Importance of HRM Policies on Employee Job Satisfaction

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Abstract

Employee performance is a key factor in the organizations for productivity. Besides, highly performing employees promote the quality of customer relationship. Because of its positive impact on the internal and external success of the organization, scholars and practitioners are investigating its antecedents and consequences increasingly in the recent years. Therefore, the current paper has aimed to search HRM policies’ impact on employee job satisfaction in the Kurdistan Region of Iraq. The results have revealed that rewarding and motivation was the most significant indicators of employees’ job satisfaction. Secondly, empowerment was an important subject for the employees which makes them satisfied with their jobs. Lastly, communication and motivation were the significant indicators which affected the job satisfaction of employees.

Keywords: Employee performance, job satisfaction, HRM policies, motivation, empowerment, rewarding, training, internal effectiveness, Kurdistan Region of Iraq.

Introduction

Employee performance is the way that an employee acts beyond their required responsibility (Budur, 2018a). Scholars noted that employee performance might have positive impact on employee satisfaction, which is, in turn, significantly related to company’s long-term profit (Zaim et al., 2020) whereas motivated and highly performing employees feel more satisfaction and happiness in the workplace (Mohammed et al., 2020; Top et al., 2020).

Providing suitable training and development programs within the company leverage employees’ job satisfaction, which in turn promotes the level of quality, efficiency, and effectiveness in the workplace (Demir et al., 2019 and 2020). Besides, high quality of the services causes a significant positive impact on the customer relationship and customer satisfaction for the company (Budur, 2018b; Budur et al., 2018).

Logically, every organization exists for profit and wants to increase their proportion in the market to survive in the long term (Torlak et al., 2019; Khan & Yildiz, 2020). In this respect, to provide a consistent effectiveness in the company, managers should struggle to increase employee and customer happiness, the quality of relationships to their employees and customers, and quality orientation in products and services (Rashid, 2018; Sahin, 2014). Employee job satisfaction and performance represent internal
effectiveness; on the other hand, customer satisfaction represent external effectiveness of the company (Budur et al., 2019; Demir et al., 2015). Additionally, the happiness or satisfaction level of employees and customers are important indicators to define company’s productivity in the market (Budur and Demir, 2019a).

Furthermore, it has been noted that the relationship between employee job satisfaction and customer satisfaction is the only connection having no conflicting results (Ali et al., 2020). Based on the association between different performance recognition techniques for employees, their job satisfaction could be augmented in that it positively affects customer favorable behaviors in return (Mohammed & Sahin, 2020; Yildiz & Amin, 2020).

Besides, cognitive measures of communication channels to employees and from employees to customers could be discussed and improved in five categories; (i) mutual understanding, (ii) honesty, (iii) extra attention, (iv) quality and (v) meeting minimum standards (Zephaniah et al., 2020), whereas constructive communication and care positively affect employee performance and job satisfaction respectively (Xu& Wang, 2020).

Moreover, scholars noted that job satisfaction and employee performance are closely related with each other and job satisfaction is a vital factor on the employee’s identification with and commitment to the organization (Krusse, 1992; Van Dolen et al., 2004). Following these further, HRM policies are key factors in the determination of employee favorable outcomes. In this concept, motivation, training, communication, rewarding, and empowerment strategies are some of the main policies of HRM departments (Demir, 2019). Besides, the satisfaction level of an employee determines their extra activities within the organization that cause positive atmosphere to affect coworkers for further cooperation (Hadi et al., 2019; Tajeddini, 2011).

Accordingly, the aim of the paper is to investigate the effects of HRM policies on employee job satisfaction. Kurdistan has been suffering mainly economic and political problems in the past two decades (Ahmed et al., 2019). However, whenever a signal of stability is felt in the region, new businesses start to visit the country (Serin, 2018). On the other hand, managers and staff of the organizations in the region cannot demonstrate enough ability to provide internal and external effectiveness to have positive impact on the organization and in the market (Sahin, 2014; Budur & Poturak, 2021). Because of the lack of such kind of trainings within the company, employee satisfaction could not be reached at a satisfactory level. In this regard, the following sections provide information about literature review that explains the background of the aim of the paper. The methodology part provides information about the analyses and results of the research.

