



## ENHANCEMENT OF ORGANIZATIONAL COMPETITIVENESS THROUGH INNOVATIVE HUMAN RESOURCE PRACTICES: A CASE STUDY ON ROURKELA STEEL PLANT, ROURKELA, ODISHA, INDIA

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**Abstract:** *An effective management of human resources has an important role to play in the performance and success of organizations. In the present business environment, human resource is an important input for organizational effectiveness. Competitive pressures have encouraged organizations to be proactive in diagnosing HR problems and to adopt more innovative HR practices since these were no longer a matter of trend, but rather of survival. The present study attempts to explore the relationship of three dimensions of innovative human resource practices: that is, the extent of introduction of Innovative HR Practices, their importance for organizational goal achievement and satisfaction with implementation of Innovative HR Practices, with organizational commitment. The present study examines the relationship between human resource practices, trust, job satisfaction, organizational citizenship behavior organizational commitment, motivation and perceived organizational performance, namely respondents' perceptions of service quality, value for money and organizational effectiveness. Innovative HR practices build competencies and capabilities for superior and winning performances today and simultaneously create long term fertility for innovation of business ideas and strategies for future. Employees who go the extra mile by performing spontaneous behaviors that go beyond their role prescriptions are especially valued by the management. This phenomenon is critical for organizational effectiveness because managers cannot see for all contingencies or fully anticipates the activities that they may desire or need employees to perform (Katz & Kahn 1978, Organ 1988). Enhancing an organization's competitive ability is increasingly critical and behaviors, which may improve individual and organizational efficiency, become more valuable. Although there have been many studies of Organizational Citizenship Behavior in organizations, no known studies have examined the linkage of individual innovativeness with Organizational Citizenship Behavior where the effect of superior-subordinate as a mediator, is included.*

**Keywords:** *Organizational commitment; HR effectiveness; innovative HR practices, organizational citizenship behavior, Rourkela Steel Plant(RSP)*

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## **INTRODUCTION**

The success of any business depends as much on appropriate, effective, well-communicated, HR and business practices as it depends on meeting the requirements of mandated laws and regulations. In fact, good planning and the development of effective practices make regulatory compliance much easier. Human resource practices helps in increasing the productivity and quality, and to gain the competitive advantage of a workforce strategically aligned with the organization's goals and objectives.

The best practices in the management of human resources are the ones which optimize a workforce so that it can not only get work done, but also ensure a greater level of efficiency, timeliness and quality as it accomplishes increases productivity overall. Hence the job of the best practices human resources firm is to make sure that these benefits and pay scales meet the company's budget while remaining attractive and competitive enough to pull in the very best talent possible. We should know that these figures put the company in a good light while also presenting themselves as engaging and competitive for company's recruitment efforts.

Innovative Human resource (HR) practices build up competencies and capabilities for performance of today to create long term investment for innovation of business ideas and strategies for the future. Work behavior which goes beyond the reach of organizational measures of job performance holds assurance for long term organizational success because there types of action are to improve organizational efficiency, and effectiveness. According to Katz and Khan 1978, employees who go extra mile by performing spontaneous behaviors which goes beyond their role prescriptions are valued by the management. This phenomenon is critical for organization effectiveness. It is because managers cannot foresee all contingencies or fully anticipates the activities which they desire from the performance from the employees.

The present study investigates the effects of HR practices and leadership styles on organizational commitment and citizenship behaviors. HR practices are more important than leadership style in predicting organizational commitment of valued Human Capital.

## **THEORY AND HYPOTHESES: LITERATURE REVIEW**

In this article HRM is conceptualized as carefully designed combinations of such practices

