



HUMAN RESOURCE MANAGEMENT PRACTICES, EMPLOYEE ENGAGEMENT AND ORGANIZATIONAL PERFORMANCE: A REVIEW OF LITERATURE

Abhay Gawande

Smt. Laxmibai Radhakisan Toshniwal College of Commerce, Akola
Affiliated to Sant Gadge Baba Amravati University, Maharashtra, India

ABSTRACT

Human Resource Management (HRM) has increasingly developed from an administrative function into a strategic organizational activity that can influence employee attitudes, behaviours and organizational outcomes. This review paper examines the relationship between HRM practices, employee engagement and organizational performance, with particular relevance to the Indian organizational context. The review focuses on recruitment and selection, training and development, performance appraisal, compensation and rewards, employee participation, career development and work-life balance. Existing literature indicates that appropriately designed HRM practices can strengthen employees' perceptions of organizational support, motivation, commitment and engagement. Higher employee engagement has also been associated with improved productivity, quality, retention and other organizational outcomes. The paper incorporates secondary quantitative evidence from Gallup's 2024 Q12 meta-analysis and does not claim that these data were collected from Bharat Electronics Limited (BEL). The review identifies a need for further empirical research examining employee engagement as a possible mechanism linking HRM practices with organizational performance, particularly in large Indian public-sector and technology-intensive organizations. The paper provides a conceptual foundation for future empirical investigation at Bharat Electronics Limited (BEL).

KEYWORDS: Human Resource Management; HRM Practices; Employee Engagement; Organizational Performance; India; Public Sector; Bharat Electronics Limited

1. INTRODUCTION

Human resources constitute an important source of organizational capability. Organizations depend not only on financial and technological resources but also on employees' knowledge, skills, motivation and willingness to contribute toward organizational objectives. Consequently, Human Resource Management has increasingly been examined as a strategic function rather than merely an administrative activity.

HRM practices encompass a broad range of organizational activities through which employees are attracted, selected, developed, rewarded and retained. Common practices include recruitment and selection, training and development, performance appraisal, compensation, employee participation, career development and work-life initiatives.

The relationship between HRM and organizational performance has received considerable scholarly attention. Meta-analytic research indicates a positive association between HRM practices and organizational performance, while also showing that context, industry, firm size and research design can affect observed relationships.

Employee engagement is another important concept in this discussion. Engaged employees are generally characterized by energy, dedication and psychological involvement in their work. The present review therefore brings together HRM practices, employee engagement and organizational performance and provides a literature-based foundation for future empirical research at Bharat Electronics Limited.

2. OBJECTIVES OF THE REVIEW

1. To examine the concept and major dimensions of Human Resource Management practices.
2. To review the relationship between HRM practices and employee engagement.
3. To examine the relationship between HRM practices and organizational performance.
4. To review the role of employee engagement in organizational performance.
5. To identify research gaps concerning HRM practices, employee engagement and organizational performance in the Indian context.
6. To develop a conceptual foundation for future empirical research at Bharat Electronics Limited.



3. METHODOLOGY OF THE REVIEW

This paper adopts a narrative literature-review approach supported by secondary quantitative evidence from established research sources. The review focuses on peer-reviewed research concerning HRM practices, employee engagement and organizational performance, with particular attention to the Indian context.

No primary survey was conducted for this review paper. Therefore, no employee sample from Bharat Electronics Limited is claimed and no BEL-specific numerical findings are presented. Quantitative figures included in the paper are explicitly identified as secondary findings reported by the cited source.

4. HUMAN RESOURCE MANAGEMENT PRACTICES

HRM practices represent the policies and activities through which an organization manages its workforce. Major practices repeatedly examined in the literature include recruitment and selection, training and development, performance appraisal, compensation and rewards, employee participation, career development and work-life balance.

