

HRM PRACTICES AND MANAGERIAL EFFECTIVENESS IN INDIAN BUSINESS ORGANISATIONS

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PURPOSE

THERE are lot of research evidences predicting the relationship between managerial effectiveness and HRM practices. Although research work between HRM practices and managerial effectiveness differ on parameters, as the paradigms of research in terms of rules of interpretations are not established. The term managerial effectiveness and HRD practices have been treated differently by different researchers. This Study is an attempt to assess the relationship between HRM practices and managerial effectiveness both in private and public sector business organizations in India. HRM practices are viewed in terms of planning, recruitment, selection, training and development, performance evaluation, career management, and rewards. There is an attempt to standardise the parameters and paradigm of research in the field of HRM.

Design/Methodology/Approach: *The present study is designed to find out the measures used by Indian organizations to assess effectiveness of different HR activities: HR planning, recruitment, selection, training and development, performance management, rewards. Based on the literature and earlier research survey, possible measures of HRM activities have been identified. A questionnaire has been developed based on these measures covering all domains of HR activities that have contained 69 measures. Managerial Effectiveness questionnaire has been developed consisting of 13 measures. The sample size consists of 214 respondents in four organizations: two private sector organization with 95 respondents, and 119 respondents in two public sector organizations.*

Findings: *HRM practices namely, HR planning, recruitment, selection, training and development, performance evaluation, career management, and rewards were positively and statistically significantly correlated to Management effectiveness of private sector and public sector business organizations.*

Research Limitations/Implications: *The sample size and area covered in this study were limited, and cover only North India due to resource constraints. The sample size is not large enough to generalise the concept, but past research play a vital role to explain the concept. This study explores the concept of HRM, and its relationship with managerial effectiveness.*

Practical Implications: *This study is one of the few systematic empirical researches in the scientific paradigm, being carried out in Indian HRM lexicon. There are few research works showing HRM practices as system, and linking it with managerial effectiveness.*

Originality/ value: *This study is a modest attempt to evolve a research paradigm in India for HRM practices which would be able to establish a relationship with managerial effectiveness.*

Key Words: *Human Resource Management Practices, Managerial Effectiveness, HRM.*

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Introduction

Managers in India were found to be the most efficient while comparing them with other developed and emerging economies of the world. It was found from respondent's response that 68 per cent of subordinate employees in India rate their managers as effective as compared to the global rating of 60 per cent. Among emerging economies Brazil (61 per cent), Russia (57 per cent), and China (53 per cent), where as developed economies United States (60 per cent) Canada (56 per cent) subordinates found their managers to be efficient. France with (41 per cent) reported the lowest ratings for manager effectiveness (Wiley, 2010). This was not the scene if we compare Indian managers before liberalization. The market economy in India had forced them to be driven by displays of the fundamentals of managerial competence, by doing a good job at managing the team's work and the team itself, thereby perceived as a leader. Subordinates perceived an effective manager is one who provides useful feedback, evaluates employees' performance fairly, provides a sense of a promising future and practices open, two-way communication," Managerial effectiveness is universally accepted major goal for modern organizations.

The British were the first one to introduce the western style of public administration in India. The organizational structure, procedures, work methods and the administration was influenced by British style even after independence. The number of Indian owned companies increased rapidly, particularly in the sector of cotton textiles, but the management remained in the hands of the Europeans. In 1895, 42.4 % of the managers and mechanical engineers in the Bombay cotton mills were Europeans. Only six out of seven mills were controlled by the managing agencies (Rungta, 1970). The major shift had taken place only after independence, when managerial positions were taken over mainly by Indians, but the attitude and work culture was dominated by colonial thinking and mindset. The managerial ideology was traditional with approach of keeping distance with subordinates (Singh, 2005). The style of Indian management consisted of emotional along with high control of subordinates characterized the model, which was inherited by the Indian managers from the British (Sinha, 1990).

