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HUMAN RESOURCES MANAGEMENT PRACTICES
(HRMP) AND ITS COLLUSION ON JOB SATISFACTION:
A STUDY WITH REFERENCE TO SELECTED BUSINESS PROCESS
OUTSOURCES (BPOS) IN TRICHY





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ABSTRACT:

Human Resource Management Practices have been changed dramatically during the last two decades owing to globalization, privatization/deregulation, competition and technological advancements. These highly turbulent environments have forced organizations to adopt new workplace practices that enhance sustained level of high performance. Human Resource Management Practice underlines the importance of job satisfaction of employees. The relationship between appropriate human resource management practice and positive employee attitudes including employee satisfaction, loyalty and productivity has been widely analyzed. It is also suggested that treating employees as a valuable asset improves their commitment and loyalty which leads to higher performance and quality (Silvestro, 2002). The present study has tried to discover the level of satisfaction of the employees due to HR practices by considering the following dimension recruitment and Selection, Training and Development, compensation practices, performance appraisal, career development practices and physical environmental. The study shows that recruitment and Selection,

Training and Development, career development practices and physical environmental has significantly created job satisfaction of the BPOs employees, whereas strategic attention need to be given specifically for the compensation practices and , performance appraisal dimensions which is closely associated with overall job satisfaction of the employees working in the BPOs. Formation of monitoring agency at state level would be the best choice to exercise compensation and performance appraisal dimension with reasoning.

KEYWORD: Business Process out Sources, Collusion, HR practices, Job satisfaction, and recruitment.

INTRODUCTION:

Human Resource Management Practices have been changed dramatically during the last two decades owing to globalization, privatization/deregulation, competition and technological advancements. These highly turbulent environments have forced organizations to adopt new workplace practices that enhance sustained level of high performance. Human Resource Management Practice underlines the importance of job satisfaction of employees. The relationship between appropriate human resource management practice and positive employee attitudes including employee satisfaction, loyalty and productivity has been widely analyzed. It is also suggested that treating employees as a valuable asset improves their commitment and loyalty which leads to higher performance and quality (Silvestro, 2002)

The impact of human resource management (HRM) practices popularly known as HR practices on organizational performance and employee attitudes has been a leading area of research in the developed world for years. But surprisingly, very limited number of studies has been conducted on HR practices in the context of developing countries in general and India in particular. Therefore, despite valuable contribution supported by empirical evidence in this regard mostly from manufacturing companies in the western countries, the above mentioned pertinent research gaps in Indian context after a thorough and careful review of literature have led me to undertake this study. This study has been conducted to fill the existing research gap and to explore the relationship between HR practices and job satisfaction in the context of Business Process Outsourcing. Since India is the hub for Business Process Outsourcing. This study would expand the contemporary research and practice of human resource management. Furthermore, it would also be useful for the developed countries as they find developing countries like India as attractive platform for investment

HUMAN RESOURCE PRACTICES

According to Silvestre, Human Resource Management Practices have been changed dramatically during the last two decades owing to globalization, privatization/deregulation, competition and technological advancements. These highly turbulent environment have forced organizations to adopt new workplace practices that enhance sustained level of high performance. Human Resource Management Practice underlines the importance of job satisfaction of employees. The relationship between appropriate human resource management practice and positive employee attitudes including employee satisfaction, loyalty and productivity has been widely analyzed. It is also suggested that treating employees as a valuable asset improves their commitment and loyalty which leads to higher performance and quality.

JOB SATISFACTION

The concept of employee satisfaction is a multi-dimensional and inter disciplinary term that has

attracted the attention of researchers and practitioners from different disciplines such as psychology, human resource management, organizational behavior, TQM and so forth. In literature there are a large number of studies that analyze the term from many different perspectives and its relationship with various organizational variables. However there is no universal definition of employee satisfaction that exposes all these dimensions at the same time. Most of the definitions emphasize the importance of employees' job-related perceptions that link the expectations of them and what they receive in return. Some researchers focus on the overall job satisfaction or even life satisfaction of employees (Judge, et. al, 2005) whereas some others underline a variety of satisfaction facets such as satisfaction with pay, promotion, supervisor, or co-workers. For example Locke, et. Al (1969) describe job satisfaction a pleasurable or positive emotional state resulting from the appraisal of one's job and job experiences.

