Mediation Effect Of Organizational Performance In The Relationship Between Human Resource Development Practices And Organizational Learning

Dr.Y. Chitra Rekha, Dr.A.M. Mahaboob Basha, Dr.P. Siva Prasad

Abstract - The study aims to investigate a model of organizational learning and HR practices as mediators on organizational performance. Although there were many studies in the selected area, it is a unique study related to HR practices and organizational learning. For this, structural Equation model is being adopted. The age, gender, educational qualification, income and service as control variables and performance appraisal, training and development, employee compensation, career development as main variables, organizational learning as mediating variable and HR practices as partial mediating variable. Researcher has taken 546 sample respondents from Nellore Zone of APSRTC. The outcome of the research reveals: what extent organizational education and HR practices will influence on organizational performance. There are various observed variables like: Training and Development, Performance Development, Employee Compensation, Human Resource Development Practices, Organizational performance has shown positive impact on Organizational Performance/ Productivity.

Index Terms - HR practices, mediator, confirmatory factor analysis, mediating variable, organizational performance, organizational learning, etc.

1 INTRODUCTION

As per Pfeiffer [1] there are 7-HRM practices that influence the organizational performance; recruitment and selection, employment security, team work, decentralization of tasks, salary, training and development and minimizing status differentiations. The ultimate aim of every organization is organizational productivity. The productivity of the organization will depend up on few factors they are: organizational learning and human resource development practices. These HR practices include: performance appraisal, training and growth, employee reward, rewards and awards. These all are various parameters will impact on organizational productivity. The next pure mediating variable: organizational learning plays a vital role for employee productivity and organizational productivity. In fact, certain control variables like: age, gender, educational qualification, income and service of the respondents will control the main objective of the organization. The organizational performance is an employee outcome at workplace. That is reason why organizational performance is tightly linked with the employee performance in the organization. The organizations which are globally competitive are unique towards their human resource development practices in their organizations. The organizational performance can be measured through various factors viz: sales growth rate, market share value, productivity and profitability. Increasing the profit to the organization is major motto of every manager.

2 REVIEW OF LITERATURE

Nottinsson [2] The non-government organizations and government institutions plays a essential role for the development of human resource in Indian context. The government need to implement proper statutory and non-statutory schemes for the development of employees in the organization. The labour lagistations and social security benifs will plays a significant role for the development of human resource. Gyamfi [3] The researcher examined on training and development aspects related to enhance employee competencies. Due to the shortage of employee training and development many employees are performing unproductive tasks in the organization. The skill enhancement plays a significant role for the individual development of employees in the organization. IN fact, the employee motivation also plays a significant to procure productive tasks from the employees. This is the more reason why Human resource development activities are not being put in place. Uddin [4] The human resource development practices plays a significant role to enhance the the inner capabilities of individuals. Need to create role clarity, awareness about work culture, more directed to wrads tasks, openness, trust, proactiveness, autonomy plays an important role for the development of employees in the organization. Akujuru [5] In his research reveald that equity among the employees and there should not be any prejudice and participative decision making and effective human resource development practices plays and there should not be any subjectivity. The existing employee job satisfaction plays a significant role for the getting expected productivity from the employees. Dr. V. K. Jain, 2013 [6] In his study revealed that organizations cannot grow alone unless the employee grows/prospers in the organization. They should be good human resource development practices should be adopted for the well being of the employees. Need to implement better development practices for the individual enhancements. Nirenberg, John [7] In his study reveals that HR major functions can be classified into administrative and development functions from bottom line results. The workplace conditions and top management supervision and
work culture are major phenomenous which we need to consider for the development of organization. Raavi Radhika [8] in her survey on HRD Processes at Singareni Collieries Company Limited Kothagedem (A.P) examines the impact of HR practices and HR development programs like training and development, appraisal of employee performance and adaption of latest technology and tuning employees knowledge as per the requirements of the organization and other aspects plays a significant role in the organization. Srimannarayana [9] research has been made in the area of HRD Climate in Dubai Bank to assess the human resource development climate in Dubai Bank, through data collection form selected respondents. There are nearly 212 samples were collected from various respondents to know the employee perception on HRD practices with respect to gender (male and female). Mukherjee [10] in his study reveals that the training and development plays a crucial role for the development of employee efficiency at work spot. Infact, the latest technology in the contemporary world making organizations to adapt the latest technology which makes to adapt latest/sophisticated training methods for individual employees in the organization. Employees need to cooperate with transformational changes in the organization.

3.OBJECTIVES
- To study various HRD practices and its impact on organizational performance.
- To analyze various indicators, fall under organizational learning.
- To analyze the impact of organizational learning and HRD practices on organizational performance.

4. DATA ANALYSIS AND INTERPRETATION

Figure 1: Fit Indices for Organizational Model

Hypothesis Development:
- H (1): Human Resource Development Practices are positively related to Organizational Learning
- H (3): Organizational Learning positively related to Organizational Performance/Productivity
- H(4): Employee Training and Development positively related to Organizational Performance/Productivity
- H(5): Employee Performance positively related to Organizational Performance/Productivity
- H(6): Employee Career Development and planning is positively related to Organizational Performance/Productivity.
- H(7): Employee Performance positively related to Organizational learning.
- H(8): Employee Career planning and development positively related to Organizational learning.

