HR Policy Recommendation Project

Student Name & ID

(MBS603 T1, 2024)

Contents

[Introduction 3](#_Toc182228315)

[Conceptual Framework 3](#_Toc182228316)

[Regression Model 5](#_Toc182228317)

[Correlation Analysis 6](#_Toc182228318)

[Regression Analysis 8](#_Toc182228319)

[Recommendations 9](#_Toc182228320)

[Conclusions 10](#_Toc182228321)

[References 11](#_Toc182228322)

[Appendices 14](#_Toc182228323)

[Appendix 1 14](#_Toc182228324)

[Appendix 2 15](#_Toc182228325)

[Appendix 3 16](#_Toc182228326)

**FIGURES**

[Figure 1 Regression Model Diagram. 6](#_Toc182206598)

# Introduction

The main purpose of this project is to assess the effects of HRM on profitability of Organizational Performance in four branches; Brighton, Denver, Eaton, Victoria and two business division; Home Care and Community Outings. From Assignment 2, we extend the investigation to work experience, time taken to fill vacancies, remuneration, performance at 90 days of joining the company, as well as the speed to competency in line with the business profitability and productivity. The CEO has a feeling that there are huge differences in the HR practices and its performance across different locations and this study seek to unearth these differences using the regression and correlation analysis. The literature review shows that effective recruitment and selection, systematic socialization, and learning is crucial for increasing performance and turnover (Patel & Mohanty, 2023; Süveges & Kurucz, 2024). Consequently, this analysis aims at revealing causal explanations and providing recommendations on how to optimise HR policies. The insight into potential frameworks of profitability will allow the organization to enforce the notion of best practices among its branches, optimize the workforce, and, therefore, improve the results of its performance. The findings of this study will act as a guide for future strategic approaches to HRM in order to improve on the performance of workers as well as increase the revenues produced by the organization (Moustaghfir et al., 2020).

# Conceptual Framework

In this study, productivity is chosen as the dependent variable. Our assumption is that productivity depends on several HR key performance indicators, such as Time to Fill, Work Experience, Engagement, and Speed to Competency. Further, we also use the Performance90 which explains the nature of the first ever appraisal received by an employee joining the organization. Firm success, according to the conceptual model, refers to the efficiency and productivity of the HR procedures (like employee selection and training and development) on the human asset, which will impact the organizational performance.

The independent variables under investigation are Time to Fill, Work Experience, Engagement and Speed to Competency. All the above variables contribute to organization productivity in terms of how fast employees can be productive in the organization.

**H1: Time to Fill is negatively related to productivity.**

Customarily, a long TTF means that open jobs are taken longer to fill, and this leads to team and organizational inefficiencies. Recent research indicates when there is a slow pace in hiring it puts pressure on any existing employee and may in the long run decline performance. So, our assumption is that the companies with the shortest time for hiring their employees will have increased productivity, because they never have a large number of open positions.

**H2: Work Experience is positively related to productivity.**

Experience has made the workforce in question wiser and capable of performing work assignments in a more productive manner hence increase in productivity. Finally, since experienced workers demand less training and quickly adopt new positions, their productivity rates rise (Singh et al., 2022). Consequently, we predict that the length of work experience will be positively related with productivity.

**H3:** **Engagement is positively related to productivity.**

Employee engagement is a measure of the interest employees display in their work and the organization where they work. Motivated employees are always willing to do more than what is required of them in a given organization and therefore leads to increased productivity (Burnett & Lisk, 2021). The implication of the concept of engagement is that employees are willing to sacrifice for organizational success. Therefore, we posit that higher engagement levels tends to result to higher productivity.

**H4: Speed to Competency is positively related to productivity.**

The period within which an employee is able to be fully productive in his/her line of work is very vital in measuring the productivity strength of an employee. Workers with higher competency levels gain more working responsibilities and complete performance tasks better and in larger quantities, therefore increasing efficiency (Wijayanto & Riani, 2021). Hence the hypotheses that shorter time to competency is associated with higher productivity.

**Control Variable: Performance90**

In assessment of this hypothesis, Performance90 has been used as a control variable since the initial assessments made after 90 days of employment may affect future performance. It was argued that the higher the Performance90 score an employee received, the higher probability one has of producing again in the future, meaning the variation of this variable gives a better estimation of the other independent variables on productivity (Orwa, 2015).

