

# The Role of HR Policies and Practices Building Governance in Organization

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## **Abstract**

*This research investigates the critical intersection of Human Resource (HR) policies and corporate governance. With growing emphasis on ethical standards, transparency, and accountability, HR functions now extend beyond hiring and compensation to shaping governance structures. This study explores how HR policies contribute to organizational governance by reinforcing integrity, accountability, and trust. The study employs a qualitative descriptive approach, analyzing HR policies' impact on corporate governance, organizational culture, and ethical compliance.*

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## **I. Introduction**

Effective workforce management requires adherence to HR (Human Resources) policies and procedures. They offer a methodical framework for making decisions, guaranteeing uniformity, equity, and adherence to labour regulations. HR practices include the practical application of these policies in day-to-day operations, whereas these rules specify the rights, obligations, and expectations of employees in the workplace. A thorough explanation of HR policies and procedures can be found below. HR policies are official directives that specify principles, standards, and practices pertaining to workers. They support businesses in upholding uniformity, guaranteeing adherence to the law, and cultivating a positive work atmosphere.

HR regulations are essential for:

- establishing precise rules for management and staff.
- ensuring that every employee is treated fairly.
- improving job ethics and company culture.
- controlling the risks associated with labour regulations and conflicts at work.
- enhancing general employee retention and engagement.

### **Problem Statement and Research Gap**

Organizations today function in a highly dynamic environment where governance plays a crucial role in ensuring transparency, accountability, and ethical decision-making. However, limited research exists on the direct influence of HR policies in strengthening governance frameworks.

### **Background & Importance**

HR policies are fundamental in workforce management, affecting company culture, ethical behaviour, and adherence to legal frameworks. Good governance is essential to minimize risks, enhance decision-making, and ensure sustainable organizational success.

## **II. Review Of Literature**

Khan (2023) conducted research on how human resource (HR) management practices impact women's workplace safety. The study surveyed 208 Saudi Arabian women working in small and medium-sized private businesses, using a snowball sampling technique. Key findings highlighted the importance of HR policies that consider maternity, health, childcare, transportation, and workplace safety. Additionally, the study emphasized that providing support to employees who have experienced divorce or loss significantly enhances workplace safety for women.

Altahat et al., (2021) conducted research Human Resource Management Practices and Employee Performance: The Role of Job Satisfaction This study explored the effect of human resource management practices (HRMP) on employee performance (EP) in Jordanian commercial banks. The researchers employed Structural Equation Modeling (SEM), path analysis, and Confirmatory Factor Analysis (CFA) to analyze data collected from 480 respondents. The findings revealed that HRMP positively influenced employee performance, job satisfaction, job stability, and job enrichment. Moreover, the study concluded that job satisfaction served as a mediator in this relationship, suggesting that future research should further explore HRMP and employee engagement.

Rani et al. (2021) conducted research on The Role of Humanistic Leadership in Good Governance in Sport Organizations and examined how humanistic leadership contributes to good governance in sports organizations. The study analyzed twenty research articles on humanist leadership and governance, emphasizing the importance of transparency, democracy, and solidarity in sports management. Findings indicated that humanistic leadership fosters effective governance through improved communication, accountability, and ethical decision-making. This study contributes to the broader understanding of leadership styles in organizational governance.

Riaz (2020) conducted research on The Effect of HR Policies on Corporate Social Responsibility: The Role of HRM Effectiveness and investigated the connection between HRM effectiveness, corporate social responsibility (CSR), and HR policies within Pakistan's financial sector. The research revealed that well-implemented HRM practices, including recruitment, performance evaluation, and compensation, positively impact CSR. However, reward systems showed minimal influence on CSR. Additionally, the study highlighted a lack of awareness regarding HRM effectiveness in Pakistan, suggesting a need for further education and policy refinement.

Elegel et al. (2020) conducted research on Human Resource Practices in Effective Corporate Governance and examined the relationship between corporate governance and HR practices in Turkey's food and beverage sector. The study found that effective HRM practices are directly linked to corporate governance and institutionalization. However, shortcomings in HR processes hindered the full comprehension and implementation of corporate governance principles. The study emphasized the need for organizations to improve HR structures to ensure transparency, accountability, and ethical governance.

### **III. Research Methodology**

#### **OBJECTIVES**

- To study about the role of HR policies.
- To identify different HR practices within organization.
- To find out the role of HR policies and practices that contribute for effective governance in organization.
- To investigate the impact of HR policies on organization.

#### **SIGNIFICANCE:**

Organizational governance, risk management, stakeholder confidence, and the development of a strong business culture are all greatly aided by HR policies and procedures. They promote openness, accountability, and moral behaviour, which benefits workers, employers, managers, consumers, shareholders, suppliers, communities, and governmental organizations. They also support social responsibility, employee well-being, and organizational success.

#### **RESEARCH DESIGN**

To examine the method of Descriptive study utilizing a qualitative approach for data collection.

To understand ideas, viewpoints, or experiences, qualitative research involves collecting and evaluating non-numerical data. It can be used to generate fresh research ideas or to gain in-depth understanding of a problem.

Descriptive research involves the thorough examination of the subject being investigated. It is explored by taking a "Review of literature" as a foundation to identify what has previously been studied and what conclusions have been reached. This method is typically used to investigate the characteristics of the subject under study. The Descriptive Method is most frequently observed in research associated with social science, finance, etc. In the research, it aids in understanding the quantitative dimension of the study. It is utilized because the topic is examined solely to grasp the concept and the challenges it encounters.

