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The Potential Impact of HRM Practices towards Employee Job Satisfaction – A study of Government Hospital in Malaysia

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Abstract

The main objective of this research is to explore the potentials impacts of Human Resource Management (HRM) practices (i.e. training, performance appraisal and employee participation) towards employee job. Few studies have been conducted to examine the relationship between impacts of HRM practices towards employee job satisfaction. The results show the performance appraisal is the positively impact towards employee job satisfaction, but not for training and employee participation. Besides that, the results of the study also show that performance appraisal have significant relationship towards employee job satisfaction. The findings of this research will provide valuable insights for the management of government hospital to create good HRM practices that will increase the employee satisfaction towards their job and encourage the increasing quality of work among the employees.

Key words: Employee job satisfaction, HRM practices (i.e. training, performance appraisal and employee participation), government hospital employees.

1. Introduction

HRM can be defined as a involving of all management in the decisions making which can give impacts towards the relationship between employees and organization (Aguinis, 2009). Most of the researcher was found that HR practices have a positively relation with employee job satisfaction (Wright et al., 2003; Spector, 1997; Huselid 1995; Petrescu & Simmons, 2008). The corporate and professional communities' interests with Human Resource Management (HRM) practices after realization the fact about people are making organization successful not the buildings. It would not be justified to assume that the concept of HRM is a newly emerged phenomenon. It is an advanced form

of people management. Most of the research recommends the HRM practices are fundamental in order for an organization to achieve organizational success (Barney, 1991; Jackson & Schuler, 2000; Pfeffer, 1994).

The main objective of this research is to explore potentials impacts of Human Resource Management (HRM) practices towards employee job satisfaction (i.e. training, performance appraisal and employee participation). Through this research study we able to explored potential impact of HRM practices towards employee job satisfaction.

2. Literature Review

2.1 Human Resource Management (HRM) practices

There have many definitions about the concept of Human Resource Management. According to Aguinis (2009), HRM can be defined as a involving of all management in the decisions making which can give impacts towards the relationship between employees and organization. While the HRM practices have a relation with the management of human resources, because the activities necessary for staffing in the organization are very helpful in increase the high employee performance (Mahmood, 2004).

HRM practices can be including performance appraisal, job analysis, recruitment, compensation, training and development, labor relation and selection (Desler, 2007). Besides that, Huselid (1995) were used eleven HRM practices in his study which are recruitment and selection, attitude assessment, promotion, training, job design compensation, performance appraisal, information sharing, , employee participation and job definition.

However this study mainly focuses on the relationship between three HRM practices (i.e. training, performance appraisal and employee participation) towards employee job satisfaction in government hospital. There is limited research of HRM practices because the government hospital is not providing the selection and compensation practices for their employees. The Malaysian Treasury under the Ministry of Finance were responsibility towards the compensation of employee under government sector and while selection for government employee are under Malaysian Civil Service Commissions.

2.2 Training

Training is very necessary for every employee in perform a particular jobs because the job requires a particular skill, knowledge and ability by which the job will be easier to perform and it is benefit to the employee. The training is one of the ways in offering learning experience and help employees more specific with their job and as results in increasing the employee job satisfaction (Paul & Ananthraman, 2003). Likewise, Danvila Del Valle et al (2009), training can provide skills, abilities and knowledge required by the employee. The investing of training to the employees can give confidence to them in the future and will give them more effort to do their best in their work in an effective way.

H1: There is significant relationship between impacts of training towards employee job satisfaction.

2.3 Performance Appraisal

Performance appraisal can be defined as a systematic process in evaluate the performance of the employee after a certain period. The better performance appraisal can help in motivate the employee and will give a good impact on employee job satisfaction. According to Francais & Kleiner (1994) and Boice & Kleiner (2009), performance appraisal is known as the important operation in the organization and help for advancement of the employees towards their job. Performance appraisal can help in higher the productivity effect (Brown & Heywood, 2005). Likewise, Brown et al (2008) found that the performance appraisal is the basic element in the HRM and many Human Resource decisions are made based on the results of the performance appraisal.

H2: There is significant relationship between impacts of performance appraisal towards employee job satisfaction.

