

Innovative HRM Practice to increase the employees' efficiency in the Manufacturing Industry:through Literature Survey

¹Mahesh C Ganagi <https://orcid.org/0009-0002-6015-0820>

²Dr. Arun Rotti <https://orcid.org/0000-0002-5745-4500>

^{1,2}Visvesvaraya Technological University, Belagavi, Karnataka, India.

Corresponding Author: Mahesh C Ganagi, Email: ganagi1975@gmail.com

Abstract - A human resource management practice addresses every aspect of how people are employed and managed in the organization. This research paper explores innovative human resources practices used to increase employee efficiency in the manufacturing sector. We hope to offer insights into how manufacturing companies may use their human capital to obtain a competitive edge in today's rapidly evolving marketplace by looking at new trends and best practices in HR management. We explore a range of strategies that enable businesses to realize the full potential of their workforce while promoting an innovative and continuous improvement in culture, effective talent management, skill development, employee empowerment and Engagement, T&D, performance management, Workforce Diversity and Inclusion. Secondary data from earlier studies and a review of the available literature on research papers on HRM practices were used as part of the research methodology for this paper.

Keywords: Human Resource Management, HRM Practices, Employee efficiency, Organization.

I. INTRODUCTION

Human resource is the best resource in the organization and without human resource the organization is not possible to gain the success in the organization. The management of employees within organizations is one of the main elements that contribute to organizational success. In a market economy, business success is based on the best possible use of all available resources, including financial, material, and human resources. The goal is achieved through the combination of these resources. However, the most significant and complex component for the attainment of organizational success is the human resource. HRM is a new viewpoint on how people should be managed as workers in the workplace. (Pinnington and Edwards, 2000) As stated by Edwin Flippo "HRM is the planning, organizing, directing and the obtaining, development, recompense, addition, maintenance and duplicate of human resource to the end that distinct, organizational and social objectives are accomplished.[1]

HRM deals with Human Resource Planning:

- Hiring people : Recruitment and Selection
- Developing their resources : Training and Development
- Using, Updating and Assessing : Performance Appraisal System

- Paying them for the services they provide : Compensation Management
- Grievance handling and employee discipline : Industrial Relation
- Retention/Separation : Exit Management

Functions of Human Resource Management:[2]

Managerial Functions

- Planning
- Organizing
- Directing
- Co-ordinating
- Controlling

Operative Functions

- Employment
- Manpower Development
- Compensation
- Industrial Relation
- Maintenance
- Motivation

Advisory Functions

- Advised to Top Management
- Advised to Departmental Heads

Chart 01: Functions of Human Resource Management

II. HRM PRACTICES

Innovative Workplace policies have been defined as “the intentional introduction and application of any previously unused concept, practice, processor system designed to influence or adapt the behavior of employees with the aim of achieving improved organizational performance, identified and implemented by human resource practitioners”. The chances of their contribution to enhanced economic performance is based upon three factors being satisfied: First:- employees must possess skills and knowledge that managers are lacking; Second:- Workers need to be motivated to apply this skill and knowledge through voluntary efforts; and Third:- the company's operations or production strategy can only be realized through the voluntary efforts of employees.[3]

There are various ways to characterize HRM practices. In recent days Organizations compete by implementing distinctive HRM practices, and as a result of globalization and contemporary patterns of change, to fulfill their objectives, firms use the most recent HRM practices. Effective HRM practices are beneficial to employers and employees alike, and they play an essential role to the positive expansion of an organization.

The competitive advantage of having a workforce that is strategically linked with the organization's aims and objectives is gained through HR practices, which also serve to increase productivity and quality. Simultaneously, numerous best practices have demonstrated to result in enhanced organizational performance. If HR carries out these procedures properly, they will significantly improve the company and its objectives.

There are a few practices that have proved their universal appeal. In other words studies and organizational experiences indicate that a particular set of HRM practices are sure to produce positive outcomes for all kinds of firms. In his book titled “Competitive Advantage through People: Unleashing the Power of the Workforce” 1994, Professor Jeffrey Pfeffer identified the following as the most successful HR practices based on his thorough and in-depth analysis of numerous organizations.[4]

These best practices are:



Diagram 01: Best Practices

III. MANUFACTURING INDUSTRY

In the highly competitive manufacturing sector of the present day, employee productivity and effectiveness are essential for an organization's success. Businesses are always looking for new approaches to human resource management to maximize labour productivity and achieve efficiency in operations.

