

The Impact of HR Policies on Employee Behaviour

OPEN ACCESS

Volume: 11

Special Issue: 1

Month: March

Year: 2024

E-ISSN: 2581-9402

Received: 23.01.2024

Accepted: 11.03.2024

Published: 22.03.2024

Citation:

Shivani, R., and Ancy Stepheno. "The Impact of HR Policies on Employee Behaviour." *Shanlax International Journal of Management*, vol. 11, no. S1, 2024, pp. 8–15.

DOI:

<https://doi.org/10.34293/management.v11iS1-Mar.8052>

R. Shivani

*II MBA, School of Management
Dwaraka Doss Goverdhan Doss Vaishnav College
Chennai, Tamil Nadu, India*

Ms. Ancy Stepheno

*Assistant Professor, MBA, School of Management
Dwaraka Doss Goverdhan Doss Vaishnav College
Chennai, Tamil Nadu, India*

Abstract

This research article delves into the complex connection between Human Resources (HR) policies and employee behavior within organizations. By conducting a thorough review of existing literature and empirical studies, the paper investigates the diverse effects of HR policies on different facets of employee behavior, such as job satisfaction, commitment, performance, turnover intentions, and organizational citizenship behavior. Additionally, this study delves into the moderating effects of organizational culture, leadership style, and employee perceptions on the effectiveness of HR policies in shaping employee behavior. By synthesizing existing research findings and offering insights into potential future research directions, this article aims to delve to a deeper understanding of how HR policies influence employee behavior and, consequently, organizational outcomes.

Keywords: Employee Satisfaction, HR Policies, Employee Behavior, Organizational Culture, Leadership Style, Job Satisfaction, Performance Management

Introduction

Human Resources (HR) policies are crucial in influencing employee behavior within organizations, thereby affecting overall organizational performance and success. This relationship between HR policies and employee behavior has attracted considerable interest from researchers and practitioners due to its significant implications for workforce management and organizational effectiveness. HR policies establish the guidelines, procedures, and practices that govern employee interactions, forming the foundation of organizational culture and providing a framework for managing employee conduct, performance, and development. Understanding the complex dynamics between HR policies and employee behavior is essential for organizations aiming to cultivate a positive work environment, boost employee engagement, and achieve strategic goals. This research endeavors to explore the multifaceted impact of HR policies on employee behavior, elucidating how various HR practices influence critical dimensions such as job satisfaction, commitment, performance, turnover intentions, and organizational citizenship behavior. Furthermore, this study aims to delve into the moderating factors that shape the effectiveness of HR policies, including organizational culture, leadership style, and employee perceptions. By unraveling the complexities inherent in the

relationship between HR policies and employee behavior, this research endeavors to offer valuable insights for organizational leaders, HR practitioners, and scholars, facilitating the design and implementation of HR strategies that foster a conducive work environment and drive organizational success.

Moreover, in today's rapidly evolving business landscape characterized by technological advancements, globalization, and changing workforce demographics, the significance of HR policies in influencing employee behavior has become increasingly pronounced. Organizations are grappling with the challenges of managing diverse talent pools, promoting inclusivity, and adapting to dynamic market demands. In this context, HR policies serve as a mechanism for aligning employee behaviors with organizational goals and values, ensuring coherence and consistency in decision-making processes across various functional areas. Moreover, the advent of remote work arrangements and the growing emphasis on work-life balance underscore the importance of revisiting traditional HR policies to accommodate evolving employee preferences and expectations. Thus, by examining the evolving role of HR policies in shaping employee behavior amidst contemporary organizational realities, this research seeks to offer actionable insights for navigating the complexities of the modern workplace landscape and fostering a culture of engagement, productivity, and resilience.

Review of Literature

W. Rehman et al. "High involvement HR systems and innovative work behaviour: the mediating role of psychological empowerment, and the moderating roles of manager and co-worker support." *European Journal of Work and Organizational Psychology*, 28 (2019): 525 - 535. This research examines the impact of workplace factors such as HR policies, manager support, and coworker support on employees' innovative behavior. Unlike prior studies, it integrates these elements into a comprehensive framework to investigate how HR policies influence creativity indirectly through psychological empowerment, with manager and coworker support enhancing this effect. The findings are based on data from Pakistani software companies.

