

Impact of HRM Practice on Employee Job Satisfaction

(With Special References to Chhattisgarh State Power Distribution Company Ltd. Raipur)

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Abstract

Human resource is known as an important part and parcel of an organization. In today's world of wide spread industrialization and increasing demand on the organization to enhance the competitive position of workforce is a pervasive concern for employers and the employees too. Human Resource Management (HRM). Function seeks to encapsulate and evaluate those factors exigently which is prevalent in the internal environment of organization affecting the degree of level of satisfaction and their commitment towards job. The present research paper has studied the various such human resource management practices being followed in the Chhattisgarh State Power Distribution Company Ltd. Raipur and their impact on the level of job satisfaction among 250 employees working at various levels. Among the HRM practices the job definition and team work have been rated high, implying these practices have high impact on job satisfaction of workers. It shows that the employees have clear job description and contains all the duties performed by them, also the employees teams are encouraged to form team members so as to solve their individual problem and firms makes an effort to get workers opinions and ideas. Compensation, employee participation and performance appraisal are the factors having low impact on the level of job satisfaction perceived by employees.

Keywords: HRM practices, Human resource, Job satisfaction

Introduction

Human resource is known as an important part and parcel of an organization. Human resource is considered as a valuable asset as the success of an organization lies upon how productive the

employees of an organization are in terms of achieving the goals of the organization. The key success of an organization lies upon how diligently the roles allotted to employees are accomplished by them with the spirit of enthusiasm and fervor. The mere obedience to individual and team roles do not indicate the level of contentment on the part of workforce, apart from this there exists multiple number of factors surrounding the employees in an organization which affects their morale and self-esteem. Human resource management practices underline the need of job satisfaction of employees. In the present industrial set up, the academicians always tried to find the factors that highly govern development of job satisfaction among the workers. Attracting and retaining the efficient, committed, & satisfied labour force is the primary concern for any HR manager. So here lies an effective role of a manager in devising and implementing such HR policies and practices which have impact on the job satisfaction level of the workers in an organization. Among the various factors affecting job satisfaction such as organizational environment, specific features of job, personal characteristics of the worker etc the various human resource management practices such as training, team work, job definition, employee participation, performance appraisal, compensation etc. also have influence on the job satisfaction.

History Chhattisgarh State Power Distribution Company Ltd. Raipur

Chhattisgarh State Electricity Board was formed in accordance with the Section 5 of the Electricity Supply Act 1948 as per the Notification published in the gazette of the Government of Chhattisgarh dated 15 November 2000. Chhattisgarh State Electricity Board (CSEB) became functional w.e.f. 01.12.2000. Chhattisgarh State Electricity Board has been reorganized into five companies in accordance with the provisions contained in the Section 131-134 of Electricity Act 2003 by the Govt. of Chhattisgarh. Thus **Chhattisgarh State Power Generation Company Limited** became functional w.e.f. 01.01.2009

The installed capacity as of 31.07.2010 was 1924.7 MW comprising 1786 MW from coal-based thermal and 138.70 MW from hydroelectric power stations. and some 6 MW is coming from co-generation sources.

Human resource management

Human resource management refers to the application of the management principles while managing the personnel of an organisation having common and sometime diverse set of goals. Human resource management assume that it is the human resource of the organisation that make difference and are capable alone in generating value and adding to the maximum competitive advantage to organisations. HRM necessitates the alignment and further synchronisation of HR policies and practices with the present strategies of organisation- both corporate as well as functional. Valuing human resources will enable the organisation to take advantage of the benefits of diversity brought by internationalization (Welbourne and Cieri, 2001)

The most important functions of HR include building of human capital. It refers to the stock of Intellectual skills; knowledge etc. that may have a strong impact on firm's performance.

- Training: training is concerned with the use of extensive programmes for employees which aimed at fostering the performance of individual and groups in organization structure and settings. It is a term associated with learning skills and methods of doing job so that employees perform the jobs with efficiency and in continuity with minimal wastage of resources.
- Performance appraisal: it is the appropriate method of providing feedback and counseling to or generational employees. It is believed that performance appraisal system has a strong influence on the individual as well as team behaviour of the organization.
- Team work: it is a process of working in an organisation collaboratively with a group of people so as to achieve a common goal. Problem solving teams work in harmonious environment and try to solve the reoccurring problems in the organizations. Sometimes new skills and knowledge has to be imparted by the organisation in individual to work in a team. Teamwork helps people to cooperate with each other by using their individual skills along with constructive feedback, and the chances of personal conflicts further reduce.
- Employee participation: it is a technique of employee involvement in deciding how work is done, goal setting, planning, monitoring of performance, and making suggestions for improvement. It as an effective way of enhancing job performance as employees is given freedom to suggest improvements in the way work are done.