In India, high source of employment is observed in the Manufacturing Sector. The economy's liberalization has created new avenues for the growth of the manufacturing sector. The Indian Manufacturing Sector Currently contributes nearly 17% of India's GDP. The manufacturing sector is expected to increase to 21% during the next six to seven years. By 2025–2026, the Indian government hopes to have a \$1 trillion manufacturing market.[6]

The value produced by the resources used on a task or project is known as employee efficiency. The quality of output realized for the invested input may also be stated to fit this description. It's also known as employee productivity. According to a voucher cloud survey done in the UK, the average office worker is only productive for two hours and twenty-three minutes every day. And that applies to all vocations, not just one. It is sixty percent less productive than it was supposed to be.[7]

Peter F Drucker said “A balanced approach to all production elements that gives the most output with the least amount of work is called productivity”. According to European Productivity Council, “Mentality is the attitude of productivity, It is an attitude of advancement and continuous development of the existing. It is the certainty

of being able to perform better than you did yesterday. It's the ongoing adaptation of social and economic life to shifting circumstances. The application of innovative approaches and strategies requires constant work. It is trust in the advancement of humanity".[8]

Among the most significant aspects of corporate success is employee happiness. Productivity can be raised by an organization, and contented employees will put more effort into their work. A University of Warwick study discovered that, on average, happy workers are 12% more productive than dissatisfied ones. Approaching the employees is the best way to find out if they are happy in their jobs. Verbal questioning, questionnaires, and surveys can all be used for this. Exit interviews are another tool used by certain organizations to get input from employees who are leaving.

Job satisfaction among employees is influenced by various factors. The extent of happiness with the company's environment and culture, the salary they receive, and possibly their position within the organization, may have an impact. It may also be impacted by their sense of fulfillment at work and the company's capacity to offer them a clear path for professional advancement.

An employer if gives their staff what they need to do a great job, whether it's training or a positive work atmosphere, is considered to be good. Management to make sure that the employees experience a sense of belonging within the organization rather than being only a name on a sheet of paper. This can be accomplished by appreciating their efforts and motivating them to continue working for the organization.

Dissatisfied employees can lead to a lot of issues within the organization. According to the Society for Human Resource Management, They might acquire undesirable work habits like browsing social media, shopping online, and pulling practical jokes on coworkers while at work. They might also become distracted from their duties and insecure about their jobs. Over time, this may result in high turnover rates and low productivity.

IV. REVIEW OF LITERATURE

The results of past studies in the domain of the current study are the main focus of the review of literature. It looks at potential directions for both current and future study on the topic. Peer-reviewed journal articles, papers, textbooks, and other published materials relevant to HRM practices are analyzed in this study.

Research on HRM practices is not new; Scholars have discovered the practices throughout time frames in various kinds of organizations. They summarized those practices under many headings or names. (Huselid:1995) calls it: "High Performance" practices whereas (Aldrich and Langton:1997) calls it: "Formal" practices (Golhar and Deshpande 1997) calls it as: "Sophisticated" practices

(Gnan and Songini:2003) calls it as: "Professional" practices and On the other hand, (Pfeffer: 1994-1998) stated that "Best Human Resource Management Practices".

Harshitha. L and Dr. B. Arul Senthil (2021) A study on "Employee well-being" was carried out to find out what amenities the company offered its workers. The corporation should offer measures for the well-being of its employees in order to increase employee satisfaction and boost overall organizational efficiency. It is advised that workplace improvements be made in order to increase the efficacy of employee well-being initiatives. These initiatives include the provision of recreational and medical facilities, restrooms, spittoons, children's education facilities, canteen facilities, drinking water, transportation facilities, housing facilities, and drinking water. These improvements will boost employee morale and increase productivity.[19]

Adresi and Darun (2017) mentioned the following practices of HRM are R&S, T&Dt, and performance appraisal that are consistent, integrated and strategically oriented to help organizations create long-term commitments to retain employees.[11]

Gaffoor (2012) in his article titled "A Study on Innovative HRD Practices in Boiler Auxiliaries Plant of Bhel, Ranipet". He has made an effort to learn about the creative HRD practices used by the organization and received feedback on HRD policy, implementation, issues, and barriers from employees in various HR divisions. To choose the respondents for this purpose, random sampling has been used. The questionnaire was distributed to 52 workers representing 71% of the workforce, across several divisions of HR Department. According to the report, implementing creative HRD practices will boost production and organizational as well as individual efficiency. Additionally, it was discovered that the top management had a very high degree of dedication to Human Resource Development.[15]

