

HUMAN RESOURCE MANAGEMENT IN ORGANIZATIONAL INNOVATION AND SUSTAINABLE ORGANIZATIONAL PERFORMANCE

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Abstract

HRM practices are created with the sole reason for establishing a strong tie between the firm and the representative. A firm can easily utilize these practices to help the workers in developing their abilities. These aptitudes are then additionally used to contribute to the firm's intellectual development. Human resource management practices are related to the placement and selection of the appropriate representatives, which has implications for innovative worker behavior so it has a significant impact on innovation. Human resources are a bunch of information, aptitudes, and mastery's that individuals have, and are an important wellspring of upper hand and organizational performance. A large number of scholars have created theoretical models and concepts to bring out the relationship between OI (item, process, and information innovation) and SOP. The article can indicate that HRM practices (performance management and compensation and benefits) have an immediate, positive, and significant influence on SOP.

Keywords: *Organizational, Innovation, Performance, Human Resource Management, etc.*

1. INTRODUCTION

HRM practices are created with the sole motivation behind establishing a strong tie between the firm and the worker. A firm can easily utilize these practices to help the workers in developing their aptitudes. These aptitudes are then additionally used to contribute to the firm's intellectual development. Human resource management (HRM) is a relatively youthful field, which has undergone a rapid evolution From its initial roots as the function involved in the administrative aspects of hiring, firing, and payroll, it has seen stages where Union relations/avoidance, representative satisfaction, and legal compliance have filled in as dominant areas of emphasis and aptitude. Most as of late a pattern has created toward justifying the consumptions for and presence of the HR function. HR departments and

programs have become a component of the firm's profit equation to be minimized as an expense and maximized as a value-adding component of firm strategy. In fact, some in the popular business press have characterized HR departments as bureaucratic wastelands and proposed doing away with them.

Consequently, HR practitioners have become engrossed with demonstrating the value of the HR function, particularly through showing its impact on firm performance.

1.1 HRM effect on organizational performance

Interventions in HRM could make a positive contribution to organizational innovation activities. HRM is also found to significantly increase the worker involvement, leadership, managers' motivation to learn, promotion of learning the way of life, and development of

social capital to help innovation. Human resource management practices are related to the placement and selection of the appropriate workers, which has implications for innovative representative behavior so it has a significant impact on innovation. Worker participation can lead to confidence in the activities carried out, so it can improve innovation behavior. HRM has a significant effect on innovation. Results of research conducted the implementation of recruitment and selection has an immediate impact on innovation. The dimensions of HRM, and it were discovered that all aspects of HRM have a significant effect on innovation. One of the main goals of Human Resource Management (HRM) is to increase the performance of organizations. The importance of gaining upper hand through representatives and noticed the importance of several Human Resource (HR) practices necessary to obtain this advantage. The utilization of an integrated and intelligible 'heap' of mutually reinforcing HR practices over separate ones. Notwithstanding the substantial volume of research on the link between HRM and performance, the exact nature of this relationship within the health care area remains unclear. This can be considered problematic, as studying HRM in the health care area and its effect on performance has both practical and academic relevance.

Organizational Performance is what business chiefs and proprietors are usually frustrated about. This is so because, despite the fact that the representatives of the company are hard-working, and are caught up with doing their tasks, their companies are unable to achieve the planned results. Results are achieved more because of unforeseen occasions and good fortune rather than the efforts made by the workers. In any case, for any business to be effective, functions must be defined and accomplished. It is important for an organization to create strategies that ought to be designed around the aptitudes that would enhance the performance of the organization.

Organization Performance can be achieved by using a portion of these approaches, whenever utilized with a strong focus, thoroughly, on achieving the results of the organization, could increase the performance of the organization. Best Practices, Quality circles and Process control can also be utilized to achieve similar goals.

2. ORGANIZATIONAL INNOVATION (OI)

Since the inception of the Industrial Revolution, innovation has been considered an advantageous attribute for many organizations. OI gives a point of contrast to those organizations that can viably utilize innovative systems to attain benefits and increase market share. OI has been defined as "the acceptance of behavior or an idea to create value for the organization". This entails that organizational advancement involves the appropriation of ideas from outside the organization and the generation of ideas within. Besides, the literature recommends that organizations create ideas as well as create, and ultimately actualizes these ideas.⁴⁰ Ideas should be followed up with implementation, which spans beginning, execution, and determination. Innovation in an organization means the fruitful implementation of remarkable ideas for item development, processes development and information development. Innovation also improves existing corporate practices through structural changes, improving organizational techniques, and re-engineering management strategies. OI applied to organizational design and structure can leads to improved intra-organizational coordination and cooperation instruments.

2.1 Sustainable Organizational Performance (SOP)

Sustainability, an ongoing concern for several developing economies, ventures and organizations, is an approach to attaining organizational performance. The United

Nations characterizes sustainable development as that which "addresses present issues without compromising the ability of people in the future to address their own issues". The SOP of an organization is mainly based on the execution of the firm's plans of action, and involves the ideal positioning of its services and items amongst its rivals. Sustainability is viewed as profitable to the organization, with the end goal that sustainability isn't only an idea yet a philosophy that sets a congruity of ecological, societal, and economic concerns.

