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# IMPACT OF HRM PRACTICES AND ITS EFFECT ON EMPLOYEES' JOB SATISFACTION: A STUDY OF LUCKNOW MANAGEMENT EDUCATION TEACHERS

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## ABSTRACT

*This study systematically evaluated the impact and relationships between Human resource practices and employees job satisfaction of the management teachers in Lucknow. This is accomplished by developing and testing the model based on human resource practices including training, performance appraisal, promotion, career planning and grievance handling as an independent variables and on the other hand employee's job satisfaction as a dependent variable. This study also helps us to understand the significance of human resource practices on the employee's job satisfaction. Sample was collected in the duration of two months from Management teachers of Lucknow. Non probability convenience sampling was used to collect primary data from respondents.*

**KEYWORDS:** *Job Satisfaction, HRM Practices, Grievance handling, Performance Appraisal*

## INTRODUCTION

Every organisation is essentially a blend of Material and Human Resource. Material refers to money and machines and Human Resource refers to the knowledge, education, skills, training and ability of the members of the organisation. The successful management of an organisation's human resource is an exciting, dynamic and challenging task especially when the world has become a Global village. Today's organisations constantly mould itself to meet the business challenges despite economic, political and social patterns in which it exists. Rapid changes in technology, globalization and changing customer's needs and demands not only have modernised the organizations but also have created penetrating competition between them. In order to endure in this global competition, it is very important to create a satisfied and loyal workforce in the organisations including colleges and universities.

Many researches have been conducted to determine the relationship between Human Resource Management (HRM) practices and Employee Job Satisfaction in developed countries but very few studies have been directed towards the teacher's satisfaction especially of Management. This study is conducted to evaluate the relationship between HRM practices and job satisfaction and its impact thereon. The most relevant HRM practices (training, performance appraisal, promotion, career planning and compensation and grievance handling system) have been selected for the study. By implementing these HRM practices, organizations will be able to accomplish its goals by constructing an effective and efficient workforce. This study will be helpful in augmenting the abilities of the employees which is directly correlated with their job satisfaction. Due to the dynamic and complex nature of the environment, an innovative HRM practices have to focus on

endowing employees with diverse skills so as to make them able to respond to change.

**OPERATIONAL DEFINITIONS**

**Training:** Training is the process of assisting a person in enhancing his efficiency and effectiveness in a particular work area by acquiring more knowledge and practices. Training is important to establish specific skills, abilities and knowledge for an employee. Organisational growth is dependent on the training. It is a function of the organisation development. Training enhances the skills and capabilities of employees in an organisation. A successful training programme improves the performance of an employees which in turn enhances organisational performance.

**Performance appraisal:** Performance appraisal is a systematic activity through which the organisation determines the extent to which the employees is delivering as per agreed objectives that is aligned to business results. It is an ongoing process that helps employees enhance their capabilities and facilitate productivity. To put it simply “It is the means, by which employee’s work behaviour is aligned with the organisational goals. Performance evaluation system is an organised set of activities established to regularly and systematically evaluate employee performance and ensure its alignment to business metrics.

**Promotion:** Promotion is advancement of an employee to a better job- better in terms of greater responsibility, more prestige or status, greater skills and especially increased rate of pay or salary. The upward reassignment of an individual in an organisational hierarchy is promotion. Organisation promotes the employees with a view to achieve the following purposes: -

- To utilize the employee’s skills, knowledge at the appropriate level in organisational hierarchy resulting in organisational effectiveness and employee satisfaction.
- To build loyalty and to boost morale.
- To reward committed and loyal employees.

**Career Planning:** Career can be defined as a

sequence of positions, roles or jobs held by one person over a relatively long time span and over his/her life time. It describes the different positions held by individual throughout his work life. Organisations have to help employees plan their careers and manage them. The employees have to be given a chance to identify their competencies and aptitudes and then provided with the right opportunities. Organisations that help their employees plan their career, enjoy and benefit from a motivated and loyal workforce.

