

# Review of Management

Vol. 5, No. 1/2

June 2015

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**Review of Management (ROM)** is an online quarterly peer reviewed and refereed journal published in March, June, September and December every year by Spartacus India for Management Development Research Foundation, New Delhi (India).

**ROM** seeks to create a body of knowledge around the interface of Social Sciences and various functional areas of Management. It is likely to serve as an independent forum for the academia, industry, civil society and the State to carry forward a candid and objective discussion on common issues having a bearing on economy, business, community, environment and above all –the quality of life of the people.

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**Editorial Enquiry:** editor.rom@gmail.com

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Published by Management Development Research Foundation, 4<sup>th</sup> Floor, Statesman House Building, Connaught Place, Barakhamba Road, New Delhi –110001.

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**Guest Editorial**

**Emerging Business Research Opportunities in India**

**Ruchi Tewari**

**Ahmedabad University, Ahmedabad, India**

**E-mail: [ruchishuk@gmail.com](mailto:ruchishuk@gmail.com)**

Academic research in India is undergoing turmoil and is in a state of complete flux. The essentiality of research has been realized wide across all levels of higher education ranging from the policy makers, institution makers, governing authorities, teachers and students. But amongst all of these stakeholders, the two who are directly affected by intensity, focus and output of academic research are the teachers and the students as a result of which several platforms like research conferences, seminars, round-table discussion have begun to garner activity with their increased participation and involvement. A few disciplines where research is harped upon more than the others are the pure sciences and other professional programs like engineering, medicine and management.

Among various specialization of management education, business management is one of the more popular streams in India. Current and seminal issues and ideas are discussed and deliberated, written about and documented leading to emergence of new thoughts, conceptual frameworks, validated ideas all of which is enriching literature on business and management practices. Amrut Mody School of Management of Ahmedabad University has been on the forefront of academic research in management. This year the institute hosted Ahmedabad University Conference on Management (AUCOM 2015). This special issue of Review of Management presents a few selected papers presented at the conference. I am thankful to the entire editorial team of Review of Management for their constant support. I hope, the readers will appreciate efforts of the researchers and will find their papers of great value.

## **Work-life Balance and Gender: A Study of Professionals in India**

**Reena A. Shah**

**Institute of Management, Nirma University, Ahmedabad, India**

**E-mail: [reenaa70@gmail.com](mailto:reenaa70@gmail.com)**

### **Abstract**

This paper is an attempt to study the role gender in influencing work-life balance of professionals in India. The findings of this research indicate that work-life balance issue amongst professionals in India is not gender-neutral. In fact, female professionals are generally challenged to cope with multi-role expectation with little support from family members and even lesser consideration from superiors at the workplaces. It is therefore imperative that the organizations accept gender differences and devise plans to accommodate individual needs of employees and work toward creating an inclusive corporate ecosystem.

**Keywords:** Work-life Balance, Gender, Inclusive Corporate Ecosystem, India

### **Introduction**

Historically, societies were invariably rural and agricultural wherein domestic and economic systems were interwoven. Men and women along with children participated in domestic and economic activities in informal settings. Industrial revolution of the nineteenth century altered this traditional way. The upcoming manufacturing system in European society required men and women to venture outside their homes and work in factories (Wren, 2005). In the initial phase of industrial revolution, both men and women were employed in factories. Since the new system required leaving homes for work, there were no caretakers for children. Constrained by the need to look after kids, women gradually withdrew from employment and stayed at home to look after their families. This eventually resulted in division of social roles between men and women on the basis of gender. The primary role of men turned out to perform paid economic activities carried outside the house while women executed unpaid family care responsibilities (Beauregard et al., 2009).

The subsequent outbreak of World Wars resulted in men being called to war and women asked to fill-in the shoes of men at war. Women in the industrialized countries who were staying at home fulfilling family responsibilities, were once again made to leave homes to seek employment to provide for their families. At the end of war, when servicemen returned home, women were persuaded to return to their traditional roles at home and vacant the workplace for the returning servicemen (MacDermid, 2005). While most women complied, not all followed the trend and the number of women in the workforce rose compared to before the war. Since then participation rate of women has continued to mount without abating (Roberts, 2007). The result of increased participation of women in employment outside home has multiple implication on their economic and social standing. In spite of working outside homes, the gender division of pre-world war remained intact. The primary responsibility of women continued to be towards the domestic sphere irrespective of the economic role that they performed. The separation of economic and domestic sphere and gender based division of roles subsequently spread to colonies and unindustrialized countries, which many times proved to support the prevailing local traditional beliefs about gender and hence were easily accepted for years to come.

Last couple of decades has seen rapid changes in economic, technological, social and cultural facets faced by individuals across the globe. These changes have transformed economic and social domain of individuals adding complexities about the interface between their economic and social domain. The changes seen in the economic domain can be largely attributed to globalization and technological advancement. The trend towards a unified world economy has promoted transnational promotion of goods, services and people. In a bid to compete in this new world order, organizations have restructured and become flatter and leaner. The restructured organisations, work and performance has resulted in employees' experiencing intensified work practices (Roberts, 2007). Along with the profound changes seen in the economic domain, the social domain has also witnessed sea changes. Rising aspiration levels have fuelled participation of women in the workforce giving rise to dual-earner households. The structure, size and composition of the families have also altered. Improved health and nourishment has increased life span. In developed countries, this has given rise to aging workforce thereby further changing workforce demographics (Meurs et al., 2008).

In line with the global trend, post liberalization and globalization, India is also experiencing metamorphosis in its economic and social conditions. The stage and model of its economic development has far reaching consequences for individual, organization and society as a whole. The permeable environment has changed the demographic profile of the workforce. Improved education and employment opportunities have led to an increase in the number of women in the work force. According to the Census data (2001), the participation rate of Indian women was 25.68 per cent in 2001. The participation rate has seen a steady increase from 19.67 per cent in 1981 to 22.73 per cent in 1991. Necessity and desire to meet materialistic aspirations of the family has led to dual earner couples changing the fabric of the Indian family structure. The economic and family systems and structures have changed and yet the remnants of the patriarchic society are still evident. While acknowledging that both men and women are experiencing novel complexities and dimensions in their economic and domestic spheres, the nature and dimensions of this experience are likely to be different. In this paper an attempt is made to study the economic and domestic dimensions relevant for Indian men and women. These dimensions are studied under the conceptual framework of work-life balance wherein work measures the dimension of economic sphere and life measures the dimension of domestic sphere. The ascertained dimensions are further analyzed from the prism of gender to find the perceptual differences in the experiences of the genders.

### **Work-Life Balance**

The discourse on the interface between economic and social domains, originated in USA and UK; from there it spread to other English speaking countries and later to parts of Europe (Lewis et al., 2007). The recent complexities in the economic and social domain of individuals has generated considerable interest in academic circles, applied area and media about how individuals cope with these complexities and the resulting interface between economic and social domain. The formal use of terminology to describe the relationship between personal and professional life can be traced to 1960s when the concern was labeled as 'Work-Family Conflict'. Later there was a positive linguistic shift to 'Work-Family Enrichment'. In 1990s a holistic and encompassing term of 'Work-Life Balance' got evolved.

The literature is replete with definitions that elucidate the interface between work and life. In the present study, the focus is to explore work-life balance dimensions of professional men and women. The definition is framed with the perspective of an individual relative to his/her personal context. Balance is treated as a verb and not as a noun and categorized on the basis of nature of interaction (interference or enhancement) and the direction of interaction (work

to life and life to work). Thus, work-life balance can be defined as a state of being wherein there is reconciliation between all priorities of an individual's life. It is an attempt to integrate intruding and enhancing aspects of paid work, unpaid work and personal time that leads to a state of personal gratification.

Greater part of work-life balance research is conducted within the western context while relatively not much has been researched within the non-western countries (Voydanoff, 2004; Duxbury & Higgins, 1991) In the Indian context, economic development is perceived as more urgent than 'social well-being' and 'people' issues (Lewis et al., 2007). Consequently, considerable empirical research exists that traces the economic transformation of the country while few studies focused on the work-life balance issues that surfaced on account of this economic transformation. This paper attempts to bridge this gap.

### **Literature Review**

In the changing world scenario, a lot of work-life balance research is directed towards studying how men and women juggle their multiple roles. Though both men and women experience the dilemmas of integrating work and life domains, existing literature has proved asymmetrical gender disparity in the experience of work-life balance. The gender differences are witnessed both in terms of nature and direction of interaction. In contributing to the field of nature of interaction, Higgins et al. (1994) studied the impact of gender and life-cycle stage on work-family conflict. Women experienced more conflict in balancing work and home compared to men at all stages of the life cycle. Secondly, in terms of direction of interaction, Pleck (1977) established that family to work spillover was stronger for women and work to family spillover was stronger for men.

Apart from gender differences witnessed in negative experience of work and life, gender differences were also evident in positive affiliation. Rothbard (2001) found that men experienced enrichment from work to family while women experienced enrichment from family to work. Similarly, Aryee and Luk (1996) in a survey of 207 dual earner couples in Hong Kong found that women identified more with their family role and were largely responsible for child care. In identifying strongly with the family role they traded-off one role for another. Contrary to this, men balanced both roles simultaneously.

In contrast to the studies that have established gender differences in the experience of work-life balance, few research studies have found work-life balance to be gender neutral. Milkie and Peltola (1999) used a sample of married Americans and contrary to expectation the findings reported that both men and women perceived similar work-life balance and also made similar work and family trade-offs. On same lines, Hill et al. (2001) also found that both men and women experienced similar levels of work-life balance indicating no gender difference.

### **Gender Differences in the Indian Context**

The Indian society is complex having a unique social structure with diverse regions, social classes, religions and economic groups. Family is the basic unit of the society. Traditionally, joint family and extended family systems were common. Further, it has a patriarchal social system with pronounced gender role distinction. Men are viewed as the chief providers and the role of women is of chief caretakers. Customarily, women of upper caste and upper and middle class are encouraged to bear children and not work outside their homes. During the last three decades, however Indian social system has witnessed several changes. On account of rapid urbanization, equal legal and social status, increased education and employment

prospects, growing consumerism and amplified cost of urban living, number of urban women seek work outside home (Ghosh & Roy, 1997; Bharat, 1994). With this, the traditional family systems have also undergone a change.

D'Cruz and Bharat (2001) in a systematic and in-depth perusal of Indian family literature has established that the process of industrialization and urbanization has changed the traditional family system and given rise to multiple family systems like the joint families, extended families, nuclear families, single parent families and dual earner families. On account of increased participation of women in paid employment, there was a general belief that domestic responsibilities would be reworked between the dual-earner couples. To some extent certain adjustments in this regard were observed. In a study comparing husband's role in single and dual earner families by Ramu (1987), definite change in the attitude of Indian husbands towards domestic responsibilities was observed. However, in terms of actual amount of time spend on domestic chores there was noticeable inequality between men and women of the dual-earner families.

