Chapter V

Summary & Conclusions
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SUMMARY AND CONCLUSIONS

5.1 INTRODUCTION

The impact of Human Resource (HR) practices on the organization and its effectiveness is an important topic both from an academic and practitioner perspective as it addresses the “value-added” by human resources and the HR function. Much of the work on the impact of HR practices on the organization has been conducted at the macro level, studying the relationship between HR practices and firm performance.

As recently as two decades ago, human resource management (HRM) research took a macro approach to studying HR practices (Dyer, 1984; Schuler & Jackson, 1987a). This shift resulted from researcher’s desire to demonstrate the importance of HR practices for organizational performance and outcomes. While early HR research has focused on HR practices and employee outcomes, the macro approach shifted the focus to organizational level practices and organizational outcomes. As a result, two streams of macro research evolved in the field of human resources management.

The first stream focuses on substantiating the relationship between business strategy and HR initiatives of the firm. The second studies the link between human resource practices and organizational outcomes such as performance. The alignment of HR practices with the business strategy resulted in a branch of HRM evolving into strategic human resources management (SHRM).

The study tested the association between HR practices and POS and also the relationship of HR practices on employee attitudinal and behavioral outcomes in ITES companies. The study results provide considerable support for most of the study hypothesis.

The HR practices like training, development, pay for performance, performance management, selection, promotion and decision making along with perceived organization support has been used to study the impact of attitudinal and behavioural outcomes of the employees in the ITES companies.
5.2 STATEMENT OF THE ROBLEM
The problem selected for the study is, “A study on the impact of HR Practices on employee attitudinal and behavioral outcomes- Role of POS in ITES Sector in Chennai”

5.3 SCOPE OF THE STUDY
The study is intended to study the impact of HR practices on employee attitudinal and behavioural outcomes in ITES companies. The dependent variable studied are attitudinal and behavioral outcomes and the independent variables are HR practices such as training and developmental opportunities, pay for performance, performance management practices, selection, promotion, career development and decision making. The study is confined to the ITES companies situated in Chennai city.

5.4 OBJECTIVES OF THE STUDY
1. To find out the association between HR practices and perceived Organizational Support.
2. To investigate the impact of HR practices on Affective commitment with POS as moderating variable.
3. To investigate the impact of HR practices on Behavioral outcomes with POS as moderating variable.
4. To study the influence of HR practices, POS and demographic variables Gender, Job experience on Attitudinal and Behavioral outcomes of employees.

5.5 FINDINGS
5.5.1 Frequency Analysis
1. Majority (43.1%) of the respondents agree with the statement that the company has provided them on the job training which enables them to do their job better.
2. Majority (51.4%) of the respondents disagree with the statement that the company has provided very little training.
3. Majority (45.8%) of the respondents disagree with the statement that training functions emphasizes the development of managerial competencies.
4. Majority (49.3%) of the respondents disagree with the statement that adequate time was provided for employees returning from training to reflect and plan improvements.
5. Majority (49.8%) of the respondents disagree with the statement that employees were sponsored for training programs on the basis of genuine training needs.

6. Majority (41.8%) of the respondents disagree with the statement that employees were able to acquire additional job training program when they need.

7. Majority (39.5%) of the respondents disagree with the statement that rewards were given for the extra effort.

8. Majority (56.9%) of the respondents disagree with the statement they had frequent discussion with the manager for their performance.

9. Majority (61.3%) of the respondents disagree with the statement they discuss about their goals and objectives often with their manager.

10. Majority (54.3%) of the respondents disagree with the statement that company emphasize on hiring quickly than selecting the right person for the job.

11. Majority (54.5%) of the respondents disagree with the statement that company takes long time to hire the right person.

12. Majority (59.8%) of the respondents disagree with the statement interview process is lengthy.

13. Majority (46.2%) of the respondents disagree with the statement that there were good opportunity for career advancement.

14. Majority (51.7%) of the respondents disagree with the statement that company’s help to seek out career information and resources.

