CHAPTER 5
FINDINGS AND DISCUSSION
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This chapter presents a summary of the findings, interpretations and discussion of the results of the study.

5.1 FINDINGS

5.1.1 Summary of findings is as follows

- Under the HR practices taken for the study factors of Career Development like ‘Well defined Career development policy’ has a highest mean of 4.48 with a standard deviation of 0.76 and ‘Regular feedback of Employees on performance’ has a lowest mean of 4.21 with a standard deviation of 0.76 compared to the other factors, like “ Employee Career planning and development, preference given for internal employees when vacancies arise, encouragement to participate in improving and redesigning jobs, effective mentoring system, effectiveness of employee coaching and counseling system, effective employee assessment system and good attitude of work place”. Also it is understood that the lowest mean and the highest mean value has the same standard deviation.

- Effective mentoring system and encouragement to participate in improving and redesigning jobs have an equal mean and standard deviation.

- The factors of Stress Management like ‘Well defined Employee roles’ has a highest mean of 4.44 with a standard deviation of
0.71 and ‘Conducive Work culture’ has a lowest mean of 4.21 with a standard deviation of 0.70 compared to the other factors.

- No two factors in stress management have the same mean or standard deviation. The employees have variety of opinion on the issues related to the stress management and each companies offer different techniques to manage stress. Also there is a high standard deviation for the factor “work life balance for the employees” and low standard deviation for the factor ”cordial superior-subordinate relationship”

- The factors of Health and Hygiene like ‘Due consideration of Health risks arising out of work’ has a highest mean of 4.50 with a standard deviation of 0.65 and ‘Encouragement of Employees to participate in sports activities’ has a lowest mean of 4.22 with a standard deviation of 0.76 compared to the other factors. Companies providing healthy and hygienic food and water and health insurance for individual and family both have a same mean of 4.38. However the standard deviation shown a deep variance with each other. Also functioning of hospitals/clinics within factory premises and effective management of health and sanitation has the same mean of 4.27 and show a high difference in the standard deviation. The lowest standard deviation of 0.65 is for 2 factors like “due consideration for health risks arising out of work” and “providing Health insurance for the employee and family”.

- The factors of Employee Loyalty like ‘Protection of the organisation’s image by Employees’ has a highest mean of 4.58 with a standard deviation of 0.59 and ‘Maintenance of confidentiality of work related matters by employees’ has a lowest mean of 4.31 with a standard deviation of 0.75 compared to the other factors. It is found that the lowest mean has the highest standard deviation and the highest mean has the lowest
standard deviation. The Employee loyalty concept has been well studied through the above mentioned factors and the employees’ opinion are spread out in an orderly manner showing the interest of the study on HR practices leading to Employee Loyalty.

- The factors of **Employee commitment** like ‘Importance given in the company for employee’ has a highest mean of 4.70 with a standard deviation of 0.61 and ‘Clearly established career path for employees’ has a lowest mean of 4.21 with a standard deviation of 0.75 compared to the other factors. For the factors related to Employee Commitment ‘Importance given to the employees’ has the lowest standard deviation. ‘Employees taking pride in being part of the company and realistic and achievable deadlines given to employees’ have 0.71 as standard deviation.

- The factors of Employee **care** like ‘Good Physical working conditions’ has a highest mean of 4.49 with a standard deviation of 0.63 and ‘Rewards to employees for good deeds’ has a lowest mean of 4.11 with a standard deviation of 0.83 compared to the other factors. The factor ‘respect given by superior’ and ‘effectiveness of the orientation program’ both have a standard deviation of 0.71. And the factor on rewards for more work has the highest standard deviation.

- The factors related to Employee **feedback** under Employee **Career development** has a high mean of 21.71 and a standard deviation of 2.94 compared to factors related to mentoring, counselling and coaching. Similarly factors related to Working **Environment** under Employee **Stress Management** have a high mean of 16.97 and a standard deviation of 2.27 compared to factors related to Home and Work Interface and Job Demand. Similarly factors related to Health **Risk** under Employee **Health and Hygiene** has a high mean of 13.26 and a standard deviation
of 1.73 compared to factors related to Employee Wellness Program and Compensation for Health Care Services.

- Overall **Employee career development** has a highest mean of 39.20 and a standard deviation of 5.46 compared to the other HR Practices taken for the study. Also **Employee care** has a highest mean of 37.93 and a standard deviation of 4.97 compared to **Employee Commitment** and **Employee loyalty**.