Indian scenario after independence was more focused towards socialism due to political ideology adopted by Nehru. The Congress led Prime Minister Nehru led India to socialist ideology which has led to largely centralised planning and license system of administration. This had led to style of decision-making posing more a constraint instead of facilitator. The practice of protecting Indian industries for over four decades through protective tariffs and quotas had led to lack of global competitiveness both in terms of quality of products and services and price. The new economic environment is primarily marked a shift from regulated license system to some great extent towards a market economy (Singh, 2005). The challenge of Human Resource Management (HRM) practices would be to create an environment of resilience, which can accommodate and assimilate successfully, changes in systems, structures, technologies, methods etc. People would have to ascribe the right meaning to the change process (Singh, 2010a).

Singh (2010b) felt that HRM must have the ability to attract and retain people are the main factor that led to manage this macro change – both in terms of pace and rate of growth. The organizational structure and management depends on the task to be accomplished, the people who are working and the internal and external environment of the organization. Effective management is the interface between the individual and the organization, and between the organization and its environment. They are central to the success of organization. The interface between the individual and the organization is essential to full utilisation of human resources. Enterprise vision and mission will become a reality when employees are involved and integrated with company's goals. HRM role is to enhance the culture of the organization comprising of managerial values, attitudes, and styles.

HRM communicates a focus, not only on people as human resources, but also as resources to be managed with other organizational resources. The view of employees as resources to be managed rather than expenses is indicative of the recognition that today organization's competitive advantages is increasingly dependent on its human, rather than capital resources (Carnevale, Gainer, and Meltzer, 1990).

Budhwar (1996) found a shift of approach from reactive and prospective to proactive and descriptive advantage, now one of the priorities of HRM. HRM contribution to achieving competitive advantage is the prime focus. The relative positioning of both current and future perceptions considered against worldwide patterns were found in twelve countries. The pressures and challenges thrown by the liberalised economic policies in India depict any concrete changes in HRM goals and priorities were studied. Secondly he tried to understand whether India appears to be modeling any other country or it offers unique pattern of HRM.

HRM Research in India

HRM research has focused on high-performance work, a term used to denote a system of HR practices designed to enhance managerial skills, commitment, and performance in such a way that managers become a source of sustainable competitive advantage for the organisation and provide effectiveness to both managerial staff and organisation (Pfeffer, 1998).

Singh (2003) found HRM in Indian context could be regarded as an outcrop of interest in the area in corporate business strategy. The research under ambit of HRM practices is having different parameters and generic names. The parameters or independent variables while going through the review of literature are: job enrichment, 'transformational' labour relations, progressive HRM practices, recruitment, selection, test validation, performance appraisal, team building, training, career management, job characteristics, planning, rewards and so on.

Research in HRM even after going through empirical work taken place in USA. It is difficult to compare the two studies on common ground in India due to following reasons.

1. Different Choice of Variables
2. Conceptualisation and Frame Work Choice
3. Nature of Organizational Settings
4. Operationalization of Variables
5. Choice of Methodology
6. Mode of Interpretation of Relationship.

Pareek (1997) and Singh (2003) felt that western countries, especially US have done lot of empirical studies in the area of HRM practices. In India no attempt has been made to evaluate the extent of human resource development function, or its components or practices in systematic way, its expected impact in the organization, its internal working and support provided to it by the management. In the era of competitive market, implementation of HRM practices without extensive empirical studies may turn out to be disastrous for Indian organizations. HR leaders would be confronted with the need to reorient culture, thinking, and paradigms. The challenge is going to be for the HR people to get individuals, to feel a sense of belonging, commitment, and mobilization to welcome and be excited by the impending change in Indian economic environment. HRM as a function and as a prime mover would need to focus on this changing and emerging role and empirical research need to be done to make necessary amendment in our thinking, approach, and mindset to be competitive business organization.

