International Journal of Advance Research in Computer Science and Management Studies

Research Article / Survey Paper / Case Study
Available online at: www.ijarcsms.com

Impact of HR Practices on Job Satisfaction: A study of manufacturing company of Bhopal

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Abstract: Human Resource department is the backbone of any organization. No matter how good technology and infrastructure a company is having but they can't grow without effective manpower. There are various HR practices in any company which are responsible for employee satisfaction and motivation. In every organization the impact of Human Resource factors on job satisfaction differs. This study aims at exploring the impact of HR practices on job satisfaction in the context of manufacturing industry of Bhopal A total of 60 responses from 5 manufacturing firms were collected and analyzed objectively. It was found that HR practices have significant association with job satisfaction (JS). Also an attempt is done to identify which factor has high impact on job satisfaction and whose impact is least. There is a comparative study of various factors and on the basis of SPSS results are identified.

Keywords: HRM, HR Practices, job satisfaction, manufacturing firms.

I. INTRODUCTION

Human resource is known as an important part and parcel of an organisation. Human resource is considered as a valuable asset as the success of an organization mainly depends on how satisfied and motivated an employee is. Human resource management practices underline the need of job satisfaction of employees. There are various dimensions of HRM like Manpower planning, Recruitment and Selection, Induction, Socialization, Training And development, Career planning, Performance appraisal, Compensation, Maintenance, Industrial relations tec.

Human resource management involves developing and administering programs that are designed to increase the effectiveness of an organization or business. It includes the entire spectrum of creating, managing, and cultivating the employer-employee relationship. It involves both strategic and comprehensive approaches to manage people, as well as workplace culture and environment.

The role of human resources professionals is to ensure that a company's most important asset—its human capital—is being nurtured and supported through the creation and management of programs, policies, and procedures, and by fostering a positive work environment through effective employee-employer relations.

The concept behind human resource management is that employees who are subject to effective human resource management are able to more effectively and productively contribute to a company's overall direction, thereby ensuring that company goals and objectives are accomplished.

Today's human resource management team is responsible for much more than traditional personnel or administrative tasks. Instead, members of a human resource management team are more focused on adding value to the strategic utilization of employees and ensuring that employee programs are impacting the business in positive and measurable ways.

An August 2014 *Forbes* article explored the shifting goal of today's human resource management teams. More specifically, the article found that HR teams focused on things that don't add true value to the organization are often deemed reactive, uncreative, and lacking basic business understanding. On the other hand, HR professionals who want to be recognized as true business partners must see themselves as business people who specialize in HR, not as HR people who advise a business.

II. LITERATURE REVIEW

Suifan (2015). in his study focused upon examining the effect of HRM practices (i.e. training, person organization fit, and rewards) on organizational commitment in Jordanian public and private organizations. The training programmes given to employees have positive impact on their level of organizational commitment.

Olusegun (2013) concluded that there is significant relationships between job satisfaction and turnover intention in a study conducted among the employees of universities in south west Nigeria. Further it revealed that there was no significant difference among the turnover intentions of library working personnel by their place of work.

Kumara & Pandey (2011). states that the job performance of individuals workers may vary with the extent of ambivalence being experienced by them during work time. Lal et al. (2015). found that with the change in the scenario of working environment, the ways of performing job roles have undergone a drastic change. It was found that the job satisfaction is related directly to employee turnover/retention rates & absenteeism and indirectly related to job performance and productivity in the industrial setup.

Ray &Ray (2011). focused HRM practices and its impact on job satisfaction in selected iron and steel firm in India. Factors like self-directed work teams, job rotation, recruitment and selection have very little impact on job satisfaction.

Chauhan & patel (2014). concluded that recruitment and selection, carrier growth, working conditions have a positive impact on job satisfaction in the hotel industry in udaipur .All the HRM dimensions exercised in the hotels of Udaipur division do not satisfied the employees equally.

Jeet & sayeeduzzafar (2014). showed that the HRM Practices like training, team work, performance appraisal and compensation has the significant impact on job satisfaction

According to Gerhart, (2007) HRM is a combination of multiple factors and these factors are practices, policies, and system which influence the behavior, attitude, and performance of the employee towards an organization in a positive way.

HRM Practices are linked with the management of human resources, activities necessary for staffing the organization and sustaining high employee performance (Mahmood, 2004).

According to Yeganeh and Su, (2008) the most common HRM Practices are recruitment, selection, training and development, compensation, rewards and recognition.