### 5.1.2 Findings Related to the Demographic Factors taken for the Study with Reference to Automobile Industry

#### 5.1.2.1 Male and Female Employees

- Mean level of employees opinion with respect to HR practices influencing Psychological Contract of female employees are better than male employees. And there is significant difference between opinion of male and female employees with respect to overall HR practices influencing Psychological contract among employees, and also towards employee care, employee commitment and employee loyalty being influenced by psychological contract.

#### 5.1.2.2 Married and Unmarried Employees

- Mean level of employees opinion with respect to HR practices influencing Psychological Contract of unmarried employees are better than married employees. And there is significant difference between the opinion of married and unmarried employees with respect to overall HR practices influencing Psychological contract among employees. Also it is found that there is no difference of opinion based on the stress management practices to influence the psychological contract of employees.
Also it is found that there is difference in the opinion of the married and unmarried employees with respect to employee loyalty and there is no difference in opinion with respect to employee care and employee commitment among them that influences Psychological contract among employees.

5.1.2.3 Age Group of Employees

- There is significant difference between the opinions of employees in different age group with respect to factors of HR practices that influence Psychological Contract. Also it is found that the 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. The opinion of employees who are between 21-30 years, 31-40 years, 41 – 50 years and above 50 years are significantly different with each other with respect to the HR practices influencing Psychological contract.

- There is significant difference between the opinion of employees in different age group with respect to Employee care, Employee Commitment and Employee loyalty that influences psychological contract. Also it is found that the employees who are above 50 years have significantly higher level of psychological contract than the employees in the 31-40 years age group with respect to factors of Employee Care, but employees who are between 21-30 years, and 41 – 50 years are not significant with other age groups with respect to the factors of Employee Care influencing Psychological contract.

- Also the employees who are above 50 years have significantly higher level of psychological contract than the employees in the 31-40 years age with respect to factors of Employee
Commitment, but employees who are between 21-30 years, and 41 – 50 years are not significant with other age groups with respect to the opinion on the factors of Employee Commitment influencing Psychological contract.

- Similarly 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, but employees who are above 50 years are not significant with other age groups with respect to the opinion of the factors of Employee Loyalty influencing Psychological contract.

5.1.2.4 Educational Qualification of Employees

- There is significant difference between the opinions of employees with different educational qualification towards the factors of HR practices that influence Psychological Contract of employees. Also it is found that the 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.

- There is significant difference between the opinion of employees with different educational qualification towards Employee care, Employee Commitment and Employee loyalty that influences psychological contract. The employees who have an educational qualification up to H.Sc have significantly higher level of psychological contract than the employees who have UG and PG qualifications, with respect to factors of Employee Care, but employees who have diploma and who have professional qualification are not significant with other educational qualification groups of employees with respect to the factors of Employee Care that influence Psychological contract.
Also the employees who have an educational qualification up to HSc have significantly higher level of psychological contract than the employees with diploma, UG and PG qualifications, with respect to factors of Employee Commitment, but employees who have professional qualification are not significant with other educational qualification with respect to the factors of Employee Commitment influencing Psychological contract. But employees who have an educational qualification up to HSc have significantly higher level of psychological contract than the employees with diploma, UG, PG and Professional qualifications with respect to factors of Employee Loyalty, and are significantly different with respect to Employee Loyalty factors that influences Psychological contract.

5.1.2.5 Departments to which the employee belongs

- There is significant difference between the opinions of employees in different departments towards the factors of HR practices that influences Psychological Contract. The employees who belong to human resource department have significantly higher level of psychological contract than the employees in finance department and production department with respect to the overall HR practices. There is no significant difference between the opinion of employees belonging to Marketing and sales, administration and other departments with respect to the HR practices that influence psychological contract.

- There is significant difference between the opinion of employees with different educational qualification with respect to Employee care, Employee Commitment and Employee loyalty that influences psychological contract. The 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. Also the employees who belong to the administrative department have significantly higher level of psychological contract than the employees in Marketing and sales, Human resource, Finance, production and other department with respect to factors of Employee Commitment, but employees who belong to the different departments are not significant with each other on their opinion with respect to the factors of Employee Commitment influencing Psychological contract.

- But employees who belong to marketing and sales department have significantly higher level of psychological contract than the employees in the other departments with respect to factors of Employee Loyalty, and are significantly different with each other with respect to the Employee Loyalty factor that influences Psychological contract.

5.1.2.6 Employees belonging to different designations

- There is significant difference between the opinions of employees in different designations with respect to factors of HR practices that influences Psychological Contract of employees. The employees who are in 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. Also it is found that there is significant difference between the opinion of employees belonging to lower, middle and upper levels with respect to the HR practices that influence psychological contract.

