

Original Article

IMPACT OF STRENGTHENING RELATIONSHIP BETWEEN HR AND EMPLOYEES ON ORGANIZATIONAL PERFORMANCE, A CRITICAL STUDY

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ABSTRACT

This study discusses how a better relationship between Human Resources (HR) and employees can influence organizational performance. This study will assess how HR practices influence the organizational outcomes using a sample of 200 respondents in 20 companies and employee performance is the mediating variable. Online questionnaires were used to collect data and SPSS 22.0 to process the data. The results indicate that HR practices have a significant direct positive effect on the organizational performance ($\beta = 0.4928$, $p < 0.001$) and an indirect effect through employee performance (indirect effect = 0.1180, 95% CI [0.0052, 0.2293]). Human Resource practices explained 60.67% of the variation in employee performance and when added with the employee performance, 51.17% of the variation in organizational performance was explained. The study shows that effective HR policies are the direct contributors to the organizational performance and the indirect ones since they improve the performance of employees. These results highlight the importance of investing in HR-employee relations and aligning HR strategies to business aims to achieve the best performance outcomes.

Keywords: HR, Employee, Organisation, Performance

INTRODUCTION

The improvement of Human Resources (HR) and employee interface has a great influence on the performance of companies. Successful HR programs such as employee engagement, training and development programs create a favorable working environment thus boosting employee satisfaction and productivity. HR practices that are based on the combination of employee well-being and performance management enhance corporate performance. These strategies can be consistently applied to increase employee competencies, motivation, and job performance, as well as organizational effectiveness, especially in culturally flexible settings [Bakator et al. \(2019\)](#). It claims that companies that have HR departments that make the employees experience a positive environment have more chances of staying ahead of their rivals. This connection underlines the significance of HR in developing a friendly and dynamic working environment, which plays a vital role in attaining competitive advantage and long-term success. Therefore, improvement of HR-employee relations is critical to increase organizational performance, as it fosters the culture of continuous improvement and win-win. [Ogbonnaya and Aryee \(2022\)](#)

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CONCEPTS OF HR-EMPLOYEE RELATIONSHIPS

Human resources (HR) and employee are interconnected factors in the success of the organization. Good HR-employee relationships encourage trust, boost communication, and job satisfaction. Studies have shown that employees become more engaged and their turnover is reduced through strong HR practices such as fair treatment, recognition, and support of professional development. Moreover, the facilitation of conflict management and creation of a healthy workplace culture is vital to the HR in order to retain employee morale and productivity. Companies that are sensitive to the HR-employee relations tend to develop a dedicated workforce, which leads to a better performance of an organization [Kirpik \(2020\)](#).

ROLE OF HR IN ORGANIZATION

Human Resource (HR) plays a critical role in companies, which serves as a mediator between management and employees to offer an exciting workplace. Human Resources activities involve recruiting, training, performance management and employee relations which are necessary to align individual objectives with business objectives. Good human resource practices promote employee participation, reduce turnover and promote organisational effectiveness. Moreover, Human Resources are crucial in ensuring effective corporate culture that enhances diversity and inclusion, therefore, increasing creativity and innovation. With the growing complexity of the workforce, HR has to adjust to the technological changes and labor laws, which guarantee that it is aligned with the strategic goals of the organization. [Maheshwari and Yadav \(2019\)](#)

IMPORTANCE OF EMPLOYEE RELATION

Employee relations are defined as the management of employer-employee relationship and it involves different issues including communication, conflict resolution and the workplace culture. Research reveals that effective employee relations strategies help organizations to achieve better results by increasing job satisfaction, thus reducing turnover rates and improving organizational commitment, which are also attained by making sure that the organization implements effective employee relations strategies, thus enabling it to overcome challenges with ease and adapt to changes in the marketplace. Thus, employee relations are not a human resources activity but a strategic necessity which has a direct effect on the overall organizational performance. [Basuki et al. \(2022\)](#)

BUILDING STRONGER HR-EMPLOYEE RELATIONSHIPS

HR-employee relationship is a factor that has a great influence on the success of the organization. Research highlights that an HR relationship of support and trust can enable increased job satisfaction, employee loyalty, and job performance. HR professionals can improve the relationships by being fair, offering clear career growth opportunities, and open communication. Employees feel more trustful of HR and the turnover is lessened when they feel that HR represents them. Organizations can foster a culture that promotes trust, cooperation, and respect between HR and employees by aligning HR policies with those of the employees and organizational objectives [Murugan and Francifca \(2019\)](#)

