



## A STUDY ON HR PRACTICES AND JOB SATISFACTION OF SOFTWARE INDUSTRIES IN CHENNAI CITY, INDIA

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### **Abstract**

*This review goes for investigating the effect of HR practices on employment Satisfaction with regards to Chennai. It was found that HR practices have significant relationship with occupation Satisfaction. Furthermore, HR arranging, and preparing and improvement were found to have positive effect on occupation Satisfaction. It was additionally found that TND has the best effect on JS. Scientists, policymakers, experts, understudies, every one of the business people of Chennai and other comparable nations could profit by this composition by investigating the relationship between HR practices and job satisfaction*

**Key words:** *HR Practices, Job Satisfaction, Software industries and Chennai.*

### **Introduction**

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. It was initially dominated by transactional work, such as payroll and benefits administration, but due to globalization, company consolidation, technological advances, and further research, HR as focuses on strategic initiatives like mergers and acquisitions, talent management, succession planning, industrial and labor relations, and diversity and inclusion. Human Resources are a business field focused on maximizing employee productivity. Human Resources professionals manage the human capital of an organization and focus on implementing policies and processes. They can be specialists focusing in on recruiting, training, employee relations or benefits. Recruiting specialists are in charge of finding and hiring top talent. Training and development professionals ensure that employees are trained and have continuous development. This is done through training programs, performance evaluations and reward programs. Employee relations deal with concerns of employees when policies are broken, such as harassment or discrimination. Someone in benefits develops compensation structures, family leave programs, discounts and other benefits that employees can get. On the other side of the field are Human Resources Generalists or Business Partners. These human resources professionals could work in all areas or be labor relations representatives working with unionized employees. The impact of human resource management 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 Chennai in particular. 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 Chennai. Academicians, researchers, policy makers, practitioners, students, local and foreign entrepreneurs of Chennai and other developing countries could benefit from this study by exploring the association between HR practices and job Satisfaction. This study would augment the contemporary research and practice of HRM. Furthermore, it would also be useful for the developed countries as they find developing countries (like India) as attractive places for investment due to their large markets, and cheap and skilled workforces.

### **Review of literature**

Ahmed Mohammed Sayed Mostafa (2017) 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 behaviours. 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 behaviours (OCBs). 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.

Carolina Walger et al (2016) Human resources (HR) department managers play an important role in the processes of defining and implementing organizational strategies. From this perspective, decisions made by HR managers directly influence organizations' competitiveness. There is a gap in the literature related to decision-making processes by these managers, particularly with respect to the subjective elements involved in them. This paper's aim is to analyze HR managers' strategic decision-making processes from the perspective of reflective practice. The results indicate that reflection-in-action is one possibility for narrowing the gap between action and reflection in management practice, as this could contribute to improving strategic decisions; HR managers' decisions are delimited by internal and external organizational issues; and these decisions involve intensive information sharing.



Elisabetta Raguseo and Luca Gastaldi, Paolo Neirotti, (2016) this paper explores smart work (SW), a work practice characterized by spatial and temporal flexibility, supported by technological tools, and that provides all employees of an organization with the best working conditions to accomplish their tasks. Specifically, the purpose of this paper is to identify whether firms adopt different SW models, explore complementarities between the factors that can lead to choose a SW model, and figure out whether contingent variables matter in the implementation of a particular SW model. This study is based on: a survey delivered in 2013 to 100 Human Resources directors of medium and large Italian organizations to collect preliminary evidence on SW; and four embedded case studies based on 49 semi-structured interviews to better explain the findings achieved in the quantitative analysis. Four SW models can be chosen by companies. They are named inconsistent, analogical, digital and complete SW. They are different according to investments in the enabling digital technologies, in transformations of the organizational policies and in workspace settings, according to the contingent conditions where firms operate. Results show that there are complementarities between the elements that characterize a SW model and that at least two elements are developed in each SW model. In case all the three elements are developed, companies achieve higher labour productivity.

