Abstract:
This paper deals with the study of current human resources practices in Indian MNCs and Foreign MNCs. As we already know the basic HR practices of all the companies are similar, but their implementation and operation differs in many ways. Companies change their HR practices according to the culture and PEST (Political, Economic, Social and Technological) environment of the countries in which they operate. Globalization is also an important driver in setting specific benchmarks for HR policies being followed. This paper also focuses on critical dimensions of HR practices being followed and innovative HR practices, new trends in HRM nationally and internationally. New concepts like E-HRM and HRM – IT sectors are developed to cope with the scenario in which companies are operating (as all companies now want to move beyond boundaries). Basic aim of all the companies is to earn profit but now the concept is little bit changed as HRM has taken an important place in working of all the companies may it be national or multinational. Human resources are now considered as an asset instead of liability. As now companies are focusing on retaining talents instead of searching for low cost employees with lesser qualifications. Good Human resource management is now considered as one factor which adds competitive advantage to the company. Department of human resource in all the companies is now in lime light instead of back seat and it is learnt that “HR cannot function in cabins” Good human resource strategies and practices are the backbone of all the companies may be operating nationally or multinational and good human resource management is the life blood of those companies.

Keywords: Human resource management, HRM practices, Organizations, Innovative practices, Employees performance.
resources like technology and capital but the human resource are unique. According to Khatri, people are one of the most important factors providing flexibility and adaptability to organizations. Rundle argues that one needs to bear in mind that people (managers), not the firm, are the adaptive mechanism in determining how the firm will respond to the competitive environment. However those firms that have learnt how to manage their human resources well would have an edge over others for a long time to come because acquiring and deploying human resources effectively is cumbersome and takes much longer. The effective management of human resources requires sound Human Resource Management systems. Storey defines HRM as a distinctive approach to employment management which seeks to obtain competitive advantage developed showing how HRM practices leads to overall corporate performance.

**Human Resource Management Practices:**

HRM can help firms improve organizational behavior in such areas as staff commitment, competency and flexibility, which in turn leads to improved staff performance. In order to develop a sound HRM system, the organization should have effective Human Resource Management practices. HRM practices refer to organizational activities directed at managing the pool of human resources and ensuring that the resources are employed towards the fulfillment of organizational goals. HRM practices may differ from one organization to another and from one country to another.

**Types of HRM Practices**

Initially it was identified 16 practices which denote best practice. This was later refined to the following seven practices:

1. Employment security
2. Selective hiring
3. Self-managed teams/team working
4. High compensation contingent on organizational performance
5. Extensive training
6. Reduction in status difference
7. Sharing information

**The key practices which support service organizations quality strategies:**

1. Careful recruitment and selection, for example, ‘total quality recruitment’, ‘zero defects recruitment’, ‘right first time recruitment’.
2. Extensive remuneration systems, for example, bonuses available for staff willing to be multi-skilled.
3. Team working and flexible job design, for example, encouraging a sense of cohesiveness and designing empowered jobs.

4. Training and learning, for example, front line staff having enhanced interpersonal and social skills.

5. Employee involvement, for example, keeping employees informed of key changes in the organization.

6. Performance appraisals with links to contingent reward systems, for example, gathering customer feedback to recognize the work by employees over and above their expected duties, which in turn is likely to lead to a bonus for staff.

Factors affecting HRM Practices:

HRM practices differ from one country to another and the factors which affect the HRM practices include external and internal factors. As quoted by Ozutku and Ozturkler, external and internal factors affecting HR practices differs significantly across countries. Some of the major potential influences are as follows:

External Factors:

The external factors affecting HR practices are those pressures on firms that cannot be controlled and changed in a favorable way in the short run. These factors include the following:

Economic Changes:

As a result of development of the global economy, the international dimension of HR practices has become more and more significant. The focus of HR practices has shifted from traditional topics such as internal selection and rewards to concepts such as globalization and international competition.

Technological Changes:

Technology affects HRM to a greater extent because of high degree of interaction between technology and HR. Technology changes the way we work, the roles we undertake and the interactions through which work gets done. It is argued that technology facilitates the growth of a multinational enterprise but generates simultaneous problem of “unpluggedness” among a geographically dispersed workforce. It was suggested that technology lies at the heart of manufacturing industry. It provides a series of business advantages. Technological developments alter the context of HR practices and the way they are implemented.

National Culture:

It was found that culture has crucial importance in organizations preferences in developing appropriate structure and methods for HR practices affectivity.
Industry/Sector Characteristics: Organizations can be classified into manufacturing and service organizations for the purpose of analyzing the HRM practices. The idea behind this classification is the fact that different production processes necessitates different HR practices.