Effective Communication Strategies - Good communication is one of the keys to good HR practices, as it helps to clarify expectations in the organization, address conflicts, and align the goals of employees with those of the company. Open, coherent and transparent communication creates an atmosphere that is conducive to productivity and innovation. A strong HR communication plan would include regular feedbacks, openness and a participatory discussion that would make all employees feel included and listened to. Moreover, the utilization of the technology such as HR information systems and employee portals will increase the availability of communication; the employee should be provided with the most current and correct information. [Kim \(2021\)](#)

Trust and Transparency in HR Practices - Trust and transparency are key in establishing credibility to HR departments in organizations. When HR practices are viewed as transparent and fair, employees will be more likely to believe in the HR decisions and adhere to the organizational policies. HR transparency implies transparent, objective recruitments, performance reviews and compensation procedures, which lessen uncertainty and boost organizational commitment. With fair HR practices and effective communication, organizations can provide a platform of trust, which can be used to encourage long-term employee satisfaction and loyalty.

Employee Engagement Initiatives - Employee engagement is of paramount importance to the organizational performance and HR is central in enhancing engagement by means of well designed initiatives. It has been proven that engaged employees are more productive, innovative, and committed to organizational goals. Best engagement programs comprise recognition programs, professional development opportunities, and employee well-being programs. HR departments are supposed to work on establishing a favorable work environment that addresses both professional and personal needs of employees, thus increasing their engagement and decreasing their turnover. [Van and Beijer \(2015\)](#)

BENEFITS OF STRENGTHENING HR-EMPLOYEE RELATIONSHIPS

The enhancement of connection between the human resources (HR) and the employees is critical in promoting a conducive and dynamic working environment. The good HR-employee relations enhance the organizational commitment and employee loyalty. The development of trust based on the transparent communication, the employee development and the well-being programs will help the HR to create an environment in which employees feel important and will lead to the increased engagement and productivity. Effective communication of policy and the availability of professional development has the ability to enhance the sense of belonging in employees hence long term benefits are accrued both to the employee and the organization. This connection promotes innovation, efficiency, and respect to each other, which are essential in the development of an organization. [Bannya et al. \(2023\)](#)

Improved Employee Morale and Satisfaction: Among the most outstanding results of good HR-employee relations is better employee morale and satisfaction. The relationship is healthy with HR where employees needs and concerns are recognized and resolved. This has a great bearing on job satisfaction. The employees who have a positive attitude towards the HR practices, i.e., fair treatment and growth opportunities, indicate greater job satisfaction. An employee feels motivated to give their best in the organization when they believe the HR will represent them and is concerned with their professional growth thus improving the overall performance of the organization. Moreover, a happy workforce will tend to have reduced absenteeism and enhanced performance.

Enhanced Collaboration and Teamwork: HR is vital in helping to promote collaboration and teamwork in an organization. By creating policies that encourage collaboration, providing team-building opportunities, and mediating conflicts effectively, HR can enhance team dynamics. The teamwork environments also enhance innovation and creativity, as the employees are able to exchange different views. Good HR-employee relations will ensure that there is a culture of ease in the employees working towards achieving a common objective and silos are abolished and the overall efficiency enhanced. The HR can also make certain that teams are made up of people possessing complimentary skills which will lead to a more unified and productive workplace.

Increased Retention Rates: Positive HR-employee relationship has a direct relationship with the rate of employee retention. Employees are less likely to quit the organization when HR actively tries to solve employee problems, offer them career development opportunities, and when they have a positive workplace environment. The retention of employees is aided by the good HR practices like custom career development plans and work-life balance plans. Such organizations have high chances of keeping their employees because they are investing in them and their well-being, leading to lower turnover rates and long-term savings since they do not need to recruit and train new employees. [Hannis et al. \(2018\)](#)

IMPACT ON ORGANIZATIONAL PERFORMANCE

Mergers and acquisitions (MandA) are organizations that have a tremendous effect on their performance in terms of profitability, operational efficiency, and overall competitiveness. Numerous researches have revealed that MandA could have either positive or negative consequences. The companies that are involved in MandA dealings usually have better financial results because of the synergies, cost savings and market growth. This however depends on the processes involved in the integration, where poorly done integrations may result in underperformance. The immediate post-merger stage can be characterized by a decline in performance caused by disruption of operations and human resources, but long-term benefits are likely to be achieved in case strategic objectives are well aligned. Finally, MandA would be successful in boosting performance only when it is planned, executed, and its goals are aligned between the merging parties. [Turi et al. \(2022\)](#)