15. Majority (68.7%) of the respondents disagree with the statement that company shows very little concern.

16. Majority (68.7%) of the respondents disagree with the statement that even if they did the best job possible, the management fail to notice.

17. Majority (60.7%) of the respondents disagree with the statement that they often think about quitting the job.

18. Majority (60.9%) of the respondents disagree with the statement that they actively look for the job outside the company.

19. Majority (63.2%) of the respondents disagree with the statement that as soon as they find a better job they will leave the organization.

20. Majority (60.5%) of the respondents disagree with the statement that their job is not secure.
21. Majority (45.3%) of the respondents disagree with the statement that their subordinates engage in activities that will directly affect their performance evaluation.

22. Majority (50.6%) of the respondents disagree with the statement that employees neglect the job obligated to do.

23. Majority (59.3%) of the respondents disagree with the statement that employees fail to perform essential duties.

24. 59.3% of the employees are male and remaining 40.7% of the employees are female.

25. Majority (70.7%) of the respondents are having 2-3 years of experience. 21.8% of the respondents are having 1-2 years of experience.

26. Majority (57.8%) of the respondents completed their PG degree and the remaining 42.2% of the respondents completed their UG degree.

5.5.2 Factor Analysis

27. The questions of training opportunity dimension has loaded into 4 factors. The questions that load highly on factor 1 relate to training programs in the organization, the researcher has labeled this factor as availability of training programs, the questions that load highly on factor 2 relate to benefits of training programs, the researcher has labeled this factor as training program benefits, the questions that load highly on factor 3 relate to training needs, the researcher has labeled this factor as training needs, the questions that load highly on factor 4 relate to investment in training programs, the researcher label this factor as training investment.

28. The questions of developmental opportunities dimension has loaded into a single factor. The questions that load highly on factor 1 relate to developmental opportunities in the organization, the researcher has labeled this factor as development opportunities.

29. The questions of pay for performance dimension has loaded into 2 factors. The questions that load highly on factor 1 relate to pay for performance in the organization, the researcher has labeled this factor as performance pay, the questions that load highly on factor 2 relate to rewards, the researcher has labeled this factor as rewards.
30. The questions of performance management practices dimension has loaded into 3 factors. The questions that load highly on factor 1 relate to Performance appraisal in the organization, the researcher has labeled this factor as performance appraisal, the questions that load highly on factor 2 relate to Performance measure, the researcher has labeled this factor as performance measure, the questions that load highly on factor 3 relate to Performance evaluation and opportunity, the researcher has labeled this factor as performance opportunity.

31. The questions of selection practices dimension has loaded into 2 factors. The questions that load highly on factor 1 relate to hiring the right person in the organization, the researcher has labeled this factor as hiring right person, the questions that load highly on factor 2 relate to interview process time, the researcher has labeled this factor as interview process time.

32. The questions of promotion and career development dimension has loaded into a single factor. The questions that loaded highly on factor 1 relate to promotion and career development in the organization, the researcher has labeled this factor as promotion and career development.

33. The questions of decision making dimension has loaded into a single factor. The questions that load highly on factor 1 relate to Decision making in the organization, the researcher has labeled this factor as decision making.

34. The questions of perceived organization support dimension has loaded into a 3 factors. The questions that load highly on factor 1 relate to management’s care about employees in the organization, the researcher has labeled this factor as organization care, the questions that load highly on factor 2 relate to management’s help to the completion of work, the researcher has labeled this factor as organization help, the questions that load highly on factor 3 relate to management’s concern, the researcher has labeled this factor as organization distress.

5.5.3 Chi-Square Analysis

35. There is an association between Training practices and Perceived organizational support.

36. There is an association between developmental practices and Perceived organizational support.
37. There is an association between Pay for performance practices and Perceived organizational support.

