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## Paradigm Shift in Changing Perception of Employees Towards HR Practices in NCR

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**Abstract:** The aim of the study is to understand employee perception of changing human resources (HR) practices in contemporary organizations and its impact on their productivity, commitment and loyalty towards their organization. For the purpose of the study, both primary and secondary data related to changing HR practices were collected. While the related literary sources have been effective in furnishing empirically established information on the proposed topic, primary data collection was through a survey of selected organizations in Delhi-NCR Region, which was carried out. It was found in the survey that changing HR practices assure employees of their personal and professional well-being and serve as positive motivational factor for the employees. The major challenge of the research was to convince the participants to take part in the survey because they showed reluctance in exhibiting their views on the changed HR practices in their organization.

**Key Words:** HR Practices, impact, employee perception, Delhi NCR

### INTRODUCTION

#### Background of the study

Strategic change can only be achieved in an organization when it implements well-organized Human Resources Management (HRM) practices. HRM strategies are essential in organisations of every size and sector today in order to manage their manpower resources effectively and efficiently (Bagga & Srivastava, 2014). However, there has been a paradigm shift in the scope of HRM today where these practices have come out of the limited peripheries of generating employee applications, interviewing candidates and recruiting them. Rather, the HR practices of recent times reflect the importance of human resources as a crucial asset towards achieving organizational objectives. Therefore, incorporating innovation and creativity has been considered as central towards the achievement of organizational goals and keeping the firm competitive (Durani *et al.* 2015). Therefore, based on the dynamic changes of the modern world, industrial

technology paved the way for information technology along with transformation of the organization of tradition ways in accordance to the requirements of the 21<sup>st</sup> century (Ali 2013). Following such dynamicity in world order, changing HR practices within Indian as well as international organizations has been influenced by elements like increased global competition, management of global businesses, technological innovation, operations as per contemporary regulations and issues, union activities, ethical issues and best practice (HR policies) versus best fit (workforce, competitive advantage) (Lojić *et al.* 2014; Aziri *et al.* 2013).

The innovative HR practices that are implemented in contemporary organizations today are extremely vital in rewarding and attracting potential employees and retaining them in the organization. Moreover, these HR practices also help modern organizations in remaining competitive in the market thereby boosting employee productivity (Murthy 2015). Here it is essential to realize that there is a positive relationship between elements such as HR practices and firm performance and job satisfaction (Choi & Lee 2013). Acknowledging this phenomenon, firms have started to develop new HR strategies that look after the interests of their human resource. In turn, employees also show their dedication and loyalty towards organizations that care for them and reward their services (Goyal & Shrivastava 2012). In nutshell, it can be said that organizations with newer and more valuable HR policies experience greater financial outcomes in terms of profitability as well as non-monetary outcomes such as client satisfaction (Goyal & Shrivastava 2012; Vermeeren *et al.* 2014).

### **AIM OF THE PAPER**

This research aims at understanding how changing HR practices affect the perception of the employees regarding HR practices, with underlying objectives being–

- Exploration of the area of employee perception and its significance within organizational context.
- Examining the potential impact of HR practices on employee perception, taking the case of Indian firms into consideration

### **LITERATURE REVIEW**

#### **Employee perception and its importance and impact of HR practices on employee perception**

Employee perception refers to the viewpoint of employees regarding the strategic practices of an organization which affects their performance, behavior and engagement. In context of human resources management, employees show greater motivation towards the organization when they perceive that the implemented HR practices are focused towards achieving high quality organizational service and look after employee well-being. On the other hand, employee motivation is minimal when employees perceive that the HR practices are aimed towards reducing cost by exploiting employees. Hence, in order to ensure that the right organizational outcomes can be achieved, it is not only essential for the organizations to implement the right HR practices but also gauge employee perception about those practices (Cornell University 2011).

In this regard, Nielsen and Randall (2012) suggest that implementing theories related to team management and human resource planning do not always lead to the stated outcome in reality. The perception of employees regarding the outcome of these HR practices is most essential because their active participation in such practices can only ensure that the estimated changes would take place in the organization. Katsaros

*et al.* (2014) further opine that when employees have positive perception about organizational readiness to change, supervisory support and appropriateness of organizational change can only motivate them to show commitment towards their organizational responsibilities, greater involvement and satisfaction.