Sivaram Tekuru (2007) discusses the importance of Human Resource Practices in preserving work-life balance in his paper titled "The Role of HR in Maintaining Work-Life Balance", says that having total control over an individual's work is essential for achieving work-life balance. work life balance should be viewed by organizations as an addition to the fringe benefits they provide to employees. However, is the duty of both the employer and the employee, and in order to improve productivity inside the organization the employee should work with the employer. Therefore, work life balance can be viewed as an investment in raising output, cutting costs and absenteeism, enhancing customer service, and developing a workforce that is equitable, motivated, and satisfied.[14]

Connie, Z, et al, (2006) investigated how human resource management (HRM) practices affected performance in 74

Chinese small and medium-sized businesses (SMEs). Regression analysis was used to examine the data, and semi-structured interviews were used to survey the samples. The top high performance HRM practices were determined to be performance-based pay, market selection, participatory decision-making, and performance evaluation. Regression study results confirmed the popular wisdom that implementing HRM practices improves results and boosts business performance. The key to improving performance was found to be a high degree of staff commitment.[12]

Srimannarayana M, (2006) In his study examined the HRM practices used in 41 Jamshedpur small business, including recruiting, selection, T&D, performance reviews, promotions, employee compensation, and employee relations. According to the study, small company units adhere to some HRM activities such as hiring, selection, training, and performance evaluation even when they lack explicit HRM policies. The HRM practices of small enterprises were found to be primarily characterized by informality and flexibility. The findings indicated that the only monetary benefits were salary and bonus plans, incentive programs and fringe benefits were not common. It recommended implementing a best performance evaluation system to reward top workers financially and improve the productivity.[13]

Chandler and McEvoy in year of 2000 came up with a more appropriate question, according to him, is to determine whether any given set of practices can be applied to all types of organizations. It was his idea that universal practices are best working for all the firms. Studies on best practices suggest that some HRM approaches are associated with more authoritative execution globally. According to researchers, when employees receive compensation for doing beyond what is expected, they will become inspired employees who operate in an environment of trust and commonality, increasing efficiency gains and lowering unit costs.

A human Resource practice is the one which creates the framework for the culture in the business management creates awareness towards the need to attain the business goals by the employees in the best feasible and ethical manner. It is often acknowledged that workers are an essential component of an organization's resources, having the capacity to enhance the organization's resource benefit in reality.[9]

Is one of the opinions that businessmen today recognize the importance of engaging HR-experienced people. The value of positive working relationships has been realized by the companies. An organization fails to grow if its human resources are not seen as important. The worker also prefers a company that values them and recognizes their contributions. In the same way, health benefits are likely the second most significant consideration after cash benefits, which are always appreciated by employees. In

overall, the Human Resources department is quite responsive to these elements in the workplace.[10]

Research Gap:

The study identifies a gap in the existing literature regarding the implementation and validity of innovative HR practices in manufacturing-oriented industries, whether different innovative HRM practices in the organization have similar effect on the employee's efficiency in manufacturing industry or not".

Scope of the study:

The study aims to provide useful information to HR managers who wish to understand and implement IHRP; the study's focus is on reviewing the literature and critically analyzing previous IHRP.

Objective of the study:

- In order to draw attention to related concepts, a brief introduction of HRM is presented in this research paper.
- To explore the various innovative HRMP used in manufacturing organization.
- To Investigate and evaluate the relationship among the Human Resource Management practices and the employee efficiency amongst the employee's working in manufacturing organization through existing literature.

V. RESEARCH METHODOLOGY

This paper uses a qualitative research design based on a systematic literature survey to present a range of innovative (HRM) practices that may promote employees' productivity in the manufacturing sector. This study aims to identify crucial HRM strategies, examine their effects on employee performance in the sector context, and offer practical recommendations for HR practitioners. This methodology will provide a systematic and reliable review of current literature and gaps in knowledge. The research process starts with problem definition, or understanding the limits of the study and having a clear purpose for the study. It all revolves around betterment in Employee efficiency and advanced practices of HRM in manufacturing. Database such as Scopus, Web of Science and Google Scholar are used to collect Relevant literature from reliable sources, which include academic journals, books, industry reports, and case studies. This literature review will help draw attention to major themes, trends, and best practices as observed in previous literature, in order to gain a deeper insight into the impact of different HRM practices on the performance of employees. Utilizing systematic literature review, and customized data sourcing strategies to ensure that data sources are credible, relevant, and as recent as possible to provide a robust finding for contemporary practices and challenges in the manufacturing sector. A thematic analysis approach will be adopted to identify,

analyse, and report patterns within the data, demonstrating the link between human resources management practices and employee productivity.

