

Impact of Human Resource Practices on Job Satisfaction: A study of textile industry of Pakistan

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ABSTRACT: *The purpose of this study is to observe the relationship between HR Practices i.e. (Training and Development, Respect and Integrity, Opportunities for Growth/Career Path, Increments & promotion, Performance appraisal, Compensation and benefits) with the employee job satisfaction in textile industry in Pakistan. These HRM practices have a significant positive impact on employee Job satisfaction. Data has been collected through a questionnaire from the employees of various departments of a textile unit. It has been found that HR Practices are positively linked with employee job satisfaction. Managers, Assistant Managers and Supervisors were the respondents of this study. Results indicate that front line management is less satisfied with HRM practices as compare to middle level management. This study will help to analyze employee perception about organizations at different levels of management. Expectation of employees can be enhanced through effective HRM practices which in turn builds a good positioning of organization in a competitive environment.*

Keywords: HRM practices, employees, satisfaction, organization

This research defines a relationship of human resource management practices with employee job satisfaction. Research on HRM practices has been studied extensively among manufacturing and small & medium enterprises. These theoretical and empirical studies have generally focused on HRM practices in the organizations and current study has been conducted in a Textile unit of Pakistan where these HRM practices has significantly affected employees Job satisfaction.

In this world increasing globalization of product markets, the significance of human capital resource that can ideally provide a competitive advantage has become more essential. Peoples are foundations of success in the organizations; researchers involved in management of human capital and have fully focused on HR practices. In fact HR practices are related to firm performance that has been well documented. Significant research on the HR Practices performance relationship has been established and HR practices are related to a number of firm performance measures such as Market Value (i.e., Tobin's Q) (Huselid, 1995), Return on Equity (Delery and Doty, 1996), and operational measures of performance (MacDuffie, 1995).

World become a globe where Economic environment is changing rapidly in changing of customer and investor need and demands are increasing of product-market competition. And to meet successfully these environments organizations continually, need to improve their performance by reducing costs, innovating products and processes and improving quality, productivity and speed to market. The people who change with the change organization -human resources- are considered to be one of the most important resources of today's firms. People and how they are achieved are becoming more important because many other sources of competitive success are less powerful than they used to. It is important to on the basis of these competitive advantage change is essential to develop a different setting of orientation for considering issues of human resource management and strategy.

Literature Review

HR Practices: The most common HR Practices are recruitment, selection, training and development, compensation, rewards and recognition (Yeganeh & Su, 2008). Six HR practice selective hiring, compensation policy, rewards, recognition, training and development and information sharing have been studied with relation to employee job satisfaction (Dessler, 2007).

In an early review of the HRM – performance literature, Dyer and Reeves (1995) theorized 4 levels of outcomes

of HRM practices—employee, organizational, financial, and market—suggesting that the impact of HRM is likely to work out through these levels. Employee outcomes consist of affective reactions such as satisfaction and commitment as well as behavioral reactions such as absenteeism and turnover. Dyer and Reeves (1995) would suggest examining employee outcomes as they are predicted to be affected most directly. More recently, Wright and Nishii (2006) offered further justification for examining outcomes of HRM below the organizational level. In an individual-level analysis, Paul and Anantharaman's (2004) study of software professionals showed that HRM practices had a significant positive relationship with organizational commitment with employee satisfaction.

Human resource management (HRM) refers to the policies and practices involved in carrying out the 'human resource(HR)' aspects of a management position including human resource planning, job analysis, recruitment, selection, orientation, compensation, performance appraisal, training and development, and labor relations (Dessler, 2007). HRM is composed of the policies, practices, and systems that influence employees' behavior, attitude, and performance (Noe, Hollenbeck, Gerhart, and Wright, 2007). There are four top models of HRM such as the Fombrun, Tichy, and Devana Model of HRM, the Harvard Model of HRM, the Guest Model of HRM, and the Warwick Model of HRM (Bratton and Gold, 1999). Out of these models, Guest Model of HRM is considered to be much better than other models (Aswathappa, 2008).

Job Satisfaction: The most referred definition of job satisfaction was offered by Locke (1976) who defined job satisfaction as a pleasing or positive emotional state resulting from the evaluation of a person's job (Haque and Taher, 2008). Job satisfaction is also defined as an individual's general attitude regarding his or her job (Robbins, 1999). Mullins (1993) mentioned that motivation is closely related to job satisfaction. Various factors such as an employee's needs and desires, social relationships, style and quality of management, job design, compensation, working conditions, perceived long range opportunities, and perceived opportunities elsewhere are considered to be the determinants of job satisfaction (Byars and Rue, 1997; Moorhead and Griffin, 1999). Job satisfaction has a significant influence on employees' organizational commitment, turnover, absenteeism, tardiness, accidents, and grievances (Byars and Rue, 1997; Moorhead and Griffin, 1999). According to Robbins (1999), a satisfied workforce can increase organizational productivity through less distraction caused by absenteeism or turnover, few incidences of destructive behavior, and low medical costs.

