



The Crucial Role Of HR And Organizational Practices As A Catalyst For Innovation And Growth Of Manufacturing Companies In KTC Zone

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Citation: N. Mythily, et al (2024) The Crucial Role Of HR And Organizational Practices As A Catalyst For Innovation And Growth Of Manufacturing Companies In KTC Zone, *Educational Administration: Theory and Practice*, 30(5), 9976 - 9981

Doi: 10.53555/kuey.v30i5.3794

ARTICLE INFO ABSTRACT

The HRD plays a crucial part in driving organizational performance by effectively managing the company's greatest asset is their employees. The HRD serve as strategic partners, aligning HR practices with business objectives to cultivate a progressive work culture keep the top talent, and develop employees' skills and capabilities. This abstract explores the key areas where HR makes a significant impact on organizational performance. These areas include strategic workforce planning, talent acquisition and retention, performance management and development, employee engagement and well-being, organizational culture and change management, as well as compliance and ethical practices. By focusing on these aspects, HR departments contribute to maximizing the potential of employees, fostering a high-performing organization, and ensuring long-term success.

Keywords: Human Resources, performance, work culture, planning, talent acquisition and strategic workforce.

INTRODUCTION

The HRD plays a vital role in shaping and enhancing organizational performance. It is responsible for managing the most valuable asset of any organization – its people. HR professionals are strategic partners who align HR practices with business objectives, cultivate an optimistic work culture and develop employees' skills and capabilities. This article explores the important role of HR it also highlights key areas where HR makes a significant impact. HR professionals contribute to organizational performance by engaging in strategic workforce planning. They analyze future business needs, identify skill gaps, and develop talent acquisition and retention strategies accordingly. HR helps companies to build a high-performing workforce that can adapt to evolving demands.

Attracting and retaining top talent is essential for organizational success. HR departments are responsible for designing effective recruitment strategies, conducting candidate assessments, and facilitating a smooth on boarding process. Additionally, HR professionals work to create a positive employee experience, implement retention initiatives, and foster a supportive work environment to retain high-performing employees. They design performance appraisal processes, provide feedback and coaching to employees, and support their professional development through training programs, mentoring, and career progression opportunities. By focusing on continuous improvement, HR helps drive individual and collective performance.

Employee engagement directly impacts organizational performance. HR departments strive to develop employee engagement, motivation, as well as satisfaction. They implement initiatives such as employee recognition programs, work-life balance policies, wellness programs, and opportunities for employee feedback and involvement. HR professionals act as advocates for employees, ensuring their well-being and fostering a positive company culture. They help define the company's values, mission, and vision, and ensure they are integrated into all HR practices. HR also supports change management efforts by facilitating communication, managing resistance, and promoting employee buy-in during times of organizational transformation.

HR departments are responsible for ensuring compliance with labour laws, regulations, and ethical practices. They establish policies and procedures that promote fairness, diversity, inclusion, and equal opportunities. By upholding ethical standards and fostering a positive work environment, HR helps build trust and maintain the organization's reputation.

This article concentrated the crucial role of HR and organizational practices as a catalyst for innovation and growth of manufacturing companies. This will be useful to the manufacturing sector to improve their quality of HR as well as the employee engagement.

1. LITERATURE REVIEW

Reni Rupianti and Tekat Sukomardojo, (2023) HRM plays a pivotal role in enhancing employee performance within an organization. Through the effective recruitment and selection processes, HRM ensures the hiring of competent and motivated individuals to attain their goals. Moreover, HRM employs comprehensive training and development programs to up skill employees, enhance their knowledge, and equip them with the necessary tools to excel in their roles. The HRM is responsible for creating and sustaining a conducive organizational culture that encourages employee engagement and satisfaction.

