concluded that culture and leadership were the significant predictors of employee performance.

Rajendhiran (2007) concluded in one of his papers that, the human resource is a very special kind of resource. If it is properly managed the organisational effectiveness can be increased. Managers can influence productivity by the sound application of HRM programme. Recruitment and selection techniques can be used to attract and hire the best performers. Motivation and compensation techniques can be used to retain employees and improve job performance. Training and development can improve job performance or rectify deficiencies in skills and competency in increasingly performance of the employees.

According to **Dwivedi (2006)**, it is very difficult to initiate competitive strategy based on human resources. The key to competitive advantage in the modern world is the application of sophisticated HR policies and practices. This is because of the fact that competitors are unable to formulate an effective response in the short term. The human resources can help a company to accomplish competitive advantage by lowering costs, enhancing sources of product and service differentiation or by both. However, these activities must be managed from a strategic perspective to accomplish competitive advantage.

Purcell et al. (2003) emphasized that it was not about having a range of well conceived Human Resource Policies and Practices but it was about how these policies and practices were implemented. More purposely, Human Resource Strategies were concerned with the development of continuous improvement and customer relation policies. The Study also, detailed about the contribution of front line managers in Human Resource policies and practices. This pointed out the key areas in Human Resource like job and work design, flexible working, workforce resourcing, employee development, reward, and giving employees a voice need to be developed for the successful implementation of high performance work practices. Identifiable key factors affecting job satisfaction were found to be career opportunities, teamwork, and good working conditions for employees. Finally, it could be concluded that Purcell and his co-authors considered policies and practices implementation as a vital component in linking people to business, for effective management of change, for creating workplace a good place to work and this being the prime task of line managers.

Bharathi (2009) explained the value of HR functions in business and its impact on higher productivity, enhanced quality, better customer service, good industrial relations and lower cost which influence the profitability of an organisation. Effective HR practices could play important role in achieving all the above said factors.

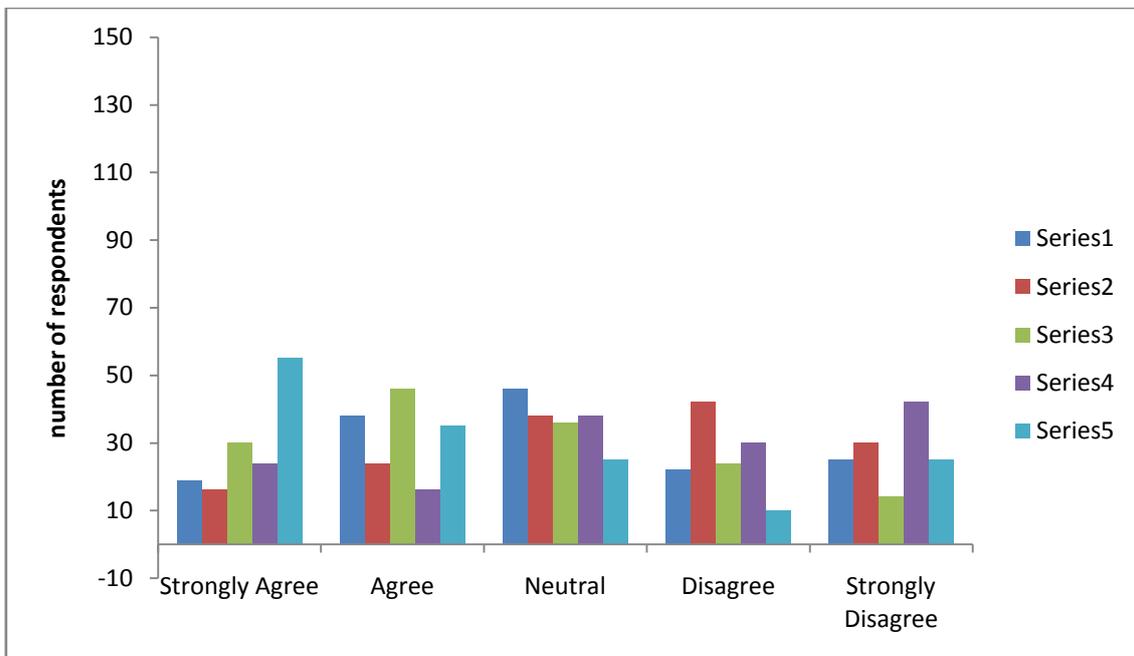
Chakraborty (2009) explained as to why the managers should be proactive. According to him, —Every organisation, department, team has different people and these people have to be understood, handled and dealt properly. In case you do not act proactively with such people, it would end up destroying the work culture and vitiate the whole work environment.!

Chaudhari (2009) was of the opinion that, the HRM policies of an organisation are influenced by two major factors: situational factors and stakeholders interest. The situational factors are labour markets, laws of the land, management goals, business strategies, technology, employee demography, position of the company. The stakeholders interest cover expectations of shareholders, management, employees, government and society/community. These factors can act as constraints on the formulation of HRM policies and can also be influenced by HRM policies.

(Salmam Bashir Memon, 2010) Human resource practices and its mediating role in employee retention were investigated and the role in competitive globalized economy. primary data was collected through self monitored questionnaire with the support of secondary data. The findings of the research showed that human resource policies play a crucial role in employee satisfaction that can lead to retention of the employee. Performance appraisals were the most critical factor in modeling or affecting satisfaction level.

3. ANALYSIS AND INTERPRETATION

Particulars	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
Work allotted to the workers	19	38	46	22	25
Recent Appraisals	16	24	38	42	30
Training as a part of organization strategy	30	46	36	24	14
Training as productivity and performance	24	16	38	30	42
Performance based award	55	35	25	10	25



1.10 Correlation

The Pearson correlation coefficient, often referred to as the Pearson R test, is a statistical formula that measures the strength between variables and relationships. To determine how strong the relationship is between two variables, you need find the coefficient value, which can range between -1.00 and 1.00.

Descriptive Statistics

	Mean	Std Deviation	N
Salary	2.8400	1.18763	150
Recent Appraisal	2.9733	.92647	150

Correlations

		Salary	recent appraisal
Salary	Pearson Correlation	1	.374**
	Sig. (2-tailed)		.000
	N	150	150
recent appraisal	Pearson Correlation	.374**	1
	Sig. (2-tailed)	.000	
	N	150	150

** . Correlation is significant at the 0.01 level (2-tailed).

1.11 Suggestion

1. They can make training as part of productivity and performance.
2. Improving the recent appraisal process helps the organization to attain success.
3. The organization should make slight changes on satisfactory method of interview.
4. Training should be mandatory for all level of employees.
5. A flexible reward system should be adopted by organization to improve employee motivation.

1.12 Conclusion

Thus the study concluded that the most influencing factor in ensuring effective management of HR Policies is the culture of the organization. The most commonly adopted HR Policies are Training and Development. The study also concluded that the major challenges encountered in managing policies are lack of cooperation from the parties involved.

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