Chapter V

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5.1 FINDINGS

HR practices are considered as a bridge between employee behavior and organizational effectiveness. And it is understood that employees actively manage the exchange relationship by the psychological contract which is important and is being acknowledged by them.

The relationship between the HR practices and employee satisfaction and employee performance is established beyond doubts through psychological contract. The summary of conclusions from this study is as follows

- 72.1% of the employees are males and only 27.9% of the employees are females. This shows that the organization prefers to employ more males than females as a general policy.

- 9.8% of the employees are in the age group of below 30 years, 53.6% of them are in the age group of 31 - 40 years. 27.1% of them are in the age group of 41 – 50 years, while the lowest proportion of respondents of 9.5% fall in the age group of above 50 years.

- 89.3% of the employees are married and only 10.7% are unmarried. Thus majority of the employees are married.

- 32.4% of the employees are diploma holders, 31.9% are graduates, 17.9% are post graduates and 17.9% are professionals.
• 19% work in Ambattur, 16.7% in Madhavaram, 9.5% in Sholinganallur, 7.1% in Product dairy, and a majority of them, i.e., 47.6% work in the Marketing wing.

• 16% are in the production department. 12.6% are attached to the quality assurance department, 21.9% are from the maintenance department, 7.4% are from the transport department. 14% belong to the marketing department and 28.1% are from the administrative department.

• 21% are belonging to Junior level of management, 55.7% belong to the middle level and the remaining 23.3% belong to the senior managerial level.

• 17.1% are drawing an annual salary of below Rs. 4 lakhs. 45.5% are drawing a salary of Rs. 4 - 6 lakhs, 20.2% are drawing a salary of Rs. 6-8 lakhs and the remaining draw more than Rs. 8 lakh per annum.

• 12.6% are in the experience bracket of less than 10 years, 18.8% in the bracket of 10 – 15 years, 18.1% in the bracket of 15 – 20 years and 17.2% are in the bracket of 20 - 25 years of experience. However, the remaining 33.3% have more than 25 years of experience.

• Employee’s career aspirations within the organization are known by his/ her immediate superior has a mean score of 4.10, individual and organization growth needs are matched in this organization has a mean score of 3.98, work culture is conducive to work has a mean score of 3.88,

• The selection systems followed in our organization are highly scientific and rigorous and working environment is liked by all both have a mean score of 3.83 respectively. This is followed by employees are satisfied with the top management with a mean score of 3.804.
• 25.5% of the employees feel the level of HR practices adopted by the organization to be high. 50% feel the same to be moderate. The remaining 24.5% feel the same to be low.

• Only 26.2% of the employees feel the employee satisfaction level to be high, 47.8% feel it to be moderate and the remaining 26% feel the same to be low.

• Only 22.1% of the employees feel the employee performance is high, 51.9% feel it to be moderate and the remaining 26% feel the same to be low. Working conditions has the highest mean score of 38.50 followed by functional and QMS training with a mean score of 30.42, followed by the impact of ISO certification with a mean score of 26.37.

• The lowest is scored by job description with a mean score of 18.50, interpersonal relations with a mean score of 19.08 followed by employee satisfaction with a mean score of 19.80.

• Based on mean score, male employees have a better score on all the variables.

• Based on mean score, married employees have a better score on all the nine variables.

• With age advancement there is higher level of agreement as indicated by the employees.

• Professionals and post graduate have indicated a higher level of agreement on all the ten variables

• Employees at the higher managerial positions have opined a more positive opinion.

• There is association between gender and level of agreement with respect to HR. practices.
• There is association between age and level of agreement with respect to HR practices.

• There is no association between marital status and level of agreement with respect to HR practices.

• There is association between educational qualification and level of agreement with respect to HR practices.

• There is no association between location of dairy and level of agreement with respect to HR practices.

• There is no association between departments and level of agreement with respect to HR practices.

• There is no association between designation and level of agreement with respect to HR practices.

• There is association between annual income and level of agreement with respect to HR practices.

• There is association between gender and level of employee satisfaction.

• There is association between age and level of employee satisfaction.

• There is association between educational qualification and level of employee satisfaction.

• There is association between marital status age and level of employee satisfaction.

• There is no association between location of dairy and level of employee satisfaction.
• There is no association between departments and level of employee satisfaction.

