



THE IMPACT OF HUMAN RESOURCE MANAGEMENT PRACTICES ON FINANCIAL PERFORMANCE OF PASDEC CORPORATION IN KUANTAN

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ABSTRACT

The purpose for this research is research to examine the impact of Human Resource Management Practices (independent variable) on Financial Performance (dependent variable) of PASDEC Corporation. Further inquiry will be show how the sub impact of Human Resource Management Practices which consists of (a) Employee Participation, (b) Training and (c) Performance Appraisal System reacts towards Financial Performance in PASDEC Corporation. The study will be non-experimental, quantitative and research using survey method. The sample of consists of 66 employees from PASDEC Corporation in Kuantan. The questionnaire had been distributed to the respondents for this research. From the findings, the most gender that becomes the respondent is female. From the results there are positive impacts to financial performance. The method was use to complete the project early from the actual schedule that given.

INTRODUCTION

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The purpose of the research is about The Impact of Human Resource Management Practices on Financial Performance of PASDEC Corporation in Kuantan. Human resources of a company is the important assets such an important role in the operation of an organisation. The HRM practices of the financial performance are found to have positively correlated to organisational performance and quality of work life but negatively correlated with organisational climate. The study have show that identification of HRM practices promises to add significantly to understanding the HRM practices on financial performance.