Innovative HRM Practices:

Pay and leave policies: A company's Human resource management structure must include pay and leave policies. These guidelines control how workers are paid for their work and when they are permitted to take time off for different purposes. Organizations can efficiently manage their workforce and promote employee productivity and well-being by carefully and executing these policies.

Travel & Expense Policy: In addition to guaranteeing compliance and cost control, a well-crafted travel and expense policy promotes efficiency, accountability, and continuous improvement in the manufacturing sector. Organizational goals and objectives can be matched with travel and expense management procedures to help businesses increase productivity, profitability advantage in the marketplace.

Compensation Options: Allows the employees to select the percentage of their pay that will be paid in equity at a slight discount from the market price.

Gamification of Work: Tasks at work can become more rewarding and engaging if gaming principles are applied. A game element system with points, badges, leader boards and incentives for hitting performance goals and finishing tasks quickly could be implemented in order to achieve this. Workers may be inspired well in their jobs by gamification, which can foster a culture of rivalry and achievement.

Unlimited Paid Time Off (PTO): Offering unlimited PTO gives employees the flexibility to manage their own time off without worrying about accruing or running out of vacation days. This promotes a healthy work-life balance, reduces burnout, and increases employee engagement and efficiency when they return to work.

Flexible Workspace Design: Design office spaces with areas designated for focused work, group discussions, and relaxation for breaks, all of which can accommodate a variety of work styles and preferences. Offering a range of work environments to employees enables them to select the one that best fits their requirements, resulting in higher output and efficiency.

Digital Wellness Programs: Offer digital wellness programs that focus on managing screen time, promoting healthy digital habits, and preventing burnout. This could include tools for tracking and limiting screen time, virtual relaxation sessions, and resources for maintaining a healthy work-life-tech balance.

Employee Resource Groups (ERGs): Create employee resource groups focused on specific demographics, interests, or affinity groups within the organization. ERGs

provide a platform for employees to connect, collaborate, and support each other, leading to increased engagement, retention, and efficiency.

Innovation Time Off (ITO): Allocate dedicated time for employees to work on passion projects, explore new ideas, or seek out chances for professional growth outside of their regular duties. This encourages creativity, experimentation, and knowledge-sharing, ultimately driving innovation and efficiency across the organization.

Open Salary Transparency: Embrace transparency by openly sharing salary ranges and compensation structures within the organization. This promotes fairness, trust, and accountability, empowering employees to understand their worth and negotiate effectively. In turn, this can boost morale, motivation, and productivity.

VI. FINDINGS

Effects of Innovative HRM Practices: The literature review also indicates that innovative HRM practices increase significantly employee efficiency in the manufacturing industry (e.g., flexible work arrangements, employee empowerment, continuous learning opportunities). Such practices also correlate with higher employee engagement and productivity.

Importance of Technology in HRM: The use of HR analytics and digital training programmes, for example, has been demonstrated to streamline operations and enhance decision-making. This will enable employees to communicate and collaborate more effectively which will, in turn, boost productivity.

Training And Development of Employees: Regular training sessions and developing skills are imperative for inculcating a culture of change and adaptability. In this blog post, we will discover how organizations can increase productivity by investing in the growth of their employees.

The links between employee well-being and job satisfaction: With employee well-being initiatives covering areas like mental health support and work-life balance programs, the results appear to strongly correlate with job satisfaction. When employees are happier, they tend to be more productive, which means lower turnover rates and the costs that are associated with it.

This also encompasses leadership and management practices: the strategic deployment of leadership styles that foster communication, inclusivity, and recognition of employee contributions resonates strongly with workforce motivation and efficiency. Specifically, transformational leadership tends to be positively correlated with creating a culture of high performance.

Cultural Considerations: This research pinpointed the importance of aligning the HRM practices with the underlying organizational culture. Further, businesses that

design their HR practices to be congruent with their distinctive cultural values do well in achieving alignment of effort and commitment among their employees, which leads to higher efficiency.