geared towards improving organizational effectiveness and hence better performance outcomes. Wright and McMahan (1992: 298) define it as: '*the planned HR deployments and activities intended to enable an organization to achieve its goals*' (Delery and Doty, 1996: 805). HR deployments reflect the central assumptions behind the positive conceptualization of what HRM is and does: namely, that it responds accurately and effectively to the organization's environment and complements other organizational systems and contingencies (Boselie et. al., 2005). Outcomes of worldwide empirical research summarized in recent work of Boselie & Dietz, (2003) and Katou & Budhwar (2006) suggest that there are commonalities and also contradictions in HRM and performance research (Wall and Wood, 2005; Wright and Boswell, 2002). Huselid's (1995) study on the relationship between HR practices and corporate performance serves probably as the seminal and definitely most-cited work in this area. He developed and validated indexes of high-involvement HR practices through factor analysis. His work supports a configurationally view of HR practices, where techniques tend to work synchronously. He found high-involvement HR practices to be strongly and positively linked to various measures of organizational performance, including work attachment, firm financial performance, and productivity. In an another study, Delaney and Huselid (1996) found that practices consistent with a high involvement HR strategy, such as highly selective staffing, incentive compensation, and training, have been positively linked to organizational performance. However, Delaney and Huselid's efforts to establish the impact of internal consistency among such practices by considering the interaction effects on pairs of strategies were not particularly successful. Katou & Budhwar (2006) in their study of 178 manufacturing firms found support with the universalistic model and reported that HR policies of recruitment, training, promotion, incentives, benefits, involvement and health and safety are positively related to organizational performance. Follow up empirical works have shown reasonably strong, positive relationships between the extent of a firm's adoption of high-involvement HR strategies and organizational performance (Huselid, Jackson and Schuler, 1997; Chadwick & Cappelli, 1998; Delery & Doty, 1996; Ichniowski, Shaw, & Prennushi, 1997; MacDuffie, 1995; Youndt et al., 1996, Katou & Budhwar, 2007). A number of authors have explored the links between individual HR practices and corporate financial performance. Lam and White (1998) reported that, firms' HR orientations measured by the effective

recruitment of employees, above average compensation, and extensive training and development were related to return on assets, growth in sales, and growth in stock values. Using a sample of banks, Richard and Johnson (2001) examined the impact of strategic HRM effectiveness on a number of performance variables. They found that strategic HR effectiveness was directly related to employee turnover and the relationship between this measure and return on equity was stronger among banks with higher capital intensity. This is illustrated by Terpstra and Rozelle's (1993) study of the relationship between recruiting and selection practices and firm performance, where they found a significant and positive link between extensiveness of recruiting, selection and the use of formal selection procedures and firm performance. Cascio (1991) argues that the financial returns associated with investments in progressive HR practices are generally substantial. Russel, Terborg and Powers (1985) demonstrated a link between the adoption of employment training programs and financial performance. The use of performance appraisals (Borman, 1991) and linking such appraisals with compensation has also been consistently connected with firm profitability. (Gerhart & Milkovich, 1990). Koch and McGrath (1996) reported that firms using more sophisticated staffing practices like planning, recruiting, and selection had higher labor productivity. Huselid (1995) reported that HR practices can influence firm performance through provision of organization structures that encourage participation among employees and allow them to improve and redesign how their jobs are performed. Green et. al (2006) reported that organizations that vertically aligned and horizontally integrated HR function and practices performed better and produced more committed and satisfied HR function employees who exhibited improved individual and organizational performance. Most of the work on HRM and performance has been undertaken in the US and recently in the last decade in UK. The question which arises, though, is whether US and UK-oriented models, however appropriate they might be for, the US, hold in other contexts (*debate in special issue of the International Journal of Human Resource Management, 12(7), 2001*). Numerous researchers outside the US have built upon this foundation over the past few years to add to this literature. Harel and Tzafrir (1999) found that among public and private organizations within Israel, HR practices were related to perceived organizational and market performance. Lee and Chee (1996) found no relationship between HR practices and firm performance, where Bae and Lawler (2000) found a significant relationship between HR and firm performance in



their sample of 138 Korean firms. Lee and Miller (1999) found some evidence on the relationship between HR practices and performance among their sample of Korean firms, but this relationship was most strongly pronounced among firms using dedicated positioning (marketing differentiation or innovative differentiation) strategies. Bae et al., (2003) in their study of HR strategy in Pacific Rim countries found that in general, the effect of high-performance work system worked effectively on, though under tremendously variable conditions. Morishima (1998) found support for the contingency perspective in a sample of Japanese companies. Firms with well-integrated high-involvement work practices and firms with well-integrated practices consistent with more traditional Japanese employment strategies both did better than firms with poorly integrated practices. A study by Ngo, Turban, Lau, and Lui (1998) investigated certain work practices (training and compensation techniques) with high involvement characteristics and found they tended to increase organizational performance in Hong Kong companies. Ngo et al., also provided some evidence in support of the contingency perspective, as a firm's country of origin significantly moderated the relationship between some HR practices and firm performance. Although country of origin is taken as a culture proxy, it might also represent different organizational strategies rooted in national culture. Tessema and Soeters (2006) examined how, when and to what extent HR practices affect performance in Eritrea, Africa's youngest and poorest country. They reported that successful implementation of HR practices could enhance individual and the civil service organization of Eritrea, but the economic and political environment within which HR practices operate are not conducive. Their study tried to shed some light on the HRM-performance debate within the context of a developing country. A considerable amount of interest has since gained ground on understanding the linkage between HRM and performance in the Indian context (Budhwar and Sparrow, 1997; Budhwar and Boyne, 2004; Singh, 2003; Amba-Rao et al., 2000; Paul and Anantharaman, 2003). With a relatively large questionnaire survey of 137 companies, Budhwar and Sparrow (1997) analysed the levels of integration of human resource management in the corporate strategy and devolvement of responsibility for HRM to line managers in India. Singh (2003) from his survey of 84 companies found a significant relationship between strategic HR orientation index and firm performance. Amba-Rao et al., (2000) in his empirical study compared performance appraisal practices and management values in India among foreign and domestic

