



INTERNATIONAL JOURNAL OF CREATIVE RESEARCH THOUGHTS (IJCRT)

An International Open Access, Peer-reviewed, Refereed Journal

Service Oriented High Performance Hr Practices And Its Behavioural Outcomes

***Sumbul Khan **Dr. S. K. Shrivastava**

***Research Scholar, SOS in Management, Jiwaji University, Gwalior**

****Professor & Head Department of Commerce, Govt. Vijayaraje Govt. Girls PG, College, Gwalior**

Abstract

The primary purpose of this study was to analysis the impact of high-performance HR practices on employee performance and job satisfaction. This is empirical research design. The population for the study will be HR managers and employees working in the service industries of Gwalior city. The sample size of the study will be 80 employees working in the service industries of Gwalior city. A structured questionnaire was developed for gathering data from the respondents.

Keywords: HR Practices, Job Satisfaction, Employee Performance, Service, OCB

Introduction

Generally HRM practice is the way by which the organization creates a positive working environment that motivates the employees to show organizational citizenship behavior. Morrison (1996) argued that, HRM practices inspire the workforce to show greater level of OCB if reciprocal relationship present between employees and employer. Earlier researchers have identified that HRM practices is also an important predictor of SO-OCB (Sun et al., 2007; Zerbe, Dobni, & Harel, 1998). In this regard, Bienstock et al. (2003) recommended that, service providing organization should promote HRM practices to inspire service provider employee's OCB for organization's success. Organ (1990) also supported that, there is a positive relationship exists between HRM practices and OCB and he argued that employees demonstrate extra role behavior when social exchange relationship exist between employees and employer rather than economic exchange.

Literature Review

Tichy, Devanna and Formburn (1982) discuss about the huge contribution of various activities of HR towards gaining better performance from employees to increase the overall productivity of the organization, which was also confirmed by Becker and Huselid, 1998; Sang (2005). A set of activities have been identified by Dessler (2007), which forms part of HR practices like work analysis, positioning, appraisal of performance, planning of HR among others. Some more activities which have been accepted and related to HR were addressed by authors like Qureshi, Akbar, Khan, Sheikh, and Hijazi, 2010; Arthur, 2004; Frye, 2004; Berker and Gerhart, 1996; Huselid, 1995; McDuffie, 1995; Lado and Wilson, 1994; Wright et al., 1994. Impact of HR on various performance especially employee and organization in developed countries has been a crucial research area. Chang and Chen (2002) was among various authors who showed by way of research study that specific human resource practices have more impact on providing flexibility to the firm for obtaining quality performance by helping in increasing labour productivity. Ahmad and Schroeder (2003); Kuo (2004) and Sang (2005) have also confirmed it.

Gyensare and Asare (2012) investigated the impact of HR practices (promotion, compensation and performance evolution) on employee's perceived performances of psychiatry nurses in the mental hospitals in Ghana. Hierarchical linear modelling was employed by Whitener (2001) to derive the relation of commitment of employees with HR practices, thus helping for greater performance of employees. The reason for the existence of any organization is to achieve specific set of objectives. Labour, equipment, resources and finance are utilized in the best possible way to achieve these objectives. All these entities are important but the human asset is the most critical. It plays an important role in performing tasks for accomplishing the goals. The utilization of the all other resources depends upon the labour force. Highly dedicated and skilled employee is critical who can produce best results. For every organization it is difficult to start, survive, stabilize and excel in the business. The leading organization in this competitive market is those who have talented and devoted manpower. Coordination of all the units of business leads to its success. Employee performance comprises of planning a work, fixing responsibilities, examining performance on a regular basis and the capability to perform, rating performance and rewarding decent performances.