HR Practices and Job Satisfaction: HR practices and job satisfaction are studied widely in different parts of the world. It is assumed that HR practices are closely associated with job satisfaction (Ting, 1997). Because many scholars and practitioners believe that sound HR practices result in better level of job satisfaction which ultimately improves organizational performance (Appelbaum, Bailey, Berg and Kalleberg, 2000). Steijn (2004) found that HRM practices had positive effect on job satisfaction of the employees of Dutch public sector whereas individual characteristics such as age, gender, and education had insignificant effect on job satisfaction.

Gould-William (2003) showed that use of specific HR practices in local government organizations in the United Kingdom (UK) was associated with a greater degree of job satisfaction, workplace trust, commitment, effort, and perceived organizational performance. The current study will examine the below HRM practices have positively influences Job satisfaction.

Training and development positively influences job satisfaction: Training and development is considered to be the most common HR practice (Tzafirir, 2006). 'Training and development' refers to any effort to improve current or future employees' skills, abilities, and knowledge (Aswathappa, 2008). 'Training and development' has a significant positive impact on employees' job satisfaction (Garcia, 2005). Thang and Buyens (2008) stated that training and development lead to superior knowledge, skills, abilities, attitudes, and behavior of employees that ultimately enhance excellent financial and non-financial performance of the organizations.

Respect and Integrity positively influences Job Satisfaction: Receiving and giving respect is understood in philosophy and ethics to be a fundamental right and duty of being human (Kant, 1993). Respect communicates recognition of one's existence (Honneth, 1992), and conveys positive views of the self to which all human beings are entitled (Rawls, 1971). Similarly, according to Mead (cited in Honneth, 1992 and Hornstein, Michela, Van Eron, Cohen, Heckelman, Sachse-Skidd, et al., 1995), an individual's self, that is their identity and integrity as a human being able to function in the world, is a reflection of the approval and recognition that is gained from others. Likewise, Goffman (1967) argues that the sacredness of the self is affirmed through others' expressions of regard.

In an organizational setting, respect can be a powerful signal to individuals regarding their standing not only as employees but as people. Respect in organizations can

have important consequences. Empirically, in a health care setting respect has been shown to positively impact nurses' trust in management (Laschinger & Finegan, 2005) and individuals' feelings of disrespect have been shown to influence both intentions to quit and actual turnover (Pinel & Paulin, 2005).

Opportunities for Growth/Career Path positively influences Job Satisfaction: A common premise in research of the effects of job circumstances on job satisfaction is that individuals determine job satisfaction by comparing what they are currently receiving from the job and what they would like to or believe that they should receive (Jex, 2002). For example, if an employee is receiving an annual salary of \$45,000 and believes that he or she should be receiving a salary of \$43,000, then he or she will experience satisfaction; however, if the employee believes that he or she should be receiving \$53,000, then he or she will feel dissatisfaction. This comparison would apply to each job facet including: skill level, seniority, promotional opportunities, supervision, etc. (Jex, 2002).

Increments & promotion positively influences Job Satisfaction: There are two types of job satisfaction based on the level of employees' feelings regarding their jobs. The first, and most studied, is global job satisfaction, which refers to employees' overall feelings about their jobs "Overall, I love my job" (Mueller & Kim, 2008). The second is job facet satisfaction, which refers to feelings about specific job aspects, such as salary, benefits, and the quality of relationships with one's co-workers (e.g., "Overall, I love my job, but my schedule is difficult to manage.") (Mueller & Kim, 2008). According to Kerber and Campbell (1987), measurements of job facet satisfaction may be helpful in identifying which specific aspects of a job require improvements. The results may aid organizations in improving overall job satisfaction or in explaining organizational issues such as high turnover (Kerber & Campbell, 1987).

Performance appraisal positively influences job satisfaction: Performance appraisal is a systematic process to evaluate the performance of an employee after a certain period. Performance appraisal also influences other HR practices such as recruitment and selection, training and development, compensation, and employee relations. As performance appraisal leads to pay raise, promotion, and training, it is assumed that better performance appraisal can have an impact on employee job satisfaction.

Compensation and benefits positively influences job satisfaction: Compensation refers to all types of pay or rewards going to employees and arising from their

employment (Dessler, 2008, p. 390). Compensation is very much important for employees because it is one of the main reasons for which people work. Employees' living status in the society, satisfaction, loyalty, and productivity are also influenced by the compensation (Aswathappa, 2008). Ting (1997) in a study on the employees of US government found that compensation was one of the most important determinants of job satisfaction.

H1: HRM practices are significantly and positively related with employee job satisfaction.

Ho: HRM practices are not significantly and positively related with employee job satisfaction.