firms in India. They found that managers have to adapt selectively to firms depending on the basis of a firm's ownership structure. Paul and Anantharaman (2003) in their study of 35 Indian software companies determined, developed and tested a causal model linking HRM with organizational performance through an intervening process. They observed that not even a single HR practice has direct causal connection with organizational financial performance, though HR practices have an indirect influence on the operational and financial performance of the organization. In their comparative study of 137 large manufacturing firms Budhwar and Boyne (2004) differentiates the HR practices in public sector and private sector companies in India. Their findings suggest that against the established notion, the gap between the Indian private and public sector HR practices i.e. structure of HR department, role of HR in corporate change, recruitment and selection, pay and benefits, training and development, employee relations and key HR strategies is not very significant but in a few functional areas (compensation, training and development), private-sector firms have adopted a more rational approach than their public sector counterparts.

## **ORGANIZATIONAL COMMITMENT**

Organizational commitment comprises three dimensions according to Meyer and Allen 1990. First, employees with a strong affective commitment continue employment because they want to do so. Second, employees whose primary link to the organization is based on continuance commitment i.e. awareness of the costs associated with leaving the organization remain because they need to do so. Third, employees with a high level of normative commitment i.e. feeling of obligation due to social pressures feel that they ought to remain with the organization. To consider normative commitment for three primary reasons:

Affective and normative commitment has been found significantly correlated with each other.

Past research showed a strong overlapping in the determinants of both constructs and

In general, prior findings are much more conclusive for the affective dimension than for the normative one.

Empirical research showed a negative relationship between affective commitment and turnover intentions. A negative correlation between continuance commitment and the



dependant variable by Meyer et al. (1993) found. A stronger relationship between affective commitment and turnover intentions than between continuance commitment and turnover intentions by, Sommers (1995) and Chen et al. (1998) found. This result suggests that employees are more willing to remain in an organization when they have an emotional attachment to the organization than when they only perceive a cost of leaving it. An affective commitment and continuance commitment are expected to be negatively related to turn-over intentions. The link between affective commitment and turnover intentions is stronger than the relationship between continuance commitment and turn-over intentions.

## **INDIVIDUAL INNOVATIVENESS AND ORGANIZATIONAL CITIZENSHIP BEHAVIOR**

Organizational change, creativity, and innovation schemes have been installed with individual 'champions'. The vision is that these changes to the organizational culture will lead to greater organizational effectiveness and consequently, change agents are used to guide and facilitate the change process. The employees who are innovative in their work place are, in essence, satisfied with their jobs and this triggers them to come up with new ways to improve current conditions. One of the ways of how innovative employees express themselves is through performance of Organization Citizenship Behavior. Individual innovativeness contributes to an organization's renewal, survival and growth in today's turbulent and competitive business environment through the performance of Organization Citizenship Behavior.

The inconsistency with which innovativeness is defined in the literature makes it difficult to grasp the essential attributes was given by Hurt, Joseph & Cook 1977. The individual innovativeness refers to the individual's openness to new ideas and decision making to adopt an innovation free from the influence of the experiences of other employees. The definition is referred to throughout because it intuitively gives a more accurate interpretation of innovativeness, which is supported, both directly and indirectly.

## **HR PRACTICES IN FUTURE**

In turn trends like these are changing the way firms are managed organizations today must grapple with revolutionary trends accelerating product and technological change, globalizes competition, deregulation, demographic changes and trends towards a service society and the information. These trends have dramatically increased the degree of competition in



virtually all industries, while forcing firms to cope with unprecedented product innovation and technological change. Companies in such an environment either become competitive high performers or they die.