Aizzat Mohd. Nasurdin (2015) conducted a study on high performance human resource practices, identification with organizational values and goals, and service-oriented organizational citizenship behavior. This paper aims to construct a model linking a set of high-performance HRM practices (selective hiring, communication, appraisal, and reward) and SO-OCBs. Proactive involvement of employees is a vital component of the service delivery, which in turn, enhances customer satisfaction and loyalty. Hence, hospitality organizations, particularly hotels, need to encourage their employees to perform voluntary behaviors that go "beyond their call of duty". These behaviors are referred to as service-oriented organizational citizenship behaviors (hereafter labeled as SO-OCBs). A review of the literature indicates that

an organization's human resource management (henceforth labeled as HRM) practices are instrumental in establishing the tone of the employee-employer relationship, which subsequently affects employees' display of discretionary functional service-related behaviors. Specifically, high-performance HRM practices can nurture a relational employment relationship, leading to internalization of organizational values and goals. This, in turn, would induce employees to engage in greater SO-OCBs.

Kaifeng Jiang, Chih-Hsun Chuang, and Yu-Ching Chiao (2014) Developing Collective Customer Knowledge and Service Climate: The Interaction between Service-Oriented High-Performance Work Systems and Service Leadership. This study theorized and examined the influence of the interaction between Service-Oriented high performance work systems (HPWSs) and service leadership on collective customer knowledge and service climate. Using a sample of 569 employees and 142 managers in footwear retail stores, we found that Service-Oriented HPWSs and service leadership reduced the influences of one another on collective customer knowledge and service climate, such that the positive influence of service leadership on collective customer knowledge and service climate was stronger when Service-Oriented HPWSs were lower than when they were higher *or* the positive influence of Service-Oriented HPWSs on collective customer knowledge and service climate was stronger when service leadership was lower than when it was higher. Researcher further proposed and found that collective customer knowledge and service climate were positively related to objective financial outcomes through service performance.

Objectives of the Study

1. To study the impact of high-performance HR practices (HPHRP) on employee performance.
3. To study the impact of high-performance HR practices (HPHRP) on employee job satisfaction.

Hypotheses of the Study

- H01: High performance HR practices are having positive significant impact on employee job satisfaction.
- H02: High performance HR practices are having positive significant impact on employee performance.

Research Design

This is empirical research design and simple random sampling method was used for gathering of information from respondents. The population for the study will be HR managers and employees working in the service industries of Gwalior city. The sample size of the study was 80 employees working in the service industries of Gwalior city.

Questionnaire Designing

A structured questionnaire was developed for gathering data from the respondents. Each questionnaire is divided into two parts in which first part contain questions related to demographic information and part two contain questions related to high performance service oriented hr practices and behavioral outcomes of employees on the basis of seven point Likert scale (1 = Extremely agree, 7 = Extremely Disagree).

Constructs of the Study

Human Resource (HR) Practices The term HR practices involves various activities of an organization engaged for dealing with the workers, by ensuring the attainment of its goal by proper use of its human assets. HR practices include HR planning, recruitment & selection, compensation, training, performance appraisal and career planning/ promotion which need elaboration.

HR Planning

HR planning refers to the process which involves planning for future manpower requirement and placement of those workforces accordingly. The objectives of business need to be aligned strategically with human resource planning.

Recruitment & Selection

To fulfill the requirement of human resource, recruitment and selection process is carried to employ eligible and capable persons at a reasonable budget. Though the impact of recruitment & selection on organizational performance cannot be denied but still the general practice by organizations is to casually select sub-standard and unpredictable labour force by following erratic and biased selection process. The selection process can be varying for different organizations but the ultimate objective is to hire appropriate person for the said vacancy.

Compensation Practices

Compensation means all the financial and non-financial reward given by the employer to its employees for their services rendered. The remuneration is decided by taking into account various factors like employee qualification, their experience and performance. Generally different pay plans are drawn on parity basis. Compensation is a tool which organizations use to retain proficient personnel and inspire high performance and encourage loyalty towards employer.

