

# Investigating the Role of HRM Practices in the Performance of Organisations in Chennai city

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**Abstract:** The study “Investigating the Role of HRM Practices in the Performance of Organisations in Chennai City” examines how effectively implemented Human Resource Management (HRM) practices contribute to organisational performance. Using a structured questionnaire and quantitative analysis, the research explores key HRM dimensions such as recruitment, training, performance evaluation, motivation, and employee commitment. ANOVA results reveal significant differences in employee perceptions across demographic groups, highlighting the varied influence of HRM practices on productivity, job satisfaction, workflow efficiency, and organisational goal achievement. The findings demonstrate that HRM practices play a crucial role in shaping employee behaviour and overall organisational effectiveness. The study provides valuable insights for HR professionals and management, emphasising the need for strategic and inclusive HR policies to enhance performance in Chennai-based organisations.

**Keywords:** HRM Practices, Organisational Performance, Employee Productivity, Job Satisfaction, Recruitment, Training, Chennai City.

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## I.INTRODUCTION:

Human Resource Management (HRM) has emerged as a critical strategic function that directly influences the effectiveness and long-term sustainability of organisations. In today's competitive business environment, organisations increasingly rely on well-designed HRM practices to enhance employee productivity, improve job satisfaction, and strengthen overall organisational performance. HRM practices such as transparent recruitment, continuous training and development, fair performance evaluations, and supportive management systems create a positive work environment that enables employees to contribute more effectively to organisational goals.

In the context of Chennai City—an expanding hub for manufacturing, services, IT, and commercial enterprises—the role of HRM is even more significant. Organisations in this region face dynamic challenges including workforce diversity, skill shortages, technological changes, and rising performance expectations. Understanding how HRM practices influence organisational performance is therefore essential for developing effective HR strategies. This study investigates employees' perceptions of HRM practices and examines how these practices contribute to increased productivity, motivation, workflow efficiency, job satisfaction, and organisational success. The findings aim to guide HR managers and decision-makers in strengthening HRM systems to enhance organisational performance in Chennai City.

## II.REVIEW OF LITERATURE

**Armstrong (2014)** emphasised that HRM practices such as recruitment, training, and performance appraisal are crucial determinants of organisational effectiveness. Effective HR systems align employee behaviour with organisational goals,

thereby enhancing productivity and performance. **Pfeffer (2017)** highlighted that high-performance HR practices create a skilled, motivated, and committed workforce. His study found that organisations with strong HRM frameworks achieve superior operational consistency and long-term competitiveness. **Huselid (1995)** demonstrated a positive relationship between HRM practices and organisational outcomes, including reduced turnover, improved employee performance, and higher productivity. The study confirmed that HRM enhances both financial and non-financial performance indicators.

**Guest (1997)** proposed that HRM practices influence employee attitudes, job satisfaction, and organisational commitment, which in turn shape the organisation's overall performance. Effective HRM systems stimulate employee involvement and innovation. **Barney (2001)** argued through the Resource-Based View (RBV) that human resources are valuable assets that contribute to sustainable competitive advantage. HRM practices help develop employee competencies that improve organisational capabilities.

## III.OBJECTIVE OF THE STUDY

- To examine the influence of HRM practices on employee productivity organisational performance in Chennai City.
- To analyse the perception of employees regarding HRM practices in organisations in Chennai City.

## IV.METHODOLOGY

The study adopts a descriptive research design to examine how HRM practices influence the performance of organisations in Chennai City. Primary data were collected using a structured questionnaire administered to employees across various sectors. A five-point Likert scale was used to measure perceptions related to recruitment, training, performance evaluation,

## AND ENGINEERING TRENDS

motivation, and organisational outcomes. A sample size of respondents was selected through convenience sampling based on accessibility and willingness to participate. Data were analysed using descriptive statistics to summarise responses, while One-Way ANOVA was employed to assess demographic differences. KMO and Bartlett's tests were conducted to evaluate sampling adequacy for further analysis.