HRM practices from conventional HRM practices in Indian firms is defined as *"innovative HRM practices"*. It means, *"Any intentional introduction or change of HRM program, policy, practice or system designed to influence or adapt employee the skills, behaviors, and interactions of employees and have the potential to provide both the foundation for strategy formulation and the means of strategy implementation that is perceived to be new and creates current capabilities and competencies"* (Som, 2006).

HRM practices from conventional HRM practices in Indian firms, which we define as *"innovative practices"*, were associated with improved organizational performance to face the post-liberalization changes in the business environment. The article tries to understand whether certain innovative HRM practices have stronger significant effect than others and whether *synergies* among such practices can enhance organizational performance in the Indian context.

EMPLOYEE MOTIVATION, MORALE AND INNOVATIVE HR PRACTICES

"It was the best of times; it was the worst of times" - Charles Dicken

## THE CHALLENGES FACING THE ORGANIZATION

The radar of an HR Manager today are diverse; from micro level issues where an individual employee needs hand holding to the macro issues pertaining to a global workforce and virtual teams. HR managers are expected to offer instant solutions for these issues and strategies. As an HR Manager there are a number of areas where you might want to bring in an external consultant.

## EMPLOYEE MOTIVATION IN WORK PLACE

A strong team needs individuals who are dedicated to giving their best at work. Highly self-motivated, committed, ambitious employees give the most to their company and get the most from their work. But if you are lacking employee motivation in the workplace the effects can be dramatic. Low team morale, lack of initiative, lack of energy, mistakes and high staff turnover are just some of the clues that motivation is an issue. One of the simplest ways to get motivated is to create a Self-Motivation Action Plan.

The simple three-step process which can create an action plan that can get motivated again





**STEP 1 Clarify the goal:-**The first step of your Self-Motivation Action Plan is to be clear about the end result. Identify a project that you lack motivation about. Let's use "Make some sales calls" as an example. The goal should be SMART. In other words: Specific, Measurable, Agreed, Realistic and with a Timescale.

**STEP 2: Identify the Obstacle:-**The second step of your Self-Motivation Action Plan is to be clear about what is standing in your way. There are two types of obstacles - practical and emotional. Examples of practical obstacles are lack of time, resources or information. Examples of emotional obstacles are lack of confidence or fear of failure or rejection. Make a list on the Self-Motivation Action Plan of all the obstacles standing in the way of you achieving your goal.

**STEP3: Handle Each Obstacle:-**The third step of Self-Motivation Action Plan is the most challenging. Then go through each obstacle and handle it. If the obstacle is lack of time, ask yourself "How can I create time for this? What do I need to stop doing, start doing or delegate in order to create time?" If the obstacle is lack of confidence, ask you "What am I afraid of? What is the worst thing that could happen?" Often the worst-case scenario is not as bad as you feared. But if it is serious, how can you reduce the risk of it occurring? What resources do you have that will help? As long as there are obstacles in the way one will lack the motivation to complete the project. A clear Self-Motivation Action Plan will help to complete projects.

## **A CASE STUDY ON RSP:**

### **Methodology**

As we know the whole function of HR department depends upon the HR Practices of the organization. The HR management is done according to the HR Practices of the company. Which things to be done and which things should not be done depend upon this only. It also helps the organization to achieve the target of the organization.

The HR policies of the organization have been mentioned in the HR Practices. All the rules & regulations for the employees have been also mentioned in this. All the welfare of the employees' processes is also mentioned in this.

So the study of the HR Practices means basically the brief study of all HR functions in the organization. I believe the HR Practices is a vital part of an organization, which helps the organization to achieve the goal of the organization.



All companies are having their HR Practices but the company who is having the best, is the most successful company among its competitors. So the company can get success within its competitors by applying best, effective HR Practices.

The main objective of the article is

- \_ To understand the HR practices followed & Process of Performance Appraisal.
- \_ To know what the uses of HR practices for any organization are.
- \_ How these HR Practices help any organization to know its stand in the market and to be competitive by implementing good HR Practices for their employees?
- \_ To understand how the organization would achieve its goals by implementing good HR Practices.
- \_ To understand the work culture of the organization.