Mohammed Mamin Ullah (2012) stated that the HR professionals act as change agents, guiding the organization through transformations by assessing the need for change, developing strategies, and effectively communicating the vision to all stakeholders. The HR professionals foster a change-ready culture by promoting open communication, collaboration and adaptability. They work closely with top management to align change initiatives with the organization's strategic goals and ensure that the proposed changes are realistic and achievable. HR professionals play a critical role in change implementation by creating detailed action plans, allocating resources and monitoring progress to mitigate potential risks and challenges.

Setyo Riyanto and Andri Goklas (2021) HR professionals advocate for diversity and inclusion in the change process, ensuring that all employees are given an equal opportunity to participate and contribute to the transformation. By valuing diverse perspectives, HR professionals enhance innovation and creativity, further driving successful organizational change.

Govand Anwar, Nabaz Nawzad Abdullah (2021) ascertained the role of strategic HRM, where HR professionals align their practices with the organization's long-term goals and objectives. By integrating HRM into strategic planning, organizations can effectively utilize their human capital, identifying and nurturing talent that complements the company's vision and mission. The Strategic HRM alignment, employee engagement and retention strategies, and employee well-being, all contribute to a high-performing and successful organization.

Sanchis- Pedregosa C, and Zarate-Torres (2020), they focussing to fostering a culture of innovation, enhancing employees' creative potential, and ultimately driving innovative outcomes. HRM plays a critical role in driving innovative performance within organizations. Human Resource Management plays an important role in promoting innovative performance within organizations. By strategically managing talent, fostering a supportive work environment, prioritizing employee development, recognizing and rewarding creativity and encouraging collaboration.

Othman M and Mousa S. K (2020) the stated that the GHRM have emerged as a crucial aspect of sustainable business strategies aimed at mitigating environmental impacts while promoting organizational success. GHRM initiatives, such as eco-friendly training and awareness programs, sensitize employees to environmental issues and encourage sustainable practices both home and workplace. As employees become environmentally conscious, they contribute to reducing the organization's ecological footprint.

Delbridge R, and Grady J (2020) they analysed that the complex interplay between HRM and the political, social and economic factors that shape the employment landscape. HRM in the administrative economy context presents unique challenges and opportunities for both governments and private organizations. HRM practices must adapt to political ideologies, social and economic disparities, labour market dynamics, globalization, and corporate social responsibility. By effectively navigating these challenges and opportunities, HRM contributes to the stability, fairness and sustainable growth of both public and private organizations in politically driven economies.

2. SIGNIFICANCE OF THE STUDY

The research findings will provide valuable information to the manufacturing companies in Chennai for the development of HRD. The study's outcomes can inform HR practices, strategic decision-making and policy formulation to optimize organizational performance and competitiveness.

3. STATEMENT OF THE PROBLEM

The HR role is most important to the development of organizations. However, the specific challenges and opportunities faced by HR professionals in effectively contributing to organizational performance remain relatively unexplored.

4. OBJECTIVES OF THE STUDY

- ❖ To analyse the performance appraisal systems followed by the organizations.
- ❖ To evaluate the recruitment process of organizations.
- ❖ To understand the relationship between employee engagement levels and their impact on productivity, job satisfaction and retention rates

5. HYPOTHESIS OF THE STUDY

- ✓ There is a relationship between HR professionals are tasked with attracting and selecting right talent and age of the respondents.
- ✓ There is an association between HRM is responsible for providing training and development programs and organizational performance.

6. LIMITATIONS OF THE STUDY

- The limitations may include potential biases in self-reported data from questionnaires and interviews.
- The research may be limited to the context of manufacturing companies in Chennai and may not be generalizable to other industries.

7. RESEARCH METHODOLOGY

This research adopted to identify the role of HR in driving organizational performance in manufacturing companies in Chennai. KMO value = 0.718

8. ANALYSIS AND RESULTS

Table 1

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
	1	3.164	26.364	26.364	3.164	26.364	26.364	2.863	23.858
2	2.484	20.696	47.060	2.484	20.696	47.060	2.750	22.921	46.779
3	1.315	10.962	58.022	1.315	10.962	58.022	1.349	11.243	58.022
4	.956	7.967	65.989						
5	.891	7.423	73.413						
6	.818	6.821	80.233						
7	.643	5.356	85.589						
8	.530	4.419	90.008						
9	.417	3.476	93.484						
10	.360	3.001	96.485						
11	.292	2.435	98.921						
12	.130	1.079	100.000						

Extraction Method: PCA.