38. There is an association between Performance management practices and Perceived organizational support.

39. There is an association between Selection practices and Perceived organizational support.

40. There is an association between Promotion and career development practices and Perceived organizational support.

41. There is an association between Decision making practices and Perceived organizational support.

5.5.4 Multiple Regression Analysis

42. Job Experience and Gender has a positive relationship and do not determine Affective Commitment significantly. Hence null hypothesis is accepted and alternate hypothesis is rejected. It means that Job experience and Gender together does not increases or decreases the Affective Commitment of ITES employees.

43. Job experience, Gender and POS has a positive relationship and determine Affective Commitment significantly. Hence null hypothesis is rejected and alternate hypothesis is accepted. It means that Job experience, Gender and POS together increases or decreases Affective Commitment of ITES employees. POS shows 29.2% variance in Affective Commitment.

44. Job experience, Gender, HR practices and POS has a positive relationship and determine Affective Commitment significantly. Hence null hypothesis is rejected and alternate hypothesis is accepted. It means that Job experience, Gender, HR practices and POS together increases or decreases OCB of ITES employees. HR practices and POS shows 45.8% variance in affective commitment.

45. Summary of Multiple regression analysis on affective commitment: It is found that the influence of POS and demographic variables on affective commitment is 29.2% when compared to the influence of HR practices on affective commitment is 16.6%. Here a small increase in HR practices will have a proportionate increase on POS, which will influence the affective commitment of the employees in the organization.
46. The impact of POS on Affective Commitment is found to be positive (0.544) and significant at 0.01 level of significance. Hence the null hypothesis is rejected and alternate hypothesis is accepted. It means that POS has influence on Affective Commitment of ITES employees.

47. The impact of Training practices on Affective Commitment is found to be positive (0.284) and significant at 0.01 level of significance. Hence the null hypothesis is rejected and alternate hypothesis is accepted. It means that Training has influence on Affective Commitment of ITES employees.

48. The impact Pay for performance practices on Affective Commitment is found to be negative (-0.166) and significant at 0.05 level of significance. Hence the null hypothesis is rejected and alternate hypothesis is accepted. It means that Pay for performance practices has influence on Affective Commitment of ITES employees.

49. The impact Performance management practices on Affective Commitment is found to be positive (0.175) and significant at 0.05 level of significance. Hence the null hypothesis is rejected and alternate hypothesis is accepted. It means that Performance management practices has influence on Affective Commitment of ITES employees.

50. The impact Promotional practices on Affective Commitment is found to be negative (-0.124) and significant at 0.05 level of significance. Hence the null hypothesis is rejected and alternate hypothesis is accepted. It means that Promotion practices has influence on Affective Commitment of ITES employees.

51. Job Experience and Gender has positive relationship and do not determine OCB significantly. Hence null hypothesis is accepted and alternate hypothesis is rejected. It means that Job experience and Gender together does not increases or decreases the OCB of ITES employees.

52. Job experience, Gender and POS has a positive relationship and determine OCB significantly. Hence null hypothesis is rejected and alternate hypothesis is accepted. It means that Job experience, Gender and POS together increases or decreases OCB of ITES employees. POS shows 3.2% variance in OCB.

53. Job experience, Gender, HR practices and POS has a positive relationship and determine OCB significantly. Hence null hypothesis is rejected and alternate hypothesis is accepted. It means that Job experience, Gender, HR practices and
POS together increases or decreases OCB of ITES employees. HR practices and POS shows 39.1% variance in OCB. Here the R squared change from the previous model is 0.359, which shows that the role of HR practices in determining the OCB of ITES employees is strong.

Summary of multiple regression analysis on OCB: It is found that the influence of POS and demographic variables on OCB is 3.2% and the influence of HR practices on OCB is 35.9%. Here, the influence of POS is minimum.

The impact of Job experience on OCB is found to be negative (-0.624) and significant at 0.01 level of significance. Hence the null hypothesis is rejected and alternate hypothesis is accepted. It means that Job experience has influence on OCB of ITES employees.

The impact of POS on OCB is found to be negative (-0.375) and significant at 0.01 level of significance. Hence the null hypothesis is rejected and alternate hypothesis is accepted. It means that POS has influence on OCB of ITES employees.