HR function is very important in every organization. It helps the organization to manage not only the people of the organization but to manage all the working processes in it also.

### **Sample**

Sampling involves a set of procedures that govern selectively, a relatively small number of cases to represent a large number referred to as the population.

The sample of the present study is based on convenience sampling method. RSP is a leading organization; a public sector undertaking is selected for the study on "INNOVATIVE HUMAN RESOURCE PRACTICES FOR ENHANCING ORGANIZATIONAL COMPETITIVENESS"

The sample consists of 150 employees of RSP belonging to all the levels in the organization.

### **Methods Used For Data Collection**

**Primary data** was collected through questionnaires, observations as well as interviews in the present study.

**Secondary data** were collected through journals, reviews.

### **Variables (After Sample)**

The following variables were identified for analyzing in the organization.

1. Values
2. Shared Vision
3. Performance Appraisal
4. Training & Education



5. Career Development
6. Responsive To Change
7. Welfare
8. Structural Flexibility (Adoptiveness)
9. Service Orientation
10. Ethnicity
11. Reward system
12. Motivation
13. Empowerment
14. Output/Excellence Orientation
15. communication
16. Team Work
17. Role Clarity
18. Mutual Support
19. Shared Goals/Objectives
20. Sociability

The questionnaires were specially designed by the researcher who gains inside into the various dimensions in the organization. The questionnaire was administered to managers, supervisors and workers as well. Respondents were asked to indicate against each question the extent to which they agree or disagree with the statement describing a particular dimension, on a 5-point scale. The responses were assigned values ranging from 1 to 5 where one referred to strong agreement and 5 to disagreement.

The employees of the organization (Rourkela Steel plant) were approached personally to fill up the questionnaires. Nearly 220 questionnaires were circulated despite persuasion; only 150 responses were received back. Maximum Number of respondents filled in the questionnaires within 2-3 days and the same was collected personally, some of the questionnaires were received later by mail. While conducting the interview, a rapport was established with the respondents to gain their confidence and get free and frank responses. As a planned strategy for getting optimum number and correct responses, respondents were organized in groups and the questionnaires filled up despite this, the researcher had also to follow up for getting the filled in questionnaires. Against each question the frequency of



responses of various degrees of agreement were calculated and subsequently percentages of such responses arrived at to find out the dominant view. The responses against each dimensions has been analyzed and presented in the form bar graphs and tables.

### Shared Vision

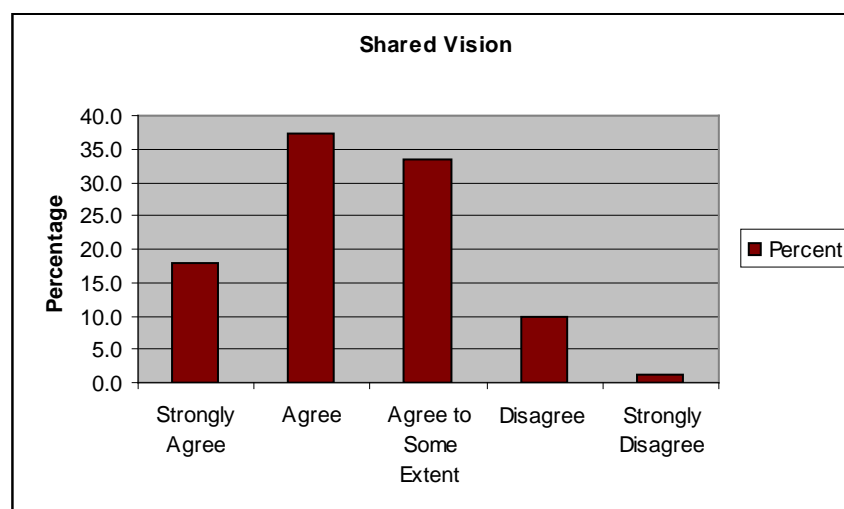
Developing a shared vision, purpose, direction and positioning of the organization in the global market will become necessary condition for gaining and maintaining competitive advantage. Achieving congruity between the individual vision of employees and the corporate vision will become a major challenge that must be addressed by effecting change in the individual paradigm. Translating vision into day to day operating decision and actions will necessitate decentralized and consensual mode of vision building across various

Organization		Strongly Agree	Agree	Agree to Some Extent	Disagree	Strongly Disagree	Total
Rourkela Steel Plant	Frequency	29	60	54	16	02	161
	Percent	18.0	37.3	33.5	9.9	1.2	100.0

product/service groups, functions and even sections.

