

# The Role of Human Resource Practices in Creating Organizational Competitive Advantage – Elucidate Employee Satisfaction through Intervention Programme

Dr. Gajanethi Swathi Kumari

**Abstract---** *An organization's HR is fragile, relationships are delicate, contributions are unpredictable and stability is uncertain. Thus, it provides a great challenge and opportunity to the organization Government of India, as part of its national agenda to promote growth, increase in efficiency and international competitiveness, has been continuously framing policies for industrial growth, fiscal, trade and foreign investment to achieve overall socio-economic development of the country. Private sector plays a dominant role for generating employment opportunities inside the country. A huge number of large scales, small scale, cottage scale units are under the control of private sector. An attempt has been made to analyze the public and private organizations of which the HR Practices became the special focus of the investigation reason to study the HR practices was because of globalization there has been migration, heavy trafficking across seas and continents with continues communication, which resulted in human beings got placed in different countries with different climates, different cultures, different lifestyles etc. Hence, studying HR practices was undertaken to assess whether the practices are going along with changing times. The satisfaction level of the employees were identified and intervention program was conducted for dissatisfied employees and communicated through special lectures related to Work-Life balance, peace, stress management, etc.,.*

**Keywords---** *Government of India, Indian Economy, International Competitiveness, Intervention Program, Socio-Economic Development, Stress Management Work-Life Balance.*

---

## I. INTRODUCTION

The HR function has emerged as one of the most important areas of organizational practice. It has not been developed in isolation but rather in the context of industrial change and economic development. The uniqueness of HR requires a totally different kind of attention from management. An organization's HR is fragile, relationships are delicate, contributions are unpredictable and stability is uncertain. Thus, it provides a great challenge and opportunity to the organization (Youndt 2000).

Government of India, as part of its national agenda to promote growth, increase in efficiency and international competitiveness, has been continuously framing policies for industrial growth, fiscal, trade and foreign investment to achieve overall socio-economic development of the country. The Public Sector emerged as the driver of economic growth consequent to the industrial revolution. With the advent of globalization, the public sector faced new challenges in the developing economies. No longer the public sector had the privilege of operating in a seller's

---

*Dr. Gajanethi Swathi Kumari, Professor & Principal, Department of Business Management, Ashoka Business School, Telangana.  
E-mail: swathigagan@gmail.com*

market, but had to face competition both from domestic and international competitors (Kerry Brown,2012).

### ***1.1 Significance of the Study***

- HR practices acquire special meaning in the organizations, as it is a manpower intensive industry. So, the quality of services rendered and their objectives in achieving the socio-economic goals are highly dependent on the employees.
- HRM in the public sector will exhibit a range of differences to that of private sector.
- Time is opportune for both private and public sector organizations to have some introspection on their HR practices right from recruitment to training facilities and social security measures to remuneration packages for their employees.

### ***1.2 Human Resource Practices in Different Sectors***

Today, both the sectors of public & private have become an integral part of the economy. There may not be much difference in working of these sectors in advanced countries, but in developing countries, the performance of Public Sector has considerable scope for improvement. It is also observed that Pay packages are almost similar in both sectors in developed countries, but large differences exist in remuneration in the two sectors in developing countries, like India. An attempt is made here in the following pages to describe the public and private sector organizations of which the HR practices became the special focus of the investigation.

## **II. RESEARCH METHODOLOGY**

### ***2.1 Rationale***

**The researcher has undertaken the present research for the following reasons.**

- In the observation of the researcher whose been part of human resource of an private organization has seen and felt the impact of globalization in day to day activities. Changing the work style and expectations from the organization was inevitable. This was the situation where employees of organizations such as banking, telecom, IT, etc.,
- Yet an another reason to study the HR practices was because of globalization there has been migration, heavy trafficking across seas and continents with continues communication, which resulted in human beings got placed in different countries with different climates, different cultures, different lifestyles etc. Hence, studying HR practices was undertaken to assess whether the practices are going along with changing times.

### ***2.2 Statement of the Problem***

How the HR practices are prevailing in the public and private sector organizations and to find out whether it has an impact on employee satisfaction?

