**CHAPTER 1**

**INTRODUCTION**

**1.1 Introduction**

Human resource management (HRM or simply HR) is the management of an organization's [workforce](http://en.wikipedia.org/wiki/Workforce), or [human resources](http://en.wikipedia.org/wiki/Human_resources). It is responsible for the attraction, selection ,training, [assessment](http://en.wikipedia.org/wiki/Performance_appraisal), and [rewarding](http://en.wikipedia.org/wiki/Remuneration) of employees, while also overseeing organizational [leadership](http://en.wikipedia.org/wiki/Leadership) and [culture](http://en.wikipedia.org/wiki/Organizational_culture), and ensuring compliance with employment and labor laws. In circumstances where employees desire and are legally authorized to hold a [collective bargaining agreement](http://en.wikipedia.org/wiki/Collective_agreement), HR will also serve as the company's primary liaison with the employees' representatives (usually a labor union).

HR is a product of the human relations movement of the early 20th century, when researchers began documenting ways of creating business value through the strategic management of the workforce. The function was initially dominated by transactional work such as [payroll](http://en.wikipedia.org/wiki/Payroll) and [benefits](http://en.wikipedia.org/wiki/Employee_benefits) administration, but due to [globalization](http://en.wikipedia.org/wiki/Globalization), company consolidation, technological advancement, and further research, HR now focuses on strategic initiatives like [mergers and acquisitions](http://en.wikipedia.org/wiki/Mergers_and_acquisitions), [talent management](http://en.wikipedia.org/wiki/Talent_management), [succession planning](http://en.wikipedia.org/wiki/Succession_planning), industrial and labor relations, and [diversity](http://en.wikipedia.org/wiki/Multiculturalism) and [inclusion](http://en.wikipedia.org/wiki/Inclusion_(value_and_practice)).

In [startup companies](http://en.wikipedia.org/wiki/Startup_company), HR's duties may be performed by a handful of trained professionals or even by non-HR personnel. In larger companies, an entire functional group is typically dedicated to the discipline, with staff specializing in various HR tasks and functional leadership engaging in strategic decision making across the [business](http://en.wikipedia.org/wiki/Business). To train practitioners for the profession, institutions of higher education, professional associations, and companies themselves have created programs of study dedicated explicitly to the duties of the function. Academic and practitioner organizations likewise seek to engage and further the field of HR, as evidenced by several field-specific publications.

1.1.1Business function

[Dave Ulrich](http://en.wikipedia.org/wiki/Dave_Ulrich) lists the functions of HR as: aligning HR and business strategy, re-engineering organization processes, listening and responding to employees, and managing transformation and change.

In practice, HR is responsible for employee experience during the entire employment lifecycle. It is first charged with attracting the right employees through [employer branding](http://en.wikipedia.org/wiki/Employer_branding). It then must select the right employees through the [recruitment](http://en.wikipedia.org/wiki/Recruitment) process. HR then [onboard](http://en.wikipedia.org/wiki/Onboarding) new hires and oversees their [training and development](http://en.wikipedia.org/wiki/Training_and_development) during their tenure with the organization. HR assesses talent through use of performance appraisals and then [rewards](http://en.wikipedia.org/wiki/Remuneration) them accordingly. In fulfillment of the latter, HR may sometimes administer [payroll](http://en.wikipedia.org/wiki/Payroll) and [employee benefits](http://en.wikipedia.org/wiki/Employee_benefits), although such activities are more and more being outsourced, with HR playing a more strategic role. Finally, HR is involved in employee terminations - including resignations, performance-related dismissals, and redundancies.

At the macro-level, HR is in charge of overseeing organizational [leadership](http://en.wikipedia.org/wiki/Leadership) and [culture](http://en.wikipedia.org/wiki/Organizational_culture). HR also ensures compliance with [employment and labor laws](http://en.wikipedia.org/wiki/Labour_law), which differ by geography, and often oversees health, safety, and security. In circumstances where employees desire and are legally authorized to hold a [collective bargaining agreement](http://en.wikipedia.org/wiki/Collective_agreement), HR will typically also serve as the company's primary liaison with the employee's representatives (usually a labor union). Consequently, HR, usually through industry representatives, engages in lobbying efforts with governmental agencies (e.g., in the United States, the [United States Department of Labor](http://en.wikipedia.org/wiki/United_States_Department_of_Labor) and the National Labor Relations Board) to further its priorities.

The discipline may also engage in mobility management, especially pertaining to [expatriates](http://en.wikipedia.org/wiki/Expatriate); and it is frequently involved in the [merger and acquisition](http://en.wikipedia.org/wiki/Merger_and_acquisition) process. HR is generally viewed as a support function to the business, helping to minimize costs and reduce risk.

**1.2 Employee satisfaction, Organization Performance and HRM**

1.2.1 Employee satisfaction

Employee satisfaction is essential to the success of any business. A high rate of employee contentedness is directly related to a lower turnover rate. Thus, keeping employees’ satisfied with their careers should be a major priority for every employer. While this is a well known fact in management practices, economic downturns like the current one seem to cause employers to ignore it.

Factors contributing to employee satisfaction include treating employees with respect, providing regular employee recognition, empowering employees, offering above industry-average benefits and compensation, providing employee perks and company activities, and positive management within a success framework of goals, measurements, and expectations.