Kroon Brigitte and Freese Charissa (2013) Workers have different motives to be employed at specialist contract work agencies, such as career development aspirations, or a desire for freedom and independence. The purpose of this paper is to study how these different motives relate to the appreciation of HR practices applied by agencies and consequently to employee retention at the agency. Data were collected in a contract work agency for financial professionals. Management was interviewed about the HR practices used for employee retention. In addition, 291 agency employees filled out a questionnaire about their motives to be employed at the agency, their appreciation of the HR practices of the contract agency and their turnover intentions. Regression analysis showed that career development motivation was related to retention at the agency, but that this relation became weaker when tenure with the agency increased.

Peter Cheese and Jan Hills (2016) the purpose of the paper is to describe the relevance and application of insights from the field of neuroscience on practice and thinking of human resources (HRs). It draws on the experience, views and insights of the authors in providing the context, some of the key insights from neuroscience relevant to the field and examples of people management and development practices. The paper reinforces the view of the relevance and importance of using better understanding of human behaviour through neuroscience to drive more effective people management and development practices.

Prachi Pandey et al (2012) The purpose of this study is to establish the importance of human resource (HR) practices in achieving high levels of supply chain (SC) integration through a conceptual framework (depicting the moderation effect of HR practices on the relationship between information sharing and SC integration) and validating the framework empirically to establish the proposed relationships. The conceptual framework is proposed based on gaps in extant literature. Data from 60 automobile component manufacturing organizations in India are used to analyse the relationship between the study variables. Regression analysis is used to find the relative impact of predictor variable (Information sharing) on SC integration and the moderation effect of HR practices (training, collaborative performance systems and reward alignment) on this relationship. The results indicate that information sharing has a significant effect on SC integration, and the relationship between these two variables is found to be positively moderated by "training" and "reward alignment", while "collaborative performance systems" does not emerge as a significant moderator in the proposed relationships.

Shweta Maheshwari and Veena Vohra (2015) the study suggests that HR practices undertaken in the area of culture, leadership, cross functional integration, training, communication and technology if introduced and implemented will positively influence employee perception reducing resistance and increasing commitment to change. Therefore assessing employee perception about critical HR practices at different stages of change initiation, implementation and consolidation can enable understanding about employee commitment to change. Yaqing Lin et al (2014) The purpose of this study is to introduce strategic flexibility as an important dynamic capability into the field of strategic human resource management (SHRM) and explore its mediating role between network-building HR practices for top management team (TMT) and firm performance. Moreover, based on the context of transition economy in China, the authors examine environmental uncertainty as a moderator in these relationships and empirically test the questions above. The results show that network-building HR practices have positive effects on firm performance and strategic flexibility plays a fully mediating role between them. In addition, environmental uncertainty moderates the relationship between network-building HR practices for TMT and strategic flexibility, while it has no moderating effect in the relationship between strategic flexibility and firm performance.

### Objective of the study

The main purpose of the study was to identify the impact of HR practices on job Satisfaction. In order to materialize this objective, the following specific objectives were considered: (1) To examine the relationship between HR practices and job Satisfaction; and (2) To propose various measures in order to improve the HR practices in software industries.

### Research Methodology

This study is basically an exploratory study. Exploratory studies are a valuable means of finding out 'what is happening; to seek new insights; to ask questions and to assess phenomena in a new. It can be linked to the activities of the traveller or explorer. Its great advantage is that it is flexible and adaptable to change. A sampling frame of 94 software Industries was prepared on the basis of listed software Industries under BSE, India. Among them, 19 software Industries (24% of the population) were selected randomly and all respondents were selected as per convenience. The study was compiled with the help of primary data and secondary data. Primary data was collected through direct personal interview by means of the questionnaire. A total of 159 employees (i.e., three employees were selected from every software firm) responded through the questionnaire. Moreover, the desk study covered various published and unpublished materials on the subject. The questionnaire was administered to employees of software Industries in Chennai. A five points rating scales of questionnaire from strongly disagree (1) to strongly agree (5) were adopted to measure the variables of HR Practices. Job Satisfaction was measured by a one item questionnaire on five point Likert scale.