Having a commitment to a common meaningful purpose provides directions, momentum and conviction for the members of an organization and promotes teamwork. A successful organization is that which translate the common purposes into specific measurable and realistic shared goals which lead to better teamwork and work culture conducive to better performance.

### Shared Vision





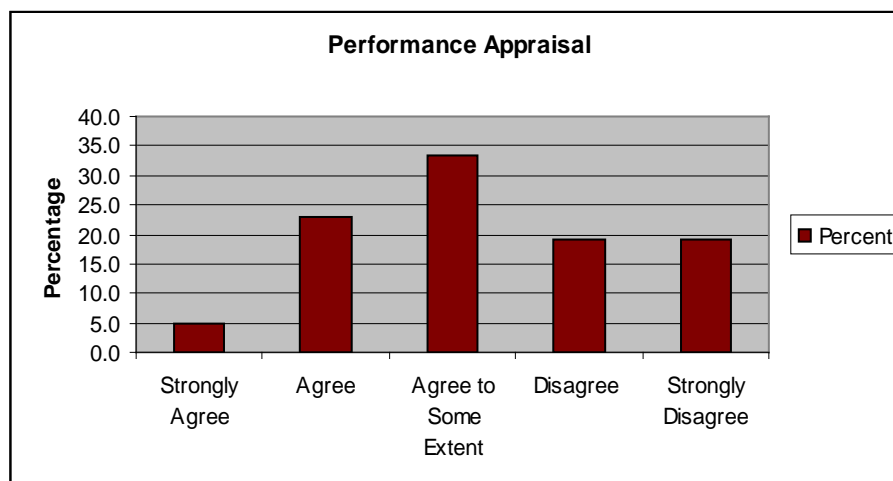
The questionnaire contained a query whether the employees are aware of the vision and mission of the company in reply to which about 55.3% of Rourkela Steel Plant employees clearly agreed that they are aware of the vision and mission of their respective companies. A substantial 33.5% of Rourkela Steel Plant employees agreed only to some extent about such awareness whereas about 10% stated that they are not aware about the vision and mission of Rourkela Steel Plant.

Organization		Strongly Agree	Agree	Agree to Some Extent	Disagree	Strongly Disagree	Total
Rourkela Steel Plant	Frequency	08	37	54	31	31	161
	Percent	5.0	23	33.5	19.3	19.3	100.0

### Performance Appraisal

In any organization there need to be a good performance appraisal system which is regular and impartial to be able to correctly assess the performance of its employees. It is not only essential that the performance of the employees appraised by the superiors but also by their peers, internal/external customers as well as superiors. Also, the system needs to be totally transparent one so that the motivation of the worker is not adversely affected on this count.

### Performance Appraisal



About 28% of Rourkela Steel Plant employees feel that performance appraisal system is transparent in their company and about 39% stating that there is no transparent performance appraisal system at Rourkela Steel Plant.

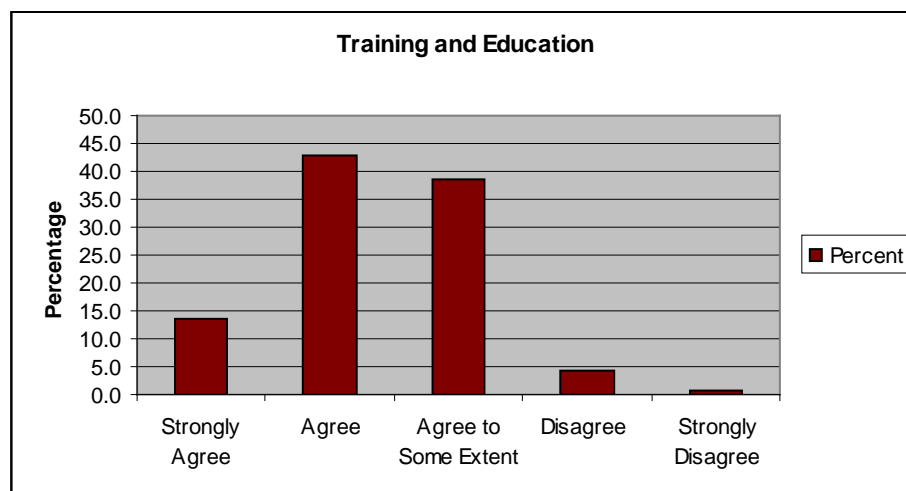


## Training and Education

Organization		Strongly Agree	Agree	Agree to Some Extent	Disagree	Strongly Disagree	Total
Rourkela Steel Plant	Frequency	22	69	62	07	01	161
	Percent	13.7	42.9	38.5	4.3	0.6	100.0

Human Resource Development should be a continuous process in any organization and to achieve best it is necessary that performance appraisal is used for employees training and development purposes. Also, adequate preparation should be made in terms of education and training, more important, before any change in the programmed is introduced. Education and skill training should form a part of on going activity of the company with a long term vision for developing a qualified and competent workforce.

