

HRM on Corporate Happiness Management

Author 1 : Shaik Mohammad Rafi

Assistant Professor

Department of MBA

Malla Reddy Engineering College & Management Sciences, Telangana, India.

Author 2 : K Rama Lakshmi

Faculty

Department of Management,

Aditya Degree College, Visakhapatnam, Andhra Pradesh, India.

Abstract

Corporate happiness management has emerged as a strategic dimension of human resource management (HRM) in contemporary organizations, emphasizing employee well-being as a driver of productivity, engagement, and sustainable performance. Rapid changes in work structures, performance expectations, and organizational cultures have increased the responsibility of HRM in designing systems that promote employee happiness alongside efficiency. The research problem addressed in this study relates to the limited empirical integration of HRM practices with corporate happiness outcomes within organizational settings. The primary objective of the study is to examine the role of HRM practices in influencing corporate happiness, employee engagement, and organizational performance. The study adopts a quantitative research methodology using structured primary data collected from managerial and non-managerial employees across selected organizations. Secondary data were drawn from established literature in human resource management, organizational behavior, and positive psychology. Statistical techniques including descriptive analysis, correlation, multiple regression, hypothesis testing, and Structural Equation Modeling (SEM) were employed to test the proposed relationships. The key findings indicate that HRM practices such as training and development, performance management, employee participation, and work-life balance initiatives significantly contribute to corporate happiness and employee engagement. The study also reveals that

employee engagement mediates the relationship between HRM practices and corporate happiness. The implications of the study highlight the strategic role of HRM in fostering positive organizational climates and enhancing long-term organizational effectiveness through happiness-oriented management practices.

Keywords: Corporate Happiness, Human Resource Management, Employee Engagement, Organizational Performance, SEM

1. Introduction

1.1 Background of the Study

Human Resource Management has evolved from an administrative support function to a strategic partner contributing to organizational competitiveness and sustainability. Traditional HRM practices focused primarily on recruitment, compensation, and compliance. However, changing workforce expectations and competitive pressures have expanded the scope of HRM to include employee well-being and happiness as critical organizational outcomes. Corporate happiness refers to the overall level of positive emotions, satisfaction, and psychological well-being experienced by employees within an organization. Research in organizational behavior and positive psychology suggests that happier employees exhibit higher levels of commitment, creativity, and performance. Consequently, organizations increasingly recognize corporate happiness as a strategic asset rather than a peripheral concern. The role of HRM in corporate happiness management is particularly significant, as HR policies and practices directly shape employee experiences. HRM functions such as training, performance appraisal, rewards, and work-life balance initiatives influence employee perceptions of fairness, support, and growth opportunities. These perceptions, in turn, affect employee happiness and engagement. In the contemporary organizational environment, characterized by intense competition and rapid change, sustaining employee happiness has become essential for retaining talent and maintaining productivity. HRM-driven corporate happiness management therefore represents an integrated approach to aligning organizational goals with employee well-being. This study examines HRM on corporate happiness management within a structured empirical framework.

1.2 Problem Statement

Despite increasing managerial interest in employee happiness, empirical research linking specific HRM practices to corporate happiness outcomes remains limited. Existing studies often examine job satisfaction or engagement in isolation, without systematically integrating them into a broader corporate happiness framework. This gap restricts the development of evidence-based HRM strategies aimed at enhancing organizational well-being and performance.

1.3 Research Objectives

- To examine the role of HRM practices in promoting corporate happiness.
- To analyze the relationship between HRM practices and employee engagement.
- To assess the impact of employee engagement on corporate happiness.
- To develop and test an empirical model linking HRM practices, engagement, and corporate happiness.

1.4 Research Questions

- What HRM practices significantly influence corporate happiness?
- How do HRM practices affect employee engagement?
- What is the relationship between employee engagement and corporate happiness?
- Does employee engagement mediate the relationship between HRM practices and corporate happiness?

1.5 Hypotheses

- H1: HRM practices have a significant positive impact on corporate happiness.
- H2: HRM practices positively influence employee engagement.
- H3: Employee engagement has a significant positive impact on corporate happiness.
- H4: Employee engagement mediates the relationship between HRM practices and corporate happiness.

1.6 Significance of the Study

Theoretical Significance: The study contributes to HRM and organizational behavior literature by integrating corporate happiness as a measurable outcome of HRM practices.

Practical Significance: The findings provide practical guidance for HR professionals and policymakers in designing happiness-oriented HRM strategies.

1.7 Scope and Limitations

Scope:

- Focus on HRM practices and corporate happiness outcomes.
- Inclusion of managerial and non-managerial employees.
- Application of quantitative analysis and SEM.
- Relevance to diverse organizational sectors.

Limitations:

- Limited to selected organizations and regions.
- Dependence on self-reported data.
- Cross-sectional research design.
- Possible response bias.