**Literature Review**

**HRM Policies**

Human resource management in the organizations provide the opportunity for the effective use of available skilled workers (Bayiz Ahmad et al., 2019). HRM is essential for the organization in many cases such as safety and risk evaluation, motivation strategies, ability trainings, effective communication progresses, and rewarding (Demir et al., 2014). Besides, HRM provides the correct processes by hiring new staff, which has a direct effect on selecting employees for the organization according to the organization’s needs, and creates a guideline for managers about the decision-making process (Sahin, 2014; Tajeddini et al. 2017). In this respect, HRM policies of the organization to leverage employee
satisfaction and performance will be discussed in five categories of motivation, rewarding, training, empowerment, and communication.

Furthermore, employee performance is one of the main objectives of the HRM policies (Hadi et al., 2018). Employee performance refers to how the employees fulfill their job in the workplace and how well they perform their obligated duties (Budur & Demir, 2019b; Budur & Poturak, 2020). Top et al. (2020) and Yildiz and Amin (2020) noted that highly performing employees are the main source of the companies to promote proficiency and profitability in the market. Beside its benefits for the organization the antecedents or the drivers of the employee performance are very important to reach such kind of effectiveness in the workplace (Budur and Poturak, 2021; Khalefa, 2015; Eldabae et al., 2019).

One of the pioneer scientists in motivation studies, Elton Mayo, put forward that human is a key factor in the organizations and administrators should find prolific ways to increase their motivation (Saefullah, 2012), whereas empowerment, rewarding, training, and communication could be some of the triggers of performance in this respect and in turn their job satisfaction (Demir & Bulut, 2018; Demir & Budur, 2019; Tajeddini, 2015).

Job Satisfaction

Job satisfaction is defined as the combination of psychological, physiological and environmental circumstances that cause a person truthfully to say ‘I am satisfied with my job’ (Hoppock, 1935). Besides, Kaliski (2007) noted that job satisfaction is the key factor that provides identification, salary, promotion and reaching of different objections. Additionally, he put forward that job satisfaction is an important component of workplace productivity and personal well-being respectively.

Furthermore, Thomson (1998) noted that the focus of the management on some of the key factors (information, experience, aptitudes, capacities, mindfulness, qualities, intentions and necessities) has significant impact on employee work execution and job satisfaction. Similarly, Hiller et al., (2006) stated that having clear rules, establishing trustable atmosphere, providing advancement trainings, and engaging with subordinates have positive and significant effects on the employee commitment and satisfaction.

Methodology

Sampling

We have collected data from 238 employees via simple random sampling methodology. Employees were from 12 different firms in Sulaymaniyah, Kurdistan Region of Iraq. The questionnaire was in English language and we translated it into Kurdish. The paper included the questions and possible answers that we designed.

Participants

Table 1 shows the characteristics of the sampled population. Based on the results, it was observed that 49.58 percent of the sample held high school degree, 43.70 percent held bachelor’s degree, and 6.72 percent held master’s degree or above. Secondly, it was revealed from the table that 42 percent of them was between 18 and 25 years old, 46.22 percent was between 26 and 35 years old, 10.92 percent was between 36 and 45 years old, and the remaining was above 46 years old. Lastly, 61 percent of the sample was male while 39 percent was female.
Table 14

Demographic elaboration of the sample

<table>
<thead>
<tr>
<th>Demographic Categories</th>
<th>Sublevels</th>
<th>Number of respondents</th>
<th>Proportion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Education’s level</td>
<td>High school or less</td>
<td>118</td>
<td>49.58%</td>
</tr>
<tr>
<td></td>
<td>Bachelor’s</td>
<td>104</td>
<td>43.70%</td>
</tr>
<tr>
<td></td>
<td>Master or more</td>
<td>16</td>
<td>6.72%</td>
</tr>
<tr>
<td>N=238</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Age</td>
<td>(18-25)</td>
<td>100</td>
<td>42.02%</td>
</tr>
<tr>
<td></td>
<td>(26-30)</td>
<td>110</td>
<td>46.22%</td>
</tr>
<tr>
<td></td>
<td>(31-40)</td>
<td>26</td>
<td>10.92%</td>
</tr>
<tr>
<td></td>
<td>(41-50)</td>
<td>2</td>
<td>0.84%</td>
</tr>
<tr>
<td></td>
<td>50+</td>
<td>0</td>
<td>0.00%</td>
</tr>
<tr>
<td>N=238</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gender</td>
<td>Male</td>
<td>145</td>
<td>61.18%</td>
</tr>
<tr>
<td></td>
<td>Female</td>
<td>92</td>
<td>38.82%</td>
</tr>
<tr>
<td>N=237</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Procedures

