A Study on the Impact of Human Resource Management on the Performance at an Educational Institution:
A Study amongst the Workforce

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Abstract: Today, Human Resource Management (HRM) practices are considered a crucial and considerable contributory factor in the performance of all organizations. This research study analyses the significance and consequence of human resource management (HRM) practices on the organizational performance of an Indian educational institution. The major aim of the study is to investigate whether there exists a relationship between 'HRM Practices' and the 'Performance of the Educational Institution'. The research studies the impact of the following HRM practices: training, performance appraisal, career planning, employee participation, job definition, compensation and selection on the performance of an educational institution.

Keyword: HRM, Educational Institution, Organizational Performance, Training, Performance Appraisal, Career Planning, Employee Participation, Job Description, Compensation, Selection

Introduction

Employees are one of the most important assets of an organization as they contribute to its growth and success (Danish and Usman, 2010). Malik *et al.* (2010) concluded that in the era characterized by rapid and continuous change, knowledge capital must be retained in order for the organizations to be productive and responsive to the needs of their stakeholders. Similarly, organizations like an educational institution which is both a research and training institute need to interest, maintain and help in overall growth of the employees. Universities need employees who are well trained and motivated so that they are committed to their work of conducting research and training for the development of the nations (Lew, 2009). Research literature has shown that effective application of some human resources management (HRM) practices enables university employees to be committed to their work for good performance of the universities (Chen *et al.*, 2009; Shahzad *et al.*, 2008).

Previous Research

In the last two decades, study on human resource management practices as a determinant of organizational performance has gained momentum, especially, in the industry and corporate

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sectors. However, the results from the researchers are either inconclusive or controversial (Qureshi *et al.*, 2007). Literature review indicates that earlier studies have also focused on the impact of HRM practices on university performance with only academicians as the centre of focus (Chen *et al.*, 2009; Malik *et al.*, 2010; Lew, 2009; Rowley, 1996). Very little observational or factual research has been conducted to study the effects of HRM practices on an educational institution's performance in India. Therefore, this study is to examine the impact of HRM practices on organizational performance of an educational institute in India.

Objective

The objective of the study is to identify major factors which impact the organizational performance at an educational institution. Also, the study aims to find the relation between each of the factors and the organizational performance of the educational institution.

Educational Institute under Study

Due to time constraint, the scope of the research was limited and only one educational institution has been studied. This Institution has been referred henceforth in the paper as the 'educational institution under study'. The features of the educational institution under study are mentioned below.

It is an autonomous educational and research institution, fully funded by a governmental organization under an important Ministry of the Government of India through Grants-in-Aid. It enjoys the status of a 'Deemed to be University', enabling it to leverage its wealth of both— academic acumen, and administrative and financial freedom. The Ministry of Human Resources Development (MHRD), Government of India has classified the educational institution as a category 'A' deemed university. It is also 'NAAC' and NBA accredited. It is ranked between 30 and 40 in the National Institutional Ranking for Universities by MHRD in 2016.

Literature Review

A number of theories have claimed that human resources of a firm are potentially a powerful source of sustainable competitive advantage for organizations. They have tried to demonstrate that a positive relationship exists between HRM and the firm's performance. HRM practices are creating positive results on organizational performance. Results calculated through regression suggested that effective implementation of key HRM practices increases organizational performance. On the other hand, companies interested in enhancing HR performance may emphasize the need for empowerment and training. A few studies, however, did not find clear effects of HRM practices on productivity (Delaney *et. al.*, 1989). Kelley (1996) found that HRM practices do not affect performance of organizations; Batt (2002) found that HRM practices do not compensate well in small organizations that operate in local markets. Various HRM models considered are:

The Harvard Model (Beer *et al.* 1984)

Beer *et al.* devised the famous Harvard Map (sometimes referred to as the Harvard Model) of HRM. The Harvard Model is based on an analytical research and provides a broad causal representation of the 'determinants and consequences of HRM policies'. It shows human resource policies are often influenced by two significant factors:

- **Situational factors** in the outside business environment or within the firm such as laws and societal values, unions, labour market conditions, management philosophy, work-force characteristics, business strategies, and task technology. According to Beer *et al.,* these factors may tend to constrain the formation of HRM policies but they may also tend to be influenced by human resource policies.

