

# Human Resource Practices and Employee Attitude- An Analysis of Textile Industry of Punjab

Dr. Manpreet Kaur<sup>1</sup>, Dr. Sunil Kumar<sup>2</sup>, Dhruv Bhagat<sup>3</sup>

<sup>1</sup>Head of Department, St. Soldier College

<sup>2</sup>Principal, St. Soldier College

<sup>3</sup>Assistant Professor, St. Soldier College

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## ABSTRACT

The study aimed to investigate the effect of human resources activities on behaviour of employees in the textile industry. The HR practices selected for the research purpose were Benefits and Rewards, Performance Management, Enlisting and Action, Preparation and Evolution whereas an employee attitude studied was categorized under Organizational Commitment and Job Satisfaction. Study was carried on 300 employees selected from 10 textile companies listed on NSE. The research was exploratory and conclusive in nature. The research was conducted by studying the HR practices in the textile companies of Punjab, analyzing the state between human resources activities on behaviour of employees and investigating the impact of HR practices and Employee attitude in the textile industry. It was found that human resources activities are creating no major impact on the employee attitude in textile companies of Punjab.

**Key Words:** HR Practices (*Training and Development, Recruitment and Selection, Performance Management and Rewards & Benefits*), Employee Attitude, Job Satisfaction, Organizational Commitment.

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## INTRODUCTION

HRM methods are characterized as a program that recruits, creates, motivates and retains employees to ensure the company and its members are successfully implemented and survive, (Schuler and Jackson, 1987). HR initiatives are the series of organized HR activities that the organization employs. The HR activities hold the propensity for differences in the interpretation and understanding of HR programs among employees based on the quality of HR system execution (Mohapatra, 2012). The culture of the company can be reflected through HR practices. Defining the boundaries of HR practices is considered as the significant object (Hussain and Rehman, 2013). HR practices are the considered to be the ways through which employee perceptions, attitudes, and behaviors are shaped (Sivasubramaniam, 2012). To decide which human resource practices to link with competitive strategy, organizations decide among the main six HRM practices, i.e., Planning, Staffing, Appraising, Compensating, Training and Development (Schuler and Jackson, 1987).

### Types of HRM Practices

Management of human resources includes a variety of activities and recruiting, training, performance management, benefits and compensation are main activities. HRM activities are recognized a proactive resource for any company and perform an essential role in the management of an enterprise by preparing, hiring and motivating people to contribute to and achieve superior performance (Chuaywongyart, 2012). An analysis of 104 articles was performed and 26 HR practices were identified which further defined Training & Development, Recruitment & Selection, Performance Management and Rewards & Benefits as the top four HR practices (Boselie et al, 2005). Such activities have been chosen for review not only because they contribute to human resources policy but also directly relate to the daily experiences and expectations of the employee.

**TABLE 1.1 List of Human Resource Practices**

Training and Development	Contingency Pay and Rewards
Performance Management	Recruitment and Selection
Benefit Packages	Empowerment
Good Wages	Communication and Information Sharing
Promotion	Grievance Handling
Competency Mapping	Employment security
Teamwork	Symbolic Egalitarianism
Work Life Balance	Employee Participation
Social Responsibility	Professional Effectiveness of the HRD
Unions	Employee Exit Management
Job Analysis	Social Induction & Social Activities
Human Resource Planning	Employee Retention
Decision Making	Job Design

**Employee Attitude**

Attitude considered as evaluative statement- either favorable or not, regard to, people, events or objects. An attitude reflects the feelings about something (Robbins, 2009). Employee attitudes and behaviors have occupied the attention of the organization scholars for decades and various researches have examined different employee attitudes and behaviors (Shore and Strauss, 2006). Several situations within the office affect attitude and behavior.

**Types of Employee Attitudes**

Human beings possess thousands of attitudes, but in an organization limited number of work related attitudes are taken into consideration. Those behaviors describe the positive and negative perceptions that workers have on the facets of their work environment. Job Satisfaction and Organizational Commitment are the main work-related behaviors. (Robbins)

1. **Job Satisfaction:** It defines the positive feeling of a job that comes from an appraisal of its characteristics. A person with a high level of job satisfaction has positive feelings about his or her work while those who are unhappy have negative feelings.

2. **Organizational Commitment:** It applies to a situation in which a person identifies with a specific organization and its aims, and wants to retain membership in the organization. High contribution to association means interacting with your hiring organisation (Robbins, 2009). Institutional Determination is a psychological, spatial commitment maintained by a person to their organization. This attachment results in employee retention.

**REVIEW OF LITERATURE**

Various studies were found covering the various human resource activities effecting attitude of employee in different sectors. **Gardener et al (2001)** performed the research to find out the relationship between HR practices and employee attitudes and behaviors with strategic Human Resource Management that includes employee attitude and behavior as key mediating link between HR practices and firm outcomes. The researcher studied Skill, Motivation and Empowerment related practices and calculated the impact of such practices on attitude, behaviors and ultimately firm performance whereas **Whitener (2001)** explored the relationships between HR practices, Organizational Commitment and Trust-In-Management.

