

Service Oriented High performance Hr practices and its behavioural outcomes with special reference to service organization in Gwalior city

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Abstract

The primary purpose of this study was to explore the relationship between employees' perceptions of the use of high-performance HR practices at the job group level and important attitudinal and behavioral employee outcomes. This is Exploratory and empirical research design. The population for the study will be HR managers and employees working in the service industries of Gwalior city. The sample size of the study will be 100 employees working in the service industries of Gwalior city.

Introduction

Contemporary Human Resource Management (HRM) scholars are studying and documenting the developments in HRM in the management literatures (Som, 2007; Schuler & Jackson, 2008). Most of these developments have seen changes in the nature of the HRM being integrative and value-driven approach (Schuler, 1992; Andersen, Cooper & Zhu, 2007). Contemporary HRM literatures have highlighted the contribution of HRM to organization performance (alongside other factors) (Subramony, 2009; Caliskan, 2010) and to achieve competitive advantage in organisations. Researchers analyze HRM-performance link and HRM as a source of competitive advantage with a view of HRM as a set or bundle or composite of practices (Huselid, 1995; Delaney & Huselid 1996). Researchers use different names to refer the bundle or composite HRM practices such as, progressive or 'high performance' (Huselid, 1995; Delaney & Huselid, 1996), 'high commitment' (Arthur, 1992, 1994; Wood & de Menezes, 1998), 'high involvement' (Lawler, 1986), or "innovative" (Agarwala, 2003) HRM practices.

HR Attribution Theory

Research study shows that HRM practices are associated with organizational performance through their influences on employee attitude and behavior (Colakoglu, Lepak & Hong, 2006; Azmi, 2011) and employee perceptions of HRM (Allen, Shore & Griffeth, 2003; Bowen & Ostroff, 2004). Based on this suggestion, Nishii, Lepak and Schneider (2008) construct HR attributions theory. The theme of the HR

attribution says the attributions that employees develop about the intentions of management adopting particular HR practices have consequences for their individual attitudes and behaviors, and ultimately, unit performance. Nishii et al (2008) examine five main HRM practices including staffing, training, benefits, pay, and performance appraisals and identify employees attribute these HRM practices to (1) enhance (service) quality; (2) keep costs down; (3) promote employee well-being; (4) get the most work out of them; and (5) comply with union requirements. Employee attribution to HRM practices as management intention to promote employee service quality and well-being is positively related to HRM practices and employee attitude and behavior relationship. On the other hand, employee attribution to HRM practices as management policies to minimize costs and to exploit employees is negatively related to HRM practices and employee attitude and behavior relationship. However, employee attribution to HRM practices as management conformity to the pressure of union is not significantly related to their attitude and behavior. Nishii et al (2008) confirm their assumptions by testing the theory in a service organization. The authors find that employees have developed varying attributions for the same HRM practices and that these attributions generate different level of employee commitment and satisfaction. In turn, individual attribution is shared within units and consequently it affects unit-level OCB and customer satisfaction.

Literature Reviews

Seeck and Parzefall (2008) find out that the work of an employee is not only restricted to respond to the behaviours of the employer but also to build relationship between them and management, though it may not be appreciated by the management. An organization which has a proper HR department has an advantage over their competitors, because it helps to enhance the skill and ability of its employees', which results to increase profits, reduce cost of production, retain employees and enhance quality of products. Prompt implementation of strategies of organization will help them to surge ahead of their competitor's (Schuler and MacMillan, 1984). In successful firms, duties are assigned in advance. Human resource planning is to make arrangement on the basis of expected performance from individuals for meeting goals of organization. Employee's participation in planning procedure is necessary to help them understand and deliver the path towards obtaining organizational objectives. The performance of its workers is directly related to the performance of any organization. Employee performance is defined as the effort of the workers by maintaining the quality and quantity for the assigned duties, on the basis of which they are evaluated.

