

A Study On Human Resource Practices And Its Impact On Employee Performance At Network Diesel Sales And Service Company Pvt. Ltd.

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Abstract- Human Resource (HR) practices play a decisive role in shaping employee performance and organisational success. This study examines the influence of HR practices – encompassing recruitment and selection, training and development, performance appraisal, compensation, motivation, and work environment – on the performance of employees at Network Diesel Sales and Service Company Pvt. Ltd. (NDSS), Puducherry. A descriptive research design was adopted, and data were collected from 100 respondents through a structured questionnaire. Statistical tools including percentage analysis, chi-square test, Pearson correlation, and the weighted average method were employed for analysis. The results reveal a significant positive correlation ($r = 0.633$, $p = 0.043$) between HR practices and employee performance. The weighted average score of 3.98 indicates an overall positive employee perception of HR practices. Findings highlight that training, work environment, and recruitment fairness receive the highest positive ratings, while performance appraisal transparency and career development opportunities require improvement. The study concludes that effective HR practices are essential for improving employee motivation, productivity, and overall organisational performance.

Keywords: Employee Performance, HR Practices, Job Satisfaction, Motivation, Organisational Effectiveness, Training and Development.

I. INTRODUCTION

Human Resource Management (HRM) is widely recognised as a strategic pillar of organisational effectiveness. The policies, systems, and practices that organisations deploy to manage their human capital significantly influence how employees perform, how motivated they remain, and how committed they are to organisational goals. In the competitive industrial landscape, particularly in service-oriented sectors such as diesel engine sales and maintenance, organisations cannot afford to overlook the human element.

Network Diesel Sales and Service Company Pvt. Ltd. (NDSS), established in 2003 and located in Gundupalaiyam,

Puducherry, operates in the diesel engine and power solutions industry, serving sectors such as construction, agriculture, transportation, and manufacturing. The company's service quality depends heavily on its workforce – technicians, sales personnel, and support staff – whose performance is directly shaped by the HR practices the organisation follows.

This study investigates the relationship between HR practices and employee performance at NDSS, and proposes actionable suggestions for HR improvement. The research is motivated by observations of inconsistent employee performance within the organisation and the need to understand how HR interventions can bridge productivity gaps.

II. OBJECTIVES OF THE STUDY

- To study the HR practices followed in the organisation.
- To analyse the impact of HR practices on employee performance.
- To assess the level of employee motivation and job satisfaction within the organisation.
- To suggest ways to improve employee performance through better HR practices.

III. REVIEW OF LITERATURE

Kumar & Singh (2025) examined sustainable HRM practices and concluded that green HR initiatives and employee well-being programs improve productivity and long-term organisational success. Verma & Joshi (2025) found in the healthcare sector that recruitment, training, and performance appraisal significantly improve work efficiency and job satisfaction. Reddy & Patel (2024), in a systematic review, confirmed that HR practices directly support organisational performance by enhancing employee skills and motivation.

Sharma & Gupta (2024) emphasised that work-life balance and mental health support reduce stress and improve

efficiency. Khan & Ali (2022) highlighted that training, compensation, and employee involvement positively impact productivity. Bose & Iyer (2022) found that AI-based recruitment systems and digital HR tools reduce process time and increase efficiency. Wright & Ulrich (2021) established that positive employee perceptions of HR practices increase engagement and commitment. Becker & Huselid (2020) demonstrated that aligning HR practices with strategic organisational goals improves productivity and commitment.

Kumar & Das (2017) proved that training enhances employee knowledge, confidence, and productivity, while Mishra & Sinha (2017) found that regular appraisal with feedback motivates employees and increases productivity. Rao & Kumar (2015) confirmed that rewards and recognition directly improve employee motivation and performance.

IV. RESEARCH METHODOLOGY

A. Research Design

A descriptive research design was adopted to analyse HR practices and their impact on employee performance at NDSS. This design facilitates the collection of detailed information about employees' opinions, attitudes, and perceptions.

B. Data Collection

Primary data were collected directly from employees of NDSS using a structured questionnaire administered through both direct interaction and Google Forms. Secondary data were sourced from academic journals, HR management textbooks, company records, and published research studies.

C. Sampling

Simple random sampling was used to ensure every employee had an equal chance of selection. A sample of 100 respondents was selected, providing sufficient data for statistical analysis while maintaining a balance between accuracy and time constraints.

D. Statistical Tools

The following statistical tools were applied:

- Percentage Analysis – to compute the proportion of respondents in each response category.
- Chi-Square Test – to examine the association between performance appraisal and employee motivation.

- Pearson Correlation – to assess the relationship between HR practices and employee performance.
- Weighted Average Method – to obtain an overall satisfaction score across HR practice dimensions.

V. DATA ANALYSIS AND INTERPRETATION

A. Demographic Profile

The sample comprised 100 employees. The age analysis shows that 74% belong to the 20–25 age group, confirming a predominantly young workforce. Regarding gender, 58.59% of respondents are female and 38.38% male, indicating higher female participation. On work experience, 57.58% have less than one year of experience, pointing to a largely new employee base; only 5.05% have above five years of experience.