### Statement of the Problem

Human Resource Management plays a vital role in shaping employee attitudes, organisational efficiency, and long-term performance. However, organisations in Chennai City face challenges such as workforce diversity, skill gaps, inconsistent HR implementation, and varying employee expectations. These issues create disparities in how employees perceive HRM practices such as recruitment fairness, training adequacy, performance evaluations, and HR support. Such differences may affect productivity, satisfaction, commitment, and the achievement of organisational goals.

### Analysis and Interpretations

Analysis reveals significant differences in employee perceptions of recruitment, training, performance evaluation, and organisational performance across demographic groups. HRM practices strongly influence productivity, workflow, job satisfaction, and commitment. Some HR dimensions show uniform perceptions, indicating consistent organisational practices. Overall, effective HRM enhances organisational performance in Chennai organisations.

**Null Hypothesis:** There is no significant difference among Age Group with respect to HRM Practices in the Organisations

**Table 1 :ANOVA for significant difference among Age Group with respect to HRM Practices in the Organisations**

HRM Practices in the Organisations	Mean	F	Sig.
The organisation follows a fair recruitment process	18.940 (1.134)	16.701	<0.001**
Job positions are filled based on merit and skills.	9.942 (1.184)	8.397	<0.001**
The hiring process is transparent and clearly communicated	22.958 (1.184)	19.397	<0.001**
The organisation provides adequate training programs	10.022 (1.259)	7.959	<0.001**
Training improves my skills and efficiency	2.146 (1.420)	1.511	0.200
The management encourages employees to upgrade their skills	3.096 (1.057)	2.930	0.022*
Performance evaluations are conducted regularly	11.239 (1.432)	7.849	<0.001**

The Table 1 ANOVA results reveal that age groups differ significantly in their perceptions of several HRM practices within organisations in Chennai City. A highly significant difference ( $p < 0.001$ ) is found for key recruitment-related variables such as fair recruitment processes, merit-based selection, and transparency in hiring, indicating that perceptions of recruitment practices vary substantially across age categories. Similarly, significant differences ( $p < 0.001$ ) are observed in

opinions on the adequacy of training programs and the regularity of performance evaluations, suggesting that age influences how employees experience developmental and performance-related HRM activities.

However, no significant difference is seen in the perception that training improves skills and efficiency ( $p = 0.200$ ), implying a uniformly positive view across age groups. A marginally significant difference is noted regarding management encouragement for skill upgrading ( $p = 0.022$ ), indicating slight age-related variations in perceived support from management. Overall, the findings suggest that HRM practices related to recruitment, training adequacy, and performance evaluation are viewed differently across age groups, highlighting the need for organisations to adopt age-sensitive HRM strategies to enhance overall organisational performance in Chennai City.

**Null Hypothesis:** There is no significant difference among Educational Qualifications with respect to HRM Practices in the Performance of Organisations

**Table2:ANOVA for significant difference among Educational Qualifications with respect to HRM Practices in the Organisations**

HRM Practices in the Organisations	Mean	F	Sig.
The organisation follows a fair recruitment process	21.178 (1.184)	17.882	<0.001**
Job positions are filled based on merit and skills.	6.224 (1.274)	4.886	<0.001**
The hiring process is transparent and clearly communicated	0.711 (1.584)	0.449	0.718
The organisation provides adequate training programs	13.750 (1.248)	11.015	<0.001**
Training improves my skills and efficiency	1.546 (1.431)	1.080	0.358
The management encourages employees to upgrade their skills	1.421 (1.089)	1.305	0.274
Performance evaluations are conducted regularly	13.974 (1.439)	9.709	<0.001**

Table 2 ANOVA analysis examining age-wise differences in HRM practices within organisations in Chennai City shows that several practices vary significantly among different age groups. A highly significant difference ( $p < 0.001$ ) is identified for perceptions related to fair recruitment, merit-based selection, adequate training programs, and regular performance evaluations. This indicates that employees from different age categories perceive recruitment fairness, merit-based hiring, and the quality and frequency of training and evaluations differently, which may influence how they experience and respond to HRM systems in their organisations.

