

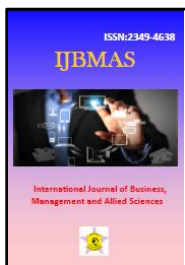
**INTERNATIONAL JOURNAL OF BUSINESS, MANAGEMENT
AND ALLIED SCIENCES (IJBMAS)**
A Peer Reviewed International Research Journal

**STAFF PERCEPTIONS OF HOW HUMAN RESOURCE MANAGEMENT
PRACTICES INFLUENCE ORGANISATIONAL PERFORMANCE**

DHANAVATH MOHAN KUMAR NAIK

BMMM, Team Leader (IT)

Knights bridge Information Technologies, Private limited, Hyderabad.



ABSTRACT

The researcher developed a model, based on an extensive review of the literature and using the resource-based view and contingency theory. Within the model a set of HRM practices and mediators including organisational culture were suggested as determinants of organisational performance. A set of research hypotheses concerning the links between variables were formulated.

Data was gathered using a set of questionnaires to measure staff perceptions. The questionnaires were designed to take cultural considerations into account and the survey was conducted ethically and objectively.

KEYWORDS: data, staff, culture, perception and performance

INTRODUCTION

Given this objective, the positivist perspective is appropriate as it supports a methodology that seeks to objectively measure the impact of a particular set of variables on organisational performance. These variables, as suggested by neo-positivist considerations have been carefully selected and as noted in the literature review for this thesis the various links between a range of variables and organisational performance has already been well researched. In addition, and again as noted as an important consideration in the neo positivist research approach, the researcher has taken care to ensure that intermediate variables are considered and thus addresses the criticism made of positivist approaches that causal relations are not fully explored. The researcher has carefully considered the importance of objectivity in positivist research and has been carefully to design the study in such a way as to remove any pre-conceptions or bias from either the subjects of the research or the researcher himself. Finally, and again consistent with the discussion of neo positivism given above, the researcher has been very careful to give full consideration of the context in which the research has been conducted (Bahraini private universities) and ensure that the outputs of the empirical work are described and interpreted within this context. Generally quantitative approaches are used when conducting positivist research and in terms of research methods "positivist research tends towards the use of survey questionnaires for data collection and statistical analysis for hypothesis testing so that relationships may be explained and a valid and generalizable conclusion reached" (abdalla, I.A.H.(1997). Thus positivist research tends to be more structured and often uses measures which are based around ensuring that findings are "statistically reliable" (abuznaid, S. (2006)).

Examining the research questions, it can be seen that to answer these, the best suited approach is to use the positivist line of inquiry. These questions have been thoroughly examined and

a set of hypotheses are developed. The development of the research questions has been based on a comprehensive review of theories relating to HRM and the link between HRM and organisational performance, which subsequently led to the formation of a conceptual framework. The process then follows a deductive line of reasoning through theories of the relation between HRM and performance, which helped to frame the questions to ensure that the results were valid and reliable and did not make claims beyond the very specific claims which were tested. Thus, hypotheses from the conceptual domain, causality i.e. how HRM relationship to perceptions of organisational performance, comparisons with empirical results and theory, discussion of implications, assumptions made, and finally generalisation of findings after rigorous analysis are all important to ensure that the researcher fully meets the claims for the study.

There are several theories that are important in examining the relationship between HRM and organisational performance such as Contingency Theory; AMO Theory; Universalistic Perspective; Configurational Approach; and HRM Black Box. The examination of theories and the arguments which they put forward formed the basis of the three research questions used for research. These research questions which were discussed in Section I are formulated based particularly to theories based on the concept of the HRM-performance relationship and HRM Black Box.

This research is very solidly based around knowledge of these theories and thus it is appropriate to apply a methodology involving deductive reasoning. As researchers have argued, with deep roots in the theory of the study, the deductive approach seems the most suitable path to use in finding answers to these questions (abdalla, I.A.H.(1997), abuznaid, S. (2006)). The process involves five major steps: Determining a testable hypothesis or hypotheses, expressing the hypotheses in operational form; testing each operational hypothesis; examination of findings and finally modification of the theory if necessary (based on findings).

