RELATIONSHIP BETWEEN HUMAN RESOURCE MANAGEMENT PRACTICES AND JOB SATISFACTION OF WHITE COLLAR EMPLOYEES IN A PORT IN JOHOR BAHRU

SITI NURAZIAH SYED SARUAT NASIM

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DECLARATION

Name: Siti Nuraziah Syed Saruat Nasim

Student ID: MBA 201620050

I hereby declare that this Research Project is the result of my own work, except for the quotations and summaries which have been duly acknowledged.

Signature: Date:

ABSTRACT

This study is conducted to examine the relationship between HRM practices and job satisfaction within white collar employees in a port in Johor. The HRM practices chosen are training and development, compensation and benefits and performance appraisal. Quantitative research was used and a survey was distributed to a port in Johor. The responses from the survey was tabulated using correlation and multiple regression analysis. The findings from this study is that there is positive relationship between the three HRM practices studied and job satisfaction among white collar employees in a port in Johor and the most contributing factor is compensation and benefits.

Key words: HRM practices, training and development, compensation and benefits, performance appraisal, job satisfaction, port

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CHAPTER 1

INTRODUCTION

This chapter will introduce the background, problem statement, research objective and terms of definition for this study.

1.1 Background of Study

In management, there are human resource management (HRM) practices that can influence worker satisfaction in any industry or organization. It is important to measure worker job satisfaction in an organization to ensure business performance and sustainability. Thus study will observe employee job satisfaction, and the organization chosen is related to logistics industry which is a container port - Port of Tanjung Pelepas (PTP) in Johor Bahru.

PTP is a multi national company in Johor owned with majority share by a local company MMC Corporation and the number one shipping the world - Maersk Holdings. A project initiated by Federal government through a privatisation exercise saw the old fishing village at Tanjung Pelepas transformed into an international container port terminal that services not only Malaysia but other SEA countries as well. According to the official website of Ministry of Transport Malaysia, currently there are eight major Federal ports which are Port Klang, Johor Port, Port of Tanjung Pelepas, Kuantan Port, Penang Port, Sabah Port, Bintulu Port and Kemaman Port.

Since its operation in 2000, PTP still is a very labour intensive port terminal with more than 2,500 workers that form the backbone of the 24-hour daily operation. Therefore, throughout the years, PTP has invested heavily in training, developing and enhancing necessary skills in their work force to ensure high and consistent productivity in the terminal. Human talent management is a an important asset in PTP and the management has invested heavily in human resource

management practices in order to retain and create a harmonious work place for their employees. Hence, it is important to retain talent and ensure continuous and steady labour force in order to ensure minimal disruption to the port operations. Human resource management in PTP has taken many initiatives s part of the human resource management in PTP, there are many initiatives that is being carried out to ensure high talent retention.

1.2 Problem Statement

There are many factors that can determine satisfaction and there are also many types of satisfaction. The concept of general satisfaction is defined as the extent to which a worker feels positively or negatively about his / her job (Locke, 1976, Odom, Boxx, and Dunn, 1990, Noordin and Jusoff, 2009). There is also considerable support for the relationship between job satisfaction and human resource management policies (Williams & Anderson, 1991). Job satisfaction means the feelings of different employees about the different dimensions of their jobs. Job satisfaction may be the general behaviour that appear due to different events at the workplace; it may be a supervisor's behaviour, relationship with peers or the work environment (Robbins, 2012). Various factors such as an employee needs and desires, social relationships, job design, compensation, developmental opportunities and aspects of work-life balance is considered to be some of the key factors of job satisfaction (Spector, 1997). The level of satisfaction and dissatisfaction is another aspect which relates to employee job satisfaction. Robbins (2012) stressed that a satisfied workforce can increase organizational productivity through less distraction caused by absenteeism or turnover, few incidences of destructive behaviour and lower medical costs.

On the other hand, Rowold (2008) argued that job satisfaction is central for understanding the process of employee turnover. For example, it has been found that job satisfaction explains variance in withdrawal cognition, turnover intentions, and actual turnovers, independent from organizational commitment. In human resource development literature, job satisfaction is as an important construct representing the employees' interests (Guest, 1999). Talent retention is equitable to job satisfaction. Overall job satisfaction is reflected in three indicators of employee retention: whether employees expect to resign from their jobs in the coming year; whether or not they are currently looking for a new job; and their commitment to

the organization they work for. Nearly 40% of employees who expect to resign from their jobs within 12 months are less than satisfied with their jobs (HR Council, Canada).

1.3 Research Questions

From previous studies, there are links between human resource practices and job satisfaction of employees in an organization. This study is conducted within Johor area only. The human resource management (HRM) practices in this study is limited to only training and development of employees, performance appraisal management and compensation and benefits.

The research questions for this study are:

1.3.1 Is there are relationship between HRM practices and job satisfaction?

1.3.2 Which HRM practice or practices impact the most on job satisfaction?

1.4 Objectives of the Study

Based on the theories found to explain job satisfaction in employees, and how motivated employees contribute to organizational performance, organizational culture and leadership; this study will examine the human resource management practices (HRM practices) in an organization and job satisfaction. The research objectives for this study will be:

1) To examine the relationship between HRM practices and job satisfaction of white collar employees.
2) To identify which HRM practice contributes the most contribute to job satisfaction.

1.5 Scope of the Study

In PTP there are two types of employees, white and blue collar who are directly employed by the management of PTP. There are also contractors also performing some critical port functions such as stevedoring, lashing and drivers. The ratio of local and expatriate staff is about 50% equally due to the nature of the job functions. Currently staff directly recruited by PTP is about 2, 500 and contractors is about 1, 500 making the total workforce estimated at 4, 000 employees.And from about 2, 500 staff directly employed by PTP, there are about 350 white collar staff which is the management staff and the balance are blue collar staff which forms the operations teams.

"Blue collar" and "white collar" are two terms in the English language that evokes very different pictures. Blue collar worker is perceived to make less than white collar worker. The white collar worker probably works behind a desk in the service industry, while the blue collar worker gets his hands dirty doing manual labour or working in a division of manufacturing. Perhaps the white collar worker has a more well-rounded education than the blue collar worker. The distinguishing characteristics between the two types of employees are not obvious, and there is no dictionary definition that can offer more succinct language other than to suggest, in imprecise terms, the differences in class. (Parietti, 2015).

For the purpose of this study, the consideration to focus on white collar employees because the white collar employees form the management team in an organization. The management team in an organization is important because the role of management is to strategize, plan and deliver the organization's overall targets and profits. Hence examining the white collar employees is deemed sufficient for this study.

1.6 Significance of the Study

For the first time in several years, the number of employees who say they are satisfied with their current job took a big jump, rising from 81% in 2013 to 88% in 2016, according to the Employee Job Satisfaction and Engagement Report by the Society for Human Resource Management (SHRM). The improving economy was one factor in the high level of satisfaction, since employers have been more willing and able to boost salaries, benefits and perks for their

workers. Additionally, as the labour market stabilized, job seekers took advantage of new opportunities for positions that best fit their skills and interests (Villanova University).

Employees are the number one resource in an organization, business or workplace, and having satisfied and happy employees will help strengthen the organization in many ways. Human Resource department has an important role to ensure practices and policies implemented at the workplace will produce a happy and formidable workforce. Therefore, the significance of conducting a study on human resource management practices and job satisfaction is important for the sustainability and performance in any organization.

1.7 Operational Definition of Terms

1.7.1 Human Resource Management Practices

Human resource management (HRM) refers to the policies and practices involved in carrying out the 'human resource (HR)' aspects of a management position including human resource planning, job analysis, recruitment, selection, orientation, compensation, performance appraisal, training and development, and labour relations (Dessler, 2007).

1.7.1.1 Training and Development

Training is defined as an enhancement of employee soft skill or knowledge to maximize the performance of the employee (Chan et al, 2013). In an organization, normally HR has prepared a comprehensive training program that is reviewed annually with top management in order to be aligned with the organization's business goals and KPIs. Annual training needs analysis will be carried out with respective line managers and employees to ensure there is skills and knowledge are improved and enhanced.