Ta-Wei & Ya-Yun Tang (2012) Promoting service-oriented organizational citizenship behaviors in hotels: The role of high-performance human resource practices and organizational social climates. This study examines the influence of high-performance human resource (HR) practices on service-oriented

organizational citizenship behavior (OCB) through two climates—justice climate and service climate. This field study of 1133 customer contact employees and 119 human resource managers from 119 hotels in Taiwan has shown that social climates of justice and service mediate the influence of high-performance HR practices on service oriented OCB. The study demonstrates that high-performance HR practices affect employees' cognition on how they are treated by hotels and what service behaviors are expected, which in turn can positively influence collective service-oriented OCB. The participants of this study were HR managers and customer contact employees from hotels in Taiwan. This study has provided significant contributions to researchers as well as managers. First, the main contribution of this study is its demonstration and explanation of the mechanism of how high-performance HR practices enhance customer contact employees' service-oriented OCB. The reason is that these HR practices can create a social environment favoring the service quality of the hotel internally. By indicating that organizational social climates are a critical mechanism linking high-performance HR practice to service-oriented OCB, Service-oriented high-performance HR practices refer to a self aligned system of HR practices designed to increase employee abilities, motivation, and opportunities for providing satisfying services to customers (Batt, 2002; Boxall and Purcell, 2002; Liao et al., 2009). The high performance HR practices enhancing the service quality adopted by the hotel industry are selection policies, training, performance appraisals, compensation, participation and empowerment.

Abdul Raziq (2012) High performance management practices in manufacturing and service-based SMEs. This study reports comparative analysis of high performance management practices (HPMP) in Pakistani SMEs by using data from 436 manufacturing and service-based organizations. The findings of this study suggest that there is a significant difference between manufacturing and service-based SMEs regarding the adoption of HPMP. Service-based SMEs have adopted more formal recruitment, selection, compensation, training, and performance appraisal practices in comparison to manufacturing SMEs. However, consultation practices were found to be associated more with manufacturing SMEs than service-based SMEs. The survey questionnaire comprised of three main sections: demographic variables/section A, HPMP/section B, firm performance variables/section C. This paper is based on the results of first two parts. To explore the HPMP in Pakistani SMEs, a large scale questionnaire survey was conducted in the industrial city of Karachi, Pakistan. This city was selected due to its economic importance and industrial development (KCCI, 2010).

Mostafa, AMS (2017) High-Performance HR Practices, Positive Affect and Employee Outcomes. The purpose of this paper is to provide insight into the affective or emotional mechanisms that underlie the relationship between high-performance HR practices (HPHRP) and employee attitudes and behaviors.

Drawing on affective events theory (AET), this paper examines a mediation model in which HPHRP influence positive affect which in turn affects job satisfaction and organizational citizenship behaviors (OCBs). Two-wave data was collected from a sample of local government workers in Wales (N= 362). HPHRP were measured together with job satisfaction and OCBs at Time 1 and six months later, job satisfaction and OCBs were measured again together with positive affect. Structural equation modelling (SEM) was used to test the study. The results revealed that HPHRP induced positive affect which, in turn, led to increased job satisfaction and OCBs. Furthermore, positive affect fully mediated the relationships between HPHRP and both job satisfaction and OCBs.

Objectives of the Study

1. To study relationship between high-performance HR practices (HPHRP) and employee attitudes and behaviors.
2. To study the impact of high-performance HR practices (HPHRP) on employee performance.

Hypotheses of the Study

H01: Service oriented high performance HR practices is not having significant impact on employee service performance.

H02: Service oriented high performance HR practices are not having significant impact on job satisfaction.

Research Design

This is Exploratory and empirical research design. The population for the study will be HR managers and employees working in the service industries of Gwalior city. The sample size of the study will be 100 employees working in the service industries of Gwalior city.

Questionnaire Designing

Primary data will be collected for the study. A structured questionnaire was the key instrument used to collect data Pilot study will be conducted in questionnaires as the measurements. A structured questionnaire will be developed for gathering data from the respondents. Each questionnaire is divided into two parts in which first part contain questions related to demographic information and other general questions and part two contain questions related to high performance service oriented hr practices and behavioral outcomes of employees on the basis of seven point Likert scale (1 = Extremely agree, 7 = Extremely Disagree).

