

# A study on effectiveness of Performance-Oriented HR Practices and HR outcomes

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**ABSTRACT:** (Creating a high-performance culture, coordinating individual and organisational goals, offering feedback and coaching, and recognising and rewarding exceptional performance are the main focuses of HR practises. Employing performance-based HR procedures helps businesses increase productivity, foster employee engagement, and more successfully meet their goals. Organisations use Human Resources departments to manage and develop their Human capital. Recruitment and selection, training and development, performance management, compensation and benefits, employee relations, and other areas are all covered in HR practises. These procedures are intended to improve employee productivity and engagement, maintain legal compliance, and align the workforce with organisational goals. The subjects of the current study are a group of chosen workers in manufacturing sector. It considered the performance-oriented HR practice such as Employee-employer relationship, Job security and job stress, and also employee outcomes such as Job satisfaction, employee engagement and pay and reward satisfaction.

**KEY WORD:** HR practices, High performance culture, employee outcomes, job security, employee engagement

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## I. INTRODUCTION

Human Resource (HR) practices are the strategies, policies, and procedures that organizations implement to manage their human resources effectively. These practices encompass a wide range of activities related to the management of employees throughout their employment lifecycle, from recruitment and selection to performance management, training and development, compensation and benefits, employee relations, and more. Some common HR practices are discussed here under:

### 1. Recruitment and Selection:

- Improved quality of hires: Ensuring that the right candidates with the right skills and fit are selected for the organization.
- Reduced time-to-fill: Efficiently filling job vacancies, minimizing the time a position remains vacant.
- Lower turnover: Recruiting candidates who are a good fit for the organization's culture and values can reduce employee turnover.

### 2. Training and Development:

- Enhanced employee skills: Training programs improve employees' knowledge and abilities, leading to increased productivity.
- Higher employee satisfaction: Employees feel more valued when offered opportunities for development and growth.
- Improved employee retention: Investing in employee development can increase loyalty and reduce turnover.

### 3. Performance Management:

- Increased individual performance: Setting clear goals and providing regular feedback helps employees perform better.
- Alignment with organizational objectives: Linking individual goals with company goals ensures everyone is working towards common targets.
- Data for decision-making: Performance data can be used for talent management and succession planning.

### 4. Employee Engagement:

- Higher employee morale: Engaged employees are more motivated and enthusiastic about their work.
- Increased productivity: Engaged employees tend to be more productive and committed to their tasks.

- Reduced absenteeism and turnover: Engaged employees are less likely to miss work or leave the organization.
- 5. **Compensation and Benefits:**
  - Attraction and retention of talent: Competitive compensation packages help attract and retain top talent.
  - Improved job satisfaction: Fair and adequate compensation contributes to employee satisfaction.
  - Motivated workforce: Performance-based incentives can drive employee motivation and effort.
- 6. **Employee Relations:**
  - Better employee morale: Positive employee relations foster a healthy work environment and higher morale.
  - Conflict resolution: Effective employee relations practices can help resolve conflicts before they escalate.
  - Reduced grievances and legal issues: Fair treatment and communication can minimize employee complaints and legal disputes.
- 7. **Diversity and Inclusion:**
  - Enhanced organizational performance: Diverse teams bring different perspectives, leading to better decision-making and innovation.
  - Attraction of diverse talent: Inclusive practices can help attract a more diverse pool of candidates.
  - Improved employee engagement: Inclusive workplaces promote a sense of belonging and engagement among employees.

It's important to note that the outcomes of HR practices may not always be immediate, and their impact can vary based on the organization's culture, industry, and external factors. Additionally, HR outcomes are interconnected and often influence each other. Effective HR practices should be aligned with the organization's strategic goals and continuously monitored and adjusted as needed to achieve desired outcomes.

## **II. RESEARCH METHODOLOGY**

The impact of performance-based HR practices on employee outcomes is investigated empirically. In this study, three outcome variables are used. As part of the study, 75 people were questioned using a standardized questionnaire. It is divided into three pieces. Part 1 presents the respondent's profile, Part 2 displays performance work practices, and Part 3 displays staff productivity statistics. Each item was created using a 5-point rating scale, with the scale's descriptive phases ranging from (1) strongly disagree to (5) strongly agree. The respondent's profile was the only exception. The statistical technique employed in this study to ascertain the association between performance-oriented HR practices and HR outcomes is correlational analysis.

