

Impact of HRM Practices on Employees Job Satisfaction in Dairy companies

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Abstract: Businesses that excel in sustainability have a clear strategy that directs their sustainability efforts. The connection between company strategy and sustainability is made very evident. Management of human resources is crucial in helping organisations increase their effectiveness, manage corporate governance, and address moral issues in addition to financial performance. Sustainability is a term used in human resource management to describe human resources that promote a supportive work environment and beneficial outcomes for people and society as a whole, rather than placing a heavy emphasis on financial methods and outcomes. The impact of HRM practises on employee satisfaction is the primary topic of the current study. 100 workers from the production divisions of Indian dairy firms participated in this study. HRM practises include reward and recognition procedures, performance evaluation procedures, compensation and benefits procedures, and training and development procedures. With the aid of the statistical tools correlation and regression analysis, descriptive analysis was carried out. The data demonstrates that while training and development practises have a smaller impact on employee satisfaction than remuneration, performance appraisal, and rewards and recognition do.

Keywords: HRM Practices, Employee Satisfaction, Sustainability, employee performance and work environment.

I. INTRODUCTION

Companies that perform well with respect to sustainability have a clear strategy which guides their sustainability activities. The relationship between sustainability and business strategy is clearly expressed. Human resource management plays a critical role in supporting the organizations to improve effectiveness, to manage corporate governance and ethical issues beyond economic performance. In Human resource management, sustainability is used, to refer to human resources, which foster a conducive working environment and positive human and social outcomes without focusing on financial strategies and results.

Human Resource Management (HRM) is a new way of thinking about how people should be managed as employees in a workplace. Human Resource Management is a strategic and coherent approach to the management of an organization most valued assets the people working there who individually & collectively contribute to the achievement of its goals. Human Resource Management is a Philosophy of people management based on the belief that human resources are uniquely important to sustained organization success. An organization gains competitive advantage by using its people effectively drawing on their expertise & ingenuity to meet clearly defined objectives. The main aim of the report is to study the regarding the HRM practices of Manpower planning, Recruitment, Selection, HRD (Training and Performance appraisal and Career Planning and Development). Within the report, a lot of empirical information was collected, systematized and analyzed, the main part of which is Presented in this report.

Organizations are under constant pressure to improve their performance and ensure development. To achieve these primary objectives, organizations are creating new policies and plans. Human resource functions are responsible for designing and managing talent management process. Talent management plays an important role in organizational sustainability process and practices. Creating a workplace which is safe, stimulating and enjoyable is the key to obtain desired performance from the employees.

Problem Statement

The existing theories focuses on various HRM practices responsible for employee satisfaction. Hygiene factors, growth, expectation, motivation is important to be considered while doing the research. Various studies show the relationship of these factors on employee satisfaction. Organizations are focusing on various HRM practices in the organization but it is observed that many organizations fail to satisfy need of their employees which result in low morale and employee dissatisfaction. Addressing their needs is primary responsibility of the management. HRM practices should be developed such that employee's need are well addressed so as to develop a competent and competitive workforce. Hence it is important to understand which HRM practices has major impact on employee satisfaction.

II. REVIEW OF LITERATURE

HR practices shape the skills, attitudes, and behaviour of an organization's workforce, and these skills, attitudes, and behaviour in turn influence organizational behaviour and HR practices can have a direct impact on firm performance by creating structural and operational efficiencies. In this research the researcher integrates the 3 primary streams of research—individual-level, organization-level, and cross- or multilevel approaches— into a cohesive multilevel framework. Further this research reveals, how climate contracts guide the behaviour and attitude of the workforce and performance of the organization.

HRM Practices have deep impact on workplace trust, job satisfaction, commitment, effort and perceived organizational performance. In this article the researcher develops a theoretical model and tested it using the data collected through postal survey. The result derived support the hypothesis that HR practices are powerful predictor of trust and organizational performance.

Employee relations are crucial for organizational success. Trust in the management is important. The study on impact of trust in the management on employee attitude reveals that trust is the moderator in the relationship between HRM practices and employee attitude. The study adopted structural equation modelling to understand the relationship with HR system and also focus on whether this relationship varies according to specific practice. Sample of 9000 employees from Italian organizations were used in this study. AMO approach was used to assess relationship on HR practices. These practices include, increasing the ability (performance), motivation and employee progress by providing opportunities.

The result confirms that moderation with HRM practices. The effect varies depending on the set (bundle) of practices. Motivational practices are more significant than other practices in changing attitude of the employees. Trust in management defines the attitude of employees towards management decisions and various practices adopted by them. This attitude also impacts the level of satisfaction among the employees.

