Human Resource practices and job satisfaction with special reference to hotels

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ABSTRACT

Job Satisfaction is conscious willfulness to seek for other alternatives in other organization. Human resource management (HRM) is known as the central business concern, that shapes the behaviour, attitudes, and performance of the employees, This study empirically evaluated six Human Resource (HR) practices (Careful recruitment and selection, Extensive remuneration systems, Team working and flexible job design, Training and learning, Employee involvement, Performance appraisals with links to contingent reward systems) and impact on the Job Satisfaction of the employees in five star hotels in Sri Lanka. The sample consisted of one hundred and twenty-six employees working in all five star hotels in Sri Lanka. The data were gathered by administering questionnaires. Considering the relationship between Human resources practices and Job Satisfaction, the analysis represents that there is a positive and relationship between Careful recruitment and selection, Extensive remuneration systems, Team working and flexible job design, Training and learning, Employee involvement, Performance appraisals with links to contingent reward systems. The result was implying that effect of Team working and flexible job design on Job Satisfaction is higher than other relationships. However, the Human resource practices plays vital role in Job Satisfaction accordance with all level employees in five-star hotels. Further Team working and flexible job design is more important to employee Job satisfaction.

Keywords: *Human Resource Management, Job Satisfaction*

1. INTRODUCTION

Job satisfaction is an important phenomenon in the current business environment. Job satisfaction is referred as an employee's attitudes towards the job. Job satisfaction affects the performance of the organization. At the same time, Human resource practices play vital role in employee job satisfaction. Effective human resource practices create good working environment and it leads to make success of an organization. This include background of problem, research objectives, theoretical background, problem statement, definition of the HR practices & job satisfaction, significant of the study to the hotel sector, research methodology including defining the population, identifying sample and a description of data analyzing methods.

Human Resource is a valuable and most significant in an Organization. Because of it play a major role in the Organization. Barney (1991) argued that resources lead to sustainable competitive advantages when they are valuable, rare, inimitable and well organized. Without having adequate human resource, the organization will be unable to achieve established goals; hence managing human resource is the key role of success of an organization. Currently, most organizations have treated their people as the most important resource of an organization. Specially, human resources are the most important assets in the service organization than manufacturing organization and improvements have to be linked more strongly to the people issues (Boselie & Wiele, 2002). Organizations have become aware of human resources than earlier due to the accelerating trends of globalization.

HR Practices are the organizational activities directed at managing the pool of human resources and ensuring that the resources are employed towards the fulfillment of organizational goals (Wright & Snell, 1991)

Job Satisfaction is the attitude and feelings people have about their work. Positive and favorable attitudes towards the job indicate job satisfaction. Negative and unfavorable attitudes towards the job indicate job dissatisfaction (Armstrong, 2006) The most important assets any company possess, are its 'people. When these people are unhappy, unmotivated, or feel detached from the overall workings in their company, the entire organization suffers from low productivity, low morale, and high employee turnover. In order to face the challenges and competitiveness in the business world, many organizations have taken steps to increase effectiveness of the employees and in turn the productivity.

Together with the growth of the hospitality and tourism industry, the demands and expectations for quality services are also increasing, and the customer tastes are varying. Being the hospitality and tourism industry is a service industry, and based on services, the success of the industry mainly depends on the employees and they play an important role.

Modern hotels provide refined services to their guests. The customers or guests are always right. This principle necessitated application of management principles in the hotel industry and the hotel professionals realized the instrumentality of marketing principles in managing the hotel industry. The concept of total quality management is found getting an important place in the marketing management of hotels. The emerging positive trend in the tourism industry indicates that hotel industry is like a reservoir from where the foreign exchange flows. This naturally draws our attention on HOTELMANAGEMENT. Like other industries, the hotel industry also needs to explore avenues for innovation, so that a fair blending of core and peripheral services is made possible. It is not to be forgotten that the leading hotel companies of the world have been intensifying research to enrich their peripheral services with the motto of adding additional attractions to their service mix. It is against this background that we find the service mix more flexible in nature.

Hotel sector in Sri Lanka is one of the fastest growing and highest foreign exchange earning sectors in tourism industry. In the meantime, five star hotels provide highest total guests nights and the occupancy rate in hotel sector and highest level of employees are consist with Supervisory level employees.

