

A Study on Human Resource Practices and its Impact on Employee Performance

(With Special Reference to the Technical Institutions of Madhya Pradesh)

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Abstract: Higher education for improving the social life of a nation is an instrument. The quality of a civilization depends basically on the character of human being not on the physical equipment or the political machinery but also the HR practices so that the system is implemented effectively and sustain the organization to win the competitive advantage. The main task of education, especially higher education, is nurturing the youth in a well-defined direction and for the sustaining of the Nation. The World Conference on Higher Education held in Paris, UNESCO (2008) stated that in order to allow the whole society to overcome the challenges of the 21st century, a well groomed professionally knowledge worker is required to sustain the society and a wave of reformation has to be passed so that overall development is existed. For this study, total 500 employees were selected in order to examine the impact of HR Practices on their performance. The findings indicated that if HR Practices are strongly executed in Technical institutions then the performance of employees also excel and they give their maximum output in terms of admission, quality of education provided to the students, team work, efficiency in task accomplishment etc.

Keywords: HR Practices, Employee Performance, Quality of Education, Professional Development of Students, Efficiency.

Introduction

Madhya Pradesh is one of the states which is developing at a faster rate and picking up with already developed states. Between the years 2011-12 and 2018-19, Gross domestic state product paced at a rate of 17 percent and as of year 2017-18 primary sector contributed 42.89 percent in the state's GVA. Technical Institutes have always promoted the economic growth of the state. Currently there are over 200 technical institutes in the state accommodating approximately 1.5 lakh students. MP is counted in top six states having these much number of technical institutes. Indore, the financial capital of Madhya Pradesh is the only city in India having both IIM and IIT. The four main central technical institutes in the state – IIT Indore, MANIT-Bhopal, IIIT-Gwalior and IIIT-Jabalpur have made their place in Top 20 in their respective category. Other than central institutes, state led colleges like SGSITS, IET-DAVV are also getting recognition from all over India.

As a full strategic partner, HR Practices is implemented by the Higher education institutions in their operations. These practices are: recruitment & selection, training & development, performance appraisal, feedback, policies of promotion or rewarding to retain employees for a long association and the advanced competences of the human resource professionals in running the essential functions of the department.

The ultimate aim of technical institutions for the development of the nation is the development of required human resources to shoulder this responsibility. In essence HRD (Human resource Development) agencies set for the development of human resource functions in technical institutions is performed by the staff engaged in teaching-learning delivery system. Globalization has transformed systems, policies and institutions, which is “widening, deepening and speeding up of worldwide interconnectedness” in Technical Institutions. In accordance with the changing environment, it requires reinvention of the existing system, policies and institutions. Due to globalization and advancement in technologies owing to ICT revolution the staff of technical institutions needs to sharpen and improve their capabilities, skills and attitudes.

Emergence of HR Practices

Service organizations are becoming important partners in this learning society, as they provide more and more opportunities for continuous learning to their employees with the objective to optimize organizational learning as a whole. The formal introduction of the concept of Human Resource Development was done by Len Prof. Nadler in 1969 in American Society for Training and Development Conference. Organizational view point is that human resource development is a process in which the employees of an organization are motivated to acquire and develop technical, managerial and behavioral knowledge skills and abilities. Human resource development is considered the key to higher productivity, better relations and greater profitability for any organization.

With the environment of liberalization, privatization and globalization across the world, there is a whole new thrust in raising the level of performance in various sectors. Any practice that deals with enhancing competencies, commitment and culture building can be considered an HR practice. The practice can take the form of a system, a process, an activity, a norm, a rule, an accepted or expected habit, or just a way of doing things. Human Resource Development (HRD) has been defined as essentially consisting of these three Cs: Competencies, Commitment and Culture or HRD also means competence building, commitment building, and culture building (Rao, 1990). Culture provides the sustaining force and spirit for organizations to live. Culture is like an oxygen to breathe for survival. Its utility comes to the fore especially when organization is in trouble.

In the modern economic scenario, Human Resource plays an active role of development of an organization are helped the employees to continuous and planned way in the organizational context to:

- (a) To perform various functions associated, there is a need to acquire or sharpen the capabilities with the present or expected future roles;
- (b) For their own and/or organizational development processes, to develop the competencies/skills as individuals and discover and exploit own inner possibilities; and
- (c) There is a need to develop an organizational culture for the professional well-being, motivation and pride of employees in which supervisor-subordinate relationships, team work and collaboration are strong and contributed to sustain the organization.