## Training and Education



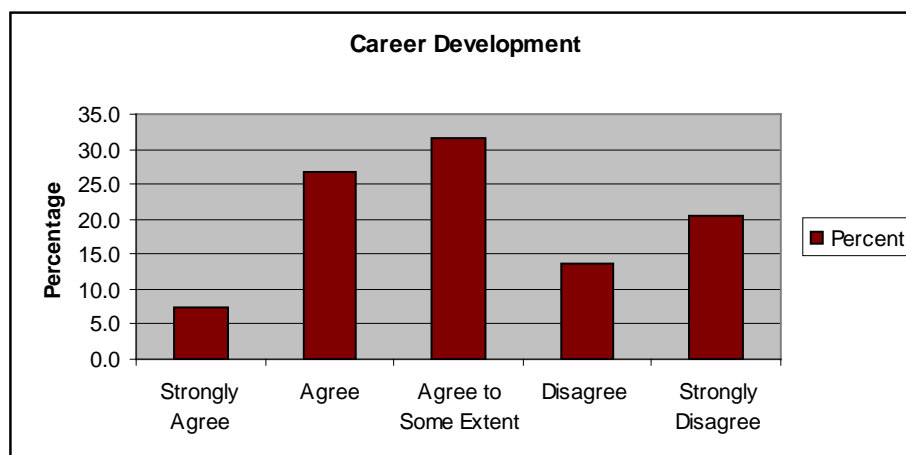
56.6% employees agree that education and skill training is an ongoing activity in the company and forms part of a long term vision for developing a qualified and competent workforce. About 39% of employees agreed to this only to some extent.

## VI. Career Development

Every employee attaches a lot of importance not only on the job he performs but also the prospect of having a sequence of good position and/or promotion during the course of his lifetime. The talents and abilities, motives and needs, attitudes and values, guide an employee's career prospects besides the external factor.



### Career Development



The organization plans on a regular basis for career development of its employees. About 34% of employees feel that their organization has plans for their career development and the approximately same percentage of employees feel that there is no such plan of Rourkela Steel Plant in place.

### Reward System

A well chalked out rewards system in an organization encourages co-operative efforts of the employees. When an employee is rewarded with promotion, pay raises and other form of

Organization		Strongly Agree	Agree	Agree to Some Extent	Disagree	Strongly Disagree	Total
Rourkela Steel Plant	Frequency	29	63	52	10	07	161
	Percent	18	39.1	32.3	6.2	4.3	100.0

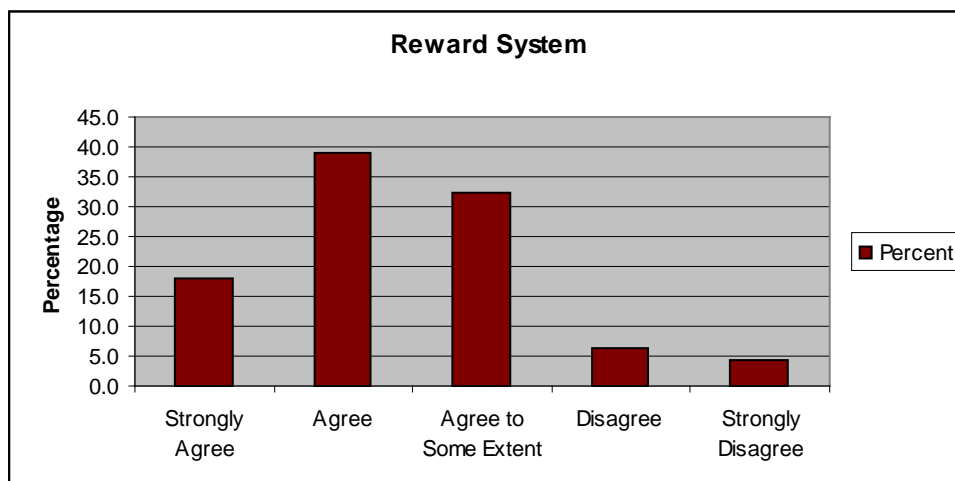
recognition for his selfless contribution to the team, like sharing in crucial information with his team mates, helping resolve team conflicts and mastering new skills, the rest of the