In a study based on working couples with career and non-career wives, Bharat (1995) found that irrespective of their employment status women invested more time on child care activities, household chores and other family demands. Men on the other hand were found to adopt less time consuming and masculine domestic chores like looking after household repairs and keeping accounts. Shukla and Kapoor (1990) proved that while women in dual earner households had more power compared to women in single-earner households, they continued to identify themselves primarily as homemakers. Their work-role did not change this perception and they continued to bear the dual burden of household and care responsibilities. Further, Tarabdkar and Ghadially (1985) in their study have established on account of dual burden of work and family, Indian women experience more work-life conflict when compared to men.

Rajadhyaksha and Bhatnagar (2000) in their study on dual couples found that when not tied to childcare, Indian women in the middle adulthood needed to carry out the principal task of elder care. Gender differences are also seen in the economic contribution made in the household, husbands continued to be the primary providers, while income earned by wife is considered as a supplementary income both by husbands and wives (D'Cruz & Bharat, 2001). According to Parikh (2003), educated professional Indian women are in a transient identity state in which they are trying to realize their aspirations of working and simultaneously holding on to their traditional identity resulting in multiple implications for their work-life interface.

Gender orientation in the society has a direct impact on the structures and processes at workplaces. Given that men are primarily associated with work, the structures and processes at workplaces are developed predominately from the perception of men and not women. Therefore, men at workplace have the principal status, whilst women are accorded the secondary status. In a survey examining gender differences in Indian workplaces, Basu (2008) found that women experienced inequality and exclusion in terms of recruitment, remuneration, evaluation, career-progress and welfare provisions. Parikh and Garg (1989) in a study on the experiences and narrations of women across India has established that it is the early socialization process that influences the meaning that women attach to paid work and how they react to work place inequalities.



In comparison to earlier times, enhanced education and aspiration levels have made noticeable changes in career choices. Recent research by Budhwar et al. (2005) has revealed that Indian women have now ventured in the realm of sectors, careers and positions that were earlier restricted to men. These developments though noteworthy are not widespread. The career choice of women is restrained by unwillingness to travel, relocation and separation from their families and hence Khandelwal (2004) found that Indian women largely opt for jobs in HR, PR, administration and teaching while jobs in production, marketing and sales are largely typecast for men.

Apart from career choice, the struggle between care responsibilities and career is also found to impact women's career progression globally and Indian women are not an exception. Kulkarni (2000) found that women made career trade-offs by deliberately enacting barriers to career advancement or by taking career breaks. The advancement barriers are created because promotion would entail increased work demand in terms of time overload and work overload which would not let women fulfill their commitment towards family responsibility. In a study conducted on women executives in service sector organizations, Sandhu and Mehta (2006) established that women in the service sector perceived work-life conflict largely on account of the importance they need to give to their family life. Moreover, lack of organisational policies that supported women's dual role added to perceived work-life imbalance.

### **Research Problems and Hypotheses**

In view of the above review of literature and the research objectives, the following research problems and hypotheses were framed:

#### **Problem 1: Do professional men differ from professional women on factors of work-life balance?**

H<sub>1</sub>: There is significant difference between professional men and professional women on the factors of Work-life Interference.

H<sub>2</sub>: There is significant difference between professional men and professional women on the factors of Work-life Enhancement.

H<sub>3</sub>: There is significant difference between professional men and professional women on the factors of Life-work Interference.

H<sub>4</sub>: There is significant difference between professional men and professional women on the factors of Life-work Enhancement.

#### **Problem 2: Do professional men differ from professional women on work specific antecedents of work-life balance?**

H<sub>5</sub>: There is significant difference between professional men and professional women on the Development factor of work-life balance.

H<sub>6</sub>: There is significant difference between professional men and professional women on the Superior factor of work-life balance.

H<sub>7</sub>: There is significant difference between professional men and professional women on the Reward System factor of work-life balance.

H<sub>8</sub>: There is significant difference between professional men and professional women on the Colleagues factor of work-life balance.

H<sub>9</sub>: There is significant difference between professional men and professional women on the Commuting factor of work-life balance.

H<sub>10</sub>: There is significant difference between professional men and professional women on the Workload factor of work-life balance.

H<sub>11</sub>: There is significant difference between professional men and professional women on the Work Role factor of work-life balance.

H<sub>12</sub>: There is significant difference between professional men and professional women on the work Schedule factor of work-life balance.

**Problem 3: Do professional men differ from professional women on life specific antecedents of work-life balance?**

H<sub>13</sub>: There is significant difference between professional men and professional women on the Leisure Activities factor of work-life balance.

H<sub>14</sub>: There is significant difference between professional men and professional women on the Extended Family factor of work-life balance.

H<sub>15</sub>: There is significant difference between professional men and professional women on the Household Work factor of work-life balance.

H<sub>16</sub>: There is significant difference between professional men and professional women on the Care Responsibilities factor of work-life balance.

H<sub>17</sub>: There is significant difference between professional men and professional women on the Domestic Help factor of work-life balance.

H<sub>18</sub>: There is significant difference between professional men and professional women on the Partner/ Parent factor of work-life balance.

**Methodology**

In a previous study by the author, model of work-life balance and a framework for work and life antecedents were developed. The same model is being used to identify gender differences among Indian professionals.

The study was carried out in Delhi, Kolkata, Ahmedabad and Hyderabad taking them as representative cities of North, East, West and South regions of India. Sample was drawn from professional men and women. Professionals are defined as those ‘men and women who are in an occupation, vocation or high-status career, usually involving prolonged and intensive academic training and specialized knowledge’ (Merriam-Webster dictionary). The professionals for this study included men and women who were Doctors (dentist, physician and surgeons); Lawyers, Accountants (CA, CS); Architects, Engineers (software, chemical or others); Lecturers and Scientists.

The sample for the study was generated using convenience sampling technique. Convenience sampling involves obtaining a sample of convenient elements (Saunders et al., 1997). Once the initial respondents were procured on convenience basis, the sample was further augmented by referrals or information provided by the initial respondents. In this process of sampling the respondents tend to exhibit demographic profiles that are similar to the person referring them (Saunders et al., 1997). Overall, sample was a non-probability sample.

**Representative Sample Size**

The representative sample size in this study was determined by using the confidence level approach. For determining the proportion of men and women in the study the level of confidence considered was 95%, standard error of mean was taken at 5% and given the lack of precise statistical reports p was taken as 0.5. Sample size was determined by using the formula:

$$n = \frac{Z^2 p(1-p)}{d^2}$$

The sample size determined at the end of the calculations was 384. In view of the sample, the derived sample size was rounded off to a total of 400 professional women and men. The total sample was divided into 100 for each of the four representative cities. This was further divided equally into professional men and women in each city.

### *Respondents' Profile*

The demographic details, work and life characteristics of the sample is presented in **Table 1**.

**Table 1: Respondents' Profile**

No.	Item	Categories	Frequency	Percentage (%)
1.	Gender	Men	200	50
		Women	200	50
2.	Profession	Academician	95	24
		CA/CS	61	15
		Doctor	62	15
		Scientist	58	14
		Engineer	78	20
		Lawyer	46	12
		3.	Age	20-25 years
26-30 years	62	15		
31-35 years	78	19		
36-40 years	78	21		
41-45 years	51	12		
45-50 years	20	5		
51-55 years	18	5		
55 years and above	13	3		
4.	Education	Graduate	100	25
		Post Graduate	184	46
		Higher than Post Graduation	116	29
5.	Income	Less than Rs. 25,000	129	32
		Rs. 25,000-35,000	85	20
		Rs.35,001-45,000	35	9
		Rs. 45,001-55,000	36	9
		Rs. 55,001-65,000	22	6
		Rs. 65,001-75,000	22	6
		Above Rs.75,0000	71	18
6.	Marital Status	Married	296	74
		Unmarried	104	26
7.	Children	Children	232	58
		No Children	168	42
8.	Household Status	Alone	99	25
		Nuclear Family	130	32
		Extended Family	129	32
		Joint Family	42	11
		Other	0	0
9.	City	Ahmedabad	100	25
		Delhi	100	25
		Hyderabad	100	25
		Kolkata	100	25

### Statistical Tools

Z-test was used to understand the perceptual difference between the study groups i.e., professional men and women.

The z test formula is mentioned below:

$$z = \frac{\bar{x} - \mu}{\sigma}, \text{ where } X \text{ follows Normal } (\mu, \sigma)$$

If the z value equals or exceeds 1.96 it can be concluded that the difference in means is significant at 0.05 level (Garrett & Woodworth, 1981).

### Results

Professional men and women were compared on 3 problems having 18 hypotheses (H<sub>01</sub> to H<sub>018</sub>) using the statistical techniques of Z-test. These hypotheses were related to three research problems that aimed at exploring how work-life balance varied across gender. Out of 18 hypotheses 2 were rejected and 16 were accepted (Table 2). On the factors of Work-life Interference, Life-work Interference, Work-life Enhancement, Life-work Enhancement, Development, Superior, Reward System, Colleagues, Commuting, Work Load, Work Role, Work Schedule, Household Work, Care Responsibilities, Domestic Help and Partner/Parents professional men and women were significantly different from each other. While no significant difference was observed between professional men and women on the factors of Leisure Activities and Extended Family.

In view of the mean scores given in Table 2, women experience more Work-life Interference, Life-work Interference and Life-work Enhancement while, men experience more Work-life Enhancement. The Work Antecedent factors of Development, Superior, Reward System and Colleague are more important for men while, Work Antecedent factors of Commuting, Work Load, Work Role and Work Schedule are more important for women. The Life Antecedent factors of Household Responsibility, Care Responsibility and Domestic Help are found to be more important for women while Life Antecedent factor Partner/Parents proved to be more important for men.

**Table 2: Z-test – Factors of Work-life Balance and Gender**

No.	Variable	Gender	Mean	F-Statistic	Z	Significant (S) Non-Significant (NS)
1.	Work-Life Interference	Men Women	2.52 3.64	6.24	-17.93	(S)
2.	Work-Life Enhancement	Men Women	4.01 3.68	0.08	5.69	(S)
3.	Life-Work Interference	Men Women	2.12 2.94	25.61	-11.46	(S)
4.	Life-Work Enhancement	Men Women	2.61 3.39	1.24	-11.04	(S)
5.	Development	Men Women	3.97 3.60	41.40	6.04	(S)
6.	Superior	Men Women	3.85 3.20	50.35	9.14	(S)

7.	Reward System	Men	3.58	21.41	8.96	
		Women	2.81			(S)
8.	Colleague	Men	3.92	37.94	6.10	
		Women	3.51			(S)
9.	Commuting	Men	2.73	6.73	-6.97	
		Women	3.38			(S)
10.	Work Load	Men	3.28	12.95	-4.46	
		Women	3.64			(S)
11.	Work Role	Men	1.89	30.23	-11.07	
		Women	2.67			(S)
12.	Work Schedule	Men	3.26	2.14	-3.53	
		Women	3.56			(S)
13.	Leisure Activities	Men	3.26	0.07	-1.28	
		Women	3.37			(NS)
14.	Extended Family	Men	3.81	1.79	0.83	
		Women	3.75			(NS)
15.	Household Responsibility	Men	2.82	17.57	-12.65	
		Women	3.69			(S)
16.	Caring Responsibility	Men	3.41	49.04	-4.92	
		Women	3.75			(S)
17.	Domestic Help	Men	3.87	19.37	-8.17	
		Women	4.41			(S)
18.	Partner/ Parent	Men	3.45	5.77	2.47	
						(S)

### Discussion

Viewing work-life balance through the gender lens has given significant results in this study. Analysis of the emergent four-factor structure for the purpose of exploring gender differences conceded that men and women significantly differed on all four factors. In line with earlier research, women were found to experience more interference in reconciling work and life domains than men (Duxbury et al., 1994; Gutek et al., 1991). In the present study compared to men, professional women experienced stronger work to life as well as life to work interference. Though over a period of time noteworthy changes have taken place in family structures and gender roles, the traditional role expectation of man as the breadwinner and woman as carer has remained intact (Ransome, 2007). Consequently, women who assume dual burden of paid work along with major responsibilities of the household, experienced more conflict in comparison to men (Daly & Lewis, 2000).