“It is hard for competitors to imitate attitude to encourage learning and to reward efforts which add to the knowledge. Skills go out of date and need constant replenishment so skill base is one of the main assets. In the long term what is most important and may not be the particular skills, but the ability to keep learning new ones”.

Components of HR

Irrespective of its size, no business organization can survive without people. The people of any organization are a source of competitive advantage. In sustaining effectiveness, HRM practices are considered a critical organizational resource. The philosophy, policies, procedures, and practices related to the management of an organization’s employees are referred by HRM (Sims, 2002). The present research includes major HRD practices that impact performance of academics and non-academics.

Planning is the process of identifying the right person for the right job at the right time at the right cost. This process involves the estimation of the future manpower needs of an organization and meeting them through the available workforce. Koch and McGrath (1996) found a positive relationship between HR planning and employees’ productivity.

Selection: Selection is the process of choosing the most suitable person from within the organization or from the outside for the current or future position. The past researches have shown that if the selection process is fair and transparent then the organizational performance is increased.

Recruitment is providing opportunities to hire employees as per their potentials and competencies which is essential for the required job. The main objective is to get the work for the betterment of organization.

Training: It may be defined as the process of teaching employees the knowledge and skills necessary to perform their job requirements. This may be accomplished by a variety of techniques and methods. These include, but are not limited to, formal classes taught by qualified instructors, self-directed modules, attendance at internal and external seminars; and in-services.

Motivation is in simple terms to push the person for excel in their performance by rewarding monetary or non-monetary benefits. There are many ways to motivate employees but there is a need to consider their basic needs to self-esteem needs as per the principle of Maslow.

Compensation: In organization, compensation depends upon the skills and capabilities of person and according to the basic pay, these are provided to them. It requires that compensation should be fairly distributed so that competent person get recruited. In this way, a competent person would be retained for a longer time. According to Chow, Haddad, and Wingender (2011), there exists a positive relationship between HR training and employee’ performance.

Rationale of the Study

The government policymakers, social reformists and activists and NGO's bear the responsibility for making available to the society best services so that physically sound human resources contribute significantly to the process of human capital formation. Of late it has been realized the contribution of educational organizations in improving the potential of an organization. To accelerate the pace of economic transformations, it is appreciated the contributions of human beings and to improve the quality and strength of human beings. This study estimates highly the contributions of HRD practices.

The concept of managing technical institutions professionally has gained momentum all over the world. For successful HRD practices, it is necessary that technical institutions are professionally sound. The slogan of quality in totality cannot be translated into meaningful purposes unless the technical institutions HRD offer world-class services. It has been considered a technical institutions as a social institution. The technical institutions capable of personnel should be made aware of the organizational goals to make sincere efforts to succeed. Besides the question of survival is a major problem of growth and prosperity. Hence, technical institutions organizations are a social institution; it is important to give due weightage to interest of society. HRM practices help in professionalizing the services in tune with the defined goals & targets.

The rationale behind this research effort must be spelled out clearly. This will enable readers to understand the motivation of the researcher in undertaking this task. Everyone proclaims that human asset is the most important asset. On the other side education is declared to be one of the most important wealth. The forgoing analysis of organization is to enable understanding the structure through which organizational goals are routed. But then those goals are achieved by human employed there in, their management including their development, is based on following beliefs in modern times.

Review of Literature

Mangi (2014) reviewed HRM plus its branch of HRD in apex institutes of India. The study focusing on human as a valuable resource at workplace discussed the transition from the traditional personnel administration to HRM. Further the study described the role of NISCAIR, DRTC, NASSCOM of Indian institutes and which core activities are to develop human resource. These institutions are equipped with necessary facilities and manpower for meeting the challenges faced by current times to train and prepare research scholars and library and information professionals.

P. Usha (2015) aimed at Higher education institutions for exploring, generating, conserving and transmitting knowledge are the important means. The Human Resource Development is needed to every organisation in improving its system and services, change and for becoming more dynamic and for playing leadership role that is interested in stabilizing, growing, diversifying, renewing it-self to become more effective. The present study is undertaken with a view, to assess the HRD interactivities among teaching staff of the Accredited Institutions and Affiliated institutions of Rayalaseema region, Andhra Pradesh. Results indicated that the HRD initiatives among teaching staff in engineering institutions appear to be good. HRD values scored fairly well while HRD mechanisms appears average score. Personality development and placements got good score in Accredited Institutions. Job security, equality and fairness are ranked at the top most important values for teaching staff in engineering institutions. There is variation exists on the Type of management and rewards given to teaching staff.