### **Objectives of the study**

- To evaluate the relationship between demographic factors with HR practices and their outcomes
- To analyze the effectiveness of performance-oriented HR practices and employee outcomes.

### **Limitations:**

- High Performance Work Systems study is limited to select performance-oriented HR practices on employee outcomes.
- The research was confined to only manufacturing sector in Hyderabad.
- Few respondents may deny while facing the questions.
- Some significant information may not there due to unwillingness to disclose.
- Reliability of the study is limited due to the possible bias of the respondents.

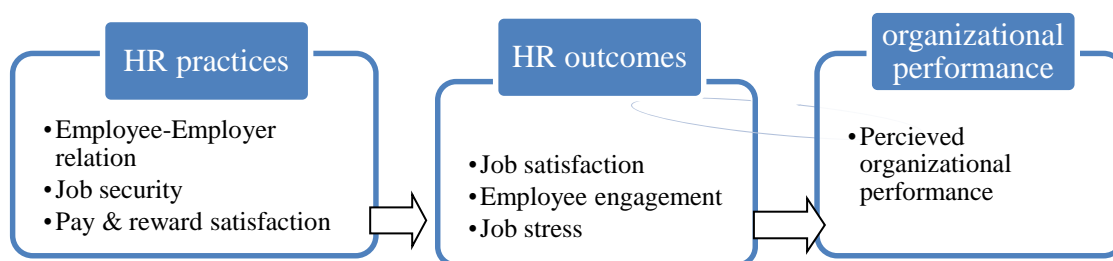
## **III. REVIEW OF LITERATURE**

Human resource is the most crucial element of an organisation to be able to carry out its activities. An objective must be established for the organization's members to work towards (Niati et al., 2021)<sup>5</sup>. The majority of HR professionals restructure their human resources practices and policies with a view to empowering employees to enhance morale, employee engagement and organisational culture; all factors that are vital for organisations to be able to operate according to the times. The process of altering an organization's human resources from one scenario to another to better prepare them for future responsibilities in accomplishing organisational goals is known as human resource development (Werdhiastutie et al., 2020)<sup>9</sup>. Another study on high-performance work practises conducted by the US Department of Labour (1993)<sup>8</sup>, found that team participation in decision-making, setting goals, and organisational direction would help to increase job satisfaction and lower turnover. Organisations must establish retention measures like rewards, autonomy, and image to increase organisational performance and the relationship between HRM practices and organisational performance (Development and Learning in Organisations, 2011)<sup>3</sup>. To solve the issues of employee retention in

this situation, there should be an integrated set of human resource capabilities or assets (Bairi, Manohar, & Kundu, 2011)<sup>1</sup>. Accordingly, elements like incentives, compensation, fair and competitive pay, etc., would encourage or motivate workers to remain with the company for a longer period (Sigler, 1999)<sup>7</sup>. Finally, it is hypothesised that the relationship between HRM practices and organisational performance would be mediated by employee retention. Research has been done (Katou, 2008<sup>4</sup> ; Paauwe and Richardson, 1997)<sup>6</sup> with accompanying concepts and models to fully understand and unravel the conundrum that lies at the heart of the relationship between HRM and performance, including intermediary factors like employee retention. The HRM outcomes of motivation, satisfaction, social climate, retention, involvement, loyalty, and trust are typically included in the intermediary stage of this relationship (Paauwe and Richardson, 1997). In light of this topic, Boselie et al. (2005)<sup>2</sup> have noted the lack of focus on investigating the linking mechanisms or mediating effects of significant components in the relationship between HRM and performance.

#### IV. HUMAN RESOURCE PRACTICES AND HR OUTCOMES

Human Resource Management practices adopted in manufacturing sector at Hyderabad studied 75 respondents for three HR practices. They are Employee-Employer relation, Job security and Pay and Reward satisfaction. Based on the select HR practices three HR outcomes selected for the study are Job satisfaction, Employee engagement and Job stress.



