

# Impact Of Human Capital Management On Performance Of An Organization

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## Abstract

*This article targets the effect of workforce administration on accomplishments of companies which focuses on thrift institutions. It consists of two queries, which are being asked based on this research. A descriptive research pattern correlation type is also being taken in this study. Statistics was collected from 62 superior continuing workforces from various banks in Hyderabad. 5 banks out of 12 commercial thrift institutions are chosen as for testing. Mean statistic and pearson product moment correlation is used in analyzing the data. The outcome from this study is that the individual handling will affect operational outcomes.*

## 1 Introduction:

The need for employee capital management arose and it was observed that growth of organizations had stunted due to the company's inefficiency to select and retain talented employees. However, initially, the company's inability was not identified; instead was considered that human capital as a major impediment for developing industries.

Employee capital refers to all the competencies & skills present in an individual, facilitating a way that leads towards overall welfare, prosperity and success. Many researchers defined workforce in their own way. Choudhury and Nayak (2011) named people as greatest asset, providing intellectual stuff. Westphalen (2009) strictly defined human stock as means of production in the economic context. Koednok (2011) defined as an economic term describing the skills and knowledge of individuals used for designing outputs of value. Rephann, Knapp & Shobe (2009) simply explained it as the stock of knowledge and skills embodied in labor which enhances their productivity. Enyekit, Amaehule & Teerah (2012) defined it as an intangible factor of production that brings all the intellect, capabilities needed in production & facilitator of products & services, which is not property of the organization, but is sole property. Chen, Zhu, Xie (2004) extended it by saying human capital refers to all the factors that foster performances which customers are ready to pay and from where the company's outcome comes.

Papadimitriou (2011) has explained Individual asset governance like spending into the skills, talent the staff and trainers need in order to be outstanding teachers, innovators, leaders and not just mere workers. Wan (2007) explained human capital development in relation to employee satisfaction with the former enhancing the latter and thereby resulting in increased capabilities of people. Human capital management tries to capture the social, biological, cultural & psychological hurdles that arise as human interact within others. Workforce management strategies are a set of techniques that are dependent on organizational needs to gain certain skills. It is the approach to staffing that perceives people as assets whose current value can be ascertained & future value can be enhanced through investment. Gartner (2015) defined it- a set of strategies relevant to people resource management, particularly in areas of workforce acquisition, management & optimization.

Organizational performance comprises the exact output as compared against the intended input (the goals & objectives) of the organization. Richard (2009) classified organizational outcomes into core determined spheres of organization's accomplishment: 1) Monetary accomplishment 2) Production accomplishment 3) Investor yield. Pulakos, Arad, Donovan, & Plamondon (2000) described work performance being

synonymous with behavior and added stating what people do, that can be observed and evaluated. Kacmar, Collins, Harris & Judge (2009) also affirmed that performance provides a comprehensive picture of subordinate workplace behavior.

Efficient and effective manpower is one of the most important tools to achieve organizational performance as it acts as important part in strategic planning and hence impacts the organization's productivity. Literature shows that there is no universal tool to quantitative human capital essential for organization's effectiveness. However, Bassi & McMurrer (2007) came with a process to assess human stock management that drives the organization's investment towards their workforce. This research disclosed vital facts including personnel asset organizational motivators that forecasts achievements over wide disposition of firms & its functioning. The motivators are classified as Authority/managerial effectiveness, workforce optimization, learning capacity maximization, skill optimization, and capacity retention. Tracking work done of each of the human capital management practices that is in five driver categories shows the organization's effectiveness of human stock management.

## **2 Problem Statement:**

A high level of talent is essential to further security and success of individuals and organizations. People obtain additional knowledge, coaching for a one's time; workforce guides the creation of products, aids along with latest creativity of the arena. As the fruitful worth of workforce should not be asked if there is an association among workforce enhancement and companies output is an important concern to scholars. It is the core of the happening in this study that response will be given.

