Impact of Human Resource Management Practices on Organizational Performance – A Study on Krishnapatnam Port Company Limited, Nellore

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ABSTRACT

Human resource management practices towards the organizational performance are really significant in private sector industries. Organizational performance is deep-rooted by the mentality of the employees and the attitude, which comes out from the actions of the employee at work place. Thus to sustain within the competition and to achieve advantage over its rivals, it is necessary to focus on Human resource management practices in a significant manner. In the present scenario there is a requirement to investigate that how human resource management practices affect on organizational performance in krishnapatnam port Limited. Therefore the objective of the study is to identify the impact of human resource management practices on organizational performance.

For this study the dependent item is organizational performance and the independent items are select human resource management practices which consist of 5 variable named; recruitment and selection, training and development, performance appraisal, compensation, , empowerment.

The data was collected from the 160 employees who working in krishnapartnam port limited. The results of the study disclosed that human resource management attitudes significantly influence on organizational performance in krishnapatnam port limited.

Keywords: human resource management practices (recruitment and selection, training and development, performance appraisal, compensation, employee participation, empowerment, communication, and quality of work life), organizational performance. (Organizational performance variables: organizational efficiency, organizational growth, profit, financial liquidity, market share).

INTRODUCTION:

Human resource management practices means managing of employees with different policies and systems in the organization. An organization overall performance is completely in the hands HRD department. An organization can be said productive when it has good skilled and satisfied employees. For improving organizational performance it is required to focus on human resource management practices because this department work is always identifying employees requirements and organization required based on these requirement it design human resource policies and procedures. Employee's Positive attitudes towards work directly influence organizational performance. Hence; this study focuses on which type's of practices directly influence higher organizational performance in krishnapatnam port limited, Nellore, Andhra Pradesh.

NEED FOR THE STUDY:

Human resource management practices are helping the organization to achieve its goals and objectives. If the organization goals achieved at that time we can say its performance is good. To achieve competitive advantage organization required skilled manpower; to make the people skilled and retain them for a long term in the organization various human resources practices are needful. Financial outcomes, Market position and stake holder's values deserved by the practices made by the management. This study focuses on which human resource practices influence organizational performance.

REVIEW OF LITERATURE:

Anantharaman, R.N. And Abdul Rashid Zabid10 (1999) carried out a observe on 'Human Resource Management Practices: Perceived Organizational and Market Performance', inside the Malaysian furniture enterprise. A overall wide variety of 980 questionnaires were disbursed to all the personnel of the organization. Only 121 responses have been acquired by means of the investigators. Only 85 questionnaires had been observed to be completed and therefore applied for analysis. The Likert-scale changed into used, which tiers from 1 (poor) to 5 (good) for every of the statements inside the questionnaire. The take a look at suggests that perceived organizational performance is undoubtedly related to employment protection, choice in recruiting, statistics sharing, worker participation and empowerment, self-controlled groups, instruction and improvement, cross usage and move training, symbolic, egalitarianism and salary repayment within the case of executives as well as non-executives.

Harel, Gedaliahu H. and Shay S. Tzafrir (1999) made a study on 'The Effect of Human Resource Management Practices on the Perceptions of Organizational and Market Performance of the Firm'. The intention of the study was to examine the organizational level impact of human resource management practices. The organizations included in this study were selected from a random sample of 215 firms from the selected public and private sectors. The dependent variable organizational performance and market performance were ranked on a scale ranging from 1 – much worse than others, to 5 much better than others. Human resource management practices like recruitment, selection, compensation, participation, training considered as independent variables. There were also measured by using ranking scale.

The results depicted that the correlation between two dependent variables – organizational and market performance was 0.67. The organizations which invest in training, base compensation on performance, encourage employee participation, use the internal labour market for the purpose of recruitment and employee mobility had significantly higher organizational performance. The second dependent variable – market performance was found to be related significantly to selection activities, training and compensation. The sector in which the company operates was negatively correlated to organizational and market performance. The single independent variable found to be statistically significant was training. it was found that employee training practices is quite important with employee selection practices which affected the perceived market performance of the organization.