There are numerous reasons why employees can become discouraged with their jobs and resign, including high stress, lack of communication within the company, lack of recognition, or limited opportunity for growth. Management should actively seek to improve these factors if they hope to lower their turnover rate. Even in an economic downturn, turnover is an expense best avoided.

In particular, consider the following elements of effective strategies designed to build satisfaction and retain key employees:

* Include opportunities for personal growth and invest heavily in the professional development of the best people in the organization.
* Provide employees with well-defined career paths including a succession plan.
* Train employees, even if it makes them more attractive to the competition. Without seeing an opportunity on the horizon, few high potential employees will stay with a company and allow themselves to grow stagnant.
* Acknowledge non-work priorities by recognizing and responding to employees' needs for greater balance in their lives, since employees will develop loyalty for organizations that respect them as individuals, not just as workers.

It is factual that employee satisfaction is an innermost concern in the business. It is a multi-factorial construct. Employee satisfaction contains basic factors, excitement factors. Basic Factors are the minimum requirements that cause dissatisfaction. Excitement factors increase employee’s satisfaction and performance factors result in satisfaction only when performance is high.

Employee satisfaction is closely related to productivity which is then related to firm profitability. Employee satisfaction has a positive persuade on organizational performance. Beside this, firm profitability has a reasonable non-recursive effect on employee satisfaction. Employee satisfaction plays a considerable role in enhancing the firm profitability and improving operational performance of organizations and quality of goods and services. There is no doubt in it that employee satisfaction is critical to attain quality and profitability in organization. Employee satisfaction impacts quality at industry, to achieve quality and profitability at organization, employee satisfaction is fundamental and without it, organization cannot think of being successful.

1.2.2 Organization Performance and HRM

Performance in context of organization, is not only a broad concept which has been used synonymously with productivity, efficiency, effectiveness, and more recently competitiveness, it has also been a subject of study for social scientists from a wide range of disciplinary perspective. The human resources of an organization consist of all people who perform its activities. For the purpose of this article, it is important to define further what human resource management is and what it is used for:

"Human resource management (HRM) is concerned with the personnel policies and managerial practices and systems that influence the workforce. In broader terms, all decisions that affect the workforce of the organization concern the HRM function."

The term Human resource management is therefore also widely known as "Personnel Management" as a description of the process of managing people in organizations.

In a constantly changing world, which requires flexible responses, with strong competition from nearly every continent, due to increased globalization, it is important for organizations to have some kind of competitive edge. Especially in the service industry, but more generally spoken throughout every industry, the human leverage is the most contributing factor to being competitive and making a difference to customer satisfaction and general organizational performance.

 Other elements effecting HRM and increasing its importance are technological changes, increasing litigations due to changes in legislations worldwide and the changing characteristics of the workforce (e.g. diversity). That is why HRM is important for an organization to improve the competitive advantage.

The main functions of HRM (Human Resource Management) are to employ people, to develop their resources and to utilizes maintain and compensate their services for the organization. Other HRM functions and activities are falling under the following categories: Firstly the organizational design, because acquiring HRM capability should begin at the origins and involves interactions between people, technology and the tasks to be performed in context with the organizations objectives, goals and strategic plan (e.g. job design, team building, restructuring etc.). Furthermore the staffing, which involves recruitment, employee orientation, selection, promotion and termination processes and the performance management including individual assessments, improving and measuring work performance. HRM is also concerned with employee and organizational development programs to maintain and improve employee skills as well as reward systems, benefits and compliance available for staff.

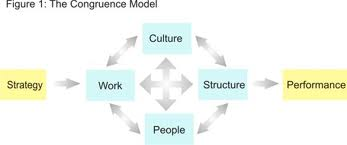


Figure : Performance components

Each and every of these functions influences simultaneously organizational performance. One can say that HMR is concerned with maintaining and ideally maximizing organizational performance and profit. This is done by managing the human resources with a focus on expanding customer base that gives profit to the company. Under this directive it is obvious that there are many opportunities for HRM to influence organizational performance as HRM plays an important part for the functioning of every single department in an organization due to the fact that it can take direct influence on the people working there.

1.2.3 HR Practices and its impact on organization Performance

HRM practices can be classified in terms of their impact on organizational performance through employee's skills, ability, motivation and the way that work is structured:

Firstly, organizations can adopt various HRM practices to enhance their staff's skills.HRM cares for the professional development of their workforce and the planning, who is working where with which skills needed. This is mostly done through a job description and people get hired to for fill a certain position in the organization. For this reason HRM can influence organizational performance beforehand through hiring highly qualified, educated and/or skilled people, which bring all of the required and desired characteristics with them to enhance organizational performance through effective work performance delivered through optimized work processes. Employees can be hired through sophisticated selection procedures designed to screen out the best potential employees. Additionally it would be a cut above to hire multi skilled staff, which is able to cover other staff in cases of sickness, maternity leave and so on.

Second, organizations could improve the quality of current employees by providing comprehensive training and development activities. There is considerable evidence that these investments in training and staff development produce beneficial organizational outcomes. HRM for instance determines the interactions between people and technology, which requires extensive training to keep staff up-to-date with new technology changes to beware the competitive edge and may even make the organization even a leader in terms of new innovations.