Purpose of the research

HRM activities help to sight, acquire and develop the skills and abilities from various of its working employees to attain the desired organizational goals while, employees, through these activities get their dues in the form of years of industrial and Professional Experience, Remuneration, Recognition, Career Advancement, etc. So, these HRM activities need to be effective enough for the organization and its employees respectively to attain the above-mentioned attributes. If the employees of an organization are able to receive the desired benefits through these HRM activities, the employees will continue to be fully satisfied.

Hence, we can say that, Employee Satisfaction is one of the indicators of effective HRM activities prevailing in the organization. Employee Satisfaction is one such element that can help determine the overall health of the organization. Hence, improving and maintaining the level of employee satisfaction in the organization is crucial. With the effect of factors such as technology and communication, a continuous change and renewal steps are taken in organization to improve HRM practices. The basic objectives of research are to find out the factors which impact employee satisfaction. The purpose of current study is to analyse relationship of human resource practices, training and development, performance management system compensation, reward – recognition practices of organization on employee job satisfaction.

Research Problem

Dairy sector is one of the biggest sector in every country, millions of employees are working in several units. Current study examines various HRM practices and focus on addressing the relationship of these practices with employee satisfaction in manufacturing sector. In these companies such practices have direct impact on increased absenteeism, high turnover, poor quality of work etc. which directly impart employee satisfaction. The current research tries to inspect various HRM practices and their influence on employees.

Method

A Descriptive research was incorporated to determine the exact impact and relationship between the effectiveness of HR practices and employee satisfaction. Both primary and secondary data were used for gathering project related information.

Sample Size and Technique- Data was collected through survey method by using google forms. 160 employees from five different companies of Dairy companies in India, were randomly selected for this research.

Data Collection Tools

Primary Data was collected through survey method, with the help of structured questionnaire, designed, using Google Form. The link of google form was circulated among employees with the help of administrative department of the organization. Secondary Data was collected by referring online websites, journals, articles, research papers, etc. regarding Effectiveness and Impact of RM activities on level of Employee Satisfaction.

Analysis of Data

Statistical Techniques and Tests: Collected data was analyzed by using Pearson's Correlation Coefficients, Descriptive Statistics (Mean, Standard deviation) and Regression Analysis with the help Excel application.

These demographic factors provide data regarding research respondents and are required for the determination of whether the individuals in a particular study are a representative sample of the target population for generalization purposes.

The current study focuses on knowing what level of employee satisfaction and effectiveness of HRM practices prevails in the selected organization. The target of knowing the level of employee satisfaction age wise, Gender wise, department wise, etc. was already decided. Hence, it was important to collect the demographic data of the research participants.

TABLE NO. 1 DEMOGRAPHICS OF THE SAMPLE				
Demographic Variable		Percentage	Cumulative Percentage	Frequency
Gender	Male	86	100%	86
	Female	14		14
Age	Less than 40 years	70		70
	More than 40 years	30	100%	30
	10th Grade	2		2

Education	Diploma/HSC	18	100%	18
	Graduation	50		50
	Post-graduation	30		30
Job Title	Assistant Officer	16	100%	16
	Executive Officer	8		8
	Senior Executive	10		10
	Senior Officer	22		22
	Senior supervisor	2		2
	Deputy Manager	10		10
	Manager	14		14
	Officers	18		18

The above table represent demographic details of respondents. The above data is collected from 100 respondents. Information regarding, Gender, Age, Education and Job Title was collected. According to the information there were total of 86 male and 14 female respondents. Information collected about the age of employees reveals that, 70% of employees were aged below 40 years and the rest 30%, above 40 years.

Education plays an important role in assessing the practices of the organization, 50% i.e. 50 respondents were graduates and remaining 50% had completed 10th grade, Diploma and Post-Graduation 2%, 18% and 30% respectively. The nature of job influences the perception of employees about the effectiveness of HR practices; hence this data is important for the research. According to the data collected 22% respondents were Senior Officer, 18% of respondents were Senior Executives, and 16% of respondents were Assistant managers. Remaining 44% respondents had job titles of Executive, Officer, Manager, and Deputy Manager and Senior Supervisors 14%, 8%, 10%, and 10% and 2% respectively.

TABLE NO.2: TABLE SHOWING MEAN, STANDARD DEVIATION AND LEVEL OF EFFECTIVENESS OF COMPENSATION AND BENEFITS			
PARAMETER	STATEMENT	MEAN	SD
Compensation and Benefit	Compensation Practices	3.46	0.9304
	Motivates employees	2.82	1.0821
	Monitory/non monitory benefits	3.28	0.9674
	Performance based pay	3.46	0.9521
Effectiveness of overall compensation and benefits		3.255	-

From the above table, following can be inferred:

Table No. 2 clearly shows a medium level of effectiveness for all the statements related to Compensation and Benefits. Means ranged from 2.82 (Q2) to 3.46 (Q1 & Q4). While questions related to employees being paid according to the statutory norms and employees receiving performance-based incentives garnered higher level means of 3.46 each, the question of payment received by employees being an important reason to keep them motivated garnered low-level mean of 2.82. Standard deviations ranged from 1.0821, 0.9674, and 0.9521 to 0.9304.