LINK BETWEEN EMPLOYEE ENGAGEMENT AND PRODUCTIVITY

Employee engagement is a very important aspect in the determination of organizational productivity particularly during and after an MandA transaction. Employee engagement has a great impact on productivity, job satisfaction and retention rates. Employees will tend to be uncertain and anxious during the MandA, and therefore, they will become disengaged unless otherwise. The unengaged workers lack motivation, and hence, this reduces the overall productivity. Quite to the contrary, engaged employees help organizations to achieve success, are more creative and more open to changes. Thus, firms that are involved in MandA should focus on employee engagement by communicating effectively, engaging them in decision-making, and assuring them to remain productive and motivated. Companies with high rates of engagement can easily make the transition when it comes to MandA processes, which are reduced to the minimum effect on productivity. [Widarmanti et al. \(2022\)](#)

CHALLENGES IN STRENGTHENING RELATIONSHIPS ON ORGANIZATIONAL PERFORMANCE

Building relationships in organizations influences performance but is hampered by a number of challenges. Communication and collaboration can be impaired by issues of trust between employees and management. When an organization undergoes any organizational change such as restructuring or change in leadership, it interrupts the team dynamics and moral. Differences in cultural and generational workforce make it difficult to build relationships because of differences in communication styles. The

multinational businesses are also disadvantaged by geographical displacement, which makes it difficult to build relationships, which affects the team cohesion. Addressing these issues is essential to enhance the organizational performance, promote collaboration, innovation, and engagement. [Martins et al. \(2016\)](#)

STRATEGIES FOR HR IMPROVEMENT ON ORGANIZATIONAL PERFORMANCE

Best HR practices enhance organizational performance. Training is continuous and ensures that employees skills are in line with the needs of the organization. Promoting a feedback culture enhances job satisfaction and motivation. Employees well-being programs enhance performance by cutting down on absenteeism and turnover. By making the HR practices aligned with the business objectives, including data-driven recruitment, agility in the workforce is guaranteed. Such strategies will be able to boost productivity and organizational success. [Shiri \(2012\)](#)

LITERATURE REVIEW

[Asfahani \(2021\)](#) This research examines how current HR systems can influence organizational responsiveness. It defines agility and discusses four HR models: high-performance, strategic fit, high commitment, and best practices. High-performance paradigm is more concerned with innovation whereas the strategic fit model is centered on the capabilities of HR to predict outside labor trends. The high commitment strategy prioritizes employee career development, flexibility, motivation, teamwork, and stability. The best practices model aligns with the main business strategy. The literature review demonstrates that all three approaches enhance agility. The study endorses the use of all these strategies to ensure organizational agility.

[Halid et al. \(2020\)](#) Digital Human Resource Management (HRM) “involves the modernization of HR processes and procedures via electronic media, mobile technology, analytics, and information technology (IT) to improve HRM efficiency. Digital HRM fundamentally involves the administration of all human resource operations using software technologies, applications, and the internet. Digitization or digital transformation is crucial for organizations to attain efficiency and remain relevant in the future. Otherwise, they would lag behind other enterprises in the market sector. This study examines several research works and explores the concept and various aspects of digital HRM. This study mostly used just secondary data. The findings will be crucial for enterprises in enabling the effective execution of digital HRM, hence improving their performance. Moreover, the findings will aid researchers by providing a basis for understanding the impact of digital HR on organizational performance.

[Salman et al. \(2024\)](#) This study seeks to assess the impact of several human resource management strategies on the organizational performance of banks in India. A convenience sampling strategy was used to collect answers from a sample of 325 employees across four banks using a survey form. The psychometric properties of the constructs were evaluated by confirmatory factor analysis, while structural equation modeling was used to test the proposed hypotheses. The study's findings confirmed a significant and positive effect of training and development, performance evaluation, and employee engagement on the performance of the analyzed banks. Nevertheless, recruiting and selection had a positive albeit little impact. The results of this research may assist policymakers and decision-makers in enhancing organizational performance via the use of appropriate human resource management strategies.” The research is vital for human resource specialists and practitioners to foster the professional development and advancement of their personnel.