The most luxurious and conveniently located hotels in Sri Lanka are grouped under Five Star Hotel categories. Five Star hotels are globally competitive in the quality of service provided, facilities offered and accommodation option. These are top of the line hotels located mostly in big cities. These hotels provide all the modern facilities for accommodation and recreation matching international standards in hospitality. In such type of hotel HR department are established separately and to execute and to follow the concept of HR strictly, HR professional are hired.

2. OBJECTIVES
Main objective
Identify the relationship between HR practices and employee job satisfaction in five star class hotels in Sri Lanka

Secondary objectives
• Identify the existing situation of HR practices and Job satisfaction
• identify widely affect HR practice on the employee job satisfaction

3. LITERATURE REVIEW
The impact of human resource management (HRM) practices popularly known as HR practices on organizational performance and employee attitudes has been a leading area of research in the developed world for years (Katou and Budhwar, 2007). But surprisingly, very limited number of studies has been conducted on HR practices in the context of developing countries in hotel sector in Sri Lanka.

There is a growing research literature on the area of management and organizational science which has been dominated by the question of whether HRM practices make a difference to company performance (Patterson, West, Lawthom and Nickell, 2003)
It is widely accepted that employees constitute a vital part of organization resource, with the potential to enhance the organization's sustainable competitive advantage. The competitor can imitate other resources like technology and capital but the human resource is unique. A lot of researchers have found that HR Practices are positively linked with employee job satisfaction (Spector, 1997). The aim and main focus of these studies have been developed countries. The eyes did not turn towards developing countries.

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

Heynes and Fryer (2000) found a positive relationship between the HRM policies, practices, service quality and firm's overall performance.

The most common HR Practices are recruitment, selection, training and development, compensation, rewards and recognition (Yeganeh 2008).

Six HR practices selective hiring, compensation policy, rewards, recognition, training and development and information sharing have been studied with relation to employee job satisfaction (Dessler, 2007).

Various factors such as an employee needs and desires, social relationships, job design, compensation, developmental opportunities and aspects of work-life balance are considered to be some of the key factors of job satisfaction (Byars & Rue, 1997)

Edgar and Geare (2005) examined the impact of human resource management practices on employee attitudes such as job satisfaction, organizational commitment, and organizational fairness in the context of New Zealand. They identified that HRM practices had a significant impact on organizational commitment, job satisfaction, and organizational fairness.

Yu and Egri (2005) found that HR practices had a significant impact on the affective commitment of employees in Chinese firms.

Petrescu and Simmons (2008) studied the relationship between human resource management practices and workers' job satisfaction in the context of UK. They found that several human resource management practices raised workers' overall job satisfaction and their satisfaction with payment.

Many researchers have pointed out that human resources management practices impact on the outcomes such as employee satisfaction, employee commitment, employee retention, employee presence, social climate between workers and management, employee involvement, employee trust, employee loyalty, organizational fairness (Edger & Geare, 2005). These theoretical and empirical studies have generally focused on HRM practices within western organizations.

Several attempts have been made from time to time by different researchers to identify the type of HRM practices in different sectors. Redman and Matthews (1998) identify an 'HRM bundle' of key practices which support service organizations quality strategies and those practices are accepted to the hotel industry since hotel also categorized under service industry. Those are given below,
- Careful recruitment and selection
- Extensive remuneration systems
- Team working and flexible job design
- Training and learning
- Employee involvement
- Performance appraisals with links to contingent reward systems

4. METHODOLOGY
This research has examined the relationship between Human resources practices on employee job satisfaction, based on the hotel industry in Sri Lanka. Tourism industries most significant sector in economic development of Sri Lanka because of hotel industry is the highest foreign exchange earner in tourism industry. Considering the job satisfaction is a status which link with hotel industry workers. Therefore, the researcher expected to identify the effect of their HR practices on employee job satisfaction. Methodology is designed to create the framework for the research. Present chapter review the way of done the research in comprehensive manner.

Hotel in Sri Lanka can be divided as unclassified, one star, two star, three star, four star and five star. In this study, researcher uses only the five star class hotels since five star hotels provide highest total guests nights and the occupancy rate in hotel sector and highest level of employment are consist in five star hotels.