- There is significant difference between the opinion of different levels of employees to Employee care, Employee Commitment and Employee loyalty that influences psychological contract. The opinions of 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. Also the opinions of 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. But the opinion of 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.

5.1.2.7 Employees who belong to different annual income

- There is significant difference between the opinions of employees in different annual income towards the factors of HR practices influencing Psychological Contract of employees. The opinion of employees whose annual income is between 2-5 lakhs have significantly higher level of psychological contract than the employees in the other annual income group with respect to the overall HR practices. Also there is significant difference between the opinion of employees in different annual income with respect to Employee care, Employee Commitment and Employee loyalty that influences psychological contract.

- The opinion of employees who belong to an annual income of 2-5 lakhs have significantly higher level of psychological contract than the opinion of employees who belong to the other annual income, with respect to factors of Employee Care, Employee Commitment, Employee Loyalty.

5.1.2.8 Employees with different total years of experience

- There is significant difference between the opinions of employees with different total years of experience with respect to factors of HR practices influencing Psychological Contract of employees.
The opinion of employees whose total years of experience is below 5 years have significantly higher level of psychological contract than the employees with different total years of experience with respect to the overall HR practices.

- Also there is significant difference between the opinion of employees in different total years of experience with respect to Employee care, Employee Commitment and Employee loyalty that influences Psychological Contract. The opinion of employees who has below 5 years of total experience have significantly higher level of psychological contract than the opinion of employees who have different total years of experience, with respect to factors of Employee Care, Employee Commitment, Employee Loyalty.

- There is no significant difference in the opinion of employees with 5-10 years of total years of experience with that of 10-15 and above 15 years of total experience with respect to Employee Loyalty that influences Psychological contract.

5.1.2.9 Employees with different years of experience in the present company

- There is significant difference between the opinions of employees with different years of experience in the present company with respect to factors of HR practices that influence Psychological Contract of employees.

- The opinion of employees whose years of experience in the present company is below 1 year have significantly higher level of psychological contract than the employees with different years of experience in the present company with respect to the overall HR practices.

- There is significant difference between the opinion of employees with different total years of experience in the present company
with respect to Employee care, Employee Commitment and Employee loyalty that influences psychological contract.

- The opinion of employees who has less than 1 year of experience in the present company have significantly higher level of psychological contract than the opinion of employees who have different years of experience in the present company with respect to factors of employee care, employee commitment and Employee Loyalty, that influences Psychological contract.

- Also there is significant difference in the opinion of employees with less than 1 year, 1-3, 3-5, and 5-10 years of experience in the present company with respect to employee care that influences Psychological contract. But the opinion of employees who have above 10 year of experience have no significant difference with the opinion of employees with 1-3, 3-5, 5-10 years of experience in the present company with respect to employee care that influences Psychological contract.

- But the opinion of employees who have 3-5 years and above 10 year of experience have no significant difference with the opinion of employees with other years of experience in the present company with respect to employee commitment that influences Psychological contract.

Findings on Association of the HR practices and their psychological contract on the factors taken for the study.

- Career development practices leads to employee care, employee commitment and employee loyalty. Higher the Career development practices in the organization then higher is the employee care, higher is the employee commitment and higher is the employee loyalty

- 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 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

- Also HR practices leads to employee care, employee commitment
and employee loyalty. It is found that no employees have opined
that high level of HR Practices will lead to low level of employee
commitment. So HR practices have a real place in the employee
commitment.

- Employee care leads to employee commitment and employee
loyalty.

- Employee commitment leads to employee loyalty,

- Career Development (2.09) is the most influencing HR practice
that influences Psychological contract of employees, which is
followed by Health and Hygiene (2.03) and Stress Management
(1.88). (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.
• Out of the positive relationship maximum employees are influenced by the Compensation for Health Care Services to have employee care and employee commitment. Employee wellness program have high percentage of influence towards employee loyalty.

• The coefficient value of 0.846 indicates that the relationship between employee commitment and the four independent variables employee care, overall career development, overall stress management and overall health and hygiene practices are quite strong and positive.

• The coefficient value of 0.691 indicates that the relationship between employee loyalty and the four independent variables employee care, overall career development, overall stress management and overall health and hygiene practices are quite strong and positive.

• With respect to the low and high employee commitment, Employee Care is best, followed by Health and Hygiene practices, followed by Stress Management Practices and then Career Development Practices according to the discriminant analysis.

• With respect to low and high employee loyalty, that Employee Health and Hygiene is best, followed by Employee Care, followed by Stress Management Practices and then Career Development Practices according to the discriminant analysis.