Wang and Hwang (2012) suggest that employee perception is related with HR practices. The perception that employees develop towards the human resource management practices implemented by the organization determines the extent of satisfaction they will have towards their job and their commitment towards the organization. The research of Shabbir (2014) agrees with this by suggesting that there is positive link between employee perception regarding their performances and HR practices. Thus, if special importance is placed upon these practices while implementing human resource management in an organization, employee perception about the motive behind such practices becomes positive. This makes them more confident of the organizational processes, reflecting on their increased productivity.

### **Review of recent empirical researches on changing employee perception and HR policies in Indian firms**

One of the changing approaches of HRM today is that organizations set their HR practices according to their **culture** and the **macro-economic factors** of the country in which they operate. Globalization additionally serves as an essential driver for setting specific benchmarks for the HR policies that should be followed (Ishrat & Habib 2012). In addition, the contemporary HRM practices also focus upon **segmenting** the workforce according to criteria such as age, educational background and proficiency so that tailor made policies pertaining to training and development, skill testing, and job responsibilities can be implemented according to the specific needs of each segment. The purpose of such customized HR practices of recent times is to boost the morale of the workforce and retain the highly skilled employees (Durani *et al.* 2015).

There have been research attempts made by authors in the past to study the relationship between employee perception of HR practices and changing HR practices in firms. This section reviews a few of them in the context of India and accordingly identifies the gaps in them in order to validate the primary study of this research. In 2010, Stumpf *et al.* conducted a study on the relationship between changing employee perception and HR policies in Indian companies in information technology, manufacturing, and service sector. As methodology for the study, a survey of 4,811 employees from selected firms across India was conducted. The research findings suggested that positive employee perception about the outcome of HR practices on their career success influence employees to give their best of organizational performance.

Joseph (2012) conducted a research on employee perception of innovative HR practices and employee outcome in the software industry of India. Questionnaire survey was selected as the methodology for collecting data on the research topic. The findings suggested that employee perception about the fruitfulness of HR practices on their career and wellbeing have direct connection with variables such as job satisfaction, organisational commitment and organisational citizenship behavior. Srivastava & Bagga (2014) in their study discuss the HRIS usage in various functionalities of the HR department in the Indian scenario. Information systems have grown as an integral part of every business process in an organization. Human resource information system (HRIS) forms an integration between human resource management (HRM) and information technology (IT). Its usage has aided HR to shed its administrative burden to a great extent. They report a massive gap in the usage of HRIS, which can be tapped by the companies for improving the perception of employees towards the quality of HR function. Research conducted by Kaur

(2014) focused on finding out how employee perception of HR practices impact upon their performance in domestic BPO firms in India. Besides literature review, questionnaire survey of participating HR managers of selected BPOs was conducted. The findings established that selection of the right HR practices that give employees the feeling that their interests are being catered to properly result in enhancing their organizational commitment and productivity. Rajathi and Divya (2016) conducted a study to apprehend how employee perception towards HR policies impacts the overall performance of organization. While the study focused upon BPO firms in India, the researcher chose to conduct an interview of 90 respondents from selected BPO firms. The research findings established that HR policies that aim at establishing harmony between employer and employee by recognizing practices that attract best talents, provide them good working environment and works towards retaining them help the organization in accomplishing its goals successfully.

In view of the above researches, it can be assessed that although there have been studies on employee perception of HR practices in Indian firms, none of them have taken into account the *new-age* HR practices, i.e. recently implemented changes in HR practices.

## METHODOLOGY

Having established the significant role played by HR practices on employee perception and behavior through empirical investigation on studies conducted over the past six years, this research has collected secondary as well as primary data for examining its proposed theoretical framework. This is because secondary data collection method has been helpful in establishing the theoretical framework and validating the primary research findings (Saunders *et al.* 2009). On the other hand, collection of up-to-date and first-hand data through primary data collection has helped in establishing the ground reality of the study (Gray 2013). Thus, twenty-five randomly selected employees from three chosen organizations in Delhi-NCR in automobile, IT and BPO sector (N=75) have been surveyed for the study by means of close ended research instrument, taking 11 elements within changing HR practices such as globalization, work force diversity, changing skill requirements, corporate downsizing, continuous improvement programs, re-engineering work processes, contingent workforce, decentralization, technology, health and family work life balance. Analysis of the quantitative data collected so-forth has been made by means of SPSS software in order to interpret the research results. Null hypotheses proposed, based on the empirical investigation carried out are–

**H<sub>0</sub>:** Contemporary HR practices based on latest trends and demands have no impact on employee perception

## ANALYSIS

### Descriptive Analysis

This section presents descriptive analysis of the profiles of the respondents based on their age, gender, educational level, current job title and experience.