The data have been collected in Sulaymaniyah based on simple random sampling method. The data were collected between 9 November - 19 December 2019. The questionnaire was in Kurdish to increase understanding of the respondents thus for the best results. The students of the Statistics class were employed in collecting data. First, they were trained about how to collect data, and then they visited the companies to deliver the survey questionnaire.

Measures

Questions of empowerment, training, and communication dimensions were adopted from the study of Metabis and Al-Hawary (2013). Secondly, the job satisfaction dimension was also adopted from the study of Al-Hawary et al. (2013). Lastly, rewarding questions have been developed and written by the authors of this study. In the survey questionnaire, empowerment, training and motivation were investigated using three questions each, whereas rewarding and communication contained four and five questions respectively. We had 7 letters in the questionnaire from 1 to 7: 1 meaning strongly disagree whereas 7 strongly agree.

Research Findings

Hypotheses of the Research

Based on aforementioned literature, we have developed the following hypotheses (Figure 1):

H1 Motivation has significant impact on the job satisfaction

H2 Communication has significant impact on the job satisfaction

H3 Empowerment has significant impact on job satisfaction

H4 Rewarding has significant impact on job satisfaction

H5 Training has significant impact on the job satisfaction
Testing Hypothesis

In this part, we have presented the analyses of collected employee data. We have done the analyses between covariance & correlation of the independent variables (which are motivation, empowerment, communication, training, rewarding) and the dependent variable of customer satisfaction. In basic words, both terms measure the relationship and the reliance between the two factors. “Covariance” demonstrates the significance of relationship between the two variables whether it is positive, negative, or neutral. Besides, covariance value is not able to measure the strength of the relationship. However, “correlation” measures both the quality and course of the straight relationship between the two factors along with the strength of the relationship. Correlation is a component of the covariance. Job satisfaction is defended as a measurement that determines how happy employees are with their jobs.

Table 15

Correlation and Covariance

<table>
<thead>
<tr>
<th>Independent</th>
<th>Dependent</th>
<th>Covariance</th>
<th>Correlation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Motivation</td>
<td>Job Satisfaction</td>
<td>1.25</td>
<td>0.46</td>
</tr>
<tr>
<td>Empowerment</td>
<td>Job Satisfaction</td>
<td>1.41</td>
<td>0.53</td>
</tr>
<tr>
<td>Communication</td>
<td>Job Satisfaction</td>
<td>1.12</td>
<td>0.45</td>
</tr>
<tr>
<td>Training</td>
<td>Job Satisfaction</td>
<td>1.53</td>
<td>0.60</td>
</tr>
<tr>
<td>Rewarding</td>
<td>Job Satisfaction</td>
<td>1.72</td>
<td>0.60</td>
</tr>
</tbody>
</table>

Table 2 shows that the relationship between job satisfaction and all the other variables are positive, which reveals that while perceptions of employees change in any of these variables, their job satisfaction will also increase to some extent which cannot be understood at this stage. Yet, we need to check the results of correlation.

Job satisfaction information, including surveys and ratings, can help a company determine how to best improve or change its products and services. The results show that job satisfaction is mostly correlated...
with rewarding and training which are the most important elements of employee job satisfaction in those firms. Moreover, Table 2 tells us that motivation has a positive relationship with job satisfaction.