**Grievance Handling:** Grievance is a sign of an employee’s discontent with job and its value- any dissatisfaction or feeling of injustice in connection with one’s employment situation that is brought to the notice of the management. Dale Yoder defines grievances as “a written complaint filed by an employee and claiming unfair treatment”. Unattended grievances result in frustration, dissatisfaction, low productivity, lack of interest in work, absenteeism etc. a grievance handling system is needed for the following reasons:

- Employee feels satisfied if he/she has a means to express his/her frustration.
- Organisation gets increased productivity, low absenteeism and high turnover.
- Increases the level of employee morale.

**Compensation:** Money is ranked as a key motivator as well as a reason to seek employment. Compensation applies to a remuneration that is paid for a fixed period. It revolves around designing and managing policies and methods of disbursing employee compensation. Compensation systems are designed to ensure that employees are rewarded appropriately depending on what they do and the skills and knowledge required for doing a specific job.

**THEORETICAL FRAMEWORK**

**Independent Variables** - Training, Performance Appraisal, Career planning and Compensation.

**Dependent Variable-** Employee Job Satisfaction.

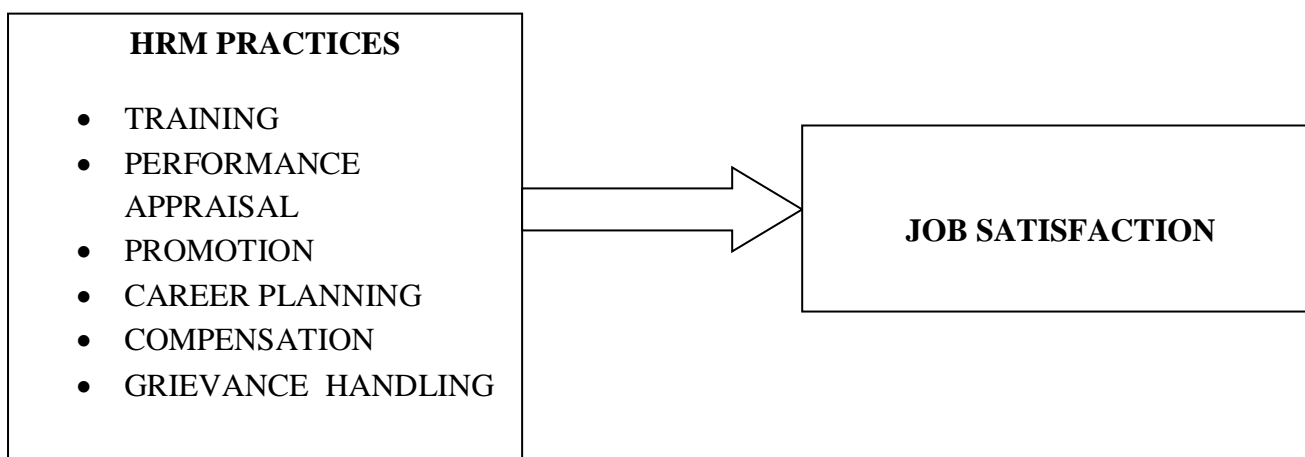


Figure above shows the theoretical framework of impact HRM practices (i.e. training, performance appraisal and career planning and compensation) towards employee job satisfaction.

