A Comprehensive Review of Factors Influencing HRM Practices in Manufacturing Industries

Ms. Manju Punia, Dr. Bhawna Sharma

Ms. Manju Punia, Research Scholar, Jaipur National University, Jaipur, India
mpunia@mindagroup.com

Dr. Bhawna Sharma, Professor, School of Business and Management, Jaipur National University, Jaipur, India

Abstract: In the present scenario, the work environment is undergoing a major shift factors such as globalisation, growing economies and improved technology are constantly presenting new challenges for business. Human Resource is the most important asset for any organization and is the source of achieving competitive advantage. For the accomplishment of organization objective, Human resource has become the unending source of strength and ability. To cope up with the competitive edge and challenge of managing Human resource organisations require effective HRM system. This HRM system should further be backed up by sound HRM practices. HRM practices refer to organizational activities directed at managing the human resources and ensuring fulfillment of organizational goals through this Human resource. From existing literature it was found that HRM practices get affected by various factors and directly or indirectly also affects other variables such as employees' behaviour, attitude, employee's productivity, relations with other employees and employer, financial and overall performance of the organisation. This paper is an attempt to review the existing literature available on HRM Practices to develop an understanding of determinant of HRM Practices and determine the dominant factors.

Keywords: Human Resource, HRM Practices

I. INTRODUCTION

Human resources are the set of individuals who make up the workforce of an organization. Human resources are the source of achieving competitive advantage because of its capability to convert the other resources like money, machine, methods and material in to desirable output in terms of product and service. According to Khatri (1999), human recourse are one of the most important factors that provide flexibility and adaptability to the organizations.

Several researchers have found that managing people is more difficult than managing technology or capital (Barney, 1991; Lado and Wilson, 1994). The competitor can imitate resources like technology and capital but the human resource skills are unique. Rundle (1997) suggest that its Human resource of the organisation, not the firm, is the adaptive mechanism in determining how the firm will respond to the competitive environment.

The effective management of human resources requires sound Human Resource Management systems. In order to develop a sound HRM system, the organization should have effective Human Resource Management practices. Human resource management refers to practices that influence employees' abilities, motivation and performance (Noe et al., 2008). Human resource management enables organizations to achieve expected organizational performance and competitiveness by achieving desired employee performance (Armstrong, 2007). Successful human resource management differentiates successful organizations from unsuccessful organizations (Marchington and Wilkinson, 2005). It is obvious that applied practices in human resource management affect the ability of any organization to achieve expected performance and competitiveness through achieving desired employee performance.

Any organization seeking to achieve excellent performance results and sustained competitiveness should compare its performance and competitiveness best organizations to apply
best HR practices in human resource management. Any practices that are practiced to enhance skill, competencies, satisfaction, commitment and performance of human resource and build culture within the organisation for achieving organisation objectives and goals can be stated as HR practice. HR practices can generate satisfaction, motivation, increased knowledge and commitment of a firm's employees, resulting in a source of competitive advantage for the firm. HRM practices may differ from one organization to another and from one country to another.

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). Huselid (1995) argued that HRM practices represent one avenue that can be used by organizations in shaping their employees' attitudes and behaviours. This is because HRM practices create conditions where employees become highly involved in the organization and work hard to accomplish the organization's goals. Top managements have started believing that human improvements are the best ways to improve organisational efficiency in the ever increasing competitive and cost effective environment of present business operations of organisations. Companies would build profits by putting people first (Pfeffer, 1998).

I.I. OBJECTIVE OF THE STUDY

The objective of the study is

1. Examining the External and Internal factors affecting HRM Practices.
2. Association of HRM practices with External and internal environmental factors.
3. Determining dominant factors that affect the HRM Practices.

I.II SIGNIFICANCE OF THE STUDY

This study will help organisations and HR managers to understand the environmental factors that impact the HRM practices while formulating their policies for HR. This research will serve as a base for future studies and encourage researchers in associating and searching the relationships of the environmental factors, with their HRM practices. This study may enhance the understanding of the environmental factors and extend the concept while relating it with the HRM practice.