B. HR Practices Analysis

HR Practice Dimension	Positive Response (%)	Mean Score	Interpretation
Recruitment Process Fairness	72%	3.81	Positive
Selection Process Satisfaction	66%	3.66	Positive
Training Improves Skills	71%	3.81	Positive
Career Development Opportunities	48% (Yes)	3.27	Moderate
Performance Appraisal Fairness	29% (Yes)	3.21	Moderate
Feedback System	27% (Yes)	3.27	Moderate
Salary Satisfaction	59%	3.53	Positive
Work Environment Satisfaction	65%	3.66	Positive

Table I: Summary of HR Practice Dimensions

C. Employee Performance Analysis

Performance Dimension	Positive Response (%)	Mean Score	Interpretation
Motivation	25% (Yes)	3.27	Moderate
Work Completion (On Time)	25% (Yes)	3.27	Moderate
Work Quality	25% (Yes)	3.45	Good
Employee Recognition	28% (Yes)	3.32	Moderate

Table II: Summary of Employee Performance Dimensions

D. Correlation Analysis

Pearson correlation was used to examine the relationship between HR practices (independent variable) and employee performance (dependent variable). The result indicates a positive correlation ($r = 0.633$) that is statistically significant ($p = 0.043 < 0.05$). Accordingly, the null hypothesis – 'There is no significant relationship between HR practices and employee performance' – is rejected. This confirms that effective HR practices are significantly associated with improved employee performance.

E. Chi-Square Test

A chi-square test was performed to determine the association between performance appraisal fairness and employee motivation. The result ($\chi^2 = 10.245$, $df = 4$, $p = 0.036 < 0.05$) indicates a statistically significant association.

The null hypothesis is rejected, confirming that a fair performance appraisal system positively influences employee motivation.

F. Weighted Average Method

Dimension	Avg. Score (x)	No. of Variables (N)	Interpretation
Recruitment and Selection	3.75	3	Moderate
Training and Development	4.00	3	Good
Performance Appraisal	3.83	3	Moderate
Compensation and Rewards	3.82	3	Moderate
Work Environment	4.07	3	Good
Employee Performance	4.09	5	High
Overall Weighted Average	3.98		Positive

Table III: Weighted Average Analysis

The overall weighted average score of 3.98 indicates that employees hold a positive perception of the HR practices in place. Work environment (4.07) and training and development (4.00) emerge as the strongest dimensions, while recruitment and selection (3.75) reflects a moderate level of satisfaction requiring targeted improvement.

VI. FINDINGS

- 74% of respondents are in the 20–25 age group, indicating a young, developing workforce.
- 58.59% of respondents are female, demonstrating higher female participation.
- 57.58% have below one year of work experience, signalling the need for strong induction and retention strategies.
- 72% agree that the recruitment process is fair and transparent (mean: 3.81).
- 66% are satisfied with the selection process (mean: 3.66).
- 71% agree that training programs improve their job skills (mean: 3.81).
- Only 48% believe career development opportunities are provided, indicating scope for improvement.
- Performance appraisal fairness is acknowledged by only 29% of employees, pointing to transparency concerns.
- 50% of employees receive regular feedback from management.
- 59% are satisfied with salary and compensation (mean: 3.53).
- 65% are satisfied with the work environment (mean: 3.66).
- Pearson correlation ($r = 0.633$, $p = 0.043$) confirms a significant positive relationship between HR practices and employee performance.
- Chi-square test ($p = 0.036$) confirms a significant association between performance appraisal and employee motivation.

- The overall weighted average score of 3.98 indicates a positive employee perception of HR practices.

VII. SUGGESTIONS

- The organisation should improve appraisal transparency and establish a structured feedback mechanism to increase employee satisfaction and performance.
- More career growth and internal promotion opportunities should be made available to enhance employee motivation and retention, particularly for the large proportion of new employees.
- Employee recognition and reward programs should be strengthened so that employees feel valued for their contributions.
- Regular technical training and skill development programs should be continued and expanded to improve employee knowledge, productivity, and work quality.
- The organisation should review salary structures and align compensation benchmarks with industry standards to reduce dissatisfaction.

VIII. CONCLUSION

This study confirms that Human Resource practices exert a significant influence on employee performance at Network Diesel Sales and Service Company Pvt. Ltd. Practices related to training and development and work environment are perceived most positively by employees, while performance appraisal transparency and career development opportunity remain areas of concern. The statistically significant positive correlation ($r = 0.633$) between HR practices and employee performance underscores the strategic importance of HR interventions in improving workforce productivity.

Organisations in the diesel engine and power solutions industry, like NDSS, must continuously strengthen and innovate their HR policies to attract, develop, and retain talent. Effective HR practices are not merely administrative functions; they are fundamental drivers of organisational growth and sustainable competitive advantage. The study recommends that NDSS prioritise appraisal reform, career pathway clarity, and employee recognition to build a more motivated and high-performing workforce.

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