

# IMPLEMENTATION OF HUMAN RESOURCE MANAGEMENT PRACTICES: A CASE STUDY OF TEXTILE SECTOR IN RAJASTHAN

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## ABSTRACT

The study broadly assessed the impact and relationship between human resource management practices and performance of employees of the textile sector of Rajasthan. This is attained by creating and examining the model based on human resource management practices including recruitment, selection, training and performance appraisal as independent variables on the performance of employees as a dependent variable. This study also assisted the researcher to understand the impact of human resource management practices on the performance of employees. Findings of this research proved considerable relationship between human resource management practices and output of employees. All variables of human resource management practices (recruitment, selection, training, performance appraisal) are found significantly associated with performance of employees. This research provides an insight in the textile sector that what top management can do to achieve improved performance of employees.

**KEYWORDS:** Performance Of The Employees, Recruitment, Selection, Training, Performance Appraisal, Human Resource Management Practices, Textile Sector, Rajasthan.

## INTRODUCTION

At present textile industry of Rajasthan is facing few problems regarding power, water and raw material supplies and higher costs. Along with this availability of skilled manpower is also found a problem and most importantly achieving desired performance form the employees can be taken as major problem. This industry is facing highly competitive environment with other developed states like Gujarat, Maharashtra etc. and export oriented

countries like China with regard to low cost products.

The role of Textile Industry in India has been quite valuable in the economy of the country. The worldwide trade of textiles and clothing has increased the Gross Domestic Product (GDP) of India to a great extent as this sector has brought in a huge amount of revenue in the country.

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The textile industry is one of the leading sectors in the India as it contributes nearly 14 percent of the total industrial production. The textile industry in India is claimed to be the biggest revenue earners in terms of foreign exchange among all other industrial sectors in India. This industry provides direct employment to around 35 million people, which has made it one of the most advantageous industrial sectors in the country.

Reason for such a growth of the sector and competitiveness in the market is our manpower. On the other hand there is an awful fact that they don't have enough salaries and rewards because of that top quality performers (skilled employees) of Rajasthan market have been moved to other states or other business sector. These arouse the need of human resource management practices.

Only learning and knowledge type of organisations can apply and implement human resource management practices. Considering the importance of textile sector and the competitiveness of the market such practices must be implemented so that skilled manpower can be retained with employee satisfaction.

The implementation of human resource management practices in this industry has been not much significant because of the attitude of the top management, reason is that top management never realised the needs and demands of their employees. There are a small number of textile units that are practicing the human resource management in its full strength and getting maximum benefits from it and this is the fact that they are among the leaders. Therefore to build up a better understanding a research is carried out to be familiar with the benefits of practicing the human resource management and appraising it with its limitations and losses whether it is useful or not.

## **LITERATURE REVIEW**

Huselid (1995) have suggested that the impact of HRM on behaviour of the employees results in the effectiveness of the employees. Patterson et al (1997) has said that HR practices in selection and training effects the performance of the employee provided appropriate skills. Guest (2002) has established that the Impact of HRM on performance depends upon response of worker towards HRM practices, so the impact will move in direction of the perception of employees by practicing HRM. Lyons (2006) described that involvement of team member in designing of training for team leader improves leader knowledge, skills learning and performance. Ghebregiorgis & Karstan (2007) said that the perception of the employees provide broader evaluation of HRM systems. He also evaluated a positive picture of HRM practices including recruitment, selection, training and development and compensation. Qureshi et al. (2007) concluded that HR practices are positively correlated with employee's performance. Verbeeten (2008) argued that quality and quantity performance is positively associated with clear and measurable goals; incentives are also positively related with the performance. Medlin & Green (2009) has stated that goal setting, employee engagement and high level of workplace optimism collectively improves the performance of an individual of an organisation.

