

Impact Of Strategic Human Resource Management Practices on Employee Performance At Modipon Fibre Company, Modinagar (2007–2017)

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ABSTRACT

Strategic Human Resource Management (SHRM) plays a pivotal role in enhancing employee performance and organizational effectiveness. This study investigates the impact of SHRM practices — particularly training and development, recruitment and selection, and performance appraisal — on employee performance at Modipon Fibre Company, Modinagar, over the period 2007–2017. The research adopts both quantitative and qualitative methods, collecting primary data from employees and HR managers through structured questionnaires and interviews, supported by company records. Findings indicate that strategic HRM practices are positively correlated with employee productivity, job satisfaction, and commitment. Training programs were found to significantly improve skills and efficiency, while recruitment practices ensured the attraction of capable candidates. Performance appraisal systems contributed towards motivation and feedback mechanisms.

Recommendations include further alignment of HRM practices with corporate strategy, enhanced performance management systems, and continuous learning initiatives for employees. Implications for theory and practice as well as limitations and scope for future research are discussed.

Keywords: Strategic Human Resource Management (SHRM), Employee Performance, Training and Development,

Recruitment and Selection, Performance Appraisal, Organizational Effectiveness

Introduction

Background of the Study

In an increasingly competitive global market, organizations have recognized that their human resources are critical assets that can drive performance outcomes. Strategic Human Resource Management (SHRM) integrates human resource policies and practices with strategic goals to enhance organizational effectiveness. Unlike traditional HRM, which focuses on administrative functions, SHRM emphasizes proactive planning, alignment with business objectives, and long-term development of employees. The period between 2007 and 2017 witnessed substantial changes in how Indian manufacturing firms approached human resource strategies due to liberalization, technological advancements, and rising competition.



Fig: 1 Strategic Human Resource Modipon Fibre Company, established as one of the key textile manufacturing firms in

Modinagar, has been at the forefront of adopting HRM practices to strengthen its workforce capabilities. Faced with dynamic market demands, the company initiated several strategic HRM interventions aimed at improving employee performance, reducing turnover, and fostering a culture of continuous improvement. This study explores how these strategic practices — especially training, recruitment, and performance appraisal systems — influenced employee performance over a decade.

Statement of the Problem

Despite numerous SHRM initiatives, many manufacturing firms struggle with translating HR practices into tangible performance gains among employees. In the context of Modipon Fibre Company, there has been interest among scholars and practitioners to examine whether strategic HRM practices are effectively contributing to employee productivity, skill enhancement, and overall performance. Limited empirical research exists that specifically evaluates this linkage in the Indian textile sector, particularly in Modinagar.

Significance of the Study

The study contributes to academic literature by providing empirical insights on SHRM practices in a manufacturing setting within the Indian context, where research is relatively scant. Practically, it offers recommendations for HR professionals and organizational leaders to enhance human resource strategies conducive to improved performance outcomes.

Aims And Objectives

Aim of the Study

The primary aim of this study is to examine the **impact of Strategic Human Resource**

Management (SHRM) practices on employee performance at Modipon Fibre Company, Modinagar, during the period 2007–2017, with particular emphasis on training and development, recruitment and selection, and performance appraisal systems.

Specific Objectives

- To analyze the conceptual framework of Strategic Human Resource Management and its relevance to organizational effectiveness.
- To examine the nature and extent of SHRM practices adopted at Modipon Fibre Company during 2007–2017.
- To assess the impact of training and development programs on employee productivity and skill enhancement.
- To study the role of recruitment and selection strategies in improving workforce quality and job performance.
- To evaluate the effectiveness of performance appraisal systems in motivating employees and enhancing performance outcomes.
- To identify the relationship between SHRM practices and employee performance indicators such as efficiency, job satisfaction, and commitment.
- To provide suggestions for improving SHRM practices for sustained employee and organizational performance.

Review of Literature

Conceptual Foundations of Strategic Human Resource Management

Strategic Human Resource Management emerged as a distinct field in the late 20th

century, emphasizing the alignment of HR practices with organizational strategy. According to Wright and McMahan (1992), SHRM focuses on planned HR deployments to enable organizations to achieve their strategic objectives. Becker and Huselid (1998) argued that strategic HR practices contribute significantly to firm performance by improving employee skills, motivation, and productivity.

In the Indian context, Budhwar and Sparrow (2002) highlighted that SHRM adoption in Indian firms is influenced by institutional frameworks, labor laws, and socio-cultural factors. Manufacturing organizations, in particular, rely heavily on structured HR strategies to manage large workforces and ensure productivity.