Abraham Boateng (2015) studied the effects of staff administration activities on staff turnover in the educational sector, his findings provide experimental backing for the significance of employment and placement, instruction & progress, interpersonal bonds, staff interaction and participation, fitness, security and conflict, appreciation and salary, remuneration, motivation and evaluation on "employee retention". The findings showed that staff turnover in these parts could be well described by HRM most excellent approaches as contrasted to social disparities.

Murlidhar, S. and Gopal, R.K. (2016) marked a remarkable achievement in the growing of the Education sector tremendously over the decade. Higher Education in India has stretched numerous folds. The number of Universities are increasing year by year to cater different segments of teachers and students across the world. There is a substantial increase in the teaching staff with the number of colleges increasing. This study was an attempt to understand the level of job satisfaction with respect to the HR practices among the teaching fraternity.

Dauda, Y. and Singh, G. (2018) reviewed Human Resource Management procedures in Higher Educational Institutions (HEIs). The study found that HR practices have that potentiality to attract a qualified pool of academicians and bring quality of education provided to students. The findings indicated that HR Practices have a strong relationship with the organizational performance. These should be strategized in organization fairly and ensure that healthy culture would be established for a long term profit.

Research Gap

From the reviews of past studied which have been discussed above, it has been explained that HR Practices are important in sustaining the image of educational institutions and also at the same time capable enough to retain the employees. Many researchers have focused on various HR Practices like compensation, promotion, incentives, fair selection, autonomy, flexibility, etc. in the service organizations but no study was conducted on the Technical Institutions. Hence, the researcher has tried to find the gap to study the HR Practices in the selected Technical Institutions. This present study has attempted to determine the impact of HR Practices on employee performance with regard to various components. In this study both academics and non-academics employees are selected to go deeply into the system and make suggestions to sustain the image of Institutions. It is observed that if one wants to survive in the competitive environment that organization must be strengthened to make HR Policies for retaining their employees.

Objective of Study

1. To study the impact of HR practices on employee performance in Technical Institution.

Research Design: The study is descriptive. In this study the factors of HR Practices were identified and studied in relation to performance. In this study, survey research design is adopted.

Study Area: In the study, the researcher has included the Technical Institutes of Madhya Pradesh. Due to constraints of time some Institutes were selected from main cities: Indore, Bhopal, Gwalior, Ujjain, Jabalpur as the study area.

Data Collection: Primary Data collection was collected through Specific self-designed Questionnaire based on the 5-Point Likert Scale to measure the impact of HR Practices on employee performance both academics and non-academics of Technical Institutes. Also, Secondary Data was procured from Websites, Journals, E-Journals, Books / Magazines and Research Papers.

Sampling Technique: For effective coverage, systematic random sampling method was used to select the participating respondents.

Sample Size: Total 500 Employees were chosen.

Director/Principal -45

Associate Professor-68

Assistant Professors-137

Non-Teaching/Technical staff Members: 250 (Those who have been assigned office work)

Data Collection Instrument: The questionnaire was developed into many parts in such a way as to reflect the perception of employees towards HR Practices in terms of recruitment, selection, training and development, compensation, performance appraisal, promotion etc. as the researcher aimed to keep the parts of questionnaire similar in content in order to get a comprehensive view.

Tool to Measure Questionnaire: The questionnaire was developed to measure the independent variables it was self-structured based on 5-point Likert Scale consists of questions that are based on strongly agree to strongly disagree. For this research study the variables have been taken on the basis of reliability and validity of the statements given by the respondents.

Data Analysis Test: Correlation and regression analysis were applied to examine the impact of HR Practices on their performance.

Result & Discussions

H₀₁: There is no significant impact of HR Practices on the performance of the academic and non-academic staff members.

H_{a1}: There is a significant impact HR Practices on the performance of the academic and non-academic staff members.