2. Literature Review

2.1 Conceptual Framework

The conceptual framework of the study integrates HRM practices, employee engagement, and corporate happiness. HRM practices such as training and development, performance management, rewards, participation, and work–life balance are treated as independent variables. Employee engagement acts as a mediating variable, while corporate happiness is the dependent variable influencing organizational outcomes.

2.2 Review of Related Studies

- **Warr (2013)** emphasized that workplace happiness is closely linked to job design and HR practices that enhance psychological well-being.
- **Luthans (2014)** highlighted the role of positive organizational behavior in improving employee happiness and performance.
- **Guest (2015)** found that high-performance HRM practices significantly influence employee attitudes and well-being.
- **Albrecht et al. (2015)** demonstrated that HR-driven engagement initiatives positively affect employee happiness.

- **Singh and Kaur (2017)** observed that work–life balance policies implemented through HRM significantly improve employee satisfaction and organizational commitment.

2.3 Research Gap Identification

While existing studies recognize the importance of HRM and employee well-being, they lack an integrated empirical model explaining how HRM practices influence corporate happiness through employee engagement using advanced analytical techniques such as SEM.

3. Research Methodology

3.1 Research Design

The study adopted a quantitative research design to examine causal relationships among HRM practices, employee engagement, and corporate happiness. This approach was selected to enable hypothesis testing, statistical generalization, and empirical model validation.

3.2 Data Sources

Primary data were collected through structured questionnaires administered to employees across different organizational levels. Secondary data were sourced from academic journals, books, organizational reports, and conference proceedings.

3.3 Sample Size and Sampling Technique

The population consisted of employees working in manufacturing, IT services, and service sector organizations located in Hyderabad, Bengaluru, and Chennai.

Category	Population Group	Location	Sample Size
Managerial Employees	Managers	Hyderabad	120
Supervisory Employees	Team Leaders	Bengaluru	90
Operational Employees	Staff	Chennai	90
Total			300

The sample size was determined using Cochran's formula to ensure adequacy for statistical analysis. Stratified random sampling was employed to ensure representation across organizational levels.

3.4 Data Collection Methods

A structured questionnaire based on a five-point Likert scale was used to measure HRM practices, employee engagement, and corporate happiness. A pilot study was conducted to ensure reliability and validity of the instrument.

3.5 Data Analysis Techniques

Data were analyzed using descriptive statistics, reliability analysis, correlation, multiple regression, and SEM with SPSS and AMOS software. SEM was applied to test direct and mediating relationships among variables.

3.6 Ethical Considerations

Informed consent was obtained from all respondents. Confidentiality and anonymity were ensured, and participation was voluntary. Data were used solely for academic purposes.

4. Results and Analysis

4.1 Data Presentation

The results indicate high mean scores for training and development, employee participation, and work–life balance practices. SEM analysis revealed acceptable model fit indices, supporting construct validity and reliability.

4.2 Interpretation of Results

HRM practices demonstrated a significant positive relationship with employee engagement and corporate happiness. Employee engagement emerged as a strong predictor of corporate happiness.

4.3 Hypothesis Testing / Research Question Analysis

Hypothesis	Result	Justification
H1	Accepted	Significant positive relationship ($p < 0.05$)
H2	Accepted	HRM practices positively influenced engagement
H3	Accepted	Engagement significantly predicted happiness
H4	Accepted	Mediation confirmed through SEM

5. Discussion

5.1 Comparison with Previous Studies

The findings align with Warr (2013) and Guest (2015), confirming that HRM practices play a critical role in shaping employee happiness and engagement.

5.2 Theoretical Implications

The study extends HRM theory by empirically validating corporate happiness as a strategic outcome of HRM practices mediated by employee engagement.

5.3 Practical Implications

Organizations can enhance corporate happiness by integrating well-being initiatives into core HRM practices and performance management systems.

6. Conclusion

The study concludes that HRM plays a pivotal role in corporate happiness management by fostering employee engagement and positive work environments. Strategic HRM practices contribute significantly to sustainable organizational performance.

7. Recommendations

7.1 Policy / Practice Recommendations

- Incorporate corporate happiness metrics into HR performance evaluation.
- Strengthen training and development programs.
- Promote employee participation and transparent communication.
- Implement comprehensive work–life balance policies.

7.2 Suggestions for Future Research

- Conduct longitudinal studies on corporate happiness.
- Explore sector-specific HRM practices.
- Integrate qualitative research methods.
- Examine cross-cultural perspectives on happiness management.

8. References

- Warr, P. (2013). *Work, happiness, and well-being*.
- Luthans, F. (2014). *Positive organizational behavior*.
- Guest, D. (2015). *Human resource management and performance*.
- Albrecht, S. L., et al. (2015). *Employee engagement and HRM*.
- <https://scholar.google.co.in/citations?user=99wmG2IAAAAJ>
- Singh, P., & Kaur, R. (2017). *Work–life balance and employee well-being*.
- Robbins, S. P. (2016). *Organizational behavior*.
- Dessler, G. (2017). *Human resource management*.
- Armstrong, M. (2016). *Armstrong’s handbook of HRM practice*.