# Regression Model

In order to develop the regression model based on the conceptual framework and set hypotheses, we begin with the specification of the form of the causal dependencies between the dependent and independent variables. The dependent variable in this analysis is productivity, which we aim to predict using various independent variables: Time to Fill, Work Experience, Engagement, and Speed to Competency are the most effectively used measures in the survey. We also incorporate two additional control variables i.e Performance90 whereby we are able to consider the initial performance of the targeted employees after 90 days of joining the company such that we determine the impact of the involved independent variables and HiringCost.

**Regression Formula:**

The general form of the regression equation that represents our model is as follows:

*Productivityi​ = β0​ + β1​(Time to Filli​) + β2​(Work Experiencei​) + β3​(Engagementi​) + β4​(Speed to Competencyi​) + β5​(Performance90i​) + β5​(HiringCosti​) + ϵi​*

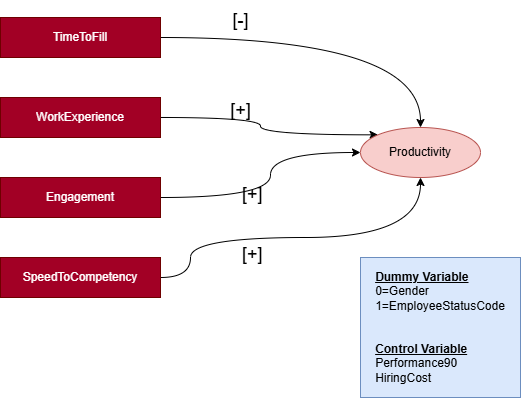


Table Regression model diagram.

This model presupposes that each of the following indicators will have an impact on Productivity: Time to Fill, Work Experience, Engagement, Speed to Competency. Furthermore, Performance90, HiringCost is applied as a control variable that indicates the initial performance of employees in the organisation. The hypothesis is that, although some of these variables may be related to productivity, the latter is accounted for when following the initial performance rating.

This diagram depicted in appendix 1 illustrates how the independent variables directly affect productivity with the understanding that Performance90 has other variables that it compares to determine the impact of those other HR metrics through controlling for initial levels of employee performance. This model will be tested using regression analysis to assess the how far each variable will impact on productivity.

# Correlation Analysis

In this section, we shall review the correlation analysis employed to establish the correlation between certain specific HR variables and productivity. The correlation matrix presented in table 1. below, indicates the level of association that exists between as well as testing the hypotheses formulated in section 2 by correlating different independent variables with the dependent variable, Productivity.

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | *WorkExperience* | *TimeToFill* | *Performance90* | *SpeedToCompetency* | *Engagement* | *Productivity* |
| WorkExperience | 1.00 |  |  |  |  |  |
| TimeToFill | 0.69 | 1.00 |  |  |  |  |
| Performance90 | 0.73 | 0.75 | 1.00 |  |  |  |
| SpeedToCompetency | -0.78 | -0.80 | -0.68 | 1.00 |  |  |
| Engagement | 0.62 | 0.71 | 0.66 | -0.72 | 1.00 |  |
| Productivity | 0.73 | 0.90 | 0.78 | -0.84 | 0.80 | 1.00 |

Table Correlation Analysis

First, correlation of 0.90 clearly indicates that Time to Fill and Productivity is quite positively related with each other. This indicates that the extent of time it takes to fill positions is inversely related to productivity, the more time means the lower the productivity. This study supports earlier studies revealing that minimising delays in hiring enhances instant effectiveness of the employee and subsequently, improved employee productivity (Yadav et al., 2022).

Conversely Work Experience also has positive relationship with Productivity with correlation coefficient of (0.73) which implies that, employees with experience produce more than novices. This corresponds with the literature as more experienced employees are considered to be more knowledgeable and to function more optimally at their workstation (Chowdhury et al., 2022).

On the other hand, Speed to Competency is proved to have Spearman’s correlation coefficient of -0.84 with Productivity, so the competency development in longer period can affect productivity in a negative way. This work supports the position that the time we take to get fully licensed in a position has a negative effect on the amount and quality of work done (Schwabe & Castellacci, 2020). Also, Engagement has a positive relationship with Productivity slightly higher than that of the measured variable (Pearson coefficient = 0.80), asserting that high engagement rate enhances performance and productivity – as by various studies on motivation (Imad Al Zeer et al., 2023).