Testable hypotheses developed from the integration of the theories to form the conceptual framework

- H1: Staff in Bahraini private universities perceive that there is a direct, positive and significant relationship between HRM practices and organisational performance.
- H2: Staff in Bahraini private universities perceive that employee commitment mediates the relationship between HRM practices and organisational performance.
- H2a Staff in Bahraini private universities perceive that HRM practices directly, positively and significantly are related to employee commitment.
- H2b Staff in Bahraini private universities perceive that employee commitment directly, positively and significantly are related to organisational performance.
- H3: Staff in Bahraini private universities perceive that employee retention mediates the relationship between HRM practices and organisational performance.
- H3a Staff in Bahraini private universities perceive that HRM practices directly, positively and significantly are related to employee retention.
- H3b Staff in Bahraini private universities perceive that employee retention directly, positively and significantly are related to organisational performance..
- H4: Staff in Bahraini private universities perceive that organisational culture mediates the relationship between HRM practices and organisational performance.
- H4a Staff in Bahraini private universities perceive that HRM practices directly, positively and significantly are related to organisational culture.
- H4b Staff in Bahraini private universities perceive that organisational culture directly, positively and significantly are related to organisational performance.
- H5: Staff in Bahraini private universities perceive that organisational culture is directly and positively related to the mediation variables; employee commitment and employee retention.

H5a Staff in Bahraini private universities perceive that organisational culture directly, positively, and significantly is related to employee commitment.

H5b Staff in Bahraini private universities perceive that organisational culture directly, positively and significantly is related to employee retention.

The first step involved in the process is determining the research questions resulting from the conceptual framework based on theory. The next phase of the deductive process is to express the hypotheses in operational form. This is how the generated hypotheses may be measured. The appropriate measurement tools or methods to be used in the context of this research will be discussed in earlier sections on the Study Design.

DISCUSSION

The first sub-hypothesis of the second hypothesis (H2a) (Action T and W. (2003) hypothesizes the relationship between HRM practices and employee commitment; hence it states that HRM Practices directly, positively and significantly affect the commitment of employee. The result of testing this study's sub-hypothesis showed that the relationship is supported (t value = 5.239, $p < .001$). The result of this study is consistent Abraham C. And Cohen, A. (2005), since the analyses of web based survey data revealed that in the case of 'separatist' faculty decentralisation, compensation, training/development, positional tenure and career mobility have significant effects. Age, organisational tenure, level of autonomy, working hours, social involvement and personal importance significantly affects the employees' organisational commitment in the 'hegemonist' faculty Ahmad, O., & Schroeder, R. G. (2003). It is also consistent with Stup (2006) which indicates that employee-reported perceptions of HRM practices were strongly related to organisational commitment. Satisfaction with feedback, employee participation, and satisfaction with performance reviews were significant ($p < .05$) predictors of affective and normative organisational commitment, and perceived organisational support. In addition, the results of a survey conducted by Chew and Chan (2008) are in agreement with the result of this study since their study revealed that organisational commitment was positively affected by 'person organisation fit', remuneration, recognition, and an opportunity to undertake challenging employment assignments. Intention to stay was also significantly related to person-organisation fit (P-O fit), remuneration, recognition, training and career development. Surprisingly, training and career development was not significantly related to organisational commitment and providing the employee with a challenging assignment was not significantly related to intention to stay Ahmad, M. And Allen, M. (2015).

Also, the result of this study is in line with the result of Akhtar, S, Ding, D Z, and Ge G L (2009). which revealed that the selected organisations frequently practice the Islamic approach in all its human resource management (HRM) functions. The results of correlation and regression analysis show that the quantitative analysis of the data thus demonstrates the link between HR practices and staff perceptions of organisational performance and also support a close examination of the link between mediating variables which may moderate this i.e. organisational culture, employee commitment and employee retention. Testing the mediating variables and demonstration of the link which was hypothesised in the study model should therefore be seen as a contribution to 'opening the black box' as it clearly demonstrates the significance of the mediating variables pathway in the model.

It should be noted that whilst the researcher has conducted an empirical piece of research which, in order to ensure conclusions were valid and robust, was focussed very much on using a quantitative approach to demonstrate as set of 5 hypotheses/sub-hypotheses, the research process involved a much wider examination of the subject of linkages between HRM and staff perceptions of organisational performance. In particular, the collection of an extensive data set which was derived from the views of 280 staff working in the sector and the interviews and contact made by the researcher with the HR community and university employees in Bahrain provides the basis for making some more general conclusions and observations. This has informed some of the discussion which follows in this section.