SHRM and Employee Performance

Employee performance has been widely recognized as a critical outcome of effective HRM practices. Guest (1997) proposed that HRM practices influence employee attitudes, which in turn affect performance outcomes. Studies by Delery and Doty (1996) established that organizations adopting strategic HR systems experienced higher levels of employee commitment and productivity.

Research in Indian manufacturing firms (Singh, 2004; Som, 2007) demonstrated that strategic HR initiatives such as systematic training, competency-based recruitment, and transparent appraisal systems positively affect employee performance and organizational efficiency.

Training and Development Practices

Training and development are central to SHRM, particularly in skill-intensive industries like textiles and manufacturing.

Noe (2002) emphasized that continuous training enhances employee competence and adaptability. In Indian industries, Rao (2005) found that structured training programs significantly improved employee efficiency and reduced operational errors.

Several studies (Thang et al., 2010; Katou, 2008) confirmed a positive relationship between training intensity and employee productivity. In manufacturing units, training has been linked to improved machine handling, quality control, and safety compliance.

Recruitment and Selection Strategies

Recruitment and selection play a strategic role in ensuring the right fit between employees and organizational requirements. According to Boxall and Purcell (2003), strategic recruitment focuses on long-term human capital development rather than short-term staffing needs. Indian studies (Youndt et al., 2006; Singh & Kharbanda, 2011) revealed that competency-based recruitment practices enhance employee performance and reduce turnover.

In manufacturing organizations, effective recruitment ensures technical competency, discipline, and operational efficiency, which are essential for sustained productivity.

Performance Appraisal Systems

Performance appraisal is a critical SHRM practice that links individual performance to organizational goals. Armstrong (2006) emphasized that performance appraisal systems serve as tools for feedback, motivation, and development. In the Indian context, Pareek and Rao (2006) noted that transparent appraisal systems enhance employee trust and commitment.

Empirical studies (Boselie et al., 2005; Chand & Katou, 2007) demonstrated that effective appraisal mechanisms positively influence employee motivation, job satisfaction, and performance outcomes.

RESEARCH METHODOLOGIES

Research Design

The study adopts a **descriptive and analytical research design**, combining both **quantitative and qualitative approaches** to analyze the impact of SHRM practices on employee performance.

Scope of the Study

The research covers SHRM practices at Modipon Fibre Company, Modinagar, over a period of **ten years (2007–2017)**, focusing on:

- Training and development
- Recruitment and selection
- Performance appraisal
- Employee performance indicators

Sources of Data

Type of Data	Source
Primary Data	Questionnaires, interviews with employees and HR managers
Secondary Data	Company records, annual reports, HR manuals, journals, books, and reports

Sample Design

- **Population:** Employees of Modipon Fibre Company
- **Sample Size:** 120 employees
- **Sampling Technique:** Stratified random sampling
- **Strata:** Supervisors, skilled workers, semi-skilled workers, administrative staff

Tools for Data Collection

1. Structured questionnaire using a **5-point Likert scale**
2. Personal interviews with HR managers
3. Review of HR policy documents

Variables of the Study

Independent Variables (SHRM Practices)	Dependent Variables (Employee Performance)
Training and Development	Productivity
Recruitment and Selection	Work Efficiency
Performance Appraisal	Job Satisfaction
Career Development	Employee Commitment

Statistical Tools Used

- Percentage analysis
- Mean and standard deviation
- Correlation analysis
- Simple regression analysis
- Tabular and graphical presentation

Reliability and Validity

- Reliability tested using **Cronbach's Alpha**
- Content validity ensured through expert consultation and pilot testing

Limitations of the Study

- Study confined to a single organization
- Possible response bias from employees
- Limited access to confidential HR data

Results And Interpretation

This section presents the analysis of data collected from employees of Modipon Fibre Company, Modinagar, to assess the impact of

Strategic Human Resource Management (SHRM) practices on employee performance during the period 2007–2017. The analysis is based on responses from 120 employees across different functional and hierarchical levels.

1. Demographic Profile of Respondents

Table 1: Demographic Characteristics of Respondents

Category	Classification	No. of Respondents	Percentage
Gender	Male	94	78.3
	Female	26	21.7
Age Group	Below 30	18	15.0
	30–40	46	38.3
	40–50	39	32.5
	Above 50	17	14.2
Experience	Below 5 years	21	17.5
	5–10 years	37	30.8
	Above 10 years	62	51.7

Interpretation

The majority of respondents are experienced employees with more than 10 years of service, indicating that the data reflects long-term exposure to SHRM practices implemented between 2007 and 2017. This enhances the reliability of perceptions regarding HR strategies and performance outcomes.