I.III SCOPE AND LIMITATION OF THE STUDY

The study was conducted on manufacturing companies at Delhi NCR. Only few major environmental factors are studied in the research. Further investigation can be done on more environmental factor and with large sample. The current study found no relationship between dependent and independent variables. So, further work needs to be done to determine the related association in details.

All findings are based on the information provided by the respondents, and are subject to the potential bias and prejudice of the people involved. Also out of 210 sample size only 107 employees responses properly, the response rate is only 69 %.

II. LITERATURE REVIEW

When it comes to human resource management there are several factors that affect day-to-day operations. So HRM practices differ from one organisation to other organisation and from one country to another. Ozutku and Ozturkler (2009), suggested that external and internal factors affecting HR practices differs significantly across countries. There are various factors internal and external that has their impact HRM practices. Some of the major factor which impact HRM practices are :

II.1. EXTERNAL FACTORS:

According to Kane and Palmer (1995) external factors affecting HR practices are those pressures on organisations that cannot be controlled and changed as per organisation needs For adapting in Human recourse management field is important to have a close look on external factors as these impact the HR practices of the organisation. To avoid HR burnt HR have to be sure that they paying close attention to external influences. So well-developed strategy for human resources should takes into considers external factors because there is a good chance that these external factors affects the organisation work.
These external factors include the following:

II.1.I Economic Conditions/Changes: One of the biggest external influences is the shape of the current economy. Not only does it affect the current talent pool in the organisation, but it might affect the complete selection, hiring ability, compensation structure of the organisation. Satow & Wang (1994) found that due to development in global economy, the international dimension of HR practices has become more and more significant. The economic crises in 2001 resulted in decrease of demand, and so manufacturing and employment. Besides, many firms cut the wages and salaries of their employees. Again, in 2008, like many other countries, Turkey was under the influence of economic crises in which, similar results were observed. HR practices focus has shifted from traditional topics to wide concepts such as globalization and international competition. Kane and Palmer (1995) cite economic recession resulted in reducing workforce in Australia. Mello (2006) discusses economic trends, such as unemployment rate, would have influences on any achievement of an organization. Rosman and colleagues (2013) stressed the significant interference of national economy on HR policies. To cope up with the turbulence in environment HRM while implementing is HR practices not only should know what’s happening in the world around you, but also should create a plan for when there is an economic downturn.

II.1.III Technological Change/ Advancements:
Change in technology can provide firm a better infrastructure and business growth. The increase in the number of technological alternatives or innovation in business functions creates a positive image for firms which further increase its revenues and image in the market. The upcoming new Technology is revolutionizing the way firm’s do business. Technology affects HRM to a greater extent because of high degree of interaction between technology and HR. Changes in technology can make it possible to have improved human resource functions such as selection, recruitment, educating, training, performance appraisal or observing, determining wages and salaries. Development in HR can be learned and implemented faster. On other hand when new technologies are introduced with business growth it is expected to improve employee salaries and wages. Requirement of more educated and qualified manpower increase manpower and training cost. To reduce this increased cost HR department start looking at how to reduce the existing manpower and look for ways to save money by changing its policies and practices.

Kane and Palmer (1995) pointed out that, recruitment, staffing, the knowledge, skills and abilities of workforce is affected by usage of technology. According to DeFilippi (2002) Technology changes the way we work, the roles we undertake. It change the role of HRM. Verkinderen and Altman (2002) argued that technology facilitates the growth of a multinational enterprise. Garavan et al. (2008) suggested that technology lies at the heart of manufacturing industry. Tiwari and Saxena (2012) pointed out that, technology provides new methods for HRM practices. It provides a series of business advantages. Technological developments alter the context of HR practices and the way they are implemented.

II.1.IV Government Regulations:
In all organisations Human resources department always remain under constant pressure to stay within the law and work as per workplace compliance. These types of existing regulations or new changes influence every process of the HR department, including hiring, training, compensation, termination, and much more. All of the policies for human resource management should be in accordance with legal necessities. Without adhering to such regulations a company can be heavy fined or other legal actions.

