

# The Impact of Human Resource Management on Awareness Employee and Organization

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## ABSTRACT

The study aims to investigate the impact of Human Resource Management (HRM) on employee awareness and organizational capacity within the Afghanistan International Bank (AIB). A positive workplace culture, characterized by clear and accurate communication, is essential for employees to perform their duties effectively. Misunderstandings and inefficiencies often arise from unclear communication and inadequate HRM practices. The primary research question guiding this study is: "What is the impact of HRM on employees' awareness and organizational capacity at AIB?" Sub-questions include: "How does HRM influence employee productivity?" and "What is the effect of HRM on employee efficiency?" The hypotheses posit that HRM positively impacts employee awareness, organizational capacity, productivity, and efficiency.

Methodologically, the study employs both primary and secondary data collection techniques. Primary data were gathered through the distribution of 50 questionnaires to AIB employees in Kabul, utilizing a Likert scale to measure responses. Secondary data were sourced from related articles, electronic websites, journals, and research reports. Random sampling techniques were used to select participants who were properly briefed on completing the questionnaires.

The findings indicate that HRM significantly enhances employee productivity, awareness, and organizational capacity at AIB. Additionally, HRM improves daily operational efficiency, customer service quality, and the effectiveness of information systems. By addressing previous organizational challenges, HRM enables employees to maximize the benefits from increased awareness and capacity, ultimately contributing to the bank's overall performance.

**Keywords-** Impact, Organizational Culture, Organizational Awareness, Organizational Capacity, Employee Awareness, Employee Capacity, Organizational Goals.

## I. INTRODUCTION

Human Resource Management (HRM) involves the systematic approach to the recruitment, hiring, deployment, and management of an organization's personnel (Armstrong, M., & Taylor, S. (2006) . The HR department is typically responsible for creating, implementing, and managing HR policies that ensure compliance with regulations and the organization's interaction with its employees.( exemplifies positive traits). Employee Awareness refers to the extent to which employees are informed about specific policies, situations, documents, or other important information.

Enhancing employee awareness is a crucial part of employee engagement strategies. It involves two key aspects: (HR policies) **Fostering Integrity:** Sharing and nurturing corporate culture and ethics, improving communications and commitment, and establishing a code of conduct. **Practical Knowledge:** Ensuring employees understand corporate policies and workplace procedures, including routine operations and emergency actions (Hale, A., & Borys, D. (2013). Organizational Capacity is defined as an organization's ability to deliver services and products that not only meet current customer expectations but also anticipate future market opportunities. Key components of capacity include the

knowledge, skills, and abilities of the organization's personnel, which are vital to its overall capabilities and performance. Lucas, C., & Kline, T. (2008).

## II. LITERATURE REVIEW

Anozie Obinna Paschal and Ismail Nizam (2016) explored the effects of HRM on employees' Awareness and Organization Capability within Singapore Telecommunication. Their research aimed to measure and identify the impact of HRM on employees' performance, using variables such as values, symbols, heroes, and rituals to assess HRM, and employee Awareness and Organization Capability as the dependent variable. A descriptive research design and a survey method with a 25-question questionnaire were employed, sampling 150 employees from senior and junior staff. The study found that HRM practices like rituals, values, and heroes significantly impact employee Awareness and Organization Capability, while symbols have little to no impact. This research highlights the positive effect of frequent ritual activities on employee performance and suggests further studies on different organizational cultural systems (Paschal & Nizam, 2016).

A. Matkó and Tímea Takács (2017) examined the relationship between HRM and Awareness and Organization Capability, emphasizing motivation. Their study indicated that both visible and invisible elements of HRM influence employee performance. Strong HRM, characterized by shared values and gratitude towards employees, enhances motivation and Awareness and Organization Capability. The objective was to explore how HRM dimensions motivate employees and impact organizational performance (Matkó & Takács, 2017).

Afroze Nazneen (2018) studied the impact of employee engagement and HRM in high-performing accredited universities in Saudi Arabia. The research linked employee engagement and HRM to organizational Awareness and Organization Capability, with engaged employees contributing to improved performance. Using a survey method and purposive random sampling, data were collected from 221 faculty members. The study found high levels of employee engagement and moderate HRM levels, leading to the achievement of world-class accreditation. Results were analyzed based on demographic variables, providing insights and suggestions for improvement (Nazneen, 2018).

Jasim Uddin (2012) focused on the impact of HRM on Awareness and Organization Capability and productivity in multinational companies, particularly in the telecommunication sector of Bangladesh. Using a qualitative methodology and a case study of Grameenphone, the research argued that HRM significantly influences performance and productivity in a dynamic context. The study emphasized the

importance of understanding organizational dynamics to pursue strategic objectives (Uddin, 2012).

## III. RESEARCH METHODOLOGY

In this study, two techniques were employed for data collection and analysis: primary data collection and secondary data collection. Primary data refers to information gathered directly from the source, specifically for this research project, and is intended to be publicly shared for further research purposes. Secondary data, on the other hand, was sourced from relevant articles, electronic websites, journals, and research reports related to similar topics.

### Primary Data Collection

For primary data collection, 50 questionnaires were distributed among employees of AIB (name of organization) in Kabul. The questionnaire distribution was conducted with the informed consent of the participants, ensuring that they understood the purpose and correct method of filling out the questionnaires. (Jamali, A. et al (2023).

Sampling Method: The study employed random sampling techniques to select the participants from the pool of employees at AIB. This method was chosen to ensure unbiased representation and generalizability of findings.

### Secondary Data Collection

Secondary data was gathered from various scholarly sources including academic articles, electronic databases, reputable journals, and relevant research reports. This data provided additional context and background information to support the primary findings of the study.