## **RECRUITMENT & SELECTION AND PERFORMANCE OF THE EMPLOYEES**

Lynch & Smith (2010) and Cunningham, I. (1999), Recruitment, selection is an early process to assess staff. This is concerned with recognition, appeal and selection of the suitable person meeting the job requirements of the organisation. It is an important process

to carry out, otherwise the results unsuitable recruitment, selection is extensive. Qureshi & Ramay (2006) said HRM practices are positively correlated with performance of the employees whereas selection and training is mostly related to the performance than other practices. O'Meara & Petzall (2009) found that job analysis for a particular role including competence, knowledge and experience, undertaken by the HR administrative. It is important to consider connection between successful candidate and the organisation. Selection criteria are used as basis for the questions asked by selection panel in interview.

Hsu & Leat (2000) shown that line managers participated more in the final selection decisions than was indicated for the staffing process as a whole. Heraty & Morley (1998) and Zhu et al, (2002) Stated that the staffing cannot be done in lonely manner, involvement of HR expert and line management is necessary to complete it. Zhu & Dowling (2002) line managers could help to attain a better tuning between job and the candidate by selecting the required candidate for positions in respective departments.

Chand & Katou (2007) verified that recruitment, selection, part of HRM system is strongly correlated with the profitability and recommends that management of the organisation must focus on these practices (recruitment, selection) resulting in a increased organisational profit. Stewart & Carson (1997) suggested that recruitment practices of the organisation must be consistent and coherent with HRM functions like human resource development, payment of salary and business strategy of the organisation etc. It is recognised that in staffing process, job analysis is important for all HR planning, development and utilisation activities carried out by the organisation, as job analysis plays a crucial role in staffing because it clearly indicates the specific requirement of the job, position in the

organisational structure and human requirements to perform that job.

Wickramasinghe, (2007) clarified that it is necessary to have job analysis details as it help to short list the candidate list and to conduct interview. It is observed that if the description and person specification is not available then it is responsibility of the relevant department to prepare this with the help of HR department, staffing activities cannot be started without any reference to these. Line managers are engaged in final selection of the candidate and HR planning at the departmental level, while HR staff is more interested and involved in subjects like policy making, recruiting candidates and their early screening processes.

Marques (2007) participation of HR department in hiring process helps to enhance knowledge of the workforce and required skills. It is also useful for the recognition of upgrading skill requirement of the employees. By such participation, good communication seems to have synergy effect and helps to unite the workforce. As a result of this communication, negotiations occur in more positive atmosphere which has an ultimate effect on the quality within the employees.

## **TRAINING AND PERFORMANCE OF THE EMPLOYEES**

Tzafrir (2005), Training is an important element in creating the human capital. Investing in training programs can make employees feel obliged to the company. Training is necessary for the employees to perform particular jobs because job requires particular skills and knowledge by which the job becomes much easier to perform and it is in the benefit of both the employee and the organisation. Qureshi et al (2007) found highly positive correlation between training and performance and said that training as an HR practice has a very positive impact on the performance of the

employees. Danvila del Valle et al (2009), training provides employees with the skills, capabilities and knowledge required by the post. This effect can be described in a way that the organisation is interested in investing in training for the employees and giving them confidence and intends to count on them in future, the employees will make more effort and give their best at their work in an effective way.

Jayawarna et al (2007). Formal training as compare to informal training is more effective and significantly connected with performance. Denby (2010) Training is an incessant process, one that is regularly refreshed and renewed according to the needs and requirements of the employees along with encouragement to revisit the contents after the training. Training requirements varies from industry to industry so one cannot be sure that the particular industry or the organisation should conduct training every year, semi annually or quarterly. Wilson & Western (2000) Sometimes training procedure are same for the next year which may be the indication that possible needs required to perform a job are not addressed by the manager and the employee.

Type of trainer totally depends on the nature of the training as external trainers bring huge, significant and diverse knowledge of multi corporate environment to share with trainees and internal trainers as well. So it is advantageous for them to gain knowledge to make jobs easier and effective.