Prusha Zardasht et al. "Importance of HRM Policies on Employee Job Satisfaction." , 1 (2020): 49-57. <https://doi.org/10.47299/bsjmm.v1i1.15>. This research focuses on how Human Resource Management (HRM) policies influence employee satisfaction in Kurdistan, Iraq. Traditionally, employee performance has been a major area of study because it impacts both internal productivity and customer satisfaction. This research specifically examines how rewarding and motivating employees, along with empowering them, are the key factors driving employee satisfaction in this region.

Nik Hazimah Nik Mat et al. "HRM and Employee Significant Behavior: Explaining the Black Box through AMO Theory." *Pertanika Journal of Social Sciences and Humanities* (2021). This study investigates how hotel employees discern the contribution of practices and policies in their work. Researchers interviewed staff from various star-rated hotels to understand their real-world experiences with HR. Key Findings: Employees don't view HR practices as a way to understand desired work behaviors that contribute to company goals. Instead, they see HR as a separate entity from their actual job duties.

Herman Aguinis et al. "Policy Implications of Organizational Behavior and Human Resource Management Research." *Academy of Management Perspectives* (2021). This study investigates how HR research is failing to make a real-world difference. A recent study examined thousands of research papers published between 2010 and 2019, and found a surprising gap: very few (only 1.5%) discussed how their findings could be used to create actual policies for businesses and governments. This raises concerns that the field of HR research is becoming irrelevant if it's not

translating its discoveries into actionable steps. The lack of policy focus could lead to decreased funding and prestige for HR research compared to other fields that have a stronger connection to practical applications.

U. S. et al. “A Study on HR Policies and Implementation of L.G. Balakrishnan & Bro’s Ltd., to Kovilpalayam.” *International Journal of Innovative Research in Information Security* (2023).

This study investigates how policies act as a company’s rulebook for managing its employees. They provide general guidelines on how the organization approaches different HR aspects like recruitment, promotions, training, and more. These policies serve as a reference point for HR professionals when making decisions or developing practices around the workforce. Unlike procedures that outline specific actions, HR policies offer broader guidance on the company’s overall approach to employee management. Because each organization is unique, HR policies are customized to their specific needs. Even factors like location can influence the content of these policies.

Objective of the Research

- Determine if the staff members are aware of the different policies that were mentioned in the survey.
- Assess the level of satisfaction among the staff members with the different HR policies mentioned in the survey.
- To determine whether the policies mentioned in the survey enable the staff to balance their personal and work obligations.
- Creating HR policy recommendations based on employee feedback.

Descriptive Research

A research design is the detailed plan that directs a study toward its goals. For this study, a descriptive research design—also referred to as statistical research—is used. The survey research is selected under descriptive research, indicating that the data acquired with the use of a carefully thought-out, organized questionnaire.

Survey Method

The survey method is a data collection strategy that involves posing specific questions to individuals deemed capable. It is formalized to create a list of questions. Transparency is typically employed. Questions concerning the respondents’ beliefs and demographic interests are posed.

Sampling

For this study, the sampling frame comprises employees working within a manufacturing company. The manufacturing sector often represents a diverse workforce encompassing various job roles, levels of experience, and demographic characteristics. To ensure the representativeness of the sample, a stratified sampling technique may be employed, categorizing employees based on factors such as job position, department, and tenure. This approach enables the researcher to capture insights from different segments of the workforce, thereby enhancing the generalizability of findings. Additionally, the sampling process may prioritize random selection within each stratum to mitigate bias and ensure equitable representation across all employee groups. Given the potentially large workforce within a manufacturing company, the sample size should be determined based on considerations such as the desired level of statistical precision and feasibility of data collection. By adopting a systematic sampling approach tailored to the unique characteristics of the manufacturing sector, this study aims to garner comprehensive perspectives on the impact of HR policies on employee behavior within this specific organizational context.

Analysis

Frequencies

Educational Qualification Split up

		Education			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Diploma	2	3.8	3.8	3.8
	Bachelor's Degree	22	41.5	41.5	45.3
	Master's Degree	25	47.2	47.2	92.5
	Professional Degree	4	7.5	7.5	100.0
	Total	53	100.0	100.0	

The majority of respondents possess either a Bachelor’s degree or a Master’s degree, comprising 41.5% and 47.2% of the sample, respectively. This distribution suggests that a significant portion of the workforce has attained higher education qualifications, reflecting a trend towards hiring individuals with advanced academic credentials within the manufacturing industry.