**Boselie et al (2005)** studied the commonalities and contractions of HRM and performance research by analyzing collectively 104 articles published in well renowned HR journals and books between years 1993- 2003. From the analysis of the various articles, books and papers, they defined different HR practices creating an impact on employee performance whereas **Edgar and Geare (2005)** covered four Generic HR practices, selection, reward, development and appraisal and employee attitude was studied under three dimensions, job satisfaction, organizational commitment and organizational fairness. The study was performed on both employee as well as employer and results stated a significant relationship that there exists significant relationship for employee attitude and HR practices whereas employers showed no relation between practices and attitudes.

**Saari and Judge (2004)** studied employee attitude and job satisfaction and identified the causes of Employee Attitude and job satisfaction as person's disposition, culture and work situation. The analysis depicts both views on job satisfaction I.e. positive and negative, life satisfaction and withdrawal behaviors (absenteeism and turnover). The researcher also studied how to appraise and analyse human behavior (in particular to job satisfaction) between HR practices. The gaps identified were analyzed by the use of analytical tools and researcher provided the solution to close those gaps by providing better information about research.

**Tsai et al (2006)** tried to establish link between Human Resource Management, Organizational Performance and employee attitude and behaviors. The researchers studied Attitude – performance in context to small business and found that performance and employee attitudes are positively related and the association is partially mediated by HR practices.

**Aladwan (2012)** studied the impact of Human Resource Practices on Employee Attitude in the Jordanian Organizations. Learning and growth, recruiting and placement, success assessment, and incentives and rewards were the HR strategies used for the report. For analysis, the researcher used SPSS software to apply factor analysis test. The researchers found that HR activities were affecting significantly the human behavior while HR activities do not impact job standards and employee leaving intentions.

### Objectives of the Study

- To study the Human Resource Practices in the Textile Companies of Punjab.
- To analyze the relationship for human resource practices and employee attitude.

### RESEARCH METHODOLOGY

Research design was exploratory and conclusive in nature as it explored new facts and includes surveys from the companies. The sample size of the study was decided as 300 employees from the selected textile companies in Punjab. The sampling unit of the study comprised of the employees of Textile Companies of Punjab. For the research purpose the sampling technique used was Stratified Sampling. In the case of present study, the population was divided into different strata's and the respondents were selected that represent the group fully. The companies were categorized on the basis of turnover as the high, medium and small companies. The study covered top 10 Textile Companies of Punjab listed in NSE.

**Data Collection:** Primary and secondary sources both are used for data collection.

#### Secondary Data

- . Published sources - Journals, e- Journals, Books, e-reports
- . Unpublished sources - Reports prepared for the Universities

#### Primary Data

- . Through Well Structured Questionnaires

#### Research Instrument

The present research was carried out with the help of two questionnaires. The questionnaires were prepared on likert scale. It was five point likert scale with "1= strongly disagree, 2= disagree, 3= neither agree nor disagree, 4= agree and 5= strongly agree". A well-structured, pre-tested and undisguised questionnaire was used for primary data collection. There were two questionnaires prepared for the data collection to complete different objectives.

- . **Questionnaire 1:** The first questionnaire prepared was to identify various HR practices implemented at different levels in the Textile companies.
- . **Questionnaire 2:** The second questionnaire was designed to scrutinize the effect on Employee Attitude of HR activities. The informants were company workers. It was designed by dividing the matter into following three sections-

**Plan of Data Analysis:** The collected data was analyzed through appropriate statistical tools and interpretation of the results there of. Tables, pie charts and bar graphs and the Advanced Multivariate data analysis techniques like Multiple Regression, and One Way ANOVA were used with the help of software SPSS 16 versio for analysing the data.

### DATA ANALYSIS

Out of the total sample of 300 respondents, the results states that relative identity of the participants at great difference, being male it is 68% (n = 204) and being female it is 32% (n = 96). The age group for respondents was 25-30 years (57%), 30-35 years (20%) and Above 35 years (27%). The sample included variant areas of specialization irrespective of qualification the candidate possess: 18% financial sector, 12% for HR industry, 12% for Marketing and rest 58% in other sectors (insurance, sales, production, projects etc.). Ultimately, years of experience of the participants is fairly variable: 10% for 0-1 year; 61% for 1-5 years; 18% for 5-10 years; and 11% more than 10 years. It shows majority of the respondents were in the experience group of 1- 5 years. It shows company keeps on generating new employment opportunities.