**LITERATURE REVIEW**

(Katou, 2008) concluded that the HRM practices are associated with business strategies and will affect organisational performance through HRM practices. (Huselid ,1995) have found that HRM practices are associated with lower employee turnover and greater productivity and corporate financial performance.(Yasir Tanveer, Muhammad Zeeshan Shaukat ,2011) concluded that recruitment and selection process and performance appraisal system plays a vigorous role in the employee’s performance as training of the employees is also very important. (Medlin & Green, 2009) stated that goal setting, employee engagement and high level of workplace optimism collectively recovers the performance of the employees of an organization. (Saira HASSAN, 2016) His study disclosed that the performance of the employees can be increased by giving them an opportunity to make effective decisions’. (A. Osibanjo, O. J. Kehinde, A. J. Abiodun ,2012) He observed the the effects of working conditions, training and developments and the influence of human resources factors on employee satisfaction in the banks.(Muhamad Khalil Omar, Siti Noridayu Binti Ahmad, Dahlan Azzarina Zakaria, Badrul ,2013) Their result shows that only performance appraisal is substantial and it positively influence the employee job satisfaction in government hospital.(Miss Hafsa Shaukat, Miss Namrah Ashraf and Shahzad Ghafoor ,2013) *With their study*, it appears that the human resource factor has always been important and its importance will grow in the future. (Masoodul Hassan, Saad Hassan, Muhammad Farooq Ahmed Khan and Asghar Iqbal, 2015) They concluded that compensation and employee empowerment is strongly associated with employee satisfaction as compensation is an important factor for generating satisfaction and empowerment of employees creates loyalty in employees of government owned public banks in Punjab. (DR. Priyaka Khanna, Ms. Manu Sehgal ,2016) concluded that the HRM practices (Training, Performance Appraisal, Team Work and Compensation) has significant impact on job satisfaction and Employee Participation has no significant impact on job satisfaction of the employees of ICICI banks in Ludhiana city. (Mostafizur Rahman, Rafia Akhter, Solaiman Chowdhury, Saiful Islam, Md. Reiazul Haque ,2013) concluded that HRM practices are very deprived in pharmaceutical companies in Bangladesh that leads

to poor job satisfaction of employees. (Shruti Lamba, Nirmala Choudhary, 2013) concluded that HRM practices (Training & development, compensation and welfare activities) influences the Organizational commitment and are correlated with superior organizational performance. (Iveta Ozolina-Ozola, 2014) concluded that there is a necessity for further researches and improvements in the field of domestic human resource management because of insufficient spread of HRM practices.

**RESEARCH OBJECTIVES**

1. To examine the relationship between HRM practices and Employee Job satisfaction.
2. To evaluate the impact of HRM practices and Employee Job satisfaction of Management teachers.

**HYPOTHESIS OF RESEARCH**

**H1:** Good Training & Development Practices for employees is positively related to employee job satisfaction

**H2:** Performance Appraisal practices and performance-based compensation in the organization increase employee job satisfaction.

**H3:** Compensation practices positively relate to employee satisfaction.

**H4:** Grievances handling mechanism system positively relate to employee satisfaction

**RESEARCH METHODOLOGY**

**Sample**

Ten Management colleges are selected in Lucknow for convenience of the research. The sample of this study consisted of 200 respondents who are working in the management departments of these ten colleges / Universities of Lucknow. Non probability convenience sampling was used to collect primary data from respondents.

**Data Collection Methods**

Both primary and secondary data were collected to study the impact of HRM practices on management colleges of Lucknow. For this study, a structured questionnaire consisting of 42 questions was used by researcher to collect primary data. Questionnaire consisting two parts first section consisted of 3questions regarding respondents age, experience and sex. Second section has questions regarding HRM practices in the organization (Training & development, promotion policies Performance appraisal, Compensation and grievance handling), and HR outcomes employee job satisfaction. A five point Likert scale has been used to collect primary data from respondent. Likert scale is: 5- strongly agree, 4 - agree, 3 - neutral, 2 - disagree and 1- strongly disagrees.

**Table 1**

Gender	frequency	percentage
Total	200	100
Female	90	45%
Male	110	55%

Table1 shows total 200 respondents are participated in the study, 90 female and 110 males.

**Table 2**

Age(years)	frequency	percentage
21-30	40	20%
31-40	55	27.5%
41-50	35	17.5%
More than 50	70	35%
Total	200	100%

Table 2 represents age of respondents in Management institutions of Lucknow.