Kane and Palmer (1995) pointed out that occupational health, industrial relations and equal opportunity for all can be influenced by the government legislation. Mabey and Salaman (1995) found that for any strategic training and development activities in an organisation government policies and legislation are important. Mello (2006) indicated that, legislation and regulation have positive impacts on every function and activity of an organization. Tiwari and Saxena (2012) also indicated that, HRM policies and activities formation and implementations should be in line with the legislation and regulations of countries. Therefore, the differences of HRM practices with in various organisations are also due to these legislation and regulations.
II.I.V Workforce Demographics
One of the most powerful forces affecting work and organizations is changing worker demographics. Demographics include factors such as gender, age, ethnicity, occupation, seniority, salary levels, marital and family status. The workforce of 2015 will be different than it is in 2005. The age distribution, characteristics, values, and expectations of new workforce are remarkably different than that of the past. Shenhav & Haberfeld (1992) pointed out that while diversity was always there in workforce in terms of age and skill but this diversity has grown more over the last two to three decades. The number of women in the work force has increased significantly, as have the proportion of different ethnic groups.

Due to this changing workforce dimensions human resources department must look for different ways to hire, attract and retain this new set of candidates. As Pfeffer (1985) suggests, sensitivity to demographic effects can help provide a context to understand organisational behaviour. They have to adopt different way to hire, offer different types of compensation packages, attractive policies and consustive work environment to this new workforce. Gibb (2001) makes a reference to demographic differences in employee evaluations of HRM. Guest (1999) considers demographic differences in relation to the number of HRM practices employed by the organisation. Konrad and Hartmann (2002) examined the impact of gender and ethnicity on employee attitudes towards EEO initiatives.

Knowledge of employee demographic difference helps the HR practitioners in the development of their HRM policies and practices that increase their impact on employee in long run.

II.I.VI Competitors Action:
Competitors action does impact HR policies and practice of the firms. As human resource is a basic internal resource that can be the source of competitive advantage. Reaction to the actions of competitors is a widely seen situation in business. Firm react effectively for increase in wages and salaries, extended benefits, offer better social support programs and so on. According to Barney & Wright (1997) valuable, unique, well organized and inimitable human resource can be the source for competitive advantage. Competitors respond to such changes in order to satisfy their employee and retain them. Rosenweig & Nohria (1994) pointed out the impact of competitors on HRM policies and implications, for benefits, gender composition, training, executive bonus, and participation. Tiwari & Saxena (2012) suggest that, comprehensive HRM activities might provide competitive advantage to the organisations.

II.I.VII Industry/Sector Characteristics
Industry characteristics might affect HRM activities in different ways. Sectors such as manufacturing, retail, construction, food and health etc. create their own type of HRM systems and practices. Some sectors may require to be more sensitive to the needs of its human resources and some may not depending on the characteristics, skills and abilities of their human resource. To retain human talent companies have to tab the competitors practices. Some sectors offer higher income level, such as health. On the other hand, some industries which depend on continuous technological development and innovation give higher personal satisfaction. Terpstra and Rozell (1993) pointed out the differences of HRM practices according to industrial characteristics, like the characteristics of training. Bingöl, (2006) says firm offers low wage or salaries, it would employ personnel who have lower levels of skills, abilities. Tiwari and Saxena (2012) suggest that, HRM practices vary according to manufacturing processes.

II.I.VIII Union Action:
Union activities also affect the HR practices within the organisation. They influence HR practices directly. Kochan et. al. (1984) suggest that the presence of union in the organisation is associated with HR practices.