IMPACT OF THE HRM PRACTICES (HRMP) ON JOB SATISFACTION

Job satisfaction is defined as an employee's overall affective state resulting from an approval of all aspects of his/her job. An employee's level of satisfaction toward her/his job varies with specific aspects of the job. These are the nature of the work, pay, promotion, co-workers and organizational context (procedures, working condition). Many studies have demonstrated that job satisfaction is one of the key factors of individual and organizational performance. HR practices and job satisfaction are studied widely in different parts of the world. It is assumed that HR practices are closely associated with job satisfaction (Ting, 1997). Because many scholars and practitioners believe that sound HR practices result in better level of job satisfaction which ultimately improves organizational performance (Appelbaum, Bailey, Berg and Kalleberg, 2000).

PROBLEM FOCUSES

The study is an attempt to examine the Human Resources practices in BPO industry in Trichy district. India is fast becoming a major outsourcing hub to the world and already has a booming \$ 2.3 billion BPO market. Many organizations like the NASSCOM, BOSTON consulting group and IDC-India have predicted a highly positive development in the industry. Over the last decade and a half India has emerged as a strong provider of IT enabled services (ITeS) to US, European and Asian companies. Governmental agencies from several western countries have also lately begun to embrace IT outsourcing, and much of this business has been directed towards India. As a result, India's ITeS sector has seen meteoric growth in recent times. With the advent of growth of the industry there has been a sharp increase in the outsourcing job opportunities in India. Many believe that this would help India improve its economic and social stability in a major way. International Data Corporation's (IDC) analysis of worldwide outsourcing deals during the 2012-2014 time period reveals that India-based outsourcers captured nearly a quarter of the top 100 outsourcing deals in 2014."India-based outsourcers are making significant inroads into the global top 100 outsourcing deals," said David Tapper, Vice President, Outsourcing and Offshore Services. "The combination of effectively leveraging the offshore business model; incorporating new methods of service delivery such as hosting and cloud; investing in more transformative capabilities in areas such as analytics, social media, and mobility; and enhancing strategic local capabilities and resources has enabled the India-based outsourcers to effectively compete with well-established competitors in the outsourcing industry for the largest of large-scale outsourcing deals." Moreover this will directly affect job satisfaction of the employee that will affect the productivity. Therefore this study has been conducted to fill the existing research gap and to explore the relationship between HR practices and job satisfaction in the context of Business Process Outsourcing employees with special reference to BPO's in Trichy

OBJECTIVES OF THE STUDY

- To study human resources management practice of BPO's and its impact on employees' satisfaction
- ★ To analyze employees' job satisfaction towards the recruitment and selection practices
- + To offers the suggestion based on the study.

HYPOTHESIS

H₀: There is no association between the gender of the respondents and their opinion towards working environment.

METHODOLOGY

Different surveys have pointed out that job satisfaction of the employees increases or decreases based on proportionate changes in the HRM practices of the company. We have also taken note of the strategies researched and propagated by Qureshi and Ramay (2006) scale on HRM practices comprised 25 statements on training, team work, performance appraisal, compensation, and employee participation. As a matter of fact, the employee satisfaction differs from organization to organization, industry to industry and location to location, and more importantly, from time to time. The researcher identified renowned and registered top 10 BPO service providers through www.info24by7.com one of the web sites providing BPO related information. The total sample size was 450 respondents who were selected equally from all ten companies irrespective of their position. When population elements are selected for inclusion in the sample based on the ease of access, it can be called convenience sampling.