- **Stakeholder interests,** including those of shareholders, management employees, unions, community, and government. Beer *et al.* argue that human resource policies should be influenced by all stakeholders. If not, 'the enterprise will fail to meet the needs of these stakeholders in the long run and it will fail as an institution.'

The model states that human resource policies have both immediate outcomes and long-term consequences in any organization.

The Michigan Model (Devanna *et al.*, 1984)

The Michigan Model (Fombrun, Tichy and Devanna, 1984) focuses on hard HRM. It states that like any other resources, people should be managed and obtained cheaply, used sparingly, developed and exploited fully. It also stresses on the correlation amongst HRM activities. According to this model, selection, development, appraisal and rewards were geared towards organizational performance.

Delaney and Huselid (1996)

Huselid established that the employees' effectiveness largely depended on the impact the HRM practices had on employees' behaviour. Huselid (1995) evaluated that HRM practices are statistically significant and have a positive effect on corporate financial performance of the organization. Huselid (1995) stressed that by adopting best practices in selection, inflow of best quality of skill set will be inducted adding value to skills inventory of the organization. He also stressed on the importance which training has as a complement of selection practices by which the organizational culture and employee behaviour can be aligned to produce positive results.

Guest Comparative Model (1997)

The Guest Model was propounded by David Guest in 1987. This model is a combination of aspects that resemble both, a hard and soft, approach of HRM.

Guest proposes four crucial components that underpin organizational effectiveness. These four crucial components are:

- **Strategic Integration**

  This is the organization's capability to maintain the right balance between the HRM strategy and the business strategy. In other words, there must be congruence between business strategy and the HR strategy in order to enable the organization to achieve its goals. Strategic integration shows the harder side of the Guest Model.

- **Flexibility**

  Flexibility is basically the capability of the organization and its people to adapt to the ever-changing business and work environment, and to the capacity to manage innovation. Flexibility carries connotations of both hard and soft HRM. Flexibility, in this case, is about being concerned with the need to achieve business objectives; at the same time, meeting the need to treat the employees as fairly as possible.

- **High Commitment**

  This is concerned with the need to have both behavioural and attitudinal commitment. Behavioural commitment in terms of going an extra mile when needed and attitudinal commitment is reflected through a strong identification with the organization.

- **Quality**

  Quality is based on the assumption that provision of high quality goods and services results from a quality way of managing people.

Lee and Lee (2007)

More recent empirical study on HRM practices (Lee & Lee, 2007) uncovered six underlying HRM practices on business performance, namely teamwork, training and development, HR planning, compensation/ incentives, performance appraisal, and employee security help improve firms' business performance in terms of product quality, employees' productivity and firms' flexibility. The study revealed that three items of HRM practices which influence business performance are: training and development, HR planning and compensation/ incentives. Their research evidence shows that effective HRM practices can have positive impact on business performance.

Tanveer, *et al.* (2011)

Tanveer, *et al.* conducted a study to examine the impact of Human Resource Management practices on the employee performance/ organizational performance in the textile industry. To find out the performance determinants, research model of HRM practices was used. There are many HR practices like performance appraisal, recruitment and selection, career path, compensation, job definition and training. Only three practices (recruitment and selection, training, performance appraisal) were taken to understand the impact on the performance of the employees. These

factors were taken because of their utmost requirement at any textile mill. This is an interesting study proving the importance of those practices which highly affects the performance of the employees. This study provided an insight into the factors that make an employee perform better. All selected variables (recruitment and selection, performance appraisal, training) were found to be significantly related with performance of employees.

