Impact Of HRM Practices On Select It Companies Performance In Madurai

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Abstract— This study examines the impact of Human Resource Management (HRM) practices on select IT companies performance in Madurai. The sample comprises of the employees in select six IT firms. The Researchers developed a questionnaire, which was used to collect the data. The collected data were analyzed by using SPSS 23 software. Descriptive statistics, ANOVA, ranking method were adapted. Sample size was 294 was collected using multi stage sampling method. The major findings of the study reveal that there is a direct link between the level of satisfaction of the employees and their motivation. The study also recommended the steps to improve HRM practices in the IT firms.

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1 INTRODUCTION

Labor movement has faced major challenges with declining union density, hostile regulatory environment, wage inequality, rising job insecurity and labor movement. Labor movement has switched from traditional industrial issues to broadened union incorporating a wider social agenda. The current state of the economy characterized by information explosion, liberalization, globalization and intense competition from within and outside the country has led many organizations both in the private and public sector become preoccupied on how to increase the "added value" of their employees. There is need to encourage employees to remain in the organization and to increase productivity beyond that which is at a minimum accepted standard using scarce resources, (Kimathi, 2000). Rundle (1997) argues that one needs to bear in mind that people (managers), not the firm, are the adaptive mechanism in determining how the firm will respond to the competitive environment. In the present study the HR planning practices implemented at different IT firms in Madurai

2 REVIEW OF LITERATURE

The practices of HRM are defined as "organizational activities directed at managing the pool of human resources and ensuring that the resources are employed towards the fulfillment of organizational goals" (Tiwari & Saxena, 2012, p. 671). Human resource practices mean the process or the functions that used to manage the employees and it directed the firm toward the development (Lado & Wilson, 1994). Employee's performance depends on how efficiently firm manages them by using their operations. The performance of the employees is the output of the performance of the workers it efficiently enhances the organization operations (Hameed & Waheed, 2011). Human Resource Management (HRM) is concerned with the efficient and effective utilization of human capital of the organization.

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HRM policies and practices may either help or constrain employees in performing their roles (Ngo, Foley, Loi, & Zhang, 2011). Human resources are considered the most important asset of an organization, but very few organizations can fully harness its potential (Ahmed, Schroeder, 2003). HRMPs is vital for successful implementation of HR policies effectively and efficiently to achieve the organizational goals (Mathis and Jackson, 2008). Likewise, practices of HRM are valuable for the organization to take practical measures for improving the efficiency of the workers and enhancing commitment among them (Deb, 2006).

3 RESEARCH METHODOLOGY

The present study is descriptive and diagnostic in nature. Purposive sampling method was adopted. A structured questionnaire was used to collect the data through interview schedule. A pre-test of the questionnaire was conducted prior to the actual survey to enable the alteration of the measurement scales and the checking for any vague questions. The pre-test was conducted among 20 employees in 4 IT companies (each 5 form every IT firm) in Madurai of Tamil Nadu. Based on the pretest, necessary modifications were done in the questionnaire and data were collected. The questionnaires were used to collect the respondent's geographic details, Socio economic conditions and HRM practices followed. Before starting the interview, the purpose of the study was explained and their fullest cooperation is requested to fill up the questionnaire. The research has used multi Stage sampling method for collection of information. In the first stage, 6 leading IT firms were identified using strata sampling method. In the second stage, 50 questionnaires were collected from each IT companies based on Systematic sampling method. The researcher has collected 300 questionnaires from the six selected IT firms' employees. After scrutinizing the received questionnaires, 294 are usable for the further analysis. The data were analysed using SPSS 23 software.

4 RESULTS AND DISCUSSION

Organizations become dynamic and growth oriented, if their people are dynamic and pro-active. Every organization can do a lot to make their people become dynamic and pro-active through proper selection of such people and nurturing their dynamism and other competencies. Organizations cannot survive beyond a point unless they are continuously alert to the changing environment and continuously prepare their employees to meet the challenges and have an impact on the environment. Thus, HRM practice is an essential process for

169

the organization's survival and growth.

TABLE 1
DISTRIBUTION OF RESPONDENTS BY DEPARTMENTS

DEPARTMENTS	No. of respondents	Percentage
HR	80	27.21
FINANCE	94	31.97
MARKETING	50	17.01
ADMINISTRATION	70	23.81
Total	294	100

Source: Primary Data

The table 1 shows the distribution of the respondents from the various departments in various IT companies in Madurai. 31.97 percent belongs to finance department of the select IT companies. 27.2 percent belongs to HR department of the select IT companies.