1.7.1.2 Compensation and Benefits

According to Henderson (2006), there are three main components of total compensation which include fixed pay, flexible pay and benefits. Fixed pay is compensation where the amount and payment are guaranteed as per agreed whereas second classification is flexible pay, which re variable and deferred income such as gain-sharings, bonuses, incentives, overtime and etc. Benefits may refer to annual leave , special rate while purchase employer's service or product.

1.7.1.3 Performance Appraisal

According to Boohene and Asuinara (2011), it is essential that employees know exactly the expectation from them, and the benchmark by which their performance and results will be evaluated.

1.7.2 Job Satisfaction

The most referred definition of job satisfaction was offered by Locke (1976) who defined job satisfaction as a pleasing or positive emotional state resulting from the evaluation of a person's job (Haque and Taher, 2008). Job satisfaction is also defined as an individual's general attitude regarding his or her job (Robbins, 1999).

1.7.3 International Port

A port is defined as an area on both land and water, whether on the sea or river, that provides facilities for shipping vessels to load and unload their cargo. An area designated for the handling, storage, and possibly loading or unloading of cargo into or out of containers, and where containers can be picked up, dropped off, maintained, stored, or loaded or unloaded from one mode of transport to another (that is, vessel, truck, barge, or rail).

1.8 Conclusion

This chapter discussed problem statement, research objectives,scope , significance and operational definition of terms used for this research. The next chapter will proceed with literature of past studies and research to support the research objectives.

CHAPTER 2

LITERATURE REVIEW

2.1 Introduction

In order to understand the subject of this study, many journals of previous research on job satisfaction, motivation and HRM practices were referred to. Below is the literature review that will explain definition of terms, theories for job satisfaction and establish relationship between HRM practices and job satisfaction from past studies.

2.2 Human Resource Practices

In organizations or firms, human resource management (HRM) practices function as a mediator between HRM strategies and HRM outcomes. Sheppeck and Militello (2000) divides HRM strategy into four groups which are employment skill and work policies, supportive environment, performance measurement and reinforcement, and market organisation. Another writer Guest (1997) divides it into three categories, differentiated by innovation, focus on quality, and cost reduction. Whatever the definitions or strategies may be, the aim is to achieve the same organisational goal. Sivasubramaniam and Kroeck (1995) and Guest (1997) considered the various perspectives on human resource management from the point of view of fit or integration and suggested the classification as having internal or external fit. External fit explains HRM as a strategic integration, whereas internal fit is an ideal of practices.

Several researchers have tried to examine which fit is appropriate. Youndt et al. (1996), who observe external fit, produce results that show more particular fit between high performance

HRM practices and quality strategy. Stavrou-Costea (2005) argues that effective human resource management can be the determining factor for the success of a firm. As supported by Lee and Lee's (2007) work, the effect of HRM practices on business performance such as training and development, teamwork, compensation/incentive, HR planning, performance appraisal, and employee security helps improve firms' business performance including employee's productivity, product quality and the firm's flexibility.

The overall purpose of HRM is to ensure that an organisation is able to achieve success through its people (Armstrong, 2009; Storey, 1992). A common theme in HRM literature has been the acceptance of 'new style' HRM practices designed to achieve high levels of employee performance, flexibility, and commitment (Bach & Sisson, 2000). This means that contemporary HR practices have a much more direct relationship to organisational policy- making and performance issues than was the case with traditional approaches to personnel management (Bach & Sisson, 2000). Research has suggested that the study of HRM requires an international perspective (Brewster, Tregaskis, Hegewisch, & Mayne, 1996; Thomas. Kochan, Batt, & Dyer, 1992) to help highlight the context-specific nature of HRM practices (Guthrie & Olian, 1991; Jackson & Schuler, 1995; Kuruvilla & Ranganathan, 2010; R. Locke & Thelen, 1995).

Human resource practices form the foundation supporting the way a business or organization's human capital will operate. Basic elements in human resource practices are organization structure, capability building, performance management, employee engagement, employer branding and HR service excellence (Armstrong, 2009).

The conceptual definition in this study of human resource management practices and job satisfaction would be employees who have been employed in PTP for more than 2 years can be perceived as having high job satisfaction towards his or her role in the organization. Furthermore, the employee should not have any disciplinary issues too. The operational definition would be taking a look into more quantitative measurements like performance review and promotion recommendations. An employee that has high job satisfaction would have a score of a minimum 75% in his or her performance reviews or appraisals and should be promoted within 2 years from the current job grade.

2.2.1 Training and Development

According to the Michel Armstrong in A Handbook of Human Resource Management Practice, “Training is systematic development of the knowledge, skills and attitudes required by an individual to perform adequately a given task or job”. Edwin B Flippo taken from Personnel Management wrote, “Training is the act of increasing knowledge and skills of an employee for doing a particular job.”. Both writers have defined training as part of an on-going improvement process for employees to do their best in an organization. It is important for an organization to continuously train and develop their employees to remain sustainable. There are two variations of training which is on-the-job and off-the-job training.

In a journal article titled “ Benefits of Training and Development for Individuals and Teams, Organizations, and Society; the authors reviewed a huge selection of related articles on the different training and development programs used by organizations and using a multi disciplinary, multilevel and global perspective demonstrated the benefits for each of the stakeholders. The training and development industry has grown exponentially in the recent decades, as noted by Kaufman & Guerra (2001), “we have entered a new era in which both achieving useful results and proving that they add value to the organization and our shared society are required”. The shift to emphasis on training and development is happening all around the globe. The article examined various organization in different countries in different regions and basically the conclusion remains that organizations are actively focussing on developing their employees. The articles concludes with a few suggestions to improve the training and development benefits to an organization. Training and development as important as it is, will be more effective for the organizations’ performance if good human resource practices is also incorporated (Kauffman, 2001).

The definition for training and development as in human resource management context is *“* any attempt to improve current or future employee performance by increasing an employee’s ability to perform through learning, usually by changing the employee’s attitude or increasing his or her skills and knowledge.” As stated in Management Study Guide website, training and development is an important part of human resource development in any organization. Peter Drucker has said that the fastest growing industry would be training and development as a result of replacement of industrial workers with knowledge workers. In United States, for example, according to one estimate technology is de-skilling 75 % of the population. Training becomes necessary for the individual development and progress of the employee, which will motivate the

employee to continue to work for a certain organisation apart from just monetary. Employees require training update from organizations to accommodate to changes and dynamism in the market, changes in employment policies and other things (Drucker, 2001).

2.2.2 Compensation and Benefits

The achievement and benefit received by employees for their job performance in an organization are known as reward. Employees join the organization within certain expectation of reward. Some may be expecting for better salary and wages i.e., economic rewards while other may be seeking for facilities like accommodation, transportation, health, safety and other benefits as reward. In a website Helios HR, the topic of compensation and benefits discussed thoroughly to give a better and clear understanding to the types and components involved. There are numerous types of compensation that an organization can offer such as fixed, variable, short term incentive and long term incentive pay. These are monetary benefits that an employee seeks as recognition and retention to an organization. Benefits, on the other hand are quite numerous and not only restricted on monetary items. It could be items such as health, welfare, pay for time not worked, retirement package and other legally and mandated provisions under Employment Act. There could also be workplace benefits such as flexible work place, paid and upaid time off, health and wellness initiatives, caring for children and dependent adults, culture diversity programs and community awareness programs.

A journal article in Human Resource Management Review researched on employee benefits and emerging issues in organizations in USA. Rewards and benefits is a topic that human resource practitioners and management emphasize because of the affective nature it has upon employees. Management and employers are keen to find a strong correlation on rewards and benefits to employee satisfaction and job performance (Dulebohn, 2008).

