

Impact of Human Resource Management Practices on Organizational Performance With Reference To Software Industry, Hyderabad

V. Sreecharan, Dr. Venkata Raman. N

Assistant Professor, Management Studies, Madanapalle Institute of Technology & Science,
Madanapalle, India

Abstract: Human Resource Management Practices towards the organizational performance are really significant in private sector industries. Software industry is completely based on intellectual skills of employees when employee feel job satisfaction they deliver good services Thus to sustain within the competition and to achieve advantage over its rivals, it is necessary to focus on Human resource management practices in a significant manner to increase productivity of the employees in order to increase turnover of the company. hence in this current scenario there is a requirement to investigate that how human resources management practices effect on organizational performance in software industry. Therefore, the objective of the study is to identify the impact of human resource management practices on organizational performance. For this study the dependent item is organizational performance and the independent items are select human resource management practices which consist of 5 variable named: recruitment and selection, training and development, performance appraisal, compensation, empowerment. The data was collected from the 160 employees who working in software industry li. The results of the study disclosed that human resource management practices significantly influence on organizational performance in software industry.

Key Words: human resource management practices (recruitment and selection, training and development, performance appraisal, compensation, employee participation, empowerment, communication, and quality of work life), organizational performance. (Organizational performance variables: organizational efficiency, organizational growth, profit, financial liquidity, market share)

I. INTRODUCTION

Managing employees with different policies and systems in the organization will increase organizations overall performance. An organization can be said productive when it has good talented and skilled and satisfied employees. For improving organizational performance hr department of the organization needed to focus on human resource management practices. The basic function of hr department is always identifying employee's requirements and organizational goals this department design human resource policies and procedures. Employee's Positive attitudes towards work directly influence organizational performance. Hence; this study focuses on which types of practices directly influence higher organizational performance in software industry.

II. NEED FOR THE STUDY

Human resource management practices are helping the organization to achieve its vision and mission. If the organization goals achieved at that time we can say its performance is good. To achieve competitive advantage organization required skilled manpower; to make the people skilled and retain them for a long term in the organization various human resources practices are needful. Financial outcomes, Market position and stake holder's values deserved by the practices made by the management. This study focuses on which human resource practices influence organizational performance.

III. REVIEW OF LITERATURE

Anantharaman, R.N. And Abdul Rashid Zabid¹⁰ (1999) carried out a study on 'Human Resource Management Practices: Perceived Organizational and Market Performance', inside the Malaysian furniture enterprise. An overall wide variety of 980 questionnaires were disbursed to all the personnel of the organization. Only 121 responses have been acquired by means of the investigators. Only 85 questionnaires had been observed to be completed and therefore applied for analysis. The Likert-scale changed into used, which tiers from 1 (poor) to 5 (good) for every of the statements inside the questionnaire. The take a look at suggests that perceived organizational performance is undoubtedly related to employment protection, choice in recruiting, statistics sharing, worker participation and empowerment, self-controlled groups, instruction and improvement, cross usage and move training, symbolic, egalitarianism and salary repayment within the case of executives as well as non-executives.

Kandu, Subhash C., Divya Malhan and Pardeep Kumar (2007) conducted a study on 'Human Resource Management Practices in Shipping Companies: A Study.' With the objective to assess the human resource management practices being practiced in shipping companies. Through factor analysis, he found that two factors namely training and performance appraisal and hiring and compensation system emerged as very strong practices prevailing in different shipping companies. These two factors were followed by

factors namely career development. Job analysis and HR planning was moderately practiced in shipping companies. Mean scores indicate that the strongest factor was the training and performance appraisal. Hiring and compensation and career development were again strong human resource dimensions in shipping companies. Job analysis and human resource planning were found as moderate human resource practices. Practices regarding work-force diversity and flexible work system were also prevalent in shipping companies but comparatively not as strong as other human resource dimensions

Mashal(2015) made a study on Pakistan international airlines for the purpose of estimating the impact of firm commitment on employee attrition. In his study he opined that training and development opportunities, learning opportunities, providing freedom in job, employee engagement and employee job satisfaction strongly significant with organizational commitment. Further he opined after executing regression method that there had no association between employee attrition and employee commitment. further he concluded in his studies that which the organization having high committed employees there the employee attrition would be less.