### Inferential analysis

Inferential analysis was carried out through utilization of Correlation and Regression tools, to achieve the aim and examine the hypothesis that HR practices exercise some degree of impact on employee perception.

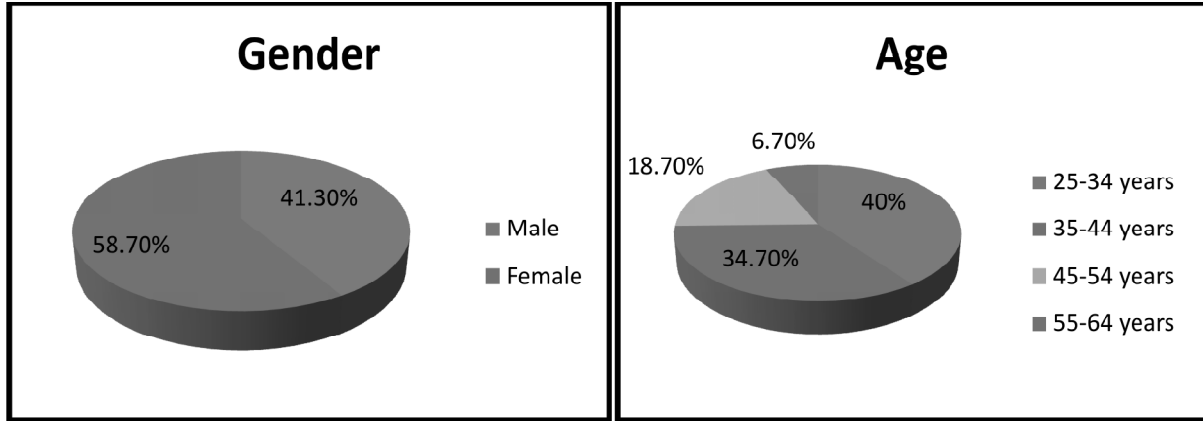


Figure 1: Age and Gender based demographic profile

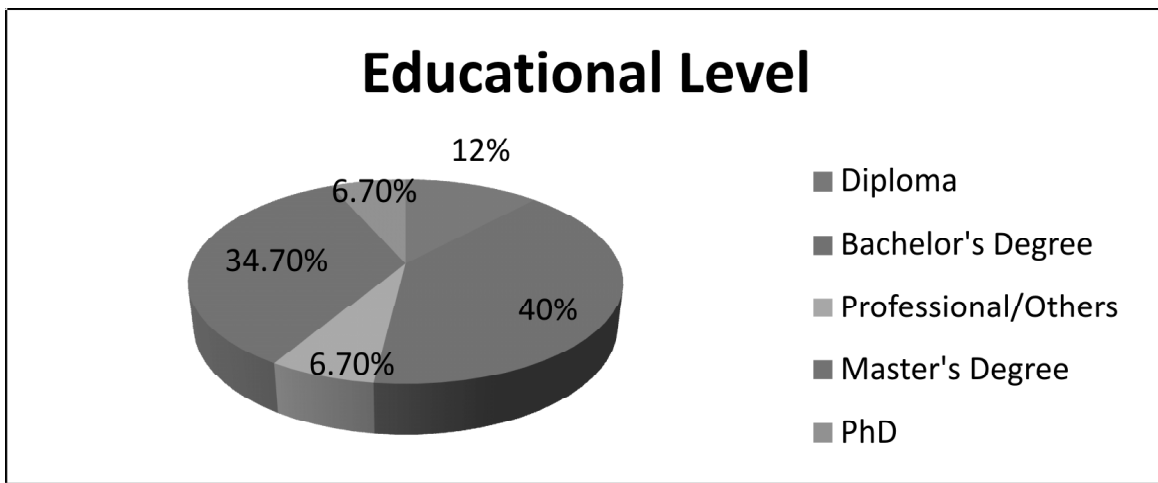


Figure 2: Educational level based demographic profile

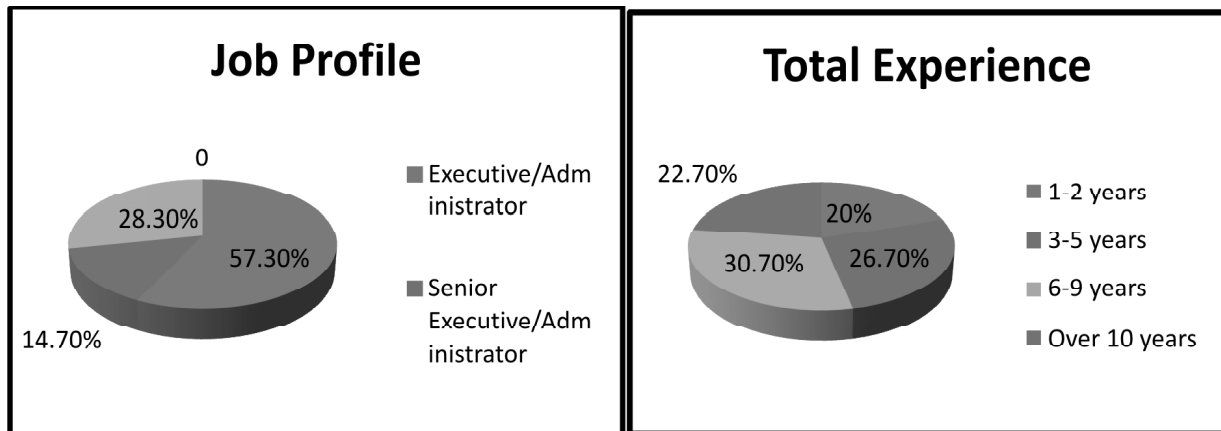


Figure 3: Job Profile and Total Experience Distribution of Respondents

While Pearson Correlation values enable to establish the relationship between dependent (employee perception) and independent variables (current HR practices) (Cohen *et al.* 2013; Hauke & Kossowski 2011), regression enabled to gauge the impact of the latter on the former (Lewis 2007; Quinino *et al.* 2013).

Correlation analysis projected a positive and significant causal relation between the dependent (employee perception) and independent variables (changing HR practices). For instance, the study finds that the Pearson correlation between Employee perception and HR practices on ensuring of appropriate mix of employees in terms of knowledge, skills and cultural adaptability to handle global assignments is 0.829 and 2-tailed significance is 0.000. Similarly, the correlation between Availability of training opportunities to individuals to meet the challenges of globalization and employee perception is 0.621 while the 2-tailed significance is 0.000. This again suggests that if proper training options based on age and skill differences along with recognition of the differences are given to individuals before assigning them challenging tasks then they develop positive perception about the HR practices. The study findings relate with that of the study of Ashar *et al.* (2013) where it has been stated that when training becomes a part of the HR practices prevalent in organizations it generates a sense of commitment of the employees towards their organization.

