A Study On Human Resource Management Practices In Private Sector Undertakings In Chennai

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ABSTRACT

Running a successful business involves more than just making money; it also means being able to manage the people that make it all possible – the employees. Having a well-defined set of Human Resources practices in place makes this an easier task to accomplish. Practices that are legally and ethically sound will produce greater results in business than attempting to manage employees in a haphazard fashion. The best human resources practices create the most effective and efficient method of achieving any objective or task for a business. When aligned with the company mission statement and goals, these practices can address many of the personnel issues that can come up for a business. It is far better for a company to move forward towards meeting goals as one unit, collectively working towards a common goal and having a plan to get there. The most effective human resources practices include capable leadership in the form of a human resources manager or team with experience in employee matters, legal requirements and organizational development. A successful human resources manager will have both the on-the-job experience and education to effectively lead the personnel efforts of a company. In addition, it is important that the company leadership allow an equal place at the table for human resource operatives to best fall in line with company goals.

Key words: Human Resource Practices, Personnel issues, Organizational Development

1. INTRODUCTION

The term "human resource management" has been commonly used for about the last ten to fifteen years. Prior to that, the field was generally known as "personnel administration." The name change is not merely cosmetics. HRM developed in response to the substantial increase in competitive pressures American business organizations began experiencing by the late 1970s as a result of such factors as globalization, deregulation, and rapid technological change. These pressures gave rise to an enhanced concern on the part of firms to engage in strategic planning--a process of anticipating future changes in the environment conditions (the nature as well as level of the market) and aligning the various components of the organization in such a way as to promote organizational effectiveness.

Human resource management (HRM), also called personnel management, consists of all the activities undertaken by an enterprise to ensure the effective utilization of employees toward the attainment of individual, group, and organizational goals. An organization's HRM function focuses on the people side of management. It consists of practices that help the organization to deal effectively with its people during the various phases of the employment cycle, including pre-hire, staffing, and post-hire. The pre-hire phase involves planning practices. The organization must decide what types of job openings will exist in the upcoming period and determine the necessary qualifications for performing these jobs. During the hire phase, the organization selects its employees. Selection practices include recruiting applicants, assessing their qualifications, and ultimately selecting those who are deemed to be the most qualified.

Running a successful business involves more than just making money; it also means being able to manage the people that make it all possible – the employees. Having a well-defined set of Human Resources (HR) practices in place makes this an easier task to accomplish. Practices that are legally and ethically sound will produce greater results in business than attempting to manage employees in a haphazard fashion. The best human resources practices create the most effective and efficient method of achieving any objective or task for a business. When aligned with the company mission statement and goals, these practices can address many of the personnel issues that can come up for a business. It is far better for a company to move forward towards meeting goals as one unit, collectively working towards a common goal and having a plan to get there.

The most effective human resources practices include capable leadership in the form of a human resources manager or team with experience in employee matters, legal requirements and organizational development. A successful human resources manager will have both the on-the-job experience and education to effectively lead the personnel efforts of a company. In addition, it is important that the company leadership allow an equal place at the table for human resource operatives to best fall in line with company goals. HR Department is plays a very important role in the success of best practices. Employees need to be managed with effective communication and engagement best practices. Almost every business enterprise has a HR department to ensure that there is compliance with various processes. Ten most important best practices HR department personnel are supposed to maintain compliance with include:

- ➢ **Transparent Management System**
- ➢ **Appropriate Work Environment**
- ➢ **Accurate Performance Management System**
- ➢ **Performance Bonuses**
- ➢ **Fair Evaluation System**
- ➢ **Information Sharing**
- ➢ **Open House Discussions and Feedback System**
- ➢ **Draw Attention to High Performers**

➢ **Reward Ceremonies**
➢ **Delight Employees**

2. STATEMENT OF THE PROBLEM

Human Resource Management is a process of assessing, summarising and developing the work performance of an employee. It helps for analysing the capability of the employee to get promotion, incentives and recognition. Employee's low interest towards job will affect the productivities of the company. This study is aimed at analysing the gab in the present Human Resource Management practices in the selected private sector organisations in the study area.