The article listed several types of rewards and benefits that is in the market and developed several propositions in relation to satisfaction and job performance. There are many types of rewards and benefits that are monetary and non-monetary in nature such as pensions, healthcare, retirements savings and family benefits. Overall, the article concludes that employees place emphasis on monetary type benefits more and benefits for family members are also welcomed (Dulebohn, 2008). A lot more research is required to fully understand the role of rewards and benefits towards employee satisfaction in organizations, as more types of rewards

and benefits are likely to emerge in the future. Furthermore, current employers are competitive in offering the best rewards and benefits they can to their employees in order to ensure high employee satisfaction which will translate to high organizational performance. In PTP, a mixture of monetary and non monetary items are given to employees based on their position. The higher in hierarchy, the more benefits are available to reward and recognize the job responsibility of the position.

2.2.3 Performance Appraisal

The definition for performance appraisal from Management Study Guide, " is the systematic evaluation of the performance of employees and to understand the abilities of a person for further growth and development. " Performance appraisal in an organization is generally done in systematic ways which measures the pay of employees and compare it with targets and plans, analyses the factors behind work performances of employees and position to guide the employees for a better performance (Chan, 2013).

2.3 Job Satisfaction

Job satisfaction is important for an employee in an organization and there are many factors that affect job satisfaction. From the organization point of view, job satisfaction in their employees is important to the success and sustainability of the organization itself. Job satisfaction represents a combination of positive or negative feelings that workers have towards their work. Meanwhile, when a worker employed in a business organization, brings with it the needs, desires and experiences which determinates expectations that he has dismissed. Job satisfaction represents the extent to which expectations are and match the real awards. Job satisfaction is closely linked to that individual's behaviour in the work place (Davis et al.,1985).

For an employee, having job satisfaction is essential as motivation to perform his or her best in the work. When an employee is motivated to perform his or her best, the performance level is optimized and the organization will benefit greatly. Due to the major contribution motivated employees plays in an organization, it is important that employers care about the happiness of their employees. Recent statistics show that throughout their careers, American workers hold an average of eight jobs (Rudman, 2003). Negative and unfavourable attitudes towards the job

indicate job dissatisfaction Armstrong (2003). This satisfaction may be affective: one-dimensional subjective construct representing an overall emotional feeling individuals have about their job as a whole Kalleberg (1977) and Moorman (1993). Following below, job satisfaction is explained using organizational behaviour theories.

2.4 Organizational Behaviour Theories

Job satisfaction can be explained further by using theories in organizational behaviour. Below are further discussion on three theories which are Herzberg's theory, Maslow's Hierarchy of Needs and Job Characteristics Model

2.4.1 Two-Factor Theory

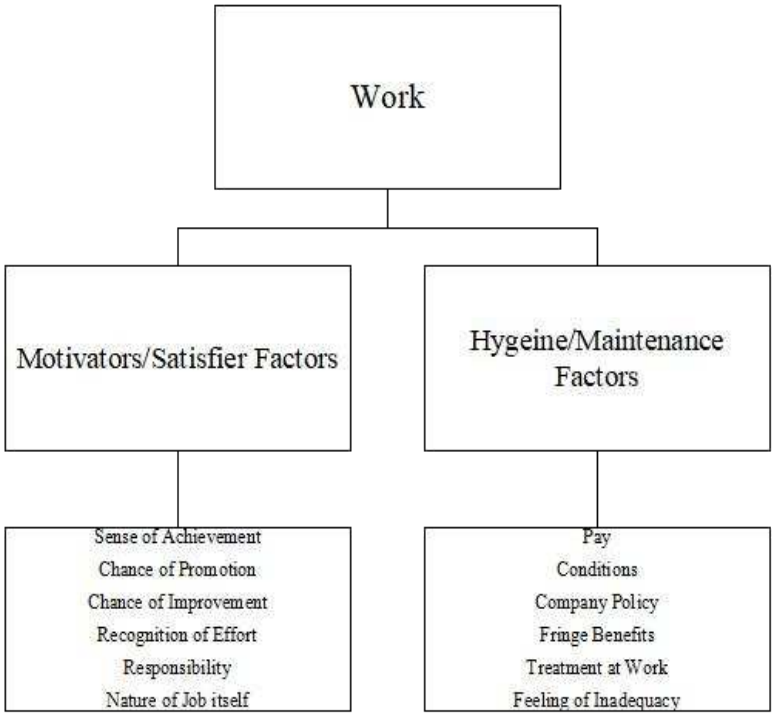


Figure 1 Herzberg Theory

In management, the Two- Factor Theory is a famous and frequently used theory to answer many management issues and challenges. Among the content theories of motivation, Hertzberg (1959) theory emphasizing the motivator-hygiene factors sought to explain satisfaction and motivation in the organization. The theory focuses on outcomes of satisfaction and dissatisfaction. The theory further found that certain aspects of a job cause satisfaction and therefore motivation, but certain aspects caused job dissatisfaction. Hertzberg explained that the factors that lead to satisfaction or to dissatisfaction are different. Accordingly, he states that 'the opposite of job satisfaction is not job dissatisfaction but, rather, no satisfaction; and the opposite of job dissatisfaction is not job satisfaction but no satisfaction' (Herzberg, 2003)

This theory states that job satisfaction and dissatisfaction is a product of different factors – motivation and hygiene respectively. Motivation is seen as an inner force that drives individuals to attain personal and organizational goals. Motivational factors are those aspects of the job that make people want to perform and provide people with satisfaction. Hygiene factors

include aspects of the working environment like working conditions, interpersonal matters, organizational policies and so on (Hackman & Oldham, 1976). Dessler explains how Herzberg's theory by satisfying the so called "lower-level needs", such as better salary or working environment, just keeps the employee from becoming dissatisfied in ones work. On the contrary, the hygiene factors that are meant to satisfy lower-level wants are different from the motivator factors that desire to satisfy higher-level need such as personal fulfilment. But if these lower-level needs are exclusive from the job itself for example salary is insufficient, of course personnel become dissatisfied. Although, including more of the hygiene features to the work itself, which Herzberg calls as extrinsic motivation, is a lower way of trying to motivate a person because of the easy satisfaction of lower-level needs. Soon the employee desires for more. (Dessler et al. 2013). According to Weir (1976) and Syptak, Marsland & Ulmer (1999), the following factors stood out as 'strong determinants of job satisfaction'.

2.4.2 Job Characteristic Model Theory

Another widely used theory is the Job Characteristic Model, which is widely used as a framework to study how particular job characteristics impact on job outcomes, including job satisfaction. The model states that there are five core job characteristics (skill variety, task identity, task significance, autonomy and feedback) which impact three critical psychological states (experienced meaningfulness, experienced responsibility for outcomes and knowledge of the actual results), in turn influencing work outcomes (job satisfaction, absenteeism, work motivation, etc.). The five core job characteristics can be combined to form a motivating potential score (MPS) for a job, which can be used as an index of how likely a job is to affect an employee's attitudes and behaviours (Hackmann and Oldham, 1976).

The three psychological states are enhanced by five core job dimensions: skill variety (different activities involving different skills), task identity (completion of a whole and identifiable piece of work), task significance (impact on others' lives), autonomy (freedom and discretion in performing a job), and feedback from the job (direct information from the job on the worker's effectiveness). Task variety, task identity, and task significance are hypothesized to contribute to experienced meaningfulness; autonomy to experienced responsibility; and feedback from the job to knowledge of results. Hackman and Oldham (1974) defined feedback as the degree to which carrying out the work activities required by the job results in the employee

obtaining information about the effectiveness of his or her performance. Top management need to give feedback to the employee so that they know which areas that need to be improved and it can lead to better understanding of their work nature. (Coelho & Augusto, 2010). Research has shown that there is a significant relationship between the situational variables of autonomy, feedback, skill variety, task identity and task significance, and job satisfaction (Noor Azzah & Rudzi, 2007). Research conducted by Katsikea, Theodosiou , Perdikis & Kehagias, (2011) also agreed that there is a strong the positive influence between job autonomy, job variety and job feedback with sales managers' job satisfaction by using this model,

2.4.3 Maslow's Hierarchy of Needs

Scientific literature review lets to disclose the main external and internal factors affecting job satisfaction (Ciarniene, Vienazindiene 2009).