According to S.L.T.D.A employees in hotel industry, represents three levels. Those are "managerial scientific & professional level, technical clerical allied & supervisory level and manual & operative level. Therefore, population of this research would be all employees in all the three levels in five star hotels in Sri Lanka.

According to the research, sample unit is all employees in five star hotels. Researcher has identified 126 employees as the sample size. It consists with 42 managerial scientific & professional level employees, 42 technical clerical allied & supervisory level employees and 42 manual & operative level employees. Select the sample from population used random sampling technique.

5. DATA COLLECTION
Primary data collection - Data collect via questionnaire and consist of two parts
1) Demographic variable
2) HR practices and Job satisfaction (Five-point likert scale

Secondary data collection – Annual reports and other sources

6. DATA ANALYSIS
6.1 Descriptive analysis
According to the table, almost all input, variables averages are fall under range of 3.7<X<3.9, this illustrates that almost all participants agree with the current practices of Careful recruitment and selection, Extensive remuneration systems, Team working and flexible job design, Training and learning, Employee involvement, Performance appraisals with links to contingent reward systems. If consider Careful recruitment and selection, it is having a mean value of 3.8292 with a standard deviation of 0.48049. It implies that respondents are moderately agreeing with the existing situation of job information. However, 0.48049 of Job information has been dispersed from the mean value.

When it comes to the Extensive remuneration systems, it has 3.7507 of mean value and 0.61378 of standard deviation. This also implies that respondents agree with the current level of job analysis though it has dispersed by 0.61378 from its mean. For Team working and flexible job design, it has 3.8449 of mean and 0.47782 of standard deviation. It shows that respondents are again agreeing with the existing situation of Team working and flexible job design provided by the organizations. However, Team working and flexible job design has been dispersed from the mean by 0.47782. When consider Training and learning, it states a mean value of 3.9106 and a standard deviation of 0.52820. This implies that the respondents are agreeing with the level of Training and learning provided by the organizations. Yet, Training and learning is dispersed by 0.9138 from its mean value. And

also, this is the highest mean value out of all six elements. If focus on Employee involvement, it has scored 3.8677 as mean value while maintaining a 0.47484 value of standard deviation. It indicates that respondents are again agreeing with the existing situation of Employee involvement. Still, 0.47484 of Employee involvement has been dispersed from the mean. For Performance appraisals with links to contingent reward systems, it has 3.8844 of mean value and 0.40996 of standard deviation which implies that respondents are agree with existing situation of Performance appraisals with links to contingent reward systems. And 0.40996 of Performance appraisals with links to contingent reward systems has been dispersed from the mean.

Given the consideration to above information, it is clear that all the HR practices have scored the near agree value for HR practices regarding the five star hotels in Sri Lanka. Therefore, it has proved that respondents are agreeing with the current practices of Careful recruitment and selection, Extensive remuneration systems, Team working and flexible job design, Training and learning, Employee involvement, Performance appraisals with links to contingent reward systems. In addition when comparing the standard deviations of these dimensions, Performance appraisals with links to contingent reward systems has a lower standard deviation. The overall HR practices accounts for mean value of 3.8479 and standard deviation of 0.6905. It shows that respondents almost agree with the existing situation of Human resources practices. However, 0.40111 of Human resources practices has been dispersed from its mean value.

Mean value of the job satisfaction is 3.9191. Its value is at agreed level and it varies about the 0.36724 from the expected level.

6.2 Regressions

6.2.1 Simple linear: The regression output for the model indicated that there is a 0.860 amount of Coefficient of Correlation between HR practices and Employee job satisfaction in hotels in Sri Lanka. It demonstrated that there is a positive relationship between HR practices and Employee job satisfaction. The Coefficient of Determination (R-square) represents 73.7 %. It suggested that 73.7 % of the variation can be explained by the model and unexplained variation was 27.3%.