Singh (2003) felt that major chunk of research emanated from the descriptive data and experience sharing, which did serve certain proactive oriented concerns. However, it was not considered adequate for theory construction and model building in India. There are very few systematic empirical research in the scientific paradigm that has been carried out in Indian HR lexicon. Most of the research in Indian HR field were either inspired or imported by Western models. Lack of indigenous perspective was found in most of the research carried out in Indian HR area. HR were considered culture free or a cultural in its context and process by most of the studies practical with underlying universalistic claims like MBO did not have success in Indian organizations. The range of conceptualisation of HR

related variables have suffered with surplus meaning, as the paradigms of research in terms of rules of interpretations are not established. As evident, the same variables had been treated differently by different researchers. The latest HR practices have shown relationship with bottom line variables. Still lot needs to be done in the field HRM linking it with performance and/or effectiveness. There are few research works showing HRM practices as system and linking it with managerial effectiveness. Most of the studies have taken few HR practices and very little in numbers and quality reflected relationship with performance/effectiveness.

Review of Literature

The impact of human resources (HR) practices on organizational level outcomes such as productivity, turnover, performance and profitability had gained dominance as research issue in HR field in early 1990s. Empirically, most work had been undertaken to study the relationship between HR practices and firm level outcomes like productivity, turnover, and market value (Becker and Gerhart, 1996). Huselid, Becker and Ulrich (2001) have outlined an HR Scorecard model, which aims at managing HR as a strategic partner, and demonstrating HR's contribution to the financial success. Cascio and Boundrenau (2008) proposed a methodology to study behavioural costing in order to measure the financial impact of HRM activities.

Pareek (1979) experience based upon in the designing of HR system in six different settings. A three dimensional model of action research is then proposed with the concept of praxis bringing about the integration of theory (research, practice, action) and human concerns process. Cascio and Boundrenau (2008) proposed a methodology to study behavioural costing in order to measure the financial impact of HRM activities. HRM measures the economic consequences of employees' behaviour such as absenteeism, turnover, employee attitudes, work life programmes and employee training.

Rao (1982) analysed responses of senior executives from 45 organizations to explore the trends of HRD practices in different industries. The response indicated that performance appraisal is used both for regulatory and development purposes; in intention, and in practice. Majority of companies' surveyed use one or more reward mechanisms: promotion, cash rewards, and sponsoring foreign travel. Sharma and Rajan (1983) reports the findings of an all-India survey of organisational climate and its influence on supervisory – management relations. The aspect of climate that is perceived most favourably is safety and security followed by monetary benefits in 50 organizations with a sample of 3754 supervisors. Gupta (1983) identified two factors that determine executive compensation are job complexity and ability to pay to be better predictor. Sayeed and Vishwanathan (1983) found the magnitude of relationship between job-intrinsic factors and organizational effectiveness was the same as that between job extrinsic factors and organizational effectiveness. Raghuram and Arvey (1994) considered HR to be the most valuable possession of any business. The results of the study suggest positive relationship between strategy, staffing, and training practices.

Business Today – Gallup MBA Poll 1996 survey covered 653 respondents – 477 managers from different line and support functions except human resources, 98 human resource managers (HRMs), and 78 CEOs – from 350 companies spanning the five metros of Bombay, Delhi, Bangalore, Calcutta, and Madras. It was found that career management and rewards are important variables that influence managers in different organizations. Srimannarayana (2009) found that the attempts in Indian industry to measure the HR activities improved from a limited extent to a significant extent.

The Present Study

The present study is designed to find out the measures used by industry in India to assess effectiveness of different HR activities. HR planning, recruitment, selection, training and development, performance management, compensation, and employee relations are the predominant domains of HR activities. Based on the literature and earlier research survey, 69 possible measures of HR activities have been identified to assess the effectiveness of all domains of HR. A questionnaire has been developed based on these measures covering all domains of HR activities that have contained 69 measures. Managerial

Effectiveness questionnaire has been developed consisted of 13 measures. A five point scale has been used to record the responses of the respondents.