Furthermore HRM supporting staff training and development can influence organizational performance through lower staff turnover. HRM practices such as employee recruitment and selection procedures, compensation and performance management systems, employee involvement, and employee training have a significant impact on employee turnover. Lower staff turnover ensures also that important key staff stays loyal to the organization as well as that the financial resources for staff training and development are not wasted.

But however well the staff might be trained, this is worth nothing without a certain level of motivation. Many factors influence staff's motivation and attitude to work.

HRM can affect the motivation in several ways, for example it can implement merit pay or incentive compensation systems for achieving specific goals. For example, changes in pay and promotion policies might be expected to alter employee perceptions of reward orientation and possibly of equity and fairness.

Reward systems will also affect organizational performance through increasing quality of products and services, as it is proven that in companies with a focus on enhancing human capital the quality of their outcomes is much higher than in organizations without a progressive HRM policy. Especially in the service industry, where the products are intangible, inseparable and that is why highly dependent on the staff, which delivers them. The quality of the service is highly influenced by the motivation, spirit, training and choice of staff. There is just one chance to get a service right and it is HRM's duty to enhance their staff to achieve a perfect outcome.

"The organizational performance is also influenced through a favorable work climate, which is the "weather" in an organization, because progressive HRM practices foster employee's well being and motivation and this in turn leads to enhanced performance”. How managers and the HRM department perform and treat their staff is crucial for a good work climate and thus the organizational performance. "One example would be to protect staff from arbitrary treatment, perhaps through formal grievance procedures." To provide employees with the needed support (back-up), challenges to for fill their needs and stretch their abilities and clarity will increase motivation and loyalty because it is important to know their roles and responsibilities within the overall organization to be able to work effectively.

HRM also sets the tasks to be performed within the organization, how many staff are required and which vacancy involves which tasks, that is why the staffing level plays for example an important role for organizational performance and staff's motivation, as it is important to have the right numbers of staff, how much over hours they have to work and the professional development (e.g. percentage of how many staff members are trained for direct customer services). Too less staff might lead to an immense workload for the others, leading further to de-motivation, poor customer service and poor organizational processes. Too much staff will increase unnecessary costs, might bore staff because it is to less to do for them and might lead to confusion. If HRM is planning effectively ahead with the number of staff required it reduces costs to an optimum and ensures that working processes are running smooth, this in return leads to effective organizational performance.

HRM should also ensure a realistic level of over hours, which does not leave their employees with too less leisure time. Loyal staff does not mind working a couple hours more as long they are paid but if the pressure is too high, staff will get de-motivated, deliver poorer performance and might even leave the organization. That is why HRM should monitor if their staff is working too many over hours and over think if it might be necessary to hire more employees to assist and facilitate the work for the others. Perfect balance of over hours and staff motivation leads to an optimum of workforce use and to good organizational performance.

Finally, how the workplace is structured should affect organizational performance to the degree that skilled and motivated employees are directly involved in determining what work is performed and how this work gets accomplished.

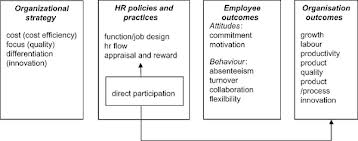


Figure : practices and organizational outcomes

Examples for a good structure would be internal labor markets giving opportunities to employees to improve their position within their organization, employee participation systems, and work team. These systems are proven by many researchers to be effective for improving organizational performance. Also job security plays an important role to enhance performance, as employees fearing for their job are unlikely to identify efficiency enhancing changes in the work structure.

**1.3 Objectives of the study**

The following objectives have been set for the study:

1. To get the overall idea of HRM practices followed across various organizations.
2. To find the level of employee satisfaction in various organizations.
3. To find expectations of employees from management.
4. To find out the linkage between HRM practices with employee satisfaction and organization performance.

**CHAPTER 2**

**LITERATURE REVIEW**

One of the main functions of Human resource Management is to check whether their employees are satisfied. Different HR practices are training; performance link pay, salary and other motivational strategies are used by HR professionals to create job satisfaction amongst its employees and hence increasing organization performance. In the past papers every researcher has defined each variable and to some extends about the relationship of work motivation with job motivation. There are number of studies which explore importance as well as effect of job satisfaction around the globe. Rizwan Saleem (2010) further adds there is no secret or tract to motivate people to do good work. It takes just few things in consideration to create motivation like spending fair time with staff, advice people and give clear expectations of standard expectation. In his studies which explore the existing trend on job satisfaction and work motivation around the globe but there is scarcity of this work in the local environment. There are different variables considered by different researchers as to what leads to employee satisfaction and good organization performance. (Slack 2010) It is very necessary to firstly to have a clear vision statement and that it has to be rightly communicated to the employees. This communication will in turn help will improve employee satisfaction and organization performance.

There is indirect relationship between job satisfaction and absenteeism. Lower job satisfaction increases absence frequency during the year. Also job dissatisfaction causes burnout and further causes job dissatisfaction.

Job satisfaction is also based on individual perception, attitude, performance and behavior. (Kaifeng) evaluates a linkage between management reforms with employee job satisfaction. It cities that managing for results, operational zed as perceived performance orientation, and innovative culture, is positively related to job satisfaction, but the relationship is moderated by employees trust in leadership and their perception of the effectiveness .

The notion that job satisfaction and job attitudes are related to job performance continues to intrigue organizational researchers. Yet the bulk of evidence shows the correlation between satisfaction and performance to be relatively low (locke,1976; vroom, 1964;Ostroff, 1992).Critiques have suggested that some HR policies, may be ideologically flawed, difficult to implement and with negative outcomes for various reasons.