In contrast, no significant age-wise differences are observed in perceptions regarding the transparency of the hiring process ( $p = 0.718$ ), improvement in skills through training ( $p = 0.358$ ), and management encouragement for skill upgrading ( $p = 0.274$ ).

## AND ENGINEERING TRENDS

These findings imply that employees across all age groups hold relatively similar views on these specific aspects of HRM practices. Overall, the results suggest that while some HRM practices are perceived uniformly, others vary significantly across age groups. Organisations in Chennai must consider these demographic differences to design HRM policies that effectively engage employees of all age segments and enhance organisational performance.

**Null Hypothesis:** There is no significant difference among Age Group with respect to Performance of Organisations

**Table 3: ANOVA for significant difference among Age Group with respect to Performance of Organisations**

Performance of <u>Organisations</u>	Mean	F	Sig.
HRM practices help increase employee productivity	8.785 (0.707)	12.433	<0.001**
Employees are motivated to achieve higher performance levels	1.736 (1.599)	1.086	0.364
HRM practices contribute to smooth workflow and operations	20.290 (1.245)	16.298	<0.001**
Tasks are completed effectively due to proper HRM support	13.373 (1.209)	11.062	<0.001**
HRM practices enhance overall job satisfaction	12.724 (1.306)	9.745	<0.001**
I feel committed to the <u>organisation</u> because of effective HR strategies	5.239 (1.484)	3.531	<0.001**
HRM practices contribute to achieving <u>organisational</u> goals	6.429 (1.387)	4.635	<0.001**

Table 3 ANOVA results indicate that age groups differ significantly in their perceptions of how HRM practices influence the performance of organisations in Chennai City. A strong and highly significant difference ( $p < 0.001$ ) is observed for key performance-related variables, including employee productivity, smooth workflow, effective task completion, overall job satisfaction, organisational commitment, and achievement of organisational goals. This suggests that employees across different age categories experience the impact of HRM practices on organisational performance in varying ways.

However, no significant difference is found in the perception that HRM practices motivate employees to achieve higher performance levels ( $p = 0.364$ ), indicating a uniform agreement across age groups on this aspect. Employees, irrespective of age, share similar views on the motivational role of HRM systems.

Overall, the results highlight that HRM practices are perceived differently across age groups in most performance-related dimensions. Organisations may need to adopt age-sensitive HR strategies to ensure consistent support, satisfaction, and performance outcomes among employees of all age cohorts, ultimately enhancing the overall performance of organisations in Chennai City.

**Null Hypothesis:** There is no significant difference among Educational Qualifications with respect to Performance of Organisations

**Table 4 ANOVA for significant difference among Educational Qualifications with respect to Performance of Organisations**

Performance of <u>Organisations</u>	Mean	F	Sig.
HRM practices help increase employee productivity	19.499 (0.598)	32.623	<0.001**
Employees are motivated to achieve higher performance levels	2.794 (1.585)	1.763	0.155
HRM practices contribute to smooth workflow and operations	1.417 (1.587)	0.892	0.446
Tasks are completed effectively due to proper HRM support	4.057 (1.390)	2.918	0.035*
HRM practices enhance overall job satisfaction	16.041 (1.312)	12.223	<0.001**
I feel committed to the <u>organisation</u> because of effective HR strategies	5.688 (1.495)	3.806	0.011*
HRM practices contribute to achieving <u>organisational</u> goals	11.845 (1.336)	8.864	<0.001**

The ANOVA results examining differences among employees with varying educational qualifications show significant variations in several aspects of organisational performance influenced by HRM practices. A highly significant difference ( $p < 0.001$ ) is observed for perceptions related to increased employee productivity, enhanced job satisfaction, and the contribution of HRM practices toward achieving organisational goals. This indicates that employees with different educational backgrounds perceive the impact of HRM practices on productivity, satisfaction, and goal attainment differently. Significant differences are also found in perceptions regarding task completion due to HRM support ( $p = 0.035$ ) and organisational commitment arising from effective HR strategies ( $p = 0.011$ ), suggesting that the level of education influences how employees experience HRM-driven support and commitment.