Method

The present paper includes the information about the sample organizations, which sample participated in the study, measure used and procedures for the data collection have also been discussed. For the purpose of measuring Human Resource Management practices, questionnaire developed by Gorden (1986) was used. This questionnaire was developed on the basis of questions asked by Gorden. This questionnaire was standardized and spilt half reliability was calculated to be 0.81.

This questionnaire used for measuring managerial effectiveness was developed by Phil Harris, in 1984. It has 13 items in the questionnaire.

Hypothesis of the Present Study

Hypothesis 1

HRM practices will be positively significantly related to managerial effectiveness.

This hypothesis is further broken down into sub-hypotheses.

Hypothesis 1a

Planning (one of the dimensions of HRM practices) is positively significantly related to the managerial effectiveness.

Hypothesis 1b

Recruitment (one of the dimensions of HRM practices) is positively significantly related to the managerial effectiveness.

Hypothesis 1c

Selection (one of the dimensions of HRM practices) is positively significantly related to the managerial effectiveness.

Hypothesis 1d

Training and development (one of the dimensions of HRM practices) is positively significantly related to the managerial effectiveness.

Hypothesis 1e

Performance evaluation (one of the dimensions of HRM practices) is positively significantly related to the managerial effectiveness.

Hypothesis 1f

Career management (one of the dimensions of HRM practices) is positively significantly related to the managerial effectiveness.

Hypothesis 1g

Rewards (one of the dimensions of HRM practices) are positively significantly related to the managerial effectiveness.

Organizations Under Study

Organization 'A'

Organisation 'A' is the largest producer of electricity in India. Since its inception, HRD orientation has been at the core of the organization A's management strategy to translate organizational goals and mission into reality. It has been the firm conviction that employees are most critical assets and it is the human factor, which is common denomination in its endeavour. At the heart of organization A's success, lies the commitment to build up a strong in-house technical and managerial capability to sharpen the technical skills and refine strategic abilities that are required to evolve appropriate

responses to organization's needs in the competitive scenario emerging in the power sector.

Organization 'B'

B's business broadly cover conversion, transmission, utilisation and conservation of energy in core sectors of the economy like power, industry and transportation and fulfill vital infra-structural needs of the country. Its operations are organised around three business sectors, namely Power, Industry, and International Operations. Power sector comprises of thermal, gas, and hydro electricity. The success and growth of organization 'B' is due to the culture and work ethos that has evolved over the years. This organization has emphasized concern for people and customers, respect and mutual trust and pursuit of professional excellence. These are the values, which have enabled to adjust with fast changing business and economic environment and equip to meet the challenges of the future with confidence.

Organization 'C'

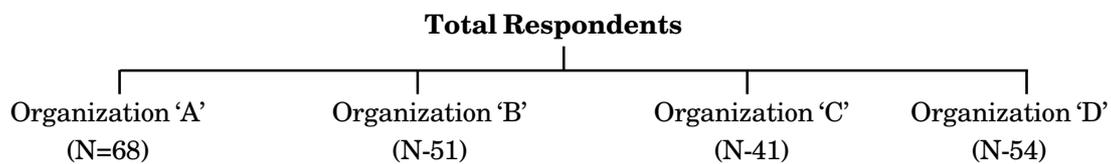
Organization 'C' is one of the largest producers of electrical goods in private sector in India. It identified a need for change in the mindset of employees and articulated new values for the organization. These were – a concern for customers, people, and cost. An organization wide communications exercise for sharing a vision for renewal of organization was conducted. The main message in the communication exercise was: excellence through a concern for QPCE – Quality, Productivity, Cost, and Employees It had developed a system of performance assessment of managers, which was open, transparent, and fair. The company was designed along product and regional lines. The incentive system was linked with performance. In addition, management development was used as a tool to improve performance.

Organization 'D'

Organization 'D' is in diversified products and has progressive welfare practices for employees and their families. Trust and confidence between employee and employer are built on personalised relationships. Organization 'D' provides a way of life to the human resource it has acquired, and developed to achieve the personal and the organizational goals. The way of life in the organization has created a culture, which leads to effective utilisation of human resources. The company 'D' has one formal HR manager. The functions of performance evaluation, rewards, planning, recruitment, and selection and training are performed by personnel department. There is no formal career management scheme.