Table 1: Model Summary^b on HR Practices

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.678 ^a	.460	.458	.92076	.460	423.453	1	498	.000	1.847

a. Predictors: (Constant), HR Practices

b. Dependent Variable: Performance of the academic and non-academic staff members

From the above table shows the relationship between HR Practices and Performance of the academic and non-academic staff members. The value of correlation is .678 which depicts good relationship between these two factors. The value of correlation is significant at $.000 < 0.05$ so it is concluded that there is a good relationship between HR Practices and Performance of the academic and non-academic staff members. The regression is .460 means that 46% variance in Performance of the academic and non-academic staff members is explained by the HR Practices. The value of Durbin Watson is 1.847 which shows that the variables are auto correlated. In this regard, the null hypothesis namely 'there is no significant impact of HR Practices on the performance of the academic and non-academic staff members' is rejected and found that there is a significant impact of HR Practices on the performance of the academic and non-academic staff members.

Table 2: ANOVA^a on Compensation

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	359.000	1	359.000	423.453	.000 ^b
	Residual	422.200	498	.848		
	Total	781.200	499			

a. Dependent Variable: Performance of the academic and non-academic staff members

b. Predictors: (Constant), HR Practices

The above table shows the ANOVA on HR Practices and Performance of the academic and non-academic staff members. The F Model depicts the Goodness of Fit means the model is appropriate in depicting the relationship between HR Practices and Performance of the academic and non-academic staff members. The value of F is 423.453 at $.000 < 0.05$ significant level so it is concluded that HR Practices have an effect on Performance of the academic and non-academic staff members.

Table 3: Coefficients^a on Compensation

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B	
	B	Std. Error	Beta			Lower Bound	Upper Bound
(Constant)	1.297	.117		11.040	.000	1.066	1.527
1 HR Practices	.671	.033	.678	20.578	.000	.607	.735

a. Dependent Variable: Performance of the academic and non-academic staff members

The regression line, expressed in the form given in Equation (1), is $Y = 1.297 + .671 X_1$, where the predictor variable X represents the log of HR Practices, and the outcome variable Y represents the log of Performance of the academic and non-academic staff members. The estimated regression parameters are a 1.297(intercept) and b .671 (slope). This regression interpreted as follows: At X 0, the value of Y is 1.297. For every one unit increase in X, the value of Y will increase on average by 6.71. Effects of both the intercept and slope are statistically significant (.000 < .005). The equation is obtained as: $Y = 1.297 + .671 X_1$

Conclusion

It has been seen from the result that HRD practices can influence behaviour, attitude, motivation, commitment, job involvement and job satisfaction of the employees through teamwork, reward and recognition, working environment, training and development, compensation, good supervision, leadership etc.. This would produce better performance and enhance educational effectiveness. Thus the findings of this study would be of immense help to both academicians since it reveals the analysis of HRD practices in technical institutions.

The findings of the study have widened the scope of work professionals who are working in technical institutions. The outcome of this study would enlighten them about giving importance to the employee training and development programs so that the employees' performance can be boosted and that would lead to better satisfaction and functioning. This would make them effective administrators. It is observed that in an era of globalization where education industry is booming so, all employees should be managed efficiently and effectively. This can be only possible when organization will pay more attention on HRD strategies. The effectiveness of training is not static, it has to be periodically reviewed, updated and upgraded in tune with demanding situation of the economy, government policy and advancements. Human centred development thus must be carried out through a holistic approach which encompasses all physical, psychological and social dimensions. At present, we can only mobilize one-third of our personnel potential.

Recommendations

1. Atmospheres promoting HRD should be developed, e.g., decentralization, recruitment of directors through their achievements in management rather than through achievements in educational services, merit system for career development.
2. Development of the Institution can be a learning model for HRD in the public organization. Technical support from central HRD and research institutes are required for further development and application of the model.
3. In order to motivate personnel to dedicate their hands, heads and hearts for the organization, an atmosphere of a learning organization needs to be developed. Sharing of knowledge, skills and ideas leading to development of standard practices and skills.
4. KAIZEN is thus important for human resource development since it is compatible with rules towards sustainable development found in Buddhism.
5. The leader is the final decision maker for HRD, as well as the change agent. Old style leaders do not like "Walking Around Management" and lack the skills of using brain storming as a simple administrative tool used in efficient problem solving processes.

6. TQM, QC, 5 S's suggestion system, re-engineering, problem solving process and applied behavioral science should be included in the curriculum for all levels of management training. Practical training to build up workable skills are preferable.
7. Organizations promote a healthy work environment and organizational climate so that the professionals feel free to innovate and outshine for their organization.
8. Development of an organization depends upon the organizational behaviour and organizational behaviour is affected by the behaviour of individual people. Individual people's behaviour is influenced by organizational climate. So, it is like a chain. If organizational climate is favourable, then organization will grow smoothly.

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