These aspects emphasize the importance of innovative HRM adapted to the requirements of the manufacturing environment and can lead to efficiency on the part of employees and better results of organizations.

After an extensive review of previous studies on innovative HRM practices aimed at enhancing employee efficiency in the manufacturing industry certain key findings can be drawn. The findings emphasize the adapting HRM practices with the specific needs and challenges of the manufacturing sector. [16] It is found that all HRMP do not have similar impacts on employee efficiency. HRM practices are a broad category of strategies and programs used in the workplace to manage its workforce. These practices can vary significantly concerning their influence on employees efficiency based on various factors such as organizational culture, industry, workforce demographics, and specific objectives of the organization. [17 18] Certain HRM practices may directly affect on enhancing employee efficiency, Such as

- Performance management systems
- Training and development programs
- Employee empowerment initiatives
- Flexible work arrangements
- Employee recognition and rewards programs
- Employees well being plans and policies

Certain HRM practices may have neutral impacts on employee efficiency if they are poorly implemented or not aligned with organizational objectives, such as

- Ineffective communication channels
- Lack of training and development opportunities
- Inequitable compensation practices

VII. DISCUSSION

Results from this literature survey reveal that novel HRM practices provide a significant elevation to employee efficiency in the manufacturing field that has previously been undiscussed. The widespread use of Flexible working and Empowered workforce initiatives suggests a new age of workplace adaptability and responsiveness. This transition reflects a broader trend of creating flexible arrangements that promote work-life balance and job satisfaction. Technology has played a tremendous role to reshape HRM. This innovative approach, which is based on the latest HR technologies like HRIS, HR analytics, and digital training tools, helps organisations understand their challenges and make data-driven decisions by improving process efficiency. By being able to review employee performance metrics and customize training programs accordingly, a culture of ongoing improvement is created which is

necessary to thrive in the fast-paced manufacturing industry. This can lead to improved communication, breaking down silos within departments and encouraging collaboration as well. The importance of training and development of employees underscores the need for workforce preparedness in an emerging competitive arena. Fostering a culture of continuous learning allows organizations not only to strengthen their workers' individual capabilities but also fortifies a workforce that can go with the flow of evolving market dynamics. In particular, this proactive method of skill development is important in manufacturing where advancements in technology and process innovations are common. Results also underscore a strong correlation between employee well-being efforts and job satisfaction. Research data demonstrates that manufacturers that run programs on mental well-being and work-life balance show improvements in employee morale and productivity. This symbiosis indicates that organizations need to understand the needs of their employees in their entirety and adopt policies that nurture their overall well-being in both their personal and professional lives. Leadership styles became an important factor impacting HRM practices. A transformational leadership style that promotes open lines of communications and acknowledges the contributions of employees will create a motivated workforce. By actively collaborating with their teams and encouraging feedback, leaders can foster an inclusive culture where employees feel empowered to take ownership of their roles, ultimately resulting in greater efficiency and productivity. Another important area of research is the challenges in using innovative HRM practices that arise in the literature. Resistance to change is prevalent throughout organizations, where employees and management are reluctant to embrace new methodologies. HRM initiatives can also be ineffective due to resource constraints and a lack of support from leadership. Addressing these issues is one way for organizations to cultivate and nurture an open and flexible culture that aligns with strategic HRM practice stakeholders at all levels.

VIII. CONCLUSION

This research has identified how using new and creative HRM practices can really boost how well employees work in a organization. A literature survey reveals that these are some of the key components necessary for creating a productive workforce, including flexible work arrangements, technology, employee training and well-being. Not only are these approaches high-quality performers, they make manufacturing organizations as a whole more successful and competitive as well. The results highlight the importance of ensuring effective leadership to implement HRM strategies. An inclusive and motivating work atmosphere is built around transformational leadership, which is characterized by open communication and being fully aware of employee satisfaction levels. It is,

however, necessary to mitigate resistance to change and the unavailability of resources to reap the benefits of new age HRM practices. However, manufacturing firms should adopt not selective but comprehensive HRM practices in line with their ontology and strategic goals. This can help them build up their float, so they are better equipped to handle the challenges of the modern manufacturing environment. This demonstrates an interesting interrelation between productivity and human resources management techniques over time worthy of inquiry and further studies to provide additional information to human resources practitioners and on the field scholars.

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