Table 1: KMO AND BARTLETT’S TEST

<table>
<thead>
<tr>
<th>Kaiser-Meyer-Olkin Measure of Sampling Adequacy.</th>
<th>.901</th>
</tr>
</thead>
</table>

Bartlett’s Test of Sphericity

<table>
<thead>
<tr>
<th>Approx. Chi-Square</th>
<th>DI</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>14304.340</td>
<td>528</td>
<td>.000</td>
</tr>
</tbody>
</table>

The sampling index of Olkin, Meyer and Kaiser is 0.939 which depicts that the factor analysis is suitable for the dataset which is being used for current research purpose (1974). In general, KMO sampling adequacy is used to test the suitability of the factor analysis to the current research. The values between 0.4 and 0.9 reveal the suitability of factor analysis. The value below the 0.4 shows inappropriateness of factor analysis. Bartlett’s test of Sphericity Ch-Square is 26747.265, which means the 57 statements were strongly having relationship among the variables. To test the reliability and internal stability of every factor, the Cronbach’s alpha test is used. The reliability test value is 0.951 for all 57 variables for HRD Practices.

Table 2: MEAN AND STANDARD DEVIATION

<table>
<thead>
<tr>
<th>Item Statistics</th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>N</th>
</tr>
</thead>
<tbody>
<tr>
<td>TD</td>
<td>3.9084</td>
<td>.88143</td>
<td>546</td>
</tr>
<tr>
<td>PA</td>
<td>4.0147</td>
<td>.48818</td>
<td>546</td>
</tr>
<tr>
<td>OP</td>
<td>3.8590</td>
<td>.84068</td>
<td>546</td>
</tr>
<tr>
<td>CPD</td>
<td>3.8168</td>
<td>.74154</td>
<td>546</td>
</tr>
<tr>
<td>OL</td>
<td>3.8223</td>
<td>.91848</td>
<td>546</td>
</tr>
<tr>
<td>CC</td>
<td>3.9451</td>
<td>.65013</td>
<td>546</td>
</tr>
<tr>
<td>HRD</td>
<td>4.0165</td>
<td>.77205</td>
<td>546</td>
</tr>
</tbody>
</table>

From the above Table 2 reveals that the mean value for training and development is 3.9084 followed by performance appraisal 4.0147 and organizational performance is 3.8590 and career planning and development is 3.8168 and organizational learning 3.8223 and compensation management is all about 3.9451 and HRD practices is all about 4.0165, from this all the values proves above agreement behavior of individual employees.

Table 3: CRONBACH’S ALPHA RELIABILITY ANALYSIS

<table>
<thead>
<tr>
<th>Cronbach’s Alpha</th>
<th>N of Items</th>
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confirmatory model using organizational learning and organizational performance as mediators.

Path analysis was conducted for estimating the importance of influencing factors on quality of work life. Career planning and development has shown a base value of 0.74 and organization development shows a base value of 0.50. The other factors like: training and development (0.47), performance appraisal (0.26) and counseling and coaching have shown a base value of 0.35 and lastly human resource development has shown a base value of 0.72.

Figure 2: Confirmatory Model using Organizational learning and Organizational Performance as Mediators.

In the year 1987 Cole recommended the criteria for goodness of fit; it will be depending upon four different criterions. They are the goodness of fit index (GFI) and the adjusted goodness of fit and the residuals of root mean square and the final one chi-square goodness of fit. The following Figure 2 reveals the evidences for above criterions. Chi-square=1175.317; df = 488. Have shown good tendency of the data which will fit Hair et al. (2010) and the root mean-squared error of approximation [RMSEA] = .051; RMR = .061; comparative fit index [CFI] = .945; TLI = .940; GFI = .877, AGFI=.858. The CFI for the seven factors exceeded the value above 0.90 and the root mean squares value of less than 0.08 which proves a good fit for the above model to the data. (Browne and Cudeck, 1993). The comparative fit index (CFI > 0.90) which is also proved the fitness of the data (Joreskog K, Sorbom D 1993). The goodness of fit of the model statistics for 7 factors are +Ve related to Organizational Performance/Productivity. Significant P-value (p<0.01) with positive (+.47) path co-efficient supports the above hypothesis.

From the above designed model, the confirmatory factor analysis was conducted and its related fit indices values were given. The baseline seven-factor model fitted the data well (x² = 610.568; df = 329; root mean-squared error of approximation [RMSEA] = 0.040; RMR = .039; comparative fit index [CFI] = .980; TLI = .977; GFI = .928).

5. RECOMMENDATIONS
[1] H(1): The development practices for human resource are significantly related to Organizational Learning. Significant P-value (p<0.01) with positive (+.47) path co-efficient supports the above hypothesis.
[2] H(2): Human Resource Development Practices are significantly related to performance of organization. Significant P-value (p<0.01) with positive (+.26) path co-efficient supports the above hypothesis.
[3] H(3): Organizational Learning positively related to Organizational Performance/Productivity. Significant P-value (p<0.01) with positive (+.45) path co-efficient supports the above hypothesis.
[4] H(4): Employee Training and growth factors are +Ve related to Organizational Performance/Productivity. Significant P-value (p<0.01) with positive (+.30) path co-efficient supports the above hypothesis.
[5] H(5): Employee Performance positively related to Organizational Performance/Productivity. Significant P-value (p<0.01) with positive (+.29) path co-efficient supports the above hypothesis.
[6] H(6): Employee Career Development and planning is positively related to Organizational Performance/Productivity. Significant P-value (p<0.01) with positive (+.30) path co-efficient supports the above hypothesis.
[7] H(7): Employee Performance positively related to Organizational learning. Significant P-value (p<0.01) with positive (+.46) path co-efficient supports the above hypothesis.
[8] H(8): Employee Career planning and development positively related to Organizational learning. Significant P-value (p<0.01) with positive (+.45) path co-efficient supports the above hypothesis.
6. CONCLUSION

Therefore, it can be concluded that the mediating factors like: Organizational learning and human resource development practices will have positive impact on organizational productivity. Even there are other factors in HRD practices like: performance appraisal, Training and Development, Career development planning, compensation management and other aspects which proves positive impact on Organizational performance/productivity.

REFERENCES