• There is association between designation and level of employee satisfaction.

• There is association between annual income and level of employee satisfaction.

• There is association between experience and level of employee satisfaction.

• There is association between gender and level of employee performance.

• There is no association between age and level of employee performance.

• There is association between marital status age and level of employee performance.

• There is association between educational qualification and level of employee performance.

• There is no association between location of dairy and level of employee performance.

• There is no association between departments and level of employee performance.

• There is no association between designation and level of employee satisfaction.

• There is association between annual income and level of employee performance.

• There is association between experience and level of employee performance.

• There is association between level of HR practices and level of employee satisfaction.
There is association between HR practices and employee performance.

There is association between employee satisfaction and employee performance.

There is significant difference in ranks for the variables of HR practices selection (4.62), job description (3.43), working conditions (4.70), interpersonal relations (3.740), performance appraisal (3.57), functional and QMS training (3.61) and career management (4.33). Working conditions and selection process are therefore of utmost importance for employees.

There is significant difference in ranks for the variables of ISO certification with ISO certification has helped in improving status of the organization in the minds of its employees (3.92), ISO certification has had positive impact on the profitability of the organization (4.35), ISO certification has helped employees improve their efficiency and effectiveness (4.39), documentation & follow up in operation helped org to maintain consistency in activities (5.08), internal quality audits helped for continuous improvements in the organization (4.46), ISO certification has helped in implementing a systematic approach to work (4.89), ISO certification process has helped to up keep the moral of employees by housekeeping (5s) (4.69) and ISO QMS activity has helping for the optimum utilization of resources (4.23).

There is significant difference in ranks for the variables of employee performance with employee performance is given due importance (4.41), employee performance is duly rewarded (3.41), organization always identifies ways of improving performance of employees (5.33), the company has in place sufficient resources for effective employee performance (3.56), employee performance is given due important with respect to career
management (4.16), employee performance is given due importance with respect to employee compensation (3.13) and the organization is able to maximize employee potential (4.00). It can be seen that organization always identifies ways of improving performance of employees is the utmost important factor for employee performance.

- There is moderate level of positive correlation between the various variables of HR practices.
- There is moderate level of positive correlation between factors of employee satisfaction, impact of ISO certification and HR variables
- There is moderate level of positive correlation between factors of employee satisfaction, impact of ISO certification and employee performance
- There is no significant difference in the opinion of employees with respect to the most of the independent variables.
- There is no significant difference in the opinion of employees with respect to the most of the independent variables.
- With respect to SEM, the GFI (goodness of fit index) value and AGFI (adjusted goodness of fit index) value is greater than 0.9 which represent it is a good fit. The calculated CFI (comparative fit index) value is 0.949 which means that there is an almost perfect fit and also it is found that RMR (root mean square residuals) and RMSEA (root mean square error of approximation) value is 0.058 which is less than 0.10 which indicated it is perfectly fit.
5.2 SUGGESTIONS

The intended HR practices used were described based on employees career aspiration, stress management as it is a key for a smooth lifestyle and health and hygiene aspects as it speaks on the care taken on the employees. These HR practices also have implications on the psychological contract developed which drives the employees to be more committed and loyal.

Committed employees are an asset to the organization. They will work together, will be focused; career oriented and will be bothered about the organisation’s growth. They are the ones who have clarity of the goal of the organization and have a willingness to put effort irrespective of other factors that hinders growth. These employees will maintain the core value and integrity and will satisfy the stakeholders and will always be productive employees. Committed and loyal employees are created when the employees have a sense of employee care. This study has given valuable recommendations to implement the HR practices that can influence a positive psychological contract towards employee commitment and employee loyalty. The following recommendations are based on the suggestions given by the employees during on the HR practices considered for the study.

Career Development Practices

- HR practices that are developed by the organization influence the employee more than other practices as it is the stepping stone for the individual’s growth. Employee should be supported and helped to grow professionally. The employees expect more opportunities to grow with broad minded work culture as well as the knowledge on narrow field. Employees when they are entrusted with more responsibilities, with well-defined career programs and the structured growth plan give stability and sustainability with the human
resource in the organization. Career planning should be followed by career development and employees need to be assessed for their potential. Challenging and achievable goals should be given. When employees realize that their contribution has significant impact over the decisions taken by the management then employee commitment and employee loyalty can be achieved through psychological contract.