Budhwar, Pawan (2000) conducted a study human resource practices in India with the specific aim of identifying the contingent variables and the factors which influence HR policies and practices. The study was carried out in 137 Indian firms in manufacturing sector. he conducted his research on seven contingent variables. Further he assesses the impact of the contingency variable on human resource function. He found that organizations, in the mature life cycle stage, are likely to adopt an annual career development interview system for training and development of their employees.

The organizations in the declining life cycle stage are likely to focus on recruitment of clerical and managerial staff as apprentices and organizations should compensate their employees on the basis of their job performance and work experience.

The organizations in the public sector adopted an yearly career development interview scheme but the sum of money spent on entire employees trained are fewer in comparison to MNCs and private sector organizations.

Further he opinioned that the national factors, such as the three institutions of labor laws, trade unions, educational and vocational training significantly influence human resource management policies and practices.

Paul, A.K. and R.N. Anantharaman (2002) studied the 'Impact of HRM Practices on Competence of Software Professionals in India: An Analytical Study'. The companies based in Bangalore and Chennai had been chosen for study. A total of 1200 employees from 45 different software companies were approached of whom 410 employees from 35 companies responded, thereby yielding a responses rate of 34 percent. The 370 responses from 34 companies were useful for analysis. Competence was measured, by using the questionnaire with the 23-items. Internal consistency was tested by using Cronbach's alpha and was found to be significant at 0.72 and

HR practices were examined by using a five point Likert-Scale. Findings of the study are – the overall mean score for sense of competence was 19.75 (SD=2.93) for five item instrument, indicating moderate level of sense of competence. Regression analysis was performed to test the relationship between the sense of competence and human resource management practices.

The study shows that there was a positive and moderate correlation between human resource management practices and a sense of competence. Incentive, performance appraisal and selection process made a significant impact on sense of competence. However, induction training, work environment, compensation and career development did not show significant level of relationship. Results show that age, sex, marital status, educational qualification, work experience and tenure with the organization did not show any significant difference in the sense of competence.

Saha, S.K. (2003) investigated the similarities and differences between Canadian and Russian human resource management practices. The study was based on a survey, to analyze how Canadian and Russian managers would react to human resource management situations requiring problem solving and decision-making? Data was collected from Russia and Canada by mailing questionnaire to the respondents. Managers were also asked to indicate how health and safety, training and development and pay were important for performance as human resource issues. The other part of the questionnaire was entitled 'managerial values' comprising of twenty-five points. The final part of questionnaire elicited demographic information concerning age, education, sex, marital status of the respondents. All respondents were practicing managers. Complete responses were received from 93 Russian and one hundred and fifty Canadian managers.

The study revealed that Russian managers, as compared to the Canadian managers, showed more concern regarding training and development of employees, pay for performance, compensation policy and employee attitude. The Canadian managers, on their part, attached more importance to health and safety issues and employment equity. A larger proportion of Canadian managers, as compared to Russian managers, decided to fund health and safety projects. Similarly, managers in both countries showed a decision dilemma regarding compensation policy, while a significant majority in both countries decided in favour of pay for performance, only a half of the two samples actually came up with a decision to grant pay increase for a subordinate who has shown superior performance.

Kandu, Subhash C., Divya Malhan and Pardeep Kumar (2007) conducted a study on 'Human Resource Management Practices in Shipping Companies: A Study.' With the objective to assess the human resource management practices being practiced in shipping companies. Through factor analysis, he found that two factors namely training and performance appraisal and hiring and compensation system emerged as very strong practices prevailing in different shipping companies. These two factors were followed by factors namely career development. Job analysis and HR planning was moderately practiced in shipping companies. Mean scores indicate that the strongest factor was the training and performance appraisal. Hiring and compensation and career development were again strong human resource dimensions in shipping companies. Job analysis and human resource planning were found as moderate human resource practices. Practices regarding work-force diversity and flexible work system were also prevalent in shipping companies but comparatively not as strong as other human resource dimensions.

Mashal (2015) made a study on Pakistan international airlines for the purpose of estimating the impact of firm commitment on employee attrition. In his study he opinioned that training and development opportunities, learning opportunities, providing freedom in job, employee engagement and employee job satisfaction strongly significant with organizational commitment. Further he opinioned after executing regression method that there had no association between employee attrition and employee commitment .further he concluded in his studies that which the organization having high committed employees there the employee attrition would be less.