The impact of Training practices on OCB is found to be positive (0.11) and significant at 0.01 level of significance. Hence the null hypothesis is rejected and alternate hypothesis is accepted. It means that Training has influence on OCB of ITES employees.

The impact of Development practices on OCB is found to be positive (0.44) and significant at 0.01 level of significance. Hence the null hypothesis is rejected and alternate hypothesis is accepted. It means that Development practices has influence on OCB of ITES employees.

The impact Pay for performance practices on OCB is found to be negative (-0.261) and significant at 0.01 level of significance. Hence the null hypothesis is rejected and alternate hypothesis is accepted. It means that Pay for performance practices has influence on OCB of ITES employees.

The impact Performance management practices on OCB is found to be positive (0.161) and significant at 0.05 level of significance. Hence the null hypothesis is rejected and alternate hypothesis is accepted. It means that Performance management practices has influence on OCB of ITES employees.

The impact Promotion practices on OCB is found to be positive (0.306) and significant at 0.01 level of significance. Hence the null hypothesis is rejected
and alternate hypothesis is accepted. It means that Promotion practices has influence on OCB of ITES employees.

62. Demographic variables Job Experience and Gender has a positive relationship and do not determine performance significantly. Hence null hypothesis is accepted and alternate hypothesis is rejected. It means that Job experience and Gender together does not increases or decreases the performance of ITES employees.

63. Job experience, Gender and POS has a positive relationship and determine performance significantly. Hence null hypothesis is rejected and alternate hypothesis is accepted. It means that Job experience, Gender and POS together increases or decreases the performance of ITES employees. POS shows 8.1% variance in performance.

64. Job experience, Gender, POS and HR practices has a positive relationship and determine performance significantly. Hence null hypothesis is rejected and alternate hypothesis is accepted. It means that Job experience, Gender, POS and HR practices together increases or decreases the performance of ITES employees. HR practices shows 34.4% variance in performance. Here the R squared change from the previous model is 0.263, which shows that the role of HR practices in determining the performance of ITES employees is strong.

65. Summary of Multiple Regression on Performance: It is found that the influence of POS and demographic variables on performance is found to be 8.1% and the influence of HR practices on performance is found to be 26.3%. Here an increase in HR practices will considerably have an increase in POS, which will improve the performance of employees.

66. The impact of Gender on performance is found to be positive(0.178) and significant at 0.01 level of significance. Hence the null hypothesis is rejected and alternate hypothesis is accepted. It means that Gender has influence on the performance of ITES employees.

67. The impact of Development practices is found to be positive(0.308) and significant at 0.01 level of significance. Hence the null hypothesis is rejected and alternate hypothesis is accepted. It means that Development practices has influence on the performance of ITES employees.

68. The impact Promotional practices on performance is found to be positive (0.334) and significant at 0.05 level of significance. Hence the null hypothesis is
rejected and alternate hypothesis is accepted. It means that Promotion practices has influence on the performance of ITES employees.

69. The impact of POS, Training, Pay for performance, Performance management are not significant at 0.01 level of significance. Hence for all these variables null hypothesis is accepted and alternate hypothesis is rejected.

5.5.5 Path Analysis

70. HR practices of the organization determines the POS at 0.01 level of significance. Hence the null hypothesis is rejected and alternate hypothesis is accepted.

71. Gender determines the POS at 0.05 level of significance. Hence the null hypothesis is rejected and alternate hypothesis is accepted.

72. The HR practices of the organization determines the Affective commitment at 0.01 level of significance. Hence the null hypothesis is rejected and alternate hypothesis is accepted.

73. POS determines the Affective commitment at 0.01 level of significance. Hence the null hypothesis is rejected and alternate hypothesis is accepted.

74. Gender determines the Affective commitment at 0.05 level of significance. Hence the null hypothesis is rejected and alternate hypothesis is accepted.