Training Practices

The major activity for developing human resource is training. The performance outcome of the employees depends upon the process of training. Since training is an integral part of HR, a dynamic method of training will definitely enhance staff performance and provide the much needed competitive edge to the organizations. There are two way benefits of a proper training program; the employee becomes more knowledgeable and skilful, on the other hand, effectiveness of the organizations is increased.

Performance Appraisal

Appraisal is one of the vital components of HR practices. One of the basic functions of appraisals is to fix accountability among organizations. Appraisal is a system to measure employee productivity and also influences the final outcome of their performance. Different appraisal mechanisms are implemented by organizations to monitor the growth and progress of employees and to reward them accordingly. Moreover they become the basis of formulating and modifying the future recruitment & selection and training process so that organizational goals can be met.

Career Planning

Career is an individually perceived sequence of attitudes and behavior associated with work related experiences and activities over the span of the person's life (Douglas T. Hall, 2002).” Career planning is an ongoing process through which an individual sets career goals and identifies the means to achieve them. The process by which individuals plan their life's work is referred to as career planning. Through career planning, a person evaluates his or her own abilities and interests, considers alternative career opportunities, establishes career goals, and plans practical developmental activities.

Behavioural Outcome variables

There are two outcomes of HR practices; individual and organizational. Individual outcome includes employee performance, employee morale, employee turnover etc. Organizational outcomes include organizational performance, turnover, customer satisfaction etc. (a) Individual Outcome.

Data Collection Method

Primary data will be collected for the study. A structured questionnaire was the key instrument used to collect data. Pilot study will be conducted in questionnaires as the measurements. In the order to develop and refine the first stage, the questionnaire will be reviewed by academic experts to establish its appropriateness, clarity, and free from misunderstanding.

Data analysis

In order to comprehend the responses and make inferences, the questionnaires collected from the field were coded and inputted into a software application for statistical analysis for social sciences (SPSS. 23.00) is used for data analysis and results and following tools are used for data analysis.

Reliability

The reliability is tested by the item to item correlation method. It expresses the consistency of various items used in questionnaire. The value of Cronbach's Alpha is .809 which shows data is highly reliable for the study.

Table. No 1 Reliability Statistics

Cronbach's Alpha	N of Items
.809	36

Regressions Analysis

Regression was applied to evaluate the relationship between variables. Regression Analysis was applied to evaluate the cause and effect relationship between all the independent and dependent variable.

H01: High performance HR practices are having positive significant impact on employee job satisfaction.

Table. No 2 Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.812 ^a	.659	.655	4.70558	1.939

a. Predictors: (Constant), HR practices

b. Dependent Variable: Employee job satisfaction

Table. No 3 ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	3344.886	1	3344.886	151.062	.000 ^b
	Residual	1727.114	78	22.142		
	Total	5072.000	79			

a. Dependent Variable: Employee job satisfaction

b. Predictors: (Constant), HR practices

Table. No 4 Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	7.606	2.608		2.917	.005
HR practices	.515	.042	.812	12.291	.000

a. Dependent Variable: Employee job satisfaction

The result of regression analysis shows that the Value of F is 151.062, which are significant at 0% level indicating good model fit and value of t is 2.917, which are also significant at 0% level. R square value is .659, which indicates 65.9 % of variance in Employee Job Satisfaction is explained by HR Practices. Thus, our null hypothesis will rejected and this indicates that High performance HR practices are having positive significant impact on employee job satisfaction.

The value of Durbin Watson for is 1.8939 indicating that the autocorrelation of the dependent variable is well within acceptable limits for linear regression.

The equation for regression analysis from the coefficient table above can be summarized as below:

$$Y = a + bx + \text{error}$$

$$\text{Employee Job Satisfaction} = 7.606 + .515 (\text{High performance HR practices})$$

H02: High performance HR practices are having positive significant impact on employee performance.