II.II INTERNAL FACTORS
Internal factors that affect the HRM Practices are related to the events and changes taking place within the organisation. This can include changes of ownership, changes in the internal management structure, mergers, acquisitions and significant downsizing or hiring trends. The internal environment of organizations strongly affects their HR practices. According to Zheng and Morrison (2009) study show that various HRM practices at small and medium
enterprises are influenced by organizational contextual variables including ownership, age and size of firms. Milkovich and Boudreau (1991) pointed out that, researchers have compiled a list of organizational characteristics which are related to HR practices. The important internal factors are as follows:

II.II.I Organisations Size:
The size of organisation has greater impact on HR practices. Larger the firm more refined are specific are the practices. Organisation size plays an important role in explaining the intensity and type of HR practices within the organisation (Gravana et al. 2008). McPherson (2008) suggests that there are large numbers of small firms that do not practice formal HR activities. In large organizations, for each functional there may a need for a different HR department and practices (Jackson et al.,1989; Kaynak et al., 1998). The size of the firms forces the firms to add new dimensions to the HR implementation. The size of an organization is also significant for managerial style, in terms of autocratic or participative. Large organizations can be more democratic, so, their departments or branches might be more autonomous. In these types of establishments, decentralization is a necessity for an effective management. So, there is less control and more self confidence. Conversely, small and medium sized enterprises generally have centralized organizational structure and so, managerial practice. Therefore, human resource of those firms is under close control of their managers.

II.II.II Organisational Structure
Organizational structure is a system used to define a hierarchy within an organization. It identifies each job, its function and where it reports to within the organisation. A firm's strategy and structure are important in determining HR practices. With increase in global competition and highly changing business environment HR practices are becoming more flexible and integrated. 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).

II.II.III Business Strategy
To gain competitive advantage, firms use different competitive strategies. These strategies are more productive when they are systematically linked with human resource management practices. Katou & Budhwar (2008) pointed that when business strategies and HRM policies are developed simultaneously, they positively affect organizational performance. HR strategy is an important determinant of both intensity and diversity of HR practices (Gravan et al., 2008). This is more valid for decisions taken simultaneously with respect to quality and employee development, innovation and employee rewards and relations, and cost and employee resourcing. The successful practices of human resource management sub functions facilitate to achieve objectives. Mello (2006) suggested that organisations while designing and practicing their HRM functions should consider targets, purposes, policies and strategies of the organisation. 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).

II.II.IV Organisation Culture
Organizational culture consists of the core values, beliefs and assumption that are widely shared by members of an organization. It serves a variety of purposes including communicating what the organization “believe in” and “stand for”, providing employees with a sense of direction and expected behaviour, shaping employee’s attitudes about themselves, the organization and their role. Pedersen G.E. and Sudzina (2012) reveal that the accessibility of management and the ways in which decisions are made are reflections of an organization’s culture. Buller (1998) pointed that positive culture in organisation earns critical acclaim, and has a positive impact on both retention and recruitment. The history and culture of organizations would reveal what is good, and what is bad for the organisation. It demonstrates the characteristics of best employees for that organisation. 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).
II.I.V Top Management and Line Managers
The direction of top management and their priorities could be another factor that impact HRM practices. HRM Policies could be shaped through the importance which top management give to HR personnel. The influence of top management on HR practices is acknowledged by most writers. In designing and implementing HR policies support and advise of top managements should be present (Ondrack and Nininger, 1984; Kane and Palmer, 1995). Mabey and Salaman (1995) point out the importance of shareholder priorities and management agendas on training and development activities. Rosman et al. (2013) found that, HR department practices in health care sector are majorly affected by top management interference.

Line managers are those managers to whom individual employees or teams directly report and who have responsibility to a higher level of management for those employees or teams. Line Management participation in designing and implementing HR activities is the key to organizational success. Recent research indicates that there is substantial potential for human resource specialists and line managers to share more effectively responsibility for their organization's human resource activities in business partnerships. Okpara and Wynn (2008) suggest that, as line managers are responsible for creating value, they should integrate HR practices in their work. Since line managers knows the requirement and necessities of their team and department so they can play a important role in structuring effective HR policies. Rosman and colleagues (2013) argued that, managerial style is one the important elements shaping the policies HR department.

II.I.VI Power and Politics
Tsui and Milkovich (1987) found that organizational power and politics as exercised by various constituencies are crucial determinants of HR practices. The influence of power and politics is considered while implementing new policies and procedures in the organisation. HR manager has to identify the critical constituent of the HR practices and accurately determine their source of power. Kane and palmer (1995) found that HR manager has the role in identifying the stakeholders of critical constituents of hr practices.