ANOVA table that contains the result of the analysis of variance associated with the regression model. It is formal test where the F distribution is used to obtain information about the overall validity of the regression equation. This gives the idea about up to which extent the model is fitted. It can be identified that out of total sum of square (16.858), the proportion of 12.463 can be explained and the rest of 4.395 was residual error. Thus, it can state that model was fitted well because large proportion is contributed by regression. The model equation can be expressed as:

$$JS = 5.48 + 0.860 \text{ HRP}$$

It says that there is a positive relationship between HR practices and Employee job satisfaction. That means if HR practices increase by one point, Job satisfaction may increase by 0.860.

If consider the t-test, the output shows that t value is 18.751 and it is somewhat aligning the critical value. Due to that it can stated that there is a positive relationship between HR practices and Employee job satisfaction hotels in Sri Lanka.

6.2.2 Multiple linear: For this study, an HR practice is a collection of six dimensions that can be named as. Careful recruitment and selection, Extensive remuneration systems, Team working and flexible job design, Training and learning, Employee involvement, Performance appraisals with links to contingent reward systems.

When consider Careful recruitment and selection, it shows 0.676 amount of correlation indicating a positive relationship with job satisfaction within a 0.000 of significant level. For Extensive remuneration systems, it has 0.613 of correlation with job satisfaction and it also implies a positive relationship with job satisfaction within a 0.000 of significance. If consider the Team working and flexible job design, it scored 0.747 amount of correlation with job satisfaction, indicating a positive relationship once again within the significance level of 0.000. When focus on Training and learning, it has 0.739 of correlation with job satisfaction which shows a positive relationship with job satisfaction at a significance level of 0.000. Given the attention to Employee involvement, it denotes a 0.685 amount of correlation to job satisfaction once more proving a positive relationship with job satisfaction within 0.000 of significance. When consider the Performance appraisals with links to contingent reward systems, it has 0.721 of correlation with the job satisfaction yet again proving a positive relationship with job satisfaction within 0.000 of significance.

As a whole, it can state that all dimensions of HR practice are having a positive relationship with job satisfaction in hotels in Sri Lanka. Moreover, multiple regression output demonstrates 73.7% of adjusted coefficient of determination (Adjusted R-square). It states that only 73.7 % of variation can be actually explained by this model. In to findings, it shows 61.763 of F value. It is a slightly greater than critical value and therefore the most of the variation can be explained. Further it shows a 0.000 significant level. Therefore, it can state that there is overwhelming evidence to say that there is a positive relationship between HR practices and Job satisfaction. The model equation can be expressed as:

$$JS = 4.477 + 0.112 \text{ RS} + 0.072 \text{ ERS} + 0.215 \text{ TW} + 0.261 \text{ TL} + 0.182 \text{ EI} + 0.220 \text{ PA}$$

The equation stated above demonstrates that six dimensions of HR practice are having appositive relationship with job satisfaction. According to the above table, it can be recognized that if Careful recruitment and selection is increased by one point, Job satisfaction will be increased by 0.112. The P- value of job information is 0.096. Therefore, it states that Careful recruitment and selection is not statistically significant at 1% of significant level.

When it comes to Extensive remuneration systems, if Extensive remuneration systems is increased by one-point job satisfaction may increase by 072. The P-value of job analysis, 0.243 indicated that the Extensive remuneration system is not statistically significant at 1% significant level.

When consider Team working and flexible job design, it can recognize that when Team working and flexible job design is increased by one-point Job satisfaction may increase by 0.215. The P-value of Career development is, 0. 004 indicated that it is significant at 1% significant level.

When consider Training and learning, it is recognized that when Training and learn Training and learning, 0.000 indicates that the Training and learning is significant at 1% significant level.

Moreover, it is identified that when Employee involvement increased by one-point Job satisfaction may increase by 0.182. The P-value of Employee involvement, 0.004 is less than the significant level of 1%. Therefore, Work Employee involvement was statistically significant at 1% significant level.
Furthermore, it is recognized that when Performance appraisals with links to contingent reward systems increased by one point the Job satisfaction may increase by 0.220. The P-value of Supervisor support, 0.001 and is less than the significant level of 1%. Therefore, Performance appraisals with links to contingent reward systems were statistically significant at 1% significant level.

Given the consideration to above information, the study revealed that four of Human Resource dimensions are significant and only two is not significant in the model. In addition to that Team working and flexible job designs having the highest value of correlation with Job satisfaction. Therefore, there is enough evidence to state that Team working and flexible job designs the major predictor of Job satisfaction.

