

# EXPLORING THE RELATIONSHIP BETWEEN HRD CLIMATE PRACTICES AND JOB SATISFACTION ACROSS SELECTED SOFTWARE COMPANIES IN HYDERABAD - A STUDY

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## Abstract

*The purpose of the paper is to identify the specific dimensions of Human Resource Development Climate (HRDC) that significantly affect Employee Engagement (EE). It places the importance of HRDC in enhancing EE within the public sector in a developing country and finds answer to the question on the dimension of HRDC that causes employees to be engaged. The paper uses a self-designed questionnaire, made up of HRD climate survey and Utrecht work engagement scale to gather data from 355 respondents and analyzed using multiple regressions. Based on the data analyzed, results showed that HRDC has a positive and significant effect on employee engagement. Additionally, it was found that employees are highly engaged in situations where their organization exhibits the HR Mechanism dimension of HRDC. The limitation is, it did not focus on the entire public sector but focused only on civil servants. It is therefore recommended that further studies be carried out with focus on other public sector organizations to confirm or refute the findings. This study adds to the limited literature on HRDC and EE in public sector organizations in a developing country. This finding brings to bear the major dimension of HRDC that managers should focus on improving employee engagement in a developing country, in which a high power distance culture exists.*

## Keywords:

*HRDC, Multiple Regressions, Job Satisfaction, Climate Practices*

## 1. INTRODUCTION

HRM Practices and its climate are the deciding factors to increase individual and Organizational Efficiency of the employees as well as the Organization. The systematic approach of HRM creates a conducive climate to develop productivity aspects and a work environment without stress and pessimistic hindrances. The study in [3] sets the stage for exploring the 4 connections between Creativity and human resource development (HRD).

The research orientation of papers about learning and performance share many commonalities with the methodology of this paper which researches about creativity and HRD. The paper examines researches about the impact of general personality characteristics, self-perception, goal setting, feedback Leadership, role modeling and other factors associated with the creativity [6].

The human resource oriented examination of this paper probes how an organization motivates and enables employees to develop and utilize their full potential from the perspective of the organization's overall objectives and action plans. The paper also scrutinizes the organization's effort to build and maintain a work environment and an employee support climate that is conducive for performance excellence, and for personal and organizational growth [7]. The HRD practices includes organizational development, performance appraisal, rewards and incentives, recruitment and selection, career development, goal setting,

interpersonal relationship, training and development, management policies, job rotation, etc. [8].

## 1.1 RESEARCH GAP

The following are the few research gaps found in the literature. They are:

- This study has not thrown any light on HRD climate and HRD outcome.
- This study is focused on HR Planning on recruitment system alone and does not on any other Practices.
- This study deals about traditional measures of training and development programs and there is no dealings about other practices like recruitment and selection practices, Rewards and incentives etc., HRD climate and HRD outcomes.

## 1.2 OBJECTIVES OF THE STUDY

- To explore the employee perception of HRD climate in the study domain.
- To measure the HRD outcomes among the employees in Software Industry at Hyderabad.

## 2. REVIEW OF LITERATURE

The study in [2] used an empirical study dealing with the expectation of the capabilities and efficiencies of the human resource executive officer at the top management level of a local administrative organization and also explores the guidelines for the development [9]. This study is based on primary data and obtained data from 123 software organizations in Gachbowli, Hyderabad.

This study found that in every organization, the HR department has the same job descriptions such as HR Planning, wage and salary evaluation, handling complaints from employees, managing the welfare and benefits for employees, job orientation, Training and development, work data and statistical records, work assessment, writing job description, consulting, managing the relationship between the employer and the employees, and the development of job efficiencies [5].

Sarwar and Khalid [1] focused on employee empowerment and how empowerment is related to Job satisfaction and employee commitment to the organization in the banking sector of India. This study is based on primary data which is obtained from 334 employees from different Branches of Banks. The application of regression analysis and co-efficient of determination is used to clearly review the study [10]. The findings of the study revealed that job satisfaction has a positive impact on employee's commitment to the organization.

The study in [4] aimed to explore the mediating role of knowledge management in the relationship between organizational culture, HRD and Organizational effectiveness using a hypothetical model. This study is based on primary data which is obtained from a sample of 524 R&D professionals. The Application of Cronbach's reliability, mediation test clearly reviewed the study. The findings showed that knowledge management was partially mediating the relationships between organizational culture and organizational effectiveness and also between HRD and organizational effectiveness.