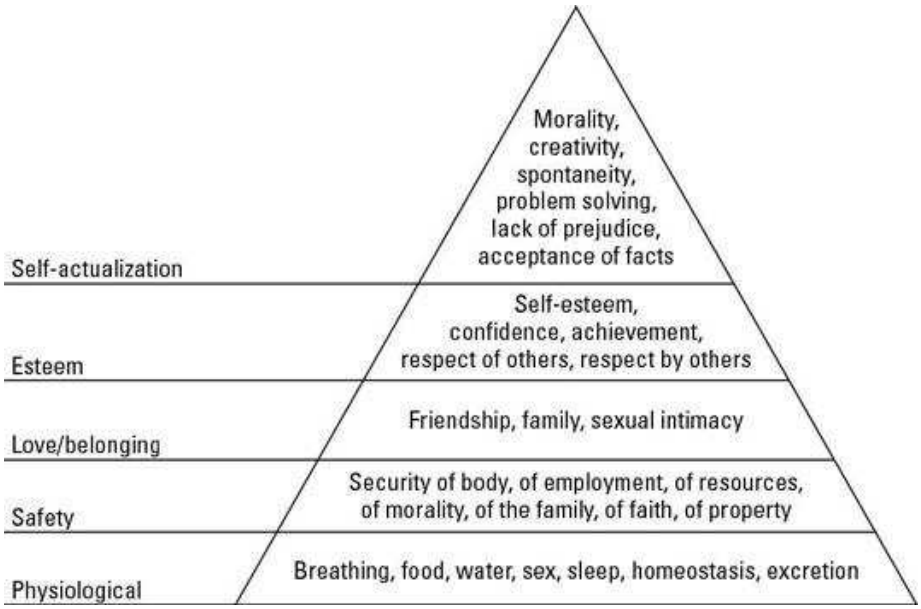


Figure 2 Maslow Pyramid

One common research finding is that job satisfaction is correlated with life satisfaction. This correlation is reciprocal, meaning people who are satisfied with life tend to be satisfied with their job and people who are satisfied with their job tend to be satisfied with life. Some argue that Maslow's hierarchy of needs theory laid the foundation for job satisfaction theory. This model served as a good basis from which early researchers could develop job satisfaction theories.As a

base for empirical study, the five dimensions of the Hierarchy of Needs (Maslow 1954) is explained further with respect to job satisfaction.

1. Physiological needs. The first level encompasses the needs involved with basic physiological requirements. Basic income is directly relevant to the satisfaction of these physiological needs (Maslow, 1954)

2. Safety security needs. The second level in the hierarchy is composed of safety security needs.In terms of this study, it includes job security, protection from physical harm, and avoidance of the unexpected (Maslow, 1954).

3. Social needs. The third level describes a person's need to ‘‘belong" and be accepted by others. People desire social contacts and have a basic need to be affiliated with others. The workplace provides numerous opportunities for people to satisfy these needs through work groups, clubs, and committees as well as the formal and informal interaction with peers, subordinates, and superiors (Maslow, 1954).

4. Self-esteem needs. Above social needs, self esteem needs describe a person's desire to feel a sense of accomplishment and achievement. People need external validation of their worth in addition to internal self-respect and a sense of importance. There are several ways a person's job provides the opportunity to satisfy these ego needs: feedback on performance, social recognition, titles, and positions (Maslow, 1954).

5. Self-actualization needs. At the apex of the hierarchy, Maslow described self-actualization as an individual's urge "to develop and actualize his fullest potentialities and capacities ... what a man can be, he must be" (Maslow 1954).

In a research in AT&T and Wang, it has concluded that safety needs are guaranteed by the contribution of financial security. Taylor F. W. built the approach , rational-economic concept of motivation‟; which supposed high salary was employees‟ dream than anything else. Despite of recent studies argue that there is a great deal of essential factors, no one can deny the importance of money as an effective motivator.

2.5 Relationship between Human Resource Management Practices and Job Satisfaction

Chan (2013) examines the relationship between HR practices and job satisfaction of employees in the hotel industry in Malaysia. The HR practices are training and development, performance appraisal, compensation, benefit and safety and health. A survey was distributed to 450 hotel employees in Penang, Kuala Lumpur and Johor and the responses were tabulated using statistic analysis. The findings are that training and development contributes the highest to job satisfaction followed by compensation, safety and health, performance appraisal and benefits (Chan, 2013).

Njenga (2007), this study seeks to establish a relationship between HRM practices, job satisfaction, organizational commitment and KCSE performance in public secondary schools in Nairobi. A survey form was distributed to 301 teachers in public secondary schools, and generated 82% response rate. The success of schools is measure by among other is their KCSE exam ranking Therefore, this study seeks to establish the extent of individual schools management to incorporate HRM practices which enhance organizational commitment and job satisfaction. The findings is a negative relationship between perception of HR practices and job satisfaction and organizational commitment (Njenga, 2007).

Hashim, Ismail and Hassan (2015) conducted a study to examine the extent of formality of HRM practices among micro enterprises and their effects on employees' satisfaction and commitment in Kuala Lumpur. A survey was distributed to 857 employees in more than 200 SMEs ranging form accessories chop, apparel, bakery, book stores, cafes and clinics in Kuala Lumpur. The target population was SMEs with ten employees or less. This is one of a few studies that provide new data on HRM practices in firms with 10 or fewer employees, and one of the first to examine empirically the relationship between specific HRM practices and employees' behaviour in such firms. The result from this study is that there is positive relationship between HRM practices and employee satisfaction and commitment.

Kasim (2014) conducted a study to examine job satisfaction of employees in banking sector in Janata Bank Limited. A survey and interview session was conducted with the bank employees to obtain primary data. The independent variable are twelve HR practices which are job preference, co-workers cooperation, working environment, working facilities, salary satisfaction, increment satisfaction, welfare practices, other facilities, performance appraisal system, behaviour of boss, career development system and promotion system; and the dependent variable is level of job satisfaction of the employees. The responses were analyzed and using

inferential analysis, the findings concluded that on average the employees are satisfied with their jobs (Kasim, 2014).

Alnaqbi (2011) is another study that was conducted to examine human resource practices and employee retention in public organization in United Arab Emirates and included job satisfaction as one of the factors within employee retention. The study was done on business sector in the district of Sharjah and Dubai. UAE as the centre and important economic hub in the Middle East grew rapidly amidst global economy and brought in an influx of foreign ideas into the region and the major effects of increasing globalization in the two regions include rising migration of national and international labour, higher rates of staff turnover, lower levels of retention and clashes between organization cultures in the workforce.

The study used both qualitative and quantitative research methods; survey, interview and focus groups were organized amongst government organization and , HR professionals. The survey focussed on HR practices - training and development, equal employment opportunities and recruitment and selection; job satisfaction, organizational commitment, leadership and retention. The findings from the quantitative research concluded that there was a mixture of positive and negative relationship between HRM practices and employee retention (Alnaqbi, 2010).

Aziri (2011), reviewed on job satisfaction because its is the most complex areas facing manager's duties currently. This is a qualitative research and past studies on job satisfaction were referred. The possible linkage is that the most important variable is reward and people receiving reward feel valued which will let them be satisfied and likely to increase performance effort. The conclusion is there is considerable impact of employee perceptions for the nature of his work, and the level of overall job satisfaction and financial compensation has a great impact on the overall job satisfaction of employees (Aziri, 2011).