IV. OBJECTIVES OF THE STUDY

- To examine the operational performance of software employees

- To analyze select HR practices in software industry
- To Measure the impact of HR practices on organizational performance in software industry
- To offer suggestion for practices to increase organizational performance in software industry.

Hypothesis:

Ha₁: Human resource management practices have strong correlation with organizational performance.

Methodology of the study

This study is descriptive in nature. Both primary and secondary sources were used to gather data. The survey was conducted on 160 executive level of employees. To gather data convenient sampling techniques was used. The study was confined to software sector only. Percentage method, weighted average methods, correlation and multiple regression techniques were used to calculate data.

Limitations of the study

This study is limited to executive employees in software industry. The sample size used for the study is only 160 employees and the sample size may not represent entire software industry. Most of the employees were hesitate to give genuine information.

V. DATA ANALYSIS

Objective one finding

Table-1 Organizational performance

S.NO	OPTIONS	SA	AG	SWA	DA	SDA	MEAN	%
1	Organizational efficiency	62	58	18	12	10	3.94	73.44
2	Organizational growth	53	56	27	13	11	3.79	69.84
3	Organizational profit	49	66	19	10	16	3.76	69.06
4	Financial liquidity	58	64	15	9	14	3.89	72.34
5	Market share	53	61	16	16	14	3.77	69.22
	Average frequencies of all the items	55	61	19	12	13	3.83	70.78

SA: strongly agree, AG: agree, SWA: Somewhat Agree, DA: Disagree, SDA: Strongly Disagree

Table No-1 shows the statistical data on organizational performance. It can be seen from the table majority (73.44%) of the respondents said organization performance is very efficient majority of the employees said organization is in a position to deliver it services followed by 72.34% of the employees said financial liquidity is good in the organization company is handling all its obligation.69.84% of the respondents said organization is willing to transform its

present state to desired stage with collaboration.69.22% of the employees said organization having great market share in shipping industry.69.06% of the employees said organization is getting good revenues on incremental basis. it is evident from the table the mean score is 3.83 it can be termed as the organizational performance is good.

Human resource management practices

Table -2 Recruitment and selection

S.NO	OPTIONS	SA	AG	SWA	DA	SDA	mean	%
1	Recruitment policy in the organization is satisfactory	52	26	42	19	21	3.43	60.75

2	Recruitment and selection is fair in the organization	56	28	36	18	22	3.49	62.25
3	I feel Right candidate is choosing for right job	51	30	36	17	26	3.39	59.75
	Average frequencies	53	28	38	18	23	3.44	60.91

SA: strongly agree, AG: agree, SWA: Somewhat Agree, DA: Disagree, SDA: Strongly Disagree
 It can be seen from the table 2 of the study recruitment and selection practices under this head 3 items are measured. From the analysis it is evident the organization's recruitment and selection practices are good and the mean score is 3.44.

Table -3 Training and development

S.NO	OPTIONS	SA	AG	SWA	DA	SDA	MEAN	%
1	Organization have provision for training and development	38	49	25	18	30	3.29	57.34
2	Training is giving to all levels of employees on periodical basis	35	50	32	19	24	3.33	58.28
3	I getting technical knowledge and skills form the organization	40	58	27	15	20	3.52	62.97
4	Employee need based training is providing in the organization	39	46	25	10	40	3.21	55.31
5	Organization providing opportunities for career development	47	60	30	10	13	3.74	68.44
	Average frequencies of all the items	40	53	28	14	25	3.42	60.5

SA: strongly agree, AG: agree, SWA: Somewhat Agree, DA: Disagree, SDA: Strongly Disagree
 Table 3 shows the data on training and development practices. Under this head 5 items are measured. From the analysis it is evident that training and development practices are good and the mean score is 3.44. Majority of the employees said they are getting technical knowledge and skills from the training programs. Further they said organization is providing opportunities for career development with mean score of 3.74.

