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AN EMPIRICAL STUDY ON HRM PRACTICES AT ARAGEN LIFE SCIENCES PRIVATE LTD

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ABSTRACT

The proposed research study is conducted in Pharma industry with reference to Aragen Life Sciences Private Ltd to explore the HRM practices and its influence on organizational performance. The purpose of the study is to the relationship between the firm's performances and HRM practices. It is assumed that the best of the HRM practices can produce best financial results in terms of overall performance, Inventory turnover, operating profit margin, return on total investment and earning per share, which ultimately leads to employee job satisfaction. The primary data were collected through a structured questionnaire, which was sent to the employees of Aragen Life Sciences Private Ltd at top level, middle level and Lower level of the organization. The secondary data was collected from the respective annual reports from the year 2015-16 to 2019-20. An attempt is made to establish the relationship between HRM practices and the employee job satisfaction of the organization. The results supports that there exists a positive relationship between HRM practices and the overall performance.

Key words: Pharma Industry, Aragen Life Sciences, HRM Practices, Financial Results, Overall Performance, Relationship, Organization.

INTRODUCTION

The concept of HRM became popular in the early 1980s; since then, there has been increasing interest in the academic concept as well as in the research area. Early models of HRM were largely conceptual and not based on substantial empirical evidence for their validity as well as industrial applications (Arthur,1994, Shaw & Prensushi,1997). The 1990s saw a substantial amount of empirical research carried out to find evidence on the link between HRM practices and performance. In recent years much of the research work could, in fact, find statistical evidence for an association between HRM practices and resulting performance. In the contemporary world of management applications human resources have been recognized as an important source of continued competitive advantage. A number of researchers examining the relationship between HRM and firm performance have taken a micro approach investigating single HRM practices such as staffing, training, goal-setting, compensation, and so forth, and the effects of those practices on organizations' outcomes including financial results. Pharmaceutical companies design and produce pharmaceutical products, including drugs, medical products and equipments (for example cardiovascular or laser equipment), not for open sale only but also as prescription only products which are then made available to doctors, nurses, hospitals and pharmacists. Human resources policy is the most vital elements of corporate policy since it guides recruitment, selection, orientation, training and placement of personnel.

The vision of HRM is listed as improving individual, group and organisational effectiveness. In this regard the following major functions of HRM are identified.

- Human resource planning
- Performance and Management systems
- Selection and staffing
- Compensation and Benefits
- Employee retention
- Union /Labour relations
- Training and Development
- Organisational development
- Career Development
- Organisational Job design
- Human resource research and Informational systems. (HRIS).

The conceptual analysis of HRM functions reveals the highest manifestation of HRM will lead to HRD (Human Resource Development) and Human Development Index (HDI). In spite of several revelations by the researchers many organizations are slow in adopting those practices that were found to contribute to organizational success and the role of human resources remains important to organizations.

REVIEW OF LITERATURE

Serena Aktar, et al (2012) conducted a study on the HRM practices in Bangladesh with reference to Pharmaceutical industry. It is observed that an effective and competitive human resource is the key to the strength of organizations in facing the challenges of business today. The better managed Human Resources can produce better quality products and organisational outcomes. The effective HRM practices can reduce job dissatisfaction, employee turnover and absenteeism in the organisations. The study deals with three kinds of objectives focussing on HRM practices at Pharmaceutical Industry, relationship between HRM practices and financial performance and impact of HRM practices on organisational holistic performance.

Ruchi Goyal and Madhu Shrivastava (2012) conducted a study of HR Practices and Their Impact on Employees Job Satisfaction and Organizational Commitment in Pharmaceuticals Industries. It is observed that the Indian Pharmaceutical industry is a success story providing employment for millions and ensuring that the life saving drugs are supplied to the vast population of India and its subcontinent. The Indian Pharmaceutical industry has made a mark on the global pharmaceutical scene with its low cost of production, scientific manpower, renowned for being innovative, and low research and development cost.