## IV. RESULTS AND DISCUSSION

### *Human Resource Management Increases Employee Awareness and Organization Productivity in AIB*

**Table 1: Human Resource Management Increases Employee Awareness**

Options	Number of Respondents
Agree	10
Strongly agree	40
Disagree	0
Strongly disagree	0
<b>Total</b>	<b>50</b>

The table 1 indicated that 10 respondents "Agree" and 40 respondents "Strongly agree" that Human Resource Management increases employee awareness and organization productivity in AIB.

**Table 2: Human Resource Management Makes Awareness and Organization Capability More Efficient**

Options	Number of Respondents
Agree	32
Strongly agree	18
Disagree	0
Strongly disagree	0
<b>Total</b>	<b>50</b>

The table 2 showed that 32 respondents "Agree" and 18 respondents "Strongly agree" that Human Resource Management makes the awareness and organization capability more efficient in AIB.

***Human Resource Management Helps the Employee to Be Quick and Fast in Daily Activities in AIB***

**Table 3: Human Resource Management Helps the Employee to Be Quick**

Options	Number of Respondents
Agree	33
Strongly agree	15
Disagree	2
Strongly disagree	0
<b>Total</b>	<b>50</b>

The data in table 3 indicated that 33 respondents "Agree", 15 respondents "Strongly agree", and 2 respondents "Disagree" that Human Resource Management helps the employee to be quick and fast in daily activities in AIB.

**Table 4: Human Resource Management Helps Employees to Differentiate**

Options	Number of Respondents
Agree	48
Strongly agree	2
Disagree	0
Strongly disagree	0
<b>Total</b>	<b>50</b>

The table 4 illustrated that 48 respondents "Agree" and 2 respondents "Strongly agree" that Human Resource Management helps employees to differentiate themselves by offering better customer services.

**Table 5: Human Resource Management Increases Information**

Options	Number of Respondents
Agree	35
Strongly agree	15
Disagree	0
Strongly disagree	0
<b>Total</b>	<b>50</b>

According to the 5 table, 35 respondents "Agree" and 15 respondents "Strongly agree" that Human Resource Management increases information system's effectiveness in AIB.

***Human Resource Management Helps Employees to Gain Maximum Benefits from Awareness and Organization Capability in AIB***

**Table 6: Human Resource Management Helps Employees to Gain Maximum Benefits**

Options	Number of Respondents
Agree	48
Strongly agree	0
Disagree	2
Strongly disagree	0
<b>Total</b>	<b>50</b>

The data showed in table 6 that 48 respondents "Agree" and 2 respondents "Disagree" that Human Resource Management helps employees to gain maximum benefits from awareness and organization capability in AIB.

***Human Resource Management Helps to Exploit All Difficulties That the Organization Faced Before***

**Table 7: Human Resource Management Helps to Exploit All Difficulties**

Options	Number of Respondents
Agree	48
Strongly agree	2
Disagree	0
Strongly disagree	0
<b>Total</b>	<b>50</b>

As per the 7 table, 48 respondents "Agree" and 2 respondents "Strongly agree" that Human Resource Management helps to exploit all difficulties that the organization faced before.

***Human Resource Management Helps Information System in AIB to Gain Importance by Processing Data***

**Table 8: Human Resource Management Helps Information System to Gain Importance**

Options	Number of Respondents
Agree	47
Strongly agree	2
Disagree	0
Strongly disagree	1
<b>Total</b>	<b>50</b>

According to the 8 table, 47 respondents "Agree", 2 respondents "Strongly agree", and 1 respondent "Strongly disagree" that Human Resource

Management helps information system in AIB to gain importance by processing data.

***Human Resource Management Increases Efficiency in AIB by Communicating Effectively***

**Table 9: Human Resource Management Increases Efficiency**

Options	Number of Respondents
Agree	32
Strongly agree	15
Disagree	3
Strongly disagree	0
<b>Total</b>	<b>50</b>

According to the 9 table, 32 respondents "Agree", 15 respondents "Strongly agree", and 3 respondents "Disagree" that Human Resource Management increases efficiency in AIB by communicating effectively.

**V. CONCLUSION**

Human resource management (HRM) encompasses a multifaceted approach involving recruitment, training, compensation, policy development, and retention strategies within organizations. Over the past two decades, HRM has evolved significantly, transitioning from primarily administrative functions such as payroll processing and event coordination to a pivotal strategic role crucial for organizational success. As highlighted by the aphorism, "HR matters in good times and is defined in bad times," the strategic importance of HRM is underscored across all organizational phases.

Effective HRM initiatives are pivotal in enhancing employee awareness, which pertains to the degree of employees' understanding of policies, procedures, and critical information within the organization. Policies aimed at systematically enhancing employee awareness form a cornerstone of comprehensive employee engagement strategies. Concurrently, organizational capability refers to an organization's capacity to deliver products and services that not only meet current consumer expectations but also proactively anticipate future market needs. Human performance, encompassing knowledge, skills, and competencies, constitutes pivotal components that bolster organizational capability and form the nucleus of its strategic endeavors.

This study investigates the impact of HRM on employees' awareness and organizational capability, with a specific focus on AIB. The findings reveal that effective HRM practices enhance employee productivity and streamline awareness and organizational capability within AIB. Furthermore, HRM facilitates agility in daily operations, augments customer service quality, improves information system efficacy, maximizes

benefits derived from organizational capabilities, resolves operational challenges, and enhances the significance of information systems through proficient data processing. By fostering effective communication channels, HRM further optimizes operational efficiency within AIB.

In conclusion, the strategic implementation of HRM not only enhances operational efficiencies but also fortifies organizational resilience and responsiveness to dynamic market landscapes. As organizations navigate complex challenges, HRM emerges as a pivotal driver of sustained success and strategic advancement.

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