Qureshi *et al.* (2010)

Qureshi *et al.*, pointed out that the study of HRM (Human Resource Management) practices has been a critical and significant area in management and organizational performance from last several years. Qureshi *et al.*, identified how the practices of HRM (employee participation, training, career planning system, job description, compensation system, selection system, and performance appraisal system) impact the financial performance of organizations. Qureshi *et al.* (2010) demonstrated that for being successful in today's competitive market one needs speed and adaptability, patents and access to capital and innovation, technology, and economies of scale. Organizational performance and competitive advantages are largely derived from the human resources within an organization and high contribution of human resource management practices.

Theoretical Framework

As the optimum factors of the study were defined, the theoretical framework was made to consider and analyze further and formulate the hypothesis.
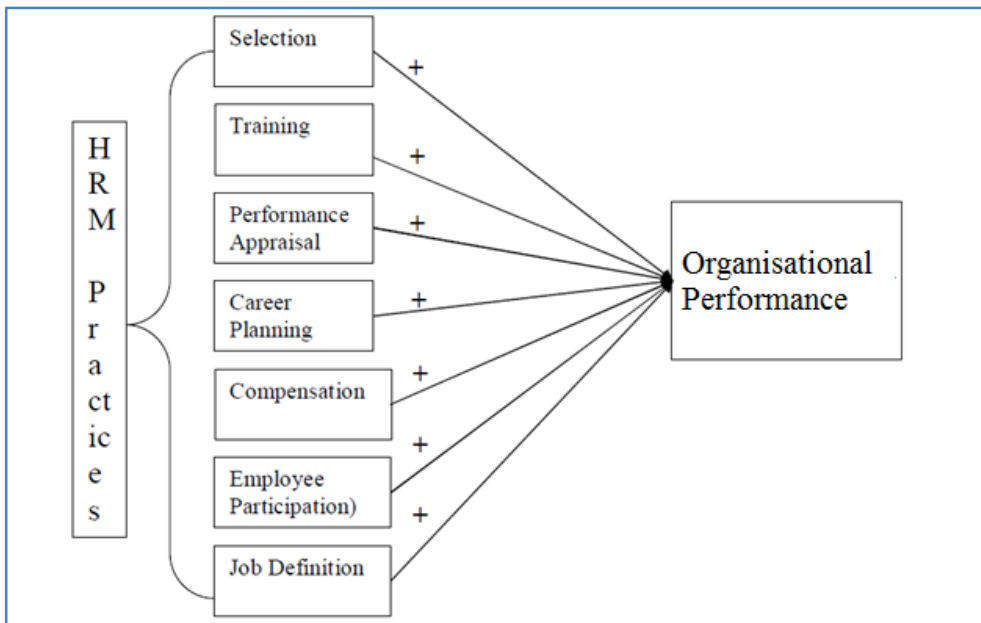

Fig. 1: HRM Factors Impacting Organizational Performance

Hypothesis

Human Resource Management Practices are positively correlated to Organizational Performance.

H_1: Organizational performance is immensely related to Training.

H_2: Organizational performance is immensely related to Performance Appraisal.

H_3: Organizational performance is immensely related to Career Planning.

H_4: Organizational performance is immensely related to Employee Participation.

H_5: Organizational performance is immensely related to Job Description.

H_6: Organizational performance is immensely related to Compensation.

H_7: Organizational performance is immensely related with Selection.

Methodology

Formulation of Research Survey Questionnaire
The research methodology involved data collection from the administrative and support staff being considered for the survey. For this survey, a questionnaire was made and finalized. It was mainly established on the proven scale of Qureshi and Ramay (2006).

Identification of the Sample
As the previous studies and researchers had concentrated mainly on the academia, it was decided to focus on the workforce for the study. It comprised of administrative and support staff. The total workforce strength of the educational institute under study was 112 which is comparatively lesser than other educational institutes and hence, the sample size was planned to be kept to 100% of the population.

Physical Survey
Due to practical difficulties at the organization, the survey was undertaken on an individual basis with all confidentiality being maintained to a get an actual realistic feedback.

Research Design
Population is defined as the entire workforce (administrative and support staff) of the educational institute under study. "Convenience sampling" technique, a form of non-probability sampling, was used for data selection. This technique is accustomed to make research process faster by obtaining abundant completed questionnaires quickly from personnel who were available and freely ready to take part without any pressure.