[Brito and Oliveira \(2016\)](#) Human resource management's (HRM) impact on business outcomes is examined both theoretically and empirically in this article. This discussion provides a theoretical analysis of HRM's significance for resource development and its effect on business output. Articles published in Brazilian academic publications that explored these links were empirically evaluated. The findings showed that there hasn't been enough research done so far. Out of 2,469 papers, a mere 16 (0.6%) attempted to establish a connection between HRM and the success of organizations. We observed that many HR practices operate independently of HRM and place more emphasis on operational success metrics than on financial and efficiency metrics. Consistent with the existing research, the majority of studies show a favorable correlation between HRM practices and performance. We acknowledge that there are a number of methodological concerns, such as the fact that it is difficult to separate HR practices from their environment, that we failed to account for the time-related aspects of this connection, and that we compared companies from different industries. The author has supplied a summary. Duplicating, emailing, or posting the content of the Brazilian Business Review (English Edition) to several sites or a listserv without the owner's explicit written consent is strictly forbidden. Articles may be printed, downloaded, or sent via email for personal use. A synopsis of this abstract is possible. We cannot guarantee that the reproduction is accurate. To see the whole abstract, users must access the original published version of the item.

[Kehoe and Wright \(2013\)](#) “Although research demonstrates a strong correlation between high-performance HR practices and financial and market outcomes at the organizational level, few studies have examined the influence of employees' perceptions of these practices on more immediate outcomes such as absenteeism, retention intent, and organizational citizenship behavior. This study investigates the relationships between employees' perceptions of high-performance HR practices within their workgroups and the resulting outcomes, highlighting the mediating role of emotional organizational commitment. Data were collected from questionnaires administered at a large multi-unit food service establishment, and the model was assessed via CWC (M) mediation analysis to account for the multilevel structure of the data. The findings showed that the perceptions of the employees of the high-

performance HR practices had a positive impact on all the dependent variables. Affective organizational commitment was a partial mediator in the relationship between the perceptions of HR practices and organizational citizenship behavior, and fully mediated the relationship between perceptions of HR practices and the desire to stay with the business. The talk points out the consequences of these results and outlines the paths in which further research could be taken.

PROBLEM OF THE STATEMENT

The Problem statement is based on the correlation between the Human Resources (HR) and employees with a focus on the effect on the performance of the organization. It emphasizes that a good HR-employee relationship will be necessary in promoting employee engagement, job satisfaction and general productivity. Nonetheless, effective reinforcement of this relationship is a challenge many organizations face resulting in low employee morale, high turnover and low organizational commitment. The study aims at investigating the ways in which enhancing trust, communication, and collaboration between HR and employees can boost performance and competitiveness of an organization.

RESEARCH OBJECTIVE

- To investigate the impact of Human Resource (HR) practices on organizational performance, with a specific focus on employee performance as a mediating factor.
- To find relationship between HR practice, organisational performance and employee performance.

HYPOTHESIS

- There is no significant impact of Human Resource (HR) practices on organizational performance, with a specific focus on employee performance as a mediating factor.
- There is no significant relationship between HR practice, organisational performance and employee performance.

RESEARCH METHODOLOGY

This study delves into the study's measurements and techniques, including topics such as ethical issues, data collection, and analysis. Research is a way for academics to learn and grow. According to researchers, questions are defined and expanded upon, hypotheses are developed about possible answers, data is collected, conclusions are drawn, and then the results are checked to see whether they match up with the original ideas.

RESEARCH DESIGN

Finding the best approach for a particular study's questions and setting is possible with the help of a study design. Starting with the research questions given at the start of the project might help build a systematic strategy to gathering and analyzing data. This descriptive research aims to determine Impact of strengthening relationship between HR and employees on organizational performance. It is possible to do descriptive research using either qualitative or quantitative approaches. The study used both quantitative and qualitative methodologies. The process makes use of a variety of methods. Outlining the study's aims and collecting and analyzing participant data are critical components of every research project. This study aims to find out the Impact of strengthening relationship between HR and employees on organizational performance. As a visual aid, this image depicts the study strategy.