The pragmatic approach to science involves using the method which appears best suited to the research problem and not getting caught up in philosophical debates about which is the best approach. Pragmatic researchers therefore grant themselves the freedom to use any of the methods, techniques and procedures typically associated with quantitative or qualitative research. They recognise that every method has its limitations and that the different approaches can be complementary." Aken, J. V., Berends, H. And Bji, H. v. d. (2012).

This approach would have given a solid theoretical basis for using mixed methodologies. In fact, in addition to using quantitative methods as the main method for data analysis and conclusions the researcher also examined some of the data qualitatively and the results of examining the qualitative comments provided on some of the questionnaires and the comments fed back verbally to the researcher are discussed in the Conclusions chapter. However, this could have been more extensively done. However, it would have been very challenging to take a completely comprehensive approach to analysing the data exhaustively using appropriate tools for interpretation of qualitative data, for example through using textual analysis.

In addition, as noted in the thesis the application of a qualitative design would have been difficult because culturally conducting open discussions and using, for example, focus groups and interviews is not common in the culture of Bahrain

CONCLUSION

The acknowledged limitations of this study have led to suggestions for further research. Future research should include more universities both public and private. In addition, future researchers should also consider moderating variables such as national culture, the labour market and legal and regulatory environment. Adding other dimensions of the staff perceptions of organisational performance such as the financial dimension would be a valuable addition to the research model but as explained in the research presented here this is not a viable option without a culture change which brings about more openness and transparency within the sector not only in terms of their financial performance but also in a whole range of performance related benchmarks. As noted these are generally available in western cultures through the provision of league tables for a range of areas of activity and from statistical data on university performance (published in the UK for example by the Higher Education Statistical Agency (HESA))

Moreover, as noted above the current study used a cross-sectional design, and it would be valuable to conduct a longitudinal study to examine whether or not the variables and their relationships are consistent over time.

It should also be noted that the research has collected a large and useful data set which represents a significant population in terms of the employees of Bahraini private universities. There is potential to 'mine' this data further. In particular, it would be interesting to examine the data and draw comparisons between some of the different groups of respondents to the questionnaire survey. For example, there the data could be used to look comparatively at responses by gender or by nationality of employees. However, the researcher is aware that in order to do this it would be ethically correct to contact the respondents to ensure that they were willing for the data to be used for purposes other than that for which it was originally gathered.

Finally, the results reached in this study are believed to assist Bahraini universities and other Arab countries with similar characteristics. However, comparative studies would be valuable to compare the findings of this study with other developing countries. By conducting a similar study on different countries that perhaps share basic characteristics with Bahrain, the findings reached might be compared to the results of this study, and affirm, refute, or extend its results.

REFERENCES

- [1]. Abdalla, I.A. H. (1997) Construct and Concurrent Validity of Three Protestant Work Ethic Measures in an Arabian Gulf Society, *Journal of Managerial Psychology*, Vol. 12 (4), 251-260.
- [2]. Abuznaid, S. (2006) Islam and management: what can be learned? *Thunderbird International Business Review* Vol. 48 No. 1 pp. 125-139

- [3]. Acton, T and Golden, W. (2003) Training the knowledge worker: a descriptive study of training practices in Irish software companies. *Journal of European Industrial Training*. Vol. 27 No. 2 pp.137-146
- [4]. Abraham, C. and Cohen, A. (2005). Organizational Reputation as a Source of Sustainable Competitive Advantage and Above- Normal Performance: An Empirical Test among Local Authorities in Israel. (Online) <http://www.pamij.com/6-4/6-4-1-carmeli.html>,. (Accessed: 2015)
- [5]. Ahmad, O., & Schroeder, R.G. (2003). The impact of human resource management practices on operational performance: Recognizing country and industry differences. *Journal of Operations Management*, Vol. 21 (1): 19-43.
- [6]. Ahmad, M. and Allen, M. (2015) High performance HRM and establishment performance in Pakistan: an empirical analysis. *Employee Relations*. Vol. 37 No. 5 pp.506-524
- [7]. Akhtar, S, Ding, D Z, and Ge G L (2009), Effects of Inter- and Intra-hierarchy Wage Dispersions on Firm Performance in Chinese Enterprises. *International Journal of Human Resource Management*, Vol. 20, No. 11, 2370-2381.
- [8]. Aken, J.v., Berends, H. and Bji, H. v. d. (2012) Problem Solving in Organizations: A Methodological Handbook for Business and Management students. *2nd edition*.
-