However, no significant differences are observed in perceptions of HRM's role in motivating higher performance levels ( $p = 0.155$ ) and facilitating smooth workflow and operations ( $p = 0.446$ ). This implies that employees, regardless of their educational qualifications, hold similar views on these specific performance-related aspects. Overall, the results reveal that educational qualifications play an important role in shaping employees' perceptions of how HRM practices influence organisational performance in Chennai City. Organisations should consider these educational differences when designing HR interventions to ensure that employees at all qualification levels are equally supported and engaged for improved performance outcomes.

## AND ENGINEERING TRENDS

**Table – 5 KMO and Bartlett's Test**

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		0.469
Bartlett's Test of Sphericity	Chi-Square value	1.4363
	P value	< 0.001**

Note: \*\* Denotes significant at 1% level

The Kaiser-Meyer-Olkin (KMO) value of 0.469 indicates a poor level of sampling adequacy, suggesting that the correlations among variables are relatively weak for factor analysis. Although the KMO value is below the acceptable threshold of 0.60, the Bartlett's Test of Sphericity shows a highly significant Chi-square value ( $\chi^2 = 1.4363$ ,  $p < 0.001$ ), confirming that the correlation matrix is not an identity matrix and that significant relationships exist among variables.

This means that while the sample contains some meaningful correlations (as indicated by the significant Bartlett's test), the overall adequacy of the data for factor analysis is limited due to the low KMO value. In the context of investigating the role of HRM practices in organisational performance in Chennai City, the results imply that the variables may not cluster strongly enough into common underlying factors. Therefore, any factor analysis should be interpreted cautiously, or additional variables or a larger sample size may be needed to improve sampling adequacy.

### Findings

- The study reveals that HRM practices such as fair recruitment, adequate training programs, regular performance evaluations, and supportive management significantly influence productivity, workflow efficiency, job satisfaction, and the achievement of organisational goals.
- ANOVA results indicate that employee perceptions of HRM practices vary significantly across age groups and educational qualifications. Older and more educated employees tend to evaluate HRM processes more critically compared to younger or less qualified employees.
- Fair recruitment processes and well-structured training programs are perceived as essential factors that enhance skill development, employee commitment, and task effectiveness.
- Certain HRM elements, such as motivation through HR practices or transparent hiring, show no significant differences across demographic groups, indicating consistent perception among employees.
- Employees who perceive HRM practices as effective report higher levels of job satisfaction and organisational commitment.

### Practical Implications

The findings of the study highlight several important practical

implications for organisations in Chennai City. First, organisations must strengthen their HRM systems by ensuring transparent recruitment, continuous training, and fair performance evaluation practices, as these elements directly influence productivity, job satisfaction, and organisational effectiveness. Since employee perceptions of HRM practices vary across age groups and educational qualifications, management should design customised HR strategies that cater to the diverse needs of the workforce. Enhancing training programs and upgrading skill-building initiatives can help employees remain competitive and motivated, while fair and consistent appraisal mechanisms can improve trust and engagement. Additionally, supportive HR policies that foster a positive work environment can enhance employee commitment, reduce turnover, and improve organisational outcomes. By adopting strategically aligned HRM practices, organisations can build a more capable, efficient, and committed workforce, ultimately boosting their overall performance in Chennai's dynamic business landscape.

### V.CONCLUSION

The study concludes that HRM practices play a crucial and strategic role in enhancing the performance of organisations in Chennai City. Effective recruitment, structured training, fair performance evaluations, and supportive HR strategies significantly influence productivity, workflow efficiency, job satisfaction, and organisational commitment. While demographic differences exist in employee perceptions, the overall results confirm that strong HRM systems are essential for achieving organisational goals and sustaining competitive advantage. Organisations that invest in well-designed HRM practices are more likely to build a motivated, skilled, and committed workforce, thereby ensuring long-term organisational success in Chennai's dynamic business environment.

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**AND ENGINEERING TRENDS**

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