Figure 1

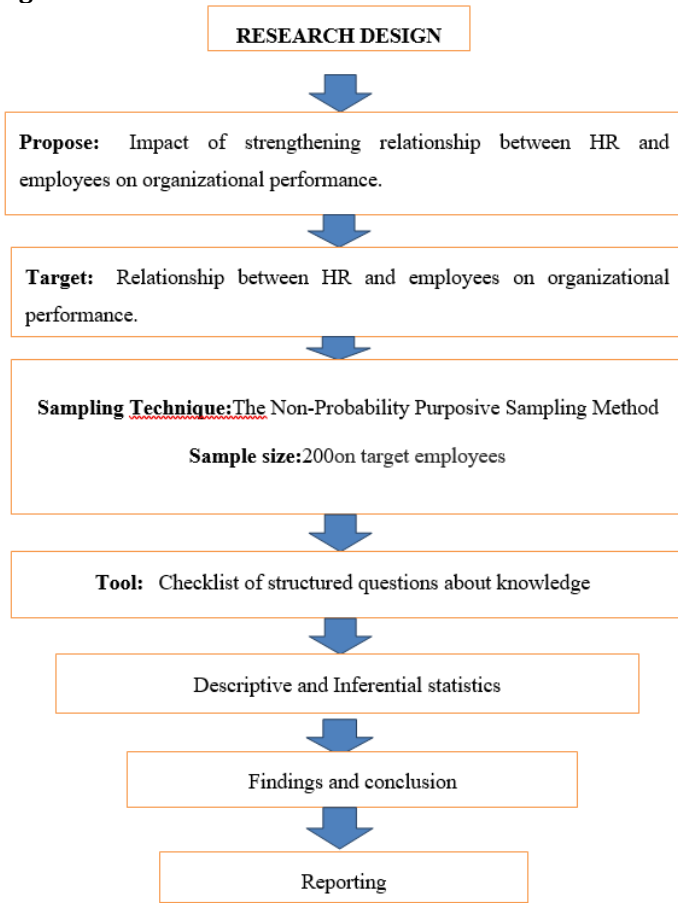


Figure 1 Design of a Study in Schematic Form

RESEARCH APPROACH

Crucial to the success of the undertaking is the study's methodology. Finding the most effective research approach is reliant on the knowledge gained from this study looks at how impact of strengthening relationship between HR and employees on organizational performance by using survey research techniques. Data may be collected by making use of pre-existing surveys. Over the course of the survey, participants will have the option to choose between multiple-choice and free-form items.

RESEARCH VARIABLES

The characteristics, or variables, of each research subject are distinct from one another. A suggestion would be to place a number on it. In this context, a "variable" is anything that may be defined as changing or fluctuating from one research on the Impact of strengthening relationship between HR and employees on organizational performance.

Independent Variable

HR Practices

Dependent Variable

Organizational performance

Mediator Variable

Employee performance

SAMPLE AND SAMPLE TECHNIQUE

Researcher determined how stress affected performance on the job by selecting a subset of a larger population using a sampling technique. Both probability and non-probability sampling are widely used in the field of statistics. This method is referred to as "probability sampling" since it involves selecting workers at random from a pre-established pool of possible responses. How stress influenced performance the workplace was investigated in qualitative research that used a purposive sample technique.

SOURCES OF THE SAMPLE

This paper's study relies on a major data collection. The following list provides a concise overview:

Primary data

An online form application is required since the only people who can provide primary data are those working for the firm. The main data for this study came from questionnaires.”

Secondary data

One definition of a secondary data set is a data set that is built from a main data set. This class contains a number of records. Primary sources include things like books and journals, whereas secondary sources include things like the internet and official government publications.

METHODS AND TOOLS USED

Data was collected by way of an online survey. In corporate settings, surveys are a typical way to get information from teachers. A comprehensive evaluation was carried out using a checklist to ascertain on the Impact of strengthening relationship between HR and employees on organizational performance. We have selected 20 organization in which 20 HR and 180 employees from various offices.

STATISTICAL ANALYSIS

DATA ANALYSIS

Data analysis allows one to derive conclusions from unstructured data. Data entry, editing, and coding are all part of an initial data analysis that must be finished before data preparation can begin. Accurate and efficient data analysis tools are essential for their usefulness. A spreadsheet was used for the examination of the study data. A numerical score was given to each participant's response before it was recorded into a spreadsheet. We used SPSS for effective data analysis and modeling.

In order to examine the data in this research, the statistical program SPSS 22.0 was used. Using methods like analysis of variance and percentage-based processes, we examined the crucial data. The major topics of the research could be better comprehended with the use of percentage analysis. One easy way to compare and evaluate statistics is using percentages. This is a foolproof method of getting your message out to a certain population. Gathering data allows for a more accurate depiction of the current state of affairs. One way to make percentage studies more visually appealing is to use graphs.”

Significance level: There was a predetermined statistical significance threshold. To begin with, the value of 0.05 is used.