Eventually, such committed productivity of the employees result in greater productivity of the organization (Bagga & Khanna, 2014). Similarly, the study conducted here suggests that other variables of HR practices such as recognition of differences in workers and appreciation and celebration of these differences during training, work schedule flexibility and provision of employee beneficial schemes, strategic human resource planning for weighing the shortcomings of individual employees and training programs for bridging these gaps in skills also have positive relation with employee perception of human resource practices in organizations (Bagga, 2015).

**Table 1**  
**HR variables that have positive relation with employee perception of HR practices**

		<i>Employee perception</i>
<i>Employee perception</i>	<i>Pearson Correlation</i>	<i>1</i>
	<i>Sig. (2-tailed)</i>	
	<i>N</i>	<i>75</i>
<i>appropriate mix of employees in terms of knowledge, skills and cultural adaptability</i>	<i>Pearson Correlation</i>	<i>.829**</i>
	<i>Sig. (2-tailed)</i>	<i>.000</i>
	<i>N</i>	<i>75</i>
<i>Availability of training opportunities</i>	<i>Pearson Correlation</i>	<i>.621**</i>
	<i>Sig. (2-tailed)</i>	<i>.000</i>
	<i>N</i>	<i>75</i>
<i>Training programs include recognition of differences in workers with their appreciation and celebration</i>	<i>Pearson Correlation</i>	<i>.738**</i>
	<i>Sig. (2-tailed)</i>	<i>.000</i>
	<i>N</i>	<i>75</i>
<i>Flexible work schedules</i>	<i>Pearson Correlation</i>	<i>.591**</i>
	<i>Sig. (2-tailed)</i>	<i>.000</i>
	<i>N</i>	<i>75</i>
<i>Training programs for people of different age groups</i>	<i>Pearson Correlation</i>	<i>.829**</i>
	<i>Sig. (2-tailed)</i>	<i>.000</i>
	<i>N</i>	<i>75</i>
<i>Weighs the skill deficiencies and shortages</i>	<i>Pearson Correlation</i>	<i>.645**</i>
	<i>Sig. (2-tailed)</i>	<i>.000</i>
	<i>N</i>	<i>75</i>
<i>Devises suitable training and short term programs to bridge the skill gaps &amp; deficiencies</i>	<i>Pearson Correlation</i>	<i>.862**</i>
	<i>Sig. (2-tailed)</i>	<i>.000</i>
	<i>N</i>	<i>75</i>
<i>Offer skill training to its employees to new process</i>	<i>Pearson Correlation</i>	<i>.621**</i>
	<i>Sig. (2-tailed)</i>	<i>.000</i>
	<i>N</i>	<i>75</i>