The analysis of 24 different HR practices was done to study the practices being regulated by the textile companies in Punjab. It identifies four major practices, i.e. training & Development, recruitment & Selection, Performance Management and Rewards & Benefits. These practices are regulated by the companies to great extent and at the regular intervals. The practice of rewards & benefits includes in it the HR practices such as Pay and rewards, Promotion, benefit packages. The companies were found ignorant of about employee security and unaware about the practice of symbolic egalitarianism.

The association around HR activities and the attitude of employees was analyzed through multiple regression technique. Before applying the multiple regression analysis, the few tests were performed.

#### Conditions fulfilling Multiple Regression Analysis

Conditions	Mode of Testing	Values	Results
Validity	Through Academic Personnel	-	Validated
Reliability	Through SPSS 16	Chronbac alpha- .616	Data is reliable
Multicollinearity	Through SPSS 16	VIF <5	Data is collinear
Normality	Through SPSS 16	K-S value -> .05	Data is normal

The regression analysis was applied to check the relationship between the HR practices and Employee attitude. The results in the table 4.6 shows that there was a negative relationship between skills training and the attitude of the employees ( $\beta = -.373, p < 0.05$ ). A significant relation appears between recruitment & selection and employee attitude ( $\beta = .244, p < 0.05$ ). It was also found that there is no significant relationship between employee attitude and performance management and rewards and benefits practices. The results states that null hypothesis stands rejected and alternate hypothesis was accepted as there exists relationship between HR practices and employee that may not be very strong but still the relationship persists. A multiple regression was run to predict employee attitude from HR Practices (Training & Development, Recruitment & Selection, Performance Appraisal and Rewards & Benefits. These variables statistically significantly predicted Employee Attitude,  $F(4, 295) = 29.739, p < .0005, R^2 = .289$  All four practices added statistically significantly to the prediction,  $p < .05$ . The results show that there is no major impact that HR practices leaves on employee attitude. It leads to acceptance of null hypothesis that there exists no significant impact of HR practices on Employee Attitude. The person behaves irrespective of the practices regulated in the companies. Thus it was found that though there exists a relationship between the HR practices and employee attitude whether positive or negative, but the relationship is not to the extent that it can impact employees' attitude (i.e. job satisfaction and organizational commitment). It was assumed earlier that the impact must exist but the real picture came out to be entirely different.

### FINDINGS

The analysis that lead to some important findings are stated as below:

- There were 300 respondents in total and among those 68% were male and 32% were female. Majority of respondents were in the age group of 25-30 years. The majority of respondents were with the experience of 1 to 5 years.
- The various HR practices were studied to check the implementation level of the practices in the Textile Companies. It was found that all the selected companies were making efforts to regulate some HR practices. The practices that were regulated by the company to a great level were Training & Development, recruitment & Selection, Performance Appraisal, Pay & Rewards, Promotion, Benefit Packages and Job Design.

- The HR practices like Competency Mapping, Empowerment, Good Wages, Grievance Handling, Teamwork, Employment Security, Social Responsibility, Union employees, Social Induction, HRP, and Decision Making are regulated by the companies at the moderate level. Few companies like Malwa Cotton, Jindal textiles implement these practices at a greater extent depending on the need of the company.
- The HR Practices like Symbolic Egalitarianism was not practiced as every company maintains a level of hierarchy in their working.
- The influence of HR practices was analyzed by the mode of regression analysis. It was found that the HR practices impacts Employee attitude in the textile companies to very little extent. The companies were categorized on the basis of turnover and it was found that irrespective of the turnover companies are generating, the employee attitude remains indifferent. As the company with highest turnover practices T&D to a great extent, similar act is done by the company with lowest turnover.
- It was found that Training & Development and Recruitment and Selection were found to have negative and positive relation with employee attitude respectively. Whereas there exists no relationship between Performance Management and Employee Attitude and Rewards and Benefits and Employee Attitude.

### CONCLUSION

The main objective of the present study was to investigate the effect of various HR activities on human behavior in Textile Industry of Punjab. To accomplish the objectives for study, two different questionnaires were prepared. The first questionnaire was filled by the HR managers of the companies selected for the study, various HR practices implemented in the textile companies were also studied. The respondents were asked to respond in as accurately as possible. There might be present the possibility of responsive biasness that may have changed the results. Statistical tools, Pie charts and percentages were used to analyze the data. The second questionnaire was prepared to analyze how HR practices effect the human behavior. The data was collected from 300 respondents in 10 selected NSE listed Textile companies in Punjab. The data was collected and analyzed with the help of SPSS 16 and MS-Excel 2007. The data was analyzed through various statistical techniques such as regression analysis, one way Anova. After study, the findings led to the acceptance of one null hypothesis that there is negligible or no effect of HR practices on the attitude of employees, whereas the hypothesis of evaluating the relationship between HR practices and employee attitude rejected the null hypothesis as the results show that there is a connection between HR practices and the attitude of employees that may not affect each other.

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