OBJECTIVES OF THE STUDY:

- To examine the operational performance of krishnapatnam port limited
- To analyze select HR practices in krishnapatnam port limited
- To Measure the impact of HR practices on organizational performance in Krishna Patnam port Limited
- To offer suggestion for practices to increase organizational performance.

HYPOTHESIS:

Ha_1: Human resource management practices have strong correlation with organizational performance.

METHODOLOGY OF THE STUDY:

This study is descriptive in nature. Both primary and secondary sources were used to gather data. The survey was conducted on 160 managerial level employees. To gather data convenient sampling techniques was used. The study was confined in KPPL. Percentage method, weighted average methods, correlation and multiple regression techniques were used the calculate data.

LIMITATIONS OF THE STUDY:

This study is limited to krishnapatnam port limited. The sample size used for the study is only 160 employees managerial level only this may not represent entire Krishnapatnam port limited. Most of the employees were hesitate to give genuine information.

DATA ANALYSIS:

Objective one finding

Table 1: Organizational performance

S.NO	OPTIONS	SA	AG	SWA	DA	SDA	MEAN	%
1	Organizational efficiency	62	58	18	12	10	3.94	73.44
2	Organizational growth	53	56	27	13	11	3.79	69.84
3	Organizational profit	49	66	19	10	16	3.76	69.06
4	Financial liquidity	58	64	15	9	14	3.89	72.34
5	Market share	53	61	16	16	14	3.77	69.22
	Average frequencies of all the items	**55**	**61**	**19**	**12**	**13**	**3.83**	**70.78**

SA: strongly agree**, AG:** agree**, SWA:** Somewhat Agree**, DA:** Disagree**, SDA:** Strongly Disagree

Table No-1 shows the statistical data on organizational performance. It can be seen from the table majority (73.44%) of the respondents said organization performance is very efficient majority of the employees said organization is in a position to deliver it services followed by 72.34% of the employees said financial liquidity is good in the organization company is handling all its obligation.69.84% of the respondents said organization is willing to transform its present state to desired stage with collaboration.69.22% of the employees said organization having great market share in shipping industry.69.06% of the employees said organization is getting good revenues on incremental basis. it is evident from the table the mean score is 3.83 it can be termed as the organizational performance is good.

Human Resource Management Practices:

Table 2: Recruitment and selection

S.NO	OPTIONS	SA	AG	SWA	DA	SDA	mean	%
1	Recruitment policy in the organization is satisfactory	52	26	42	19	21	3.43	60.75
2	Recruitment and selection is fair in the organization	56	28	36	18	22	3.49	62.25
3	I feel Right candidate is choosing for right job	51	30	36	17	26	3.39	59.75
	Average frequencies	**53**	**28**	**38**	**18**	**23**	**3.44**	**60.91**

SA: strongly agree**, AG:** agree**, SWA:** Somewhat Agree**, DA:** Disagree**, SDA:** Strongly Disagree

It can be seen from the table 2 of the study recruitment and selection practices under this head 3 items are measured. From the analysis it is evident the organization's recruitment and selection practices are good and the mean score is 3.44.

Table 3: Training and development

S.NO	OPTIONS	SA	AG	SWA	DA	SDA	MEAN	%
1	Organization have provision for training and development	38	49	25	18	30	3.29	57.34
2	Training is giving to all levels of employees on periodical basis	35	50	32	19	24	3.33	58.28
3	I getting technical knowledge and skills form the organization	40	58	27	15	20	3.52	62.97
4	Employee need based training is providing in the organization	39	46	25	10	40	3.21	55.31
5	Organization providing opportunities for career development	47	60	30	10	13	3.74	68.44
	Average frequencies of all the items	**40**	**53**	**28**	**14**	**25**	**3.42**	**60.5**

SA: strongly agree, **AG:** agree, **SWA:** Somewhat Agree, **DA:** Disagree, **SDA:** Strongly Disagree

Table 3 shows the data on training and development practices. Under this head 5 items are measured. From the analysis it is evident that training and development practices are good and the mean score is 3.44. Majority of the employees said they are getting technical knowledge and skills from the training programs. Further they said organization is providing opportunities for career development with mean score of 3.74.