75. POS determines the OCB at 0.01 level of significance. Hence the null hypothesis is rejected and alternate hypothesis is accepted.

76. HR practices determines the OCB at 0.01 level of significance. Hence the null hypothesis is rejected and alternate hypothesis is accepted.

77. The Affective commitment determines the OCB at 0.05 level of significance. Hence the null hypothesis is rejected and alternate hypothesis is accepted.

78. POS determines the Performance at 0.01 level of significance. Hence the null hypothesis is rejected and alternate hypothesis is accepted.

79. OCB determines the Performance at 0.01 level of significance. Hence the null hypothesis is rejected and alternate hypothesis is accepted.

80. Gender determines the Performance at 0.05 level of significance. Hence the null hypothesis is rejected and alternate hypothesis is accepted.

81. The Job experience determines the Performance at 0.05 level of significance. Hence the null hypothesis is rejected and alternate hypothesis is accepted.
82. There is a positive relationship between HR practices and POS at 0.01 level of significance. The HR practices shows a variance of 66% on POS. Here the null hypothesis is rejected and alternate hypothesis is accepted.

83. There is a negative relationship between the demographic variable Gender and POS at 0.05 level of significance. The demographic variable Gender shows a negative variance of 7.4% on POS. Here the null hypothesis is rejected and alternate hypothesis is accepted.

84. There is a positive relationship between HR practices and affective commitment at 0.01 level of significance. The HR practices shows a variance of 49.6% on affective commitment. Here the null hypothesis is rejected and alternate hypothesis is accepted.

85. There is a positive relationship between POS and affective commitment at 0.01 level of significance. The POS shows a variance of 21.5% on affective commitment. Here the null hypothesis is rejected and alternate hypothesis is accepted.

86. There is a positive relationship between the demographic variable Gender and affective commitment at 0.05 level of significance. The demographic variable Gender shows a variance of 8.6% on affective commitment. Here the null hypothesis is rejected and alternate hypothesis is accepted.

87. There is a negative relationship between POS and OCB at 0.01 level of significance. The POS shows a negative variance of 34.4% on OCB. Here the null hypothesis is rejected and alternate hypothesis is accepted.

88. There is a positive relationship between HR practices and OCB at 0.01 level of significance. The HR practices shows a variance of 64% on OCB. Here the null hypothesis is rejected and alternate hypothesis is accepted.

89. There is a positive relationship between Affective commitment and OCB at 0.05 level of significance. The Affective commitment shows a variance of 13.1% on OCB. Here the null hypothesis is rejected and alternate hypothesis is accepted.

90. There is a positive relationship between POS and performance at 0.01 level of significance. The POS shows a variance of 17.4% on performance. Here the null hypothesis is rejected and alternate hypothesis is accepted.
There is a positive relationship between OCB and performance at 0.01 level of significance. The POS shows a variance of 68.9% on performance. Here the null hypothesis is rejected and alternate hypothesis is accepted.

There is a positive relationship between OCB and performance at 0.05 level of significance. The POS shows a variance of 10.6% on performance. Here the null hypothesis is rejected and alternate hypothesis is accepted.

From the path analysis, it is found that the HR practices, gender is influencing POS and Affective commitment. The HR practices alone influences OCB and demographic variables gender and job experience alone influences performance, but HR practices influences POS which in turn influences affective commitment, OCB and performance.

From the path analysis, the influence of HR practices on affective commitment and OCB is found to be 49.6% and 64% respectively. The influence of HR practices to POS is found to be 66%, which in turn influence the affective commitment by 21.5% and OCB by 13.1%.

SUGGESTIONS

1. From the descriptive analysis, the researcher suggest that, the companies can provide training programs to improve managerial competencies, more time to be provided for employees returning from training to reflect and plan improvements. The companies may reward employees for their extra effort in work. Timely reward and appreciation are the ways to motivate the employees for better performance. Employees of ITES companies can have frequent discussions about their goals, objectives and performance with their managers for their career development. Companies can provide more help to the employees for their career development, information and resources available for them.