Legislations/Regulations:
Legislations and regulations are frequently cited as having a direct impact on HR practices. Every country has developed a set of regulations for the management of human resources, so, the HRM practices have to be designed or modified according to these regulations.

Actions of Competitors:
There are many ways in which companies can gain a competitive edge or a lasting and sustained advantage over their competitors, among them being the development of comprehensive human resource practices.

Action of Unions:
That the presence or absence of unions in organizations is a salient variable known to be associated with some HR.

Globalization:
As a result of globalization, the whole world has become a single market, the companies have crossed the boundaries of their country of origin and opened their operations in other countries. This has created a challenge for the organization in terms of management of human resources, some companies have tried to transfer the HRM practices from one country to another but it has been found that some practices can be transferred across nations almost without any change but some must be modified to become workable in another setting and some are more deeply culture-specific and may not always be transferable. It support the argument that multinational companies’ HRM practices are more prone to local cultural influences than are their overall policies and strategies. Moreover, some of the practices which the company had imported from abroad had to be modified to make them workable, given its local cultural and non-cultural contexts.

Internal Factors:
The Internal environment of organizations strongly affect their HR practices. The important internal factors are as follows:

Organizations Size: There is a large number of small firms that do not institute formal HR practices in large organizations, for each functional level there may a need for a different HR department.
**Organizational Structure:** A firm’s strategy and structure are important in determining HR practices flexibility and integration. There are important structural differences among firms that affect the way in which HR practices are designed and implemented.

**Business Strategy:** To gain competitive advantage, firms use different competitive strategies. These strategies are more productive when they are systematically liked with human resource management practices. Companies can improve their environment by making efficient choices about human resource practices that consistently support their chosen strategy.

**Human Resource Strategy:** HR strategy is an important determinant of both intensity and diversity of HR practices. As a rule HR practices are shaped in accordance with HR strategy.

**History, Tradition and past practices:** A number of closely related factors, such as history, traditions and past practices tend to generate resistance to change in most organizations.

**Top Management:** The influence of top management on HR practices is acknowledged by most writers, even if only to the extent of advising that top managements support should be present in designing and implementing HR policies.

**Line Management:** Line Management participation in designing and implementing HR activities is the key to organizational success. Since line managers are responsible for creating value, they should integrate HR practices in their work.

**Power and Politics:** That organizational power and politics as exercised by various constituencies are crucial determinants of HR practices.

**Academic and Professional influence on HR Practices:** HR staffs are often involved in the decision making process about HR policies and practices. Their knowledge about alternative HR practices may represent important variables in their own right.

**Various Models of Human Resource Management:**

Various models of HRM have been developed from time to time. All these models have helped the HR practitioner to effectively manage the human resources. Some of the important models have been discussed as follows:

**Harvard Model**

The Harvard model works as a strategic map to guide all managers in their relations with employees and concentrates on the human or soft aspect of HRM. It strives at employee commitment not control. It also works on the premise that employees needed to be congruent, competent and cost effective.
Michigan Model

The Michigan model focuses on hard HRM. It holds that people should be managed like any other resources and so obtained cheaply, used sparingly, developed and exploited fully. It also emphasized the interrelatedness of HRM activities. According to this model, selection, appraisal, development and rewards were geared towards organizational performance.

Guest Model

Guest comparative model works on the premise that a set of integrated HRM practices will result to superior individual and organizational performance. It advocates a significant difference of HRM from PM. It holds that HRM strategies like differentiation, innovation, the focus on Quality and cost reduction will lead to practices like better training, appraisal, selection, rewards, job designs, involvement, and security leading to more quality outcomes; commitment and flexibility. It will then affect performance in that productivity will increase; innovation will be achieved as well as limited absences, labour turnover, conflict or customer complaints.

Warwick Model

It emphasizes on analytical approach to HRM. It also recognizes the impact of the role of the personnel functions on the human resource strategy content. The researcher focused their research on mapping the context, identifying the inner (organizational) and external (environmental) context.

Conclusion:

The HRM practices have shown that to effectively manage the human resources the organizations have to implement innovative HRM practices. The organizations which implements such practices with dedication, remains ahead of their competitors because such practices affects other variables such as competitive advantage, job satisfaction, financial performance, employee turnover, service quality, employee commitment etc. in a positive manner and leads to overall corporate performance. While designing and implementing such practices, one important thing is to be kept in mind that the HRM practices should be analyzed from time to time and it should be updated accordingly. Line managers should be involved in designing HRM practices and survey should be conducted among employees to know their opinion about HRM practices. This will help the organization to take corrective actions at the right time.

References:


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