Gendered differences found in this study are also supported by previous empirical research carried out in the Indian context. In a survey based on dual-career couples, Narayan and Bhardwaj (2005) established that though noticeable changes were seen in the attitude of the Indian husbands towards domestic responsibilities, it had not translated into actual participation. Similarly, Wesley et al. (2009) found that women have not foregone their familial role and undertake major domestic responsibility along with their work. The twin burden carried by Indian women has thus, led to experience of more interference than men.

On the dimension of enhancement too gender differences were evident. It was observed that professional women experienced stronger life-work enhancement while men experienced

stronger of work to life enhancement. Grzywacz et al., (2002) had similar findings in his study on sample of American employees. Probable reasons for this difference between men and women seem to be on account of traditional role expectations. Men identify more with work role than life role. Work provides men with material and non-material rewards which results in enhancing the life domain. On the other hand, women identify more with their familial role and hence, resources gained in the family domain are used to enhance work domain (Ruderman et al., 2002). The findings have thus proved that while Indian women experience strong interference between the domains they also simultaneously experience strong life to work enhancement. The skills and abilities gained in life domain enhance their efficiency and experiences in the work domain.

### ***Gender Differences in Work and Life Antecedents***

Considerable gender differences were also observed in the experiences of the work and life antecedents. Work-specific factors like development, reward system, superior and colleagues' support were found to be more important for men than women. While women were strongly affected by workload, work schedule, role stress and commuting. In a patriarchal social system like India, men are viewed as the chief providers and hence, they identify more with their role of provider. It is therefore, likely that development and reward factors are found to be more important by men than women. In contrast to men, the income of women is considered secondary and hence women professionals were found to give less importance to rewards. Furthermore, previous studies have already proved that to fulfill life-responsibilities women do not aspire for career growth and follow a linear career graph. The same is true for Indian women. Budhwar et al. (2000) have found that Indian women deliberately enact barriers in career advancement, as advancement would entail increased work demand in terms of time and work overload which would not let them fulfill their commitment towards life responsibilities.

Related to this, social support at work place was found to be more important for men than women. Etzion (1984) has established that social support at work reduced work-life interference for men. Since, women identified more with their familial role it was found that they sought social support from the life domain rather than work domain. Viewing this from the Indian perspective, Indian organisations have work culture that adheres to male domination. Gupta et al., (1998) have established that the informal social support networks are also dominated by men and women are excluded from them. As work place social support is not easily available for Indian women; Buddhapriya (2009) found that they seek strong organisational support in form of work-life balance policies and programs.

In the present competitive world, though amplified workload and working hours are experienced by both men and women, in this study women were found to experience more workload and work schedule issues in comparison to men. This finding is consistent with, Gutek et al. (1991) who had established that work schedule increased work-life conflict more for women than for men. The cause of this finding seems to stem from the logic that though women take up the role of employment nonetheless psychologically they are unable to let go of their domestic role instilled in them resulting in experience of role overload (Terborg, 1984).

In the context of role stress, previous research has shown that men experienced more pressure in ambiguous, ill-defined roles in comparison to women (Greenhaus et al., 1989). Contrary to this, the present study has found that women experience more role stress than men. The reason for this could be that earlier women were more adaptable but now with increased

education and level of awareness women are no less demanding. They want role clarity and well-defined structure within which they are required to work. According to Terborg (1984), certain non-conventional professions require behaviour that is open to scrutiny, therefore women involved in these professions desire more role clarity when compared to men.

In the factor of commuting, women experienced more interference than men. It is generally seen that private transport is less accessible to women than men. Dependence on public transport creates time and energy strain for women which may not be there for men. In addition to this, using crowded public transport is found to be physically and socially unsafe for women (Peters, 1998). In India due to population explosion most forms of public transport are found to be crowded especially in large urban cities resulting in stress for the commuters.

Strong gender differences are also seen in life domain antecedents. The life antecedent of household task and care responsibly were found to be more significant for women than men. It is found that over a period of time the load of household responsibilities for men has increased and the amount of time spent on caring responsibility has also increased (Galinsky et al., 2009). In spite of this, it is still found to be less compared to that of women. Ramu (1987) has found that men in the Indian households have increased their participation in household tasks yet overall household and care responsibility was that of the women.

Since, women have the primary responsibility of household task they are found to derive more support from domestic help than men. When women are unable to maintain the balance between the domains they make career tradeoffs by taking up part-time work or withdrawing from the employment markets. Similarly, in the life domain they thrive for balance by reducing or outsourcing of household tasks (Oropesa, 1993). The decision about outsourcing is largely taken by women and hence the factor of domestic help was more important for them than men.

Previous research on partner/parent support has established that partner's support is more important for men than women (O'Neil & Greenberger, 1994). However, in the context of cultural differences, this does not hold true. According to Rosenbaum and Cohen (1999), in cultures with low gender equity, partner's support is more important for women than men. In India gender equity is found to be low and hence, the results of this study expected women to seek this form of support more than men. Contrary to this expectation the results proved that partner/parent's support was more important for men than women. The reason for this can be attributed to the socialization process in India wherein, since early age, women are taught to be submissive and support the men in the household rather than seek support for themselves. According to Jost and Banaji's (1994), in cultures that have gendered role division, women were found to support traditional gendered role and blamed themselves if they were unable to perform gender prescribed roles. As a result of this, women in such cultures do not consciously seek support from their partners or parents as men do.

### **Conclusions and Implications**

The present study has contributed to the existing literature by empirically proving that work-life balance is not gender neutral. The results of the study clearly establish that professional men and women differed significantly in their perception of work-life balance. In view of the results of the importance of the antecedent of superior's support for women, there is a need to sensitize superiors towards employees especially women employees to facilitate their multi-role functioning. Additionally, devising reward systems that meet the aspirations of employee

while being sensitive to gender differences may prove to be an important step in the direction of improving enhancement. The antecedent of development has established that for men, career advancement enhanced work-life balance while for women it proved to augment interference. In order to reduce the negativity attached with career advancement, organisations need to create an organisational culture that accept gender differences and are more inclusive in meeting individual needs. Indian women professionals were found to bear the dual burden of domestic and work responsibility and hence, experienced more personal life overload than men. In order to overcome the overload women employees are looking forward to organizations to frame gender sensitive organisational policies (Buddhapriya, 2009). Women want organisations to be more supportive by providing them flexibility in form of flextime, easy leaves and flexible work place.

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## **Implications of Organization Development Interventions: Case Study of an Edible Oil Company**

**Kinjal Shukla**

**Mudra Institute of Communication, Ahmedabad, India**

**E-mail: [kinjal@micamail.in](mailto:kinjal@micamail.in)**

**Nidhi Heda**

**IMS People, Ahmedabad, India**

**E-mail: [nidhiheda08@gmail.com](mailto:nidhiheda08@gmail.com)**

**Rasananda Panda**

**Mudra Institute of Communication, Ahmedabad, India**

**E-mail: [panda@micamail.in](mailto:panda@micamail.in)**

### **Abstract**

This paper presents a comprehensive analysis of pre and post Organizational Development intervention impact on the employees and organization (an edible oil company, to be specific). The findings of the study indicate positive impact of Organizational Development interventions on various aspects of the organization. These findings can act as a support not only to the organization which the authors looked at but also to others that face similar issues in relation to implementation of practices in order to reduce employees' resistance and reluctance towards change.

**Keywords:** Organizational Development, Change Management, India

### **Introduction**

Change is constant. Identifying and strategizing change is believed to be a simple task; however it is not. To convince people to accept the change is the most challenging task. It is very necessary for the organizations to change with the time. Today, the organizations should be flexible and adaptable to the changing environment. Thus, change is one such crucial yet important factor for the organizations to sustain in this competitive era. The senior management alone cannot be held responsible for organization to be sustainable and adaptive to changing environment. The employees of the organization too play equally important role in the sustainability of the organization. It is necessary for the employees of the organization to be supportive, innovative and participative in the development of the organization. Today, this is considered as one of the most required condition for the organization to sustain in this competitive market.

There are several definitions of Organization Development (OD). Organization Development can be termed as "a planned and collaborative process for understanding, developing, and changing organizations to improve their health, effectiveness and wolf renewing capabilities" (Warrick, 2005). According to Budai (2011) "Organization Development is a designed interference affecting the whole organization and using scientific behavioral methods it aims at improving the health and output of the organization". In simple terms "*Organization Development can be defined as a system-wide process of applying behavioral-science*

*knowledge to the planned change and development of the strategies, design components, and processes that enable organizations to be effective”* (Cummings, 2004). The definitions derived by experts reflect that the identification and implementation of change is a planned scientific process.

The experts who are popularly known as either OD practitioners or OD interventionists have to carefully and strategically plan the change considering various variables such as structure, technology, leadership etc. in the organization which can have direct impact on achieving sustainability, productivity and innovations. Organizational Development in recent times has broadened its area by shifting its focus from individual's development to overall organizational development in this competitive time. Organizational Development helps the organization in creating such interventions that can assess organization in competitive situation and help them make relevant changes in the strategy if needed to sustain in the market (Miles & Snow, 1978; Porter, 1980; Hamel & Prahalad, 1994; Grant, 1998)

### **Literature Review**

"Organization Development is a long term effort, led and supported by top management, to improve organization's vision, empowerment, learning, and problem solving processes, through an ongoing, collaborative management of organization's culture with special emphasis on the culture of intact work teams and other team configurations-using the consultant facilitator role and the theory and technology of applied behavioural science including action research" (French & Bell, 1999). Organization Development can be defined as "an action science where knowledge is developed by the context of applying it and learning from the consequences" (Argyris *et al.*, 1985). Lawler *et al.*, (1985) in their research stated that Organization Development can be termed as the mixture of knowledge of both the behavioural and scientific stream.

The practices adopted by the practitioners be it external OD interventionist such as consultant or internal OD interventionist such as the manager, staff expert within the organization who apply their relevant knowledge & methods for implementing change that helps the organizations in achieving effectiveness. It also helps the organizations by guiding them how to deal with external environment as well as how to improve internal environment in terms of attaining high performance and quality work life. Organizational Development is a planned effort to deal with change in the organization's culture which involves combined efforts of change agent & members of the organization in identifying problems and design/develop strategy that help the employees in the organization to learn how to deal with their difficulties in the process of implementation of change (Carnevale, 2003).