Table. No 5 Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.721 ^a	.521	.514	5.58364	2.118

a. Predictors: (Constant), HR practices

b. Dependent Variable: Employee performance

Table. No 6 ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2640.191	1	2640.191	84.684	.000 ^b
	Residual	2431.809	78	31.177		
	Total	5072.000	79			

a. Dependent Variable: Employee performance

b. Predictors: (Constant), HR practices

Table. No 7 Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	11.104	3.095		3.588	.001
	HR practices	1.253	.136	.721	9.202	.000

a. Dependent Variable: Employee performance

The result of regression analysis shows that the Value of F is 84.684, which are significant at 0% level indicating good model fit and value of t is 3.588, which are also significant at 0% level. R square value is .521, which indicates 52.1 % of variance in Employee Performance is explained by HR Practices. Thus, our null hypothesis will be rejected and this indicates that High performance HR practices are having positive significant impact on Employee Performance.

The value of Durbin Watson for Employee Performance is 2.118 indicating that the autocorrelation of the dependent variable is well within acceptable limits for linear regression.

The equation for regression analysis from the coefficient table above can be summarized as below:

$$Y = a + bx + \text{error}$$

$$\text{Employee Performance} = 7.606 + .515 (\text{High performance HR practices})$$

Conclusion

The result of the study shows that high performance HR practices are having a positive and significant impact on employee job satisfaction and employee performance. Every organization should involve high performance HR practices to motivate their employees to enhance employee performance. The study will also help to gain knowledge in the field of HR. The expected outcome will help the organizations to develop and implement high performance HR practices which will affect employee and organizational performance.

References

- Agarwala, T.** (2003). Innovative human resource practices and organizational commitment: An empirical investigation. *International Journal of Human Resource Management*, 14(2), 175-197.
- Alfes, K., Shantz, A.D., Truss, C. & Soane, E.C.** (2013), The link between perceived human resource management practices, engagement and employee behaviour: a moderated mediation model, *International Journal of Human Resource Management*, Vol. 24 No. 2, pp. 330–351
- Alluisi E. A., & Meigs D. K.** (1983), Potentials for productivity enhancement from psychological research and development, *American Psychologist*, 487-493.
- Conner K. R.,** (1991), A historical comparison of resource-based theory and five schools of thought within industrial/organizational economics: Do we have a new theory of the firm?, *Journal of Management*, 121-154.
- Cowherd, D. M., & Levine, D. I.** (1992), Product Quality and Pay Equity Between Lower-level Employees and Top Management: An Investigation of Distributive Justice Theory. *Administrative Science Quarterly*. 37: 302-320.
- Fey, C. F., & Bjorkman, I.** (2001), The effect of human resource management practices on MNC subsidiary performance in Russia. *Journal of International Business Studies*, 59-75.
- Lee, F.-H., Lee, T.-Z., & Wu, W.-Y.** (2010). The relationship between human resource management practices, business strategy and firm performance: evidence from steel industry in Taiwan. *The International Journal of Human Resource Management*, 21(9), 1351 - 1372.
- Mostafa, A. M. S.,** (2017) High-performance HR practices, positive affect and employee outcomes. *Journal of Managerial Psychology*, 32 (2). pp. 163-176.
- Rahman, M. M. & Iqbal, M. F. (2013). A comprehensive relationship between job satisfaction and turnover intention of private commercial bank employees' in Bangladesh. *International Journal of Science and Research*, 2(6), 17-23.

Som, A. (2007). What drives adoption of innovative SHRM practices in Indian organizations? *The International Journal of Human Resource Management*, 18(5), 808-828.

Wei, Y. C., Han, T. S. & Hsu, I. C. (2010). High-performance HR practices and OCB: a cross-level investigation of a causal path. *The International Journal of Human Resource Management*, 21(10), 1631-1648.

Wood, S. & De Menezes, L. (1998). High commitment management in the UK: evidence from the workplace industrial relations survey, and employers' manpower and skills practices survey. *Human Relations*, 51(4), 485-515.