How Many are Satisfied with Annual Leave

		AnnualLeave			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	1	1.9	1.9	1.9
	Disagree	1	1.9	1.9	3.8
	Neutral	7	13.2	13.2	17.0
	Agree	33	62.3	62.3	79.2
	Strongly Agree	11	20.8	20.8	100.0
Total		53	100.0	100.0	

The table illustrates the distribution of responses regarding satisfaction with the annual leave policy provided by the manufacturing company. A majority of respondents, comprising 62.3%, indicated agreement with the annual leave policy, while 20.8% strongly agreed with it. This indicates that a significant portion of employees are satisfied with the annual leave benefits offered by the company. Conversely, a smaller proportion of respondents expressed disagreement or neutrality towards the annual leave policy, with 1.9% each for strongly disagreeing and disagreeing, and 13.2% remaining neutral.

How Many are able to Understand the Leave Policy

		LeaveUnderstand			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	1	1.9	1.9	1.9
	Disagree	1	1.9	1.9	3.8
	Neutral	3	5.7	5.7	9.4
	Agree	35	66.0	66.0	75.5
	Strongly Agree	13	24.5	24.5	100.0
Total		53	100.0	100.0	

The table presents data on employees’ understanding of the leave policy provided by the manufacturing company. The majority of respondents, accounting for 66.0%, indicated agreement with understanding the leave policy, with an additional 24.5% strongly agreeing. This indicates a substantial proportion of employees find the leave policy easy to comprehend. Conversely, only a small percentage of respondents expressed disagreement or uncertainty regarding their understanding of the leave policy, with 1.9% each strongly disagreeing and disagreeing, and 5.7% remaining neutral.

How Many are able to Balance their Personal and Professional Responsibility with the Amount of Annual Leave Provided by the Company

Balancing

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	1	1.9	1.9	1.9
	Disagree	1	1.9	1.9	3.8
	Neutral	10	18.9	18.9	22.6
	Agree	30	56.6	56.6	79.2
	Strongly Agree	11	20.8	20.8	100.0
Total		53	100.0	100.0	

The table presents data on employees’ ability to balance their personal and professional responsibilities with the amount of annual leave provided by the manufacturing company. A majority of respondents, comprising 56.6%, indicated agreement with their ability to balance personal and professional responsibilities with the annual leave provided, with an additional 20.8% strongly agreeing. This indicates that a significant proportion of employees perceive the annual leave allowance as sufficient for managing their work-life balance effectively.

Conversely, only a small percentage of respondents expressed disagreement or uncertainty regarding their ability to balance personal and professional responsibilities with the provided annual leave. One respondent (1.9%) strongly disagreed, one (1.9%) disagreed, and 18.9% remained neutral.

How Many are able to Understand the Employee Referral Program (ERP)

ERPEasyToUnderstand

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	2	3.8	3.8	3.8
	Disagree	3	5.7	5.7	9.4
	Neutral	14	26.4	26.4	35.8
	Agree	27	50.9	50.9	86.8
	Strongly Agree	7	13.2	13.2	100.0
Total		53	100.0	100.0	

The table provides insights into employees’ understanding of the Employee Referral Program (ERP) offered by the company. The majority of respondents, comprising 50.9%, indicated agreement with their understanding of the ERP, with an additional 13.2% strongly agreeing. This suggests that a significant proportion of employees find the ERP easy to comprehend, indicating effective communication and clarity regarding the program’s mechanics and benefits.

Conversely, only a relatively small percentage of respondents expressed disagreement or uncertainty regarding their understanding of the ERP. Five respondents (9.5%) either strongly disagreed or disagreed, and 26.4% remained neutral.

How Many are able to Handle Challenges with Regards to their Roles and Responsibility Effectively

HandleChallenges

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Neutral	4	7.5	7.5	7.5
	Agree	39	73.6	73.6	81.1
	Strongly Agree	10	18.9	18.9	100.0
Total		53	100.0	100.0	

ET - Edge Tech Horizon: Transforming IT, Business and Beyond (Hybrid Mode)

The table provides insights into employees’ ability to handle challenges related to their roles within the company. The majority of respondents, comprising 73.6%, indicated agreement with their capability to handle challenges, with an additional 18.9% strongly agreeing. This suggests that a significant proportion of employees feel confident in their ability to effectively navigate and overcome challenges that arise in the course of their roles.

Conversely, only a small percentage of respondents expressed neutrality regarding their ability to handle challenges, with 7.5% remaining neutral.