Sample Size and Type

The sample size of the research was proposed to be 100% of the population. The population of the educational institute under study was determined to be 112 (112 administrative and support staff members). However, due to practical difficulties only 90 members (80%) of the workforce participated as sample by convenience sampling method.

Data Collection

Both primary and secondary data were used for the study.

Primary Data

The primary data was intended to be collected at a group level to ensure total confidentiality. Initially, a collective session of the entire workforce was called for undertaking the questionnaire. Two attempts were made with the assistance of the admin-in-charge but they went futile as a very few personnel (in single digits) turned up. Later, it was collected through a direct approach with the employees with assistance of questionnaire schedule. The primary data collection also included holding discussions and observation.

Total of 95 questionnaire were distributed 90 were returned, with a response rate of (80%) per cent; 10 questionnaires which were returned were omitted due to incomplete information. As a result, a total of 80 questionnaires were determined as usable and recorded into statistical analysis.

It is important to mention that the questionnaire had to be explained in Hindi to those respondents who were not conversant with English while approaching them to take part in the survey.

Secondary Data

Secondary data includes detailed literature review collected from books, journals, periodicals, articles, working papers, reports and websites.

Scaling Technique Adopted for the Study

"Regarding scaling of items, it is vital that the scale used must generate sufficient variance among respondents for subsequent statistical analyses" as stated by Stone, 1978. Although there are a number of different scaling techniques available such as Guttman and Thurstone, but Likert-type scales are the most frequently used in survey questionnaire research (Cook *et al.*, 1981) and are the most useful in behavioural research (Kerlinger, 1986). Scale used for analysis: Likert Scale

Table 1: Likert Scale

Strongly Disagree	Disagree	Indifferent	Agree	Strongly Agree
1	2	3	4	5

Test of Reliability

Before applying statistical tools, testing of reliability is important. Therefore, in this study, Cronbach Alpha reliability test is conducted for all measures. It is commonly used as a tool of internal constancy or reliability of psychometric test score for a sample of examinees. Reliabilities are checked and they all fall between 0.76 and 0.86, which is satisfactory value because the satisfactory value is required to be more than 0.6 for the scale to be reliable (Malhotra, 2002). The overall Cronbach Alpha of the all scales used in this study is 0.81. This indicates the reliability of scales is reasonably high.

Statistical Analysis

Both Microsoft Excel and Minitab are used in the research to obtain results to the objectives. Following tools are used in the analysis:

- Percentage Analysis

- Basic Statistics

- Graphs and Charts

- Pie Charts and Histogram

- Graphical Summary

- Scatter Plots and Box plots

- Spearman's Correlation

Demographic Characteristics of the Respondents

The population of the non-teaching staff at the educational institute under study is 112.
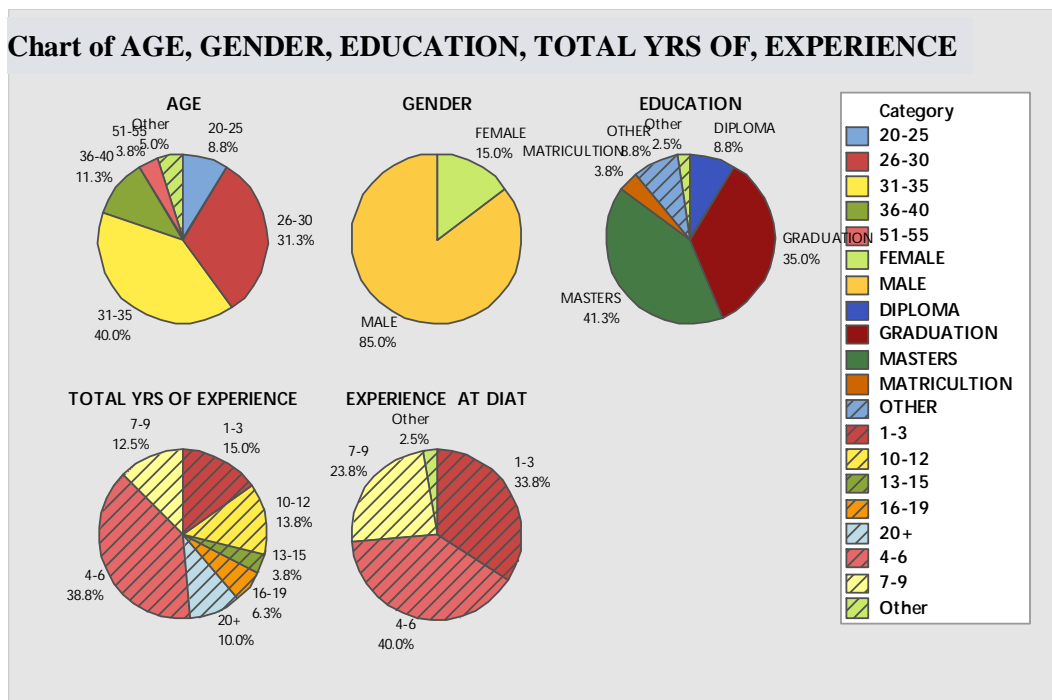