Satisfaction-performance connections have often been discussed by theorists from the socio-technical and human relations schools. According to the Socio-technical School (Emery & trist, 1960), organizational effectiveness depends on both the technical and social structure of the organization. Some social psychological structures may be superior to others, both for employee satisfaction and productivity. Organization effectiveness results when there is congruence between social and technical organizational domains.

Theorists taking the human resource approach (likert, 1961; McGregor, 1960) suggest that satisfied workers are productive workers. The effective functioning of organizations require both a) manufacturing and distribution of a product or service at a profit and b) keeping individuals and groups working effectively together towards organizational goals. Organizational productivity is achieved through employee satisfaction and attention to workers physical and emotional needs. Whether or not an employee will give his or her services wholeheartedly to the organization and produce up to potential depends, in large part, on the way the employee feels about the job, fellow workers and supervisors. Satisfaction and positive attitude can be achieved through maintaining a positive social organizational environment, such as providing good communication, autonomy, participation and mutual trust. Hoppock (1935) reported that motivation is affected by many factors other than money, factors such as relative status of the person in the economic and social group to which he identifies with. Herzberg (1966) maintains that true satisfaction of the workers comes from intrinsic motivators i.e. recognition, achievement, advancement, responsibility etc. Friedlander (1964) in his study reflected that characteristics such as achievement, challenging assignment, recognition and the work itself are viewed as important to both satisfaction and dissatisfaction. However, the work characteristics least important to both satisfaction and dissatisfaction were employee benefit, merit increases, working condition and job security. Researchers have found numerous job characteristics are perceived different from individual to individual as, Porter and Lawler (1968) stated that intrinsic job satisfaction is directly influenced by job design factors. Halpern (1966) matched subjects for equal satisfaction on motivator and hygiene aspects of their jobs. He found that work itself and opportunity for advancement accounted for nearly all the variance in overall job satisfaction.

One of the major postulates of Herzberg two-factor theory is that the certain variables in the work situation lead to overall job satisfaction but not to dissatisfaction. Other variables lead to overall job dissatisfaction but not to satisfaction. Kalleberg (1977) & Voydanoff (1980) have shown that monetary compensation is one of the most important explanatory variables for job satisfaction. Lifer (1994) reports the results of their study that compensation and benefits, advancement opportunities, and technological challenges affect job satisfaction. The result showed that salaries and benefits are related to job satisfaction. The job characteristics such as job stress, supervision, job variety, and job autonomy have been theorized to affect the job satisfaction and organizational commitment of correctional staff members.

Ray and ray (2011) reports that in human resource management practices (HRMP), individuals most likely have a higher level of communication with co-workers, employees and outsiders of the organization; a greater involvement of in decision making process. It can be said that individuals give high value to these new opportunities, as result their overall job satisfaction might increase when an employee participates in decision-making, he or she can trust his or her supervisors; perceive his or her jobs as challenging and intrinsically rewarding . Trust and intrinsic rewards are in turn positively related to high organizational commitment and positive attitudes toward the job.

**CHAPTER 3**

**RESEARCH METHODOLOGY**

## 3.1 Introduction

It is a well known fact that the most important step in making a report is research process which is to define the problem. Choose for investigation, because a problem well-defined is half solved. That was the reason that at most care was taken while defining various parameters of the problem. After giving through brain storming session, objectives were selected.

### 3.1.1Managerial Usefulness of the Study:

In today’s world, seeing the global scenario,

A detailed study on the various HRM practices adopted by various organizations has been conducted keeping in mind objectives.

### 3.1.2Design of Study

* STATEMENT OF PROBLEM

The survey was conducted in Various Organizations to analyze the various HRM practices adopted by them and what impact does it have on employee satisfaction and organization performance.

* METHOD OF DATA COLLECTION

The data was collected from the employees of different organizations by adopting the method of Questionnaire.

Data Collection:

Research included has been gathering by both primary and secondary data. .

1. Primary Data:

Primary data is the firsthand data, which are selected a fresh and thus happen to be original in character. Primary data was collected through survey method by distributing questionnaire to employees of different organizations. The questionnaire was carefully designed by taking into the account the parameters of my study. The respondents have been requested specifically to ignore their personal prejudices and use their best judgment on a 5 point Likert scale ranging from 1= Strongly disagree to 5= strongly agree.

1. Secondary Data

Secondary data are those which have been collected by someone else and which alreadyhave been passed through statistical process. The data regarding the organization, industry and competition etc. have been collected from the company/industry literature, booklets, websites, and portals and also through discussion with companies' executives.

* SAMPLING UNIT

This refers of the number of items that were selected for the surveys. For this survey 30 respondents were chosen via connivance sampling.

* STATISTICAL METHOD USED

The main statistical tools used for the collection and analyses of data in this Project are:

* Bar Graphs
* Tables
* SPSS

## 3.2Research Methodology

The primary objective of my project is to study the HRM practices adopted by various organizations and what impact does it have on employee satisfaction level and organization performance. To achieve this objective a sample consists of employees of various organizations was studied.

Before preparing the questionnaires, I discussed with my mentors about the viability of the study and upon their consent the sample data was collected. Thus the questionnaires were confined to the subject.