Absar, Azim, Balasundaram & Akhter (2010), conducted a study to establish the impact of HR practices on job satisfaction in Bangladesh focussing on the manufacturing industry. A total of 60 responses from 20 manufacturing firms were collected and analyzed objectively. The study developed eight hypotheses and examined six HRM practices which are HR planning, recruitment and selection, training and development, performance appraisal, compensation,and industrial relations. By using correlation and multiple regression analysis, the findings of this study confirmed that HR practices have significant association with job satisfaction. In addition, human resource planning, and training and development were found to have positive impact on

job satisfaction. The study concludes that policy makers in the manufacturing industry should focus on recruitment and selection, followed with training and development and so as to ensure high job satisfaction (Absar, 2010).

Rathnawerera (2010) examines the impact of HRM practices on HRM outcomes which are employee satisfaction, employee commitment and employee retention in the banking industry in Sri Lanka. The HRM practices studied are recruitment and selection, training and development, performance evaluation, performance based compensation, merit based promotion, provision of social benefits, employee involvement in decision making and grievance handling. A survey was distributed to a sample population of 209 employees working in two PSB banks. The result of this study concludes HRM practices are positively related to employee satisfaction, and compensation and social benefits had the strongest effect on employee satisfaction (Rathnawerera, 2010).

Steijin (2004) assessed the relationship between the benefits and job satisfaction of Dutch public workers. A survey was conducted by the Dutch Ministry of Interior, and was sent to 14, 212 public sector workers. The HRM practices examined in this study are HR policies, satisfaction with career support and job and organizational characteristics. The results of this study indicates that there is marginal positive relationship between HRM practices and job satisfaction of employees in the public sector. The findings provide some clues as to how job satisfaction can be influenced by the use of HRM practices. If workers feel better supported in their careers, and if more HRM practices are used, overall job satisfaction is positively influenced (Steijin, 2004).

Rahman (2009) examined job satisfaction factors of bank employees in Bangladesh. Seven factors related to job satisfaction was identified which are remuneration and reward, job security, relationship with co-workers, recognition, pride in work, bureaucracy and talent utilization. A survey was conducted to 20 different banks in Bangladesh and 156 people responded. The responses were collected and analyzed to determine the relationship of job satisfaction factors and overall job satisfaction. Out of a total of 21 variables studied, 7 variables showed significant relation to overall job satisfaction which are remuneration and reward, relation with colleague, recognition, talent utilization, job security and pride in work. Using multiple regression analysis, the findings identified that remuneration and reward, recognition, pride in work and talent utilization are significant in overall job satisfaction of the respondents (Rahman, 2009).

Petrescu (2008) conducted a study in UK to seek a relationship between HRM practices and overall worker satisfaction and their satisfaction with pay. The Policy Studies Institute collected data between July 2000 and January 2001 through conducting interviews and questionnaires. The one-hour interview from 2,466 respondents were collected and 95% respondents provided the basis for analysis. The questionnaire data set contained a question on overall job satisfaction using a 7-point Likert scale. The HRM practices that were observed in this study are work organization, supervision, employee involvement, recruitment and selection, training and learning; and pay practices. Using vector analysis, the p-value indicates significant effect of the said variables on worker's overall job satisfaction. The study also summarizes that normal dispersement of pay influences highly on job satisfaction.

2.6 Summary of previous studies on Relationship between Human Resource Practices and Job Satisfaction

Below is a summary of previous studies that examined the relationship between human resource management practices and job satisfaction:

Table 2.1: Summary of Previous Studies on the relationship between HRM practices and job satisfaction

Author(s)	Findings
Aziri Brikend (2011)	The findings show compensation has strong positive relationship on the overall job satisfaction of employees. .
Alnaqbi (2011)	The findings offers connection between employee retention and leadership, job satisfaction, and organisational commitment.
Njenga Kariuki (2007).	The findings is a negative relationship between perception of HR practices and job satisfaction and organizational commitment
Raigma Rathneweerage Neelamani Thanuja Kathnaweera (2010)	The study concludes HRM practices are positively related to employee satisfaction and compensation and social benefits had the strongest effect on employee satisfaction.
Steijin (2004)	The findings conclude there is a positive relationship between HRM practices and overall job satisfaction and the mire HRM practices are examined, overall job satisfaction is positively influenced.
Rahman, M.I. (2009)	The findings using regression identified that remuneration and reward, recognition, pride in work and talent utilization are significant in overall job satisfaction in bank employees in Bangladesh.
Kasim, Islam and Mahmud (2014)	The findings concluded that on average the employees of Janata Bank Limited were satisfied with their jobs.
Absar, Azim, Balasundaram & Akhter (2010)	The study concludes there is a positive relationship between human resource planning, training and development with job satisfaction.
Chan, K.L, Lee, F.Y, Lee, Y.C, Loh, C.Y & Low, S.M. (2013)	The results of this study is that there exists positive relationship between HR practices and job satisfaction among employees in the hotel industry.

Hashim, Ismail and Hassan (2015)	There is a positive relationship between HRM practices and employee satisfaction and commitment among employees of 200 SME's in Kuala Lumpur.
Petrescu, Alina (2008)	The study found several HRM practices raise workers' overall job satisfaction and their satisfaction with pay, more conclusive with non-union workers.

The concept of job satisfaction traditionally has been of great interest to social scientists concerned with the problems of work in an industrial society. (Spector, 1997). Each researcher seems to work on a limited aspect of the field and defines his/her variables in terms of the concepts with which she can work most easily. Those different approaches and 21 conceptual ideas often make it difficult to compare the results of various studies. In the earliest research studies on job satisfaction, the three terms "job satisfaction", "job attitudes", and "morale" often caused confusion because many researchers used them interchangeably while others drew significant distinctions among them. Vroom (1964) states that "job satisfaction" and "job attitudes" are used.

Interchangeably because both refer to the affective orientation of the individual toward the work role the worker is occupying. Positive attitudes are equated with satisfaction and negative attitudes with dissatisfaction. Introducing the third term, he says that "morale" has been given many meanings, some of which are closely related to the other two concepts. In his case study of IBM, Sirota (1964) introduced the concept of "morale" by restricting it to items measuring satisfaction with the work environment. However, other researchers did not equate those three terms. Salinas (1964) noted that "there has been a growing inclination to define morale primarily in terms of attitudes and behaviour associated with the activity of the individual as a member of a group. Morale has come to imply a group concept, a feeling of togetherness, as distinguished from individual job satisfaction, Beer (1964), commenting on this trend, defined job satisfaction as "the attitude of workers toward the company, their job, their fellow workers and other psychological objects in the work environment". And "morale" is defined as "a group enthusiasm in the pursuit of a common goal". But the problem of precision in definition is even more basic. Defining the single concept "job satisfaction" has itself created a problem. Taking parts of definitions from Herzberg, Maslow, and Vroom, Ivancevich and Donnelly (1968) defines job satisfaction as "the favourable viewpoint of the worker toward the work role he presently

occupies." Salinas approaches the concept differently and describes job satisfaction as the "evaluation of one's job and the employing company as contributing suitably to the attainment of one's personal objectives" Wanous and Lawler (1972) list nine different operational definitions of job satisfaction, each based on a different theoretical orientation and each resulting in different measures. The major difference between those definitions is in terms of the different ways in which aspects of job satisfaction are combined. Locke proposed a definition that later are widely used in 1976. He defines job satisfaction as "a pleasurable or positive emotional state resulting form the appraisal of one's job or job experience". This definition is consistent with other definitions evident in the literature. For instance, Cranny, Smith, and Stone (1992) defines 23 job satisfaction as "an affective (that is, emotional) reaction to a job, that results from the incumbent comparison of actual outcomes with those that are desired (expected, deserved, and so on)".

After considering numerous definitions of job satisfaction, Kalleberg (1977) definition which defines job satisfaction as "an overall affective orientation on the part of individuals toward work roles which they are presently occupying." is used in this study. The conceptualization implies that job satisfaction is a unitary concept and that individuals may be characterized by some sort of vaguely defined attitude toward their total job situation. Thus it must be distinguished from satisfaction with specific dimensions of those work roles. It should be noticed that to say job satisfaction is a unitary concept does not imply that the causes of this overall attitude are not multidimensional. As the author explains, 'a person may be satisfied with one dimension of the job and dissatisfied with another. The assumption underlying the present view is that it is possible for individuals to balance these specific satisfactions against the specific dissatisfaction and thus to arrive at a composite satisfaction with the job as a whole" (Kalleberg, 1977).