These correlations may be useful to understand how different HR measures depend on each other, and their impact on productivity. These findings offer support for the pursuit of better recruitment metrics, employees’ satisfaction with the recruitment procedure, and their first-night and first-month experiences; as well as a shorter time to get to full productivity level in organizations.

# Regression Analysis

The regression analysis, as presented in table 2. below indicates the nature and extent to which various HR metrics affect Productivity. The values showed that the model has an R-squared of 0.89; meaning that, the model accounts for about 89% of the total variance in productivity. This implies that the independent variables used in the analysis; Work Experience, Time to Fill, Performance90, Speed to Competency, and Engagement holds a good forecast of productivity indicators.

|  |  |
| --- | --- |
| SUMMARY OUTPUT |  |
| Dependent Variable | Productivity |
| *Regression Statistics* | |
| Multiple R | 0.94 |
| R Square | 0.89 |
| Adjusted R Square | 0.88 |
| Standard Error | 1.32 |
| Observations | 138.00 |

Table Regression Statistics.

Concerning the ANOVA table as shown in table 3. below, it has been found out that the F-statistic of the variable is 172.90 and p-value that is extremely close to zero. This means that the overall regression model is statistically significant, in other words the selected independent variables are overall useful in predicting productivity.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| ANOVA |  |  |  |  |  |
|  | *df* | *SS* | *MS* | *F* | *Significance F* |
| Regression | 7.00 | 1821.04 | 260.15 | 172.90 | 0.00 |
| Residual | 131.00 | 229.96 | 1.76 |  |  |
| Total | 138.00 | 2050.99 |  |  |  |

Table ANOVA.

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| *Independent V* | *Coefficients* | *Standard Error* | *t Stat* | *P-value* | *Lower 95%* | *Upper 95%* | *Lower 95.0%* | *Upper 95.0%* |
| Intercept | 21.75 | 1.32 | 16.42 | 0.00 | 19.13 | 24.36 | 19.13 | 24.36 |
| WorkExperience | 0.00 | 0.04 | 0.02 | 0.99 | -0.08 | 0.08 | -0.08 | 0.08 |
| TimeToFill | 0.20 | 0.02 | 8.17 | 0.00 | 0.15 | 0.25 | 0.15 | 0.25 |
| Performance90 | 0.00 | 0.00 | 65535.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| SpeedToCompetency | -0.05 | 0.01 | -3.64 | 0.00 | -0.07 | -0.02 | -0.07 | -0.02 |
| Engagement | 0.86 | 0.18 | 4.85 | 0.00 | 0.51 | 1.22 | 0.51 | 1.22 |
| Performance90 | 0.26 | 0.09 | 2.93 | 0.00 | 0.09 | 0.44 | 0.09 | 0.44 |
| HiringCost | 0.00 | 0.00 | 0.14 | 0.89 | 0.00 | 0.00 | 0.00 | 0.00 |

Table Regression Coefficients.

From the regression coefficients in table 4. above, the effect of TimeToFill is a statically significant positive predictor of the productivity with coefficient 0.20 and p-value close to zero. This supports the argument that shortening time-to-fill a position boosts production, consistent with prior work which shows how faster hiring improves organisational performance (Hongal & Kinange, 2020). Likewise, Performance90 influences productivity positively with a coefficient of 0.26 and the p-values of 0. 00 further testifying that the improved ratings of performance are likely to enhance productivity among employees.

On the other hand, Speed to Competency has a negative coefficient of -0.05 with p value of 0.00, that shows that more time cover to reach competency, less productivity would be there. This negative relationship can be supported in literature advocating that longer on and skill development times may be detrimental to total productivity (Hongal & Kinange, 2020).

Finally, Engagement is reported to be the most influential variable with the coefficient of 0.86, p = 0.00. This supports prior findings fitting the general relationship between increased levels of engagement of the workforce and performance (Stirpe et al., 2021).

Specifically, the regression outcomes show that TimeToFill, Performance90, and Engagement have positive effects on productivity, whereas Speed to Competency has a negative effect on productivity. Consequently, the results stress the need for organizations to pay more attention to the efficiency of the recruitment process, employees’ performance, and employee engagement in order to improve productivity.