Constructs of the Study

1. **HR Planning**-HR planning refers to the process which involves planning for future manpower requirement and placement of those workforces accordingly.
2. **Recruitment & Selection**-To fulfill the requirement of human resource, recruitment and selection process is carried to employ eligible and capable persons at a reasonable budget. Though the impact of recruitment & selection on organizational performance cannot be denied but still the general practice by organizations is to casually select sub-standard and unpredictable labour force by following erratic and biased selection process.
3. **Compensation Practices**-Compensation means all the financial and non-financial reward given by the employer to its employees for their services rendered. The remuneration is decided by taking into account various factors like employee qualification, their experience and performance.
4. **Training Practices**-The major activity for developing human resource is training. The performance outcome of the employees depends upon the process of training. Since training is an integral part of HR, a dynamic method of training will definitely enhance staff performance and provide the much needed competitive edge to the organizations.
5. **Performance Appraisal**-Appraisal is one of the vital components of HR practices. One of the basic functions of appraisals is to fix accountability among organizations. Appraisal is a system to measure employee productivity and also influences the final outcome of their performance. Different appraisal mechanisms are implemented by organizations to monitor the growth and progress of employees and to reward them accordingly.

Behavioural Outcome variables

There are two outcomes of HR practices; individual and organizational. Individual outcome includes employee performance, employee morale, employee turnover etc. Organizational outcomes include organizational performance, turnover, customer satisfaction etc.

Data analysis

In order to comprehend the responses and make inferences, the questionnaires collected from the field were coded and inputted into a software application for statistical analysis for social sciences (SPSS. 23.00) is used for data analysis and reliability and regression analysis was applied to test the hypotheses.

The reliability of the Questionnaire was evaluated using SPSS software through Cronbach's alpha. The reliability was found .821 which was greater than acceptable value, which indicates data is reliable for study.

Table No. 1 Reliability Statistics

Cronbach's Alpha	No of Items
.821	28

H01: H01: Service oriented high performance HR practices is not having significant impact on employee service performance.

Table No. 2 Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.669	.447	.446	2.59148	2.476

a. Predictors: (Constant), HR Practices

b. Dependent Variable: Employee service performance

Table No. 3 ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	767.363	1	767.363	114.263	.000
	Residual	3210.134	478	6.716		
	Total	3977.498	479			

a. Dependent Variable: Employee service performance

b. Predictors: (Constant), HR Practices

Table No. 4 Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	8.875	.700		12.682	.000
HR Practices	.928	.087	.439	10.689	.000

a. Dependent Variable: Employee service performance

The equation for regression analysis from table can summarized as below

$$Y = a + b x + \text{error}$$

$$\text{Employee service performance} = 8.875 + .928 (\text{HR Practices})$$

The result of regression analysis shows that the F value is 114.263, which was sig. at 0% level indicating good model fit and value of t is 12.682, which are also significant at 0% level. R square value is .447, which indicates 44.7 % of variance in Employee service performance is explained by HR Practices. Thus, our hypothesis is rejected. This indicates that Service oriented high performance HR practices is having significant impact on employee service performance.

H02: Service oriented high performance HR practices are not having significant impact on job satisfaction.

Table No. 5 Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.640	.410	.409	1.95278	2.200

a. Predictors: (Constant), HR practices

b. Dependent Variable: Job Satisfaction

Table No. 6 ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	75.040	1	75.040	9.191	.003
	Residual	3902.458	478	8.164		
	Total	3977.498	479			

a. Dependent Variable: Job Satisfaction

b. Predictors: (Constant), HR practices

Table No. 7 Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	14.073	.729		19.300	.000
	HR Practices	.299	.099	.137	3.032	.003

a. Dependent Variable: Job Satisfaction

The equation for regression analysis from table can summarized as below

$$Y = a + b x + \text{error}$$

$$\text{Job Satisfaction} = 14.073 + .299 (\text{HR Practices})$$

The result of regression analysis shows that the F value is 9.191, which was sig. at 0% level indicating good model fit and value of t is 19.300, which are also significant at 0% level. R square value is .410, which indicates 41.0 % of variance in Job Satisfaction is explained by HR Practices. Thus, our hypothesis is rejected. This indicates that Service oriented high performance HR practices are having significant impact on job satisfaction.

Conclusion

Improving quality of service is the only way of service organization to survive in competitive environment. The result of study concluding with the fact that there is relationship between high performance HR practices and employee performance and job satisfaction. The study will also help to gain knowledge in the field of HR. The outcome will help the organizations to develop and implement high performance HR practices which will affect employee and organizational performance.

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