Fig. 2: Demographic Characteristics of the Respondents

However, the total number of respondents who participated in the survey was 90 (80% of the population); 10 responses were disqualified due to incomplete data and irrelevant data on the same. So, the total number of valid and correct questionnaire responses count for non-teaching staff was 80 (71.42% of the population).

The detailed analysis of the demographics of the final set of 80 questionnaires is as shown below to understand the breakup of participants in the survey.

Data Analysis and Interpretation of Results

The detailed data analysis performed is displayed below.

Table 3: Descriptive Statistics

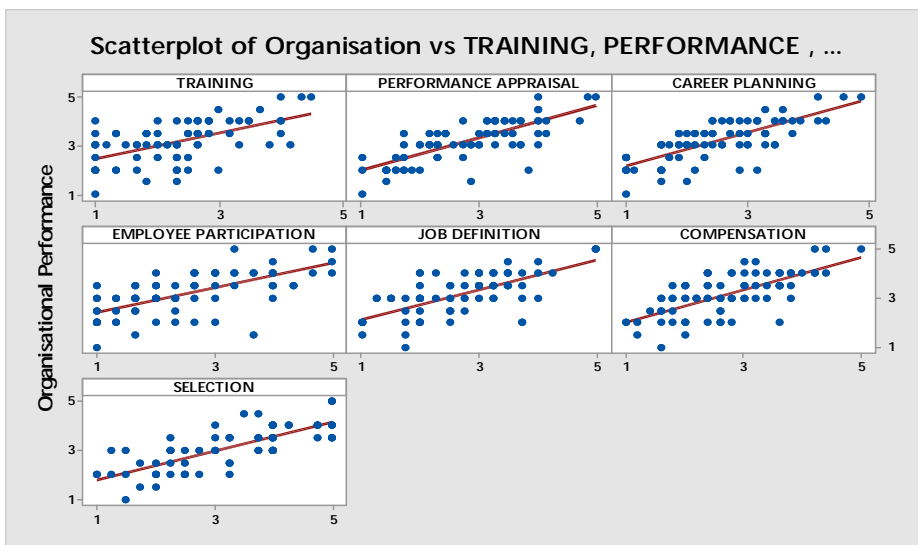|	Organizational Performance	Training	Performance Appraisal	Career Planning	Employee Participation	Job Definition	Compensation	Selection
Mean	3.16	2.34	2.78	2.47	2.50	2.68	2.70	3.32
StdDev	0.86	0.93	0.97	0.94	1.16	0.97	0.89	1.13
Median	3.00	2.33	2.86	2.43	2.33	2.75	2.60	3.63
Mode	3.00	1.00	3.29	1.00	1.00	2.00	2.00	4.00
Range	4.00	3.50	4.00	3.86	4.00	4.00	4.00	4.00
Minimum	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Maximum	5.00	4.50	5.00	4.86	5.00	5.00	5.00	5.00
Sum	253.00	186.83	222.43	197.86	200.00	214.00	215.80	265.50
Count	80	80	80	80	80	80	80	80