Emphasizing sustainability all through an organization will have an influence on components of HRM. Firms accomplish sustainability partly by encouraging OI (regarding item, process, and information innovation) and pursuing human development-based business models. Organizations can make sustainable plans of action by acquiring information about their markets, clients, rivals, and future advances. Given that OI involves the acceptance of novel ideas to create value, it therefore fills in as a pivotal factor for SOP.

Organizational performance (OP) is one of the most highly researched result variables in the management literature. A few researchers solely focus on the narrow financial performance of the organization while some focus on the larger economic performance of the organization. Be that as it may, in this investigation, we select SOP as a result variable.

Increasingly, sustainability in organizations is being defined all the more broadly, and incorporates the economic, social and environmental effects of the organization's production processes. SOP involves consistent financial achievement, maintaining the organization's image, and sustainability-related results. Moreover, SOP speaks to an organization's capacity to achieve and sustain upper hands after some time.

3. HRM PRACTICES AND ORGANIZATIONAL INNOVATION

Human resources are a bunch of information, abilities, and aptitudes that individuals have, and are an important wellspring of upper hand and organizational performance. HRM practices are effective in changing the attitudes, capacities, and behaviors of representatives to attain the organizational goals in more proficient and effective ways. Nonetheless, they argue that when companies are involved in innovative activities, they experience relatively more uncertainty in the practice of innovation. According to the contemporary perspective on hypothesis in management contemplates, various approaches are taken to innovation in human resources through managerial aptitudes, attitudes, and abilities. These aptitudes include attitude, education, and interpersonal attributes, for example, social behavior and assertiveness. Further, it is ultimately the ability to innovate that enables the HRM framework to generate value for the organization. Organizational results rise up out of HRM practices that push individuals towards creativity and sustainable organizational development.

Worker staffing and retention approaches assure the progression of valuable high-standard representatives into advanced organizations. Human capital is the backbone of any organization that looks to add creativity through representative staffing. OI and organizational information also have a nearby relation. It is obvious that OI is reliant upon the firm's information, which starts by recruiting talented workers. On the off chance that the firm enrolls the correct individuals for the correct positions, they will play key parts in innovation. Hence, fruitful organizations establish a pool of innovative teams that carefully enlist representatives and make the serious recruiting network environment work for sustainably developing the organization. Past literature shows that representative staffing has a positive and significant

relationship with OI (item, process, and information innovation).

3.1 Organizational innovation and sustainable organizational performance

A large number of scholars have created theoretical models and concepts to bring out the relationship between OI (item, process, and information innovation) and SOP. There is clear proof that OI has a positive relationship with SOP. The literature consistently argues that innovation in firms affects financial and administrative performance. Also, new item development and new services sending can increase profitability and SOP. OI is strong in organizations that endeavor to break through, change the status quo, and grow new items, processes, and information.

- **Mediating Effect of Organizational Innovation:**

A large portion of the investigations surveyed above indicate that OI has an immediate effect on OP. Notwithstanding, OI plays a mediating function between HRM practices and SOP. Similarly, organizational innovations are influenced by HRM practices, and then in turn enhance SOP. Extant literature demonstrates that OI fills in as a vital mediator between HRM practices and SOP.

4. HRM PRACTICES AND SOP

A large number of HRM researchers have highlighted the positive relationship between HRM practices (worker staffing, staff development, performance management, and compensation and benefits) and SOP. Various investigations have also been designed and distributed on the particular subject of effective HRM practices and their effects on SOP; these also uphold the presence of a positive relationship.⁷ RBV hypothesis also underpins the notion that organizational resources are important for sustainable achievement, and HRM is key among all resources of an organization. Besides, RBV

states that various capabilities and organizational resources emphatically affect the sustainability of organizational results. A few scholars with a universalistic approach have argued that HRM practices aggregately improve SOP, and prescribe the utilization of HRM practices to enhance financial, operational, and organizational performance. Others propose that particular forms of HRM practices advance SOP, for example, profit sharing and result-arranged performance appraisals, or specific recruitment and the practices of staff development and compensation and benefits. These findings have greatly helped in understanding the relationships between various HRM practices and SOP.

5. CONCLUSION

The article can indicate that HRM practices (performance management and compensation and benefits) have an immediate, positive, and significant influence on SOP. A large number of HRM researchers have highlighted the positive relationship between HRM practices (worker staffing, staff development, performance management, and compensation and benefits) and SOP. Other HRM practices (worker staffing and staff development) are not significant influences on SOP when measured as an immediate relationship. In addition, all HRM practices (worker staffing, performance management, staff development, and compensation and benefits) have an indirect, positive, and significant influence on OI (item, process, and information innovation).

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