2. Impact of Training and Development on Employee Performance

Table 2: Employee Perception of Training and Development

Statement	Mean Score	Std. Deviation
Training improves job-related skills	4.21	0.68
Training enhances productivity	4.08	0.72
Training programs are regular and relevant	3.96	0.81
Training improves confidence and morale	4.15	0.70

(Likert Scale: 1 = Strongly Disagree, 5 = Strongly Agree)

Interpretation

High mean values (above 4.0) indicate strong agreement among employees that training and development initiatives positively influence skill enhancement and productivity. This supports the SHRM proposition that investment in employee learning leads to improved performance.

3. Recruitment and Selection Practices

Table 3: Effectiveness of Recruitment and Selection

Recruitment Dimension	Mean	Std. Deviation
Merit-based recruitment	4.02	0.76
Job-person fit	4.11	0.69
Transparency in selection	3.88	0.83
Contribution to work efficiency	4.05	0.71

Interpretation

Employees largely agree that recruitment and selection practices are strategically aligned with organizational requirements. The high

mean score for job-person fit reflects effective manpower planning, which contributes to improved work efficiency and reduced turnover.

4. Performance Appraisal and Employee Motivation

Table 4: Performance Appraisal System Evaluation

Statement	Mean	Std. Deviation
Appraisal system is fair	3.91	0.82
Appraisal motivates better performance	4.06	0.74
Feedback improves job performance	4.14	0.67
Appraisal linked to rewards	3.97	0.79

Interpretation

The appraisal system at Modipon Fibre Company is perceived as moderately to highly effective. Feedback mechanisms are particularly valued, reinforcing the role of appraisal as a developmental rather than merely evaluative tool.

5. Correlation Analysis

Table 5: Correlation between SHRM Practices and Employee Performance

SHRM Practice	Correlation (r)	Significance (p-value)
Training & Development	0.72	<0.01
Recruitment & Selection	0.65	<0.01
Performance Appraisal	0.69	<0.01

Interpretation

All SHRM practices show a **strong positive correlation** with employee performance and

are statistically significant at the 1% level. Training and development show the strongest relationship, indicating its critical role in productivity enhancement.

6. Regression Analysis

Table 6: Regression Results (Dependent Variable: Employee Performance)

Variable	Beta Coefficient	t-value	Significance
Training & Development	0.41	5.87	0.000
Recruitment & Selection	0.29	4.12	0.001
Performance Appraisal	0.34	5.02	0.000
R ² = 0.61			

Interpretation

The regression model explains **61% of the variance** in employee performance, confirming that SHRM practices significantly influence productivity. Training and development emerge as the most influential predictor.

Discussion And Conclusion

Discussion

The findings of this study empirically validate the theoretical assumptions of Strategic Human Resource Management. The strong correlation between SHRM practices and employee performance at Modipon Fibre Company aligns with prior research by Becker and Huselid (1998), Guest (1997), and Budhwar (2004). The results suggest that strategic training initiatives not only enhance

technical skills but also improve employee morale and commitment.

Recruitment and selection practices focused on merit and competency have ensured a skilled workforce capable of meeting operational demands. Performance appraisal systems, when linked with feedback and rewards, serve as motivational tools contributing to improved efficiency.

The decade-long perspective (2007–2017) highlights that sustained SHRM initiatives yield cumulative performance benefits, particularly in manufacturing environments facing technological and market changes.

Conclusion

The study concludes that **Strategic Human Resource Management practices have a significant and positive impact on employee performance** at Modipon Fibre Company, Modinagar. Training and development, recruitment and selection, and performance appraisal systems function as strategic levers for enhancing productivity, efficiency, and organizational effectiveness. The research emphasizes the need for continuous alignment between HR strategies and organizational goals. Manufacturing firms, especially in semi-urban industrial regions, must adopt SHRM as a long-term investment rather than a short-term administrative function.

Recommendations

- Strengthening continuous skill-development programs
- Enhancing transparency in appraisal systems
- Integrating SHRM with long-term business strategy
- Periodic evaluation of HR practices

Scope for Future Research

Future studies may include comparative analysis across multiple textile firms, longitudinal productivity data, or the impact of digital HRM systems post-2017.

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