(Beer, 1980) in his study has described the framework for Organization Development interventions in the organization. The author has divided the interventions into three major parts namely interventions at individual level, interventions at organizational level and process interventions. The interventions at individual level mainly focus upon individual's change; here the focus is on areas such as counselling, training, selection and promotion. The interventions at organizational level focus upon the areas such as reward system, organizational structure design, downsizing and job design. The process level interventions majorly focus on planning, goal setting, team building and decision making. The study further revealed that, the combination of all the three interventions result into fruitful outcome in terms of high individual's commitment & involvement and improved revenue generation for the organization.

The field of Organization Development is too wide. It can be implemented at any point of time by the organization who wants to make a planned change for improving organization's performance. Organizational Development interventions can be used in any of the situations such as enhancement of organization's mission and/or vision statement, for aligning the functional structure in the organization for proper coordination of work as well as for goal congruence, for strategic plan, for managing conflict, to systematize organization's process for ongoing operations, for creating collaborative environment for effective & efficient performance of the employees, for development of policies and procedures, create proper reward structure, for assessment of working environment (McLean, 2005).

Today, change is considered as one of the basic requirement for the organization. The organizations should change & develop rapidly especially in terms of upgradation of technology, as the customers today prefer more quick services Wilhelm, Damodaran, & Li (2003) Leavitt (1965) Organization can be developed/changed in many areas. However, research proves that the organization should majorly focus upon three factors i.e. people, structure and technology which highly influences the overall performance of the organization. The study by Kumar (nd.) reflects that in past few years all the companies irrespective of their size have tried to implement change. The major focus of the organizations these days is to change their culture, use of technology, organizational structure, the nature of superior-subordinate relationships in the organization. This has become the basic necessity for the organizations today to survive in the market. Rao (2012) in his study suggested that, it is advisable to have some external person as an OD consultant/practitioner for identifying and implementing change in the organization. As the internal person i.e. the employee of the organization may not sometimes be able to implement the actual change required in the organization with a fear of losing his/her job.

The research by Leenawong & Botha (2004) which included analysis of pre & post Organizational Development interventions impact on employees' satisfaction and motivation indicates that post implementation of Organizational Development interventions considerable improvement was seen in leadership, teamwork and reward system. Also the study tried to analyze relationship between the dependent variables i.e. employees' satisfaction and motivation with the independent variables i.e. leadership, teamwork and reward system. The results reflected that there was a positive correlation between each independent and dependent variables. Sanposh (2010) in the study which was conducted with a qualitative and quantitative approach to know the impact of employees' commitment, motivation, job satisfaction and performance described that there was noticeable improvement in employees' commitment, performance and motivation after implementation of Organizational Development interventions in the organization.

Intensification in commitment, motivation and performance of the employees further resulted into goal congruence & better performance in the organization. A study conducted by Pavaravadhana (2011) which was divided into three phases i.e. Pre Organizational Development interventions stage, Organizational Development interventions stage and Post Organizational Development intervention stage. The study states that there was positive impact of Organizational Development interventions on employees' engagement as well as motivation. The study further states that, Organizational Development interventions had also helped organization in changing employees approach while working in groups; which earlier used to have questions such as what's wrong? or whom to blame? to questions such as what is the right method to perform that task? or how can we improve/build our own strength? This

resulted into increase in organization effectiveness and as a result there was decline in number of absenteeism, late arrivals & complaint letters.

### **Scope of the study**

The scope of the study is limited to one company. This is one of the leading company in edible oil industry. The company has five manufacturing plants located at different locations in India and its market is spread across the globe<sup>1</sup>. The study has majorly focused on implementation of Organizational Development interventions on Manpower Planning, Job Description and Analysis, Organizational Restructuring, Framing of HR policies, Succession Planning, Training & Development, Division of Compensation and Manpower Assessment (Assessment of HR capital) as suggested by the then DGM HR manager of the company (Beer, 1980).

### **Objectives**

1. To study the implementation of Organization Development interventions and its impact on overall organization.
  - a. To study the impact of Organizational Development interventions on factors influencing manpower planning in the organization.
  - b. To study the impact of Organization Development interventions on factor influencing Job Design and Job Evaluation in the organization.
  - c. To study the effectiveness of Organization Development interventions on factors influencing HR policies.
2. The study tries to analyze pre and post Organization Development interventions impact on the organization.
  - a. To study the effectiveness of Organization Development interventions in the organization by comparing different parameters of the study before & after implementation of Organization Development interventions.

### **Research Methodology**

Under descriptive single cross sectional design, total 196 employees of the organization have been surveyed from the head office of the company located in Ahmedabad, Gujarat. The samples have been drawn by convenience sampling method and all those who agreed to provide response, have been contacted for survey personally. A close ended respondent administrated questionnaire has been used. The scale was developed under the guidance of the then DGM- HR manager of the company. The eight parameters namely Manpower Planning, Job Description and Analysis, Organizational Restructuring, Framing of HR Policies, Succession Planning, Training & Development, Division of Compensation and Manpower Assessment (Assessment of HR capital) were majorly focused to study the impact of Organizational Development interventions. Various statements based on these eight parameters were prepared to know the impact of Organizational Development intervention on each of these parameters. These statements were measured on five point scales, with neutral point in-between, describing the level of agreement or disagreement for the statements. The employees who were working at the head office of the company were considered as the respondents for the survey. Collected data was analyzed using MS-Excel and SPSS software, and for data analysis comparative mean was applied. However, for hypothesis testing paired t-test was applied and also to see the relationship between Organizational Development interventions & eight parameter of the study correlation was applied.

### Data Analysis

**Reliability of the Scale:** Reliability is the degree to which the observed variables measures the true value and is error free (Hair *et al.*, 1998). The reliability of a measure indicates the extent to which it is without bias (error free) and hence ensures consistency measurement across time and across the various items in the instrument (Sekaran & Bougie, 2010). Reliability can be defined as the extent to which measures are free from random error (Malhotra, 2007).

Cronbach's alpha (or coefficient alpha) is the most commonly used measure to judge the internal reliability of factors or constructs. The value of alpha can range from 0 to 1. The nearer the value of alpha to 1, the better is the reliability. The alpha value of 0.60 or less generally indicates unsatisfactory internal consistency reliability (Malhotra, 2007). In this study, an alpha value of 0.60 was set as a cut – off point for the acceptance of the measure.

Cronbach's Alpha	N of Items
.696	38

As shown above, the reliability statistics are measured to check the internal consistency of the data. The value of Cronbach's Alpha is 0.696, which is higher than the threshold (Nunnally, 1978), indicating that the construct is reliable.

### Mean Scores

**Objective1 (a):** *To study the impact of Organizational Development interventions on factors influencing manpower planning in the organization.*

Particulars	Mean	Standard Deviation
Downsizing of staff	1.09	.394
Reduction in duplication of work	1.79	.455
Organization shifts from being traditional to professional	1.47	.530
Flattening Organization	2.05	.504
Better assessment of manpower	2.07	.591
Better delegation of authority	1.89	.611
Increase in productivity	1.91	.538
Performing multiple task	1.69	.555

### Interpretation

Here the mean score for the impact of Organizational Development interventions on factors influencing manpower planning. The mean score of 1 indicates that the employees strongly agreed, score of 2 indicates agree, score of 3 indicates neutral, score of 4 indicates disagree while score of 5 indicates strongly disagree that Organizational Development interventions influenced the manpower planning in the organization. For instance, mean score of 1.09 indicates that majority of employees strongly agreed with the statement that implementation of Organizational Development interventions has helped organization in downsizing.

**Objective1 (b): To study the impact of Organizational Development interventions on factor influencing Job Design and Job Evaluation in the organization.**

<b>Particulars</b>	<b>Mean</b>	<b>Standard Deviation</b>
Better Personnel Planning	1.20	.437
Unbiased performance appraisal	1.86	.430
Hiring becomes easier	1.36	.513
Identifying need for Training & Development	2.30	.691
Better job compensation	2.34	.751
Better career planning	1.97	.463

### **Interpretation**

Here the mean score for the impact of Organizational Development interventions on factors influencing Job Design. The mean score of 1 indicates that the employees strongly agreed, score of 2 indicates agree, score of 3 indicates neutral, score of 4 indicates disagree while score of 5 indicates strongly disagree that Organizational Development interventions influenced the job design in the organization. For instance, mean score of 1.20 indicates that majority of employees strongly agreed with the statement that post implementation of Organizational Development interventions personnel planning activity has improved which has proved to be beneficial to the organization.

**Objective 1 (c): To study the effectiveness of Organizational Development interventions on factors influencing HR policies.**

<b>Particulars</b>	<b>Yes</b>	<b>No</b>
Recruitment & Selection	162	34
Retirement of employees	36	160
Personnel Database	23	173
Performance Appraisal	117	79
Increments	62	134
Allocation of allowances	21	175
Induction & Orientation	109	87
Training & development	19	177
Fringe Benefits	19	177
Leave policies	80	116
Succession planning	128	68

### **Interpretation**

The above figures indicate that Organizational Development interventions has proved to be effective in many of the HR policies except in retirement policies, maintaining personnel database, increment in compensation, allocation of allowances, training & development, fringe benefits and leave policies. These are the areas where the organization should try to focus and improve.



**Objective 2 (a): To study the effectiveness of Organizational Development interventions in the organization by comparing different parameters of the study before & after implementation of Organizational Development interventions.**

<b>Before</b>		<b>Factors</b>	<b>After</b>	
<b>Mean</b>	<b>Standard Deviation</b>		<b>Mean</b>	<b>Standard Deviation</b>
4.40	.645	Manpower	1.19	.405
4.27	.799	Job design and evaluation	1.27	.499
4.19	.855	Organizational Restructuring	2.03	.213
3.77	.593	Framing HR policies	1.12	.506
4.12	.706	Performance Assessment	2.62	.546
3.69	.639	Revision of compensation	3.50	.586
3.39	.529	Succession Planning	2.90	.359
4.90	.759	Training and development	3.39	.549

### **Interpretation**

Here the mean score for all the eight parameters of Organizational Development interventions reflect that Manpower Planning, Job Design & Evaluation, Organizational Restructuring, Performance Assessment, Training & Development was 4.40, 4.27, 4.19, 4.12 & 4.90 respectively. These scores indicated the signal for need to change in those particular areas. However, the results obtained after implementation of Organizational Development interventions reflects that the organization has taken considerable steps in the above mentioned areas and has improved a lot in the same. The mean score for all the eight parameters of Organizational Development interventions reflect that Manpower Planning, Job Design & Evaluation, Organizational Restructuring, Framing of HR polices, Performance Assessment, Revision of Compensation, Succession Planning and Training & Development was 1.19, 1.127, 2.03, 1.12, 2.62, 3.50, 2.90 & 3.39 respectively. The score shows that employees' opinion was neutral only in two parameters of Organizational Development interventions i.e. revision of compensation and training & development post implementation of Organizational Development interventions.