II.II THEORETICAL FRAMEWORK
In this study we aim at study the factors that impact HRM practices and determin the dominant factor. The following theoretical framework has been formulated to depict a relationship between external and internal factors and HR practices.

III. HYPOTHESES DEVELOPMENT
On the basis of the various factors both external and internal affecting HRM practices, the following hypotheses is developed

H1: There is a positive and significant association between HRM practices and Internal factors.

H2: There is a positive and significant association between HRM practices and External factors.

IV. METHODOLOGY OF THE STUDY
This study is based on both primary and secondary data. Primary data were collected through a structured questionnaire. Random sample technique has been used to interview the HR managers of the firms. A sample of 210 employees was selected from manufacturing firm in Delhi NCR. The questionnaire was developed by using a five point Likert scale, From 1= no impact to 5=Great Impact. Data was analyzed using descriptive statistics such as Mean, SD & percentages. Correlation analysis was done to establish the relationship between various HRM practices and Environmental factors.

V. RESULTS
In North the major Manufacturing cluster is in Delhi, Faridabad and Gurgaon. Indian auto-component market is segmented in to OEMs (accounting for 60% of the total market), replacement market and exports (contributing 20%each to the total market). It has been estimated that approximately 4% of the auto-component manufacturing companies cater to 80% of the B2B demand arising from OEMs. Average employee size in Organized supplier sector is around 1000 employees and in unorganized it is around 150
employees. Out of 210 sample size only 107 Manager answered the questioner.

Table 1 & Table 2 present the Mean and Standard Deviation among the responses to various possible influence on HR practices.

Table 1. Descriptive statistics about Internal Factors affecting HRM Practices

<table>
<thead>
<tr>
<th>S.NO</th>
<th>INTERNAL FACTORS</th>
<th>MEAN</th>
<th>STD.DEV.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Organisations Size</td>
<td>3.72</td>
<td>0.75</td>
</tr>
<tr>
<td>2</td>
<td>Organisational Structure</td>
<td>3.60</td>
<td>0.57</td>
</tr>
<tr>
<td>3</td>
<td>Business Strategy</td>
<td>3.79</td>
<td>0.87</td>
</tr>
<tr>
<td>4</td>
<td>Organisation Culture</td>
<td>3.60</td>
<td>0.68</td>
</tr>
<tr>
<td>5</td>
<td>Priorities of Top Management</td>
<td>3.87</td>
<td>0.95</td>
</tr>
<tr>
<td>6</td>
<td>Power and Politics</td>
<td>3.55</td>
<td>0.55</td>
</tr>
</tbody>
</table>

Table 2. Descriptive statistics about External Factors affecting HRM Practices

<table>
<thead>
<tr>
<th>S.NO</th>
<th>EXTERNAL FACTORS</th>
<th>MEAN</th>
<th>STD.DEV.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Economic Conditions/Changes</td>
<td>3.60</td>
<td>0.52</td>
</tr>
<tr>
<td>2</td>
<td>Technological Change/Advancements</td>
<td>3.53</td>
<td>0.66</td>
</tr>
<tr>
<td>3</td>
<td>Industry characteristics</td>
<td>3.72</td>
<td>0.88</td>
</tr>
<tr>
<td>4</td>
<td>Government Regulations</td>
<td>3.76</td>
<td>0.85</td>
</tr>
<tr>
<td>5</td>
<td>Workforce Demographics</td>
<td>2.69</td>
<td>0.46</td>
</tr>
<tr>
<td>6</td>
<td>Competitors Action</td>
<td>3.44</td>
<td>0.68</td>
</tr>
<tr>
<td>7</td>
<td>Union Action</td>
<td>3.23</td>
<td>0.71</td>
</tr>
</tbody>
</table>

On the basis of mean score shown in Table 1 one can conclude that Priorities of top management (Mean score - 3.87) is the important internal factor that influence the HR practices followed by business size and organization size. Table 2 shows that in external factors Government regulation affects the HR practices most as its mean score is 3.76 followed by Industry sector / characteristic and National Economic changes.