**Stress Management Practices**

- There is no one simple measure that can be used to identify the risk of stress. Information from; sickness absence data, grievances, staff turnover, and workplace satisfaction survey results may provide guidance. The issue of work-related stress should be raised and discussed, as circumstances require, or at the time of the annual performance review and planning interview. Team building reduces stress. Better engagement activities can be a stress reliever. The risk of individuals not coping is minimized where there is; mutual trust, promotion of self-esteem, shared objectives and common goals. There is a shared management and employee responsibility for dealing with stress. Employee gets confidence about the care given by the organization when their statutory needs are being taken care. Every employee long for a good working environment, better communication, regular recreational activities, counseling, neat and distributed work allotment organizational contribution towards home and work interface, organizational scheduling on physical exercise etc. Stress Management practices leads to employee care, employee commitment and employee loyalty. When the company has greater stress management practice, higher is the employee care, higher is the employee commitment and higher is the employee loyalty.
Health and hygiene Practices

- Employee Health and Wellbeing plays a significant role in the success of your business. For the purpose of formulating appropriate health policy, it is important to know the channels through which work affects health. Understanding these links will aid employers and policy-makers in designing and improving workplaces to create a working environment that promotes good health and hygiene. Employees have shown their expectation on the compensation provided for the health risk in order to have a security in their lifestyle. Each employees in these days opt for healthy food good recreation extracurricular activities encouragement for both indoor and outdoor games creating balance in work using fun, enough rest, offering fitness center in the premises, employees expect 8 hrs. / 5 days a week to maintain good health. Organisation should concentrate on the hygiene in the infrastructure provided to the employees and all necessary statutory norms being followed for a healthy and hygienic environment. Health and Hygiene practices leads to employee care, employee commitment and employee loyalty. Higher the Health and hygiene practices in the organization then higher is the employee care, higher is the employee commitment and higher is the employee loyalty. Implications on the health and hygiene aspect can affect the employee individually and can result in major down fall in the organizational growth.
5.3 CONCLUSION

Organisations strive hard to keep employees happy as a family so that their contribution is valuable through openness and through HR practices which are now termed best practices. All the “best” which are being implemented should be tested to develop a positive psychological contract with the organizations, which can retain the employee and protect the interest of the employees and also the organization.

This is highlighted in the opening note to find the linkage with the employee and the organization. Research suggests that HR practitioners do not generally focus their full attention on making a comprehensive study on the positive or negative impact of various HR Practices undertaken by their organisation on employee satisfaction or employee performance. Hence it is humbly believed that this study would provide sufficient evidence to highlight the role played by HR Practices in improving employee satisfaction and thereby employee performance. Also this study is considered to be unique as it has taken into consideration the impact of ISO certification on the work performance by the employees. It is heartening to note that this aspect too has a positive role to play on employee performance as it enhances their skill sets and focuses on quality aspects in every sphere of work undertaken by them.
5.4 SCOPE FOR FURTHER STUDY

The study had a good fortune to focus on contemporary HR practices which are well known. By validating their importance and its contributions leading to the psychological contract it has proved the importance to develop employee commitment and employee loyalty.

While this study makes a number of contributions, it also has a number of limitations. The major limitations of this study revolve around sampling issues as the small sample size reported here may have affected the current results. Even though the findings might have indicated certain results, these findings cannot be construed as an independent model to ensure relationship of the HR practices with that of the psychological contract.

Nonetheless, this model has provided insight into possible reasons for their connectivity to employee commitment and employee loyalty. In addition to that, the study focused on opinion of the employees on the psychological contract and HR practices as reported by the employees. Hence, it is subject to common source and common method bias. Future research should include other workplace dimensions such as talent acquisition/management and managerial practices which can contribute to employee commitment and employee loyalty. Furthermore, the research has not included other moderator effect of contextual variables such as the relationship between other HR practices. Comparative studies across professions, cultures, and industries are needed in order to truly understand the many constructs included in this study. A final direction for future research is to consider various other HR practices in the context of the psychological contract. A different model with various other HR practices and its implication can be tested and such a model may give a different relationship with the HR practice descriptions written or used.