## **PERFORMANCE APPRAISAL AND PERFORMANCE OF THE EMPLOYEES**

Francis & Kleiner (1994) and Boice & Kleiner (1997). Employee evaluations, also known as performance appraisals are essential for the operations of the organisation as well as the development of the employees. Evaluation of the employees is necessary as it helps to

identify the people for the leading positions in the organisation. To acknowledge employee, a proper work review of the employees must be done which further facilitates to reward them when found suitable. The implementation of the performance appraisal system is a complex and difficult job because it requires an accurate and fair appraisal of performance of an employee.

Boice and Kleiner, (1997) suggests that effective appraisal system assists to produce committed and motivated employees. It is important to be effective, accurate record keeping, clearly defined measurement system and frequent review of performance. Objectives must be decided with full consultation of the employee and supervisor which helps in direct communication between them.

Ubeda & Almada (2007) While executing performance appraisal system to appraise the competencies of each employee, it is important to notify that which skills, knowledge and attitudes should be developed so that there is a considerable improvement in the process of the organisation and jobs and tasks as well. Feedback from the employees (if well administered) helps not only in identifying the individual competencies required for the job, but also in sharing professional growth with innovation and competitiveness. Caruth & Humphreys (2008) identified that evaluation of the performance of the employee remember to use only those factors which are related with the job rather than personality characteristics and general traits.

Brown et al, (2010) Performance appraisal is the basic element of human resource management; many HR decisions are totally based on the results of the performance appraisal. Kelly et al, (2008) studied that over 80 percent of the respondents are in desire of the appraisal system along with 45 percent respondents pointing out that appraisal system

requires reformation. Fairness and clarity of the appraisal system is compulsory which results in satisfaction, higher performance, motivation and positive perception towards organisation and work.

## RESEARCH DESIGN AND METHODS

### OBJECTIVE

- To inquire the awareness level of employees about Human Resource Management Practices and Policies of Textile Firms in Rajasthan.
- To identify the effect of Human Resource Policies offered by the different firms of the textile sector of Rajasthan.
- To recognise the most neglected Human Resource Management Practices which employees believe that could help to perform better.
- To investigate the effect of introducing

Human Resource Management Practices on employers.

### HYPOTHESIS

- There is a positive relationship between Human Resource Management Practices and performance of the Employee

### RESEARCH METHODOLOGY

The research methodology based on empirical data collected through questionnaire surveys with employees working in different textile firms in Rajasthan.

Sampling unit of this research is employees of textile sector firms, 100 questionnaires were distributed and 79 returned and used for analysis. Response rate is 79%. All dimensions of Human Resource Management Practices and Employee Performance were measured on seven point Likert scales ranging from strongly disagree to strongly agree.