2. From the Chi-square analysis, it was clear that there exists an association between HR practices and perceived organization support. When the organization improve the HR practices, it will increase the perceived organization support, which makes the employees to stay in the organization.

3. From the multiple regression analysis, it is suggested that if the companies concentrate more on improving the HR practices, then there will be improvement on the organizational citizenship behaviour of employees. This
change in the behavioral outcome will give a good name to the organization and the employees will be proud of working in the organization.

4. The HR practices along with POS shows a very good impact on affective commitment of the employees. If the companies concentrate more on improving this, the employees commitment towards the organization will be more, which in turn will be easy for the companies to retain the employees and have a minimum attrition level.

5. From the multiple regression analysis of HR practices on performance, various HR practices like training, pay for performance, performance management practices are not significant. If the companies concentrate more on improving these practices, then it will increase the performance and profitability of the organization.

6. From the path analysis also, the HR practices are not significant on performance. If the company concentrates more on HR practices, it will improve the performance of the organization and also the productivity and profitability of the organization.

5.7 CONCLUSION

The Indian employee today is very savvy. Riding on the back of an employment boom, the employees have taken full advantage of the shift of power in the employer–employee equation. From plush offices equipped with world class facilities to HR practices that cater to every whim and fancy, today’s employee is demanding it all and will make sure he gets it.

Having entered the workforce during a time of ‘plenty’, the young employee has aspirations and attitudes that differ considerably from those of his predecessor. High levels of remuneration, fast faced growth are some of the things taken for granted by employees these days. Rewards are extremely important and any company that under estimates their importance may choose to do so at the risk of facing a mass exodus. One of the top reasons why employees choose to stay and contribute is the work itself. The employees want to feel involved with the work that they do. They want to be able to apply their minds and feel a sense of accomplishment at the end of the day.
The companies want employees to go beyond the call of duty and deliver exceptional performance; they have to give them the scope and flexibility to do so. In today’s world of narrow specialization and increasing division of labor, the task of creating interest in jobs becomes more daunting. It’s not about changing the basic content of the job or overloading the employee with so called challenging targets; it’s about changing the way the organization and the employee expect the job to be executed.

The employee wants the opportunity to build on his competence and capability, not just for the job in his current company, but for his long term career. The company can provide employees with visibility on their career prospects within the company and the support to get there. Organizations need to provide people with structured learning interventions, regular informations, dialogue and feedback around career prospects so that employee may grow with the organization. This is essential to ensure that each employee feels the organization has been fair to him in all its dealing. Whether it is pay, promotion, development, training, the transparency and objectivity behind each decision needs to come through and processes should be designed to eliminate the scope for any bias. Equally important is the clarity and consistency in communicating performance expectations. An employee who knows what he is supposed to do it and how he will be rewarded for it, will be more motivated to work towards it.

HR practices, be it training, performance, promotion and career development the effort the organization put into creating a employee focused work environment makes them feel of the organizational support. This support makes them to be committed and this attitude relates to the behaviour and performance of the employees in the organization.

This study has important implication for ITES companies with regards to HR practices and performance. The HR practices do not determine the performance. The companies can improve the HR practices and find ways to improve the performance of the organization.
The study shows that the HR practices has an association with perceived organization support and this has an impact on the affective commitment and organization citizenship behaviour of the employees of ITES companies.

5.8 SUGGESTION FOR FUTURE RESEARCH

1. A study involving other HR practices like benefits enrollment, information provided by HR, pay accuracy with attitudinal and behavioral outcomes.
2. A study on the impact of HR practices with Organization citizenship behaviour as mediating role in determining the attitudinal outcome.
3. A study on the role of supervisor relative to the impact of HR practices on POS.
4. A study on the set of HR practices, POS, justice, leader member exchange relate to attitudinal and behavioral outcomes.
5. A study about HR practices and its outcomes compared to other sector
6. A study about HR practices and its outcomes with Asian countries.