Sample

Sample consisted of 214 respondents working in four different organizations, two (A and B) belonging to public sector and two (C and D) organisations belonging to private sector. A bird eye view of the sample distribution is as shown.



This study was thus based on sample of managerial people from four different organizations. At the time of selection of companies all were profit-making organizations. Two were public sector organization. The sample size consisted of executives in various positions (right from entry to top position). The data collected personally by the researcher and also by mail using, non-probability incidental sampling with an assurance that information obtained would be kept confidential. The sample size was obtained on all the management levels, but most respondents were from middle level management, with an assumption that they would possess an accurate and comprehensive perception of HRM practices employed.

Results And Discussion

The pivotal crux of the evolution of HRM currently in the process of radical change in terms of treating 'humans' as an end rather than means to end i.e. a resource. The contemporary philosophy of management is based upon optimistic view of human resources. People are considered to be potentially creative, trustworthy and cooperative (McGregor, 1960)

Table 1: Correlations between HRM Practices and Managerial Effectiveness for Private Sector

Variables of HR Practices	Managerial Effectiveness
Planning	0.61**
Recruitment	0.58**
Selection	0.62**
Performance Evaluation	0.58**
Training and Development	0.55**
Career Management	0.70**
Rewards	0.66**

No. of Cases – 95, 1-tailed significance – .01, ** – 0.001.*

Management effectiveness of private sector was positively and statistically significantly correlated with all the dimensions of HRM practices. Managerial effectiveness showed statistically significant relationship with HRM practices in private sector. This showed managerial effectiveness was very closely associated with HRM practices.

Table 2: Correlations between HRM Practices and Managerial Effectiveness for Public Sector

Variables of HR Practices	Managerial Effectiveness
Planning	0.49**
Recruitment	0.22**
Selection	0.37**
Performance Evaluation	0.56**
Training and Development	0.65**
Career Management	0.56**
Rewards	0.45**

No. of Cases – 119, 1-tailed significance – .01, ** – 0.001.*

HRM practices such as Planning influence employee skills through acquisition and development of human resource. An effective planning process is essential to optimising the organization's human resources. An effective HR planning system is essential for an organization to be proactive, because such information allowed managers to make decisions that ensure optimum performance. Managerial effectiveness needs careful attention to be paid to a through understanding of the behavioral requirements of jobs and to the determination of human resource needs. HR Planning information is important; so

that firms can institute action plans to cope with projected HR needs in the future. Private sector employees are more concerned with efficient human resource utilisation and effective employee performance (Formham, 1993). The reasons are quite obvious as they tend to make maximum utilisation of all the resources to have competitive edge. HRM practices such as Planning influence employee skills through acquisition and development of human resource.

Milton (1981) has suggested that concerned with the managerial effectiveness begins with planning, recruitment and selection, i.e., to find the right person for the right job to reach effectiveness. But there is much more than the selection of right person for the right job to reach effectiveness. Recruitment procedures provide a large pool of qualified applicants, paired with reliable and valid selection, will have an influence over the quality and type of skills new manager possesses. Formal and informal training, can further influence manager development (Cascio, 1991; Flamholtz and Lacey, 1981). Managers working in the organizations were in the position to analyze newcomer's skills and abilities and to provide feedback. Although evaluation process those working in the organization were aware of how well they were meeting their task and role demands (Ashford and Cummings, 1983)

Pugh, Dietz, Wiley and Brooks (2002) found the recruitment of people with the kind of qualities – spirit, teamwork, confidence and attitude – that make successful employees. The best-performing businesses carefully select employees with the highest potential for service performance. The focus of the hiring is on positive attitudes toward customer service, and training complements staff development by providing the necessary skills and abilities. A focus on hiring also involves monitoring staffing levels. Top-performing business units have flexible staffing plans that ensure the presence of enough and sufficiently qualified employees even at peak times.