## 2.1 HYPOTHESIS OF THE STUDY

- There is no significance difference among different levels of management regarding HRD climate.
- There is no significance difference among different levels of management regarding HRD outcomes.

## 2.2 METHODOLOGY OF THE STUDY

The study is conducted using both analytical and descriptive types of methodology. The study primarily depends on primary and secondary data.

### 2.2.1 Sample Selection:

The multistage random sampling method is applied to collect the primary data. The random sampling method is applied to obtain the responses from the software employees. Hence, the multistage sampling method is justified in collecting the samples from the software company.

### 2.2.2 Questionnaire Design:

The primary data is collected through survey questionnaire. The respondents are asked to give their opinion on crucial HRD practices. The first part of the questionnaire comprises Demographic factors with optional questions. The second part includes statements relating to HRD objectives, HRD needs, and HRD practices with Likert 5-point scale. The Third part consists of statements about impact of HRD practices in the organizations. Some optional questions are also included along with rating questions. The fourth part of the questionnaire is related to HRD climate.

## 3. ANALYSIS OF THE STUDY

Factor analysis pertaining to HRD climate development is considered in this study. These factors are compared with several variables in Likert 5-point scale, which ranges from strongly agree to strongly disagree. At this point, it is very important to reduce the variables into prominent factors. Therefore, the factor analysis by principal component method is applied to reduce the variables into factors.

### 3.1 FACTORS OF HRD CLIMATE

The human resource development climate consists of ten variables in 5-point scale. The application of factor analysis over the ten analyses derives the following results:

Table.1. KMO and Bartlett's Test for HRD Climate

<b>Kaiser-Meyer-Olkin Measure of Sampling Adequacy</b>		.726
<b>Bartlett's Test of Sphericity</b>	Approx. Chi square	1903.028
	Df	45
	Sig.	.000

The Table.1 shows the KMO measure of sampling adequacy. 0.726 Bartlett's test of sphericity with approximate Chi-square value 1903.028 are statistically significant at 5% level. This indicates that all the ten variables prove human resource development climate to be normally distributed and that they are conducive enough to reduce them I to prominent factor. The individual variances are presented in the following communalities:

Table.2. Communalities for HRD climate

Factor	Initial	Extraction
CL.1	1.000	.568
CL.2	1.000	.699
CL.3	1.000	.647
CL.4	1.000	.735
CL.5	1.000	.775
CL.6	1.000	.690
CL.7	1.000	.681
CL.8	1.000	.728
CL.9	1.000	.324
CL.10	1.000	.674

*Extraction Method - Principal Component Analysis:* From the Table.2, it is inferred that the individual variances of the ten variables range from .324 to .775. It implies that the variance have the bounds from 32.4 to 77.5%, which is a statistically significant range. This leads to the reduction of factors as shown in the Table.2.

From the Table.3, it is clear that the ten variables are reduced into three predominant factors. The cumulative variance of the three factors is found to be 65.214% and the individual variance of the three factors are given by 26.156%, 21.697% and 17.361% respectively.

The variable loadings in each factor are given in the following:

- The first factor consists of six variables - 4 influences managerial effectiveness in the organization. (.856) 8. Ensure employee satisfaction (.836).
- Promotes organizational performance and productivity (.809) 7. Promotes employee commitment. (.753).
- Enhances individual performance. (.617) 1 Ensures Promotions (-.708).

Therefore, the factor is named "managerial effectiveness". The development of an organization is based on the managerial effectiveness of top level executives. It enhances individual performance and promotes employee commitment towards organizational development. HRD climate promotes the performance to achieve the goal.