An organization cannot build a good team of working professionals without good Human Resources. The key functions of the Human Resources Management (HRM) team include recruiting people, training them, performance appraisals, motivating employees as well as workplace communication, workplace safety, and much more.

Objectives of the study

i. To examine the satisfaction level of employees with the Human Resource practices followed in the private industries in Chennai district

ii. To identify the various factors influencing the employees to comply with the Human Resource practices of the private industrial units in the study area.

iii. To suggest the steps to improve modern human resource practices.

Hypotheses

To achieve the above objectives the following hypotheses are framed.

1.   There is no association between the intersection of gender, age and educational qualification of the respondents and their opinion about human resource practices
2.   There is no association between the intersection of position, experience and marital status of the respondents and their opinion about human resource practices
3.   There is no association between the intersection of income level, nature of residence and number of family members of the respondents and their opinion about human resource practices.

3. METHODOLOGY

The present study covers the employees of selected private industries functioning in Chennai District. The study is based on the both Primary and Secondary Data.

Primary Data

Primary data required for the study are collected from the employees working in the private industries functioning in Chennai. Though the population of the study is known and finite in nature it is decided to follow sampling method for data collection due to paucity of time.

Secondary data

The secondary data required for the study are collected form the standard text books, journals, magazines, reports, published and unpublished records and websites.

Area of Study

The present study is conducted within the Chennai District of Tamil Nadu. The main reason for choosing Chennai District is that more number of industries is functioning with more number of employees.

4. REVIEW OF LITERATURE

Mir Mohammed Nurul Absar., Zahed Husain Sikder and Balasundaram (2010), in their study entitled *"Employee Compensation Practices in Industrial Enterprises of Bangladesh: A Public-Private Sector Comparison*", made an attempt to analyse the differences between the public and private sector industrial enterprises of Bangladesh with respect to overall status of compensation practices. Some implications are also offered for overall improvement of the compensation practices of the public and private sector industrial enterprises of Bangladesh.

Esra Nemli Caliskan (2010), in his study entitled *"The impact of strategic human resource management on organizational performance",* found that the human resources are an important source of competitive advantage. Through specific examples from academic research regarding the impact of strategic human resource management practices on organizational performance, it is found that the way an organization manages its human resources has a significant relationship with the organization's performance.

Yasir Tanveer (2011), in his study entitled *"The Way Human Resource Management (HRM) Practices Effect Employees Performance: A Case of Textile Sector",* evaluated the impact and links between human resource practices and employees performance of the textile sector of Pakistan. This is achieved by developing and testing the model based on human resource practices including recruitment and selection, training and performance appraisal as independent variables on the employee's performance as a dependent variable.

Muhammad Javed (2012), in his study entitled *"Impact of HR Practices on Employee Job Satisfaction in Public Sector Organizations of Pakistan",* observed that the relationship between three HR Practices i.e. Training and Development, Rewards and Recognition and the employee job satisfaction in the public sector organizations of a developing country, Pakistan.

Serena Aktar (2012), in his study entitled *"Human Resource Management Practices and Firms Performance in Bangladesh: An Empirical Study on Pharmaceutical Industry"*, examine the field of human resource management (HRM), more specifically on firm performance. The aim of the study is to show the relationship between HRM practices and firms performance of pharmaceutical industry in Bangladesh.

Usama Awan , Muhammad Waqas and Imran Haider Naqvi (2013), in their study entitled *"Balanced Human Resource Management Averted Unions in Private Sector of*

Pakistan", examined the role of Human Resource Management (HRM) practices between the employee unions and organization requirements. The objective of the study is to address the gap in literature, how HRM averts unionization in private organizations. It concluded that the unionization can be averted through effective HRM that ensures better practices fulfilling needs of both the employees and organization.