This may be due to higher weightage given to social justice as it is a constitutional obligation to reserve near about 50% of the total jobs for under privileged section of society i.e. scheduled caste, (SC) scheduled tribes (ST) & other backward classes (OBC), along with physically handicapped people. In this process merit has taken a back seat in near about half of the jobs in public sector organizations. The liberalisation and globalisation of economy the public sector organizations are now confronted not only with private sector organisations, but also with multinational organisations (MNC's).

Performance evaluation was found as the process of identifying, evaluating and developing the work performance of employees in the organization, so that the organizational goals and objectives are more effectively achieved, while at the same time benefiting employees in terms of recognition, receiving feedback, catering for work and offering career guidance (Lansbury, 1988) Performance evaluation serves an administrative purpose. It provides information for making salary, promotion, and layoff. It serves a development purpose. The information can be used to diagnose training needs, career planning, and the like. Feedback and coaching based on appraisal information provide the basis for improving day-to-day performance. Performance evaluation was found to be one of a key input for administering a formal reward system, and a tool of punishment along with career growth (Robins and Couter, 1999).

Performance evaluation in the public sector, which was formerly known as annual confidential report (ACR) has not given importance to feeding back to the subordinates. The new system of performance appraisal does recognise the need to communicate to subordinates all information, where as ACR only gives the negative aspects of appraisal immediately to the subordinates. In ACR the part of the report remains unknown to the subordinate, which contains commendatory remarks about his behaviour and performance. Performance evaluation in public sector failed to identify the strengths and weakness of its employees and to take corrective action by way of promoting the strengths and removing the shortcomings. The new Performance appraisal system may not have the same weakness, which was found in ACR and new appraisal system will be able to communicate the strength and weaknesses to the subordinates.

HRM practices especially performance evaluation, Training and development, career management and rewards are highly related to managerial effectiveness. It is due to the fact that performance evaluation

that assess individual or work group performance, linking these appraisals tightly and directly with career management and rewards, and motivate managers of the organization to perform effectively in these organisations (Schuster and Ziegheim, 1992).

Jurkiewicz et al. (1998) also found that within public sector organizations in particular, financial incentives rarely come first amongst sources of motivation, in comparison to the private sector. The study revealed that whilst managers in the private sector place the expectation of payment first, managers in the public sector first expect to make a contribution to decision-making, a stable future, the possibility of leadership role, to use their skills and to learn something.

Training and development has become an on going process where by employees are constantly learning, unlearning, changing, adapting and reinventing themselves for organizational objectives. It creates conditions that enable people to get the best out of themselves. In the knowledge economy the learning business organization alone will survive. Training in organizations relates to how the organization deliberately changes and adapts over time in terms of structures, functions, values, attitudes and behaviour (Barrados and Mayne, 2003).

Organisational training and development involves improving the action through better knowledge and understanding. The successful learning, the lessons drawn are thereafter stored in the organizational memory in the form of routines and procedures which are applied in the future. Once such rules and procedures are well established, they guide human behaviour as well as shape their preferences, which eventually lead to successful institutionalization.

HRM practices in an organization are more richly reflected in consistent bundles of career management practices, including planning, recruitment, selection, training and development, frequency of promotion have and rewards to be key indicators of managerial effectiveness (Malos and Campion, 1995). Career management in this study was significantly related to managerial effectiveness, both in public and private sector organizations. People in the organization need career management that will give them breadth of experience that seems to have needed in current economic scenario and start looking down on the in-depth expertise of command-centered manager.

Singh (2010a) found rewards in India to be strongly related to inventive values in private sector organizations. Rewards encourage people to be more creative, have variety and autonomy in their work life along with risk-taking and help to chalk out one's own lifestyle in the organization.