#### **UNIVERSE**

The universe for the present research study includes HR of Sudeep Pharma Pvt. Ltd. (Nandesari) and Sudeep Nutrition Pvt. Ltd. (Poicha)

#### **SAMPLE AND SAMPLING**

The sample of this study comprises of 10 HR belonging to Sudeep Pharma Pvt. Ltd. (Nandesari) and Sudeep Nutrition Pvt. Ltd. (Poicha)

#### **TOOLS OF DATA COLLECTION**

The data will be analyzed and interpret through Case Study.

#### **Limitations**

- The respondent hesitated to answer certain question.
- The respondent may not disclose the correct information due to fear of higher authority.
- They may not answer incorrectly in the presence of superior authority.

- Time consuming for study is for limited days.

#### **IV. Results And Discussion**

The study on the role of HR policies and practices in building governance provides crucial insights into how HR functions impact transparency, ethical decision-making, and organizational compliance. Data collected from HR professionals at Sudeep Pharma Pvt. Ltd. and Sudeep Nutrition Pvt. Ltd. highlight the importance of structured HR policies in shaping governance frameworks. The key findings illustrate how HR policies enhance workplace ethics, compliance, and overall governance standards.

HR policies serve as a foundation for effective governance by defining clear expectations for employees and management. Findings indicate that organizations with well-defined HR policies experience higher levels of transparency, accountability, and regulatory compliance. Respondents emphasized that HR policies such as recruitment guidelines, performance evaluation systems, and workplace ethics codes ensure fair treatment and prevent governance failures.

Additionally, HR policies provide a structured approach to employee management, ensuring that all decisions regarding hiring, promotions, and terminations are made objectively and without bias. The presence of strong HR policies reduces the likelihood of unethical behaviour, thus strengthening governance structures within organizations.

One of the significant findings of the study is the impact of HR policies on ethical decision-making within organizations. Respondents reported that clearly defined HR policies help employees understand their rights, responsibilities, and expected ethical behaviour. Companies with well-structured HR policies saw a lower incidence of workplace misconduct, such as discrimination, favoritism, and ethical breaches.

Furthermore, training programs and workshops on governance-related policies enhanced employee awareness of corporate ethics. Many organizations implemented code of conduct policies, which explicitly outline expected behaviour, reporting mechanisms for unethical conduct, and disciplinary actions for policy violations. Despite the advantages of HR-driven governance policies, several challenges were identified in their implementation:

1. **Resistance to Change:** Employees and management often resist new HR policies due to fear of additional constraints or workload.
2. **Lack of Awareness:** Many employees are unaware of HR policies and their role in governance, leading to low compliance rates.
3. **Regulatory Complexity:** Organizations find it challenging to keep up with frequently changing labour laws and governance standards, requiring continuous updates to HR policies.
4. **Lack of Training:** Effective implementation of HR policies requires consistent employee training, which is often overlooked.

To address these challenges, organizations must focus on enhanced communication, continuous training, and periodic policy reviews to ensure that HR governance frameworks remain effective and adaptable.

The study also examined the impact of HR policies on organizational efficiency and employee performance. HR professionals highlighted that performance management policies play a crucial role in maintaining employee motivation and productivity. Organizations with clear performance evaluation systems saw higher levels of employee engagement, lower turnover rates, and improved governance transparency.

Additionally, employee benefits and compensation policies were identified as key contributors to employee satisfaction and commitment. Organizations that prioritized fair compensation structures, health benefits, and employee well-being programs experienced higher levels of trust and compliance with governance protocols.

Findings indicate that HR policies are essential in ensuring compliance with local labour laws, industry regulations, and international governance standards. Organizations with well-documented HR policies experienced:

- Reduced legal risks related to unfair employment practices.
- Stronger adherence to workplace safety laws, leading to a decline in legal disputes.
- Improved audit readiness, ensuring compliance with regulatory requirements.

HR teams play a vital role in monitoring legal changes, conducting internal audits, and ensuring employees adhere to corporate governance policies.

#### **V. Conclusion**

The study on the role of HR policies and practices in building governance within organizations underscores their critical importance in fostering transparency, accountability, and ethical conduct. HR policies act as a foundation for defining employee rights, responsibilities, and organizational values, ensuring compliance

with labour laws while promoting fairness and inclusivity. By aligning leadership responsibilities, performance evaluation systems, and decision-making frameworks with organizational values, HR policies contribute significantly to effective governance. Furthermore, diverse HR practices—such as transparent recruitment, performance management, career development, and workplace safety—enhance employee engagement, well-being, and productivity. These practices foster a culture of collaboration, innovation, and accountability, preparing organizations to navigate dynamic business environments. The impact of HR policies extends to improving organizational performance through increased motivation, retention, and employee satisfaction. Policies focused on work life balance, diversity, and inclusion drive loyalty and innovation, while compliance-oriented measures mitigate legal risks and strengthen stakeholder trust. To maximize these benefits, organizations should prioritize regularly updating HR policies, aligning them with evolving laws and business goals, and embedding ethical standards into governance structures. By leveraging HR policies as strategic tools, organizations can build resilient, high-performing workforces while achieving sustainable, long-term success.

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