Delaney and Huselid (1996) agreed that, HRM best practices are aimed to improve the overall performance of employees within the organization, ultimately resulting in increased organizational performance through job satisfaction.

Delaney and Huselid (1995) studied eleven practices that are personnel selection, performance appraisal, incentive compensation, job design, empower of decision, information sharing, attitude assessment, labour management participation, recruitment efforts, employee training and promotion and all have significant effect on job satisfaction.

III. OBJECTIVES OF THE STUDY

The main purpose of the study was to identity the impact of HR practices on job satisfaction. In order to materialize this objective, the following specific objectives were considered:

i.　　To understand the association between HR practices and job satisfaction;

ii.   To identify the impact of HR practices on job satisfaction;

iii.   To compare various HR factors on the basis of their impact on Job satisfaction.

iv.   To suggest some measures in order to enhance the HR practices and job satisfaction

v.   of the selected Industries

IV. RESEARCH METHODOLOGY

4.1 Population

All the individual people of Bhopal are population for the study

4.2 Sampling Frame

All the employees of 3 reputed manufacturing industries which exist in Mandideep (Bhopal) Madhya Pradesh.

4.3 Sampling Techniques

Non probability, convenient sampling techniques were used

4.4 Sample Size

120 questionnaires were distributed in listed all 3 manufacturing industries through various sources, and get beck 54 questionnaires with proper response.

4.5 Tools to be used for data collection

Self design questionnaire with 1 to 5 likert's type scale were used for data collection,

4.5 Tools to be used for data analysis

For the purpose of analysis, used reliability, normality, correlation and regression analysis.

The data was collected from 54 respondents of 5 manufacturing companies. The questionnaire was prepared after doing normality and reliability test and was distributed among 60 respondents. There were 10 HR variables considered for research. After data collection regression analysis was done which indicates the relationship of HR factor with Job satisfaction with high and low impact on job satisfaction. After that recommendation were done to increase job satisfaction of employees in an organization.

V. FOLLOWING VARIABLES OF HR ARE TAKEN FOR RESEARCH

5.1. Work environment

The work environment of any organization includes interpersonal relationship, attitude of the top management, conducive and supporting environment, work preferences of the employee, flexible work schedule and many other facilities which are responsible for smooth functioning of the Organization.

5.2. Compensation

The term compensation is used to indicate the employee's gross earnings in the form of financial rewards and benefits. The management should ensure that compensation structure is designed after taking into account certain factors such as qualification, experience, attitude and prevailing rates in the markets. Compensation means the reward that is received by an employee for the work performed in an organization. It is an important function of human resource management. Employees may receive financial and non-financial compensations for the work performed by them.

5.3 Communication

Communication is used in human resources to relay information from directors to employees. This information pertains to company policies or goals. Effective communication increases productivity, which benefits employees and the company. Proper communication techniques can boost employee morale to create a positive work atmosphere.

5.4 Manpower planning

Manpower Planning which is also called as Human Resource Planning consists of putting right number of people, right kind of people at the right place, right time, doing the right things for which they are suited for the achievement of goals of the organization. Human Resource Planning has got an important place in the arena of industrialization.

5.5 Team Work

The process of working collaboratively with a group of people in order to achieve a goal is team work. It is a crucial part of a business, as it is often necessary for colleagues to work well together, trying their best in any circumstance. Teamwork means that people will try to cooperate, using their individual skills and provide constructive feedback, despite any personal conflict between individuals.

5.6 Performance Appraisal

Performance appraisal is a systematic process in which employee's job performance is evaluated in relation to the projects on which employee has worked and his contribution to the organisation. It is also known as an annual review or performance review.

5.7 Training program

The employee development aspect of human resource management is sometimes referred to as the training or workforce development function. It involves identifying areas where skill development is needed, either in terms of specific skills or knowledge that a particular individual needs to master or organization-wide training needs. Training needs may be soft skills, like customer service, communication and leadership development, as well as technical skills such as computer skills and equipment operation capabilities.

5.8 Autonomy

A degree or level of freedom and discretion allowed to an employee over his or her job. Autonomy in management basically means allowing a great deal of freedom to make choices in the workplace. A manager who grants an employee autonomy generally outlines the goal of a project but allows the employee to decide the best way to achieve that goal.