Fig. 3: Scatter Plot of Organizational Performance *vs.* the Various HRM Factors

Table 4: Correlations

	Organizational Performance	Training	Performance Appraisal	Career Planning	Employee Participation	Job Definition	Compensation
Training	0.579 0.000						
Performance Appraisal	0.754 0.000	0.674 0.000					
Career Planning	0.745 0.000	0.647 0.000	0.841 0.000				
Employee Participation	0.703 0.000	0.366 0.001	0.673 0.000	0.662 0.000			
Job Definition	0.647 0.000	0.505 0.000	0.683 0.000	0.713 0.000	0.589 0.000		
Compensation	0.669 0.000	0.568 0.000	0.649 0.000	0.679 0.000	0.593 0.000	0.606 0.000	
Selection	0.772 0.000	0.451 0.000	0.577 0.000	0.616 0.000	0.484 0.000	0.565 0.000	0.545 0.000

The analysis confirms that there is a significant and positive correlation between training performance appraisal, career planning, employee participation, job definition, compensation and selection; and organizational performance at an educational institution. This positive relationship indicates that stronger emphasis on human resource practices can significantly lead to improvement of performance. According to the correlation analysis, selection (0.772), performance appraisal (0.754) and career planning (0.745) shows the highest positive correlation with organizational performance while training (0.579) shows the least positive correlation. Significant correlation exists amongst the HRM factors for career planning and performance appraisal (0.841) and job definition and career planning (0.713).

Discussions

The workforce was very satisfied with the selection process being followed at the educational institution and it was reflective of the UGC norms being strictly followed during each and every selection process. A very significant correlation existing amongst the HRM factors of career planning, performance appraisal and job definition amongst the workforce was reflective of the aspiration of the lower age group of the respondents looking forward to higher opportunities.

Limitations of the Study

Any study is bereft with problems and limitations. Even this study faced a few limitations. There was unwillingness of the management of the educational institute under study to furnish details with respect to employees. Since human resource is a sensitive issue, management representatives were reluctant to divulge information. This delayed the whole process of data collection since

repeated visits had to be made. Another shortcoming of this study is the possible bias of the respondents because of their hectic schedules. Fear amongst the respondents to participate in a survey questionnaire was also noticed anticipating vindictive action. Lack of faith in the system amongst employees made a feeling of this study being inconsequential. Failure to muster enough number of participants in the group survey led to the need for individual survey. Non-interest of personnel to participate or cooperate in the survey as they felt it was not relevant to them. Thus many questionnaires were not filled up even after repetitive reminders. Since there was a time limit for the study, conducting an elaborate study to cover a wider scope was not possible and to include more number of educational institutions was practically impossible.

Future Scope

This study did not consider the academia or students even though they too are a part of the organization. A new study can be incorporated amongst the academia and students of the University. Further, this research was limited to one educational institution and did not consider other educational institutes. A similar research can be undertaken at other Institutes to undertake a comparative research and to get a complete generalized result.

Suggestions

In order to manage the activities in the universities and enhance performance, higher education institutions need effective HRM. Research, new ideas and innovation can assist in promoting higher education in the development of human resources. Every organization has a set of values and culture. Once hired, through systematic training and socialization, individuals need to be incorporated into the organization's framework. Continuous appraisement of the employees' progress is needed to be followed at the educational institution under study. The workforce needs to be appraised about their career progression aspects and an atmosphere of trust needs to be developed. Several previous studies have also shown that the effectiveness of any HRM practice is dependent on the successful implementation of these practices. The fear amongst employees about suggestion and dissent needs to taken away and positive criticism with effective solutions need to be encouraged to solve problems. Stronger and effective performance appraisal systems would definitely improve employees' commitment and productivity and thus, the performance at the educational institution.

Conclusion

The primary objective of this research was to examine the impact of human resource practices on organizational performance at an Educational Institution. The results of the study show that all the selected optimum human resource practices have a significant impact on performance.

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