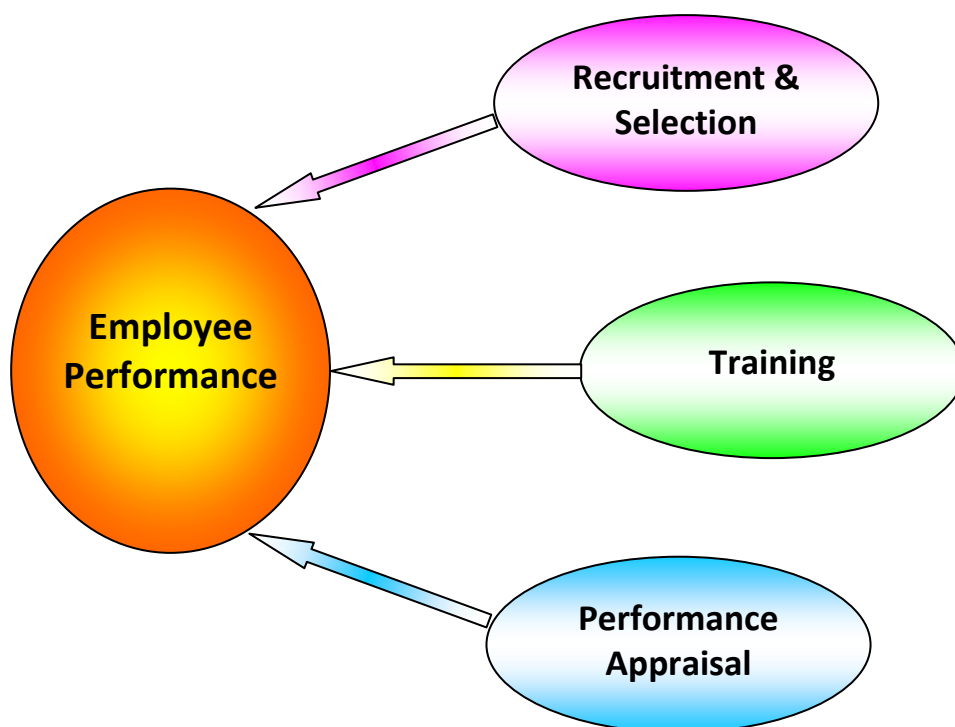


Figure 1. Human Resource Management variables

## RESULTS AND ANALYSIS

As per data, there is strong positive correlation between performance and training (0.74) with a mean of (4.7) indicating that, most of employees are idealising performance appraisal as an important factor which is directly correlated with the performance. All variables (Human Resource Management Practices) having positive correlation with employees' performance.

The results of relationship between Human Resource Management Practices and Employees performance is given in Table-2. To accept any hypothesis it is must that  $p$  value  $<0.05$ . Results have proven the significant relationship between Recruitment, selection and employees performance ( $r = 0.71$ ,  $p = 0.00$ ), training and employees performance ( $r = 0.59$ ,  $p = 0.00$ ), performance appraisal and employees performance ( $r = 0.70$ ,  $p = 0.00$ ).

**Table 1.Descriptive Statistics**

	Employee Performance	Recruitment and Selection	Training	Performance Appraisal
Mean	4.90	4.92	4.56	4.7
Median	5.14	5.00	4.71	5.00
Mode	5.43	5.00	3.71	5.71
Std. Deviation	0.96	1.10	1.18	1.30
Range	4.00	5.00	5.57	4.86
Minimum	2.29	1.57	1.14	1.71
Maximum	6.29	6.57	6.71	6.57
Sum	427.00	427.86	396.00	408.14

**Table 2.Correlations**

	E P	R&S	TRN	P A	P	Hypothesis
Employee performance (EP)	1.00					
Recruitment and selection (R&S)	0.71	1.00			0.00	Accept
Training (TRN)	0.59	0.68	1.00		0.00	Accept
Performance Appraisal (PA)	0.70	0.64	0.74	1.00	0.00	Accept

## CONCLUSION

This research is intended to explore the impact of Human Resource Management practices on the performance of the employees. To find out the performance determinants research model of Human Resource Management practices were used. There are many HR practices like recruitment, selection, training, performance appraisal, career path, compensation, job definition. Only three practices (recruitment, selection, training, performance appraisal) were considered to recognise the impact on the performance of the employees. These determinants were considered and studied

because of their utmost requirement of any textile firms of the industry. This research proved the significance of those practices which decidedly influence the performance of the employees. This research provided an insight in the textile sector that what makes an employee to perform better.

All variables (recruitment, selection, training, performance appraisal) were found to be considerably related with performance of employees (Table-2). So research conclude that recruitment, selection and performance appraisal play a crucial role for the performance of the employees, apart from this training,

compensation, job satisfaction career planning etc. are also important and these should also be considered. These results are may be the outcome of the absence of the other Human Resource Management practices which are not used in this study. All Human Resource Management practices should be used to understand their impact on the performance of the employees.

## **LIMITATIONS AND FUTURE RESEARCH**

This research considered only three human resource management practices (recruitment, selection, training, performance appraisal), while other practices should also be used to get more clear insight of the important performance determinants. The Sample consists of only the executives of the textile firms while other employees can be part of the study. It is important to have motivated employees to achieve the predetermined objectives of the organisation by discharging their duties and responsibilities so in future impact on the motivation level of the employees should also be considered in such research.

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