Table.3. Total Variance Explained for HRD Climate

Component	Initial Eigen Values			Rotation Sums of Squared Loadings		
	Total	% Variance	Cumulative	Total	% Variance	Cumulative
1	3.327	33.269	33.269	2.616	26.156	26.156
2	2.150	21.499	54.768	2.170	21.697	47.853
3	1.045	10.446	65.214	1.736	17.361	65.214
4	.862	8.624	73.838			
5	.753	7.531	81.369			
6	.533	5.332	86.701			
7	.445	4.451	91.152			
8	.338	3.376	94.528			
9	.313	3.133	97.661			
10	.234	2.339	100.000			

The second factor consists of three variables: 5. Improves relationship between managers and employees. (.865) 6. Enhances team spirit, top management support, Openness among employees (.680) 9. Brings cooperation among employees (.567). Therefore, this factor can be named “Team work encouragement”

The interpersonal relationship among the employees and employers creates a good work environment. The human resource development climate enhances team spirit, top management support, openness, and cordiality among the employees, while team work encouragement brings cooperation and confidence among the employees in the organization. Human resource practices influence the performance by creating a strong service climate between employees and organization. The third factor consists of one variable: 10 play a significant role in improvement of individual behavior and organizational outcomes (0.709). Therefore, the factor can be named as Work Assessment.

HRD plays a predominant role in improvement of behavior and attitude of individuals towards the organization. Assessing employees’ work increases overall performance and organization outcomes, workplace safety, security and employee performance. These are the key elements of work assessment. It motivates employees and increases job satisfaction level.

### 3.2 CLUSTER ANALYSIS FOR HRD CLIMATE

Factor analysis by principal component method derived the sub factors of HR Practices, HRD climate, and the outcome of HRD. These factors act as a basis to classify the sample unit into heterogeneous clusters. At this point, K-means cluster analysis is to segment them. The results of cluster analysis are presented below.

*Classification of Employees w.r.t HRD Climate:* The factor analysis revealed the following results of cluster analysis:

Table.4. Final Cluster Centers of HRD climate

Cluster			
	Cluster 1	Cluster 2	Cluster 3
CLI	(W) 2.56	(mm) 3.82	(m) 3.18

Table.5. Number of Cases in each cluster of HRD Climate

Cluster	Cases	Percentage
Cluster 1	61.000	11.29%
Cluster 2	204.000	37.78%
Cluster 3	275.000	50.93%
Valid	540.000	100%

From the Table.4 and Table.5, it is found that the first clusters consist of 11.29 % employees with weak climate. Therefore, this cluster can be named as “Perfection seekers” and the second cluster 5 consists of 37.78 % employees with a more moderate climate. Therefore, this cluster can be named as “Mechanical Clusters”. Finally, the third cluster consists of 50.93% employees with moderate climate. Therefore, this cluster can be named as “supportive Employees”.

## 4. FINDINGS

- The HRD climate of manufacturing companies directly depends upon managerial effectiveness of the employees as well as the Team work engagement. Further, the work assessment of the employees plays a major role in developing the organization in the manufacturing sector.
- It is indicated that there is no association between gender of the employees and their perception towards HRD climate.
- It is indicated that there is no association between the age of the employees and their perception towards HRD climate. Therefore, it concludes that they have similar kind of perception towards HRD climate.
- It shows that there is no association between the managerial level and HRD climate. Therefore, it is finally concluded that the managerial level of the employees is very important to understand their perception towards HRD climate.

## 5. SUGGESTIONS

- The goal setting is not crystal clear among the employees. Therefore, to increase the personal and organizational performance, the HR department should transparently

communicate the individual goals for each and every employee.

- HRD climate is not conducive for the employees. The Top management should retain highly skilled professionals to foster a Conducive developmental climate that enhances innovation and team spirit and support from employees.
- From the study, a few HRD mechanisms like rewards, improved training methods, genuine promotion decisions, and excellent interaction among various HRD instruments are suggested for creating better impact among employees.
- Further, it is recommended that the management should endeavor to provide a favorable working environment for the employees to comfortably develop and utilize their potential without any form of inhibition.

## 6. CONCLUSION

The software sector needs to grow in harmony with world Industry to stay competitive in the software market in India. India has the potential to be a global software power. However, concerted efforts will be required to take software sustainability to better heights, wherein, the organizations shall have to increase volume, generate the requisite technology, and meet the necessary requirements that are constantly evolving. Employees are the heart of any organization. When employees feel the organization is responsive to their needs and supportive of their goals, managers and leaders can count on their followers' commitment and loyalty. To realize this, the Human Resource manager/leader works simultaneously on behalf of the organization and its employees to serve the best interests of both parties.

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