Naga Parameshwari, V Yughanhar (2015) analysed the role of Human Resource Management in organisations. The researcher noted that Human Resource Management includes conducting job analyses, planning personnel needs, recruiting the right people for the job, orienting and training, managing wages and salaries, providing benefits and incentives, evaluating performance, resolving disputes, and communicating with all employees at all levels. In order to motivate the employees, to create opportunities, upgradation of skills, to develop ethical policies, to establish change management strategies Human Resource Management is found to be more promising area of management sciences.

Jafar Babapour, et al (2018) analysed Human Resource Management Challenges to Develop Pharmaceutical Industry: Evidence from Developing Countries, it is observed that Human Resource Management Practices are becoming highly important with regard to the managing of pharmaceutical industries across the world. The study proposed AMO (Ability, Motivation and Opportunity) model to enhance the effectiveness of HRM practices at Pharmaceutical Industries.

Cornie Boon, et al (2019) presented a systematic review of Human resource Management systems and their measurement. The study proposed that Human resource Management is not meant for individuals rather it is dedicated to the holistic development of the organisations in the larger interest of communities and societies. Strategic Human resource management is based on the fundamental assumption of interactions among the employees and development of synergies in the organisations. SHRM can be defined as “the pattern of planned HR deployments and activities intended to enable an organization to achieve its goals”. SHRM emphasized the importance of focusing on whether and how “systems” or “bundles” of HR practices jointly help organizations achieve strategic goals, rather than on single HR practices individually or Individual department. HR system can be defined as a combination of HR practices “that are adopted to be internally consistent and reinforcing to achieve some overarching results.

METHODOLOGY

The present study is designed to study the importance of HRM practices and its relevance to enhance employee satisfaction. Convenient method of sampling is used collect the data from 67 employees of the Aragen pharmaceuticals. Chi square analysis and multiple regression analysis techniques are used to verify the stated hypothesis of no significant difference among the factors influencing the success of HRM practices and its manifestation in terms of employee satisfaction,

PROFILE OF ARAGEN LIFE SCIENCES PRIVATE LIMITED-IN BRIEF.

Aragen Life Sciences Private Limited is an unlisted private company incorporated on 07 December, 2000. It is classified as a private limited company and is located in Hyderabad, Telangana and branch offices at Bangalore. The organisation is a life sciences service organization, provides drug discovery, development, contract manufacturing, and formulation research and development services with a human talent pool of 3000 + scientists ,450 + PhD's and 450+ clients across the globe. Aragen is a trusted R&D and manufacturing partner to the global life sciences industry. From concept to commercial, we transform your ideas into solutions for better health. Whether large pharm or biotech, an agrochemical or animal health company, we provide you global resources and proven capabilities at every stage of the bio pharma lifecycle, in small and large molecules. Our ability to offer end-to-end solutions or support standalone programs is underpinned by an innovation mind-set, enabling technologies, and a partnership approach to every engagement. The purpose of the organisation is to transform hope into health for millions of people around the world.

OBJECTIVES THE STUDY

1. To identify the best of the HRM practices at Aragen Life Sciences Private Ltd
2. To analyze the relationship between employee satisfaction and HRM practices

HYPOTHESIS

Hypothesis -1

H (0): There is no significant difference among the HRM practices at Aragen Life Sciences Private Ltd.

H (1): There is significant difference among the HRM practices at Aragen Life Sciences Private Ltd.

Hypothesis -2

H (0): There is no significant relationship between employee satisfaction and HRM practices.