TABLE NO. 3 MEAN, STANDARD DEVIATION AND LEVEL OF EFFECTIVENESS OF REWARDS & RECOGNITION			
Dimension	Statement	Mean	S.D
Effectiveness of Rewards & Recognition	Praise & Recognition	3.54	1.0730
	Employee Participation	3.68	0.8437
	Reward System	2.4	1.2121
	Employee Suggestions	2.66	1.022
Effectiveness of Overall Rewards & Recognition		3.07	-

From the above table, following can be inferred: Table No.3 has clearly shown a medium level of effectiveness for all the

statements related to Rewards & Recognition. Means ranged from 2.4 (Statement 3) to 3.68 (Statement 2). While statements related to employees receiving praise & recognition from the management and frequency of hearing about recognition in the organization garnered high level means of 3.54 and 3.68 respectively, the other two questions garnered low level means of 2.4 and 2.66 respectively. The standard deviations ranged from 1.2121, 1.0730, and 1.022 to 0.8437. statement getting a standard deviation of 0.8437 garnered a high level of efficiency.

TABLE NO 4- SHOWING EFFECTIVENESS OF OVERALL HRM PRACTICES

Dimensions	Mean	S.D
Compensation & Benefits	3.255	0.983
Rewards & Recognition	3.07	1.0377
Performance Appraisal	3.25	1.0128
Training and Development	3.665	0.7682
Effectiveness of Overall HRM Practices	3.16	-

Compensation & Benefits: With a Mean of 3.255 and a Standard Deviation of 0.983, Compensation and Benefits garnered a medium level of efficiency.

Rewards & Recognition: With a Mean of 3.07 and a Standard Deviation of 1.0377, Rewards & Recognition garnered a medium level of efficiency.

Performance Appraisal: With a Mean of 3.25 and a Standard Deviation of 1.0128, Performance Appraisal garnered a medium level of efficiency.

Training and Development: With a Mean of 3.665 and a Standard Deviation of 0.7682, Training & Development garnered a high level of efficiency.

Pearson's Correlation Benchmark Value

TABLE NO. 5
TABLE SHOWING PEARSON'S
CORRELATION BENCHMARK
VALUES

Correlation, r		
Strength of Association	Positive	Negative
Small	0.1 to 0.3	-0.1 to -0.3
Medium	0.3 to 0.5	-0.3 to -0.5
Large	0.5 to 1.0	-0.5 to -1.0

H₀: There is no significant relationship between Compensation Policies and Employee Satisfaction. H₁: There is a significant relationship between Compensation Policies and Employee Satisfaction.

TABLE NO. 6
TABLE SHOWING CORRELATION BETWEEN
COMPENSATION & BENEFITS AND
EMPLOYEE SATISFACTION

Range This Correlation Falls In	Positive/Negative	Level	Correlation Value	Statistical Decision
0.3 to 0.5	Positive	Medium	0.3706	H ₀ Rejected

Pearson's Correlation Regression result shown in Table indicates that there is a significant relationship between Compensation & Benefits and Employee Satisfaction. There is a positive correlation between Compensation & Benefits and Employee Satisfaction. The r value is 0.3706 hence garnering medium level of correlation between Compensation & Benefits and Employee Satisfaction. With this the Null Hypothesis is rejected and an alternative hypothesis is accepted.

H₀: There is no significant relationship between Rewards & Recognition and Employee Satisfaction H₂: There is a significant

relationship between Rewards & Recognition and Employee Satisfaction

TABLE SHOWING CORRELATION BETWEEN REWARDS & RECOGNITION AND EMPLOYEE SATISFACTION				
Range This Correlation Falls In	Positive/Negative	Level	Correlation Value	Statistica l Decision
0.1 to 0.3	Positive	Low	0.2959	H0 Accepted

Pearson's Correlation Regression result shown in Table No. indicates that there is a significant relationship between Rewards & Recognition and Employee Satisfaction. There is a positive correlation between Rewards & Recognition and Employee Satisfaction. The r value is 0.2959 hence garnering low level of correlation between Rewards and recognition and Employee Satisfaction. With this the Null Hypothesis is accepted and an alternative hypothesis is rejected

Ho: There is no significant impact of HR Practices on the level of employee Satisfaction
H3: There is a significant impact of HR Practices on the level of employee Satisfaction

TABLE NO 8- CORRELATION BETWEEN EMPLOYEE PERFORMANCE APPRAISAL PRACTICES AND EMPLOYEE SATISFACTION				
Range	Positive/Negative	Level	Correlation Value	Statistical Decision
0.3 to 0.5	Positive	Medium	0.404	H0 Rejected

Pearson's Correlation Regression result shown in table indicates that there is a significant relationship between Performance Appraisal and Employee Satisfaction.

