

EMPLOYEE'S OPINION REGARDING THE EFFECTIVENESS OF HR PRACTICES

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Abstract: An effective human resource management practices namely employee empowerment, training and development, appraisal system compensation are the main factor for the success of a firm on employee retention. In this study, we aim to study how employees regard importance of their empowerment, equity of compensation, job design through training and expectancy toward effective performance management on their retention. Quantitative data was collected using the non probability self administered questionnaire that consist of questions with 5-points Likert scales distributed to our samples of 130 individuals. By using a ANOVA , it is found that, training and development, appraisal system compensation are significant to employee retention except employee empowerment. Base on the results, training, compensation and appraisal is a fundamental consideration for employees' retention decision; while empowerment is less fundamental to employees' consideration as this can be attributed to the Asian culture characteristic of higher authority conformity.

Keywords: Employee Empowerment, Training and Development, Appraisal System, Compensation, Employee Retention.

INTRODUCTION

Many researchers conducted their researches to determine the relationship between Human Resource Management (HRM) practices and Employee Performance in developed countries but few studies have been conducted in developing countries like India. India is considered 'under-researched' in the HRM practices (Aycan *et al.*, 2000). In India, Researchers mainly focused telecom sector, banking sector, public sector but textile industry of India required a great attention to determine the relationship between HRM practices and employee's performance.

This study is conducted to evaluate the relationship between HRM practices and employees performance in the textile sector of India. The most relevant HRM practices (training and development, performance appraisal, career planning system, employee participation, and compensation system) have been selected for the study. Correlation and Regression technique was used to analyze the data.

This research provides information about the active practices of HRM in SMEs and their impact on employee's performance. The results of this research will be helpful for HRM professionals of textile industry to increase the performance of employees by implementing the HRM practices. This study will be helpful in optimizing the abilities of the employees and assigning the tasks accordingly. By implementing the HRM practices, organizations will be able to achieve its goals by making an effective and efficient workforce.

HR PRACTICES

Human Resource department plays an important role to prepare organizations to cope up with the various challenges which organizations may face in expanding their businesses and increasingly competitive sector. As the workforce increases, diversity in workforce also increases and this imposes pressure on the HR managers to reconfigure the HR policies or role of human resources management to deal with employees of different demographics. There are various functions which help organizations to meet their staffing needs and achieve their goals and objectives. All the functions of HRM are associated with the main objectives of HRM.

Effective Utilization of Resources

The objective of human resource management is to make sure that resources of the organization are effectively and optimally utilized. HRM clarifies how to utilize non-human and human resources, so that the objectives of the organization can be accomplished. Organization aims to utilize its resources effectively and efficiently and asks HRM department to formulate essential objectives and policies.

LITERATURE REVIEW

In this perspective; HR functions as employee selection and recruitment, training and development, performance evaluation, compensation management and investigating their relationships between organizational commitments have become very important. Monetary compensation is important but not sufficient to keep employees. Praise, appreciation and positive feedback from managers and peers for a job well done is imperative to generate job satisfaction and commitment. Recognition is considered as a main objective to maintain the feeling of high involvement (Zaitouni, Sawalha & Sharif, 2011). Koys (1988, 1991) found that employees' commitment is related directly to their faith in the intention of the organization's HRM practices to keep skilled employees and treat them fairly. Employee's skill, training, personal development practices including job redesign/enrichment shows positive results in building employee's confidence level as a result of affective commitment (Meyer, Becker & Vandenberghe, 2004). Also attractive benefits package are viewed by employees as a sign that the organization cares and supports its employees, resulting in the development of a strong affective commitment (Meyer & Allen, 1997). From this point, it is possible to say that good HRM practice can improve commitment and efficiency in organizations by motivating employees. The human resource management (HRM) policies and practices has emerged as an important topic in the fields of human resource management, industrial relations, and industrial and organizational psychology. The work on HRM practices and its relationship with employees motivation and job satisfaction argument that the use of High Performance Work Practices, including comprehensive employee recruitment and selection procedures, incentive compensation and performance management systems, and extensive employee involvement and training, can improve the knowledge, skills, and abilities of a firm's current and potential employees, increase their motivation, reduce shirking, and enhance retention of quality employees while encouraging nonperformers to leave the firm (Jones & Wright, 1992; U.S. Department of Labor, 1993). In an organizations or a firms, human resource management (HRM) practices work as mediator between HRM strategy and HRM outcome. Sheppeck and Militello (2000) focus HRM strategy into four groups: employment skill and work policies, supportive environment, performance measurement and reinforcement and market organization whereby Guest (1997) divides in to three categories: differentiated on innovation, focus on quality and cost-reduction. As supported by Lee and Lee (2007) HRM practices on business performance, namely training and development, teamwork, compensation/incentive, HR planning, performance appraisal, and employee security help improve firms' business performance including employee's productivity, product quality and firm's flexibility.