RESULTS

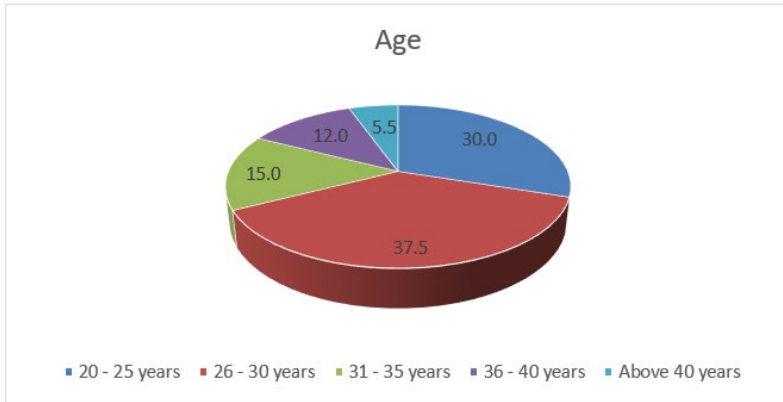
The study aimed to examine the impact of Human Resource (HR) practices on organizational performance, with employee performance acting as a mediating factor. A sample size of 200 respondents was analyzed to test the proposed hypotheses using various statistical models, with results discussed below:

Table 1

Table 1 Age Wise Distribution of Respondents		
Age	Frequency	Percent
20 - 25 years	60	30.0
26 - 30 years	75	37.5
31 - 35 years	30	15.0
36 - 40 years	24	12.0
Above 40 years	11	5.5
Total	200	100.0

Age wise distribution of respondents is presented in table above. In 20 – 25 years, frequency is 60 and percentage is 30%. In 26 – 30 years, frequency is 75 and percentage is 37.5%. In 31 – 35 years, frequency is 30 and percentage is 15%. In 36 – 40 years, frequency is 24 and percentage is 12%. In above 40 years, frequency is 60 and percentage is 30%.

Graph 1



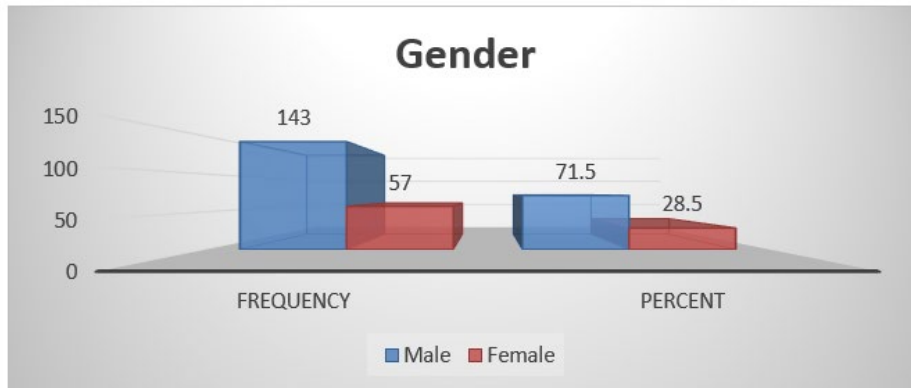
Graph 1 Graphical Representation of Age Wise Distribution of Respondent

Table 2

Table 2 Gender Wise Distribution of Respondents		
Gender	Gender	
	Frequency	Percent
Male	143	71.5
Female	57	28.5
Total	200	100.0

Gender wise distribution of respondents is presented in table above. There are 143 male and 57 female are participated in this study, whose percentage is 71.5% and 28.5% respectively.

Graph 2



Graph 2 Graphical Representation of Gender Wise Distribution of Respondents

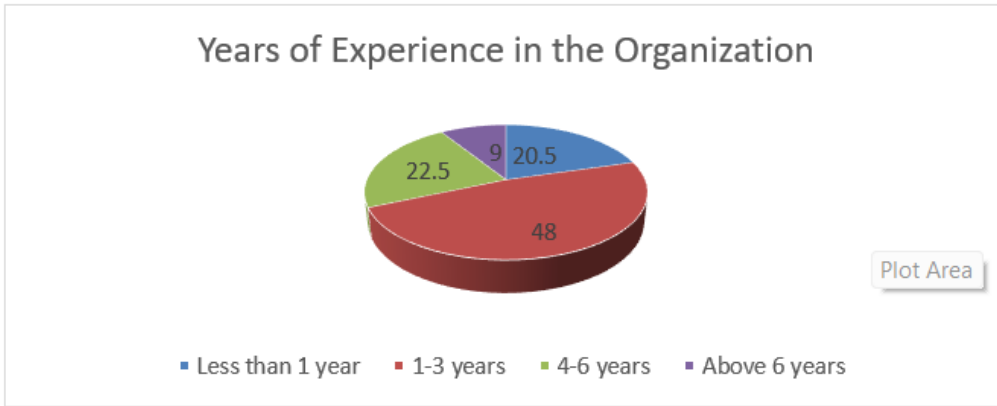
Table 3

Table 3 Years of Experience of Respondents		
Years of Experience in the Organization	Years of Experience in the Organization	
	Frequency	Percent
Less than 1 year	41	20.5
1-3 years	96	48
4-6 years	45	22.5

Above 6 years	18	9
Total	200	100

Years of Experience of respondents is presented in table above. In Less than 1 year, frequency is 41 and percentage is 20.5%. In 1 -3 years, frequency is 96 and percentage is 48%. In 4-6 years, frequency is 45 and percentage is 22.5%. In above 6 years, frequency is 18 and percentage is 9%.