Recruitment and selection determine the quality and suitability of employees entering an organization. Training and development enhance employees' knowledge, technical capabilities and behavioural competencies. Performance appraisal provides a mechanism for evaluating contribution and communicating expectations. Compensation and rewards influence perceptions of recognition and fairness. Employee participation may strengthen voice and ownership, while career development can support professional growth. Work-life balance practices can influence employee well-being, satisfaction and organizational attachment.

5. HRM PRACTICES AND EMPLOYEE ENGAGEMENT

HRM practices can influence engagement through several mechanisms. Training and development can enhance competence and confidence. Fair performance management and rewards can strengthen perceptions of organizational justice. Employee participation can provide voice and autonomy, while supportive policies can strengthen employees' perception that the organization values their contribution.

The relationship can therefore be conceptualized as:

HRM Practices → Positive Employee Experience → Employee Engagement

Employee engagement may subsequently influence employee behaviour and organizational outcomes. This makes engagement a potentially important mediating variable in an integrated HRM-performance model.

6. HRM PRACTICES AND ORGANIZATIONAL PERFORMANCE

Organizational performance is multidimensional and can include productivity, quality, innovation, profitability, employee retention, customer satisfaction and achievement of strategic objectives.

Subramony's meta-analysis of 65 studies found that bundles of HRM practices were positively related to business outcomes. Longitudinal meta-analytic research has also examined the relationship between HRM and firm performance while emphasizing temporal relationships and potential endogeneity.

Indian research further demonstrates the importance of examining HR practices within the institutional and organizational context of India rather than assuming that findings from other countries will automatically generalize.

7. SECONDARY QUANTITATIVE EVIDENCE ON EMPLOYEE ENGAGEMENT

A major quantitative source relevant to this review is Gallup's 2024 Q12 meta-analysis. The study accumulated 736 research studies across 347 organizations and 53 industries, covering 183,806 business/work units and 3,354,784 employees. It found that employee engagement was related to all eleven performance outcomes studied. The true-score correlation between employee engagement and composite performance was 0.49.

Gallup also reported median percentage differences between top-quartile and bottom-quartile engagement units. The selected positive outcomes shown below include customer loyalty/engagement (10%), productivity measured through sales (18%), profitability (23%), wellbeing (70%) and organizational citizenship (22%). These are secondary findings from Gallup's database and are not BEL-specific results.