* QUESTIONNAIRE METHOD

A detailed questionnaire was prepared on the basis of various common strategies adopted by corporate.

The questionnaire is designed in order to come out with effective solutions for the various practices of HRM in order to have maximum employee satisfaction and organization performance. Data was collected from various other sources like references and range of employees in the organizations.

* SAMPLING TECHNIQUE

The sampling procedure employed for this project is judgmental sampling, a convenience sampling technique in which elements are based on the judgment of researcher.

* STATISTICAL ANALYSIS

Information collected was classified and tabulated for further analysis. Calculations were done for the interpretation of the data like mean, standard deviation, and correlation and regression analysis.

The report is covered with various data and tables on which the project has been carried out.

* SOFTWARE TOOLS USED FOR THE DATA ANALYSIS

The software tool used for data analysis is MS WORD & MS EXCEL and SPSS.

**CHAPTER 4**

**RESEARCH STUDY**

* 1. **Introduction**

A best practice is a method or technique that has consistently shown results superior to those achieved with other means, and that is used as a benchmark. In addition, a "best" practice can evolve to become better as improvements are discovered. Best practice is considered by some as a business buzzword, used to describe the process of developing and following a standard way of doing things that multiple organizations can use.

Emotional connection an employee feels toward his or her employment organization, which tends to influence his or her behaviors and level of effort in work related activities. The more engagement an employee has with his or her company, the more effort they put forth. Employee engagement also involves the nature of the job itself - if the employee feels mentally stimulated; the trust and communication between employees and management; ability of an employee to see how their own work contributes to the overall company performance; the opportunity of growth within the organization; and the level of pride an employee has about working or being associated with the company. Linkage research received significant attention in the business community because of correlations between employee engagement and desirable business outcomes such as retention of talent, customer service, individual performance, team performance, business unit productivity, and even enterprise-level financial performance.



Figure : Engaged workforce

Job satisfaction is a result of employee's perception of how well their job provides those things that are viewed as important. Job satisfaction is an emotional response to a job situation. As such it cannot be seen, it can only be inferred. Job satisfaction is often determined by how well outcome meet or exceed expectations. Job satisfaction represents several related attitudes which are most important characteristics of a job about which people have effective response.

Edwin A. Locke’s Range of Affect Theory (1976) is arguably the most famous job satisfaction model. The main premise of this theory is that satisfaction is determined by a discrepancy between what one wants in a job and what one has in a job. Two-Factor Theory (Motivator-Hygiene Theory) Frederick Herzberg’s two factor theory (also known as Motivator Hygiene Theory) attempts to explain satisfaction and motivation in the workplace. The relationship of satisfaction and dissatisfaction the most significant and basic difference between Herzberg’s two factors is the inherent level of satisfaction/dissatisfaction within each factor. If motivation includes only those things which promote action over time, then motivators are the factors that promote long-running attitudes and satisfaction. According to Herzberg et al. (1959), motivators cause positive job attitudes because they satisfy the worker’s need for self-actualization (Maslow, 1954), the individual’s ultimate goal. The presence of these motivators has the potential to create great job satisfaction; however, in the absence of motivators, Herzberg says, dissatisfaction does not occur.

Likewise, hygiene factors, which simply “move” (cause temporary action), have the potential to cause great dissatisfaction. Similarly, their absence does not provoke a high level of satisfaction. Job satisfaction contains two separate and independent dimensions. These dimensions are not on differing ends of one continuum; instead they consist of two separate and distinct continua. According to Herzberg (1968), the opposite of job satisfaction is not dissatisfaction, but rather a simple lack of satisfaction. In the same way, the opposite of job dissatisfaction is not satisfaction, but rather “no dissatisfaction”. For example, consider the hygiene factor, work conditions. If the air conditioner breaks in the middle of a hot summer day, workers will be greatly dissatisﬁed. However, if the air-conditioner works throughout the day as expected, the workers will not be particularly satisﬁed by taking notice and being grateful.

**Dimensions of job satisfaction:**

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Figure : dimensions of job satisfaction

Every person has different reasons for working. The reasons for working are as individual as the person. But, we all work because we obtain something that we need from work. The something obtained from work impacts morale, employee motivation, and the quality of life. To create positive employee motivation, treat employees as if they matter - because employees matter. These ideas will help you fulfill what people want from work and create employee motivation.

Motivation is the key to improving performance. Performance is considered to be the function of ability and motivation. ability in turn depends on education, experience and training & its improvement in a slow and long process. Most important strategy to motivate an employee is to satisfy his/her needs. Motivation is, in effect, a means to reduce and manipulate gap of desired and actual state of an individual. It induces others in a specific way towards goals specifically stated by the motivators. Motivation must be tailored to the situation and to the organization.

* 1. **D****ata Collection Techniques**

There are two types of data:

1. Primary Data— collected for the first time
2. Secondary Data—those which have already been collected and analyzed by someone else.

4.2.1 Method of Primary Data Collection

Survey Method: Approach most suited for gathering descriptive information.

Structured Surveys: use formal lists of questions asked of all respondents in the same way.

Unstructured Surveys: let the interviewer probe respondents and guide the interview according to their answers. Survey research may be Direct or Indirect.