Table -4 Performance appraisal

S.NO	OPTIONS	SA	AG	SWA	DA	SDA	MEAN	%
1	My organization having considerable provisions for performance appraisal	29	63	36	8	24	3.41	60.15
2	Performance appraisal is very transparent in the organization	27	52	39	13	29	3.22	55.46
3	Performance appraisal methods helping to develop my skills	23	50	42	12	33	3.11	52.81
4	We have continuous performance review in the organization	26	56	40	13	25	3.28	57.03
5	MBO Method of appraisal is practicing in the Organization	22	58	43	14	23	3.26	56.56
6	Organization practicing 360 degree appraisal for the employees	23	63	40	6	28	3.29	57.34
	Average frequencies	25	57	40	11	27	3.2625	56.56

SA: strongly agree, AG: agree, SWA: Somewhat Agree, DA: Disagree, SDA: Strongly Disagree

The table 4 shows the opinion of respondents on performance appraisal practices. Under performance appraisal dimension 6 variables has tested. It can be seen from the table 4 majority of the respondents said organization having provisions for performance appraisal but the overall performance appraisal practices in the organization are below 60%.

Table No -5: Compensation

S.NO	OPTIONS	SA	AG	SWA	DA	SDA	MEAN	%
1	My organization is giving Adequate salary	45	49	43	7	16	3.63	65.63

2	My organization is providing statutory benefits	44	42	40	12	22	3.46	61.56
3	Bonus and other non-monetary benefits are giving in organization	44	43	42	11	20	3.50	62.5
4	Retirement benefits are giving in my organization	43	42	43	6	26	3.44	60.94
		44	44	42	9	21	3.51	62.66

SA: strongly agree, AG: agree, SWA: Somewhat Agree, DA: Disagree, SDA: Strongly Disagree

The Table 5 shows the opinion of respondents on bonuses to them. The overall mean score of this dimension is compensation practices. Under this dimension 4 3.51 it can term as 62.66% it means the compensation items have tested. It can be seen from the table 5 majority of the practices in the organization is satisfactory. The respondents said organization is paying adequate salary and

Table no-6 Empowerment

S.NO	OPTIONS	SA	AG	SWA	DA	SDA	TOTAL	MEAN	%
1	My organization is giving autonomy and authority in my work	41	49	40	17	13	160	3.55	63.75
2	My organization is giving full information about my role and feedback	39	51	40	20	10	160	3.56	63.91
3	I have Job enrichment opportunities	32	59	42	19	8	160	3.55	63.75
4	Supervisors giving Counseling	32	57	42	20	9	160	3.52	62.97
	average frequencies	36	54	41	19	10	160	3.54	63.59

SA: Strongly agree, AG: agree, SWA: Somewhat Agree, DA: Disagree, SDA: Strongly Disagree

The Table 6 shows the opinion of respondents on The overall mean score of this dimension is 3.54 it can have empowerment practices. Under this dimension 4 items has termed as 63.59% it means the compensation practices in the tested. It can be seen from the table 6 majority of the organization is satisfactory. The respondents said organization giving empowerment to them.

Objective two findings

Table -7 Cronbach alpha

Variables	Cronbach alpha	No items tested
Recruitment and selection	0.924	3
Training and Development	0.858	5
Performance appraisal	0.879	6
Compensation	0.885	4
Empowerment	0.825	4
Organizational performance	0.889	5
Total	0.8766	27 items

It can be said from the table number 7 that their internal consistency of the all the items are significant and the overall cronbach alpha is 0.8538 it can be said as significant.

Table 8— Analysis of HRM practices in the organization

	RS	TD	PA	COMP	EM
N Valid	160	160	160	160	160
Missing	0	0	0	0	0
Mean	3.4375	3.4313	3.2625	3.5063	3.5438
Std. Deviation	1.41727	1.36728	1.29093	1.30792	1.14840
Skewness	-.408	-.594	-.538	-.612	-.525
Std. Error of Skewness	.192	.192	.192	.192	.192
Kurtosis	-1.101	-.850	-.752	-.604	-.450
Std. Error of Kurtosis	.381	.381	.381	.381	.381

The Table no 8 shows statistical data of all the select hr performance appraisal has recorded low mean score with 3.26. Recruitment selection and training and development practices are somewhat good in the organization compared performance appraisal practices. Hence organization required to focus on all the practices.