There is a positive correlation between Performance Appraisal and Employee Satisfaction. The r value is 0.40408 hence garnering Medium level of correlation between Performance Appraisal and Employee Satisfaction. With this the Null Hypothesis is rejected and an alternative hypothesis is accepted.

H0: There is no significant relationship between Training and Development Practices and Employee Satisfaction

H4: There is a significant relationship between Training and Development Practices and Employee Satisfaction

Table No 9- Correlation between Training and Development Practices and Employee Satisfaction				
Range	Positive/Negative	Level	Correlation Value	Statistical Decision
0.3 to 0.5	Positive	Medium	0.4463	H0 Rejected

Pearson's Correlation Regression result shown in table indicates that there is a significant relationship between Training & Development and Employee Satisfaction. There is a positive correlation between Training & Development and Employee Satisfaction. The r value is 0.4463 hence garnering low level of correlation between Training & Development and Employee Satisfaction. With this the Null Hypothesis is rejected and an alternative hypothesis is accepted.

TABLE NO. 10 SIMPLE REGRESSION ANALYSIS FOR EFFECTIVENESS OF HRM PRACTICES ON LEVEL OF EMPLOYEE SATISFACTION							
Independent	R	R ²	df	F	Beta	t	Statistical Decision
Effectiveness of HRM	0.738	0.546	49	56.531	0.738	8.345	H0 Rejected

Simple linear regression results as shown in table indicate that effectiveness of overall HRM practices has a significant impact on the overall employees' satisfaction. The change of one standardized unit of HRM practices will change the employees' satisfaction by (0.73) standardized unit, as beta value is 0.76 (t=8.345) which reflects the moderate effect of the independent variable on the value of the dependent variable. The R² value is (0.546), which means that effectiveness of HRM explains 54.6% of the variation in employees' satisfaction. As a result, the null hypothesis is rejected and an alternative hypothesis is accepted

DISCUSSION AND CONCLUSION

The effectiveness of the selected HRM practices was tested on the basis of descriptive statistics (Mean, Standard Deviation) individually, Compensation & Benefits, Rewards & Recognition, fell in the category of Medium level but Training and Development fell under the category of high-level efficiency.

Hypothesis testing for is done with regression analysis and, it was found that the effectiveness of HRM practices will have a significant moderate impact of 0.73 (r), on the overall employees' satisfaction. The R² value of 0.54 states that effectiveness of HRM practices will bring 54% of difference/Variation in the overall employees' satisfaction.

In the other four hypotheses testing it was found that, there was a medium level of significant relationship between Compensation & Benefits, Performance Appraisal, Training and Development and Employees' Satisfaction. There was low level of significant relationship between Rewards & Recognition and Employees' Satisfaction.

It can be concluded that, Employee Satisfaction is one of the important attributes that every organization must pay due attention on. It is important that each and every organization keeps updating and improving its HRM practices at regular intervals so that it cannot only increase the efficiency of its practices but also can be highly competitive and market relevant in the long run. Following this will help an organization in keeping its employees happy and content which will ultimately lead to employee retention and loyalty.

Every organization should keep innovating and trying new ways of improving the level of efficiency and employee satisfaction even if it is practically difficult to know the actual attribute that can keep an employee content. Employee Satisfaction actually is one of the indicators of efficiency of different kinds of functions prevailing in the organization. It has also been proved that if the level of efficiency of all the functions improves, the level of employee satisfaction will also improve.

RECOMMENDATIONS

Organizations are under constant pressure to improve their performance and ensure development. To achieve these primary objectives, organizations are creating new policies and plans. Human resource functions are responsible for designing and managing talent management process. Employee Satisfaction is very important for every organization. Organizations should pay due attention to employee's need and focus on satisfying their needs. Organizations should emphasis on providing constructive feedback to the employees. They should get paid on the basis of their contribution. Compensation, Reward and recognition should be based on the employee performance. Organization should develop training and development practices as per the need of organization.

HR practices shape the skills, attitudes, and behaviour of an organization's workforce, and these skills, attitudes, and behaviour in turn influence organizational behaviour and HR practices can have a direct impact on firm performance by creating structural and operational efficiencies HRM practices should aim at reducing employee absenteeism, attrition, and improve the quality of work. Satisfied employees help organization to deliver desired performance to be competitive in business environment.

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