The Questionnaire: Structured surveys/ interviews employ the use of a questionnaire. A questionnaire consists of a set of questions presented to a respondent for answers. The respondents read the questions, interpret what is expected and then write down the answers themselves. Because there are many ways to ask questions, the questionnaire is very flexible. Questionnaire should be developed and tested carefully before being used on a large scale.

There are three basic types of questionnaire:

• Closed –ended • Open-ended • Combination of both

In my project, I have used is a Combination of both majority being the questions on likert Scale. With this type of questionnaire it is possible to find out what exactly is being carried out without having prejudice.

4.2.2 Method of Secondary Data Collection:

Secondary data has been collected by websites, portals, research papers and a good number of discussions with my mentor.

* 1. **Data Analysis and findings:**

The data were analyzed with the help of SPSS. Along with the descriptive statistics, correlation and regression tests were used to generate the findings.

Table : mean and standard deviation

|  |  |  |  |
| --- | --- | --- | --- |
| **Practices** | **Mean** | **Standard deviation** | **Variance** |
| Organization commitment | 3.6 | 1.220 | 1.489 |
| Level of communication | 3.633 | 1.217 | 1.481 |
| Trust and openness | 3.566 | 0.971 | 0.943 |
| Management recognition | 3.433 | 1.278 | 1.633 |
| Compensation benchmarking | 3.266 | 1.142 | 1.305 |
| Transparency in rewards | 2.933 | 1.229 | 1.512 |
| Pay per performance | 3.5 | 0.973 | 0.948 |
| Polices for growth | 3.233 | 1.072 | 1.150 |
| Opportunities for using skills | 3.6 | 1.101 | 1.213 |
| Grievance policy | 3.133 | 1.136 | 1.291 |
| Team building | 3.333 | 1.154 | 1.333 |
| Employee accountability | 3.666 | 1.184 | 1.402 |
| Fair promotions | 3.1 | 1.268 | 1.610 |
| Employee retention | 2.866 | 1.074 | 1.154 |
| Employee empowerment | 3.166 | 1.176 | 1.385 |
| Innovations and risk taking support | 3 | 1.259 | 1.586 |
| Reward for successful innovation | 3.3 | 1.207 | 1.458 |
| Job designed as per KRA’s | 3.1 | 1.184 | 1.403 |
| Quality circles and suggestion schemes | 3.033 | 1.245 | 1.550 |
| Job enlargement and work simplification | 2.966 | 1.299 | 1.688 |
| Motivation for performance | 2.9 | 1.124 | 1.265 |
| Safe and healthy work conditions | 3.833 | 1.053 | 1.109 |
| Post retirement benefits | 3.1 | 1.184 | 1.403 |
| Career aspirations | 3.166 | 1.176 | 1.385 |
| Training as facilitator for change | 3.3 | 1.149 | 1.320 |
| Job specific training | 3.4 | 1.132 | 1.282 |
| Exhaustive induction process | 3.2 | 1.349 | 1.820 |
| Knowledge refreshment | 3.23 | 1.073 | 1.151 |

The result for descriptive statistics of human resource practices and corresponding values of mean and standard deviation is observed in table 1.

**Ranking of factors:**

|  |  |
| --- | --- |
| **Practices** | **Mean** |
| Safe and healthy work conditions | 3.833 |
| Employee accountability | 3.666 |
| Level of communication | 3.633 |
| Organization commitment | 3.6 |
| Opportunities for using skills | 3.6 |
| Trust and openness | 3.566 |
| Pay per performance | 3.5 |
| Management recognition | 3.433 |
| Job specific training | 3.4 |
| Team building | 3.333 |
| Training as facilitator for change | 3.3 |
| Reward for successful innovation | 3.3 |
| Compensation benchmarking | 3.266 |
| Polices for growth | 3.233 |
| Knowledge refreshment | 3.23 |
| Exhaustive induction process | 3.2 |
| Employee empowerment | 3.166 |
| Career aspirations | 3.166 |
| Grievance policy | 3.133 |
| Fair promotions | 3.1 |
| Post retirement benefits | 3.1 |
| Employee empowerment | 3.1 |
| Quality circles and suggestion schemes | 3.033 |
| Innovations and risk taking support | 3 |
| Job enlargement and work simplification | 2.966 |
| Transparency in rewards | 2.933 |
| Motivation for performance | 2.9 |
| Employee retention | 2.866 |

Table : ranking of means

The most followed practices in Indian Scenario is safe and healthy work conditions has highest mean of 3.83 followed by employee accountability with a mean of 3.66 and level of communication with a mean of 3.63 among all the other practices as shown in table 2. The lowest mean was found to be of employee retention 2.86.

The highest standard deviation (SD) is observed for exhaustive induction process (1.34) which indicates that difference in observance of exhaustive induction process in organizations is substantial and varies from individual to individual. Trust and openness among the employees and pay for performance practices have minimum standard deviation around 0.97 which indicates that these 2 practices are the ones which is mutually agreeable by all the employees throughout.