5.9 Personal growth and career development

Career development is the series of activities or the on-going/lifelong process of developing one's career. It refers in managing one's career in an intra-organizational or inter-organizational scenario. It involves training on new skills, moving to higher job responsibilities, making a career change within the same organization, moving to a different organization or starting one's own business.

5.10 Grievance handling mechanism

A grievance is any dissatisfaction or feeling of injustice having connection with one's employment situation which is brought to the attention of management. Speaking broadly, a grievance is any dissatisfaction that adversely affects organizational relations and productivity. Handling of grievance is the mechanism opted by HR department to overcome the dissatisfaction level of employees.

VI. DATA ANALYSIS AND INTERPRETATION

6.1 Reliability test for all the variables

Cronbach's alpha had applied to check whether data were reliable or not.

S. N.	Variable Name	Cronbach's Alpha	N of Items	Action
1	Work environment	.888	4	Reliable
2	Compensation	.735	4	Reliable
3	Communication	.895	4	Reliable
4	Manpower planning	.855	4	Reliable
5	Team work	.923	4	Reliable
6	Performance Appraisal	.918	4	Reliable
7	Training Program	.893	4	Reliable
8	Autonomy	.814	4	Reliable
9	Personal growth and Career Development	.837	4	Reliable
10	Grievance handling mechanism	.912	4	Reliable
11	Job Satisfaction	.799	4	Reliable

In the above table for Reliability analysis obtained values of Cronbach's alpha for all variables are greater than to standard value of Cronbach's alpha i.e 0.7, it means that all the statements that were used in this research work were are highly reliable.

6.2 Normality Measurement for HR Practices and Job Satisfaction

An estimation of the normality of data is a requirement for many statistical analyses because normal data is a fundamental assumption in parametric testing. There are two main methods of assessing normality: graphically and numerically. The table below presents the results from two well-known tests of normality, namely the Kolmogorov-Smirnov Test and the Shapiro-Wilk Test. The Shapiro-Wilk Test is more appropriate for small sample sizes (< 50 samples), but can also handle sample sizes as large as 2000. Due to this consideration, Shapiro-Wilk test is used to assessment of normality as numerical means of assessing normality is done in this study.

Tests of Normality	Kolmogorov-Smirnov[a]			Action
	Statistic	df	Sig.	
Work environment	.577	53	.049	Normally Distribution
Compensation	.859	53	.065	Normally Distribution
Communication	.850	53	.175	Normally Distribution
Manpower planning	.904	53	.189	Normally Distribution
Team work	.893	53	.145	Normally Distribution
Performance Appraisal	.711	53	.055	Normally Distribution
Training Program	.838	53	.071	Normally Distribution
Autonomy	.878	53	.035	Normally Distribution
Personal growth and Career Development	.887	53	.097	Normally Distribution
Grievance handling mechanism	.859	53	.000	Normally Distribution
Job Satisfaction	.889	53	.148	Normally Distribution
a. Lilliefors Significance Correction				

Above table shows that data is normally distributed with insignificant level of all variables (HR Practice/Job Satisfaction) according to Kolmogorov-Smirnov all insignificance values are greater than 0.05, the data is normal. If it is below 0.05, the data significantly deviate from a normal distribution. [(P>0.05 = data normally distributed) & (P<0.05 = data is not normally distributed)]

6.3 Correlation between obtain factors of HR Practices and Job Satisfaction

		HR Practices										Job Satisfaction
		WE	Co	Com	MPP	TW	PA	T P	Au	C D	GHM	
WE	Correlation	1										
	Sig.											
Co	Correlation	.612[**]	1									

	Sig.	.000									
Com	Correlation	.413**	.439**	1							
	Sig.	.000	.000								
MPP	Correlation	.644**	.618**	.429**	1						
	Sig.	.000	.000	.000							
TW	Correlation	.559**	.419**	.428**	.444**	1					
	Sig.	.000	.000	.000	.000						
PA	Correlation	.598**	.474**	.549**	.430**	.435**	1				
	Sig.	.000	.000	.000	.000	.000					
TP	Correlation	.302**	.226**	.120	.212**	.208**	.251**	1			
	Sig	.000	.001	.071	.000	.000	.000				
Au	Correlation	.633**	.168	.567**	.298*	.257	.101	.154	1		
	Sig.	.000	.230	.000	.030	.064	.470	.272			
CD	Correlation	.239	.019	.325*	.369**	.264	.186	.170	.223	1	
	Sig.	.085	.894	.018	.007	.056	.181	.224	.109		
GHM	Correlation	.561**	.086	.242	.596**	.530**	.417**	.267	.425**	.215	1
	Sig	.000	.000	.000	.000	.000	.000	.000	.000	.000	
Job Satisfaction	Correlation	**.550**	**.544**	**.471**	**.639**	**.973**	**.408**	**.351**	**.133**	**.120**	**.219** 1
	Sig.	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000
**. Correlation is significant at the 0.01 level (2-tailed).											
b. Listwise N=53											

