CHAPTER 6

CONCLUSION AND RECOMMENDATIONS
CHAPTER 6

CONCLUSION AND RECOMMENDATIONS

6.1 CONCLUSION

HR practices are considered as a bridge between employee behaviour 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 loyalty and employee commitment is established beyond doubts through Psychological contract. The summary of conclusions from this study is as follows

- Female employees have high level of Psychological Contract than the male employees.
- Unmarried employees are better than married employees with respect to the Psychological Contract which influences HR practices.
- Employees who are above 50 years have significantly higher level of psychological contract than the employees in other age group with respect to the overall HR practices.
- Employees who are between 21-30 years of age have significantly higher level of psychological contract than the employees in the 31-40 years and 41-50 years age group with respect to factors of Employee Loyalty.
• Employees who are having an educational qualification up to HSC have significantly higher level of psychological contract than the employees with other educational qualification with respect to the overall HR practices.

• Employees who are having educational qualification up to HSC are more loyal and committed than the other employees.

• Human resource department employees have significantly higher level of psychological contract than the employees in finance department and production department with respect to the overall HR practices.

• Employees who belong to marketing and sales department have significantly higher level of psychological contract than the employees who belong to the other departments, with respect to factors of Employee Care and Employee Loyalty.

• Employees who belong to the administrative department have significantly higher level of psychological contract with respect to factors of Employee Commitment, than the employees who belong to the other departments,

• Employees who belong to the upper level designations have significantly higher level of psychological contract than the employees in lower and middle level with respect to the overall HR practices.

• Employees who belong to upper level, have significantly higher level of psychological contract than the employees who belong to the other levels, with respect to factors of Employee Care.

• Employees who belong to middle level, have significantly higher level of psychological contract than the employees who belong to the other levels with respect to factors of Employee Commitment.
• Employees who belong to lower level, have significantly higher level of psychological contract than the employees who belong to the other levels with respect to factors of Employee Loyalty.

• Employees whose annual income is between 2-5 lakhs have significantly higher level of psychological contract than the other employees with respect to factors of Employee Care, Employee Commitment, and Employee Loyalty.

• Employees who have below 5 years of total experience have significantly higher level of psychological contract, with respect to factors of Employee Care, Employee Commitment, and Employee Loyalty.

• Employees who are just 1 year old in the present company have significantly higher level of psychological contract with respect to factors of employee care, employee commitment and Employee Loyalty.

• Employees feel their stress can be managed by well-defined employee roles and employees expect due consideration of Health risks arising out of work in the health and hygiene practices.

• Loyal employees protect the organisation’s image, than maintaining confidentiality of work related matters.

• Committed employees feel that they are given importance in the company and they are not much bothered about their clarity in career path.

• Employees feel that they are cared when if they are provided with good physical working condition and rewards given for good deeds are not considered as a factor for employee care.

• Employee career development practices contribute more towards the employee commitment and employee loyalty compared to stress management and health and hygiene factors.
Career development practices, stress management practices and health and hygiene practices leads to employee care, employee commitment and employee loyalty. Career Development is the most influencing HR practice that influences Psychological contract of employees, which is followed by Health and Hygiene and Stress Management (through the mean ranks). Employee care is highly influenced by overall Health and hygiene factors followed by Stress Management practices and then Career development practices. Employee commitment is also highly influenced by overall Health and hygiene factors followed by Stress Management practices and then Career development practices. Employee Loyalty is also highly influenced by overall Health and hygiene factors followed by Stress Management practices and then Career development practices.

Employees expect good compensation for Health Care Services to have employee care and employee commitment. Also employees are attracted by the employee wellness program which influences employee loyalty.

6.2 IMPLICATIONS AND RECOMMENDATIONS

The intended HR practices used were described based on employees career aspiration, stress management as it is a key for a smooth life style 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.

6.2.1 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.

6.2.2 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.

6.2.3 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 extra-curricular activities encouragement for both indoor and outdoor games creating balance in work using fun, enough rest, offering fitness centre 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.

6.3 SCOPE FOR FURTHER STUDY

The study had a good fortune to focus on 3 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.

6.4 CONCLUDING REMARKS

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 lack knowledge about evidence-based effective HR practices (Rynes, Colbert, and Brown, 2002); therefore, it would be interesting to see whether a group of HR researchers would outperform an organization’s HR and non-HR staff in the number and quality of suggestions generated.