Radha Gupta (2013), in her study entitled *"Evaluation of HR Practices in Public and Private Sector Enterprises: A Comparative Study*", found that the sound HRD strategies are essential for contentment of the employees on the one hand and organizational effectiveness on the other.

ANALYSIS OF HUMAN RESOURCE PRACTICES OF PRIVATE SECTOR ORGANISATIONS

This is designed to analyze the human resource practices followed in the private sector organizations in the study area. This analyses the differences among the respondents' opinion about the seven dimensions of human resource practices namely 1.Human resource planning, 2. Staffing practices, 3. Inventive practices, 4. Performance appraisal, 5. Training program, 6. Team work and 7. Employee participation. Though overall opinion of the respondents about the human resource practices of the private sector organizations reflects the real fact it is not useful for making decision at higher level. Result of the difference of opinion of the employees based on their socio economic variables will assist the management to take decision. Hence, the study requires an in depth analysis. For this micro level analysis purpose the researcher has used the parametric and non- parametric tests.

Association between gender and opinion about human resource practices

To know the association between the gender of the respondents and opinion about various dimensions of human resource practices of the private sector organizations analysis has been made with the following hypothesis.

Hypothesis

"There is no significant association between gender of respondents and their opinion about human resource practices"

To test this hypothesis independent sample 't' test is applied and the results are presented in the following table.

Association between gender and opinion about human resource practices

- Group Statistics

Opinion	Gender	N	Mean	Std. Deviation	Std. Error Mean
Human resource planning	Gender	161	3.1988	.61053	.04812
	Female	339	3.1681	.66041	.03587

Staffing practices	Male	161	3.4534	.67962	.05356
	Female	339	3.3274	.68079	.03698
Inventive practices	Male	161	3.8385	.68830	.05425
	Female	339	3.7021	.68567	.03724
Performance appraisal	Male	161	3.8820	.47931	.03777
	Female	339	3.9086	.51073	.02774
Training program	Male	161	3.9379	.52069	.04104
	Female	339	3.9056	.58325	.03168
Team work	Male	161	3.8696	.47606	.03752
	Female	339	3.8879	.49775	.02703
Employee participation	Male	161	3.1925	.74595	.05879
	Female	339	3.1622	.83573	.04539

Source: Computed Data

From the table it is found that there is a difference between the mean and standard deviation value of male and female employees of the private sector organizations for all factors of human resource practices. The small value of standard error indicates that there is a greater stability in the distribution of collected data. The result of Levene's Test for Equality of Variances is presented in the following table.

Association between gender and opinion about human resource practices
- Result of 't' test

Satisfaction level	Variances	Levene's Test for Equality of Variances		t-test for Equality of Means				
		F	Sig.	T	Df	Sig.	Mean Diff.	Std. Error Diff.
Human resource planning	*	1.011	.315	.496	498	.620	.03062	.06172
	**			.510	337.846	.610	.03062	.06001
Staffing practices	*	.073	.787	1.934	498	.054	.12598	.06512
	**			1.936	314.977	.054	.12598	.06508
Inventive practices	*	3.072	.080	2.077	498	.038	.13644	.06571
	**			2.074	313.403	.039	.13644	.06580
Performance appraisal	*	.020	.889	-.554	498	.580	-.02657	.04794
	**			-.567	333.214	.571	-.02657	.04687
Training program	*	1.877	.171	.598	498	.550	.03228	.05397
	**			.623	348.861	.534	.03228	.05184
Team work	*	.219	.640	-.390	498	.696	-.01834	.04698
	**			-.397	327.483	.692	-.01834	.04624
Employee participation	*	1.750	.186	.392	498	.695	.03030	.07733
	**			.408	348.924	.684	.03030	.07427

Source: Computed Data

*Note: *   - Equal Variances Assumed*

     ** - Equal Variances Not Assumed

From the above table the result of Levene's test for Equality of Variances indicates that the respondents do not differ significantly in their opinion about human resource practices for six factors. That is the *p* value for these six factors is more than the acceptable level of 0.05. Hence the null hypothesis is not rejected and it is concluded that there is no significant association between the gender of the respondent and their opinion about human resource practices of private sector organizations. It is inferred that the respondents do not vary in their opinion about the human resource practices of their working organization when they are classified based on their gender. Further it is found that the *p* value for the factor incentive practices (p=0.038) is less than the acceptable level of 0.05 and it is concluded that there is a significant association between the gender of the respondents and incentive practices of their working organization.