ANALYSIS AND DISCUSSION

Demographical background of the respondents

Age Segment: It is clear that 31.6% of the respondents lie in the age group of 36 - 40 years which is the highest. And 16.7% of the respondents lie in the age group above 36 -40 years which is the lowest of all. Thus it is inferred that the Business Process Outsourcing companies catch the attention of employees in the age group of 25 – 30 years. BPO'S jobs are peculiarly suitable to youngsters who are below 25 - 30 years.

Gender: It is observed that men are found to be flexible in working in the BPO'S than the women therefore; it is found that man category is the bread winner of BPO'S job than the woman, who is highly motivated and suitable working conditions in the BPO'S.

Marital status: It is inferred from the above table that the majority of the respondents (68.4%) are living married.

HYPOTHESIS TEST

Research Hypothesis

H₁: There is an association between the gender of the respondents and their opinion towards working environment.

Null Hypothesis

H_o: There is no association between the gender of the respondents and their opinion towards working

environment.

Table 1
Students' "T" test difference between the gender of the Respondents and their opinion towards various dimensions of Hr practices

| S.No | Parameters | Mean | S.D | Statistical inference | | | | |
|----------|---|--|--------|-----------------------|--|--|--|--|
| 1 | Recruitment and Selection | | | | | | | |
| | Male (n=264) | 17.72 | 4.143 | T=-1.311 Df=448 | | | | |
| | Female (n=186) | 18.22 | 3.680 | .190>0.05 | | | | |
| | · · · | | | Not Significant | | | | |
| 2 | | Training and Development | | | | | | |
| | Male (n=264) | 17.24 | 4.060 | T=-1.128 Df=448 | | | | |
| | Female (n=186) | 17.70 | 4.535 | .260>0.05 | | | | |
| 3 | , , , | pensation 1 | | Not Significant | | | | |
| 3 | | <u>† </u> | | T=867 Df=448 | | | | |
| | Male (n=264) | 17.00 | 3.006 | .386>0.05 | | | | |
| | Female (n=186) | 17.27 | 3.586 | Not Significant | | | | |
| 4 | Performance appraisal practice | | | | | | | |
| - | Male (n=264) | 17.05 | 3.323 | T=-1.357 Df=448 | | | | |
| | · , | | | .176>0.05 | | | | |
| | Female (n=186) | 17.47 | 3.176 | Not Significant | | | | |
| 5 | Career development practices | | | | | | | |
| | Male (n=264) | 16.42 | 4.390 | T=-6.445 Df=448 | | | | |
| | Female (n=186) | 18.97 | 3.765 | .000<0.05 | | | | |
| | , , | | | Significant | | | | |
| 6 | Physical Environmental | | | | | | | |
| | Male (n=264) | 18.52 | 3.555 | T=949 Df=448 | | | | |
| | Female (n=186) | 18.85 | 3.850 | .343>0.05 | | | | |
| 7 | Working environmental 18.85 3.850 Not Significant | | | | | | | |
| | Male (n=264) | 17.31 | 3.192 | T=-3.513 Df=448 | | | | |
| | Wate (II=204) | 17.31 | 3.192 | .000<0.05 | | | | |
| | Female (n=186) | 18.33 | 2.841 | Significant | | | | |
| 8 | Overa | Overall HR satisfaction level | | | | | | |
| | Male (n=264) | 121.25 | 16.601 | T=-3.566 Df=448 | | | | |
| | Female (n=186) | 126.82 | 15.896 | .000<0.05 | | | | |
| | 1 chare (H=100) | 120.02 | | Significant | | | | |

Sources: Computed from the primary data $\,$ /Significant at 5% level

Inference

| S.No | Working environmental | Students 'T' Value | Statistical inference |
|------|----------------------------------|--------------------|--------------------------|
| 1 | Gender and working environmental | | .000<0.05 Significant |

The calculated value is less than the table value that is T=3.513 and (P <0.05). Therefore the research hypothesis is accepted and the null hypothesis is rejected. The difference between the gender of the respondents and their opinion towards Working environmental is significant. Therefore it

is evident that there is an association between the gender of the respondents and their opinion towards working environmental. There results shows that there is a significant association with other parameters like career development practices and overall Hr satisfaction level. Whereas, all other factors do not has significant association with genders of the Respondents.