2.7 Conceptual Framework

From the literature review, the following conceptual framework is derived and constructed as below. The dependent variable in this study is job satisfaction and the independent variables will be the three HRM practices which are - training and development, compensation and benefits and performance appraisal.

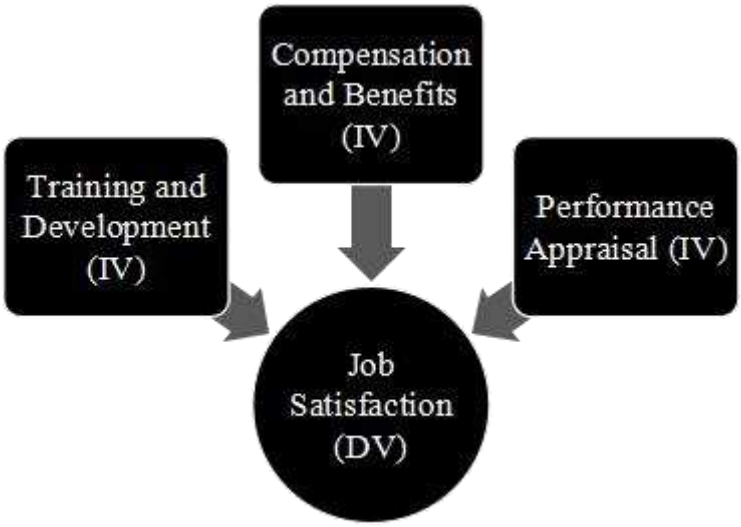


Figure 3 Conceptual Framework

2.7.1 Human Resource Management (HRM)

Human Resource Management specialists determine the number and type of employees that a business will need over its first few years of operation. In addition they are responsible for staffing, which involves recruiting employees to occupy newly created positions and in some cases to replace vacant positions (Huselid, Jackson, & Schuler, 1997). A division of HRM engages in training of its staff in order to encourage workers satisfaction on the job (Laursen, & Foss, 2003). Similarly, Human Resource Administrators implement and manage compensation plans and benefits packages for employees. Essentially, this aspect has been argued to be part of the substantive issues link with employees' dissatisfaction, if not timely and adequately addressed (Guest, 2002; Marchington, & Zagelmeyer, 2005).

Human Resource Management is a set of interrelated policies with an ideological and philosophical underpinning and these policies are classified under four aspects vis-a-vis (i)

constellation of beliefs and assumptions; (ii) strategic thrust informing decisions about people management; (iii) the central involvement of line managers; and (iv) reliance upon a set of 'levers' to shape employment relationship (Storey, 1989). The human resource management activities can be summarized briefly under five major domains: (i) organizational design; (ii) staffing; (iii) performance management appraisal; (iv) employment training and organization development; and (v) reward systems, benefits and compliance (Berdamine, 2004).

Generally, high job satisfaction is connected with high productivity, low turnover rate and low absenteeism (Hackman & Oldham, 1976). Emphasis is placed on the employers' expectation regarding employee's high performance and it is essential to bring it to fore that employees' satisfaction is a function of employee performance and organization performance (Shen, 2010).

2.7.2 Job Satisfaction

A number of consequences have been shown to result from job satisfaction/dissatisfaction, both with respect to the workers' psychological well-being and with respect to the effective functioning of organizations. Despite the large number of studies that have dealt with these issues, however, there has been little commutation of knowledge. Much of this difficulty stems from problems in comparing studies and estimating trends due to difference in measurement of job satisfaction, sampled populations and time periods. Of these, differences in measurement techniques are especially problematic since a multitude of indicators have been developed (Spector, 1997)

For the purpose of this study, the variables are derived based on the objective and research question which are human resource management practices and policies and job satisfaction. The focus is on examining satisfaction at work, although there is considerable disagreement about how this should be measured. Some argue for a single-item measure of 'overall job satisfaction'. It is argued that such a variable encompasses and synthesis's, from the actual respondents' point of view, the various facets of job satisfaction (Johri, 2005).

However, others argue, on psychometric or conceptual grounds, against using just a question on 'overall job satisfaction' (Rose, 2003). Rose (2003) suggests that overall job satisfaction should ideally be measured through the use of a composite index made up of a wide range of indicators of individual facets of job satisfaction. However, Rose (2005) also points to the importance of a detailed examination of individual facets of job satisfaction such as

satisfaction with work itself and satisfaction with pay. Therefore, the dimensions in job satisfaction that will be examined will be satisfaction with the sense of achievement with work, satisfaction with the amount of influence over how work is done and organization performance.

2.8 Conclusion

This chapter provides previous research and study on HRM practices and job satisfaction as empirical evidence to the proposed study. The next chapter will continue with research methodology.

CHAPTER 3

DATA AND METHODOLOGY

3.1 Introduction

This chapter will detail the selection of research design, description of the deductive and inductive analysis, the selection of sampling frame, data collection, research instrument and analysis of the collected data.

3.2 Research Design

The three independent variables for this study are training and development, performance appraisal and compensation and benefits. Job satisfaction is considered the dependent variable. This study uses quantitative research to see the relationship between HRM practices and job satisfaction and identify which HRM practice impacts on job satisfaction.

3.3 Deductive Analysis

Trochim (2006) refers to two "broad methods of reasoning as the inductive and deductive approaches. He defines induction as moving from the specific to the general, while deduction begins with the general and ends with the specific; arguments based on experience or observation are best expressed inductively, while arguments based on laws, rules, or other widely accepted

principles are best expressed deductively. Creswell and Plano Clark (2007) say that, the deductive researcher "works from the 'top down', from a theory to hypotheses to data to add to or contradict the theory" .

This study starts with a general topic of HRM practices in organizations and then focusing on the HRM practices implemented in a port which are training and development, compensation and benefits, performance appraisal and associating this with job satisfaction.

3.4 Population and Sample

Population represents the entire group of people working in PTP which the study wishes to collect data and use to establish the relationship of the independent variables. A sample is a subgroup of the target population that the researcher plans to study for the purpose of making generalizations about the target population (Krejcie & Morgan, 1970) .Moreover, sampling of the population was done because it would take time and effort if the survey was done on the entire working population in PTP. It is convenient in many instances to use samples and if the study is to obtain really good conclusions then there is a need to assure the right choice of samples is done (Barreiro 2001).

Using Krejcie & Morgan's sampling size table, for a white collar population of 209 people in PTP, the size is 127. Therefore it is determined the sampling size would be 127 people and the respondents will be selected from various divisions and job ranks in PTP. The various divisions are Corporate, Operations, Commercial, Human Capital, Facility, Engineering and Maintenance and Health & Safety (HSSE). Furthermore, different job grades were also selected from assistant, executive, senior executive, manager, senior manager and general manager to ensure the collected data is well represented of the population.

3.5 Data Collection

Primary data was used in this study by using a survey form. The survey was distributed to identified sampling population. The survey form was constructed using Google Forms and was emailed to them. Respondents were given 2 weeks to complete the survey. During the first week, 47 respondents completed their survey and data was collected. A first reminder was sent out via emails the following week, and another 30 respondents completed the survey. A second

reminder was sent through email, and another 7 respondents completed their survey. This was the final attempt to contact the respondents and in total 84 participants responded to the survey.

3.6 Research Instrument

Respondents were given a survey that started a series of questions on their individual information such as gender, age, race and academic qualifications. Then the questions in the survey were designed to asses HRM practices and job satisfaction (Njenga 2007). The details of the respondents were assured anonymity. For HRM practices in this survey, the questions were taken from various sources which had been adjusted and specified the HRM practices in training and development, compensation and rewards, and performance appraisal. Each variable has five questions. The questions were measured with a five point Likert scale of strongly disagree (1) to strongly agree (5) to ensure accuracy.