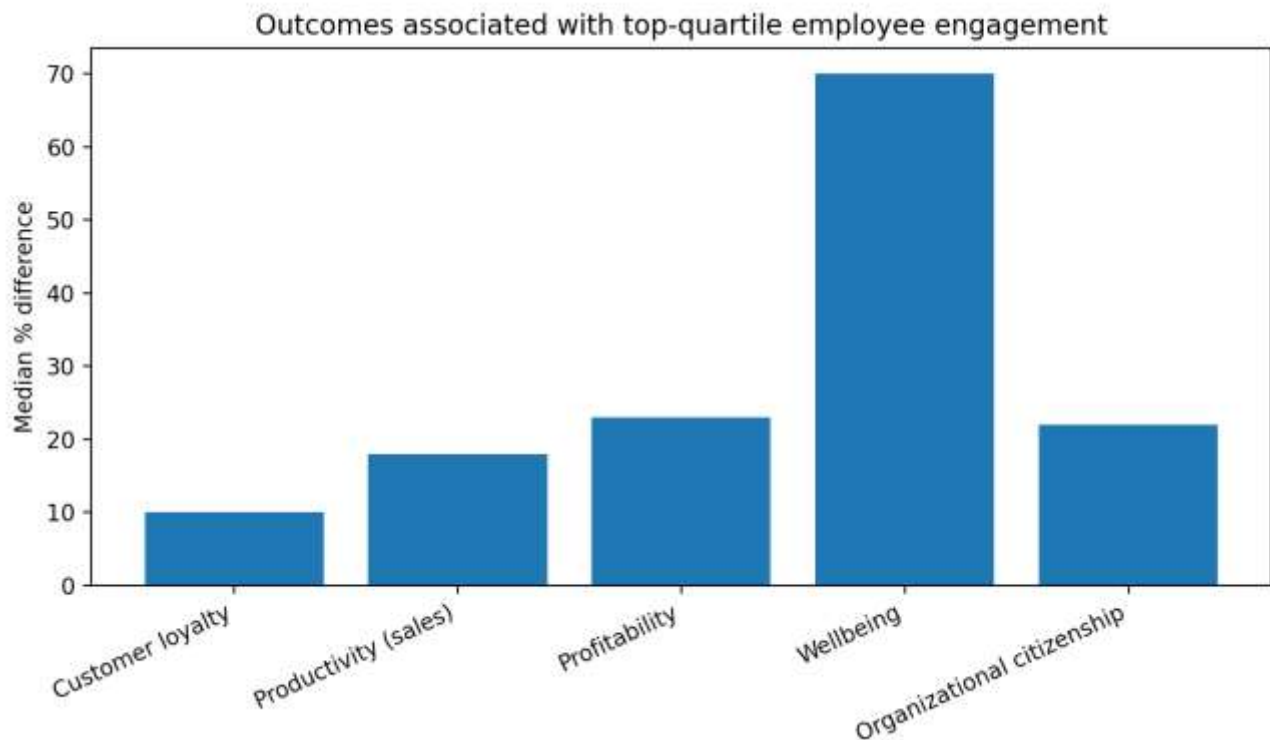


Table 1. Selected quantitative findings from Gallup's 2024 Q12 meta-analysis

Outcome	Median difference	Interpretation
Customer loyalty/engagement	10%	Higher in top-quartile engagement units
Productivity – sales	18%	Higher in top-quartile engagement units
Profitability	23%	Higher in top-quartile engagement units
Wellbeing	70%	Higher in top-quartile engagement units
Organizational citizenship	22%	Higher in top-quartile engagement units

Source: Gallup (2024), 11th edition Q12 meta-analysis. These are secondary data and should not be interpreted as findings from BEL.

Figure 1. Selected organizational outcomes associated with top-quartile employee engagement



Source: Gallup (2024). Median percentage differences between top- and bottom-quartile engagement units across companies in Gallup's database. The chart uses published secondary data; no BEL primary data are represented.

8. EMPLOYEE ENGAGEMENT AND ORGANIZATIONAL PERFORMANCE

The secondary evidence supports the importance of employee engagement as an organizational variable. Gallup's meta-analysis reported a true-score correlation of 0.49 between engagement and composite performance. It also reported that top-quartile engagement units had substantially better outcomes than bottom-quartile units on several performance indicators.

A separate meta-analysis by Corbeanu and Iliescu examined the relationship between work engagement and job performance and found evidence concerning both task and contextual performance. Taken together, these findings support the inclusion of employee engagement in models examining the relationship between HRM practices and organizational performance.

9. HRM IN THE INDIAN CONTEXT

India provides a significant context for HRM research because organizations operate across diverse institutional and cultural environments. Large public-sector and technology-oriented organizations may have distinctive HR structures, employment systems, training requirements and performance-management practices.

Research on HRM in India has identified recruitment and selection, training and development, performance appraisal, compensation, employee participation and work-life balance among important HR practices. At the same time, findings vary across industries and organizational settings. This variation demonstrates why organization-specific empirical studies remain valuable.



10. RESEARCH GAP

The literature reveals several research gaps. First, although the relationship between HRM practices and organizational performance has been extensively studied, fewer studies integrate HRM practices, employee engagement and organizational performance within a single organizational model. Second, much of the empirical literature is sector-specific. Third, contextual factors can influence the HRM-performance relationship. Fourth, employee engagement deserves greater attention as a possible mediating mechanism. Finally, there is scope for organization-specific research in large Indian public-sector technology organizations such as Bharat Electronics Limited.

