



Impact of Changing Human Resource Practices on Job Satisfaction – A Comparative Study

KEYWORDS

Job satisfaction, Human resource practices, Flexible working arrangements, Fun at work place

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ABSTRACT *Providing job satisfaction is one of the challenging tasks in human resource management. In recent years, many innovations are happening in human resource practices. Organizations are changing from traditional human resource practices to modern human resource practices. Aim of this study is to compare the modern human resource practices with traditional human resource practices in order to job satisfaction. Result of this study shows that flexible work place arrangement like flexible working hours, flexible working place and fun at work place provide job satisfaction. Promotion in terms of employee empowerment in decision making and responsibility is an innovative human resource practice leads to job satisfaction and organizational commitment. Fixed salary and increment is the ever-green human resource practice gives more impact on job satisfaction.*

INTRODUCTION

Providing job satisfaction is one of the challenging tasks in human resource management. Satisfied employees are more committed to the organization. Moreover, they can contribute to the organization's effectiveness and success (Imran R 2015). In recent years, many innovations are happening in human resource practices. Organizations are changing from traditional human resource practices to modern human resource practices. Many companies in India strongly believing that modern human resource practices improve employee's job satisfaction, increase organizational commitment and organizational effectiveness. Reputed companies should always combine "Number of best human resource Practices" which they should adopt for the productivity and growth of the organization (Lamba S 2013, Bauskar A S). Work place arrangement, work place culture, compensation management and promotion opportunity are the leading human resource practices influencing job satisfaction (Mee Choo JL 2016; Vimala 2014; Sharma 2013; Khan MK 2014; Naveed A 2011). These human resource practices were changing from traditional to modern due to employee retention challenges. Many organizations changing their work place arrangement from fixed working hours to flexible working hours for employee's job satisfaction (Shagvaliyeva S 2014). In recent years, many service providing companies giving "work from home" option for their employees (Mee Choo JL 2016). Work place culture is changing in modern firms from spirituality at workplace to fun at work place. Fun at work place becomes common in many of the firms. Fun at work place gives relaxation and stress relief that leads to job satisfaction (Shahbaz W 2015, Vimala 2014). In addition to salary and increment, many organizations start providing privileges & services as additional compensation (Sharma 2013). Promotion in terms of higher designation is a traditional promotional system in many organizations (Naveed A 2011). However, providing higher designation to every employees of the organization is practically not possible. In this connection, few organizations offering promotion opportunity in terms of employee empowerment in decision making and responsibility (Khan MK 2014). Aim of this study is to compare the modern human resource practices with traditional human resource practices in order to job satisfaction.

REVIEW OF LITERATURE

Hong et al. (2013) study shows that commonly using human resource practices like compensation, working environment and promotion principles gives more impact on job satisfaction. In other hand, company fairness not having much impact on job satisfaction. Neog and Barua (2014) observed the human resource practices influencing job satisfaction among employees of automobile service workshops in Assam. In this study, 37 % of the respondents said that salary is the most important human resource practice influencing employee's job satisfaction. 29% respondents said work-family balance, 19% respondents said Supervisor support, and 15% respondents said career opportunities influencing employee's job satisfaction. Parvin and Kabir (2011) analyzed the commonly used human resource practices which influencing employee job satisfaction in pharmaceutical industry. Result of this study shows that working condition, pay and promotion, fairness, job security, relation with co-workers, relation with supervisor are the major factors influencing employee job satisfaction in pharmaceutical industry.

Hill EJ (2008) defined workplace flexibility as 'the ability of employees to make changes on work timing and work place for their assigned job tasks'. According to Mee Choo JL (2016) flexible working arrangements strongly related to organizational commitment and lower work-family conflict.

Employee benefits due to flexible working hours include (Shagvaliyeva S 2014):

- Promote and facilitate work-life balance
- Reduced stress
- Increased wellbeing

Employer benefits due to flexible working hours include (Shagvaliyeva S 2014):

- Improves organizational commitment and job satisfaction
- Reduced absenteeism
- Greater employees productivity
- Higher organization profitability

Research study highlighting that, maximum number of workers under the age of 30 was expecting fun at work place and this is one of the main criteria for their job search. Moreover, Fun in the workplace leads to organizational effectiveness.

Therefore, providing happy work place culture is the key responsibility of human resource department (Vimala, 2014).

Shahbaz W (2015) analyzed the impact of spirituality at workplace on organizational commitment and suggested that organizations should include spirituality in their management. Spirituality at work place gives benefits like job satisfaction and peace to their employees. Employers will get benefits like organization commitment, productivity and employee retention through Spirituality at work place. In past spirituality was considered as a religious tendency which is highly personal and philosophical but current literature acknowledges that workplace spirituality is a sense of connectedness and wholeness at work.

Sharma (2013) observed the impact of various compensation systems on the employee motivation level in Indian public and private sector banks. Basic salary and incentive systems leads to employee motivation in private sector. In public sector, Basic salary, benefits & services play an essential role in employee motivation.

Yamoah (2014) analyzed the impact of compensation management on employee job satisfaction and concluded that career development and job security are the major contributing factors to employee job satisfaction. Moreover, Terera (2014) analyzed the impact of rewards on job satisfaction and concluded that employee rewards lead to employee retention but however, they do not result in job satisfaction.

According to Khan MK (2014) employee empowerment is positively related with organizational commitment. Empowerment means sharing of power from higher level management to down the line management. In employee empowerment, every employee should be actively involved in decision making process. Employee empowerment is a powerful motivational technique in an organization. Moreover, it plays an essential role in strategic decision making, job satisfaction and organizational commitment which lead to improve organization's productivity.