Job satisfaction was tested using questions from two previous studies, and has five questions. To ensure accuracy, a five point Likert scale was also used here form strongly disagree (1) to strongly agree (5), Below is the classification of the survey questions:

Table 3.1 Classification of Survey Questions

Variables	**Questions**	**Adapted from**
Training and development	Q1-Q5	Alnaqbi (2011)
Compensation & rewards	Q6-Q10	Majunder (2012)
Performance appraisal	Q11-Q15	Njenga K. (2007)
Job satisfaction	Q15-Q20	Raigma Kathnaweera (2010) Tsaur & Lin (2004)

3.7 Data Analysis

After receiving the survey, the data is then analysed using SPSS. The descriptive analysis in this study is the basic information of participants. The respondents profile such as gender, race, age and academic qualification are analysed.

The relationship of HRM practices and job satisfaction is tested by using correlation and regression analysis. Correlation, also called as correlation analysis, is a term used to denote the association or relationship between two (or more) quantitative variables (Gogtay, 2016). Correlation analysis is seldom used alone and is usually accompanied by the regression analysis. The difference between correlation and regression lies in the fact that while a correlation analysis stops with the calculation of the correlation coefficient and perhaps a test of significance, a regression analysis goes ahead to expresses the relationship in the form of an equation and moves into the realm of prediction (Gogtay, 2016).

Multiple regression analysis is also used to test an multiple independent variables on one dependent variable. Training and development, compensation and benefits and performance appraisal are independent variables in this regression analysis and it is tested to find the relationship towards job satisfaction. This is also to identify which is the most effective HRM practices on job satisfaction (Gogtay, 2016)

3.8 Conclusion

This chapter describes the selected research design and approach used for the study. Sampling size and collection of data was also discussed as well as type of instrument sued and data analysis methods was also briefed in this chapter.

CHAPTER 4

DATA ANALYSIS AND RESULTS

4.1 Introduction

In this chapter, the procedures for data collection, analysing and results are discussed and elaborated.

4.2 Reliability Analysis

Cronbach's Alpha test was used to ensure the used variables are reliable. In Cronbach's Alpha analysis, variable which has values 0.7 and above is considered acceptable, and variables which has values above 0.8 is preferred. Based on the results from this study, the observation for all variables are above 0.7 by using Cronbach's Alpha analysis. There is one variable which is job satisfaction which the alpha figure is above 0.6 which is still acceptable. Therefore, the collection data is considered reliable for this study. Below are the results of Cronbach's Alpha analysis:

Table 4.1 Cronbach's Alpha Reliability Test

Variables	Number of Items	Cronbach's Alpha
Training and development	5	0.754
Compensation and benefits	5	0.819
Performance appraisal	5	0.835
Job satisfaction	5	0.647

4.3 Descriptive Analysis

Descriptive statistics deals with the presentation of numerical facts, or data, in either tables or graphs form, and with the methodology of analysing the data (Nicholas, 1999). This section will analyze sample description and demographic variables in this study.

4.3.1 Sample Description

Data collected were from white collar employees from various job grades and divisions. The survey form was emailed to the employees and given 3 weeks to complete. A total of 127 survey forms were emailed, and total survey collected back were 84.

Table 4.2 Response Rate

Number of Survey Forms Emailed	Number of Survey Forms Collected	Response Rate
127	84	66.14%

4.3.2. Demographic Analysis

In this study, demographic information obtained from the respondents are gender, age, race and academic qualification. There were 72.6% of the respondents are female compared to 27.4% males. In terms of age group, the respondents are mostly aged above 40 years old which is 57.1% out of the total percentage, and respondents aged between 26 - 40 years is 41.7%. There are more Malay respondents in this study which accounts for 68.3%, followed by Chinese at 25.6% and Indian at 6.1%. In the last demographic variable which is academic qualification largely the respondents have tertiary education which accounts for 96.5%. From this total percentage, there are 26.2% which have a Master's Degree. The majority of the respondents have a degree which is 72.6%, and only 3.6% have minimum academic qualification which is SPM.