Association between marital status and opinion about human resource practices

To know the association between the marital status of the respondents and opinion about various dimensions of human resource practices of the private sector organizations analysis has been made with the following hypothesis.

Hypothesis

"There is no significant association between marital status of respondents and their opinion about human resource practices"

To test this hypothesis independent sample 't' test is applied and the results are presented in the following table.

Association between marital status and opinion about human resource practices - Group Statistics

Opinion	Marital status	N	Mean	Std. Deviation	Std. Error Mean
Human resource planning	Married	237	3.1899	.65889	.04280
	Un married	263	3.1673	.63197	.03897
Staffing practices	Married	237	3.4726	.66087	.04293
	Un married	263	3.2738	.68876	.04247
Inventive practices	Married	237	3.8228	.58425	.03795
	Un married	263	3.6768	.76550	.04720
Performance appraisal	Married	237	3.8987	.51077	.03318
	Un married	263	3.9011	.49203	.03034
Training program	Married	237	3.9831	.61731	.04010
	Un married	263	3.8555	.50384	.03107
Team work	Married	237	3.9409	.44709	.02904
	Un married	263	3.8289	.52167	.03217

	Married	237	3.1688	.73430	.04770
Employee participation	Un married	263	3.1749	.86922	.05360

Source: Computed Data

From the table it is found that there is a difference between the mean and standard deviation value of married and unmarried employees of the private sector organizations for all factors of human resource practices. The small value of standard error indicates that there is a greater stability in the distribution of collected data. The result of Levene's Test for Equality of Variances is presented in the following table

Association between marital status and opinion about human resource practices - Result of 't' test

Satisfaction level	Variances	Levene's Test for Equality of Variances		t-test for Equality of Means				
		F	Sig.	T	Df	Sig.	Mean Diff.	Std. Error Diff.
Human resource planning	*	1.271	.260	.391	498	.696	.02257	.05776
	**			.390	487.621	.697	.02257	.05788
Staffing practices	*	.000	.999	3.285	498	.001	.19881	.06052
	**			3.292	496.031	.001	.19881	.06039
Inventive practices	*	35.265	.000	2.377	498	.018	.14598	.06141
	**			2.410	485.146	.016	.14598	.06057
Performance appraisal	*	.002	.961	-.054	498	.957	-.00241	.04487
	**			-.054	488.213	.957	-.00241	.04496
Training program	*	.376	.540	2.542	498	.011	.12761	.05020
	**			2.516	456.279	.012	.12761	.05073
Team work	*	12.895	.000	2.565	498	.011	.11203	.04368
	**			2.585	496.771	.010	.11203	.04334
Employee participation	*	3.791	.052	-.085	498	.933	-.00613	.07238
	**			-.085	495.969	.932	-.00613	.07175

Source: Computed Data

*Note: * - Equal Variances Assumed*

*** - Equal Variances Not Assumed*

From the above table the result of Levene's test for Equality of Variances indicates that the respondents do not differ significantly in their opinion about human resource practices for three factors. That is the *p* value for these three factors is more than the acceptable level of 0.05. Hence the null hypothesis is not rejected and it is concluded that there is no significant association between the marital status of the respondent and their opinion about human resource practices of private sector organizations. It is inferred that the respondents do not vary in their opinion about the human resource practices of their working

organization when they are classified based on their marital status. Further it is found that the *p* value for the factors staffing practices (p=0.001) , incentive practices (p=0.016) training program (p=0.011) and for team work (p=0.010) is less than the acceptable level of 0.05 and it is concluded that there is a significant association between the marital status of the respondents and their opinion about human resource practices. It is suggested that the management may treat the employees without discriminating them based on their marital status for incentive practices, staffing practices, training program and team work.