### **Correlation**

H0: 3 There is no relationship between Organizational Development interventions and factors influencing manpower planning.

<b>Particulars</b>	<b>Correlation</b>
Upgradation of technology	.469
Increase in Productivity	.313

### **Interpretation**

Here the value of correlation is .469 & .313 which shows that there is positive correlation between proper Manpower Planning and implication of Organizational Development interventions as this has resulted into technology upgradation in the organization and increase in productivity of employees. However, the correlation coefficient is not high which indicates that any solid conclusion on this is not desired.

H0: 4 There is no relationship between Organizational Development interventions and factors influencing job design.

<b>Table: 7 Correlation between Organizational Development interventions &amp; factors influencing Job Design</b>	
<b>Particulars</b>	<b>Correlation</b>
Helps in unbiased performance appraisal	.378
Organizational Development interventions have improved compensation	.362

**Interpretation**

Here the value of correlation is .378 & .362 which shows that there is positive relation between change in job design and implication of Organizational Development interventions as this was reflected in unbiased performance appraisals as well as improved compensation structure for the employees. However, the correlation coefficient is not high which indicates that any solid conclusion on this is not desired.

**Paired-t test**

**Objective: 2 The study tries to analyze pre & post Organizational Development interventions impact on the organization.**

H0.1: There is no significant difference in manpower planning before & after implementation of Organizational Development.

**Interpretation (Table 8)**

A paired t test assuming equal variances was applied to check whether there is any difference in Manpower Planning Before Implementing Organizational Development intervention (M= 4.40, SD=0.648) & After Implementing Organizational Development intervention (M= 1.19 ,SD=0.4). It was found that t- statistics is 2.16 which do not fall between "t-critical values" of  $\pm 1.9704$ . So, the alternate hypothesis i.e. **there is difference in Manpower Planning in before & after Organizational Development interventions Implementation** is accepted.

H0.2: There is no significant difference in Training & Development and before & after implementation of Organizational Development.

<b>Table: 8 Paired t-test for Manpower Planning</b>			
Mean	4.40	1.19	Related Hypothesis
Variance	0.42	0.16	
Observations	196	196	
Hypothesized Mean Difference	0.05		H0:1
Df	195		
P(T<=t) two-tail t	2.16		
Critical two-tail	1.97		

**Interpretation (Table 9)**

A paired t test assuming equal variances was applied to check whether there is difference in training and development methods followed in the Organization in before (M= 3.39, SD=0.547) & After Implementing of Organizational Development intervention (M= 2.97, SD=0.173). It was found that t statistics is 4.86 which do not fall between "t-critical values" of  $\pm 1.9704$ . So, the alternate hypothesis i.e. *there is difference in methods of training and development in the Organization before and after implementation of Organizational Development interventions* is accepted.

Mean	3.39	2.97	Related Hypothesis
Variance	0.30	0.03	
Observations	196	196	
Hypothesized Mean Difference	0.05		H0:2
Df	195		
P(T<=t) two-tail t	4.86		
Critical two-tail	1.97		

**Findings & Discussions**

**Objective 1: To study the implementation of Organizational Development interventions and its impact on overall organization.**

The organization which started up as a small informal set-up has today grown up as one of the renowned company in the edible oil industry. The organization since its inception till past few years had no such professional implication as well as structure in the organization. The organization used to run with a very informal set-up. In the recent times the top and middle level managers of the organization identified the need for change. An external OD practitioner was hired for identifying, strategizing/planning & implementing change in the organization. The change was implemented in the areas such as Manpower Planning, Job Design & Evaluation, Organization Restructuring, Formation of HR policies, Succession Planning, Training & Development and Manpower Assessment. After implementation of Organizational Development interventions, the organization noticed change in all most all the parameters of the change.

The company specially conducted a research to gauge the impact of Organizational Development interventions on overall performance of the organization as a whole. The results obtained reflect that the change was implemented successfully in the organization. This implementation of Organizational Development interventions helped organization in downsizing, reduction in duplication of work, organization in changing from being traditional set-up to a professional set-up. It has also helped the organization in changing its structure from being tall to flat organization. Implication of Organizational Development interventions in the organization has improved assessment practices; Organizational Development interventions have also encouraged delegation of authority in the organization which has made open door policy possible. Post Organizational Development interventions there was noticeable increase in employees' productivity as well as the employees were capable to perform multiple tasks at a time. However, the organization needs to focus upon certain areas under which they need to improve. These areas are retirement policies, maintaining personnel

database, increment in compensation, allocation of allowances, training & development, fringe benefits and leave policies.

***Objective: 2 The study tries to analyze pre & post Organizational Development interventions impact on the organization.***

After implementation of Organizational Development interventions, the research was conducted within the organization to check whether there was any change in the organization post implementation of Organizational Development interventions. The results reflect that there was a considerable change in all the parameters of Organizational Development. However, the company needs to focus upon improving its compensation policies as well as they need to work more in the area of training & development.

Also from the study it was found that, Organizational Development interventions have helped organization to improve in many areas. For instance, there is a positive relationship between implementation of Organizational Development interventions and technology upgradation. The analysis shows that technology upgradation has resulted into reduction of manual work. As a result the employees' of the organization are allotted task which are more qualitative in nature then the one which can be handled through automation or machinery. This has resulted into increase in employees' productivity and better participation in the decision making in the organization.

The result of the correlation indicates that there is positive relationship between manpower planning and upgradation of technology. The improvisation in manpower planning has helped organization in being adaptable to the technological change in the market. This has resulted into better performance of the organization. Besides, this there is a positive relationship between manpower planning and increase in productivity. The manpower planning has made it possible for the organization to check whether the employees get all the required material for performing their task. This has resulted into better productivity of the employees.

The results also reflect that there is correlation between job design and unbiased performance appraisal. Proper job design has resulted into proper hiring i.e. qualified candidates for the organization these results into fair performance appraisal. Further, there is correlation between job design and better compensation. The clear specification of job has resulted into proper compensation for the employees.

**Conclusion**

The study overall indicates the areas where the organization has tried to implement change for the betterment of the organization. This shows the success story of the organization which has shifted from traditional & informal set-up to a professional set-up. Majority of the employees in the organization agreed that Organizational Development interventions had positive impact on their working styles. They recommended that the organization should continue such practices. The employees further added that post Organizational Development interventions the management was able to effectively implement downsizing in the organization. Further, this also helped the organization in regularly updating their technology which resulted into reduction in manual work. The organization still needs to improve in the areas such as, compensation to the employees, training & development and the organizational structure in terms of being flat organization from tall organization.

### Recommendations

It is necessary for the organization to change with the changing pace of time as this will help them strengthen their roots in the market. Here are few recommendation based on the study conducted in one organization to know the impact of Organizational Development interventions on the performance of the organization. It is advisable for the organization to hire an external practitioner for planning & implementing change in the organization. The organizations should try to follow formal process of recruitment & selection. It doesn't mean that the company should not rely on internal references. However, the organization can get more clarity for selecting an eligible candidate by preparing proper job description & specification. Beside this, organizations in today's time should focus on restructuring where they should try to have more flat organization. This will further encourage open door policy and participation from management. Such practices will help the organization in increasing their performance.

### Endnotes

<sup>1</sup>Name of the company is kept confidential as desired by the company authorities.

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## **Organizational Impact of Psychological Contract: An Empirical Study**

**Shobhana Jha & Sameer Pingle**

**Institute of Management, Nirma University, Ahmedabad, India**

**E-mail: [shobhanajha.imnu@gmail.com](mailto:shobhanajha.imnu@gmail.com), [sameer@nirmauni.ac.in](mailto:sameer@nirmauni.ac.in)**

### **Abstract**

This paper is an attempt to explore various dimensions of psychological contract and how it impacts the employees as well as employers. The authors have examined reasons for perception of breach of the psychological contract. This is a descriptive study wherein the data has been collected through questionnaire from a sample of current employees or previously employed professionals aspiring for a career in private sector IT organizations in the five states of south Indian region i.e. Karnataka, Andhra Pradesh, Telangana, Kerala and Tamil Nadu.

**Keywords:** Psychological Contract, Unspoken Expectation, Attrition, India

### **Introduction**

‘*Psychological contract*’, as the term suggests, is an unspoken understanding among people. The term *contract* refers to a legal binding with a person or party. However, psychological contract is a special binding where there are mutual expectations and obligations that people have to each other. In the organizational context, it is the expectations that an employee has from the organization and vice versa.

As described by Schein (1965) in his seminal work on organizational psychology, the psychological contract is “...the unwritten expectations operating at all times between every member of an organization and the various managers and others in that organization... Each employee has expectations about such things as salary or pay rate, working hours, benefits and privileges that go with the job... the organization also has more implicit, subtle expectations that the employee will enhance the image of the organization, will be loyal, will keep organizational secrets and will do his or her best.”

The notable feature of the psychological contract, other than its unwritten implicit nature, is that it undergoes changes over time. In his book, “Managing the Psychological Contract”, Wellin (2007) suggests that organizations change with time in response to the changes in the market and the surroundings, therefore, their expectations from the employees also changes. Similarly, with age, the employees also change across their life span. The expectations from an employee in his or her 20s may later change when the same person is in his or her 40s. In the early work life, an employee may be looking out to experiment and explore many jobs. This is followed by a developmental phase, the individual would want to stick to one field and gain expertise. In the maturity phase, the person would look for sustaining the chosen field to give more attention to increased family responsibilities.

The importance of the psychological contract rises when there is breach of the contract leading to dissatisfaction to any of the related parties. This dissatisfaction has an impact on

the behavior and productivity of the employees. With the increasing competition as more and more players emerge, it is now imperative for the present organizations to understand the psyche of its employees and avoid any breach of contract.

### **Literature Review**

There is research done on the psychological contract in terms of various aspects which are related to the employees and the employer. The various aspects related to the employee are the organization commitment, work behaviour, personality, knowledge-sharing behaviour, organizational citizenship behaviour and trust. A research by Agrawal (2011) on the Indian IT industry reveals a strong correlation between the psychological contract and organizational commitment of the employees. According to this research, formation of a healthy psychological contract can ensure a stable employment relationship and enhance the 'intent to stay' and the value commitment among the employees.

Another similar research was done (Shahnawaz and Goswami, 2011) on the effect of violation of the psychological contract on organizational commitment, trust and turnover but that was done in private and public sector organization in Delhi and NCR Delhi. This research is further reaffirmed by the research by Md. Hassan Jafri (2011) on junior level executives in private banks in New Delhi. In addition to the positive relation of organizational commitment with the psychological contract, the effect on the knowledge-sharing behaviour is also confirmed by the research by Bindu Gupta (2012) and others on different organizations from various industries such as IT, automobiles, FMCG, etc.