### Hypothesis of the study

- H<sub>1</sub>: HR practices have significant association with job satisfaction.
- H<sub>2</sub>: HR practices have significant impact on job satisfaction.
- H<sub>3</sub>: HR planning positively influences job satisfaction.
- H<sub>4</sub>: Recruitment and selection positively influences job satisfaction.
- H<sub>5</sub>: Training and development positively influences job satisfaction.
- H<sub>6</sub>: Performance appraisal positively influences job satisfaction.
- H<sub>7</sub>: Compensation positively influences job satisfaction.
- H<sub>8</sub>: Industrial Relations positively influence job satisfaction.

Thus, the based on the review of literature shows that there have been several studies around the globe focusing on HR practices and job Satisfaction. However, studies portraying the impact of HR Practices on job Satisfaction in the software Industries have not yet received proper attention in Chennai and other developing countries. This study has been undertaken to fill the existing research gap.

### Reliability and Validity

Before applying statistical tools, testing of the reliability of the scale is very much important as it shows the extent to which a scale produces consistent result if measurements were made repeatedly. If the association is high, the scale yields consistent results, thus it is reliable. Cronbach's alpha is the most widely used method. It may be mentioned that its value varies from 0 to 1 but the satisfactory value is required to be more than 0.6 for the scale to be reliable (Malhotra, 2000; Cronbach, 1951). In the present study, we, therefore, used Cronbach's alpha scale as a measure of reliability.

**Table 1: Reliability value of the Scale**

Scale	No. of Items	Cronbach's Alpha ( )
HR Planning	4	0.80
Recruitment and Selection	7	0.76
Training and Development	4	0.79
Performance Appraisal	3	0.62
Compensation	4	0.95
Industrial Relations	4	0.83
Job Satisfaction	1	0.78

Source: Survey data

From the Table-1, it is seen that the reliability value was estimated to be =0.6-0.99 between the scale. If we compare our reliability value with the standard value alpha of 0.6 advocated by Cronbach (1951) we find that the scales used by us are highly reliable for data analysis. Validation procedures involved initial consultation of the questionnaires. The experts also

judged the face and content validity of the questionnaires as adequate. Hence, researchers satisfied the content and construct validity.

### Findings

In the present study, we analysed our data by enter wise method in a multiple regression analysis. In this context, a multiple regression was performed, by making use of all the discrete variables (i.e., dependent and independent variables) available in the dataset. The estimation process was based on Ordinary Least Squares (OLS) [i.e.,  $Y = a + bx$ ]. For this purpose, we consider the following model specifications, by taking as dependent variable i.e., job Satisfaction (JS) by making HR practices as independent variables:

$$JS = \beta_0 + \beta_1(HRP) + \beta_2(RNS) + \beta_3(TND) + \beta_4(PA) + \beta_5(COM) + \beta_6(IR) + e \dots \text{Model (1)}$$

Table: 2, to test how well the mode 1 fit the data and findings, correlation (r), R, R<sup>2</sup> (Coefficient of determination), variance, analysis of variance (ANOVA) and the t statistic were used. Correlation analysis was performed to find out the pair wise relationship between variables: HRP, RNS, TND, PA, COM, IR and JS.

**Table 2: Correlations Matrix for HR Practices and JS**

	HRP	RNS	TND	PA	COM	IR	JS
HRP	1						
RNS	0.585**	1					
TND	0.627**	0.422**	1				
PA	0.772**	0.811**	0.637**	1			
COM	0.728**	0.542**	0.699**	0.715**	1		
IR	0.356**	0.598**	0.331**	0.644**	0.533**	1	
JS	0.626**	0.493**	0.623**	0.615**	0.594**	0.439**	1

\*\*Correlation is significant at the 0.01 level (2-tailed)

It shows that the factors HRP, RNS, TND, PA, COM, and OIR are independently positively correlated with JS and also highly significant at 1% levels. Therefore, Hypothesis 1 of the present study was accepted. Here it is obvious that the maximum correlation ( $r = 0.626$ ) is existed between HRP and JS, followed by the association ( $r = 0.623$ ) between TND and JS; PA and JS ( $r = 0.615$ ); and COM and JS ( $r = 0.594$ ). It should be necessary to give the highest emphasis on HRP for superb job Satisfaction of employees. Training and development is also crucial for wonderful job Satisfaction of employees. Although there has no so influential link ( $r = 0.493$ ) between RNS and JS; and IR and JS ( $r = 0.439$ ). These were also essential for job Satisfaction. HR practices are pair-wise positively correlated with one to another and also statistically significant at P-value 0.000. Among the six HR practices, the relationship ( $r = 0.811$ ) between RNS and PA is the highest, followed by the link ( $r = 0.772$ ) between HRP and PA. Further, a multiple regression analysis was performed to identify the predictors of JS as conceptualized in the model. An enter-wise variable selection was used in the regression analysis and table-3 and table-4 show the summary measure and ANOVA of the model.