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In general term, Intention to quit is the psychological process that an individual goes through when they are considering alternative employment options due to some measure of dissatisfaction with their current employment situation. The ultimate decision to leave results when job dissatisfaction is at a level sufficient that the employee has reached a decision on the desirability of movement and the perceived ease of movement. There are many potential causes for turnover; sometimes the causes are related to the HR practices of the organization and can be managed. These include such things as non-competitive compensation, high stress, working conditions, monotony, poor supervision, poor fit between the employee and the job, inadequate training, poor communications, and other organization practices (Mushrush, 2002). In order to address these issues, organizational leaders need to be aware of the needs and environmental circumstances surrounding their employees. Management tries to manage employees dissatisfaction by adapting different HR practices like skill development program, establishing effective communication system, incentive and reward policies, work enrichment and so on. Commitment of the organization, to the employee, can be expressed through HR practices and impact on intention to quit or retention. High commitment HR practices that affect employee commitment include: "staffing, developmental appraisal, competitive and equitable compensation, and comprehensive training and development activities" (Whitener, 2001,). Considering the substantial costs associated with turnover, employers need to implement HR practices that reduce turnover as much as possible.

Human Resource Management is concerned with planning, organizing, directing and controlling personnel functions. Elarabi&Johari (2014) described HRM as a process that specializes in securing and increasing skills of individual employees and enhances communication and cooperation between them to support

organizational development. HRM practices have a positive impact on organizational innovation, implementation of business strategies, job performance, financial returns, managing the organizational conflict and a sustainable competitive advantage (Katou&Budhwar, 2010; Caliskan, 2010; Tan &Nasuridin, 2011; Boohene&Asuinura, 2011; Mukhtar&Siengthai, 2011; Atteya, 2012; Krishnan, 2013).

RESEARCH OBJECTIVES

- 1) To study the various HR practices in some selected SMEs in Dehradun.
- 2) To assess the effectiveness of various HR practices.
- 3) To identify the most effective HR practice among various HR practices adopted by SMEs in Dehradun

RESEARCH METHODOLOGY

According to Clifford Woody research may be defined as, “Defining and redefining problems formulating hypothesis or suggested solutions, collecting, organizing and evaluating data, making deductions and reaching conclusions and at last carefully testing the conclusions to determine whether they fit the formulating hypothesis.” Research is the systematic gathering, recording and analyzing of facts and figures for the purpose of drawing conclusions.

Research Methodology is a way to systematically solve the research problem. Research methodology constitute of research method

DATA ANALYSIS

HYPOTHESIS TESTING

HYPOTHESIS 1:

HO1= There is no significant difference between employee perception towards effectiveness of various HR practices across age

HO2= There is significant difference between employee perception towards effectiveness of various HR practices across age

4.3.1 ONE-WAY ANOVA ACROSS AGE WISE CLASSIFICATION**Table 1: One Way Anova Across Age**

		Sum of Squares	df	Mean Square	F	Sig.
Compensation Benefits	Between Groups	13.314	4	3.328	2.890	.025
	Within Groups	143.986	125	1.152		
	Total	157.300	129			
Training & Development	Between Groups	31.105	4	7.776	5.602	.000
	Within Groups	173.518	125	1.388		
	Total	204.623	129			
Opportunities for Personal Growth and Career Development	Between Groups	42.068	4	10.517	12.179	.000
	Within Groups	107.940	125	.864		
	Total	150.008	129			
Performance Appraisal	Between Groups	22.628	4	5.657	9.734	.000
	Within Groups	72.641	125	.581		
	Total	95.269	129			
Grievance Redressal process	Between Groups	30.275	4	7.569	14.668	.000
	Within Groups	64.502	125	.516		
	Total	94.777	129			