# Recommendations

In order to positively impact employee and organisational performance, the various HR polices that have been identified in this research must cut down the Time to Fill vacancies and enhance the level of Employee Engagement. The regression analysis shows that the shorter the Time to Fill affects Productivity in a positive manner, which coincides with the findings as faster turnover is likely to lead to faster integration and improved organizational performance (Hongal & Kinange, 2020). To reduce the likelihood of open positions being filled by temporary workers, HR should rationalise the hiring process, integrate new technologies in recruitment and ensure that methods of managing workforce planning are responsive to changes in business.

Moreover, proper consideration should be given to the Recovery or Employee Engagement since the results reveal a very high positive correlation with productivity. Staff engagement motivate or increases employees’ commitment hence increased performance (Stirpe et al., 2021). Strategic objectives related to HR policies should be concerned with providing a supportive and inclusive employment relationship or policies, Climate for Career Plates, and Employment Brand Image. Giving feedback as frequently as possible and making the employees be valued can also increase the levels of engagement and therefore productivity according to Yang and Basile (2021). In doing so, higher individual and organisational performance is achieved in the above areas of focus.

# Conclusions

Therefore, this paper has shown that factors such as Time to Fill and Employee Engagement are very important in determining productivity within an organization. The correlation and regression analysis show how the Time to Fill variable has a strong positive relationship with Productivity; a huge aspect of the recruitment processes is established. Consequently, there is a close positive relationship between Employee Engagement and productivity and this has called for more attention by the HR on engagement. These results build on prior studies showing that quick recruitment and higher levels of engagements result in improved performance consequences (Stirpe et al., 2021; Hongal & Kinange, 2020).

On these premises, it is suggested that HR policies pay more attention to cutting down the recruitment cycle and increasing employee engagement. Employing specific objectives on elimination of recruitment time gaps and enhancing employee interest, the satisfaction of employers as well as the performance of the organization can be enhanced (Moustaghfir et al., 2020). However mentioned actions will promote improved overall organizational performance to deliver futuristic organizational gains.

# References

Burnett, J. R., & Lisk, T. C. (2021). The Future of Employee Engagement: Real-Time Monitoring and Digital Tools for Engaging a Workforce. *Routledge EBooks*, 117–128. <https://doi.org/10.4324/9781003142492-9>

Chowdhury, S., Budhwar, P., Dey, P. K., Joel-Edgar, S., & Abadie, A. (2022). AI-employee collaboration and business performance: Integrating knowledge-based view, socio-technical systems and organisational socialisation framework. *Journal of Business Research*, *144*(3), 31–49. <https://doi.org/10.1016/j.jbusres.2022.01.069>

Hongal, P., & Kinange, U. (2020). *A Study on Talent Management and its Impact on Organization Performance - An Empirical Review*. International Journal of Engineering and Management Research. <https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3559991>

Imad Al Zeer, Mousa Ajouz, & Mahmoud Salahat. (2023). Conceptual model of predicting employee performance through the mediating role of employee engagement and empowerment. *International Journal of Educational Management*, *37*(5), 986–1004. <https://doi.org/10.1108/ijem-03-2023-0095>

Moustaghfir, K., El Fatihi, S., & Benouarrek, M. (2020). Human resource management practices, entrepreneurial orientation and firm performance: what is the link? *Measuring Business Excellence*, *24*(2), 267–283. <https://doi.org/10.1108/mbe-12-2019-0119>

Orwa, P. A. (2015). Relationship between work-life balance practices and employee performance in Homa bay county teaching and referral hospital, Kenya. *Rongovarsity.ac.ke*. <http://repository.rongovarsity.ac.ke/handle/123456789/2561>

Patel, P., & Mohanty, R. (2023). Trends in Onboarding Improve the Employee Retention: An In-depth Literature Review. *Journal of Applied Management- Jidnyasa*, *15*(1), 39–50. <http://www.simsjam.net/index.php/Jidnyasa/article/view/173075>

Schwabe, H., & Castellacci, F. (2020). Automation, workers’ skills and job satisfaction. *PLoS One*, *15*(11). <https://doi.org/10.1371/journal.pone.0242929>