### ***2.3 Objectives***

1. To study the HR practices of selected public and private companies in general in India.
2. To compare the HR practices of selected public and private companies of Andhra Pradesh.

3. To study the impact of HR practices on employee satisfaction and identify the employees who are experiencing low satisfaction in HR practices in their respective organizations.
4. A suitable information programme would be planned and conducted to create knowledge/information and to address low level of satisfaction, if any.

#### ***2.4 Hypotheses***

Hypothesis for the first objective is not framed as it involves enumeration of the key features of public and private sector in general in India.

1. **Ho:** There is no significant difference between the HR practices of public and private companies.
2. **Ho:** There is no impact of HR Practices on employee satisfaction of selected companies.
3. **Ho:** Information on factors contributing to satisfaction in human life could help in understanding HR practices in a realistic manner.

#### ***2.5 Scope of the Study***

The study is mainly concerned with the HR practices of selected public and private organizations in Andhra Pradesh and to examine the key factors which have an impact on the satisfaction level of the employees. The study focused mainly on

- Human Resource Planning
- Recruitment and Selection
- Performance Appraisal
- Training and Development
- Compensation and Retention strategies.

Even though, the study was initiated to cover all the branches in Telangana State of selected companies but it covered only twin cities i.e., **Hyderabad and secunderabad.**

#### ***2.6 Research Design***

Exploratory research was used for review of literature and pilot study. Descriptive research design was employed for data collection, data analysis and testing of research.

#### ***2.7 Sample Selection***

The research study aims to inspect and compare the HR Practices as perceived by the employees in selected Public and Private sector companies in Andhra Pradesh. The sample was selected based on multi-stage and stratified random sampling method of probability technique. In the first stage, the whole population was categorized under selected public and private sectors. This further subdivided into manufacturing and service industries. In the second stage, four companies from each public and private sectors was selected based on the criteria (appendix).under public sector, Andhra Pradesh foods(AP Foods) and Andhra Pradesh Dairy Development Cooperative Federation Limited (APDDCFL) was selected from manufacturing industry and State Bank of India (SBI) and Bharath Sanchar Nigam Limited(BSNL) was selected from service industry. Under private sector, Priya foods and Heritage Foods India Limited [Heritage Dairy (HFIL)] was selected from manufacturing industry and Industrial Credit and

Investment Corporation of India (ICICI) and Airtel was selected from service industry. Out of the total population, the sample has been selected based on the criteria given by the concerned HR department. The sample comprised of junior, middle and senior level managerial employees having more than two years of experience in the present organization in Hyderabad and Secunderabad. The total population in Hyderabad and Secunderabad is comprised of 7630 employees; ten percent of the total population was selected as the sample for the research that is 763 employees. The details of the sample are given in the following table.

Table 2.1: Showing the Sample Comprising of different Levels of Managers in Public and Private Organizations

S. No	Sector	Industry	Name of the company	Total No. of employees	No. of Managerial employees	Sample drawn (10% of the population)
1	PUBLIC	MANUFACTURING	AP Foods	700	500	50
2			AP Dairy Development Cooperative Federation Limited (APDDCFL)	900	450	45
3		SERVICE	State Bank of India (SBI)	1100	790	79
4			Bharath Sanchar Nigam Limited(BSNL)	650	320	32
5	PRIVATE	MANUFACTURING	Priya foods	1490	1190	119
6			Heritage Foods India Limited (Heritage Dairy) (HFIL)	2760	2110	210
7		SERVICE	Industrial Credit and Investment Corporation of India (ICICI)	2160	1570	157
8			Airtel	1150	720	72
			<b>TOTAL</b>	<b>10910</b>	<b>7630</b>	<b>763</b>

The sample was selected based on the criteria as the organizations are ISO certified, Established by Indians and age of the companies are more than ten years.

### 2.9 Tools Used

The data was collected by using both primary and secondary sources. For primary data the interview schedule was prepared based on five themes and comprised of thirty questions.

### 2.10 Procedure

For collecting data, the researcher visited offices of selected companies in Hyderabad and Secunderabad. The investigator met each member personally, took their concern and administered interview schedule to junior, middle and senior managerial level employees having more than two years of experience in the present organization. Though the sample size is 763 only 727 interview schedules were successfully administered. After identifying people with low on satisfaction, an appropriate intervention could be planned and administered. The responses to the interview schedules were tabulated and treated with statistical techniques such as chi-square, multiple response analysis, Mann-Whitney U Test, Krushal – Wallis Test and Garette ranking method.