In the international context, a study (Gresse, Linde and Schalk, 2013) on south-African graduate population revealed that the expectations of a fresher at the time of joining the organization was attractive salary, benefits, employee assistance programs, personal-skill development opportunities, status in the workplace and mobility opportunity for one to remain committed to the organization. In a research done by Morrison (1994) and others of Concordia University, it was revealed that personality of individual employee also has an effect on the psychological contract. Another aspect revealed by study (Shih and Chuang, 2013) done on theme parks employees in Taiwan was that there is impact of the self-enhancement theory and self-consistency theory on organizational commitment.

### **Research Gap**

A major part of the IT industry in India is in the five states of south India namely Karnataka, A.P., Telangana, Kerala and Tamil Nadu. The Silicon Valley is famous all over the world with lot of multi-national companies investing here and acquiring the software services through outsourcing. Also, because of concentration of IT in this region, it is easy for professionals to switch jobs leading to high attrition. Hence, this region-wise study would help to gain an insight into the type of relationship among the employers and their employees.

### **Research Questions**

- Why is it that attrition in sectors like IT is very high?
- What are the expectations of the employers and employees from each other?
- What is it that leads to the breach of the psychological contract?

### **Research Problem**

The psychological contract, an unspoken expectation –is it clearly understood by the employees and the employers?



### Research Objectives

- To find out the constituents of a healthy psychological contract
- To study the psychological contract between employers and employees
- To find out the reasons for perception of breach of the psychological contract

### Research Methodology

*Type of Study:* The study is a descriptive study.

*Sample:* There are around 2.8 million employees working in the IT industry. To limit the study, the employee population in South India is considered which comes to about 2.1 million employees. With a confidence level of 95% and margin of error of  $\pm 10$ , the sample size was calculated which came out to be 96.

The data was collected using convenient sampling. A sample of 103 employees was considered for this study which includes individuals currently (62) or previously (41) employed in IT sector organizations in southern part of India (five states i.e. Karnataka, Andhra Pradesh, Telangana, Tamil Nadu and Kerala).

*Data Source:* This is a primary study where the data was collected through a questionnaire to study various factors that affect the psychological contract between the employees and employers.

The questionnaire consisted of questions of the following types:

1. **Questions based on preference:** These questions helped in finding out the general feeling of the employees towards their work, employer, etc.
2. **Rating various factors:** Multiple parameters were identified which were tested (on Likert Scale of 1 - 4) on the basis of the psychological contract variables. The psychological contract was measured based on four parameters which are as follows:
  - i. Employer's Commitment/Obligation to Employees
  - ii. Employee's Commitment/Obligation to Employers
  - iii. Employer's Relationship with Employee
  - iv. Employee's Relationship with Employer
3. **Open-ended questions:** These questions were aimed to identify the factors that lead to discontent and reasons for attrition.

The questions measuring the psychological contract variables were adapted from a 52-item Psychological Contract Questionnaire (PCQ) (Patrick, 2008), which in turn was adapted from the Psychological Contract Scale (Millward and Hopkins, 1998) and the Psychological Contract Inventory (Rousseau, 1995).

The questionnaire is quite reliable with Cronbach's Alpha (Table 1) in the range 63.8% – 74.3%. The Likert Scale chosen was of the range 1 to 4, 1 standing for 'Not at all' and 4 for 'To a great extent'.

It is often observed that when asked about the employers, employees tend to maintain either a positive or a neutral stand so as to protect themselves from the consequences of a negative remark. The reason for choosing an even scale was to eliminate the neutral answers.

S. NO.	Psychometric Variable	Reliability(Cronbach's Alpha)
1	Employer's Commitment/Obligation to Employees	74.3%
2	Employee's Commitment/Obligation to Employer	67.4%
3	Employer's Relationship with Employee	63.8%
4	Employee's Relationship with Employer	74.0%

**Table 1 Reliability of the Questionnaire variables**

### Data Analysis

The psychological contract variables were studied individually as well as in context of each other as follows:

- I. Mean for the psychological contract variables was calculated individually.

Sl. No.	Variable	Mean
1	Employer's Commitment/Obligation to Employees	2.72
2	Employee's Commitment/Obligation to Employer	2.79
3	Employer's Relationship with Employee	2.64
4	Employee's Relationship with Employer	2.59

**Table 2 Mean for Psychological Contract Variables**

### Psychological Contract Variables

- **Employer's Commitment/Obligation to Employees:** This measures the commitment/obligation of the employers towards their employees in the eyes of the employee.
- **Employee's Commitment/Obligation to Employer:** This measures the commitment/obligation of the employees towards their employers.
- **Employer's Relationship with Employee:** This measures the employer behaviours that determine the relation between the employer and the employee.
- **Employee's Relationship with Employer:** This measures the employee behaviour that determines the relation between the employer and the employee.

For each of the above parameters, corresponding variables were studied and ranked based on their mean value.

**Employer's Commitment/Obligation to Employees**

Following are the 14 variables studied under the employer's commitment/obligation to employees ranked in order of their score mean. In a scale of 1-4, salary is most important closely followed by job assignments given. Most of these factors hold substantial value as out of 14, 13 variables are above the mean 2.5 of the scale.

<b>TRAIT</b>	<b>MEAN</b>	<b>RANK</b>
Salary	2.92	1
Job Assignments	2.90	2
Learning and Development	2.89	3
Sense of Pride in each other	2.87	4
PMS	2.84	5
Job Security	2.81	6
Work Timings	2.74	7
Benefits	2.73	8
Flexi-time	2.69	9
Posting	2.63	10
Re-Location	2.61	11
Commitment to each other's welfare	2.60	12
Worth	2.52	13
Promotion	2.26	14
<b>Total</b>	<b>38.01</b>	
<b>Mean</b>	<b>2.72</b>	

**Table 3 Mean for variables to determine commitment/obligation of employees**

**Employee's Commitment/Obligation to Employer**

Following are the 10 variables studied under the employer's commitment/obligation to employees ranked in order of their mean score. In a scale of 1-4, seeking job assignments from the employer is most important factor determining the employee's commitment followed by loyalty to the employer (which leads to job security). Most of these factors hold substantial value as out of 10, 9 variables are above the mean 2.5 of the scale.

<b>TRAIT</b>	<b>MEAN</b>	<b>RANK</b>
Job Assignments	3.1	1
Job Security	3.05	2
PMS	2.9	3
Sense of Pride in each other	2.89	4
Worth	2.85	5
Re-Location	2.82	6
Commitment to each other's welfare	2.74	7
Work Timings	2.66	8
Posting	2.65	9
Salary	2.23	10
<b>TOTAL</b>	<b>27.89</b>	
<b>MEAN</b>	<b>2.79</b>	

**Table 4 Mean for variables determining commitment/obligation of Employers**

### Employer's Relationship with Employee

Following are the 6 variables studied under the employer's relationship with employee ranked in order of their mean score. In a scale of 1-4, with a mean of 2.97, employers withhold important information from the employees. This is an eye-opener for employers to have transparent policies in place. The impact of senior manager (mean = 2.84) is the second determinant. The third rank trust (mean = 2.6) suggests that the employers trust in the employee regarding the work provided is high.

<b>Trait</b>	<b>Mean</b>	<b>Rank</b>
Information	2.97	1
Impact of Senior Manager	2.84	2
Trust	2.60	3
Work Load	2.58	4
Pay vs. Work	2.58	4
Impact of Immediate Manager	2.27	5
<b>Total</b>	<b>15.84</b>	
<b>Mean</b>	<b>2.64</b>	

**Table 5 Mean for variables determining Employer's Relationship with the Employee**

Out of 6, 5 variables are above the mean 2.5 of the scale. This should attract the attention of the employers who would like to work upon them. Regarding work load and pay vs. work, the respondents have a similar opinion (mean = 2.58). The respondents believe that employer's load them with lot of work and not pay them accordingly. In this regards, intervention needs to be taken to allocate work and resources proportionately.

An important point to observe here is that people trust their senior manager to look after their best interests (mean = 2.84), but there is a big lack of trust regarding the same on their immediate manager (mean = 2.27 which is even less than the scale mean). This could have serious implications for the employers to improve on.

### Employees' Relationship with Employer

Following are the 8 variables studied under the employee's relationship with employer ranked in order of their mean score. From employee's point-of-view, there is a lot of difference in what the employer says and what is actually practiced by the employee. As a second factor, employees claim that they plan their work. This is followed by third factor enthusiasm at work.

<b>TRAIT</b>	<b>MEAN</b>	<b>RANK</b>
Information	2.95	1
Work Load	2.81	2
Enthusiasm to Work	2.71	3
Trust	2.69	4
Impact of Senior Manager	2.50	5
Resources	2.50	5
Decision for future	2.40	6
Impact of Immediate Manager	2.16	7
<b>TOTAL</b>	<b>20.72</b>	
<b>MEAN</b>	<b>2.59</b>	

**Table 6 Mean for variables determining Employee's Relationship with the Employer**

As seen previously for employer's relationship (trust mean score = 2.60), employee's relationship is also based on trust to the almost similar level (mean = 2.69) with the employees actually trusting the employer more than the employer trusting them.

Based on the impact of the senior and immediate managers, a similar pattern is observed in the employees' commitment towards them. Employee commitment towards immediate manager is more uncertain than senior manager.

The helplessness due to difficulty in access to resources (mean = 2.50) is almost mid-way followed by difficulty to ascertain future with the employer (mean = 2.40)

### **Findings/Results**

Almost an equal proportion of people believe in protecting the employer's interest first vis-à-vis their personal interests. 47.6% of the respondents believe in "*I would make attempts to protect myself first*" and rest 52.4% respondents believe in "*I would protect the employer's interest first*".

- Regarding the choice between being in a company for long term and switching companies based on opportunities available, the currently employed and unemployed had an opposite opinion. While 40% employed believe in switching and rest 60% believe in long-term commitment, for the unemployed its reverse i.e. 60% believe in switching companies and 40% in long-term stay in a company. This indicates that individual aspiring to join an organization always tries to keep the multiple options open whereas employed individuals believe in being committed and devote longer time to their organization.
- Among the factors of dissatisfaction with the employer, the major deterrents are the career progression (25.81%), work environment (22.58%), improper benefits (19.35%) and salary (6.45%).
- People leave their employer mainly due to poor compensation design (obsolete and not in line with market trends) reflected by 63.11% of the respondents. This is followed by fixed job roles with limited opportunity to grow horizontally/vertically (48.54%), difficulty in adjusting to organizational work culture (37.86%), inability in following the organizational hierarchy (33.98%), poor understanding of employees'

persona/professional requirements (28.16%), inability to align personal goals with organizational goals (23.3%) and late/incomplete responses to employees' grievances (16.5%).

- 43% gave equal importance to salary and job profile, 29% preferred job profile over salary and 28% preferred salary over job profile in deriving satisfaction from their employer.
- In terms of enthusiasm while going to work, 39% of the employed respondents felt enthusiastic most of the times, 32% sometimes, 21% always and 8% never felt enthusiastic going to work.

### **Conclusion**

Employee's commitment/obligation to employer is greater than the employer's. The employer's relationship with employee is stronger than that of the employee. The employer's invest in the employee more than the employee but in terms of commitment they lack in comparison to the employees.