The table 1 indicated that the third component is 58.022. All the variables of role of HR in driving organizational performance is accounted by the given factor. It was cleared from this study the Eigen value for factor 1 = 3.164, factor 2 = 2.484 and factor 3 = 1.315.

8.1 Chi-Square Tests: Age

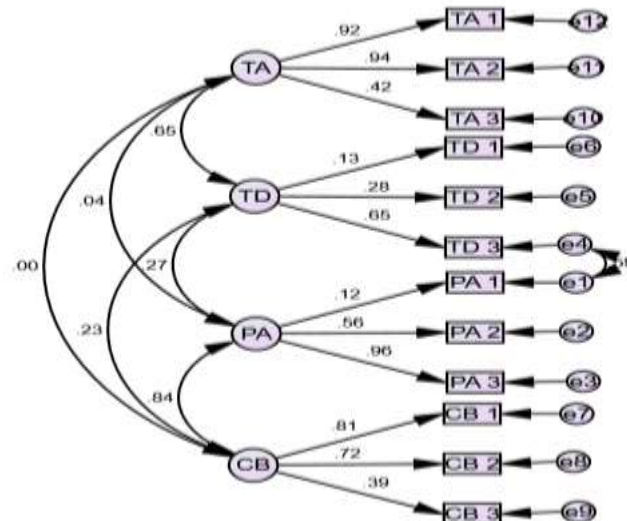
According to the chi-square test based on the age of the respondents the Pearson's Chi-square value is 1.656, and P- value is 0.647. Thus, it is statistically insignificant @5% level of significance.

8.2 Chi-Square Tests: Educational qualification

It was ascertained from this study the Pearson's Chi-square value is 4.671, and P- value is 0.097. Therefore, it is statistically insignificant @5% level of significance.

8.3 Confirmatory Factor Analysis (CFA)

The research model was developed using IBM AMOS software 26.0. The figure 1 illustrates the CFA of crucial role of HR will improve the organizational performance.

Figure 1 Confirmatory factor analysis

The figure 1 shows that $CMIN/DF = 2.172$, ($102.082 / 47 = 2.172$), $CFI = 0.933$, $GFI = 0.928$, $AGFI = 0.880$, $IFI = 0.934$, $TLI = 0.905$, $RMSEA = 0.075$ and $SRMR = 0.031$.

9. FINDINGS

- By promoting effective communication, fostering teamwork and recognizing employees' contributions will improve the sense of loyalty, resulting in increased commitment and performance.
- The performance appraisal systems need to be implemented to provide regular feedback, set clear expectations and identify areas for improvement.
- The HR continuously analyse the impact of change on employee performance, organizational efficiency and overall business outcomes.
- The HR provide valuable insights for future improvements.
- HRM sets the foundation for a culture of innovation.
- By fostering environmental awareness, attracting and developing environmentally conscious talent, enhancing employee engagement and satisfaction, improving organizational performance and reputation.

10. CONCLUSION

The HR department is instrumental in driving organizational performance by aligning HR practices with strategic business goals. HR authorities play a crucial role in maximizing the potential of employees and fostering a high-performing organization. The HRD focusing on attracting, developing and retaining top talent. The HR departments significantly contribute to the long-term success of organizations. It encompasses talent acquisition, culture building, conflict resolution and recognition. Through these strategic initiatives, HRM enhances employee engagement, job satisfaction and overall organizational productivity, resulting in a successful and thriving workplace. The HR professionals act as facilitators of employee engagement during times of change. HR professionals also address employee concerns and anxieties by offering support and counselling.

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