- **Job definition:** it includes duties, responsibilities, purpose, scope, and working conditions of job of an individual in the organization. The role and duties of an employee must be clearly defined so as to remove any ambiguity in the process of performing organizational role.
- **Compensation:** It is systematic approach to give in return some monetary value in exchange for the services provided and work performed by employees. It is an effective tool to enhance morale and job satisfaction level of employees. If given adequately to employees, it enhances the company loyalty and reducing employee turnover.

Job satisfaction

Job satisfaction is term which denotes the internal feeling of an employee towards his job in an organisation. An employee may have both positive and negative feelings against his overall job contents, design and structure. Locke (1976) defines job satisfaction as "... a pleasurable or positive emotional state resulting from the appraisal of one's job or job experiences." Satisfaction of an employee towards his job may turn to be very fruitful for an organisation, as the key indicator of success of an organisation largely depends upon the level of satisfaction of human resource towards their routine jobs. Job satisfaction has a significant influence on employees' organizational commitment, turnover, absenteeism, tardiness, accidents, and grievances (Byars and Rue, 1997; Moorhead and Griffin, 1999). The sub dimensions of job satisfaction as given by wood et al. (1987). Includes various researchers have conducted their studies on HRM practices and job satisfaction.



Literature Review

Absar et al. (2010). Demonstrated that various HRM practices human resource planning (HRP), and training and development (TND). Were concluded to have positive impact on job satisfaction (JS). And among it Training and development have largest impact on the level of job satisfaction in manufacturing firms in Bangalore.

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.

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.

Ahmed & akhtar (2012) attempted to develop a research scale to assess the effective implementation of HRPs in General Public Sector Universities (GPSUs). of Punjab.

Tiwari Rakesh (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 delhi Further it revealed that there was no significant difference among the turnover intentions of library working personnel by their place of work.

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. Employee Participation has no significant impact on job satisfaction of the employees working in the HDFC banks.

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.

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.

Ahmed (2015) found that dimensions of HRM which have positive impact on employee's job satisfaction include training and development, selection and recruitment, salary and benefits, reward, whereas supervisory role and job security has adverse impact on job satisfaction among banking sector employees of Bangalore.

Research Methodology

With the advent of industrialization and opening up of our economy, it has given a rise to the number of industries, to meet the rising demands of the whole economy so as to achieve the goal of overall development of economy. Tracing back from the evolution of industrial development,

the role of human resource has had been very crucial for an organization. Thus human resource management practices serves as an effective measure so as to stimulate and retain the workers in a better way.

Due to the passage of time, there is a need to evaluate the impact which the various human resource management practices have on the workforce. The success of the organization lies in proper management of workforce by evolving effective human resource management practices and to determine which aspect of practices and policies have large impact on the psychological behaviours of the workforce.

Objective of the Study

- To study the relationship and association between Human Resource Management practices and job satisfaction.
- To explore the key dimension of HRM practices having impact on job satisfaction among employees.
- To study the impact of demographic variables (age, gender, level, experience, marital status) on the level of job satisfaction.
- To study the relationship between the HRM practices and its dimensions.
- To propose some measures for enhancing job satisfaction level among workers.

Hypothesis of the study

There exists a significant relationship between HR practices and job satisfaction. All the dimensions of HRM practices have significant positive influence on overall job satisfaction.

- Ho1: There is no significant relationship between demographic variables (age, gender, hierarchy level, experience, marital status) and the level of job satisfaction among employees.
- H2: There is a significant relationship between HRM practices and its dimension.
- H3: There exists a significant relationship between all the dimensions of human resource management on job satisfaction.

Sampling procedure

For the purpose of the present study, limited number of 250 respondents have been approached, who are working as employees at various levels in Chhattisgarh State Power Distribution Company Ltd. Raipur. The respondents are targeted based on random sampling to collect enough data so as to conduct research and reaching a meaningful conclusion regarding the relationship between the various human resource management practices pursued by these industries and their job satisfaction level. While filling up the questionnaire efforts are made to avoid biasness, by reaching male and female, married and unmarried and the different employees belonging to different age group and different income level are approached.

