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# IMPACT OF HR PRACTICES ON EMPLOYEES' PERFORMANCE IN BPO ORGANIZATION

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**Abstract:** The major goal of this research is to look at the nature of the relationship between employee perceived performance and human resource (HR) procedures (promotion practises) in Service sector. A survey of 180 employees, managers and other department of company. Survey was done using a personally administered 25-questionnaire to explore the impact of HR procedures on workers' perceived performance. In addition, this research can assist senior managers in developing or updating their HR policies and procedures in order to achieve higher staff performance. The research results found a positive relationship between HRM processes, job satisfaction, and employee performance.

**Keywords:** HR Practices, Employee performance, BPO.

## I. INTRODUCTION:

People associate Business Process Outsourcing (BPO) with well-groomed youth, fast money and phenomenal lifestyles. However, on closer inspection, lopsided working hours, unimaginable attrition rates, stress and burnout are felt. Although BPO has been balanced between its pros and cons, the fact of its negative side has remained conspicuous, loud, and unchanged. But BPO today has become the 'mantra' of employment, the buzz of the present, and the promise for the future! India's economy experienced significant growth and development in the last decade due to technological advances and a radical change in business practices. At present, instead of being the master of all trades, smart organizations try to master their core competency. The success of every company is primarily determined by the performance of its personnel. Successful firms are rapidly learning that a variety of factors influence performance, but human resource management is unquestionably the most important (Mello, 2005). Regardless of the size of the organization and its character, the function it performs, or the environment in which it operates, its success depends on the actions and behaviour of its employees. One of the main purposes of using human resource strategies is to evaluate the performance of employees in a company. In today's competitive environment, businesses are constantly working to improve employee performance through better HR processes. HR processes, according to Calfskin (2010),

are one of the most important sources of competitive advantage. Numerous studies have shown that HR techniques work. Much research has focused on the relationship between HR processes and employee perceptions of performance, although these studies are limited to industrialized countries.

**HR covers the process of managing the business internally. The HR challenges shall include but not limited to:**

- Training and development
- Employee Motivation
- Compensation and Benefits packages
- Job Analysis and Job Description
- Dealing with stress
- Workforce planning and Building Business
- Organization Brand and Environment
- Performance Reviews
- New employee Orientation and on-boarding
- Employee Assistance Programs

## II. STATEMENT OF PROBLEM:

Does employees' perception of their own performance change as a result of promotion techniques? Numerous studies have shown that human resource variables impact employee performance positively and successfully. Managers and supervisors in the BPO sector strive to make sure that the organization's goals and objectives are met by delivering services effectively and efficiently. Line operations may lack HRM practices such as communication, empowerment, motivation, participative management, reward and recognition, supervisory leadership, and training and development. By studying this topic, administrators will be able to make better decisions about how supervisors and managers are incorporated into the HRM system.

## III. NEED FOR STUDY

Lack of understanding on key HR issues leads to a lack of organisational commitment. With this in mind, the research attempts to investigate the link between HR practises, organisational commitment, and attrition. The association between HR practises and organisational performance and productivity is well-known and studied.



#### IV. REVIEW OF LITERATURE

**Rehman Mohsin and Sheikh (2012)**, A analysis of the operational role of human resources in the IT industry, with a focus on a few businesses in Pune (Unpublished Doctoral Dissertation). Pune University is located in Pune, India. The study's goals were to: a) analyse the quality of human resource functions in information technology companies; and b) determine the effectiveness of human resource functions in information technology organisations. c) To determine the extent to which the human resource function in information technology enterprises plays a strategic role.

**Connor O' Christine and Srinivasan Sanjeev (2010)**

The impact of the type of work on the leader trade (LMX), organizational commitment, and job satisfaction are explored by Connor O 'Christine and Srinivasan Sanjeev (2010). In this study, it examines the effects of the general employment situation on job satisfaction, organizational commitment, and rotation of leaders (LMX) in the IT services sector; looking at the quality of LMX relationships, Lower and managerial relationships can be classified as high or low quality, also known as "group" or "outside group."