### **Recommendations/Suggestions**

The IT industry faces a lot of attrition issues. From this study, we can infer that there is no lack of enthusiasm among the employees in terms of work. However, it is with due course of time that there are certain issues cropping up from time to time which lead to slow breach of the psychological contract and breaks the bond eventually. The crux of the solution lies with the identification of the possible issues before they turn into an undesirable opinion for the other party.

The study aims to point out the dominating determinants of psychological contract between the employer and employees. From the employer view, it is very important to understand the preferences of the employees. It is impossible to cater to every individual, but the same can be managed through feedback. The expectations can then be understood by the employer and they will be in a better position to communicate their limitations to the employee, if any.

Also, as observed in the findings of the study, individuals not employed in any organization tend to have a switching mindset. They always look for a better opportunity and part with the organization very early. This trend supports the fact the weaker the relationship, the easier it is for an individual to leave. Fresher/unemployed people have not yet developed that bond with an organization, hence they do not believe in sticking to one organization.

As far as employed professionals are concerned, transparency from the employer is the biggest expectation which is found missing in most of the IT giants. Important information if revealed in advance can win the hearts of the employees because they feel included and valued. In addition to this, the second most important factor employers should be looking for is proportional work allocation. Due to global business delivery model, the employees have to work in odd hours, sometimes at long stretches. Though sometimes it might be unavoidable, but IT employers should now seriously look for flexi-timings and job rotation to manage their work.

### **Managerial Implications**

The factors identified above could be helpful in designing employer branding program by the organization. Further, the internal branding program could be developed to put the employee engagement program in shape. Having transparency and open communication in organization

would be helpful in achieving higher employee engagement. This would have implication on the employee retention due to reduced attrition.

### Scope for Future Research

Psychological contract is not a permanent set of expectations. With a dynamic business environment and changing demographics, the expectations also change. With more and more women employees joining and continuing till top positions, the change in these factors need to be studied and predicted to get the IT workforce ready to accommodate such changes.

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## **Impact of Training on Employees' Job Performance: A Case Study of Malaysian Small Medium Enterprise**

**Jamsari bin Atan, Santhi Raghavan**

**Open University of Malaysia, Kuala Lumpur, Malaysia**

**E-mail:** ijamsari@hotmail.com, santhi@oum.edu.my

**Nik Hasnaa Nik Mahmood**

**University Technology Malaysia, Kuala Lumpur**

**E-mail:** nikhasna@ic.utm.my

### **Abstract**

The objective of this paper is to examine the impact of training on employee job performance. The study is carried at a Malaysian small and medium enterprise (SME). This research examines the training factor that affected the job performance of employees of the company. The functional area which is associated with the effective human resource management practices of the company selected for the study has been examined comprising of training and employees' job performance. 85 employees from the respective production units of the company voluntarily participated in the survey using questionnaire. Findings indicate that there is relationship between effective training and employees' job performance.

**Keywords:** Training, Job Performance, Small Medium Enterprise, Malaysia

### **Introduction**

This study focuses on the impact of training on employee job performance. The way an organization trains people can influence its performance. Organizations can adopt various training practices to enhance employee job performance as well as motivate them to work harder towards achieving the set targets. An effective human resource management practices can be the main factor for the success of a firm (Stavrou-Costea, 2005). Influence of human resource management and training practices on organizational performance has been a significant area of research in past 25 years indicating positive relationship between Human Resource Management practices and organizational performance (Qureshi et al., 2007). Scholars and researchers were involved in exploring how training and HRM practices affected employee job performance, and organizational performance. Qureshi et al. (2007) and Qureshi et al. (2010) identified how HRM practices in training impacts organizational effectiveness.

### **Literature Review**

This research explores the training practices and their outcomes in Linaco Manufacturing (M) Sdn Bhd, as well as the impact of human resource management (HRM) practices on employee's job performance of Linaco. Research on training and HRM practices has been studied extensively among manufacturing and small & medium enterprises. These theoretical and empirical studies have generally focused on HRM practices within western organizations. Relatively few studies have been done about the impact of HRM practices of training on firm performance in Asian countries (Zheng, Morrison and O'Neill, 2006). Employee training has



been a matter of concern and attention by any business field nowadays. Training can be used to correct the skill deficit. It is also job specific and addresses particular performance deficits or problems. A fundamental objective of training is the elimination or improvement of performance problems. To be successful, a training program must have clear stated and realistic goals (David, 2010). These goals will guide the program's content and determine the criteria by which its effectiveness will be judged. Training can also assist in developing human capital. Also, human resource practices can influence employee motivation by linking performance with incentives (Huselid, 1995), Zheng, Morrison and O'Neill (2006)

### **The Impact of Training on Employees' Job Performance**

Guest (2002) has demonstrated that the impact of HRM on job performance depends upon response of worker towards HRM practices, so the impact will move in direction of the perception of employees by practicing HRM. Ghebreorgis & 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 training strategy. Qureshi et al. (2007) concluded that training are positively correlated with employee's job performance. Patterson et al. (1997) has explained that HR practices in training effects the job performance of the employee provided appropriate skills.

### **Understanding of Training Effectiveness**

Studies suggest that many training and development activities are implemented on blind faith with only the hope that they will yield resist (Arthur, Bennett, Edens & Bell, 2003). According to Broad and Newstrom (1992), seldom are training programs rigorously evaluated to determine their effect on the behavior or job performance of participants. Therefore, it is important to explore methods to encourage transfer of learning in order to achieve greater training impact on human resource practices. Mayfield (2011) suggested that training effectiveness is a good predictor of employee training. This association suggests that when employees have been trained in a training program, the training effectiveness is likely to be followed by job behavior (Pelham, 2009). Previous studies also suggest that demographic variables such as age, degree held, and experience were related to training impact in some studies (Devins, Johnson and Sutherland, 2010) The focus of previous work has been on the relationships between training effectiveness and employees' demographic variables.

### **Training Environment**

Training environment includes training facilities, site layout, sound lighting, hardware environment, classroom climate, student involvement of the soft environment. Therefore, only training of trainers and employees and work together can create a better learning atmosphere and environment. According to Martin (2010), training environment has an effect on training effectiveness on human resource practices among employees.

### **Work Environment**

Work environment includes such factors as managerial support, peer encouragement, adequate resources, opportunities to apply learned skills, technical support, and consequences for using training on-the-job (Burke and Hutchins, 2008). Managers can show support for training in a variety of ways ranging from simply allowing employees to attend the training to participating in the training itself as an instructor (Burke and Baldwin, 1999). Peer support enhances learning transfer through the feedback, encouragement, problem-solving assistance, supplemental information, and coaching provided to trainees (Factione *et. al.*, 1995).

## **Methodology**

*Research's hypothesis:* The hypothesis for this research are as follows:-

H1: There is a relationship between training and employee job performance

H2: There is an impact of effective training practices on employee job performance.

*Research Framework:* The research framework for this study involved 2 main variables consists of independent variable and dependent variable. Independent variable consists of training and the dependent variable consists of employee job performance.

*Research Design:* This face-to face survey is conducted at Linaco Manufacturing (M) Sdn Bhd on respondents from all production units. The company's HR Management was first consulted for their approval for the survey exercise. Quantitative data was used in this research. A set of questionnaires were distributed with the support of the company management to these employees. Initially the questionnaire was formulated to determine the staff perception. Each set contains 40 questions that can be answered within 15 minutes as part of company condition for the study approval.

*Population and Sampling:* The total population of production workers of Linaco Manufacturing (M) Sdn Bhd consists of 103 workers who are working in the respective 4 sections of production units. The sections involved were Canning Section, Packaging Section, Kernel Section and Coconut Milk Sections. From 103 workers, only 85 respondents were selected or (82.52%) from the total production workers by using random sampling. According to Hair and Bush (2003), target population is said to be a specified group of people or object for which questions can be asked or observed made to develop required data structures and information. The percentage of response rate is extremely important in a survey because it indicates how much bias there might be in the final sample of respondents. The lower response rate, the greater the likelihood that such biases may distort the findings and in turn, limit the ability to generalize the findings to the population of interest. A response rate of about 50% is generally considered adequate for survey research, 60% is considered a good return rate, and 70% is very good (Babbie, 1995).

## **Data Analysis and Results**

It can be seen from Table 1 that 43 (50.6%) of the respondents were male and 42 (49.40%) of the respondents were female. 57 (67.10%) education level of the respondents were O-level, 20 (23.50%) were certificate holders, 4 (4.70%) were diploma holders and 4 (4.70%) of them were degree holders. From this table, out from the 85 respondents, 24 (28.20%) of them aged between 18-25, 30 (35.30%) aged between 26-30, 9 (10.60%) aged between 31-35, 14 (16.50%) aged between 36-40, 4 (4.70%) aged between 41-45, and 4 (4.70%) aged above 50. The average age of the respondent is relatively young with 63 (74.11 %) of the respondents were below 35 years old. Table 1 also shows that 19 (22.40%) of them were employed less than 1 year, 34 (40.00%) employed between 1-2 years, 19 (22.40%) employed 3-5 years, 6 (7.10%) employed between 6-10 years and 7 (8.20%) employed more than 10 years. It can also be seen that there is quite high employee turnover rate as indicated by 53 (62.40%) of the respondents having served the company of less than three years despite the fact that the company has been operating for more than ten years. As can be seen on Table 1, the distribution of respondents' salary. Out from the 85 respondents, 27 (31.80%) of them were paid less than RM900 per month, 33 (38.80%) paid RM900-1249 per month, 20 (23.50%) paid between RM1250 to RM1499 per month, and only 5 (5.90%) paid more than RM1500 per month. The survey revealed that the average salary of the respondents is relatively low whereby 60 (70.60%) of them receive RM1,249 or less.

**Table 1 Respondents Demographic Analysis**

	Frequency	Percent	Range
Gender			
Male	43	50.6	
Female	42	49.54	
Education			
O-Level	57	67.1	
Certificate	20	23.5	
Diploma	4	4.7	
Degree	4	4.7	
Age			
18-25	24	28.2	
26-30	30	35.3	
31-35	9	10.6	
36-60	14	16.5	
41-45	4	4.7	
50 above	4	4.7	
Employ period			
Less 1 year	19	22.4	
1-2	34	40	
3-5	19	22.4	
6-10	6	7.1	
More 10 yrs	7	8.1	
Salary			
Less RM900	27	31.8	
RM900-RM1249	33	38.8	
RM1250-RM1499	20	23.5	
RM1500 above	5	5.9	
	85	100	

**Reliability Test**

The perception level of production operators of Linaco Manufacturing (M) Sdn Bhd. were surveyed based on the 2 items of research questions consists of training and job performance as the result presented on Table 2. Table 4.8 shows that Cronbach's alpha for training instrument is ( $\alpha=.741$ ), and acceptable for the purpose of analysis (Sekaran, 2005)

**Table 2 Cronbach's Reliability; training**

Cronbach's Alpha	N of Items
.741	11

Table 3 shows that Cronbach alpha for employee job performance is ( $\alpha=.811$ ), and good for the purpose of analysis (Sekaran, 2005).