Graph 3



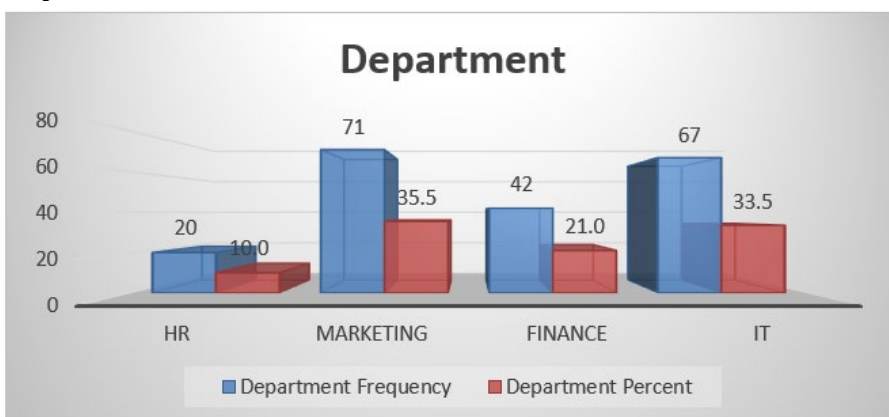
Graph 3 Graphical Representation of Years of Experience of Respondents

Table 4

Table 4 Department of respondents		
Department	Frequency	Percent
HR	20	10.0
Marketing	71	35.5
Finance	42	21.0
IT	67	33.5
Total	200	100.0

Department of respondents is presented in table above. There are 20 HR, 71 marketing executives, 42 executives, 67 IT professionals are included in this study, whose percentage are 10%, 35.5%, 21% and 33.5% respectively.

Graph 4



Graph 4 Graphical Representation of Department of Respondents

HYPOTHESIS TESTING

Hypothesis 1: There is no significant impact of Human Resource (HR) practices on organizational performance, with a specific focus on employee performance as a mediating factor.

Model

Y: Organisational performance

X: HR practices

M: Employee performance

SampleSize: 200

Table 5

Table 5							
OUTCOME VARIABLE:							
Employee performance							
Model Summary							
R	R-sq	MSE	F	df1	df2	p	
.7789	.6067	20.9062	305.3755	1.0000	198.0000	.0000	
Model							
	coeff	se	t	p	LLCI	ULCI	
constant	3.6953	1.1807	3.1297	.0020	1.3669	6.0238	
HR practices	.6625	.0379	17.4750	.0000	.5877	.7372	
OUTCOME VARIABLE:							
Organizational performance							
Model Summary							
R	R-sq	MSE	F	df1	df2	p	
.7153	.5117	26.9285	103.2076	2.0000	197.0000	.0000	
Model							
	coeff	se	t	p	LLCI	ULCI	
constant	8.1801	1.3728	5.9588	.0000	5.4729	10.8874	
VAR00016	.4928	.0686	7.1840	.0000	.3576	.6281	
VAR00025	.1781	.0807	2.2078	.0284	.0190	.3371	
DIRECT AND INDIRECT EFFECTS OF X ON Y							
Direct effect of X on Y							
Effect	se	t	p	LLCI	ULCI		
.4928	.0686	7.1840	.0000	.3576	.6281		
Indirect effect(s) of X on Y:							
Effect	BootSE	BootLLCI	BootULCI				
VAR00025	.1180	.0553	.0052	.2293			

R-squared = 0.6067: HR practices account for 60.67% of the variance in employee performance, indicating a substantial impact size. $F = 305.3755$, $p < .001$: The model demonstrates statistical significance, indicating that HR policies have a substantial effect on employee performance. The coefficient of HR practices (X) is 0.6625, with $p < .001$: A 1 unit increase in HR practices corresponds to a 0.6625 unit increase in employee performance, indicating a strong and substantial positive correlation.