Organization		Strongly Agree	Agree	Agree to Some Extent	Disagree	Strongly Disagree	Total
Rourkela Steel Plant	Frequency	12	43	51	22	33	161
	Percent	7.5	26.7	31.7	13.7	20.5	100.0

employees are also encouraged to contribute in a similar manner in the process and developed a positive and responsive work culture.



## Reward System



Majority of the employees of the plant (57.1%) agreed that employee suggestions are acted upon expeditiously and contributions rewarded promptly, whereas 32.3% of employees agreed to some extent.

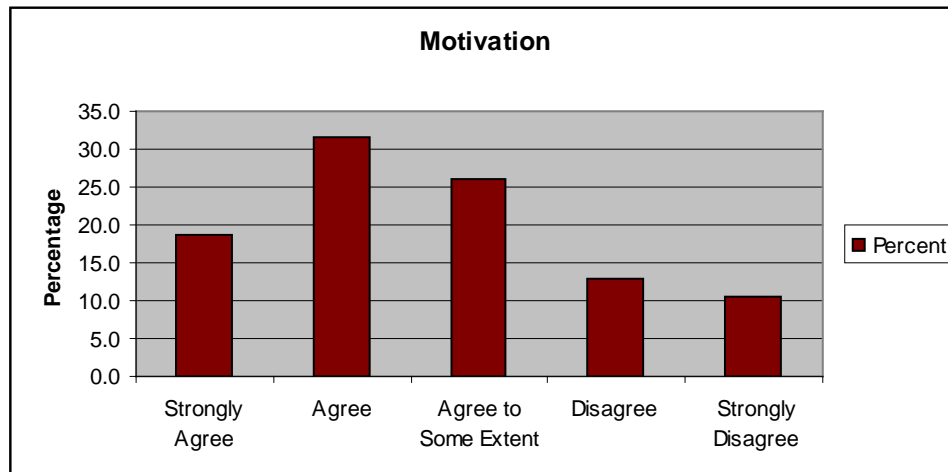
## Motivation

Motivation is the maintaining interest and efficiency of an employee. The degree of motivation is reflected in the amount of intrinsic satisfaction drawn from the work performed, the commitment to work and the loyalty to the job. A well designed motivational strategy of the organization that recognizes the diverse motivational requirements of professional and non-professionals by way of recognizing individual differences using goals and feedback system, participative decisions making, performance oriented reward system etc. may work wonders for developing a work culture.

## Motivation

Organization		Strongly Agree	Agree	Agree to Some Extent	Disagree	Strongly Disagree	Total
Rourkela Steel Plant	Frequency	30	51	42	21	17	161
	Percent	18.6	31.7	26.1	13.0	10.6	100.0





Over 50.3% of Rourkela Steel Plant employees agree that good work by employees is always recognized by the management of the organization. Whereas 23.6% of the employees feel that good work is not recognized by the management.

## **CONCLUSION**

Studies of liberalization and de-regulation in an emerging context are rare. Within this context, this study examined the relationship between innovative HR practices during the liberalization of one of the world's most populous emerging markets. A model, rooted in conventional Western practices, found support and is largely consistent with results obtained in studies of HRM-firm performance conducted in different cultural and institutional environment. A contribution of the present study is to corroborate these results in the context of India's economic liberalization. The data analyzed were perceptive and measured HR practices within the organization in 2002 and also "5 years earlier" by a multi-rater respondent survey in a country undergoing macro-economic change process, so these results are highly relevant. The study contributes and adds to the general theme of HR-firm performance within an emerging market. The study adds to the literature of universalistic or the "best practice" perspective that certain independent-dependent variable relationships hold across whole populations of organizations - that is, some HR practices are better or more important than others (Colbert, 2004; Miles and Snow, 1984; Pfeffer, 1998) and these strategic (in this study "innovative") HR practices consistently lead to higher organizational performance, more dependent on the environment (Delery and Doty, 1996). The results add to the growing empirical evidence that people are key to achieving superior Performance.



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