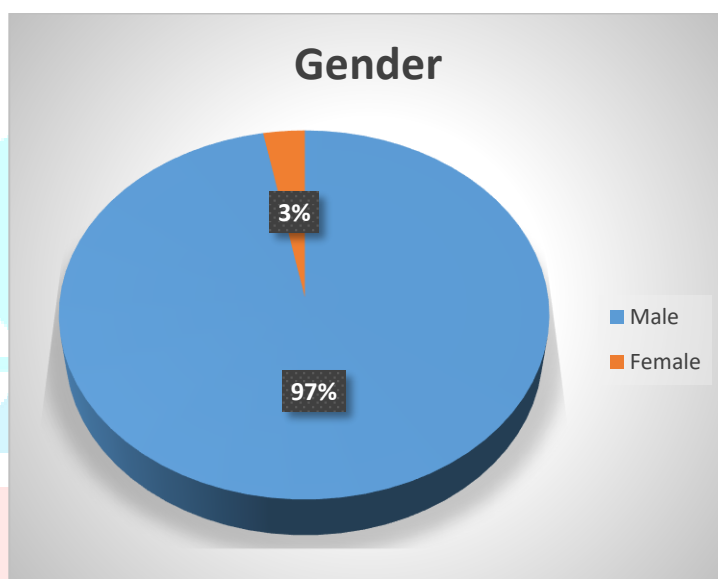
H (1): There is significant relationship between employee satisfaction and HRM practices.

DATA ANALYSIS AND INTERPRETATION

SECTION -A: DEMOGRAPHIC PROFILE

Section -A of the data analysis is dedicated to present the demographic profile of the respondents at Aragen Life Sciences Private Ltd. The demographic variables such as Gender, Educational Qualification, Age in Years, Employee Designation, Work experience are considered for the study.

	Frequency	%
Male	65	97.0
Female	2	3.0
Total	67	100.0



	Frequency	%
Post-graduation	9	13.4
Doctorate	58	86.6
Total	67	100.0

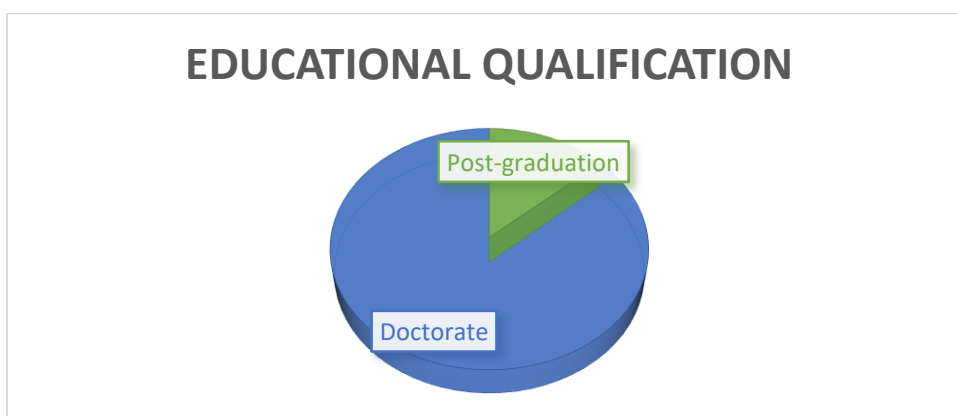


Table 3
Employee Designation:

	Frequency	%
Top Level Management	40	59.7
Middle level management	27	40.3
Total	67	100.0



Table 4
Age in Years:

	Frequency	%
31-41 years	12	17.9
41-51 years	55	82.1
Total	67	100.0

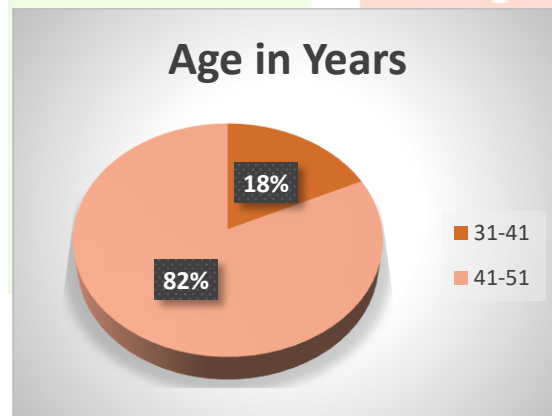
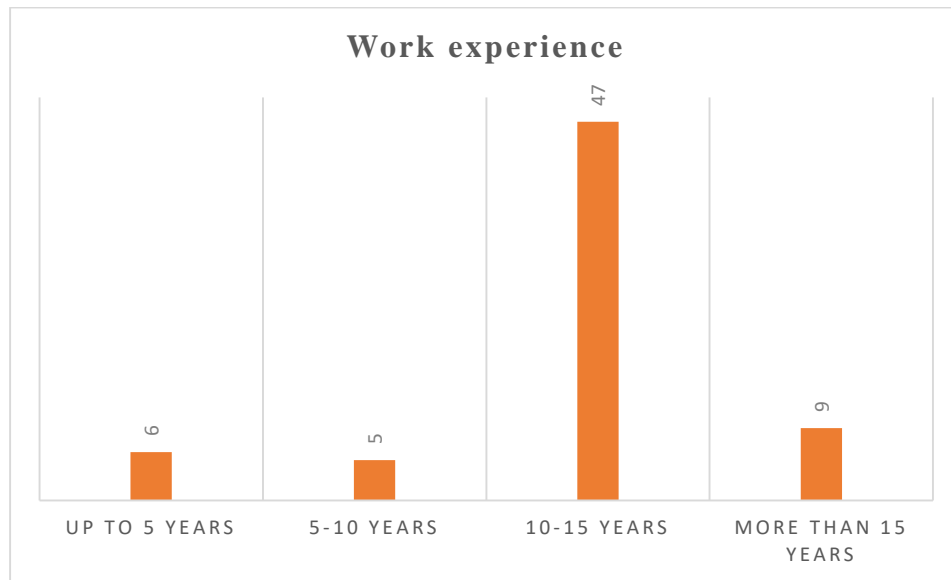


Table 5
Work experience

	Frequency	%
Up to 5 years	6	9.0
5-10 years	5	7.5
10-15 years	47	70.1
More than 15 years	9	13.4
Total	67	100.0



The above table 1,2,3,4,5 represents the demographic variables in terms of the respective frequency and percentage as per the primary data. From the study it is found that the work force at Aragen Life Sciences Private Ltd is predominantly constituted by men, highly qualified (Doctorate) and of the age group 41-51 years (41-51%) and 31-41 years (17.9%) respectively. The human work force, rather may be called as human capital is highly experienced 10-15 years (70.1%), followed by More than 15 years (13.4%), 5 years (9%) and 5-10 years, (7.5%) respectively.

Objective 1

1. To identify the best of the HRM practices at Aragen Life Sciences Private Ltd.

Hypothesis:

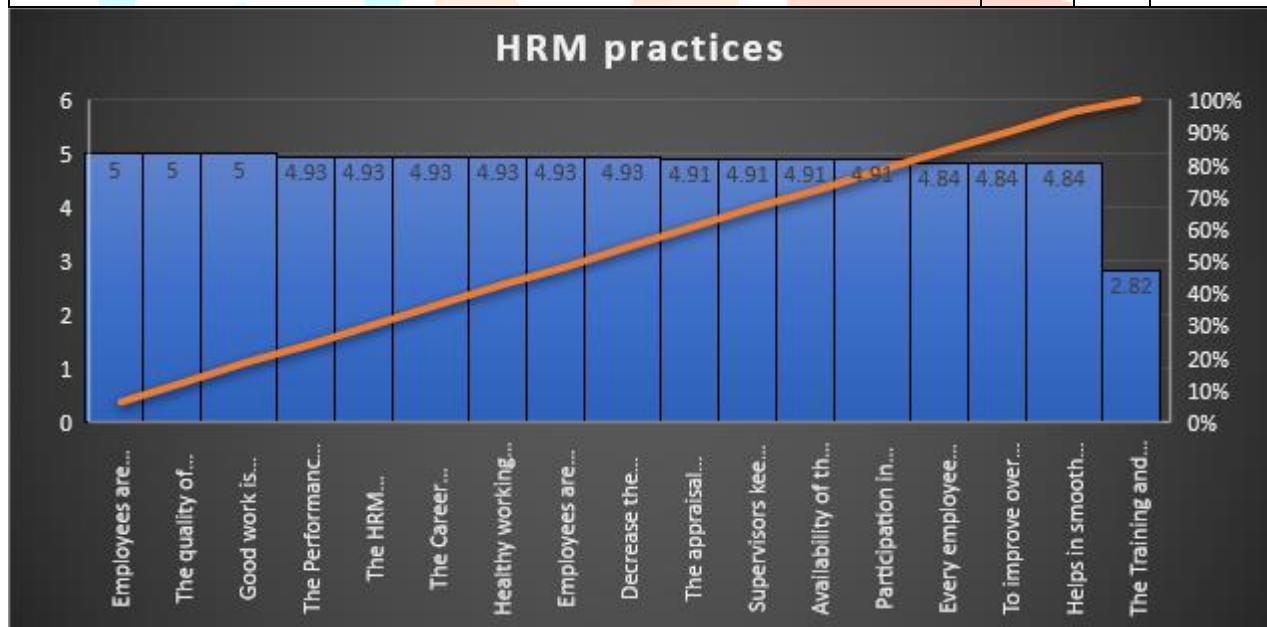
Hypothesis -1

H (0): There is no significant difference among the HRM practices at Aragen Life Sciences Private Ltd.

H (1): There is significant difference among the HRM practices at Aragen Life Sciences Private Ltd.

The above objective is designed to identify the best of the HRM practices at Aragen Life Sciences Private Ltd. As the sample size is 67 the statistically sophisticated tools like Factor analysis, cannot be applied. Hence the conventional methods like descriptive statistics comprising mean, SD, which is followed by ANOVA (F-ratio and P value) is administered to verify the stated hypothesis of no significant difference among the HRM practices at Aragen Life Sciences Private Ltd. The following listed HRM practices are measured by using 5-point Likert scale (5- strongly agree ,1-Strongly disagree),so that the highest mean value ,with minimum SD reflects on the best HRM practices as perceived by the employees at the Aragen Life Sciences Private Ltd.

Table 6 HRM practices	Mean	SD	F – Ratio	P value (ANOVA)
The Training and Development programme is helpful in improving the performance of the employees	2.82	1.17	27.82	0.00
The Performance appraisal system has a strong impact on individual and team performance	4.93	0.26	8.82	0.00
The HRM practices are Helpful in effective communication with the management	4.93	0.26	8.82	0.00
The Career opportunities/ succession planning are pointed out to the juniors by the seniors	4.93	0.26	8.82	0.00
Employees are motivated to work hard	5.00	0.00	8.82	0.00
Healthy working environments	4.93	0.26	8.82	0.00
Employees are motivated to work hard collectively towards achieving the organizational goals	4.93	0.26	26.68	0.00
Every employee is aware of the career path in the organization	4.84	0.37	11.09	0.00
The appraisal system helps the employees to grow and develop their skills	4.91	0.29	11.09	0.00
Supervisors keep open communication with the employees	4.91	0.29	26.68	0.00
To improve overall status of the company	4.84	0.37	8.82	0.00
Decrease the conflicts between the employees and the management	4.93	0.26	26.68	0.00
Helps in smooth working	4.84	0.37	11.09	0.00
Availability of the right talent at right time	4.91	0.29	26.68	0.00
Participation in decision making	4.91	0.29	26.68	0.00
The quality of work life of employees is important for the company success	5.00	0.00	26.68	0.00
Good work is noticed and rewarded	5.00	0.00	26.68	0.00



The above table no.6 presents the parametric measures of mean and SD of the HRM practices at Aragen Life Sciences Private Ltd. From the study it is found the HRM practices at Aragen Life Sciences Private Ltd is well designed to meet the best practices in the industry. Aragen Life Sciences Private Ltd is witnessed for several best HRM practices such as Employee motivation at the work place, Healthy working environments, quality of work life at the organization, Recognition and rewards for the good work, minimal conflicts at the work place, open communication systems, the best career opportunities, succession planning. The organization is not good at providing Training and Development programs which are helpful in improving the performance of the employees. In aggregate Aragen Life Sciences Private Ltd is found to have a lot of HRM best practices and the

same may churned and strategically designed to create the best brand image for the company and further in the long run the best employer brand.