Ivancevich and Matteson (1996), felt rewards include salary and wages, fringe benefits, interpersonal rewards (status and recognition), and promotions. As far as rewards in the organisations are concerned, it is crucial in deciding whether to link performance to promotion. Wilson (2002) has studied about the dilemmas of appraisal and one of them is to whether appraisal and promotion should even be linked. Milkovich and Wigdor (1991) argued that there is evidence that pay-for-performance systems can have beneficial effects for the organization. Therefore, it is vital to analyze that rewards will in fact lead to better performance.

In public sector organizations during planned economy had lesser focus on performance and more on welfare. Even now in the public sector organisations although promotion at senior level is linked with performance evaluation, but salary and also the rate of increment is fixed at national level by the pay commissions. Salary has no direct link with performance of a manager in public sector organisations. Rewards in public sector related significantly but lesser related to managerial effectiveness, when comparison is made with private sector organisations. The public sector business enterprises felt greater need to be warranted for a focus in terms of result orientation, long term strategies, consumer focus, initiative and different mind sets for internal and external communication to compete with not only with private sector, but also with multinational organisations. There is need for greater autonomy and more accountability of public sector organizations in terms of results and these organizations should focus more as a MNC's of the country and operate at global level. Five out of top ten organisations are

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public sector organizations in India on the basis of market capitalisation in the stock exchange. So, regardless of fact that public sector organisations are using different methods of HRM are able to compete with private sector may be due job security and due to its workforce along with early beginning of these organizations. Although recruitment and selection are based on constitutional obligations and merit has taken a back seat for 50% of the vacancy filled. It may be due to job security and career management along with performance based promotion at senior managerial staff that led to managerial effectiveness of public sector organizations.

Singh (2005) felt organizations will have to design organizational structure sensitive to human existence. The organizations, which are sensitive towards human-being and create management ideologies, will revolutionize the workplace. The fact is that people want to be cared for and respected. On their part, organizations want commitment and integrity. Organization with committed people creates wealth. Management of career will create fertile committed work force in the organization, which in return create effectiveness of managers.

Thus hypotheses H1a, H1b, H1c, H1 d, H1 e, H1 f and H1 g are validated.

Conclusions

This paper has shown meaningful and significant relationship between HRM practices (planning, recruitment, selection, performance-evaluation, training and development, career management and rewards) was positively and significantly related to managerial effectiveness both in private and public sector.

In largely theoretical literature there is growing consensus that HRM practices related significantly to managerial effectiveness both in private and public sector organizations in India. This study provides broad evidence in support of these assertions. The present study was conceived around the framework that HRM practices shape the pattern of interactions between and among the managers and employees. In other words, the available body of knowledge on the subject has amply demonstrated a meaningful relationship between HRM practices and their linkages with managerial effectiveness.

Private sector organisations are significantly related to managerial effectiveness. Planning, recruitment and selection in public sector organisations were significantly related but lesser related to managerial effectiveness, while comparing with private sector.

Managerial effectiveness was related with HR planning, along with recruitment and selection. So that organization creates job according to work requirement and right kind of managerial people are appointed. Managers in the organization were trained and performance was evaluated so that career management and rewards were given to the managers working in the private sector organization effectively.

Training and Development was found to be significantly related to managerial effectiveness in both private and public sector organizations. Managers will need to learn how to disclose and share information, possibly through formal consultation or communication networks.

Judge and Ferris (1993) accepted performance evaluation as the most important element of HRM. Performance evaluation that assess individual or work group performance, linking these appraisals tightly with career management and rewards, direct and motivate managers of the organization to perform effectively (Schuster and Ziengheim, 1992). Performance evaluation and rewards are primary. Rewards were found to be strongly correlated with managerial effectiveness both in private and public sector organisations. Rewards encourage people to be creative and allow managers to take risk for higher managerial effectiveness. HR practices such as rewards use to elicit and reinforce the desired behaviours (Latham and Waxley, 1991). So, organizations should evaluate, train and reward managers for their ability and for their effectiveness.

Management effectiveness of private sector and public sector organizations was positively and statistically significantly correlated with all the dimensions of HRM practices.

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