Correlation

Gender and Ability to Handle Challenges within Job Role

Correlations

		Gender	HandleChallenges
Gender	Pearson Correlation	1	.258
	Sig. (2-tailed)		.062
	N	53	53
HandleChallenges	Pearson Correlation	.258	1
	Sig. (2-tailed)	.062	
	N	53	53

- There is a positive correlation of 0.258 between gender and handling challenges in the job role.
- The p-value associated with this correlation is 0.062, which is greater than the commonly used significance level of 0.05.

Therefore, we can tentatively conclude that there is a weak positive relationship between gender and the ability to handle challenges in the job role.

Between Educational Qualification and Ability to understand the Leave Policy Easily

Correlations

		Education	LeaveUnderstand
Education	Pearson Correlation	1	-.035
	Sig. (2-tailed)		.805
	N	53	53
LeaveUnderstand	Pearson Correlation	-.035	1
	Sig. (2-tailed)	.805	
	N	53	53

- There is a weak negative correlation of -0.035 between educational qualification and the ability to understand the leave policy effectively.
- The p-value associated with this correlation is 0.805, which is much greater than the commonly used significance level of 0.05.

Therefore, we can conclude that there is essentially no significant relationship between educational qualification and the ability to understand the leave policy effectively. This suggests that educational qualification does not play a substantial role in determining an individual’s understanding of the leave policy. Other factors may have a greater influence on this aspect.

Between Gender and Rewards Boost Participation

Correlations

		Gender	RewardBoost Participation
Gender	Pearson Correlation	1	-.124
	Sig. (2-tailed)		.375
	N	53	53
RewardBoostParticipation	Pearson Correlation	-.124	1
	Sig. (2-tailed)	.375	
	N	53	53

- There is a weak negative correlation of -0.124 between gender and the effect of rewards on boosting employee participation.
- The p-value associated with this correlation is 0.375, which is greater than the commonly used significance level of 0.05.

Therefore, we can conclude that there is no statistically significant relationship between gender and the effectiveness of rewards in boosting employee participation. This suggests that gender does not play a significant role in determining how rewards impact employee participation.

Finding

Frequency Analysis

- Majority of the employees of the manufacturing company holds a Bachelor or Master’s Degree.
- Majority of the respondents, 62.3% are satisfied with the annual amount of leave provided by the company.
- 66% of the respondents understand the leave policy of the company easily and clearly.
- More than half the respondents feel that they are able to balance their personal and professional responsibility with the amount of annual leave provided by the company.
- Only half the respondents were able to clearly understand the employee referral policy.
- The majority of respondents, comprising 73.6%, indicated agreement with their capability to handle challenges within their Job role.

Correlation Analysis

- There is a weak positive relationship between gender and the ability to handle challenges in the job role.
- There is essentially no significant relationship between educational qualification and the ability to understand the leave policy effectively.
- There is no statistically significant relationship between gender and the effectiveness of rewards in boosting employee participation.

Conclusion

In conclusion, this research sheds light on the multifaceted relationship between HR policies and employee behavior within the context of a manufacturing company. Findings indicate that while certain HR policies, such as annual leave provisions, are generally well-received and contribute to employee satisfaction, there are areas where clarity and communication could be improved, such as the understanding of employee referral policies. Furthermore, the analysis reveals nuances in the impact of gender and education on employee behavior, suggesting that these factors may not be sole determinants. Overall, this study underscores the importance of holistic approaches to HR policy design and implementation, considering not only organizational needs but also the diverse needs and perceptions of employees. By addressing these complexities, organizations can foster a supportive and conducive work environment that enhances employee well-being and productivity.

References

1. Jackson, S. E., & Schuler, R. S. (1995). Understanding human resource management in the context of organizations and their environments. *Annual Review of Psychology*, 46(1), 237-264.
2. Guest, D. E. (2017). Human resource management and employee well-being: Towards a new analytic framework. *Human Resource Management Journal*, 27(1), 22-38.
3. Boxall, P., & Macky, K. (2009). Research and theory on high-performance work systems: Progressing the high-involvement stream. *Human Resource Management Journal*, 19(1), 3-23.
4. Wright, P. M., & Boswell, W. R. (2002). Desegregating HRM: A review and synthesis of micro and macro human resource management research. *Journal of Management*, 28(3), 247-276.
5. Delery, J. E., & Roumpi, D. (2017). Strategic human resource management, human capital and competitive advantage: Is the field going in circles?. *Human Resource Management Journal*, 27(1), 1-21.