**Normala& Daud (2010)**, Investigating Relationships between quality of occupational health and organizational commitment among Malaysian factory workers.

In this study, we examined the relationship between Quality of Occupational Health and Corporate Commitment among Malaysian employees. Employers interested in promoting employee satisfaction and commitment should consider the Quality of Employee Health (QWL) for their employees. In order to determine the relationship between QWL flexibility and organizational commitment, growth and development, participation, environment, monitoring, salary and benefits, and community relations were studied. The correlation between QWL and organisational commitment has been found to be favourable. The purpose of the article is closely related to current research that has led to the realization of the QWL impact on OC.

**Sheilds and associates (2005)** suggests that wages should be based on the different needs of employees, as some representatives are strongly motivated by financial compensation while others are motivated by diversity. both cash-related and non-financial incentives to meet the expectations and staffing needs of management and reward systems. Grants, such as a house, car, or paid vacation.

#### V. OBJECTIVE

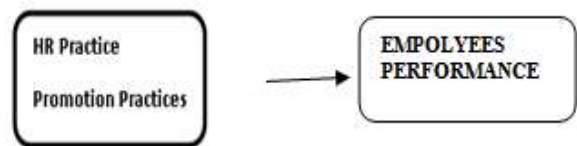
- To investigate the relationship, impact, and/or link between HR practises and employee performance.

#### STATISTICAL FINDINGS:

To study the linkage between HR Practices with employee performance.

- To be aware of the most common HR practises at BPO
- To determine the HR elements that distinguish respondents' organisational commitment as affective, continuous, or normative.
- To investigate HR coordination and harmonic functionality inside and between departments by making reliable and long-term judgments concerning human resource planning, recruiting, assessment, incentives, learning and development, and employee engagement.

#### VI. FRAME WORK



#### VII. SAMPLE DESIGN:

In this study, targeted samples were used as the researcher was interested in exploring the ideas of the target group with specific knowledge and skills. The research focused on motivation, participatory decision making, performance appraisal, awards and recognition, leadership leadership, and training and development. The Likert type scale represents ordinal level measurements. The Social Sciences Mathematical Package (SPSS 20) is used to generate results from data collected from a self-administered questionnaire.

#### VIII. STATISTICAL TOOL CALCULATION FROM THE STUDY:

##### Research HYPOTHESIS:

- H1: Compensation practices influence employee perceptions of performance significantly.
- H2: Employee perception of performance is positively affected by performance evaluation.
- H3: Promotion practices tend to improve employee perceptions of performance.
- H4: A direct and positive relationship exists between training and development and employee perception.

##### PROFILES FINDINGS

- The majority (50.5%) of respondents are male.
- The majority (43%) of respondents are between the ages of 21-29.
- Majority (40%) of the respondents are less than 5 years.
- Majority (56%) of the respondents are Graduate.
- Majority (22%) of the respondents are executive.