METHODS

Based on the review of literature and expert opinion, we have selected traditional and modern human resource practices related to workplace arrangements, work place culture, compensation management, and promotion opportunity (Table 1). Direct comparative questionnaire on "Impact of traditional vs modern human resource practices on job satisfaction was prepared". Mainly we have conducted this study in IT and pharmaceutical industry. We have given comparative questionnaires to 100 industrial executives, 73 industrial experts (Managers with more than 10 years of experience) and 7 senior vice presidents in both IT and pharmaceutical industry. We have received opinion from all the participants.

Table 1: Traditional vs Modern human resource practices

	Traditional human resource practices	Modern human resource practices
Workplace arrangements	Fixed working hours and place	Flexible working hours and place (work from home option in service industry)
Work place culture	Spirituality at workplace	Fun at workplace (Weekly fun time, dress code competition, songs etc)

Compensation Management	Fixed salary and increment	Privileges & services as additional compensation (Career development training program, Free refreshments & relaxation facility, Stress relieve program, Free meal pass etc)
Promotion opportunity	Promotion in terms of designation	Promotion in terms of employee empowerment in decision making and responsibility

RESULTS & DISCUSSION

Many IT industries and other service providing industries in India adopted flexible working hours and place. However, so many organizations in India they believe fixed working hours and place. In recent days most of the employees prefer flexible working hours. In this study 68 % of participants said that flexible working hours and place lead to job satisfaction and 32 % of participants said that fixed working hours and place lead to job satisfaction (Figure 1). Similarly, Orpen C (1981) conducted field experiment on the impact of flexible working hours on employee satisfaction and performance. Result of this study shows that flexible working time significantly increases worker satisfaction. However, Flexible working time gives negligible effects on performance.

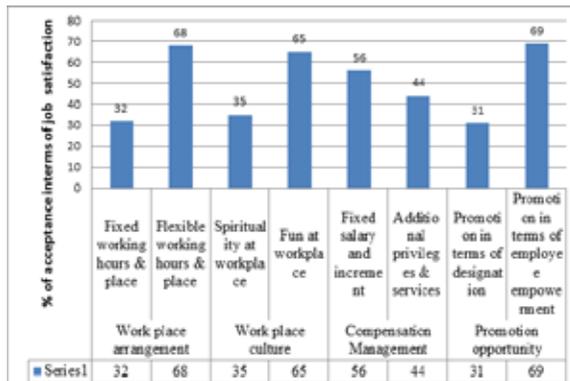
As per our literature review and expert view, there are two types of work place culture in most of the Indian organizations which include spirituality at work place and fun at work place. Our study shows that fun at work place lead to job satisfaction. 65 % of participants said that fun at work place lead to job satisfaction and 35 % of participants said that spirituality at work place lead to job satisfaction (Figure 1).

Various compensation management systems were directly or indirectly influencing job satisfaction. Fixed salary or wages is the standard component of compensation package. This gives constant motivation, job security and job satisfaction. Short term and long term incentive policies motivate employees to perform. Moreover, Employee benefit policies like, medical insurance and retirement benefits directly leads to job satisfaction and organizational commitment. Paid time off, vacations and leaves support for work family balance leads to job satisfaction. Recent days, many companies are offering services and benefits like career development training program, free refreshments & relaxation facility, stress relieve program, free meal pass etc. Privileges for key officials and senior employees (Club memberships, foreign trips, reimbursements of mobile phone bills & transportation, hotel stay etc) improve their quality of life (Sharma 2013). In our study there is no significant difference observed between traditional (Fixed salary and increment) and modern (Privileges & services) compensation system. Moreover, Fixed salary and increment acceptance is more in terms of job satisfaction when compare to privileges & services like career development training program, free refreshments & relaxation facilities, stress relieve program, free meal pass etc (Figure 1).

Naveed A (2011) analyzed the relationship between promotion and job satisfaction. This study shows a moderate and positive relationship between promotion and job satisfaction. Moreover, it was concluded that promotion is a predictor of job satisfaction. In this study we compared promotion in terms of designation with promotion in terms of employee empowerment. 69 % of

participants said that promotion in terms of employee empowerment in decision making and responsibility lead to job satisfaction and 31 % of participants said that promotion in terms of designation lead to job satisfaction (Figure 1).

Figure 1: Acceptance of traditional and modern human resource practices with the intension of job satisfaction



CONCLUSION

In modern era of globalization and technology innovation, companies are changing their human resource practices from tradition to modern for employee wellbeing and motivation which leads to job satisfaction. Result of this study concluding that flexible working hours, flexible working place and fun at work place provide job satisfaction to most of the employees. However, as per literature review and expert view, maintaining punctuality in office timings and maintaining discipline in work place can support productivity and growth of the organization. Therefore, it is the responsibility of human resource managers to monitor employee's work timing and work place behavior. Promotion in terms of employee empowerment in decision making and responsibility is an innovative human resource practice leads to job satisfaction and organizational commitment. In compensation management, fixed salary and increment is the evergreen human resource practice gives more impact on job satisfaction. Additional privileges and services like career development training program, free refreshments & relaxation facility, stress relieve program and free meal pass gives less impact on job satisfaction when compare to fixed salary and increment. Overall, companies need to consider these changing human resource practices for employee's wellbeing, field motivation and job satisfaction. Further research should focus on impact of changing human resource practices on productivity and growth of the organization which gives more understanding about the benefits of changing human resource practices in employer's point of view.

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