2.4 Employee Participation

Employee participation can be defined as employee involvement in decision making, development strategies and implementation of solutions, persuade involvement of stakeholders at all levels of an organization in examination of problems (Helms 2006; Armstrong 2006; Graham & Bennet 1998). Participatory systems can help in contribute a motivated and loyal workforce. According to Kim (2002), surveyed were conducts at Clark County and Nevada shows that most of the manager's will use participative practice in decision making because it give positively impacts towards employee job satisfaction. According to Cox, Zagelmeyer and Marchington (2006), the direct participation can help in increasing levels of satisfaction or commitment of the employee. The employee participation very helpful in increasing the employee morale or job satisfaction and enhances the efficiency of productivity. Besides that, it also help to create a greater trust, sense of control on the part of the employees, help to improve the better communication among the colleagues and make the better decision in the management.

H3: There is significant relationship between impacts of employee participation towards employee job satisfaction.

2.5 Employee Job Satisfaction

There have many views about job satisfaction. According to Robbins (2003), job satisfaction is about feeling of the employees towards the different dimensions of their jobs. The other researcher were defined job satisfaction as a pleasure able or positive emotional state resulting from the appraisal of one's job and job experience (Locke,1976). Likewise, Robbins (1930) defined employee job satisfaction as an employee attitude. Most of the researcher found that the HRM practices will give a good impact to the employee job satisfaction. Edgar and Geare (2005) were studied that HRM practices will give a positive influence towards organizational fairness, employee job satisfaction and organizational commitment. The employee job satisfaction in the workforce very important in every organizational because it can help to decrease of absenteeism or turnover, behavior problem and reduce the medical costs.

Theoretical Framework

Independent Variables are Training, Performance Appraisal and Employee Participation and Dependent Variable is employee job satisfaction.

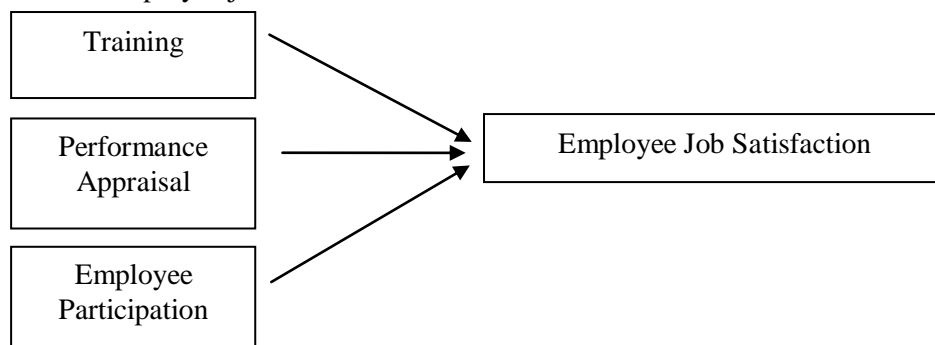


Figure above shows the theoretical framework of impact HRM practices (i.e. training, performance appraisal and employee participation) towards employee job satisfaction.

3. Methods and Results

The population for this study was government hospital of Malaysia. 120 set of questionnaires were distributed and only 106 set of questionnaires were returned and completed for analyze. The response rate is 88.3%. All question related with HRM practices and employee job satisfaction were measured on 5 point likert scale which are strongly disagree (1), disagree (2), not sure (3), agree (4) and strongly agree (5).

The questionnaire was adapted from that used by Singh (2004), Qureshi M Tahir (2006) and Clifford (1985) in a study of impact of HRM practices towards employee job satisfaction. The data

collected was analyzed by using Statistical Package for Social Sciences (SPSS) version 20. The statistical analyses include the mean, standard deviation, multiple regression and frequencies, as well as testing of reliability and validity measures.

According to the data collected the, out of the 106 survey questionnaire distributed, (76%) respondents are female and (24%) are male. Majority of the respondents are between 26-30 years old (31%). Most of the respondents' educational backgrounds are from secondary school (42%). Based on the survey, majority of the respondents have working experience at government hospital is between 1-3 years (49%). Besides that, most of the respondents from the support group position (71%).

Table-1. Reliability value of the scale

Constructs	Cronbach Alpha Coefficient	N of Items
Employee Job Satisfaction (DV)	0.770	4
Training (IV1)	0.848	6
Performance Appraisal (IV2)	0.850	7
Employee Participation (IV3)	0.648	3

Table above shows that all of the questions in the questionnaires were reliable since, the scales used are highly reliable for data analysis because the minimum acceptable range for Cronbach alpha is 0.6. If manifested from each section of questions reliable because the value of Cronbach α was 0.848 for question impacts of training towards employee job satisfaction, 0.850 for question impacts of performance appraisal towards employee job satisfaction, 0.648 for question impacts of employee participation towards employee job satisfaction and 0.770 for question the employee satisfaction towards their job.