Table 4: Performance appraisal

S.NO	OPTIONS	SA	AG	SWA	DA	SDA	MEAN	%
1	My organization having considerable provisions for performance appraisal	29	63	36	8	24	3.41	60.15
2	Performance appraisal is very transparent in the organization	27	52	39	13	29	3.22	55.46
3	Performance appraisal methods helping to develop my skills	23	50	42	12	33	3.11	52.81
4	We have continuous performance review in the organization	26	56	40	13	25	3.28	57.03
5	MBO Method of appraisal is practicing in the Organization	22	58	43	14	23	3.26	56.56
6	Organization practicing 360 degree appraisal for the employees	23	63	40	6	28	3.29	57.34
	Average frequencies	**25**	**57**	**40**	**11**	**27**	**3.2625**	**56.56**

SA: strongly agree, **AG:** agree, **SWA:** Somewhat Agree, **DA:** Disagree, **SDA:** Strongly Disagree

The table 4 shows the opinion of respondents on performance appraisal practices. Under performance appraisal dimension 6 variables has tested .It can be seen from the table 4 majority of the respondents said organization having provisions for performance appraisal but the overall performance appraisal practices in the organization are below 60%.

Table No 5: Compensation

S.NO	OPTIONS	SA	AG	SWA	DA	SDA	MEAN	%
1	My organization is giving Adequate salary	45	49	43	7	16	3.63	65.63
2	My organization is providing statutory benefits	44	42	40	12	22	3.46	61.56
3	Bonus and other non monetary benefits are giving in organization	44	43	42	11	20	3.50	62.5
4	Retirement benefits are giving in my organization	43	42	43	6	26	3.44	60.94
		44	44	42	9	21	3.51	62.66

SA: strongly agree, **AG:** agree, **SWA:** Somewhat Agree, **DA:** Disagree, **SDA:** Strongly Disagree

The Table 5 shows the opinion of respondents on compensation practices. Under this dimension 4 items has tested .It can be seen from the table 5 majority of the respondents said organization is paying adequate salary and bonuses to them. The overall mean score of this dimension is 3.51 it can term as 62.66% it means the compensation practices in the organization is satisfactory.

Table No 6: Empowerment

S.NO	OPTIONS	SA	AG	SWA	DA	SDA	TOTAL	MEAN	%
1	My organization is giving autonomy and authority in my work	41	49	40	17	13	160	3.55	63.75
2	My organization is giving full information about my role and feedback	39	51	40	20	10	160	3.56	63.91
3	I have Job enrichment opportunities	32	59	42	19	8	160	3.55	63.75
4	Supervisors giving Counseling	32	57	42	20	9	160	3.52	62.97
	average frequencies	36	54	41	19	10	160	3.54	63.59

SA: strongly agree, **AG:** agree, **SWA:** Somewhat Agree, **DA:** Disagree, **SDA:** Strongly Disagree

The Table 6 shows the opinion of respondents on empowerment practices. Under this dimension 4 items has tested .It can be seen from the table 6 majority of the respondents said organization giving empowerment to them. The overall mean score of this dimension is 3.54 it can termed as 63.59% it means the compensation practices in the organization is satisfactory.

OBJECTIVE TWO FINDINGS:

Table 7: Cronbach alpha

Variables	Cronbach alpha	No items tested
Recruitment and selection	0.924	3
Training and Development	0.858	5
Performance appraisal	0.879	6
Compensation	0.885	4
Empowerment	0.825	4
Organizational performance	0.889	5
Total	**0.8766**	**27 items**

It can be said from the table number 7 that there internal consistency of the all the items are significant and the overall cronbhac alpha is 0.8538 it can be said as significant.

Table 8: Analysis of HRM practices in the organization

		RS	TD	PA	COMP	EM
N	Valid	160	160	160	160	160
	Missing	0	0	0	0	0
Mean		3.4375	3.4313	3.2625	3.5063	3.5438
Std. Deviation		1.41727	1.36728	1.29093	1.30792	1.14840
Skewness		-.408	-.594	-.538	-.612	-.525
Std. Error of Skewness		.192	.192	.192	.192	.192
Kurtosis		-1.101	-.850	-.752	-.604	-.450
Std. Error of Kurtosis		.381	.381	.381	.381	.381

The Table no 8 shows statistical data of all the select hr practices in krishnapatnam port limited. From the table it can be seen that in the organization employee empowerment programs are recorded high (3.54) mean score. Followed by Compensation practices mean score is 3.51. it can be seen from the that these two practices are good

compared other practices in the organization among these practices performance appraisal has recorded low mean score with 3.26. Recruitment selection and training and development practices are somewhat good in the organization compared performance appraisal practices. Hence organization required to focus on all the practices.