This chapter addressed the findings of the study. It was found that employees are almost satisfied about the existing human resources practices. Moreover, it revealed that changes in Human resources practices are affect to employee job satisfaction. Further it was identified that six of Human resources practices (Careful recruitment and selection, Extensive remuneration systems, Team working and flexible job design, Training and learning, Employee involvement, Performance appraisals with links to contingent reward systems) are affecting to employee job satisfaction in a positive manner. Furthermore, multiple regression analysis proved that Team working and flexible job design was the major predictor of the job satisfaction in hotels in Sri Lanka.

7. CONCLUSION AND SUGESSTIONS
The focus of this chapter is to conclude the research findings by reviewing the statistical output, which was obtained by analyzing the data. Chapter is contained the discussion and findings, conclusion, recommendations and limitations of the study. Under this chapter expects to identify effects of HR practices on job satisfaction in hotels in Sri Lanka. As hypothesized, it was found that realistic Careful recruitment and selection, Extensive remuneration systems, Team working and flexible job design, Training and learning, Employee involvement, Performance appraisals with links to contingent reward systems has positive relationships with Employee job satisfaction. Out of six variables Careful recruitment and selection, Team working and flexible job design, Training and learning, Employee involvement, Performance appraisals with links to contingent reward systems are significantly correlated. The findings empirically confirm the theoretical arguments explained in the literature review. When considering the HR practices in the model, it indicated that 73.7% of the variance in employee job satisfaction in hotels in Sri Lanka is explained by six HR practices. Descriptive statistics reveal that average coworkers are agreed about HRM practices in the organization.

The research is mainly focused on to identify the relationship between HR practices and job satisfaction in hotels in Sri Lanka. Research can be concluded through the collected data analysis as follows. The research was conducted for the achievement of three objectives. The recent degree of HR practices in hotels have agreed level because of mean value of the HR practices was in near agree level. Furthermore, job satisfaction was also in the agreed level. Concerning on further research findings, it supports to achieve the second objective, which confirmed the relationship in between HR practices and job satisfaction. Moreover, Pearson correlation output was proved that positive relationship between both variable. HR practices are affected to the job satisfaction of the employees of hotels in Sri Lanka. When HR practices are decreasing employee in hotels, runs on the hands of HR department and practices are directly affects to the employee job satisfaction. Third objective is to identify highly affected factor on employee job satisfaction. According to the multiple regressions analysis Training and Learning was the highly affected factor on job satisfaction. In advance the results of this study conclude that relationship between HR practices indicators and job satisfaction, Careful recruitment and selection, Extensive remuneration systems, Team working and flexible job design, Training and learning, Employee involvement, Performance appraisals with links to contingent reward systems at 0.01 significant level. It was implied positive relationship with job satisfaction in relation to the employees of hotels in Sri Lanka.

Organizations can provide incentives and rewards to employees in order to increase the level of satisfaction and to decrease the level of dissatisfaction among employees. Managers can introduce a mentoring program and training and learning which can help to decrease the employee job satisfaction and recognize and acknowledge the skills and abilities that the employee has gained since joining the organization which may make them eligible for the next advancement. In general, organize shift work and job the employees as important member of the organization and make entertainment activities to reduce job dissatisfaction. Moreover, it can use followings,
a) Motivate the employees toward the work and make aware of working to organization.
b) Reduce the work pressure which cannot manage by them and less the working conditions in favor to reduce dissatisfaction. When working conditions exceed the capacity of employees, it will lead dissatisfaction.

c) Reduce the work load of workers. Hotel industry wants to commit the orders from customers in a fast manner. There for workers have high work load. To reduce those mangers can recruit more employees. Even though it is cost to organization, it will reduce the cost by reducing the employee dissatisfaction.

d) Implement flexible job design system within the company while improving team working.

Through a research it can provide suggestion for a particular problem. This chapter is focused on concluding the study with identified findings. First of all, an overview has been given about entire study. Furthermore, the conclusions have been drawn with respect to the results of this study. The suggestions for this study can help manager to take essential actions to reduce employee dissatisfaction in hotels. Furthermore, the findings provide special consideration for improve the employee job satisfaction through Human Resource practices.

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