Verification of Hypothesis.

Based on the findings of mean, SD, F ratio and ANOVA it is found that there is significant difference among the HRM practices at Aragen Life Sciences Private Ltd (H (0): Rejected, H(1) : Accepted at 5% of level of significance - $P < 0.05$).

Table 7 ANOVA						
Model		Sum of Squares	DF	Mean Square	F	Sig.
1	Regression	.763	2	0.382	6.321	0.003
	Residual	3.864	64	0.060		
	Total	4.627	66			
a. Dependent Variable: HRM best practices						
b. Predictors: (Constant) Attitude of the employees towards the management, how far you are satisfied with the present relationship between the management and the employees.						

Objective 2

To analyses the relationship between employee satisfaction and HRM practices.

Hypothesis -2

H (0): There is no significant relationship between employee satisfaction and HRM practices.

H (1): There is significant relationship between employee satisfaction and HRM practices.

The above objective is designed to analyse the relationship between employee satisfaction and HRM practices. The best of the HRM practices are compiled and compared with that of the level employee satisfaction among the employees at Aragen Life Sciences Private Ltd. Multiple Regression analysis is used to establish the relationship between employee satisfaction and HRM practices. The multiple regression makes use of the following parameters to assess the level of employee satisfaction at Aragen Life Sciences Private Ltd

- The level of employee satisfaction with regard to the present relationship between the management and the employees.
- The level of employee satisfaction with regard to the Policies of the company
- The level of employee satisfaction with regard to the Working behavior of the employees
- The level of employee satisfaction with regard to the Attitude of the employees

Table 8						
Regression Coefficients						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	5.909	.649		9.105	0.000
	The present relationship between the management and the employees.	1.227	.065	0.406	3.500	0.001
	Attitude of the employees towards the management.	1.82	.129	0.000	0.000	1.000

a. Dependent Variable: HRM best practices

Above table no 7 and 8 are further complied to establish the relationship between HRM best practices and the associated parameters of employee satisfaction. HRM best practices at Aragen Life Sciences Private Ltd = 5.909 + 1.227 (The present relationship between the management and the employees) + 1.82 (Attitude of the employees towards the management) The stepwise multiple regression analysis excludes the parameters such as the level of employee satisfaction with regard to the Policies of the company and, the level of employee satisfaction with regard to the Working behavior of the employees. The multiple regression analysis reveals that Aragen Life Sciences Private Ltd is well known for its best HRM practices which have a bearing impact in establishing a fruitful relationship between the management and the employees and in guiding the positive Attitude of the employees towards the management, which definitely creates the best organizational work life and conducive working environment.

Verification of Hypothesis

Based on the findings of multiple regression analysis it is found that there is significant relationship between employee satisfaction and HRM practices, at Aragen Life Sciences Private Ltd (H (0): Rejected, H (1): Accepted at 5% of level of significance - $P < 0.05$).

SUMMARY OF FINDINGS AND CONCLUSION

Aragen Life Sciences Private Ltd is a drug R&D Company dedicated to transform human life better in the form of providing solutions to the problems of life sciences. The acquisition, maintenance and work life satisfaction of Human resources is a crucial task for the corporate heads and the team leaders to deliver the best of the services. From the study it is found that the employees are highly satisfied and motivated to work and to associate with company. The talent pool of the company is excellent with highly matured and experienced employees dedicated to the services of drug research. It is found that there is a good relationship between the employees and management as well as the attitude of the employees is also favorable towards the organization in creating conducive working environment. It is suggested to provide or enhance the training and employee development (EDP/MDP) programs to further leverage the image of the company.

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