Table 9: Correlations

		RS	TD	PA	COMP	EM	OP
RS	Pearson Correlation	1	.902**	.384**	.857**	.831**	.942**
	Sig. (2-tailed)		.000	.000	.000	.000	.000
	N	160	160	160	160	160	160
TD	Pearson Correlation	.902**	1	.452**	.785**	.739**	.923**
	Sig. (2-tailed)	.000		.000	.000	.000	.000
	N	160	160	160	160	160	160
PA	Pearson Correlation	.384**	.452**	1	.386**	.251**	.458**
	Sig. (2-tailed)	.000	.000		.000	.001	.000
	N	160	160	160	160	160	160
COMP	Pearson Correlation	.857**	.785**	.386**	1	.812**	.886**
	Sig. (2-tailed)	.000	.000	.000		.000	.000
	N	160	160	160	160	160	160
EM	Pearson Correlation	.831**	.739**	.251**	.812**	1	.833**
	Sig. (2-tailed)	.000	.000	.001	.000		.000
	N	160	160	160	160	160	160
OP	Pearson Correlation	.942**	.923**	.458**	.886**	.833**	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	
	N	160	160	160	160	160	160
**. Correlation is significant at the 0.01 level (2-tailed).							

From the table 9 of Pearson correlation matrix it can be said that all the items were correlated significantly with each other. Human resource management practices are significant with organizational performance. Among these variables recruitment and selection, training and development compensation and empowerment significantly correlated which mean all the hypotheses correlated with organizational performance appraisal variable is less significantly correlated with organizational performance. Hence Above said hypothesis is accepted.

10 .a: Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.971[a]	.943	.941	.29550
a. Predictors: (Constant), EM, PA, TD, COMP, RS				
b. Dependent Variable: OP				

10.b: ANOVA[b]

	Model	Sum of Squares	df	Mean Square	F	Sig.
1	Regression	220.996	5	44.199	506.167	.000[a]
	Residual	13.448	154	.087		
	Total	**234.444**	**159**			
a. Predictors: (Constant), EM, PA, TD, COMP, RS						
b. Dependent Variable: OP						

10.c: Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.484	.090		5.382	.000
	RS	.272	.050	.317	5.482	.000
	TD	.310	.041	.349	7.527	.000

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
PA	.060	.021	.064	2.871	.005
COMP	.206	.038	.222	5.459	.000
EM	.122	.040	.116	3.073	.003
a. Dependent Variable: OP					

According to the table 1(a) the R value 0.971, which indicating that there is a strong relation between HRM practices and organizational performance and all the results derived from multiple regressions. The table 10.(b) shows that the f-value 506.167 which indicate highly significant between the variables. In the table10 (c) co-efficient justify the massive importance of HRM practices on organizational performance. Further in this table it can be seen that training and development (t-value 7.527), recruitment selection (t-value 5.482) and compensation (t-value54.59) are the most important predictors of organizational performance.

CONCLUSION:

To increase organizational performance Administrative practices were most important for reducing employees withdrawn from the origination because these practices directly impact on employee's behavior. The study was focused mainly to find out the impact of HRD practices on organizational performance. It can be concluded from the study that HRD practices significantly impact on organizational performance. In order to increase performance of the organization the managers will have to concentrate on HRD practices which have a significant impact on organizational performance.

SUGGESTIONS:

- Training should provide to all categories of employees so that senior and juniors will learn and cope with the business environment changes.
- Proper performance appraisal is required in the organization to all level of employees about new policies and procedures.
- Top management must carefully guide the HRD department to implement desired practices.
- Organization should facilitate healthy climate and culture in the organization.
- Emotional stability should take into considerations while selecting employees.
- Employer should provide empowerment to take decisions
- Employee appreciation and conducting exit interviews are very important to understand the problems in the organization.

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