**Table 3**

Service (years )	frequency	percentage
0-5	19	
6-10	45	
11-15	62	
16-20	55	
21-25	65	
More than 25	65	

Table 3 represents service periods of respondents in the study.

**DATA ANALYSIS**

**H1:** Good Training & Development Practices for employees is positively related to employee job satisfaction

To measure role of training and job satisfaction, total scale scores were calculated for training 5 questions and for employee job satisfaction eight questions. For parametric statistics correlation, ANOVA and regression analysis used.

**Table 5:** Results of Pearson Correlations for of Training (Independent variable) and employee Satisfaction (Dependent variable)

Training (Independent variable)	Employee Satisfaction (Dependent variable)
Learning Opportunities for employee	0.231
Role training to get job done	0.342
Role of training for advancement	0.211
Training match with the job	0.101
Role of training to get promotion	0.090

Significant at the 1 % level.

Pearson correlation coefficients illustrate that there is positive relationship between all the independent variables and employee satisfaction. For hypothesis regression analysis was conducted. The adjusted R square value is 0.121 that reveals 12.1% of total variance in employee job satisfaction (dependent variable) is explained by training (Independent variable). F value is 7.234 and (t = 3.213; p = 0.000), five dimensions of training variable have significantly explained the 12.1% of

the variance in employee satisfaction. Training variable had the strongest effect on employee satisfaction with a standardized coefficient beta of 0.211. Hence our hypothesis that provision of training is positively related to higher employee satisfaction is accepted.

**H2:** Performance Appraisal practices and performance-based compensation in the organization increase employee job satisfaction.

**Table 6: Results of Regression Analysis for employee job satisfaction**

Regression coefficient (B)	0.019
Standard error (SE)	0.001
T-value	6.052
Significance level (p)	0.000
Standardized Coefficient (β)	0.0421
Adjusted R2	0.179
F value	47.552

At 1% significance level.

Therefore, results of regression analysis support the hypothesis, thus null hypothesis is rejected and its alternative hypothesis that performance-based compensation in the organization increase employee job satisfaction is supported.

**H3:** Compensation practices positively relate to employee satisfaction.

**Table 7: Results of Regression Analysis**

Independent variables	Dependent variable
family benefits	0.004
Healthcare policy	0.221
Vacation facilities	0.180
Sick leave	0.170
Fringe benefit	.212
Performance based compensation	.210

Hence our hypothesis Compensation practices positively relate to employee satisfaction is accepted.

**H4:** Grievances handling mechanism system positively relate to employee satisfaction.

**Table 8: Results of Pearson Correlations for Employee satisfaction.**

Independent variables	Dependent variable
Proceeding for Grievances handling	0.025
Supervisor's role in Grievances handling	0.039
Availability of supervisor	-0.012
Supervisor's role effectively delegating Grievances	-0.132

Regression analysis was conducted for employee satisfaction and four dimensions of grievances handling. The adjusted R square value is 0.021 that reveals that 2.1 %, F value is 2.11 ( $p = 0.052$ ), results suggesting that grievances handling significantly explained the 2.1 % of variance in employee satisfaction at 5 % significance level. Hence our hypothesis, Grievances handling mechanism system positively relate to employee satisfaction.

## CONCLUSION

This study finds that HRM practices are the most important in employee job satisfaction. The study examined the relationship between HRM Practices and employee job satisfaction, the impact of training, promotion, performance appraisal, compensation and grievance handling system on job satisfaction of management teachers of Lucknow. The strong significant relationship between the independent variables and dependent variable i.e., job satisfaction. Therefore, it is apparent that colleges/universities in Lucknow need to implement these tested variables: training, promotion, performance appraisal, good compensation system and grievance handling system in their strategies in order to make the teachers satisfied with their jobs and management system, which in turn will minimize turnover rate and will help in achieving their common goals. Therefore, it can be concluded that equitable rewards system such as training, compensation, fair performance appraisal, promotion are the factors of employee job satisfaction.

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