TABLE 2
EDUCATION DETAILS

S.No	Education	No. of Respondents	Percentage
1	Degree/Diploma	106	36.05
2	Post graduate	23	7.82
3	Professional	84	50.00
4	Others	18	6.12
	Total	294	100

Source: Primary Data

Table 2 shows the respondents education level. 36.05 percent of the respondents have a degree/Diploma, 7.8 percent have a PG, 50 percent have Professional degree.

TABLE 3
EXPERIENCE DETAILS

Years of experience	No. of Respondents	Percentage
Less than 4years	67	22.79
4 to 8 years	137	46.60
8 to 12 years	51	17.35
12.years and above	39	13.27
Total	294	100

From the above table, 46.6 percents of the respondents are having 4 to 8 years. 22.79 percents of the respondents are having less than 4 years of experience. 17.35 percents of the respondents are having 8 to 12 years of experience

TABLE 4
INCOME LEVEL

Income level	No.of Respondents	Percentage
Less than Rs.20000	70	28.91
Rs.20001-Rs.30000	49	20.41
Rs.30001-Rs.40000	56	24.83
Rs.40001-Rs.50000	32	14.29
Rs.50000 and above	24	11.56

From the above, 28.9 percent of the respondents are having an income of Less than Rs.20000.   20.4 percent of the respondents are having an income of rupees Rs.20001-30000. 24.8 percent of the respondents are having an income of Rs.30001-40000 rupees. 14.4 percent of the respondents are having an income of Rs.40001-50000 rupees. 11.56 percent of the respondents are having an income of Rs.50000 and above rupees

TABLE 5
REGRESSION ANALYSIS

Model	R	R^2	Adjusted R^2	Standard error
1	.869	0.751	0.713	0.2091

Table 5 shows that all the independent variables explain 75% to the dependent variable and the model is best fitted up to 75%. It also shows that 25% are the other variables that did not explain this model. It might be the other variables which didn't consider due to the limitations. In table 5, 25% can be adjusted by adding the independent variables. It gives us an idea of the scatter of the points around the line of regression.

TABLE 6
ANOVA ANALYSIS

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1915.22	12	159.6	5.3011	0.000
	Residual	8460.11	281	30.10		
	Total	10375.33	293			

This table summarizes the results of an analysis of variance. The ANOVA test result is shown in Table 6. It shows that F = 5.3011 is significant at 0.05 level. This indicated that the combination of the predictors significantly predict respondents opinion of various income group towards HR practices. Good compensation plans, which are well administered, have a salutary effect on the entire organization. Employees will be happier in their work, their co- operation and loyalty would be higher, amount of output is up and the quality is better. In the absence of such plans, compensation is determined subjectively based on haphazard and arbitrary decisions.

TABLE 7
LIKERT SCORE OF HRM PRACTICES

Problem	Likert Score	Rank
Changing nature of work expectation	3903	V
Compensation	4905	I
Employee relations	4085	1V
Recruitment and selection	4480	II
Performance management	3420	VIII
Training and development	2990	X
Career Planning	3700	VI
Organizational commitment	4160	III
Training and Development	2768	XII
Skills requirements	2900	XI
Social Support	3505	VII
Operating expenses	2679	XIII
Organizational needs	3095	IX

The above table shows the respondents opinion towards the HRM practices followed by the IT employees. IT employees rated their opinion in 5 point Likert scale and it is computed and tabulated. Compensation, Recruitment and selection and Organizational commitment are rated the top three followed by Employee relations and changing nature of work expectation. Operating expenses rated the lost by the respondents.

4 CONCLUSION
The study aims to evaluate the HRM Practices in IT Companies in Madurai. For this purpose, the major components selected for measuring HRM by employing Likert scale measurement with several statements. The opinion of the employees is measured through ranking techniques. The results showed that suitable training practices, carrier planning, reward and recognition and performance appraisal were followed in the selected IT firms, which in turn have remitted in higher motivation, encouragement, organizational commitment and level of satisfaction.

The major findings of the study reveal that there is a direct link between the level of satisfaction of the employees and their motivation. Good satisfaction promotes better action in their performance. Therefore, It firms should prepare human resource accounting report giving various details of its human resource competences, utilizations, needs, deficiencies, moral, motivations, team work and stress levels. These reports may be presented to the boards, it should be discussed, and decisions may be taken by the board to improve their motivation level by the way of pay benefits and balancing their workloads. The research concludes that the present HRM practices are quite satisfactory in the studied IT firms..

5 LIMITATIONS AND FUTURE RESEARCH
Firstly, in this study, we used a small size sample to analyze the impact of human resource management practices on organizational performance. As the behaviors of employees change with changing the environment and organizational practices, so we should collect data more than one time and compare the results. Future research should include more universities both public and private. Also, future researchers should also consider moderating variables such as university culture, organization climate, labor market, and legal & the regulatory environment.

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