6. Methods of data collection

6.1 Data collection tools

For the purpose of present study the tool on HRM practices developed by Qureshi, and Ramay (2006). Scale comprised of 25 items, which contained variables such as

- training,
- team work
- performance appraisal,
- compensation,
- employee participation.
- Job definition

For evaluating Job Satisfaction, the questionnaire developed by Wood et al (1986). was used. There are fourteen statements. All the items will be measured on a 5 point Likert scale from 5 (Strongly agree). to 1 (Strongly disagree).

Data Collection and Analysis

Personal factor		No. of respondents	Percentage
Age	21-30	128	52.7
	31-40	98	40.3
	>41	17	7
Gender	Male	149	61.3
	Female	94	38.7
Marital status	Married	156	64.2
	Unmarried	86	35.4
Type of department	HR	29	11.9
	Marketing	32	13.2
	Production	36	14.8
	Quality control	84	34.6
	Quality assurance	37	15.2
	Engineering	25	10.3
Work Duration	Less than 1 year	34	14
	1-3 years	86	35.4
	3-6 years	62	25.5
	6-9 years	35	14.4
	9-12 years	11	4.5
	More than 12	15	6.2
Education	Graduation	74	30.5
	Post graduation	138	56.8
	Any other	31	12.8
Hierarchy	Top	23	9.5
	Middle	120	49.4
	Lower	100	41.2

Table 1: Demographic variables

- Table1: shows that among the respondents, more than 50 per cent lies in the age group 21-30. The employees in the age group 31-40 are approx. 40 per cent and employees having age more than 41 years.
- 61.3 per cent of the respondents are male and 38.7 per cent are female
- 11.9 per cent of the respondents are from HR department and it mostly contains

- Employees from top level management. A highest number of 84 employees are chosen from quality control department as this activity is considered as an important activity in the Chhattisgarh State Power Distribution Company Ltd. Raipur.
- A highest number of 86 employees who are committed to organization for more than 1 to 3 years and out of the total 11 employees are working in industries for more than 12 years generally from top level.
- A major number of 100 respondents among employees are from lower level of management and majority of 120 employees are from middle level.

	Mean	Std. Deviation
Human Resource Management Practices		
Training	3.6922	.63952
Performance. Appraisal	3.7128	.58490
Team work	3.7457	.60111
Employee participation	3.6971	.62227
Job definition	3.7926	.57073
Compensation	3.6872	.66404
JOB SATISFACTION		
satisfaction with information	3.7912	.62271
satisfaction with variety	3.8532	.60450
satisfaction with ability to complete task	3.8230	.80132
satisfaction with pay	3.7243	.93492

Table 2: Descriptive Statistics Analysis

Descriptive analysis has been used to present a profile of respondents. It includes analysis of average, percentage & frequency of data value for each of the variables taken under the study. Among the various human resource management practices job definition, team work and performance

Appraisal are the highest rated variables in the selected industries. It shows that the employees have clear job description and contains all the duties performed by them, also the employees teams are encouraged to form team members so as to solve their individual problem and firms makes an effort to get workers opinions and ideas. The compensation practice of HRM has been rated low among all the practices by

the employees. Among job satisfaction, it is known that the employees are more satisfied with the variety, implying that employees have enough opportunity and freedom to interact with others and their job offers variety of activities.

Hypothesis 1: There exists a significant relationship between HR practices and job satisfaction

Correlations		HRM	Job satisfaction
Spearman's rho	HRM	1	.509
	Job satisfaction	.509	1

Table 3: Correlation analysis

Correlation is significant at the 0.01 level (2-tailed). The spearman correlation test signifies that there exists a significant and positive relationship between HR practices and job satisfaction among employees among these employees of Chhattisgarh State Power Distribution Company Ltd. Raipur

Correlations		HRM	Job satisfaction
Spearman's rho	HRM	1	.509
	Job satisfaction	.509	1

Table 4: Regression model summary: HRM Practices

1. Independent variable: dimension of HRM practices
2. Dependent variable: job satisfaction
3. R square measures the proportion of the variance in the dependent variable that is explained by the independent variables.