However, the study detects weak relation between HR variables such as organizing family day out for the staff and their families, paternity leaves and provision of development assistance like loans to meet family needs and social development has been found which suggests that such practices are still not available in the private sector of India.

**Table 2**  
**HR variables that have negative relation with employee perception of HR practices**

		<i>Employee perception</i>
<i>Employee perception</i>	<i>Pearson Correlation</i>	1
	<i>Sig. (2-tailed)</i>	
	<i>N</i>	75
<i>Convince management to organize family day out for the staff and their families</i>	<i>Pearson Correlation</i>	.461**
	<i>Sig. (2-tailed)</i>	.000
	<i>N</i>	75
<i>Ensures provision of parental leave (paternity)</i>	<i>Pearson Correlation</i>	.445**
	<i>Sig. (2-tailed)</i>	.000
	<i>N</i>	75
<i>Provision of development assistance like loans to meet family needs and social development</i>	<i>Pearson Correlation</i>	.233*
	<i>Sig. (2-tailed)</i>	.044
	<i>N</i>	75

Having established the causality in relationship between the dependent and independent variables, it is imperative now to examine the impact of the HR practices on employee perception. Regression analysis presented in Table 3 below suggests that adjusted R square value is 0.842, which indicates that 84.2% variation is present in the employee perception regarding different variables of HR practices. The results of ANOVA, considered to determine statistical significance of the differences between the means, depicted in Table 3 show with F-value of 22.952 significant at 0.000, thereby suggesting 84.2% variation in employee perception on HR practices depending on contemporary demands.

**Table 3**  
**Regression values of R, R<sup>2</sup>, F and Significance**

R	R <sup>2</sup>	F	Sig.
.938 <sup>a</sup>	0.881	22.952	.000 <sup>b</sup>

The study further depicts that negative value has been found in coefficients such as strategic human resource planning carefully weighing the skill deficiencies and shortages, representing beta value of -.210 significant at 0.031, and sacrificing sometimes for days off to enable employees to attend to their family issues, representing beta value of -0.379 significant at 0.008. This suggests that the HR practices within the

**Table 4**  
**Regression values of R, R<sup>2</sup>, F and Significance**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	-.039	.371		-.105	.917
Strategic human resource planning carefully weighs the skill deficiencies and shortages	-.210	.095	-.220	-2.218	.031
Sacrifice sometimes for days off to enable employees to attend to their family issues	-.379	.137	-.367	-2.764	.008

case organizations are yet to integrate such areas, uplifting employee perception and ensuring their wellbeing, as understood from the negative causality derived.

Hence, upon interpreting the statistical results derived from Correlation and Regression tools, a strong causality between HR practices has been established, although there lays certain negative impact of some HR practices on employee perception. Overall, HR practices does impact employee perception, and therefore the rejecting the null hypothesis, the alternate hypothesis has been accepted.

**H1:** Contemporary HR practices based on latest trends and demands exercises significant impact on employee perception

## CONCLUSION

The study has been conducted to understand the impact of employee perception of changing HR practices on their productivity, efficiency and organizational commitment. The study specifically focused on BPO, IT and automobile firms in India and it has been established that there is a gap between the theoretical and practical outcome of new HR practices because employee perception serves as a major determinant here. Thus, some HR related variables such as training before assignment of tasks, identification of skill shortcomings have positive impact upon the employees as they feel that the organization looks after their well-being. However, HR practices related to provision of paternal leaves for employees and development assistance like loans to meet family needs and social development do not have much significance as employee motivational factors.

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