**FACTOR ANALYSIS:**

|  |  |
| --- | --- |
| **FACTORS** | LOADING |
| **FACTOR 1 training and development**  Q4 Management recognition  Q6 Transparency in rewards  Q7 Pay per performance  Q15 Employee empowerment  Q24 Career aspirations  Q25 Training as facilitator for change  Q27 Exhaustive induction process | .608  .774  .691  .764  .572  .622  .668 |
| **FACTOR 2 job design**  Q1 Organization commitment  Q10 Grievance policy  Q12 Employee accountability  Q13 Fair promotions  Q17 Reward for successful innovation  Q18 Job designed as per KRA’s | .529  .776  .509  .801  .549  .773 |
| **FACTOR 3 Organization policies**  Q2 level of communication  Q3 Trust and openness  Q8 Polices for growth  Q9 Opportunities for using skills  Q11 Team building  Q22 Safe and healthy work conditions  Q23 Post retirement benefits  Q26 Job specific training  Q28 Knowledge refreshment | .552  .607  .571  .616  .680  .579  .637  .765  .746 |
| **FACTOR 4 improvising work**  Q16 Innovations and risk taking support  Q19 Quality circles and suggestion schemes  Q20 Job enlargement and work simplification | .630  .797  .690 |
| **FACTOR 5 compensation benchmarking**  Q5 Compensation benchmarking  Q14 Employee retention | .823  .833 |
| FACTOR 6  Q21 Motivation for performance | .769 |

Table : Factor analysis

The data reduction of the responses is done via factor analysis as shown in table 3.

**CORRELATION MATRIX**

The values of observed correlation HRM practices with motivation for performance are as follows:

|  |  |
| --- | --- |
| **INDEPENDENT VARIABLES** | **DEPENDENT VARIABLE F6(Motivation)** |
| F1(Training and Development) | .607\*\* |
| F2( Job Design) | .842\*\* |
| F3 (Organization Policies) | .743\*\* |
| F4( Work Improvisation) | .549\*\* |
| F5(Compensation Benchmarking) | .275 |

Table : correlation Matrix

The correlation coefficient of value +1.00 or -1.00 signifies perfect correlation. If there is absolutely no relationship between the two sets of variables, correlation coefficient(r) is zero.

From table 4 we note that the most significant practice is Factor 2 i.e. Job design (r =.842\*\*) and the least significant practice is for Factor 5 benchmarking in compensation as per industry standards (r =.275) for employee motivation. This is because for effectiveness of organizations the job description and job specification is the most significant contributors. The lowest value of correlation for benchmarking is indicative of lack of surveys and benchmarking of compensation by the organizations. The other three predictor components of employee motivation include training and development, organization policies and work improvisation.

**REGRESSION ANALYSIS:**

Regression analysis allows researchers to examine how variables are related to each other, the strength of the relationship and relative predictive power of several independent variables on dependent variable. In present study regression analysis is used to examine the relationships between HRM practices, employee satisfaction and organizational performance. The result of regression analysis for the present study is presented in table 5.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Practices** | **B** | **Std. Error** | **Beta** | **T** | **Sig** |
| Constants | .721 | .576 |  | 1.252 | .223 |
| F1(Training and Development) | .161 | .226 | .141 | .711 | .484 |
| F2( Job Design) | .790 | .226 | .689 | 3.501 | .002 |
| F3 (Organization Policies) | .293 | .251 | .231 | 1.164 | .256 |
| F4( Work Improvisation) | .077 | .168 | .076 | .456 | .652 |
| F5(Compensation Benchmarking) | .093 | .131 | .080 | .709 | .485 |

Table : Regression Analysis

**Regression Model Summary**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Model** | **R** | **R square** | **Adjusted R square** | **Std Error of Estimate** |
| 1 | .854 | .730 | .674 | .642 |

Table : Regression Model summary

From table 5 we observe that all the independent variables are positively related to employee motivation. The result of the regression analysis for the present study is presented in table 6. Results of multiple regression analysis indicate that five HRM practices (independent variables) account for 73% (R square) variation in motivation for performance (dependent variable) in commonly used HR practices by the organizations. Out of five emerged practices affecting employee satisfaction, motivation and productivity, factor 2 job design (beta value= .689) is found out to be most significant contributor. The second most significant contributor is found out to be factor 3 organizational policies (beta value = .231).

Major Factor affecting employee satisfaction and productivity based on the findings are:

Figure : Factors of satisfaction and productivity

Commonly followed practices when asked by respondents were told to be:

Figure : practices followed

Inference: most of the organizations have the practice of giving rewards and recognition to the employees for their work along with job specific training. The level of communication between management and the employees is also fair enough in majority of the organizations.

The improvements that the respondents want in their organizations want are generally:

Figure : suggestions

Inference: most of the respondents feel the need of transparency in promotion and transfers. They also focused on proper structure of organization and overall learning’s.

This study provides a reasonable picture of positive effects of HRM practices on organizations performance

* 1. **Recommendations:**
  2. The management should realize that all HRM practices are not equally important. They need to invest in HRM practices where they can promote organization performance and maximum employee satisfaction.
  3. Management should also strive to integrate HRM practices with one another if they are eventually to have an effect on organization performance.
  4. Employees must perform the tasks for which they are hired and must do so in a dependable manner with high accountability. Employees must go beyond the dependable role performance and engage in some form of creative, spontaneous and innovative behavior at work.
  5. A well laid down organizational grievance procedure practiced by the leaders, role clarity in functions that creates confidence in the minds of employees including the open appraisal system which gives feedback to the employees for their improvement.
  6. **Limitations of the study:**

1. The validity of the result might be hampered due to small sample size.
2. The empirical result of the analysis of the present study suggests that the impact of HRM on firm’s performance measures need further study.
3. The promotion of well being at work is not likely to be result of HRM practices but can be linked to line management leadership and relationships.