## III. RESULTS AND DISCUSSIONS

### 3.1 Data Analysis

As mentioned in previous chapters, the data base has been collected through a designed and pre tested interview

schedule, for 763 managers in which the researcher received 727 responses duly filled. The data base is found to be having several tangible and intangible data about the managers which has been carefully thought through to convert the data into information.

Data observation through pie diagrams/bar charts has been performed to understand the cumulative results of the responses obtained through the interview schedule. The analysis further in the next step continued with objective based data, compared between public and private sectors with overall satisfaction level of managers on HR practices and also associated with chi-square tests to validate the reliability of the question, over both expected results and obtained results. The chi-square test was performed to know the significance of the question as per the objectives set for the study.

***Objective 1:***

**To study the HR practices of select public and private companies in general in India.**

An attempt has been made to present the differences and similarities of HR practices which exists generally in between a public and private sector organizations. Further examination shows within the same sector any two types of organizations appear to have a number of differences but with few similarities.

***Objective-2:***

**To identify, assess and compare the HR practices of select public and private companies in Andhra Pradesh.**

Having identified the organization on the basis of five point criteria, the data on HR practices was studied through interactions with managerial employees.

***Demographic Data***

It is observed that, the experience of employees belonging to public sector is more than private sector. The employees joined in public sector of both middle and higher level having an experience of more than ten years compared to private sector, where employees were having two to four years of work experience. Hence, there is a wide difference between the age range of the personnel belonging to public and private. As employees in public sector are older, they are married and with higher income levels compared to private sector where employees are younger, unmarried with less income levels.

The researcher wishes to point out that, another reason for young age personnel for private sector, the selected private sector themselves are young organizations. An often select young members as this seems to be a general, global trend. Further analysis has been made in HR Practices, categorized into five themes. Such as

- A. Human Resource Planning
- B. Recruitment and Selection
- C. Training and Development
- D. Performance Management System
- E. Compensation and Recognition.

**Objective-3:**

To study the impact of HR practices on employee satisfaction and identify the employees who are experiencing low satisfaction in HR practices in their respective organizations.

**Satisfaction on Overall Work Experience in the Organization**

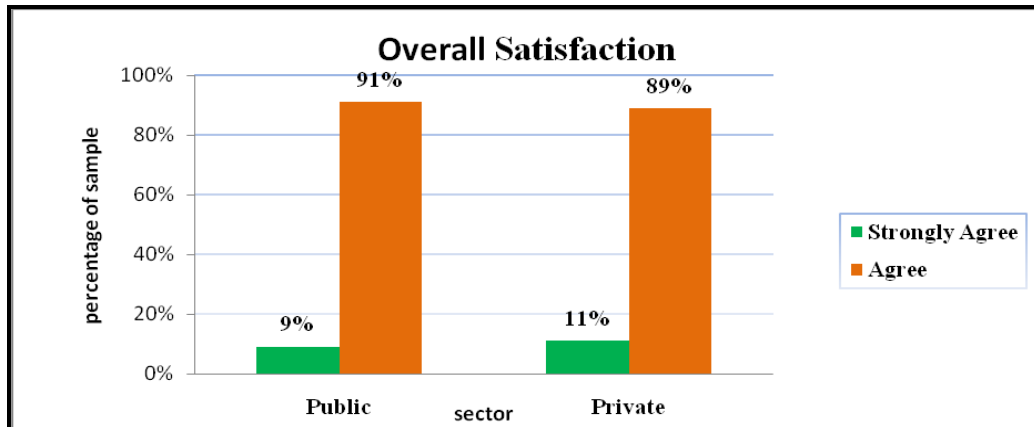


Figure 3.1: Represents the Comparison of Satisfaction on overall Work Experience in Public and Private Sectors

According to the Figure 3.1, to a question on satisfaction on overall work experience in the organization, each individuals belonging to the study sample shows that, there is a satisfaction on HR between public and private sector. In the earlier pages, the researcher presented in the form of text, tables and graphs on HR practices and its differences and an effort was made to mention about the possible reasons for the differences.