The results for Pearson Correlation and Multiple Regression were as follow:

Table-2. Pearson Correlations

			Employee Job Satisfaction (DV)	Training (IV1)	Performance Appraisal (IV2)	Employee Participation (IV3)
Employee Job Satisfaction (DV)	Pearson Correlation (r)		(0.770)			
	Sig. (2-tailed) (p)					
Training (IV1)	Pearson Correlation (r)		.337**	(0.848)		
	Sig. (2-tailed) (p)		.000			
Performance Appraisal (IV2)	Pearson Correlation (r)		.430**	.690**	(0.850)	
	Sig. (2-tailed) (p)		.000	.000		
Employee Participation (IV3)	Pearson Correlation (r)		.282**	.247*	.491**	(0.648)
	Sig. (2-tailed) (p)		.003	.011	.000	

** . Correlation is significant at the 0.01 level (2-tailed).

* . Correlation is significant at the 0.05 level (2-tailed).

c. Listwise N=106

Table above shows, training, performance appraisal and employee participation have a positively correlated with employee job satisfaction. Training shows a positively correlated to the employee job satisfaction with value (r=.337), performance appraisal also show a positively correlated with employee job satisfaction with value (r=.430) and employee participation also show a

positively correlated to the employee job satisfaction with value ($r=.282$). Based on the result, it can be concluded that Correlation analysis have a positive relationship between dependent variable and independent variables.

Table-3. Regression Analyses

Model	R	R square	Adjusted R Square	Std. Error of the Estimate
1	.443 ^a	.196	.172	.47002

Table-4. Coefficients (a)

Variables	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	1.707	.431		3.961	.000
Training (IV1)	.100	.129	.097	.780	.437
Performance Appraisal (IV2)	.310	.137	.311	2.258	.026
Employee Participation (IV3)	.098	.096	.105	1.019	.310

a. Dependent Variable: Employee Job Satisfaction

Table: 4 Coefficients (a) shows, training, performance appraisal and employee participation is positively influence the dependent variable as the beta value is (.100), (.310) and (.098). From the result, it shows that the independent variable of performance appraisal has a positive and significant relationships towards dependent variable but training and employee participation are not having a significant relationship towards dependent variable. The value of R square is represented .196 which means that 19.6% of the variation in employee job satisfaction can be explained by three independent variables (i.e. training, performance appraisal and employee participation).

The regression equation results are shown in the table above. The formula is:

$$EJS = 1.707 + 0.310 PA$$

After analyzing the Pearson correlation and Multiple Regression method, it can be concluded that hypotheses 2 have been accepted:

- H2: There is significance relationship and positive impacts of performance appraisal towards employee job satisfaction.

Conclusion

This study is designed to examine the impact of HRM practices (i.e. training, performance appraisal and employee participation) towards employee job satisfaction in government hospital in Malaysia. The between of three HRM practices, result were shows that only (performance appraisal) is significant and positively influence the employee job satisfaction in government hospital, but it is not for training and employee participation. This signals that the function of training and employee participation needs to be improved so that it can play a better role in increasing the employee satisfaction towards their job.

This research has some limitations. First, the main factor that contributes to the success of this study is the commitment of the respondents. The limitation arises when respondents might not give the right answer while answering the questionnaire with just thick any answer that they think suitable with the question and sometimes the respondents are unwilling to answer the questionnaire which makes the information is not accurate. Second, the research focus is only on three HRM practices (i.e. performance appraisal and employee participation). The future studies should include more HRM

practices for a more complete analysis because it can give broader picture towards manager to decide which practices can lead employee job satisfaction.

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The problem was to find the effect of higher education on economic growth in four countries: Tunisia, Morocco, Japan and South Korea in order to compare the results obtained in the estimation of time series data. This allows identifying the importance of state intervention in the field of education in a world marked by privatization more thrust.

It should be noted that the concept of human capital and its formulation have evolved from the sixties. However, the importance of human capital has been studied since the seventeenth century. Adam Smith (1776), a classical economist, developed the basic concepts of the theory of growth in his book "The Wealth of Nations" by considering that human beings were a part of the wealth of nations.

According to the economist, the higher level of education of a worker contributes to improve business productivity, because the worker is more likely to innovate, to imagine new forms of production and to improve it. Similarly, improving the level of education leads to increase efficiency of all factors of production. This helps to explain income disparities between developed and developing countries.