Singh, P., Bala, H., Dey, B. L., & Filieri, R. (2022). Enforced Remote working: the Impact of Digital platform-induced Stress and Remote Working Experience on Technology Exhaustion and Subjective Wellbeing. *Journal of Business Research*, *151*(1), 269–286. <https://doi.org/10.1016/j.jbusres.2022.07.002>

Stirpe, L., Profili, S., & Sammarra, A. (2021). Satisfaction with HR practices and employee performance: a moderated mediation model of engagement and health. *European Management Journal*, *40*(2). sciencedirect. <https://doi.org/10.1016/j.emj.2021.06.003>

Süveges, M., & Kurucz, A. (2024). Focus on onboarding process: Examining mentoring and training programs from the perspective of HR and employees. *Journal of Infrastructure Policy and Development*, *8*(12), 8733–8733. <https://doi.org/10.24294/jipd.v8i12.8733>

Wijayanto, B. K., & Riani, A. L. (2021). The Influence of Work Competency and Motivation on Employee Performance. *Society*, *9*(1), 83–93. <https://doi.org/10.33019/society.v9i1.290>

Yadav, A., Pandita, D., & Singh, S. (2022). Work-life integration, job contentment, employee engagement and its impact on organizational effectiveness: a systematic literature review. *Industrial and Commercial Training*, *54*(3), 509–527. <https://www.emerald.com/insight/content/doi/10.1108/ict-12-2021-0083/full/html>

Yang, J., & Basile, K. (2021). Communicating Corporate Social Responsibility: External Stakeholder Involvement, Productivity and Firm Performance. *Journal of Business Ethics*, *178*(2). <https://doi.org/10.1007/s10551-021-04812-5>

# Appendices

# Appendix 2: Correlation Analysis

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | *WorkExperience* | *TimeToFill* | *Performance90* | *SpeedToCompetency* | *Engagement* | *Productivity* |
| WorkExperience | 1.00 |  |  |  |  |  |
| TimeToFill | 0.69 | 1.00 |  |  |  |  |
| Performance90 | 0.73 | 0.75 | 1.00 |  |  |  |
| SpeedToCompetency | -0.78 | -0.80 | -0.68 | 1.00 |  |  |
| Engagement | 0.62 | 0.71 | 0.66 | -0.72 | 1.00 |  |
| Productivity | 0.73 | 0.90 | 0.78 | -0.84 | 0.80 | 1.00 |

## Appendix 3: Regression analysis

|  |  |
| --- | --- |
| SUMMARY OUTPUT |  |
| Dependent Variable | Productivity |
| *Regression Statistics* | |
| Multiple R | 0.94 |
| R Square | 0.89 |
| Adjusted R Square | 0.88 |
| Standard Error | 1.32 |
| Observations | 138.00 |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| ANOVA |  |  |  |  |  |
|  | *df* | *SS* | *MS* | *F* | *Significance F* |
| Regression | 7.00 | 1821.04 | 260.15 | 172.90 | 0.00 |
| Residual | 131.00 | 229.96 | 1.76 |  |  |
| Total | 138.00 | 2050.99 |  |  |  |

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| *Independent V* | *Coefficients* | *Standard Error* | *t Stat* | *P-value* | *Lower 95%* | *Upper 95%* | *Lower 95.0%* | *Upper 95.0%* |
| Intercept | 21.75 | 1.32 | 16.42 | 0.00 | 19.13 | 24.36 | 19.13 | 24.36 |
| WorkExperience | 0.00 | 0.04 | 0.02 | 0.99 | -0.08 | 0.08 | -0.08 | 0.08 |
| TimeToFill | 0.20 | 0.02 | 8.17 | 0.00 | 0.15 | 0.25 | 0.15 | 0.25 |
| Performance90 | 0.00 | 0.00 | 65535.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| SpeedToCompetency | -0.05 | 0.01 | -3.64 | 0.00 | -0.07 | -0.02 | -0.07 | -0.02 |
| Engagement | 0.86 | 0.18 | 4.85 | 0.00 | 0.51 | 1.22 | 0.51 | 1.22 |
| Performance90 | 0.26 | 0.09 | 2.93 | 0.00 | 0.09 | 0.44 | 0.09 | 0.44 |
| HiringCost | 0.00 | 0.00 | 0.14 | 0.89 | 0.00 | 0.00 | 0.00 | 0.00 |