The researcher felt to the question on satisfaction, the response could be positive and could also be a socially desirable. In response to question on satisfaction was in the context of their image and attitude in the organization could also be showing a bias to some extent. Therefore, another question with grater details was posed where in the subject had to rank the HR practices in the order of satisfaction level. This question was also posed, so that the individuals who show low satisfaction could be identified for counseling/intervention so as to make them address the issue of dissatisfaction at the personal level.

**Rank the Satisfaction Level on the following Human Resource Practices (1 Indicates Best and 10 is Least)**

Table 3.1: Represents the Rankings of Satisfaction Level on HR Practices

S. No	Factor	FOOD	DAIRY	TELECOM	BANKING	ALL
1	Human resource planning	V	IV	IV	III	IV
2	Recruitment and selection	III	III	III	II	II
3	Training and Development	VI	II	II	IV	III
4	Performance management system	II	V	VI	V	V
5	Compensation system	IX	IX	IX	IX	IX
6	Rewards and recognition	VII	VII	V	VI	VI
7	Promotion policy	IV	VI	VIII	VIII	VII
8	Career development	I	I	I	I	I
9	Succession planning	VIII	VIII	VII	VII	VIII
10	Retention strategies	X	X	X	X	X



Figure 3.2: Represents the Rankings of Satisfaction Level on HR Practices

The table 3.1 and figure 3.2 shows ranking as per the satisfaction which they experience in their work life which has an influence in their overall satisfaction will be. This question was posed to find out their responses to the HR practices in a closed ended question in a ranking format/method. This question will also enable the researcher to identify the employees who are experiencing and claiming low level of satisfaction- due to one or more HR practices mentioned in the question. Planning intervention as a last activity of the research study was dependent upon the low satisfaction rankings in the industries.

In the following paragraph, practices which were as 1,2,3 are the top ranking practices. Which made the employees satisfied is their career path. Every employee naturally aspires to grow and develop in the path chopped out by the organization. Movement as part of development, by design makes individuals enthusiastic brings about change in status, salary, contacts and enhances psycho-social well-being. For an individual advancement in a positive direction at work place brings in, newness, excitement and change, reduces boredom and stagnation and other negative factors in life. From the day they join the employees look for up gradation and progress. Management of the organization makes it clear in the induction and other training programs, that there are several parameters applied to initiate promotion and progress. Employees are made to follow the parameters with enthusiasm and rigor to achieve organizational goals which are associated with their performance and promotion. Therefore, it is understandable that the path of career was rated as important in leading them to satisfaction.

Second factor which contributes to their satisfaction for the employees belonging to the public and private sectors are recruitment and selection and training and development. As they are managers who have to lead several individuals towards quality performance their image and responsibility is critical to the organization. Hence, Selection process being ranked as second may be because of the fair practices in selection and the employees working

under them have been allotted to them appropriately. This will also help them to achieve the goal set by the organization and that they are assured of their contribution and performance of their team/staff and they can lead them with less problems and challenges. Training and development component is also appears to be contributing to their satisfaction because trainings are the best ways of informing, preparing, teaching the necessary performance related skills and activities. It may be pointed that, recruitment component and training component are ranked second and third to some and interchanged for others. However, they both seem to be interchanged but important component contributing to satisfaction and perhaps help them to remain in the organization for more than two years.

The researcher feels it incomplete without discussing about the practice which contribute to their dissatisfaction though all the employees claimed that they are satisfied, a probing question of this nature had helped us to make them identify areas contributing to certain amount of dissatisfaction. One of the key factors, contributing to the dissatisfaction common to public and private sector is succession planning, compensation followed by retention.

It is natural for human beings to expect for compensation, for their time, effort is generally high-end sometimes unrealistic. By nature would like to be compensated/reciprocated for every activity. Compensation policies could be highly competitive and some organizations make it performance oriented, and this leads to comparisons within the organizations and between the organizations. This can lead to understanding that they may be treated unfairly and compensated inadequately. Such a sense of inadequate compensation has an impact on satisfaction dimension and is also likely to disturb quality of performance and eventually accomplishment of organizational goals.

