

A STATISTICAL IMPACT ANALYSIS OF HUMAN RESOURCE MANAGEMENT (HRM) PRACTICES ON EMPLOYEE PERFORMANCE POST COVID-19

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Abstract – COVID-19 have left a tremendous impact on the corporate culture and the way it used to function earlier. It has led to new ways and means to handle complexities and given rise to term 'New Normal'. So, in this new normal this study revolves around the expectations of human resource management practices on the employee performances. A survey was conducted for the study among 468 professionals working in corporate sector of various domain to generalize the results. For analyzing the collected data SPSS (Statistical Package for the Social Sciences) is used. In SPSS Pearson correlation technique and regression analysis is used to check the acceptance or rejection of the hypothesis. In this study 5 HRM practices are taken into account: Compensation, Career Planning, Performance Appraisal, Training, and Employee Involvement. Results have shown the positive impact of these practices. Hence relationship was developed between independent and dependent variable. This study will be helpful to understand the requirement of employees better specially in post COVID times.

Key Words: Human Resource Management, Employee Performance, Career Planning, COVID, Corporate Sector, Hypothesis

1. INTRODUCTION

Impact of human resource management practices on organizational performance has been widely researched area for years. Results of studies, from developed countries to developing countries, have been time and again showing that HR practices have significant impact on organizational performance (Delaney & Huselid, 1996; Katou & Budhwar, 2007; Sing, 2004; Tzafirir, 2006). But unfortunately, very insufficient numbers of studies have been conducted in this area among the developing countries.

This research provides information about the expected practices of HRM in corporate sector and their impact on employee's performance. The results of this research will be helpful for HRM professionals of corporate industry to increase the performance of employees by implementing the HRM practices. This study will be helpful in optimizing the abilities of the employees and assigning the tasks accordingly. By implementing the HRM practices,

organizations will be able to achieve its goals by making an effective and efficient workforce.

1.1 Research Questions

1. How Human Resource Management (HRM) practices affects Employee Performance?
2. What is the status of Human Resource Management (HRM) practices in Corporate sector?
3. What is the relationship between Human Resource Management (HRM) practices and Employee Performance?

1.2 Research Objectives

1. To determine the effect of Human Resource Management (HRM) practices on employee performance.
2. To determine the status of Human Resource Management (HRM) practices in Corporate sector.
3. To determine the relationship between Human Resource Management (HRM) practices and Employee Performance.

2. LITERATURE REVIEW

The impact of human resource management on the performance of a company has come into limelight and as such it has become an area that requires paying more attention to in the field of (HRM). According to few studies, some human resource practices will have a positive impact on a company's performance while numerous researchers suggest that more conceptual and practical approach is important on these works ([1] Delery & Shaw, 2001; Von Krogh, Ichijo, & Nonaka, 2000; [2] Wright & Boswell, 2002). Although, recently employees in an organization are seen as the most important asset possessed by an organization however, their impact are felt by only a few organizations ([3] Davenport & Pruzak, 2000; Schein, 2006; Syed-Ikhsan & Rowland, 2004).

There has been an increase in the experimental studies that examines the influence of some practices of (HRM) on performance of employees ([4] Becker & Huselid, 2006; Bowen & Ostroff, 2004). One can come across various HR practices that can influence the performance of an organization on their own or when merged with others. However, the result cannot be easily interpreted ([5] Ahmad & Schroeder, 2003). In order to examine the influence of HR practices on performance of employees, which is also

related to organizational growth, it may be necessary to recognize the HR practices that are recommended by Pfeffer (1998) in which the literature explains that one can expect its influence on employee performance.