**Table 3 Cronbach's Reliability of Job Performance**

Cronbach's Alpha	N of Items
.811	23

**Mean Score for Training**

Table 4 shows that the mean score for training is 3.2459 and the survey revealed that the mean score for training was relatively moderate.

**Table 4 Mean statistics of training**

		MeanT
N	Valid	85
	Missing	0
Mean		3.2459

**Mean Score for Job Performance Level**

As shows on Table 5, the mean score for job performance is 3.6784, and based on the indicator this score is relatively moderate.

**Table 5 Mean statistics job performance level**

		MeanJP
N	Valid	85
	Missing	0
Mean		3.6784

**Pearson Correlation (Relationship Between HRM Practices and Job performance)**

The hypothesis for this research are as follows;-

H1: There is a relationship between training and employee job performance

Pearson Correlation Statistic was used to test the relationship training and job performance. Result of the analysis in Table 6 shows a moderate and significant correlation between training (r=.341) and job performance. Thus, hypothesis 1 are accepted.

**Table 6: Pearson Correlation Statistic (relationship training and job performance)**

		Training	Job Performance
Training	Sig. (2-tailed)	.085	.001
	N	85	85
	Pearson Correlation	1	.341**
	Sig. (2-tailed)		.001
	N	85	85

	Pearson Correlation	.341**	1
Job Performance	Sig. (2-tailed)	.001	
	N	85	85

**The Impact of Training on Employees’ Job Performance.**

Multiple regression analysis was used to examine the impact of training on employees’ job performance. Result of the multiple regression analysis in Table 7 shows that HRM practices contributed 24.5% to employees’ job performance. Thus, it can be concluded that effective training lead to employees’ job performance. Therefore, hypothesis 2 is also accepted.

**Table 7 Multiple regression (Impact of Training on Employees’ Job Performance)**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.495 <sup>a</sup>	.245	.217	2.67999

a. Predictors Training

**ANOVA Results**

F statistic (8.763) as shows in Table 8 revealed a positive and significant correlation between training on employees job performance.

Table 8: ANOVA<sup>a</sup>

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	188.817	3	62.939	8.763	.000 <sup>b</sup>
	Residual	581.771	81	7.182		
	Total	770.588	84			

a. Dependent Variable: Performance2

b. Predictors: (Constant) Training

**Coefficient Results**

Table 9 shows about Beta coefficient of training. The result shows that training is the contributor to employee’s job performance based on the perception survey of  $\beta = 0.300$ . Therefore, if the company increase one unit of training, employee job performance will increase to 0.3 unit.

**Table 9: Coefficients<sup>a</sup>**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	11.609	7.448		1.559	.123
	Training2	.348	.114	.300	3.050	.003

a. Dependent Variable: Performance2

In conclusion, the finding shows that there is a correlation training and retention strategy with job performance. The study also shows that there is an impact of effective training on employees’ job performance.

## Discussions

*Employees' Perception to HRM Practices Related to Training:* The survey revealed that the employees perceived the training as provided to them as moderate. From the survey based on the HRM function of training, the employees on one hand expect better efforts to improve their job performances. They are aware of the strength and weakness of the function of Linaco's HRM practices. It is of no doubt that the HRM practices adopted by Linaco is of a moderate quality, which helped the company to reach where it stands now and may continue its contribution to Linaco in future. But in the small medium enterprises (SME), developments in different areas are taking place continually and it is no exception for human resource management practices. With the changing world, the perceptions of the employees are also changing. Now they look at a job from different dimensions. Across time their demands get a diversified shape.

This perception is similar with Maslow's theory of the hierarchy of needs in acknowledging different types of motivational needs within each individual. Maslow argued that some people appear to be content with lower level needs, but only until these are satisfied; they would then strive for the next level (Maslow, 1943). As indicated, the employees' perceptions will change about some particular training they are getting from the company and Maslow's model is considerably related to the employees' perceptions in regards to HRM practices at Linaco. Thus, if the company failed to identify those aspects of thinking expectations, it can be said that the company has failed to bring adequate adjustments in their human resource management practices, it may reduce employees' satisfaction. Trainings are considered as key factor for managing attitude of the employees and have a great influence on the level of employee's job performance.

*The Level of Employee's Job Performance:* The success of any organization mainly depends on the level of employee's job performance. The firms, whose employees are performing in its full efficiency level, are working as comparative advantages. Employees of an organization play the key role for performing better and better. Human resources management practice is the key tool to improve the level of employees' job performance. According to Caliskan (2010) competitive advantage of an organization can be achieved by the HR practices. It is assumed that HRM practice has a significant and positive relation with the performance level of employees. Organizations are improving HRM systems to ensure optimum level of employees performance in order to achieve its profits. Datta et al. (2003) mentioned that there is a highly positive correlation between the level of employees job performance with HR practices and firm efficiency.

From the literature review stated in this study, researchers have identified several HR organizing practices that considerably discuss the level of employee's job performance. One of them is Pfeffer (1994) and he identified that better level of performance can be achieved through sixteen HRM-related activities. Seven human resource practices that are directly correlated to level of performance have been identified by Delery and Doty (1996). Several researchers have opined that better level of employee job performance can be achieved through mixed HRM practices than those of individual practices (Arthur, 1994), (Baron and Kerps, 1999), (Huselid, 1995) (MacDuffie, 1995). So it can be said, a useful service of those specific practices consequences in high performance from corner to corner in all nature of organizations. Several researchers opined that performance evaluation has a strongly positive relationship with the level employee job performance (Becker and Huselid, 1995) and when an employee is evaluated as excellent means he is performing strongly and when an employee is ranked as poor rated means he is performing weakly.

*The Relationship Between Training and Job Performance:* Many respondents spoke highly of the trainings; they thought the trainings are helpful, well planned in long-term view and well implemented. The findings showed that a majority of respondents indicated that training was useful to improving their skills, efficiency, effectiveness and their level of knowledge: subsequently affecting their overall performance on the job. From the survey the respondents also considered trainings encourages them to perform better in their work fields. Result from the surveys shows that there is a significant relationship between training and job performance. Thus, the higher efforts of Linaco to improve the employees knowledge about their job and related work skills, subsequently may reduce the poor employees' job performance of the organization.

This is relevant with the statement that was made by Saleh & Ndubisi (2006) and Aris (2007), that lack of right skills may affect the ability of the employees to deliver the expected standard of job performance. In doing so, employees are able to learn new work concepts, refresh their skills, improve their work attitude and boost productivity (Cole, 2002). Thus, having a workforce that is well equipped with the right skills and is well prepared will ensure that business will not lose out due to the lack of ability to compete both nationally and internationally (Tomaka, 2001). The intention of this area is to build a pool of successors and talented employees who would be effective and efficient in their workstations. The implication of this is that the skills/competencies of employees need to be updated regularly to meet the new challenges facing Linaco. To achieve this, training and development programs must be aligned with the future goals of Linaco. This will help achieve the right focus for the training and development efforts. It is important that Linaco provides training and development which is allied to its strategic imperatives.

*The Impact Training on Employees' Job Performance:* Yogeessvaran (2005) found that there is a serious problem in the majority of the SME firms surveyed in Malaysia and supported the notion that job performance of employees in the service sector SMEs tend to be low due to lack of right skills (Saleh & Ndubisi, 2006) which may affect the ability of the employees to deliver the expected standard of job performance. The study on the impact of employees' job performance at Linaco revealed that the employers tend to have high expectations concerning employee job performance by continuously monitoring the job performance of the employees through various performance management activities as earlier mentioned by Dessler (2011). Thus, having the right workforce doing the right job, and well equipped with the right skills lead towards improving employees' job performance.

*Implications on Knowledge and Skills:* Human resource practices are the primary means by which firms can influence and shape the skills, attitudes, and behaviour of individuals to do their work and thus achieve organizational goals (Clark, 2003). HR practices are designed to improve the knowledge, skills, and abilities of employees; boost their motivation; minimize or eliminate loitering on the job; and enhance the retention of valuable employees. Further, a study by MacDuffie (1995) provides support for such arguments as they found that bundles of HR practices were significantly related to workers' productivity and firm financial performance. Huselid's (1995) approach also involved the combination of HRM practices, combining a number of practices into 'High Performance Works Systems' Training environment that includes: training facilities, site layout, sound lighting, hardware environment, classroom climate, student involvement of the soft environment. According to Martin (2010) training environment has an effect on training effectiveness on human resource practices among employees. Training facilitates the updating of skills and lead to increased

commitment, well-being, and sense of belonging, thus directly strengthening the organization's competitiveness (Acton and Golden, 2002). Training has the distinct role in the achievement of an organizational goal by incorporating the interests of organization and the workforce (Stone, 2002). Thus, it implies that quality and effective training implementation is required to improve the employees' job performance.

*Implications on Employees' Motivation:* Since the average age of the respondent is relatively young with 74.11 % of the respondents were below 35 years old, the HRM at Linaco must have a better understanding on the impact of massive size of "Gen Y" in Linaco. Since they are sharing power in the production unit, the HRM of Linaco need to reconsider their impact for the long term of company's business. Effective human resource management is critical for every firm's success. Peters and Waterman (1982) believe that management is the difference between successful and unsuccessful business organizations, thus what the HR Manager needs to understand about Gen Y besides the well-known fact is that they are the most technically literate and technologically savvy generation.

Gen-Y, who are seen as confident, independent, ambitious and achievement-oriented, when they enter the workforce, they have high expectations of their employers, and seek out new challenges. This generation is a team-player, family-centric and willing to trade high pay for fewer billable hours, flexible schedules and a better work-life balance. In reaching out to Gen Y, the HR Manager must know how to connect with them and understand that this generation has different ways of their pursuing value. The HR manager need to convince the Top Management of Linaco about the requirement to have a better understanding of the Gen Y and plan out their training strategy, job scope and human resource policies differently.

### **Conclusion**

Based on the above discussion and implications it can be concluded that effective training lead to improving employees' job performance. The rationale of this study is to examine the relationship between the HRM practices of training in the production units of Linaco. The hypothesis is accepted. The HRM practices and employee job performance has positive and significant relationship in this study. These results are in accordance with the scholars' previous study. The regression results show that HRM practices of training are significant. Employees are the key players for the organization and SMEs' development. This study can facilitate Linaco as well as others small medium enterprises(SMEs) to appropriately describe that HRM practices can generate higher job performance of the employees. The adoption of this practice has lead to higher productivity and increased the employees' morale. There is no doubt that there have been major changes in the world of work and those who work in it.

Therefore, the functions of training in HRM practices is becoming more important and is growing rapidly and no doubt the company should carefully consider as a matter of priority. Gen Y plays an important role in the future development of Linaco. Because of more work experience and better education, Gen Y workers are more mobile, and move easily from one employer to another if they are unhappy with the work. To retain these workers, HR managers with the collaboration from all of the head of the departments need to do a better job in training and career development opportunities. To mitigate the challenges faced by the small medium enterprises (SMEs) in Malaysia, it can be concluded that the SMEs should seriously consider expanding and enforcing the use of sound training in human resource management practices across all its departments as numerous benefits accrue to the company, the employees and the larger community it is mandated to service.



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