Even though, organization informs about the compensatory mechanisms, when the employee enters and progress in the path, for the employee expectations about changing this policy of compensation is high. The reasons which they site to support the changes in the compensation policies often are- inflation, ill health, technological changes, natural calamities etc.,

In order to address this issue of dissatisfaction, majority of individuals have rated succession, compensation and retention as the practice contributing to their dissatisfaction. As these three practices are critical to any individual and also organization, an attempt was made to address this issue with some of the members of the sample who could attend through a workshop by addressing this issue at a personal level. Details of the workshop as a part of intervention presented in chapter IV

#### **IV. INTERVENTION PROGRAMME**

One of the objectives (objective-3) of the study was to identify highly dissatisfied managers on HR practices, so as to suggest certain measures to reduce dissatisfaction. After consulting human resource managers and counseling professionals, content of one day module was prepared for an Intervention Programme. This was planned to bring awareness and discuss issues of satisfaction and dissatisfaction levels on HR practices with managers. The content was based on the data which was created by ranking of satisfaction (I to X) in response to satisfaction of employees on HR Practices, the sectors of public and private sample which is part of the study.

In order to have meaningful closure to the study, an effort was made to invite executives having expertise in human resource and psychology on a single platform to conduct sessions on *HR practices - focusing on-succession,*



*-Retention, -satisfaction and –effective work.* Data analysis related to dissatisfaction has shown that succession and retention strategies were the key components leading to dissatisfaction at work place by managers. The content of the intervention programme focused on these two issues and delivered by senior executives and mental health professionals.

## **V. CONCLUSIONS AND SUGGESTIONS**

### **5.1 Conclusions**

The conclusions drawn from the study are presented as points. For few points numerical values are not presented as paper was treated with multiple response analysis, as researcher felt that, presentation of data would be cumbersome.

1. More than 76 percent of the managers are above forty years of age in public sector where as 80 percent of managers from private sector are below thirty years having a significant difference with chi square value zero. Most of the public sector organizations are relatively older than private sector and have started in later nineteenth century. Therefore, the personnel are also relatively old in their age. Which results in, the public sector managers gradually ascending the carrier even with less educational qualification unlike in private sector who joined directly at middle and higher level with higher qualification.
2. Most of the employees are satisfied with Induction/orientation programmes ranging from seven days to more than thirty days.
3. Multiple response analysis shown that (Table-5-19), the performance appraisal system in public sector is conducted especially for promotions by analyzing the task accomplishment and quality of work output, where as in private sector the performance appraisal is conducted for overall performance measurement for reward and recognition, promotions, assessing acquired training skills and contribution to organizational effectiveness analyzed through multiple response analysis. However there is no significant difference in public and private sectors.
4. In public sector the career planning and development opportunities are provided in the way of promotions or acquiring new skills where as in private sector the employees are provided with global opportunities and strategic skills for the future growth of the individual and organizational objectives.
5. The managers belonging to both the sectors of public and private agree that, they are satisfied with the present HR practices in general. But, in particular, they are experiencing low satisfaction with few HR practices.
6. Further, through Garratte Ranking Method, the satisfaction level of employees on HR practices shown that, both public and private sector employees are more satisfied with career planning and development and dissatisfied with succession, retention and compensation practices.
7. After identifying the managers with low satisfaction on few HR practices, an intervention programme was planned keeping in view of their demographic variables and the organization they belong.
8. A One-Day workshop was organized to address the knowledge and attitude which has a bearing on satisfaction and dissatisfaction work life in general.

9. The intervention was well received and feedback data has shown hundred percent. i.e., the content of the workshop was useful and they felt that it was relevant to their attitude towards succession and retention. They recommended that such programme may be conducted in their organizations.
10. The participants of the workshop appreciated relevance of peace and satisfaction in life and same is relevant to carry on work effectively in organization.