11. RELEVANCE TO BHARAT ELECTRONICS LIMITED

The reviewed literature provides a conceptual basis for examining HRM practices, employee engagement and organizational performance at Bharat Electronics Limited.

A future empirical study at BEL can examine employees' perceptions of recruitment and selection, training and development, performance appraisal, compensation and rewards, employee participation, career development and work-life practices. Employee engagement can then be examined as a potential connecting mechanism between HRM practices and perceived organizational performance.

The proposed empirical research should collect BEL-specific primary data rather than using secondary figures from other organizations. This review therefore serves as the literature foundation for the subsequent empirical phase of the proposed Ph.D. research.

12. CONCEPTUAL FRAMEWORK

Independent Variables:

- Recruitment and Selection
- Training and Development
- Performance Appraisal
- Compensation and Rewards
- Employee Participation
- Career Development
- Work-Life Balance

Mediating Variable:

- Employee Engagement

Dependent Variable:

- Organizational Performance

Proposed relationship:

HRM Practices → Employee Engagement → Organizational Performance

Direct relationships between HRM practices and organizational performance may also be tested.

13. CONCLUSION

The literature indicates that HRM practices are relevant to employee and organizational outcomes. Recruitment, training, performance management, rewards, participation, career development and supportive work practices can shape employees' experiences.

Secondary quantitative evidence, particularly the large-scale Gallup Q12 meta-analysis, demonstrates a substantial relationship between employee engagement and organizational performance. However, these figures are not substitutes for organization-specific primary research. For the proposed study at Bharat Electronics Limited, an integrated framework connecting HRM practices, employee engagement and organizational performance provides a suitable basis for empirical investigation.

14. REFERENCES

1. Corbeanu, A., & Iliescu, D. (2023). The link between work engagement and job performance: A meta-analysis. *Journal of Personnel Psychology*, 22(3).
2. Darwish, T. K., Wood, G., Singh, S., & Singh, R. (2020). Human resource management in India: Performance and complementarity. *European Management Review*, 17(2), 373–389. <https://doi.org/10.1111/emre.12367>
3. Gallup. (2024). *The relationship between engagement at work and organizational outcomes: Q12 meta-analysis (11th ed.)*. Gallup.
4. Lal, B., Kaur, R., Devadhasan, B. D., & Jena, L. K. (2026). Do HR practices influence firm performance? Mediating role of employee engagement among Indian executives. *South Asian Journal of Business Studies*. <https://doi.org/10.1108/SAJBS-02-2024-0080>
5. Pattnaik, S. C., & Sahoo, R. (2018). Human resource practices as predictors of organizational performance: A structural equation modeling approach. *The Indian Journal of Industrial Relations*. [Verify final bibliographic details before submission.]



6. Salman, M., Anwar, I., Ganie, S. A., & Saleem, I. (2024). *Impact of human resource management practices on organizational performance: Evidence from the Indian banking industry*. *Vision*, 49(1). <https://doi.org/10.1177/0258042X231187224>
7. Saridakis, G., Lai, Y., & Cooper, C. L. (2017). *Exploring the relationship between HRM and firm performance: A meta-analysis of longitudinal studies*. *Human Resource Management Review*, 27(1), 87–96. <https://doi.org/10.1016/j.hrmr.2016.09.005>
8. Subramony, M. (2009). *A meta-analytic investigation of the relationship between HRM bundles and firm performance*. *Human Resource Management*, 48(5), 745–768. <https://doi.org/10.1002/hrm.20315>
9. Tzabbar, D., Tzafrir, S. S., & Baruch, Y. (2017). *A bridge over troubled water: Replication, integration and extension of the relationship between HRM practices and organizational performance using moderating meta-analysis*. *Human Resource Management Review*, 27(1), 134–148. <https://doi.org/10.1016/j.hrmr.2016.08.002>