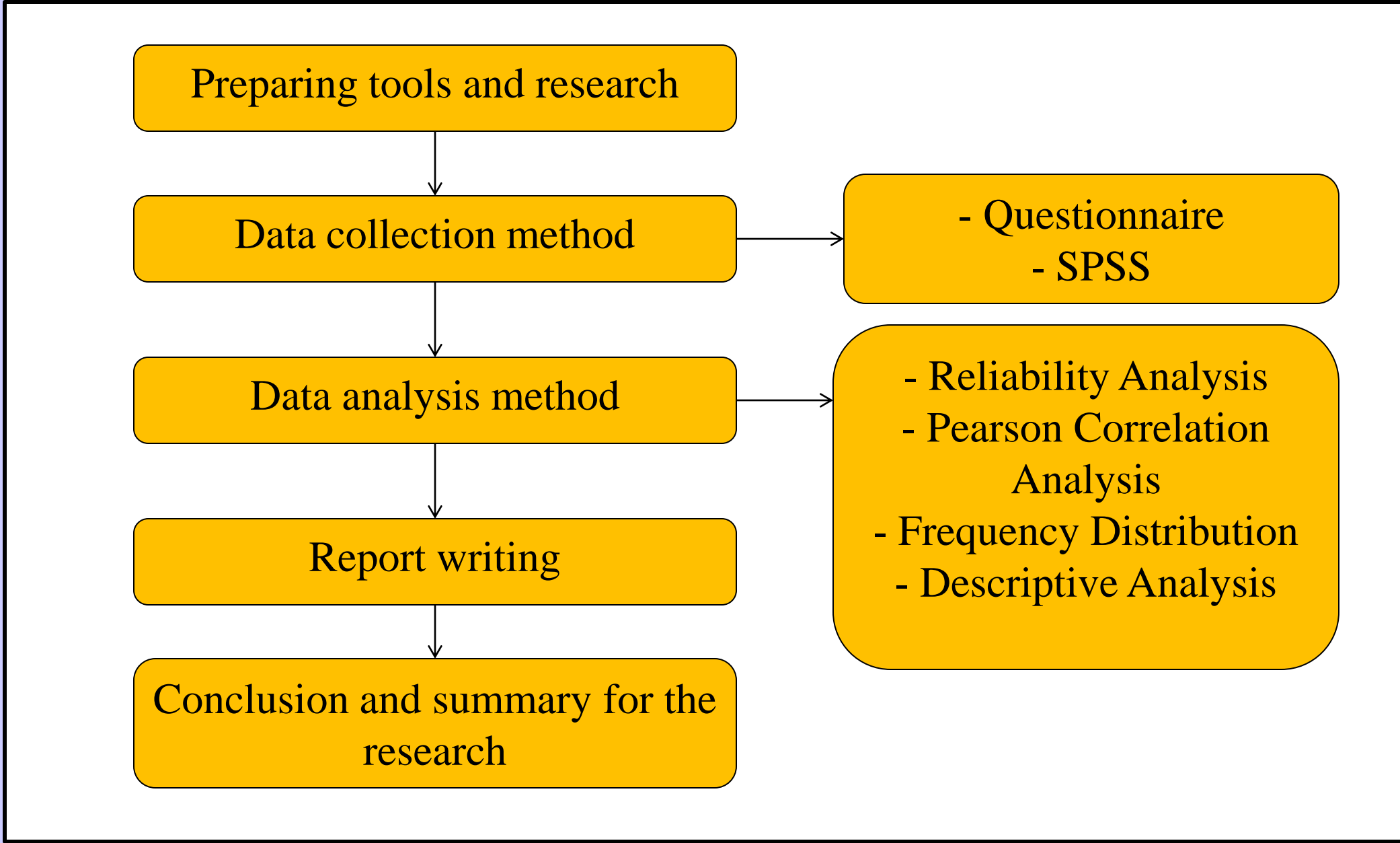
RESEARCH QUESTIONS

- RQ1: Does employee participation improve financial performance?
RQ2: Does training improve financial performance?
RQ3: Does performance appraisal system improve financial performance?
RQ4: Does a human resource management practice improve financial performance?

OBJECTIVES

- i) To identify the impact of employee participation in improving financial performance.
ii) To investigate the impact of training in improving financial performance.
iii) To investigate the impact of performance appraisal system in improving financial performance.
iv) To find out the impact of human resource management practice in improving financial performance.

METHODS



RESULTS

In this study the result proved that there is a relationship between the impacts of human resource management practices on financial performance. Furthermore, correlation value between the independent variable and dependent variable shows a significant value. Which means the impact of human resource management practices have strong relationship with financial performance. The dimension of the impact of human resource management practices shows acceptable relationship with financial performance. This research examined the two components of the impact of human resource management practices on financial performance.

Summary Result for Respondents Demographics		
ITEMS	DETAILS	PERCENTAGE (%)
Gender	Female	68.2
Age	26-30	28.8
Qualification	Diploma/STPM	42.4
Experience	3-5 years	45.5
Types	Permanent	100

Summary Of Reliability Statistics		
VARIABLES	N OF ITEMS	CRONBACH'S ALPHA
Employee Participation	6	0.886
Training	7	0.883
Performance Appraisal System	4	0.891
Financial Performance	4	0.895
Reliability Statistics	21	0.892

Reliability is the correlation of an item, scale or instrument with a hypothetical one which truly measures what it is supposed to.

HYPOTHESES	
H1:	There is a positive impact of employee participation on financial performance.
H2:	There is a positive impact of training on financial performance.
H3:	There is a positive impact of performance appraisal system on financial performance.
H4:	There is a positive impact of human resource management practice on financial performance

Summary of Correlations	
INDEPENDENT VARIABLE	DEPENDENT VARIABLE
Employee Participation	0.524
Training	0.690
Performance Appraisal System	0.500

Pearson correlation results verify that all the research hypotheses are accepted but there is strong relationship between Human Resource Management Practices and Financial Performance.

Summary Of Descriptive Analysis			
	N	MEAN	STD. DEVIATION
Training	66	4.146	0.726
Employee Participation	66	3.715	0.738
Financial Performance	66	3.653	0.775
Performance Appraisal System	66	3.338	0.717

From the result, the highest mean of independent variable is training, employee participation followed by dependent variable is financial performance. Lastly independent variable is performance appraisal system.

CONCLUSIONS AND RECOMMENDATION

In conclusion, the objectives have been achieved. The employee participation ,training and performance appraisal system has been more clarified in this research as well and important to engage in financial performance to considerate the role within an organization. This study significant proof have been found that human resource management practices have relationship with financial performance. Organisation in developer and construction sector could focus in determining the employee to improve the financial performance.

Recommendation for this research have been conducted using independent and dependent variable. The study acceptable relationship between human resource management practices. The future research need to be done to evaluate the consistency of the research and continue to explore the significant of the study. This research study could be pursued more in future exploring other individual differences such as gender, culture and personality traits. A bigger sample of respondent would produce more significant relationship. Future research should concern on involving respondent more than 200 to get the better result. Then future studies should be written by customizing each statement in order to match with Malaysia expectations.