Association between interest on government job and opinion about human resource practices

To know the association between the interest on government job and opinion about various dimensions of human resource practices of the private sector organizations analysis has been made with the following hypothesis.

Hypothesis

"There is no significant association between interest on government job and opinion about human resource practices"

To test this hypothesis independent sample 't' test is applied and the results are presented in the following table.

Association between interest on government job and opinion about human resource practices - Group Statistics

Opinion	Interest on government job	N	Mean	Std. Deviation	Std. Error Mean
Human resource planning	Yes	163	3.1534	.64390	.05043
	No	337	3.1899	.64514	.03514
Staffing practices	Yes	163	3.4110	.63567	.04979
	No	337	3.3472	.70369	.03833
Inventive practices	Yes	163	3.7730	.79583	.06233
	No	337	3.7329	.63143	.03440
Performance appraisal	Yes	163	3.9202	.53266	.04172
	No	337	3.8902	.48470	.02640
Training program	Yes	163	3.9141	.52586	.04119
	No	337	3.9169	.58165	.03168
Team work	Yes	163	3.8712	.47333	.03707
	No	337	3.8872	.49915	.02719
Employee participation	Yes	163	3.1350	.72449	.05675
	No	337	3.1899	.84488	.04602

Source: Computed Data

From the table it is found that there is a difference between the mean and standard deviation value of employees who are interest on government job and who are not interest on government job for all factors of human resource practices. The small value of standard error indicates that there is a greater stability in the distribution of collected data. The result of Levene's Test for Equality of Variances is presented in the following table.

Association between interest on government job and opinion about human resource practices - Result of 't' test

Satisfaction level	Variances	Levene's Test for Equality of Variances		t-test for Equality of Means				
		F	Sig.	t	Df	Sig.	Mean Diff.	Std. Error Diff.
Human resource planning	*	.307	.580	-.594	498	.553	-.03654	.06151
	**			-.594	321.021	.553	-.03654	.06147
Staffing practices	*	3.007	.084	.981	498	.327	.06386	.06510
	**			1.016	351.431	.310	.06386	.06284
Inventive practices	*	10.292	.001	.609	498	.543	.04007	.06576
	**			.563	263.878	.574	.04007	.07119
Performance appraisal	*	.924	.337	.629	498	.530	.03004	.04778
	**			.608	294.939	.543	.03004	.04937
Training program	*	2.890	.090	-.052	498	.958	-.00280	.05382
	**			-.054	351.167	.957	-.00280	.05197
Team work	*	.657	.418	-.343	498	.732	-.01607	.04683
	**			-.350	336.244	.727	-.01607	.04598
Employee participation	*	7.805	.005	-.713	498	.476	-.05494	.07706
	**			-.752	368.372	.453	-.05494	.07306

Source: Computed Data

*Note: *   - Equal Variances Assumed*

*** - Equal Variances Not Assumed*

From the above table the result of Levene's test for Equality of Variances indicates that the respondents do not differ significantly in their opinion about human resource practices for all factors. That is the *p* value for these three factors is more than the acceptable level of 0.05. Hence the null hypothesis is not rejected and it is concluded that there is no significant association between the interest of the employees on government job and their opinion about human resource practices of private sector organizations. It is inferred that the respondents do not vary in their opinion about the human resource practices of their working organization when they are classified based on their interest on government job.

Association between status and opinion about human resource practices

The researcher has classified the respondents in to two categories namely new one to the company and existing one to the company. To know the association between the status of the employees and their opinion about various dimensions of human resource practices of the private sector organizations analysis has been made with the following hypothesis.

Hypothesis

"There is no significant association between status of the employees and their opinion about human resource practices"

To test this hypothesis independent sample 't' test is applied and the results are presented in the following table.