R-squared = 0.5117: Human resource practices and employee performance collectively account for 51.17% of the variance in organizational performance. $F = 103.2076$, $p < 0.001$: This model is statistically significant as well. HR Practices (X): The coefficient of 0.4928 shows that the HR practices have a direct, positive impact on organizational performance. Every unit change in the HR practices increases the organizational performance by 0.4928 units with a p-value equal to 0.0000, which indicates a very significant

impact. Employee Performance (M): The coefficient is 0.1781. This implies that with an increase in the performance of employees by 1 unit, the performance of the organization increases by 0.1781 units. The p-value of 0.0284 signifies that this link is statistically significant at the 95% confidence level.

DIRECT EFFECT OF HR PRACTICES ON ORGANIZATIONAL PERFORMANCE

The direct effect is 0.4928 (p <.001) with a 95% confidence interval of 0.3576, 0.6281 indicating that the direct effect of HR practices on organizational performance is significant.

INDIRECT EFFECT OF HR PRACTICES ON ORGANIZATIONAL PERFORMANCE THROUGH EMPLOYEE PERFORMANCE:

The indirect effect is 0.1180, accompanied by a 95% bootstrap confidence range of [0.0052, 0.2293]. This is because there is no zero within the confidence range, which means that the indirect effect is statistically significant. This indicates that employee performance somewhat mediates the connection between HR practices and organizational performance.

The human resource practices have a significant direct impact on organizational performance. The large positive value of the correlation between HR practices and organizational performance (direct effect = 0.4928, p <.001) shows that improvements in HR practices and policies could directly lead to the success of the organization. The HR procedures and the organizational performance are mediated by employee performance. The significant indirect effect (0.1180, 95% CI [0.0052, 0.2293]) shows that employee performance is a partial mediator. The HR strategies influence organizational success in a segment that is expressed in the form of employee performance. The null hypothesis (HR practices do not significantly affect the organizational performance, with performance of the employees as a mediator) is rejected.

Hypothesis 2: There is no significant relationship between HR practice, organizational performance and employee performance.

Table 6

Table 6 Correlations				
		HR practices	Employee performance	organizational performance
HR practices	Pearson Correlation	1	.779	.707
	Sig. (2-tailed)		.000	.000
	N	200	200	200
Employee performance	Pearson Correlation	.779	1	.619
	Sig. (2-tailed)	.000		.000
	N	200	200	200
organizational performance	Pearson Correlation	.707	.619	1
	Sig. (2-tailed)	.000	.000	
	N	200	200	200
. Correlation is significant at the 0.01 level (2-tailed)."				

The relationship between the HR practices, employee performance and organizational performance is discussed in the above table where the sig. value of all variables is 0.00 signifies significant relationship.

Null hypothesis rejected

CONCLUSION

This study explored the role of Human Resource (HR) practices on the performance of an organization whereby employee performance acted as an intermediate. The primary results suggest that HR practices have a significant impact on performance of the employee and the organisation. HR practices have direct and indirect impact on organizational outcomes by enhancing employee performance. The research revealed that there is a direct positive positive impact of HR practices on organizational performance. It means that those firms that have better HR practices, such as recruiting, training, performance management, and employee engagement, will more likely have improvements in their overall performance. The mediating nature of employee performance was confirmed and it implies that the positive impact of HR strategies on organizational success can be explained by the positive changes in the job performance of the employees. Companies that focus on workforce growth and well-being will most likely achieve high performance due to a more committed and efficient workforce. Great positive correlations were observed among the HR practices, employee performance, and organizational performance, which implies that the mentioned factors are interrelated. Improvement of

HR processes is not only directly related to better performance of the employees, but also directly to the better organizational performance.

SUGGESTIONS

- Organizations ought to allocate resources towards training and development initiatives that correspond with workers' professional aspirations and organizational aims. Ongoing learning opportunities enhance work performance and engagement.
- Create a constructive work environment that prioritizes transparent communication, inclusion, and equilibrium between professional and personal life. An encouraging workplace fosters employee contentment, hence improving performance.
- Ensure that human resources methods are congruent with overarching organizational goals. Human Resources policies must be formulated to directly enhance organizational performance by promoting employee efficiency, satisfaction, and retention.
- Organizations must regularly evaluate the efficacy of their HR strategies via employee feedback, performance assessments, and key performance indicators (KPIs). Consistent evaluation will facilitate the identification of improvement areas and guarantee that HR methods continue to effectively enhance performance.
- Emphasis on recruiting individuals whose values and competencies correspond with the objectives of the firm. Maintaining personnel via competitive remuneration, professional advancement opportunities, and a nurturing workplace will result in sustained organizational performance.

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