Correlation was performed to find out the pair wise relationship between the factors.

Table 3. Correlation matrix for Internal factor and HRM practices.

<table>
<thead>
<tr>
<th>S. NO</th>
<th>INTERNAL FACTORS</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Organisations Size</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Organisational Structure</td>
<td>0.86</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Business Strategy</td>
<td>0.85</td>
<td>0.89</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Primary Data, **Correlation is significant at the 0.01 level (2-tailed).

H1: There is a positive and significant association between HRM practices and Internal factors.

It is assumed from the hypothesis that HRM Practices have positive association with Internal factors that influence these practices. Table 3. Shows that internal factors that influence HRM practices are independently positively correlated with HRM practices and also highly significant at 1% level. Therefore Hypothesis 1 of the study is accepted. Maximum correlation ( r= 0.85) is existing between Priorities of Top management and HRM Practices, followed by Business strategy (r= 0.84) and organization size (r= 0.82) which impact the HRM practices most.

Table 4. Correlation matrix for External factor and HRM practices.

<table>
<thead>
<tr>
<th>S. NO</th>
<th>EXTERNAL FACTORS</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
<th>8</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Economic Conditions/Changes</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Technological Change/Advancements</td>
<td>0.89</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Industry characteristics</td>
<td>0.86</td>
<td>0.9</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Government Regulations</td>
<td>0.89</td>
<td>0.8</td>
<td>0.95</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Workforce Demographics</td>
<td>0.88</td>
<td>0.79</td>
<td>0.76</td>
<td>0.79</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Competitors Action</td>
<td>0.87</td>
<td>0.8</td>
<td>0.85</td>
<td>0.86</td>
<td>0.84</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>Union Action</td>
<td>0.81</td>
<td>0.8</td>
<td>0.85</td>
<td>0.84</td>
<td>0.81</td>
<td>0.87</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>HRM PRACTICES</td>
<td>0.85</td>
<td>0.8</td>
<td>0.86</td>
<td>0.9</td>
<td>0.84</td>
<td>0.85</td>
<td>0.83</td>
<td>1</td>
</tr>
</tbody>
</table>

Source: Primary Data **Correlation is significant at the 0.01 level (2-tailed).

H2: There is a positive and significant association between HRM practices and External factors.

It is assumed from the hypothesis H2 that HRM Practices have positive association with External environmental factors that influence these practices. Table 4. Shows that External factors that influence HRM practices are
independently positively correlated with HRM practices and also highly significant at 1% level. Therefore Hypothesis 2 of the study is accepted. The maximum correlation (r=0.90) exist between Government regulation and HRM Practices followed by Industry sector/characteristics (r = 0.86) and National Economic change (r=0.85) which impact the HRM practices most.

VI. CONCLUSION AND RECOMMENDATIONS
This paper has investigated the environmental factors affecting HRM policies and practices of manufacturing firm in Delhi NCR and has shown that companies take these internal and external elements into consideration in a high or at least moderate level while formulating HR policies. The literature review and survey analysis confirm that HRM practices are related to external and internal environmental factors. The results of this research supported the hypotheses, which propose positive and significant association between HRM Practices and internal and external environmental factors. The results indicate that most important internal factor that impact HRM practices are Priorities of Top management followed by Organization/ Business strategy and size of the organization. And external factor that impact HRM practices most are Government regulation followed by Industry culture and national Economic changes.

The result and findings reflect the current reality that, business environments are becoming more complex day by day, and the number of environmental factor are increases, and they are changing in a fast way. Thus business while formulating their strategies and HR policies should take this environmental factor into consideration effectively. Furthermore, organizations of different countries should be compared for their environmental system that shape HR planning and implementations.

REFERENCES


[47] www.google.com

[48] www.citehr.com

[49] www.scholar.com

[50] www.wikipedia.search.hrm.com