Found all factor have positive relationship

6.4 Linear Regression Analysis between HR Practices and Job Satisfaction

The regression was calculated by taking the total of HR Practices (independent variable) and job satisfaction (dependent variable) by using SPSS software. Therefore, regression is calculated by taking dependent and independent variable.

H_01: It stated there is no significant impact of HR Practices on Job Satisfaction

Table: Model Summary, ANOVA & Regression Coefficient between HR Practices and Job Satisfaction

Model	Model Summary			ANOVA	
	R	R Square	Durbin-Watson	F	Sig.
1	.786[a]	.699	1.879	254.720	.000
a. Predictors: (Constant), HR Practices					
b. Dependent Variable: Job Satisfaction					

Model summary of regression analysis is calculated to evaluate homogeneity of groups on error variances. The value of R found 0.786 it mean that correlation between HR Practices and Job Satisfaction is highly positive, and value of R Square i.e. 0.699 shows percent of variance, according to this HR Practices 69.9% Affected to Job satisfaction. The model used for ANOVA has good fit, tested using F test, the value of F was found to be 254.720 which are significant at 0.000 level of significance indicating that, there is direct relationship with dependent variable and overall model good fit.

Model		Coefficients			t	Sig.	Collinearity Statistics		Null Status
		Unstandardized		Standardized					
		B	Std. Error	Beta			Tolerance	VIF	
1	(Constant)	14.450	1.250	.786	5.561	.000			.000
	HR Practices	.532	.077		19.717	.000	.448	.448	.000
a. Dependent Variable: Job Satisfaction									

Y= a+ bx

Y= 14.450 + .532x

Where,

X= HR Practices (independent variable)

Y= Job Satisfaction (dependent variable)

The result of regression from the coefficient table indicates that HR Practices has direct relationship with job satisfaction having beta value of .786 tested through t-test, having t-value of 19.717 which is significant at 0.00% level of significance. Hence the null hypothesis was rejected by the result.

6.5 Linear Regression Analysis between Team work, Personal growth & Career Development, Communication, Work environment, Compensation, Training Program, Performance Appraisal, Manpower planning, Autonomy and Grievance handling mechanism and Job Satisfaction

The regression was calculated by taking the total of Team work, Personal growth & Career Development, Communication, Work environment, Compensation, Training Program, Performance Appraisal, Manpower planning, Autonomy and Grievance handling mechanism (independent variables) and job satisfaction (dependent variable) by using SPSS software. Therefore, regression is calculated by taking dependent and independent variable.

(Main Hypothesis)

Ho2.: It state there is no impact of obtain factors of HR Practices on job satisfaction

(Subsidiary Hypotheses)

Ho2.1: There is no impact of team work on job satisfaction

Ho2.2: There is no impact of Personal growth & Career Development on job satisfaction

Ho2.3: There is no impact of Communication on job satisfaction

Ho2.4: There is no impact of Work environment on job satisfaction

Ho2.5: There is no impact of Compensation on job satisfaction

Ho2.6: There is no impact of Training Program on job satisfaction

Ho2.7: There is no impact of Performance Appraisal on job satisfaction

Ho2.8: There is no impact of Manpower planning on job satisfaction

Ho2.9: There is no impact of Autonomy on job satisfaction

Ho2.10: There is no impact of Grievance handling mechanism on job satisfaction

S	Dependent Variable	R Value	R Square	F Value	Beta Value	T Value	Sig.	Action on Null
1	Team work	.670	.660	203.486	.660	12.243	.000	Rejected
2	Personal growth & Career Development	.644	.633	195.345	.644	10.577	.000	Rejected
3	Communication	.639	.619	178.227	.639	7.956	.000	Rejected
4	Work environment	.471	.594	119.246	.471	6.477	.000	Rejected
5	Compensation	.452	.571	97.206	.452	5.877	.000	Rejected
6	Training Program	.435	.500	63.732	.435	5.416	.000	Rejected
7	Performance Appraisal	.384	.493	56.029	.384	5.102	.002	Rejected
8	Manpower planning	.354	.478	38.894	.354	4.535	.010	Rejected
9	Autonomy	.316	.227	15.720	.316	2.085	.021	Rejected
10	Grievance handling mechanism	.306	.187	12.819	.306	2.028	.032	Rejected
a. Predictors: (Constant), Team work, Personal growth & Career Development, Communication, Work environment, Compensation, Training Program, Performance Appraisal, Manpower planning, Autonomy and Grievance handling mechanism								
b. Dependent Variable: Job Satisfaction								