Hypothesis 2: All the dimensions of HRM practices have significant positive influence on overall job satisfaction. Investigating the relationship between HRM Practices and Job satisfaction: In order to estimate the relationship and to test the hypothesis two between the HRM practices and job satisfaction i.e. all the six HRM practices (training, performance appraisal, team work, employee participation, job definition, compensation). have significant impact on overall job satisfaction a multiple regression analyses is used. Further an index is constructed to measure the job satisfaction. it can be presented mathematically as follows:

$JS = \alpha_0 + \beta_1 \text{ Training} + \beta_2 \text{ team work} + \beta_3 \text{ performance appraisal} + \beta_4 \text{ employee participation} + \beta_5 \text{ job definition} + \beta_6 \text{ compensation} + \text{Error Term}$

Where $\beta_1, \beta_2, \dots, \beta_6$ = coefficients of training, team work, performance appraisal, employee participation, job definition, compensation.

spearman correlation Sig(2tailed)	Training	Performance appraisal	Team work	Employee participation	Job definition	Compensation
Job satisfaction	.380	.323	.422	.381	.483	.387
Sig.(2tailed)	0.00	0.00	0.00	0.00	0.00	0.00

Table 5: Correlation between HRM Practices and Job Satisfaction

Correlation is significant at the 0.01 level (2 tailed).. The strongest association is between job satisfaction and job definition. $R = .483, p < 0.05$

Hypothesis 3: There is no significant relationship between demographic variables (age, gender, hierarchy level, Educational qualification, marital status) and the level of job satisfaction among employees.

Demographic variable	Null hypothesis	Test	Sign.	Decision
Gender	The distribution of job satisfaction is the same across categories of gender	Independent – samples Mann-Whitney U Test	.627	Retain the null hypothesis
Age	The distribution of job satisfaction is the same across categories of age	Independent samples Kruskal-wallis Test	.537	Retain the null hypothesis
Marital status	The distribution of job satisfaction is the same across categories of marital status	Independent – samples Mann-Whitney U Test	.197	Retain the null hypothesis
Educational qualification	The distribution of job satisfaction is the same across categories of educational qualification	Independent samples Kruskal-wallis Test	.98	Retain the null hypothesis
Hierarchy	The distribution of job satisfaction is the same across categories of hierarchy	Independent samples Kruskal-wallis Test	0.41	Reject the null hypothesis

Table 6: Significant relationship between demographic variables and the level of job satisfaction among employees

Conclusion

1. Since the significance value $p > 0.05$, it implies that there lies an insignificant relationship between the age of employees and their level of satisfaction.
2. Since the significance value $p > 0.05$, it implies that there lies an insignificant relationship between the gender of employees and their level of satisfaction.

3. Since the significance value $p > 0.05$, it implies that there lies an insignificant relationship between the marital status of employees and their level of satisfaction.
4. Since the significance value $p > 0.05$, it implies that there lies an insignificant relationship between duration of working in organization of employees and their level of satisfaction.
5. Since the significance value $p > 0.05$, it implies that there lies an insignificant relationship between educational qualification of employees and their level of satisfaction.
6. since the significance value p

Finding and Recommendation

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 job definition and team work have been rated high by the employees. Among other HRM practices training, employee participation and compensation have been 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 CSPDL under study:

- It has been observed that all the organisations provide minimum level of compensation in pursuant of various labor laws such as minimum wages act 1948, workmen compensation act 1923 etc, apart from these regulations, the management of the company should devise compensation plans from time to time keeping into consideration the proper job analyses.
- Proper and regular training programmes should be conducted such as seminars, 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 fulfilment of personal drive and ambitions of employees.
- The employees' participation need to be increased. It can be done through forming quality circles which is a group of five to ten people of expertise in a work area. In this way the management can consider different views of employees while formulating and devising policies affecting them at large.

- 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 fervor.
- Organizations should pursue unbiased promotion techniques. This should be based on the experience of employees and the level of qualification of employees.
- Working procedure including hours work, proper working set up and environment should be designed in complacent of employee's needs.
- HR department should keep devising important ways of maintaining a cordial relation with employees. A spirit of mutual trust and confidence must prevail in the organization. Maintaining a liaison with labour unions will make employees happy.

Limitation of the Study

All the researches have its limitation and this study is no exception. In designing the current study, the following limitations have been seen:

1. The Respondents have been confined to the employees of Chhattisgarh State Power Distribution Company Ltd. Raipur So the thinking and perception of employees working there may vary from those of the rest of India.
2. There were only 10 small and medium sized CSPDL Power Limited was chosen for the purpose of this study, so as to have easy accessibility.
3. Due to time constraints, the study was limited to 250 respondents only, so results are confined to the responses of 250 respondents only.
4. Only a limited of 5 dimensions of HRM practices and 4 dimensions of job satisfaction have been used, although many more dimensions exists, if those could be used, the more comprehensive would be the results.

Scope for Future Study

Chhattisgarh State Power Distribution Company Ltd. Raipur workers have shown tremendous increase overtime, so in future efforts should be made to reach wide number of workers. Since the numbers of respondents were limited to one geographical area, in future, research can be conducted including more areas under study, so that generalizations of results can be based on more number of respondents.

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