INTERPRETATION: ONE WAY ANOVA was carried out to know significant difference between employee perception towards effectiveness of HR practices across age. From the above table, it was found that the value of significance is less than .05 in case of Compensation Benefits, Training and Development, Opportunities of Personal growth and Career Development, Performance Appraisal and grievance Redressal Process across the age of employees. Hence null hypothesis is rejected which implies that there is significant difference between employee perception towards effectiveness of HR practices across different age of employees.

This means Employees of different age groups have different perception towards effectiveness of HR practices.

HYPOTHESIS 2:

HO3= There is no significant difference between employee perception towards effectiveness of various HR practices across gender of respondents.

HO4= There is significant difference between employee perception towards effectiveness of various HR practices across gender of respondents.

Table 2: ONE WAY ANOVA ACROSS GENDER

		Sum of Squares	df	Mean Square	F	Sig.
Compensation Benefits	Between Groups	1.934	1	1.934	1.593	.209
	Within Groups	155.366	128	1.214		
	Total	157.300	129			
Training & Development	Between Groups	7.537	1	7.537	4.895	.029
	Within Groups	197.086	128	1.540		
	Total	204.623	129			
Opportunities for Personal Growth and Career Development	Between Groups	3.689	1	3.689	3.227	.075
	Within Groups	146.319	128	1.143		
	Total	150.008	129			
Performance Appraisal	Between Groups	.414	1	.414	.558	.456
	Within Groups	94.855	128	.741		
	Total	95.269	129			
Grievance Redressal process	Between Groups	.019	1	.019	.026	.873
	Within Groups	94.758	128	.740		
	Total	94.777	129			

INTERPRETATION: ONE WAY ANOVA was carried out to know significant difference between employee perception towards effectiveness of various HR practices across gender. From the above table ,it was found that the value of significance is less than .05 in case of Training and Development across the age of employees. .Hence null hypothesis is rejected which implies that there is significant difference between employee perception towards effectiveness of Training and Development across different age of employees.

Whereas the value of significance is more than .05 in case of Compensation Benefits, ,Opportunities of Personal growth and Career Development, Performance Appraisal and grievance Redressal Process across the gender of employees .Hence null hypothesis is accepted which implies that there is no significant difference between employee perception towards effectiveness of Compensation Benefits, ,Opportunities of Personal growth and Career Development, Performance Appraisal and grievance Redressal Process across different gender of employees.

This means Employees of different gender have same perception towards effectiveness of Compensation Benefits, ,Opportunities of Personal growth and Career Development, Performance Appraisal and grievance Redressal Process across different gender of employees.

CONCLUSION

A high level of effectiveness for each Compensation Benefits, Training and Development, Opportunities of Personal growth and Career Development, Performance Appraisal and grievance Redressal Process has been manifested through the study. Majority of employees perceive that compensation Benefits is the most effective HR policy in SMEs in Dehradun followed by Performance Appraisal, Opportunities for Personal growth and career Development, Grievance Redressal process and Training and Development. From the study, it was found that there is significant difference between employee perception towards effectiveness of HR practices like Compensation Benefits, Training and Development, Opportunities of Personal growth and Career Development, Performance Appraisal and grievance Redressal Process across different age of employees. This means Employees of different age groups have different perception towards effectiveness of HR practices. It was also found that there is significant difference between employee perception towards effectiveness of Training and Development across different gender of employees. Whereas there is no significant difference between employee perception towards effectiveness of Compensation Benefits, Opportunities of Personal growth and Career Development, Performance Appraisal and grievance Redressal Process across different gender of employees. This means Employees of different gender have same perception towards effectiveness of Compensation Benefits, Opportunities of Personal growth and Career Development, Performance Appraisal and grievance Redressal Process across different gender of employees.

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