Table 2
Correlations between satisfaction of the respondents and their various dimensions of Human
Resource practices

| | N | 450 | 450 | 450 | 450 | 450 | 450 | 450 | 450 |
|------|--------------------------------------|----------|----------|----------|----------|----------|----------|----------|----------|
| 8 | Overall HR satisfaction level | .779(**) | .786(**) | .706(**) | .154(**) | .823(**) | .586(**) | .507(**) | 1 |
| 7 | Working environmental | .161(**) | .171(**) | .167(**) | .112(*) | .219(**) | .563(**) | 1 | .507(**) |
| 6 | Physical Environmental | .231(**) | .220(**) | .194(**) | .085 | .347(**) | 1 | .563(**) | .586(**) |
| 5 | Career development practices | .637(**) | .733(**) | .581(**) | 068 | 1 | .347(**) | .219(**) | .823(**) |
| 4 | Performance appraisal practice | .015 | .155(**) | .150(**) | 1 | 068 | .085 | .112(*) | .154(**) |
| 3 | Compensation Practices | .601(**) | .650(**) | 1 | .150(**) | .581(**) | .194(**) | .167(**) | .706(**) |
| 2 | Training and Development | .658(**) | 1 | .650(**) | .155(**) | .733(**) | .220(**) | .171(**) | .786(**) |
| 1 | Recruitment and Selection | 1 | .658(**) | .601(**) | .015 | .637(**) | .231(**) | .161(**) | .779(**) |
| S.No | Parameters | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |

Sources: Computed from the primary data

Inference

| S.No | Overall HR satisfaction level | Correlation | Statistical | |
|------|---|--------------|-----------------|--|
| | | | inference | |
| 1 | Career development practise and various | $X^2 = .823$ | .823>0.01 | |
| | dimensions of Human Resource practices | | Not Significant | |
| | | | | |

The calculated value X2=.823 (P>0.01), .647>0.01 Hence, the calculated value is higher than the table value. Therefore the research hypothesis is rejected and the null hypothesis is accepted. The difference between the Career development practise of the BPO employees and their various dimensions of Human Resource practices are not significant. It is further inferred that designation of the BPO employees are not connected with the career development practices. The Correlation test it could be understood that the other variables like Recruitment and Selection, training and development

^{**} Correlation is significant at the 0.01 level / * Correlation is significant at the 0.05 level

Practices, performance appraisal practices, and Physical Environmental are not significant. The result shows that the overall satisfaction on Human resources practice has no significant difference with the Career development practices of the respondents.

CONCLUSION

Job satisfaction is the complete fulfilments of one's expectation from the job. It is a positive or happy emotional state resulting from the appraisal of one's job. But the expectation of the people may not be homogeneous. It may vary from one person from person. So job satisfaction cannot be generalised. The present study is concentrated on whether Hr practices affected the employees' satisfaction in the BPOs industry in Trichy. In the industry perspective HR practices are recruitment and Selection, Training and Development, compensation practices, performance appraisal, career development practices and physical environmental affect the job satisfaction of the employees in the BPOs.

The present study has tried to discover the level of satisfaction of the employees due to HR practices by considering the following dimension recruitment and Selection, Training and Development, compensation practices, performance appraisal, career development practices and physical environmental. The study shows that recruitment and Selection, Training and Development, career development practices and physical environmental has significantly created job satisfaction of the BPOs employees, whereas strategic attention need to be given specifically for the compensation practices and , performance appraisal dimensions which is closely associated with overall job satisfaction of the employees working in the BPOs. Formation of monitoring agency at state level would be the best choice to exercise compensation and performance appraisal dimension with reasoning.

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