The model having Team work, Personal growth & Career Development, Communication, Work environment, Compensation, Training Program, Performance Appraisal, Manpower planning, Autonomy and Grievance handling mechanism as independent variables and satisfaction as dependent variable has good fit, indicated by F-test value which is 203.486 (Team work), 195.345 (Personal growth & Career Development), 178.227 (Communication), 119.246 (Work environment), 97.206 (Compensation), 63.732 (Training Program), 56.029 (Performance Appraisal), 38..894 (Manpower planning), 15.720 (Autonomy) and 12.819 (Grievance handling mechanism) significant at 0.000^a level of significance. The result of regression from the coefficient table indicates that Team work, Personal growth & Career Development, Communication, Work environment, Compensation, Training Program, Performance Appraisal, Manpower planning, Autonomy and Grievance handling mechanism have direct relationship with job satisfaction having beta values 0.670 (Team work), 0.644 (Personal growth & Career Development), 0.639 (Communication), .471 (Work environment), 0.452 (Compensation), 0.435 (Training Program), 0.384 (Performance Appraisal), 0.354 (Manpower planning), 0.316 (Autonomy) and 0.306 (Grievance handling mechanism) tested through t-test having, t-values 12.243 (Team work), 10.577 (Personal growth & Career Development), 7.956 (Communication), 6.477 (Work environment), 5.877 (Compensation), 5.416 (Training Program), 5.102 (Performance Appraisal), 4.535 (Manpower planning), 2.085 (Autonomy) and 2.028 (Grievance handling mechanism) which all are significant at 0.00% and below than 0.05% level of significance.

The model summary table indicates that effect of Team work (66.0%), Personal growth & Career Development (63.3%), Communication (61.9%), Work environment (59.4%), Compensation (57.1%), Training Program (50.0%), Performance Appraisal (49.3%), Manpower planning (47.8%), Autonomy (22.7%) and Grievance handling mechanism (18.70%) on job satisfaction since the r square values of above table which means Team work, Personal growth & Career Development, Communication, Work environment, Compensation, Training Program, Performance Appraisal, Manpower planning, Autonomy and Grievance handling mechanism direct impact on job satisfaction.

VII. CONCLUSION AND RECOMMENDATIONS

The findings of present study shed light on the importance of effective HRM practices for contributing towards improved organizational performance. The present study concluded that the effective HRM practices have significant impact on the level of satisfaction of employees in an organization. The personal growth and career planning and team work and have been rated high by the employees followed by communication. Among other HRM practices training, work environment Manpower planning, performance appraisal and compensation have medium impact on job satisfaction. However autonomy and grievance handling was rated low .In the line of these results, the following recommendations have been made so to suggest some ways to provide further augmentation in the level of job satisfaction among the employees of the manufacturing Industry

It has been observed that career planning and growth and team work rating was high as compared to compensation which indicates that employees are more influenced by nonmonetary factors. Therefore HR persons should provide a Career Planning ladder to all the employees at the time of interview and stick to their plan throughout the service of an employee in that organization. This will not only enhance employee's job satisfaction but will also increase employee retention which is again a crucial issue of discussion for the HR department. Secondly the focus should be on Team work as working in team boost employee morale and help to create dedicated work force which in turn will increase overall organizational performance.

Proper and regular training programmes should be conducted such as seminars, Workshops, quality talks, job rotation so that employees can enrich themselves with requisite art of doing current as well as new jobs as and when they arise. This will lead to the fulfillment of personal drive and ambitions of employees.

Organizations should begin and follow proper performance appraisal systems to assess the work of employees in relation to job requirements and thus deciding upon wage and salary administration, promotion and transfer. An employee satisfaction increases if his performance is being judged on the basis of contribution made by him in total objectives. There can be other

important factors contributing towards employee job satisfaction such as good and hygienic working conditions, so that employees are facilitated to work with great zeal and enthusiasm.

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