## 5.2 Suggestions

1. Retention policies of public and private organizations may be reviewed and discussed openly with the employees keeping in view of the needs of the employees and environmental conditions such as inflation, economic conditions are to be considered for the growth of individual as well as organization. If necessary, they may be counseled in these issues.
2. Training may be conducted on the issues or topics related to retention and other policies so that they will not build unrealistic expectations about organization's responsibilities.
3. Keeping in view of the modern technology public sector may use training programme appropriately in order to bring at most benefit in productivity which in turn leads to profit maximization. This is towards creating a win-win situation.
4. Succession planning may be developed, relate it to career planning and development. This may help in retaining talented/potential personnel.
5. Individual's satisfaction which is linked to organization as well as in real life (home, family, etc.) may be communicated through special lectures related Work-life balance, peace, stress management, etc.,

## REFERENCES

- [1] Ahmad K.Z. & Abubakar R, (2003). The association between training and organization commitment among white workers in Malaysia.
- [2] Barney, J.B. (1991). Firm resource and sustained competitive advantage. *Journal of Management Studies*, 17(1), 99-120.4.
- [3] Bartlett, K. (2001). The relationship between training and organizational commitment: A Study of healthcare field. *Human Resource Development Quarterly*, 12(4), 335-352.
- [4] Brown Kerry, (2004). Human Resource Management in the Public Sector. *Public Management Review*. 6(3), 3 03-309.
- [5] Cherrington, D.J. (1995). *The management of human resources* (4th ed.). Englewood Cliff, NJ: prentice-Hall.
- [6] Dale S Beach (1975), *Personnel: The Management of People at Work*, Macmillan, New York, USA, pp 411.
- [7] Gardner, M. and Palmer, G. (1997) *Employment Relations: Industrial Relations and Human Resource Management in Australia* (2nd edn), Melbourne: Macmillan.
- [8] Guest, D. E. (1997). Human Resource Management and Performance: A review and research agenda. *The International Journal of Human Resource Management*, 8(3), 263-276.
- [9] *Guidelines on human resource management for CPSEs. (No. 3(9)/2010-DPE (MoU))* New Delhi, India, Government print office.
- [10] March, J.G. & Simon, H.A (1985). *Organizations*. New York: Wiley.
- [11] Mustapha Marina & Normala. (2013). Perceived performance Appraisal Effectiveness and Turnover Intention of Knowledge Workers: A Conceptual Model. *Interdisciplinary Journal of Contemporary Research in Business*. 5(7).11-39.
- [12] Owens, P.L. (2006). One more reason not to cut your training budget: The relationship between training and organizational outcomes. *Public Personnel Management*, 35(2): 163-171.

- [13] Rousseau, D.M. (1990). New hire perceptions of their own and their employer's obligations: A study of psychological contracts. *Journal of Organizational Behavior*, 11, 389-400.
- [14] Scott A. Snell and James W. Dean, Jr. (1992). Integrated Manufacturing and Human Resource Management: A Human Capital Perspective. *The Academy of Management Journal*. 35(3). pp. 467-504.
- [15] Shim, D. (2001) 'Recent Human Resources Developments in OECD Member Countries'. *Public Personnel Management*, 30:3 pp323 – 47.
- [16] Singh Anil Kumar. (2005). HRD Practices and philosophy of management in Indian Organizations, *Vikalpa*, 30(2).71-78.
- [17] Singh Hira & Sandeep Kumar (2014).Growth of services sector in India. *Asian Journal of Multidisciplinary Studies*, 2(2), ISSN: 2321-8819, 12-17.
- [18] Ulrich, D. (1997). Human Resource Champion: The Next Agenda for Adding Value and Delivery Results. Boston, MA: *Harvard Business School Press*.40
- [19] Vetter, E.W. (1967). Manpower planning for high talent Personnel, Ann Arbor: University of Michigan, Graduate School of Business, Bureau of Industrial relations.
- [20] Wickstrom W.S. (1971). Manpower Planning: Evolving systems, conference Board, New York, USA.
- [21] Wright, P., Smart, D., & McMahan, G. (1995). Matches between Human Resources and Strategy among NCAA Basketball Teams. *Academy of Management Journal*, Vol. 38, No. 4, 1052-1074.
- [22] Youndt, M.A (2000). "Human Resource Considerations and Value Creation: The Mediating Role of Intellectual Capital," Paper delivered at *National Conference of US Academy of Management*, Toronto, August.