The systematic studies that linked HRM practices and performance were published by ([6] Gerhart and Milkovich, 1992; Arthur 1994; Huselid in 1995; MacDuffie, 1995; Guest, 1997). Thereafter a large number of researches were conducted on different sectors of different countries. Most of the researches showed significant impact of HRM practices on employee's performance. Employee performance is directly linked with performance of the organization. The successful organizations consider the HRM practices as a crucial factor that directly affects the employee's performance. Boselie *et al.* (2005) stated that in 104 research studies, HRM was taken as a set of employee management practices. [7] Delery and Doty (1996) described seven HRM practices that are relevant to overall organizational performance. Pfeffer (1994) argues that organizations must hire skilled and capable employees in order to be successful in today's global environment. Actual HR practices are applied by line managers on a daily basis that positively impact employee's perception about HRM practices applied to them ([8] Purcell and Kinnie, 2007). The successful implementation or failure of HRM practices depends on the skills of the managers.

3. METHODOLOGY

3.1 Data Collection Instruments and Sampling Techniques

Questionnaire designed on a 5-point Likert scales range from strongly disagree to strongly agree, was used to collect data from the employees working in different departments of corporate sector. Questionnaire was divided in two parts: first part was comprised of data regarding HRM practices and employee's performance and second part with demographic information of respondents. For this research study, the Questionnaire was distributed among 468 respondents to get the data.

3.3 Research Framework

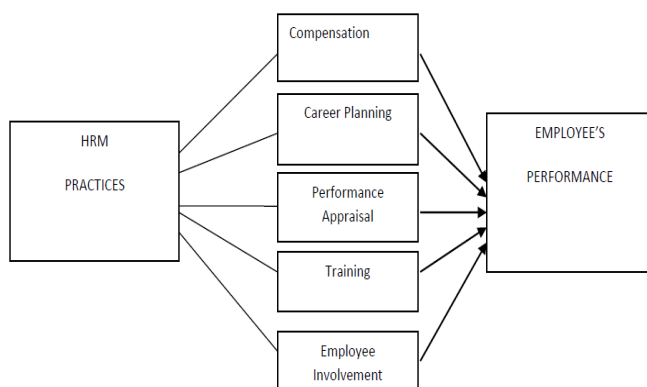


Fig -1: Research Framework

3.2 Data Analysis

A Pearson correlation and regression are conducted to determine the association between HRM practices and employee's performance.

3.4 Demographics Analysis

The average age of respondents is above 40 years old accounted for 2.0%, fewer than 25 years old accounted for 23.5%, above 25 years old accounted for 50.0%, and above 36 years old accounted for 24.5%. The highest qualification is Master degree and only 3.9% of the respondents got it. Bachelor degree holders are the highest respondents with 43.1%, follow by Diploma with 34.3%, HSC/SPM 15.7% and HSC/STPM 2.9%. Respondents who have spent less than 1 year at work accounted for 35.3%, above 3 years accounted for 40.2%, above 4 years accounted for 22.5%, above 7 years accounted for 1.0% and more than 10 years also accounted for 1.0%.

4. RESULTS

Pearson correlation was applied on the data to check the relationship between HRM practices on SPSS (Statistical Package for the Social Sciences). Pearson correlation for the Employee Performance with Compensation($r=.775$), Career Planning ($r=.796$), Performance Appraisal ($r=.790$), Training ($r=.781$), and Employee Involvement($r=.876$) show a positive relationship. The results indicate that all the variables are statistically significant at $p<.05$.

		Correlations					
		Ave_C	Ave_CP	Ave_PA	Ave_T	Ave_EI	Ave_EP
Ave_C	Pearson Correlation	1	.827**	.858**	.803**	.829**	.775**
	Sig. (2-tailed)		.000	.000	.000	.000	.000
	N	67	67	67	67	67	65
Ave_CP	Pearson Correlation	.827**	1	.871**	.884**	.907**	.796**
	Sig. (2-tailed)	.000		.000	.000	.000	.000
	N	67	68	68	68	68	66
Ave_PA	Pearson Correlation	.858**	.871**	1	.816**	.873**	.790**
	Sig. (2-tailed)	.000	.000		.000	.000	.000
	N	67	68	68	68	68	66
Ave_T	Pearson Correlation	.803**	.884**	.816**	1	.797**	.781**
	Sig. (2-tailed)	.000	.000	.000		.000	.000
	N	67	68	68	68	68	66
Ave_EI	Pearson Correlation	.829**	.907**	.873**	.797**	1	.876**
	Sig. (2-tailed)	.000	.000	.000	.000		.000
	N	67	68	68	68	68	66
Ave_EP	Pearson Correlation	.775**	.796**	.790**	.781**	.876**	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	
	N	65	66	66	66	66	66