## **3 Need For The Study:**

The need of this research is to understand how workforce personnel governance creates an impact on organizational output by focusing only on thrift institutions. Particularly, this research needs to:

- Narrate Working Personnel governance techniques at organizations, explore literatures.
- Explore relationship between career-development and organizational performance with disposition to human capital management.
- Examine the individual capital management influence organizational performance extent.

## **4 Objectives Of The Study:**

- To identify the scope to which working stock governance creates an impact on companies effectiveness and efficiency.
- To identify whether company's opinion towards Workforce asset governance has an association accompanied by performance of company along with career development of personnel.

## **5 Research Methodology:**

This research adopted descriptive research design to analyze the results. A total of 62 permanent senior employees in 5 commercial banks in Hyderabad. It was selected out of the total 12 commercial banks in the community by Judgmental sampling instrument. It is a self designed technique to collect data; consist of questionnaire of 16 items comprised of two parts to access the main variables for the study. The instrument measures the organizational position of the capital management and organizational performance. All items were asked on same 4 criteria scale of highly influential (HI), Influential (I) Rarely influential (RI) and not influential (I) to measure the variables of interest. 20 employees were trial tested from other banks; they were not part of the sample and through a split-half technique and reliability co-efficient of 0.68 were obtained. Hence, it was reliable. Data was analyzed using mean (X) statistics,

Pearson Product Moment Correlation (PPMC). The mean 3.0 was taken as the critical value for decision such a mean response that falls below 3.0 was taken 'Not Influential' while a mean response of 3.0 and above was regarded as 'Influential'.

**Table 1.**

Sr. no	Items	Mean(x)	Remark
1	My organization has developed operational procedures to guide its activities thereby helping individuals and teams to work productively	3.34	influential
2	The skills of existing employees are enhanced in line with business goals to achieve optimal organizational outcomes	3.53	influential
3	They are enhanced systems to nurture knowledge development in my company	3.27	Influential
4	Process of getting work done are well-defined and continually improved and employees are well-trained in how to use them	3.50	influential
5	Employees have access to materials and technologies they need, working conditions that enhances good outcomes	3.47	Influential
6	There are good measurements in place to optimize human capital management and organizational performance	3.69	influential
7	Employees are held responsible for producing high quality outputs	3.42	influential
8	Job enrichment is based on capabilities, poor performers are terminated	3.77	influential
9	Enhanced opportunities are provided for those experiencing performance hurdles	3.31	influential
10	Fresh recruited candidates receive adequate orientation, induction and description of required skills	3.84	influential
11	Highly effective systems and processes are used to manage employee performance and talents to view the overall proficiency of the work force	3.48	influential
12	Management trains and encourages individuals to develop in their professional front	3.11	influential
13	There are good metrics in place to maximize human capital management and organizational outcomes	3.69	influential
14	Leads behavior continuously projects that learning is valued and managers consistently make learning a priority	3.66	influential
15	Training is practical, sports organizational goals hence is given for employees on work related technologies	3.68	influential
16	Selection is based on competency requirements to perform a developed task	3.55	Influential

**Table 2.**

VARIABLES	PEARSON	PERFORMANCE	HCM
Performance	Correlation coefficient	1	297**
	Sig.(2- tailed)	.62	.000
	N	297**	62
HCM	Pearson correlation	.000	1
	Sig. (2- tailed)	.62	

	N		62
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### **6 Points For Discussion:**

To summarize the discoveries are compatible with deep rooted fact findings about personnel administration, investing in work force and institutional accomplishments- organizations acquiring the greater collaboration of Workforce asset progress techniques that will improve few of the workforce, hence enlargement of higher inventive output of personnel and obviously will enhance the attainment of accomplishments of an organization.

### **7 Recommendations:**

- Companies should place the appropriate personnel for relevant tasks by encouraging, praising, and enhancing them.
- Much Workforce asset efficiency techniques are to be acquired for making workforce updated with the given tasks.

Mentoring and build out activities are to be given utmost importance by thrift institutions, workforce must be guided to enhance their occupational skills by securing their professional certainty that cannot only be used for the operational enhancements, and cannot be abandoned being which is not in use and that is not productive.

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