5.2 DISCUSSION

More importantly, within the field of “HR practices”, the literature has not been clear enough concerning the specific mechanisms through which HR practices influence performance of the organisation which can be best felt through
employee commitment and employee loyalty. This as such can be over driven through the ‘Employee Care’ concept.

Through the analysis the concepts employee care, employee commitment and employee loyalty seem to be strongly influenced by people but can also become the drivers for sustainable competitive advantage in an era of new demands and rapid organizational change. Starting from the sample taken for the study it is evident that automobile sector is a male dominant area.

Mean values for the following factors are higher

- ‘Well defined Career development policy’
- ‘Well defined Employee roles’
- ‘Due consideration of Health risks arising out of work’

This gives an alarm for the organizations to be well planned with the a proper system in place without any ambiguity which means a lot for the HR practices related to career development, stress management and health and hygiene

The high mean value for ‘Protection of the organisation’s image by Employees’ leading to Employee Loyalty shows the importance given by employees towards the goodwill of the organization and that leads them to be loyal in all aspects. Also the high mean on the factor ‘Importance given in the company for employee’ gives an understanding that it develops employee commitment. And the highest mean of the factor ‘Good Physical working conditions’ makes the employee feel that they are being cared well by the organization.

Out of the chosen HR practices Employee career development has a highest mean and that gives an important note that employees join and stay in an organization mostly for their career growth and to achieve self-esteem. It is understood that employees long for a proper career development policies which gives them good growth in the organization.
The major surprise was on the mean level of employees' opinion with respect to HR practices influencing Psychological Contract wherein the female employees were better than male employees. And also there was significant difference between opinion of male and female employees with respect to overall HR practices influencing Psychological contract among employees, and also towards employee care, employee commitment and employee loyalty being influenced by psychological contract.

Here the analysis on the impact of HR practices focuses on the relationship between three HR indicators like career development, stress management and health and hygiene on organizational performance, with the presence psychological contract. HR practices vary in different societal contexts and no best practice can be applied universally. Thus, it is suggested that organization should define the desired performance outcome as HR practices which varies based on the experience in the present company and also the dependence and engagement of the employees.

It is interesting to note that employees with below 1 year of experience in the present company have high psychological contract compared to the well experienced employees. And employees with an overall 5 years’ experience also have strong and significant relationship with employee commitment and employee loyalty. This shows that employees in automobile companies join with high self-motivation and their commitment and loyalty are higher compared to the well experienced employees. Considering the fact that the long term relationships will be stronger it is found that the opinion employees with more than 10 year of experience have no significant difference with the opinion of employees with 1-3, 3-5, 5-10 years of experience in the present company with respect to employee care that influences Psychological contract.

The study has also proved that Employee care, Employee commitment and Employee Loyalty is highly influenced by overall Health and hygiene factors followed by Stress Management practices and then Career development practices.
This shows that the HR practices chosen for the study denote that, employees value them more importantly than the other traditional HR practices.

It is found that there is positive relationship with the HR practices and employees care, employee commitment and employee loyalty, and maximum employees are influenced by the Compensation for Health Care Services to have employee care and employee commitment. Employee wellness program have high percentage of influence towards employee loyalty. The coefficient value of 0.846 indicates that the relationship between employee commitment and the four independent variables employee care, overall career development, overall stress management and overall health and hygiene practices are quite strong and positive.

With respect to the different levels of the employees it is found that Employee care, Employee Commitment and Employee loyalty that influences psychological contract differs with respect to the levels of employees. The opinions of 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. Also the opinions of 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. But the opinion of 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. This shows the varied importance given by different levels of employees.

The finding gives an opinion to further care for the employees in a still more better way as with respect to the low and high employee commitment, Employee Care is best, followed by Health and Hygiene practices, followed by Stress Management Practices and then Career Development Practices according to the discriminant analysis. Similarly with respect to low and high employee loyalty, that Employee Health and Hygiene is best, followed by Employee Care, followed by Stress Management Practices and then Career Development Practices according to
the discriminant analysis. So companies can implement the best practices as longed by the employees.

Towards the end, the conceptual framework proposed have taken into consideration the already existing theoretical knowledge attempts to shed some light in the relationship between the constructs which has the intention to contribute towards the better understanding of the specific connect with HRM practices influence employee commitment and employee loyalty. And Part of the value provided by this framework lies in the reflection of factors and their relationships that is understood by the psychological contract the intangible measure being made measurable through the different variable to bring the appropriate attention when thinking about the outcome.