|                        |                     | Employee performance | Job Satisfaction | Performance evaluation | T and D | Compensation Practices | Promotion practices |
|------------------------|---------------------|----------------------|------------------|------------------------|---------|------------------------|---------------------|
| Employee performance   | Pearson Correlation | 1                    | .554**           | .397**                 | .633**  | .835**                 | .764**              |
|                        | Sig.(2-tailed)      | .000                 | .000             | .000                   | .000    | .000                   | .000                |
|                        | N                   | 180                  | 180              | 180                    | 180     | 180                    | 180                 |
| Job Satisfaction       | Pearson Correlation | .554**               | 1                | .566**                 | .551**  | .460**                 | .670**              |
|                        | Sig.(2-tailed)      | .000                 | .000             | .000                   | .000    | .000                   | .000                |
|                        | N                   | 180                  | 180              | 180                    | 180     | 180                    | 180                 |
| Performance evaluation | Pearson Correlation | .397**               | .566**           | 1                      | .835**  | .764                   | .633                |
|                        | Sig.(2-tailed)      | .000                 | .000             | .000                   | .000    | .000                   | .000                |
|                        | N                   | 180                  | 180              | 180                    | 180     | 180                    | 180                 |
| T and D                | Pearson Correlation | .633**               | .551**           | .700**                 | .764**  | 1                      |                     |
|                        | Sig(2-tailed)       | .000                 | .000             | .000                   |         | .000                   | .000                |
|                        | N                   | 180                  | 180              | 180                    | 180     | 180                    | 180                 |
| Compensation practices | Pearson Correlation | .835**               | .460**           |                        | 1       |                        | 1                   |
|                        | Sig(2-tailed)       | .000                 | .000             | .000                   | .000    | .000                   |                     |
|                        | N                   | 180                  | 180              | 180                    | 180     | 180                    | 180                 |
| Promotion practices    | Pearson Correlation | .764**               | .670**           |                        |         |                        | 1                   |
|                        | Sig(2-tailed)       | .000                 | .000             | .000                   | .000    | .000                   |                     |
|                        | N                   | 180                  | 180              | 180                    | 180     | 180                    | 180                 |

Based on the table above, organizational culture is highly correlated with HRM practices of the organization (.614) and job satisfaction (.554), with a significant correlation (.000).All the dimensions of HRM practices are significantly correlated with each other. Furthermore, the dimension of job satisfaction was also highly correlated

with all dimensions and significant at (.000).Resultantly, employee performance shows a moderate correlation with hr practices (0.764) and is significant at (0.000) level. Employees performance are highly correlated with HR practices(T and D Performance evaluation. promotion practices satisfaction).

#### Model Summary

| Model | R                 | R Square | Adjusted Square | Std. Error of the Estimate |
|-------|-------------------|----------|-----------------|----------------------------|
| 1     | .914 <sup>a</sup> | .835     | .832            | .302                       |

a. Predictors: (Constant), Practices

In the above analysis the value of R indicates that the relationship between Employee performance and HR processes (T Performance T and D. Satisfaction of

promotion processes). forecasters predict 83% of HRM processes.



**TABLE 2**

**ONE WAY ANOVA**

| Anova: Single Factor |        |     |         |          |          |          |
|----------------------|--------|-----|---------|----------|----------|----------|
| SUMMARY              |        |     |         |          |          |          |
| Groups               | Count  | Sum | Average | Variance |          |          |
| 19                   | 5      | 161 | 32.2    | 1636.7   |          |          |
| 39                   | 5      | 141 | 28.2    | 89.7     |          |          |
|                      |        |     |         |          |          |          |
|                      |        |     |         |          |          |          |
|                      |        |     |         |          |          |          |
| ANOVA                |        |     |         |          |          |          |
| Source of Variation  | SS     | df  | MS      | F        | P-value  | F crit   |
| Between Groups       | 40     | 1   | 40      | 0.046339 | 0.834947 | 5.317655 |
| Within Groups        | 6905.6 | 8   | 863.2   |          |          |          |
|                      |        |     |         |          |          |          |
| Total                | 6945.6 | 9   |         |          |          |          |
|                      |        |     |         |          |          |          |

A recommendation for to investigate the relationship between job title and compensation in a BPO, we used a p (0.83) value larger than.05 to reject the null hypothesis and accept the alternative hypothesis. Between the two variables, there is a considerable link.

**IX. FUTURE RESEARCH GUIDELINE:**

These tests are controlled in the BPO area; in the future, comparative research should focus on the IT space and in relation to other areas. Sample size can be improved with equal flexibility.

**X. CONCLUSION:**

The idea of the study was to find a link between HR procedures and the perceived performance of BPO staff. From the general results it is concluded that the independent variants of compensation, creativity, hands-on testing, and training and development maintain a positive

and significant relationship with the thoughtful performance and performance of BPO staff.

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