From the table it can be seen that in the organization employee empowerment programs are recorded high (3.54) mean score. Followed by Compensation practices mean score is 3.51. it can be seen from the that these two practices are good compared other practices in the organization among these practices

Table -9 Correlations

		RS	TD	PA	COMP	EM	OP
RS	Pearson Correlation	1	.902**	.384**	.857**	.831**	.942**
	Sig. (2-tailed)		.000	.000	.000	.000	.000
	N	160	160	160	160	160	160
TD	Pearson Correlation	.902**	1	.452**	.785**	.739**	.923**
	Sig. (2-tailed)	.000		.000	.000	.000	.000
	N	160	160	160	160	160	160
PA	Pearson Correlation	.384**	.452**	1	.386**	.251**	.458**
	Sig. (2-tailed)	.000	.000		.000	.001	.000
	N	160	160	160	160	160	160
COMP	Pearson Correlation	.857**	.785**	.386**	1	.812**	.886**
	Sig. (2-tailed)	.000	.000	.000		.000	.000
	N	160	160	160	160	160	160
EM	Pearson Correlation	.831**	.739**	.251**	.812**	1	.833**
	Sig. (2-tailed)	.000	.000	.001	.000		.000
	N	160	160	160	160	160	160
OP	Pearson Correlation	.942**	.923**	.458**	.886**	.833**	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	
	N	160	160	160	160	160	160

** . Correlation is significant at the 0.01 level (2-tailed).

From the table 9 of Pearson correlation matrix it can be said that all the items were correlated significantly with each other. Human resource management practices are significant with organizational performance. Among these variables recruitment and selection, training and development compensation and empowerment significantly correlated which mean all the hypotheses correlated with organizational performance appraisal variable is less significantly correlated with organizational performance. Hence Above said hypothesis is accepted.

10 .a Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.971 ^a	.943	.941	.29550

a. Predictors: (Constant), EM, PA, TD, COMP, RS

b. Dependent Variable: OP

10.b ANOVA^b

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	220.996	5	44.199	506.167	.000 ^a
	Residual	13.448	154	.087		
	Total	234.444	159			

a. Predictors: (Constant), EM, PA, TD, COMP, RS

b. Dependent Variable: OP

10.c Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.484	.090		5.382	.000
	RS	.272	.050	.317	5.482	.000
	TD	.310	.041	.349	7.527	.000
	PA	.060	.021	.064	2.871	.005
	COMP	.206	.038	.222	5.459	.000
	EM	.122	.040	.116	3.073	.003

a. Dependent Variable: OP

According to the table 10.(a) the R value 0.971, which indicating that there is a strong relation between HRM practices and organizational performance and all the results derived from multiple regressions. The table 10. (b) shows that the f-value 506.167 which indicate highly significant between the variables. In the table10. (c)co-efficient justify the massive importance of HRM practices on organizational performance. Further in this table it can be seen that training and development (t-value 7.527), recruitment selection (t-value 5.482) and compensation (t-value54.59) are the most important predictors of organizational performance.

VI. CONCLUSION

To increase organizational performance Administrative practices were most important for reducing employees withdrawn from the origination because these practices directly impact on employee's behavior. The study was focused mainly to find out the impact of HRD practices on organizational performance. It can be concluded from the study that HRD practices significantly impact on organizational performance. In order to increase performance of the organization the managers will have to concentrate on HRD practices which have a significant impact on organizational performance.

Suggestions

- Multiple Training should be given by the organization
- Continuous performance appraisal is required in the organization to all level of employees about new policies and procedures.

- Hr practices audit is very important in the organization.
- Hr mechanism climate necessary in the organization.
- Emotional stability should take into considerations while selecting employees.
- Superiors should provide empowerment to the employees
- Exit interviews are very important to understand the problems in the organization.
- Organization should provide retirement benefits to their employees.

VII. REFERENCES

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