Theoretical Model



Methodology

Research Design: This study is basically an exploratory study. Exploratory studies are a valuable means of finding out 'what is happening; to seek new insights; to ask questions and to assess phenomena in a new light'.

Sampling Design: A textile firm has been selected to evaluate the employee Job satisfaction through HRM practices, eight department were selected that is Marketing, Planning, Knitting, Processing, cutting, Quality, sewing, and packing and (20% of the populations) and all responded were selected as per convenience.

Data Sources and Instrumentation: The study was compiled with the help of primary data. Primary data was collected through a questionnaire. A sample size of 192 which is 20% of the population (i.e., 15 supervisor/officer, 6 Assit Mangers, and 3 Manger were selected from each department) who responded through a questionnaire.

A five points rating scales of questionnaire has been used, Performance is exceptional is measuring with level/Mark 5, performance with an high quality measuring with Level/Mark 4, Meet performance standard with the Job ,measuring with Level/Mark 3, Improvement need measuring with level /Mark 2 and un-satisfactory measuring with Level /Mark 1 and this is the single global rating approach (Davidson,1979) as it is believed to be an easier approach to collect data (Haque and Taher,2008; Yu and Egri,2005). It is shown in below table.

Rank Definition	Marks
Performance is exceptional.	5
Performance is of high quality.	4
Meet performance standards of the Job	3
Improvement needs	2
Un-satisfactory.	1

Job satisfaction level

Satisfaction Level	Rating
85% to 100%	Out Standing
70% to 84%	Very Good
50% to 69&	Good
33% to 49%	Improvement need
0 to 32%	Unsatisfactory

Questionnaire of total 150 marks as 6 factors with 5 questions, each factor having 25 marks and it had been asked to every individual to as per below table.

HR practices	TTL Mark/level
Training & Development	25
Respect for Employees	25
Opportunities for Growth/Career Path	25
Increments& promotion	25
Performance Appraisal	25
Compensation/ Benefits/Retirement plan	25
Total Mark /level	150

Result and Recommendation

HR Practices and Satisfaction level

HR practices	%	Satisfaction Level
Compensation/ Benefits	71%	V.Good
Increments& promotion	75%	V.Good
Opportunities for Growth	70%	V.Good
Performance Appraisal	70%	V.Good
Respect for Employees	67%	Good
Training & Development	71%	V.Good
Grand Total	70.69%	V.Good

As shown in above table HR practices significantly related with Job satisfaction and analysis are telling us the 70% of each HR practices satisfied employees. Respect of employees need to be improve by bringing more improvement in policies and procedures would enhance satisfaction level.

Department and Satisfaction level		
Department	%	Satisfaction Level
Packing	72.97%	V. Good
Sewing	72.86%	V. Good
Processing	72.67%	V. Good
Cutting	71.89%	V. Good
Marketing	71.08%	V. Good
Quality	70.47%	V. Good
Knitting	69.36%	V. Good
Planning	64.25%	Good
Grand Total	70.69%	V. Good

Above table tell us the level of satisfaction at each department through these practices and where need to be an improvement according to the departmental need. Knitting and planning people are less satisfies as compare to other why this discrimination in one organization? HRM need to check and realign to bring more improvement and discrimination should be eliminate.

Designation wise Satisfaction Level		
Designation	%	Satisfaction Level
Manager	78.28%	V. Good
Assistant Manager	74.92%	V. Good
Officer/Supervisor	67.49%	Good
Grand Total	70.69%	V. Good

Managers, Assistant Managers and Supervisors are the responded and results indicate that front line management (Officers/Supervisor) are less satisfy with

HRM practices as compare to middle level managements.

Conclusion

The finding of this study tell us to the HRM to realign and strengthen as in one group or in one organization there should not be any discrimination at all level as well as in department. All employees need to be satisfied equally as per their needs satisfaction. All practices that are implemented in all organizations should be tested and above analysis tell how it could be more significantly affected over employees.

This study will also help us to analyze employee perception about organizations in different level of management and through an effective role of HRM; expectation of employees could be enhanced more which ultimately build a good positioning of organization in a competitive environment.

Future researchers need to study the relationship of job satisfaction and HR practices in relation with other public sectors organizations as well as in their relevant field. When other organizations will attest Job satisfaction with HR practices will also be investigated and will provide a very clear and broader picture to managers and it will be very easy for them to decide that which factors lead towards job satisfaction and where they can bring the improvement.

In-depth analysis of these HR practices can be very fruitful for the managers of public sector organizations and for those studies will certainly increase the profitability and level of job satisfaction of employees. This study is an opportunity to all HRM managers to do a SWOT analysis of theirs HR practices and how they become to be more strengthening.

Ultimately organization goal is to maximize value and people are the assets and whose value can be enhanced through investment by refined policies and procedures with an alignment of organization strategy vision & mission.

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