**Table 3: Predictors of JS - model summary**

R	R <sup>2</sup>	Adjusted R <sup>2</sup>
0.720(a)	0.518	0.464

Predictor: (Constant) HRP; RNS; TND; PA; COM, and IR

**Table 4: ANOVA**

	Sum of Squares	df	Mean Square	F	Sig.
Regression	37.0	6	6.2	9.5	.000(a)
Residual	34.4	53	0.6		
Total	71.3	59			

Predictors: (Constant), HRP; RNS; TND; PA; COM, and IR; Dependent Variable: JS\

The HR practices (HRP; RNS; TND; PA; COM and IR) in the above model revealed the ability to predict JS ( $R^2 = 0.518$ ). In this model value of  $R^2$  denotes that 51.8 percent of the observed variability in JS can be explained by the HR practices namely HRP; RNS; TND; PA; COM and IR. The remaining 48.2 percent is not explained which means that the rest 48.2 percent of the variation of JS is related to other variables which are not depicted in the model. This variance is highly significant as indicated by the F value ( $F=9.497$  and  $P = 0.000$ ) [For details please see table-4. An examination of the model summary presented by the table-3 in conjunction with ANOVA, presented by the table-3, indicates that the model explains the most possible combination of predictor variables that could contribute to the relationship with the dependent variable.

**Table 5: Coefficients for Predictors of JS**

Models	Unstandardized		Standardized Coefficients	t	Sig
	Coefficients				
	$\beta$	Std.Error	Beta		
Constant	0.70	1.09		0.64	0.52
HRP	0.32	0.17	0.33	1.89	0.03
RNS	0.16	0.34	0.08	0.47	0.04
TND	0.40	0.16	0.35	2.46	0.02
PA	0.07	0.31	0.06	0.23	0.02
COM	0.03	0.13	0.00	0.02	0.04
IR	0.25	0.18	0.19	1.39	0.01

The table-5 shows that HRP and TND are positively influencing on JS. Hence, it can be concluded that HRP and TND have significant impact on JS.

### Conclusions and Implications

From the relationship grid, the most noteworthy positive estimation of connection amongst HRP and JS elucidates that the specialists of those modern ventures are required to concentrate on HRP for landing astonishing representatives' position Satisfaction took after by TND; PA; and COM. It is additionally found that HRP and TND have critical effect on JS. The present review just gathered perceptual information. The review did not gather information with respect to size of the Industries, the volume of the creation, and the turnovers. While the present review was bound to recognize the effect of HR practices on occupation Satisfaction, it might be suitable to state quickly the approach suggestions for the review. In this unique situation, the accompanying approach activities might be viewed as advantageous. Associations ought to offer broad preparing and advancement programs for the workers. Associations ought to present legitimate execution evaluation frameworks. Associations ought to offer in any event sensible remuneration to the workers. Associations ought to keep up solid emotionless relations in view of common trust and certainty of the businesses and representatives. Associations ought to grow great working condition. This encourages representatives to do their work successfully. Associations ought to prompt representatives to perform well. This can be accomplished by giving prize, inspirations, and different advantages and so forth. Workers ought to be prepared to embrace new innovation or potentially build up their profession. Associations ought to give unprejudiced advancement. That is advancement ought to be given in light of the capability of representatives and/or encounter. Association ought to plan great grievance strategy, disciplinary methodology and division system and so forth.

### Limitations and research scope

Little specimen size was one of the significant constraints of the present review. The review did not cover all the HR practices of the overviewed programming Industries. A few proposals that productive for future research rose up out of this present review. So as to approve the discoveries of this review, contextual investigation is another fascinating methodology that should be possible by future research. Also, the examination model of this review can be retested in business associations, so that the exploration model can be summed up to other monetary segments.

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