Conceptual framework for analyzing select HR practices and its outcomes

For the attributes study such as Employee Employer Relation, Job Security, Pay & Reward, Job Satisfaction, Employee Engagement and Job Stress is measured by using Pivot tables in the MS excel. The data provides Mean, Standard error, Median, Mode, Standard deviation, sample variance, skewness, Kurtosis and Range. Data analysis results are expressed in the table format.

**Table:1** expresses the statistical results of collected data

	Employee Employer Relation	Job Security	Pay & Reward	Job Satisfaction	Employee Engagement	Job Stress
Mean	31.08	8.24	10.5333333	23.7333333	20.0133333	40.7866666
Standard Error	0.70205874	0.17381775	0.28810241	0.33548852	0.21180760	0.43425128
Median	32	9	12	24	20	40
Mode	32	9	12	24	20	40
Standard Deviation	6.08000711	1.50530593	2.49504012	2.90541588	1.83430768	3.76072640
Sample Variance	36.9664864	2.26594594	6.22522522	8.44144144	3.36468468	14.1430630
Kurtosis	4.93784743	7.37381231	2.65647589	3.88725008	5.04164773	1.60368169
Skewness	-2.1457606	-2.5470918	-1.6039990	-1.2017107	-1.0324395	0.61095357
Range	31	8	12	16	13	23

#### Correlation among the variables taken under study:

Correlational analysis is commonly used to measure the relationship between HR practices and HR outcomes because it allows researchers to examine the strength and direction of the association between these variables. By examining the correlation coefficient, which indicates the strength and direction of the relationship, researchers can assess the extent to which changes in HR practices are associated with changes in HR outcomes. Correlational analysis is commonly used to measure the relationship between HR practices and HR outcomes because it allows researchers to examine the strength and direction of the association between these variables. By examining the correlation coefficient, which indicates the strength and direction of the relationship, researchers can assess the extent to which changes in HR practices are associated with changes in HR outcomes.

Table:2: Indicates the correlation of various elements taken for the study

	Employee Employer Relation	Job Security	Pay & Reward	Job Satisfaction	Employee Engagement	Job Stress
Employee Employer Relation	1					
Job Security	0.603247131	1				
Pay & Reward	0.553907667	0.670674634	1			
Job Satisfaction	0.608626225	0.71622361	0.707758199	1		
Employee Engagement	0.002326447	0.126071576	0.290742015	0.218741309	1	
Job Stress	0.173330465	0.419748781	0.357934575	0.211157521	0.163011136	1

Correlational analysis for the selected HR practices and HR outcomes shows the relation with each other. Independent variables of HR practices will impact the dependent variable HR outcomes. There exist very strong as the correlation values between job satisfaction and performance and reward (0.70775), job satisfaction and job security (0.71622), performance and reward relationship and job security (0.670675), employer employee relationship and job security (0.603247), and positive correlation exist between performance and reward relationship and employer employee relationship (0.55398) and the relation between employee engagement and job security is moderate (0.126072) and also the relation between employee engagement and employer employee relationship is weak as the value is 0.002326.

### V. CONCLUSION

Human Resources is a major asset for any association, so the employer is to be noted for any dissatisfaction faced by the hand. Further job satisfaction, position of a hand is directly salutary to the association as it enhances hand retention, increases productivity, and hand provocation as over said are directly commensurable to employment growth. The study of the effectiveness of performance-acquainted HR practices and issues in the manufacturing sector at Hyderabad concludes that HR practices were taken for the study and appreciatively identified with the HR issues similar to job satisfaction, Hand engagement and Job stress. All HR practices aren't inversely identified with HR issues. The results are grounded on select HR practices and their issues. The study contains limited repliers and the organizational performance in the manufacturing sector can't be generalised. We can conclude that the results attained in the study are apparent for a strong correlation between Job satisfaction and Pay and award, Job satisfaction and Job security and performance affiliated with pay and job security. Weakly identified variables will have a lower impact of Hand- employer relations and Hand engagement.

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