# 

# CHAPTER 5

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# CHAPTER 6

# APPENDIX

**APPENDIX:** **QUESTIONNAIRE**

**NAME:**

**GENDER:**

**AGE:**

**ORGANIZATION:**

**DESIGNATION:**

**DURATION OF STAY:**

**Questionnaire consists of 30 questions. Please ensure that all the questions are marked.**

1. Your organization is committed towards employees

1 Strongly Disagree

2 Disagree

3 Somewhat Agree

4 Agree

5 Strongly Agree

1. The level of communication between employee and management very good

1 Strongly Disagree

2 Disagree

3 Somewhat Agree

4 Agree

5 Strongly Agree

1. Atmosphere of trust & openness of cordial relations exist between superior & subordinate in your organization

1 Strongly Disagree

2 Disagree

3 Somewhat Agree

4 Agree

5 Strongly Agree

1. Management recognizes the performance of the employees regularly

1 Strongly Disagree

2 Disagree

3 Somewhat Agree

4 Agree

5 Strongly Agree

1. Your compensation system benchmarked against industry standards

1 Strongly Disagree

2 Disagree

3 Somewhat Agree

4 Agree

5 Strongly Agree

1. Reward system is devised with transparency in your organization

1 Strongly Disagree

2 Disagree

3 Somewhat Agree

4 Agree

5 Strongly Agree

1. Pay for performance exists in your organization

1 Strongly Disagree

2 Disagree

3 Somewhat Agree

4 Agree

5 Strongly Agree

1. Your corporate policies support employee growth

1 Strongly Disagree

2 Disagree

3 Somewhat Agree

4 Agree

5 Strongly Agree

1. The organization provides opportunities to employees for using skills and abilities  
   1 Strongly Disagree

2 Disagree

3 Somewhat Agree

4 Agree

5 Strongly Agree

1. Your management policy is to settle an issue in shortest time and at lowest managerial level during the early stages of grievance procedure

1 Strongly Disagree

2 Disagree

3 Somewhat Agree

4 Agree

5 Strongly Agree

1. In your organization team building serves as tool of employee development and effective organization performance

1 Strongly Disagree

2 Disagree

3 Somewhat Agree

4 Agree

5 Strongly Agree

1. Employee accountability leads to high discipline & Timeliness

1 Strongly Disagree

2 Disagree

3 Somewhat Agree

4 Agree

5 Strongly Agree

1. Fair promotion and transfer policy practiced in your organization

1 Strongly Disagree

2 Disagree

3 Somewhat Agree

4 Agree

5 Strongly Agree

1. In your organization employee retention is higher due to inbuilt challenges

1 Strongly Disagree

2 Disagree

3 Somewhat Agree

4 Agree

5 Strongly Agree

1. Employees are empowered to take day to day decisions

1 Strongly Disagree

2 Disagree

3 Somewhat Agree

4 Agree

5 Strongly Agree

1. Your organization promotes innovation & risk taking behavior

1 Strongly Disagree

2 Disagree

3 Somewhat Agree

4 Agree

5 Strongly Agree

1. Performance from innovation is properly rewarded

1 Strongly Disagree

2 Disagree

3 Somewhat Agree

4 Agree

5 Strongly Agree

1. In Your organization jobs are assigned according to KSA(knowledge, skills & ability) so that the employees should learn quickly and make fewer errors  
   1 Strongly Disagree

2 Disagree

3 Somewhat Agree

4 Agree

5 Strongly Agree

1. Quality Circles & suggestion schemes effectively function in your organization  
   1 Strongly Disagree

2 Disagree

3 Somewhat Agree

4 Agree

5 Strongly Agree

1. Your organization focus on job enlargement, work simplification and autonomous work group to reduce boredom at work place

1 Strongly Disagree

2 Disagree

3 Somewhat Agree

4 Agree

5 Strongly Agree

1. Your organizations HR practice provides ample motivation for better performance  
   1 Strongly Disagree

2 Disagree

3 Somewhat Agree

4 Agree

5 Strongly Agree

1. Your organization provides safe & healthy conditions

1 Strongly Disagree

2 Disagree

3 Somewhat Agree

4 Agree

5 Strongly Agree

1. Post retirements , illness benefits are satisfying in your organization

1 Strongly Disagree

2 Disagree

3 Somewhat Agree

4 Agree

5 Strongly Agree

1. Your management explores career aspirations for employees & nourishes their career progression  
   1 Strongly Disagree

2 Disagree

3 Somewhat Agree

4 Agree

5 Strongly Agree

1. Training in your organization facilitates the process of change

1 Strongly Disagree

2 Disagree

3 Somewhat Agree

4 Agree

5 Strongly Agree

1. Your organization provides job specific training

1 Strongly Disagree

2 Disagree

3 Somewhat Agree

4 Agree

5 Strongly Agree

1. Induction procedure in your organization is exhaustive & aims at selecting right persons for the job

1 Strongly Disagree

2 Disagree

3 Somewhat Agree

4 Agree

5 Strongly Agree

1. Your organization aims at refreshing the knowledge of employees & correcting the work methods through structured & widely shared training policy

1 Strongly Disagree

2 Disagree

3 Somewhat Agree

4 Agree

5 Strongly Agree

1. What all practices are used in your organization to improve employee satisfaction?
2. What all can be done be included according to you?