Association between status of the employees opinion about human resource practices - Group Statistics

Opinion	New employee to the current organization	N	Mean	Std. Deviation	Std. Error Mean
Human resource planning	Yes	161	3.1304	.59298	.04673
	No	339	3.2006	.66697	.03622
Staffing practices	Yes	161	3.4224	.73007	.05754
	No	339	3.3422	.65792	.03573
Inventive practices	Yes	161	3.8137	.75998	.05989
	No	339	3.7139	.65100	.03536
Performance appraisal	Yes	161	3.8385	.52322	.04124
	No	339	3.9292	.48742	.02647
Training program	Yes	161	3.8758	.52151	.04110
	No	339	3.9351	.58221	.03162
Team work	Yes	161	3.8509	.40637	.03203
	No	339	3.8968	.52563	.02855
Employee participation	Yes	161	3.2050	.83005	.06542
	No	339	3.1563	.79702	.04329

Source: Computed Data

From the table it is found that there is a difference between the mean and standard deviation value of new employees and existing employees for all factors of human resource practices. The small value of standard error indicates that there is a greater stability in the distribution of collected data. The result of Levene's Test for Equality of Variances is presented in the following table.

Association between sources of job and opinion about human resource practices - Result of 't' test

Satisfaction level	Variances	Levene's Test for Equality of Variances		t-test for Equality of Means				
		F	Sig.	T	Df	Sig.	Mean Diff.	Std. Error Diff.
Human resource planning	*	9.574	.002	-1.138	498	.256	-.07016	.06165
	**			-1.186	350.185	.236	-.07016	.05913
Staffing practices	*	5.240	.022	1.228	498	.220	.08018	.06527
	**			1.184	287.014	.237	.08018	.06773
Inventive practices	*	9.357	.002	1.516	498	.130	.09980	.06584
	**			1.435	275.131	.152	.09980	.06955
Performance appraisal	*	8.838	.003	-1.898	498	.058	-.09069	.04778
	**			-1.851	295.322	.065	-.09069	.04900
Training program	*	.048	.827	-1.100	498	.272	-.05933	.05393
	**			-1.144	347.791	.253	-.05933	.05186
Team work	*	1.253	.264	-.976	498	.329	-.04582	.04695
	**			-1.068	396.719	.286	-.04582	.04290
Employee participation	*	1.193	.275	.629	498	.530	.04863	.07732
	**			.620	303.277	.536	.04863	.07844

Source: Computed Data

*Note: *   - Equal Variances Assumed*

> *** - Equal Variances Not Assumed*

From the above table the result of Levene's test for Equality of Variances indicates that the respondents do not differ significantly in their opinion about human resource practices for all factors. That is the *p* value for these three factors is more than the acceptable level of 0.05. Hence the null hypothesis is not rejected and it is concluded that there is no significant association between the status of the employees and their opinion about human resource practices of private sector organizations. It is inferred that the respondents do not vary in their opinion about the human resource practices of their working organization when they are classified based on their status in the organization.

5. SUGGESTIONS

The following are the suggestions are made by the researcher based on the above findings.

1.   It is suggested that the management may treat the employees without discriminating them based on their gender for incentive practices.

2.   It is suggested that the management may treat the employees without discriminating them based on their marital status for incentive practices, staffing practices, training program and team work.

3.   It is suggested that the management may treat the employees without discriminating them based on their sources of job for training program and team work.

4.   It is suggested that the management may treat the employees without discriminating them based on their type of family for incentive practices, staffing practices, training program and team work.

5.   It is suggested that the management may treat the employees without discriminating them based on their age for incentive practices, performance appraisal for training program.

6. CONCLUSION

From the study the researcher has identified that the HRM practices followed in the private industries in the study district are not up to the satisfaction of the employees. Hence, the management of the private sector organisations in the Chennai district may consider the above suggestions to improve the HRM practices of their industries to retain the existing employees to achieve their goals.

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