** . Correlation is significant at the 0.01 level (2-tailed).

Fig -2: Correlation Table from SPSS

The above figure is taken from the SPSS output and it is symmetric. It can be read as impact on parameter 1 with respect to parameter 2.

The ANOVA table shows significant value of the F statistic that is less than 0.05, which means that the model is significant statistically.

ANOVA ^b						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	23.790	5	4.758	46.239	.000 ^a
	Residual	6.071	59	.103		
	Total	29.862	64			

a. Predictors: (Constant), Ave_EI, Ave_T, Ave_C, Ave_PA, Ave_CP
 b. Dependent Variable: Ave_EP

Fig -3: Regression Analysis ANOVA

Coefficient of determination i.e. R2 Value (0.797) indicates 79% variation in employee’s performance is due to the proposed model. That means HRM practices Compensation, Career Planning, Performance Appraisal, Training, and Employee Involvement have a positive impact on employee’s level of performance. Therefore, it is proved that independent variables contribute positively towards change in the dependent variable.

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.893 ^a	.797	.779	.32078

a. Predictors: (Constant), Ave_EI, Ave_T, Ave_C, Ave_PA, Ave_CP
 b. Dependent Variable: Ave_EP

Change Statistics				
R Square Change	F Change	df1	df2	Sig. F Change
.797	46.239	5	59	.000

Fig -4: Regression Analysis Model Summary

5. Conclusions and Discussions

The study revealed a significant relationship between the few Human Resource Management (HRM) practices (Compensation, Career Planning, Performance Appraisal, Training, and Employee Involvement) and employee’s performance. The study revealed that employee’s performance can be increased by giving employees an opportunity to make effective decisions. Training and employee involvement play a positive role in increasing employee’s performance ([9] Munjuri, 2011).

The research conducted by Singh (2004) indicates a positive relationship between HRM Practices and employee’s performance (Qureshi *et al.*, 2006). The study showed human resource (HRM) practices and activities have a significant impact on the employee’s performance ([10]

Tabiu and Nura, 2013). It is concluded that HRM practices can enhance the employee’s level of performance which influence the perception of employees about performance (Khalid, *et al.*, 2014). Results are in line with the literature present in books.

5.1 Recommendations

It is clear from the findings that Human Resource Management (HRM) practices (Compensation, Career Planning, Performance Appraisal, Training, and Employee Involvement) has a positive role in increasing the employee’s performance, so the organizations should implement these practices to achieve the desired goals. The organizations should utilize a variety of reward and recognition programs to drive behaviour that promotes high performance. Organization conducts extensive training program for its employees relevant to the changing needs of jobs and business. Job performance should be considered an important factor to determine the compensation of employee’s performance. Management should value the contribution and ideas shared by employees and empower employees to maximize their individual talent in order to make effective decisions. Human Resource Management practices (Compensation, Career Planning, Performance Appraisal, Training, and Employee Involvement) play a crucial role in increasing employee performance so the organizations should revise their HR policies by keeping in view the above factors in order to attain the goals.

5.2 Limitation and Future Research

Research context was limited to corporate, while the future research can be extended to different sectors of different cities to get more significant results. Small number of respondents has been chosen for this study so a similar study should be conducted by increasing a sample size. This study examined only five human resource practices (Compensation, Career planning, Training, Employee involvement, Performance appraisal), while other human resource practices can also be used for further study to get a clear idea of the important employee’s performance determinants.

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