Table 16

<table>
<thead>
<tr>
<th>Independent</th>
<th>Dependent</th>
<th>R square</th>
<th>Adjusted R square</th>
<th>T stat</th>
<th>Coefficient</th>
<th>Hypothesis No</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>Motivation</td>
<td>Job Satisfaction</td>
<td>0.21</td>
<td>0.20</td>
<td>7.31</td>
<td>0.48</td>
<td>H1</td>
<td>Significant</td>
</tr>
<tr>
<td>Empowerment</td>
<td>Job Satisfaction</td>
<td>0.29</td>
<td>0.28</td>
<td>7.07</td>
<td>0.59</td>
<td>H2</td>
<td>Significant</td>
</tr>
<tr>
<td>Communication</td>
<td>Job Satisfaction</td>
<td>0.21</td>
<td>0.20</td>
<td>5.90</td>
<td>0.53</td>
<td>H3</td>
<td>Significant</td>
</tr>
<tr>
<td>Training</td>
<td>Job Satisfaction</td>
<td>0.36</td>
<td>0.35</td>
<td>5.09</td>
<td>0.67</td>
<td>H4</td>
<td>Significant</td>
</tr>
<tr>
<td>Rewarding</td>
<td>Job Satisfaction</td>
<td>0.36</td>
<td>0.36</td>
<td>8.18</td>
<td>0.61</td>
<td>H5</td>
<td>Significant</td>
</tr>
</tbody>
</table>

Next, we have tested the hypotheses using simple regression analysis. Regression analysis is a remarkable empirical methodology that enables examination of the relationship of at least two premium variables. Whilst there are many kinds of analyses of regression, they all examine the effect of at least one independent variable to a dependent variable. R is a measure of how the variables shift, and its connection to one another. R square or covariance is the variability factor of why this is described in the model by the independent variable or the variable X.

Customers perceive that this motivation impact is weak over customer satisfaction. That is why we can see the impact of motivation on customer satisfaction is significant with the result of 0.21. Their relationship is important to assess customer satisfaction. The relationship is need to improve because motivation is important for employees and it can lead to increased productivity and allow an organization to achieve higher levels of output.

Based on Table 3 and the adjusted R squares, it was revealed that rewarding and training were two indicators which affected job satisfaction stronger than empowerment, motivations, and communication did. Secondly, empowerment held 0.29 adjusted R square had stronger impact on the job satisfaction than motivation and communication. Lastly, although the impact was significant, communication and motivation had less impact on the job satisfaction comparing to other independent variables.

The results have shown that t values of each hypotheses were above 1.96; hence, it was concluded that the impact of motivation, empowerment, communication, rewarding, and training on the employee job satisfaction was significant. Therefore, H1, H2, H3, H4, and H5 have all been accepted.

Conclusion

According to the data available to us, we have reached the conclusion that some of these employees want to change their jobs or workplaces due to a number of different reasons, some of which originate from their workplace or their manager or their monthly salary, and some others reasons.

Some of the employees were so passionate about their work that they never seemed to want to leave the workplace or as if they were the main owners of the job. It took a great deal of effort to gather the necessary data in order to make the subject clear and transparent. Because, sometimes managers prevent their employees from providing the data because some questions seemed private to them.
Moreover, some were skeptical of the quality of their goods or were hesitant to take full responsibility for the employees.

The results have revealed that rewarding and motivation were the most significant indicators of employees’ job satisfaction. Therefore, we suggest shop managers to:

- Create performance indicators for the employees and reward them if they achieve those objectives
- Recognize the employees who come to the job on time, leave on time, and work enthusiastically.
- Evaluate the strong and weak points of employees, and organize special training programs for them to improve their service quality to the customers.
- Follow state of art communication techniques and send employees to those training programs periodically.

Secondly, empowerment was an important subject for the employees which made them satisfied with their jobs. Besides, it must also be considered that empowered employees should not behave bossy to the customers. Otherwise, job satisfaction of the employees might turn into dissatisfaction of the customers. From this point of view, empowerment and training must go hand in hand.

Lastly, communication and motivation were significant indicators which affected the job satisfaction of the employees. Therefore, managers should:

- Communicate with their employees regularly.
- Tell them what their expectations are.
- Make short daily meetings to ask whether they need anything, how they feel today, etc.
- Motivate employees by communicating with them, recognizing their efforts, etc.

It is obvious that job satisfaction has very positive benefits for a firm. From this point of view, we suggest that managers increase job satisfaction as, in return, it will affect the business performance.

References