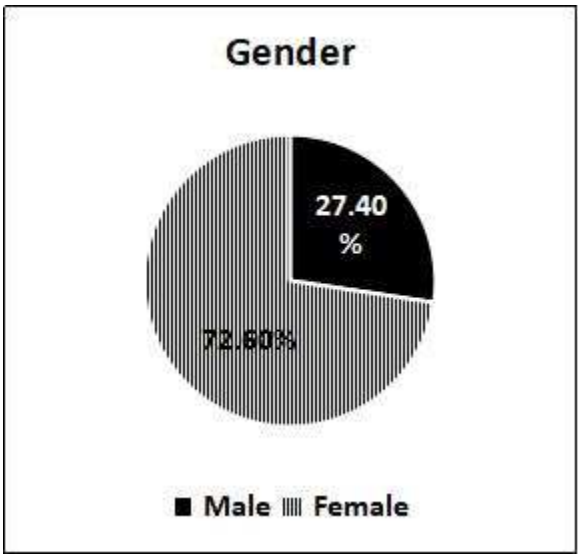


Figure 4 Demographics - Gender

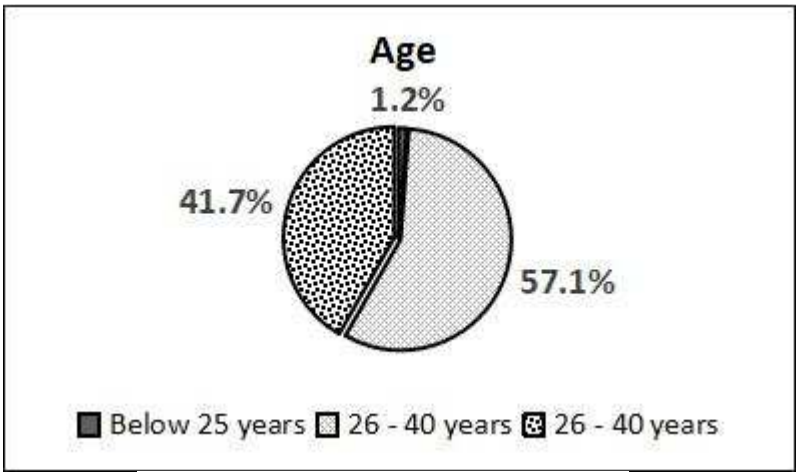


Figure 5 Demographics - Age

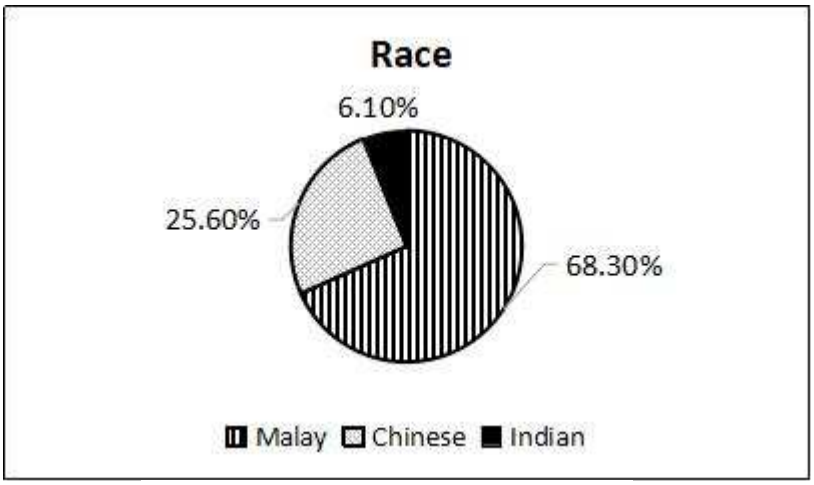


Figure 6 Demographics - Race

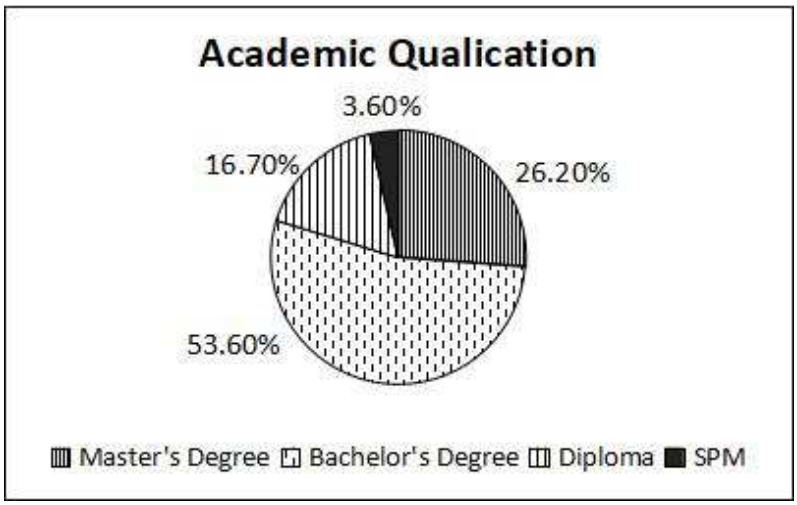


Figure 7 Demographics - Academic qualification

4.4 Normality Test

Normality test is used to measure whether the data is normally distributed. The table below show the skewness and kurtosis values for this study. Skewness measures the direction and lack of symmetry. The more skewed a distribution is, the greater the need for using robust estimators, such as the median and the interquartile range. Positive skewness indicates a long-tailed to the right while negative skewness indicates long-tailed to the left. Kurtosis measures the heaviness of the tails. A kurtosis value less than three indicates lighter tails than a normal distribution. Kurtosis values greater than three indicate heavier tails than a normal distribution (Jaggi, 2012).

Table 4.3 Normality Test

Variables	Skewness	Kurtosis
Training and development	-.883	1.114
Compensation and benefits	-.912	2.159
Performance appraisal	-1.202	1.763
Job satisfaction	-.026	.434

Based on the table above, the results for both Skewness and Kurtosis are within positive three (+3) and negative three (-3), which indicates a normal distribution. There are no responses obtained from the survey that is not within the normal curve (Gogtay, 2016)

4.5 Relationship between HRM Practices and Job Satisfaction

In order to determine whether there is a relationship between HRM practices and job satisfaction, this study conducted correlation and multiple regression analysis. In this study, the dependent variable is job satisfaction and the independent variables are training and development, compensation and benefits and performance appraisal. Results for the correlation analysis are shown in the table below.

Table 4.4 Correlation Analysis

Correlations

	1	2	3	4
1. Training and development	1	.621**	.578**	.352**
2. Compensation and benefits	.621**	1	.729**	.555**
3. Performance Appraisal	.578**	.729**	1	.451**
4. Job Satisfaction	.352**	.555**	.451**	1

**. Correlation is significant at the 0.01 level (2-tailed).

Based on the collected data, the input is tabulated and the result for independent variable training and development is 0.352 which indicates a positive relationship For the next independent variable compensation and benefit, the result 0.555 also indicates a positive relationship. For the third independent variable performance appraisal, the result 0.451 also indicates a positive relationship. From the above correlation analysis, it can be deduced that there is positive relationship between the independent variables which are HRM practices and job satisfaction.

Studies conducted in a variety of global contexts have found positive relationships between human resource efforts (i.e., HRD, HRM, and OD efforts) and job satisfaction (Gould-Williams, 2003; Poon, 2004; Petrescu & Simmons, 2008; Avey et al., 2011; Andreassi, Lawter, Brockerhoff, & Rutigliano, 2014; Farahbod & Arzi, 2014; Koç, Çavuş, & Saraçoglu, 2014). Many researchers have argued that HRD efforts are significantly related to employees' job

satisfaction (Rowden, 2002; Chen, Chang, & Yeh, 2004; Egan, Yang, & Bartlett, 2004; Schmidt, 2007; Dirani, 2009). This result is consistent with the HRM literature of past studies.

Table 4.5 ANOVA

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	7.638	3	2.546	11.538	.000[b]
	Residual	16.770	76	.221		
	Total	24.408	79			

a. Dependent Variable: Job Satisfaction

b. Predictors: (Constant), Performance Appraisal, Training and Development, Compensation and Benefits

The above Table 4.5 indicates the model of fitness (analysis of variance). The value of F is 11.54% at a significant level 0 .000 indicates that the model is a good fit.

Table 4.6. Model Summary

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.559[a]	.313	.286	.46974

In Table 4.6 above, the value R square indicates that 31.3% of the observed variability occurs in dependent variable (job satisfaction) due to the independent variables (training and development, compensation and benefits and performance appraisal), whereas the remaining 69% is related with other variables which is not included in this research.

4.6 HRM Practices that Contribute the most on Job Satisfaction

Table 4.7 Standardized Coefficient

Coefficients

Model		Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	t	Sig.
1	(Constant)	1.685	.362		4.650	.000
	Training and Development	-.009	.117	-.009	-.076	.940
	Compensation and Benefits	.401	.122	.487	3.276	.002
	Performance Appraisal	.092	.130	.101	.710	.480

a. Dependent Variable: Job Satisfaction

Beta, β (standardized coefficient) is a measurement to examine how strong the independent variable affects the dependent variable. When beta value is higher, the independent variable affects greatly on the dependent variable. In this study, the highest beta means which HRM practice strongly influences job satisfaction in white-collar employees. From Table 4.7, the beta coefficient for compensation and benefits is the highest at 0.487. Thus, compensation and benefits is the biggest contributing factor to job satisfaction in this study. This is followed by performance appraisal and training and development.

4.7 Conclusion

The findings from this study shows significant correlation between HRM practices and job satisfaction. All three HRM practices have a positive impact on job satisfaction for this study. Compensation and benefits contributed the most on job satisfaction which is then followed by performance appraisal and training and development. The results from this study are summarized in the table below. However, the most contribution on job satisfaction is not as significant as there are many other HRM practices that need to be studies as well. Nevertheless, this study only focussed on three HRM practices which shows that within white-collar employees, compensation and benefits contributes most on job satisfaction.

Table 4.8 Summary of the Results

What is the relationship between HRM practices and job satisfaction in white-collar employees in a port?	a) Training and development has a significant and strong positive relationship with job satisfaction. b) Compensation and benefits has a significant and strong positive relationship with job satisfaction. c) Performance appraisal has a significant and strong positive relationship with job satisfaction.
Which HRM practice contribute the most on job satisfaction in white-collar employees in a port?	d) Compensation and benefits contributes the most towards job satisfaction.

CHAPTER 5

DISCUSSION AND CONCLUSION

5.1 Introduction

In this chapter, the overview and summary of the study, review and interpretation of the study findings will be shown. There will also be a section on limitations of this study and recommendation for improvements for future such studies.

5.2 Overview of Study

This study was conducted because of the many HR struggles in any organization is to reduce employee turnover and one factor that is linked with employee turnover is job satisfaction. This study explores HR practices that contribute to job satisfaction in an organization because job satisfaction is also linked to organization performance which is the critical sucess factor for any organization.

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5.3 Discussion of Findings

The discussion of findings explain regarding the findings from this analysis. Previous researchers have examined HRM practices and which HRM practice affects job satisfaction. There are two objectives of this study which are:

1) To examine the relationship between human resource practices and job satisfaction of white collar employees and job satisfaction.
2) To identify which of the human resource practice contribute to job satisfaction.

The next section will discuss on the findings of these objectives.

5.3.1. Relationship between HRM practices and job satisfaction

The first objective is to determine relationship between HRM practices and job satisfaction among white collar employees. The HRM practises are training and development, compensation and benefits and performance appraisal. This study found that all three HRM practices have strong positive relationship on job satisfaction based on the correlation analysis.

The HRM practice that contributed the most to job satisfaction is compensation and benefits. Shoaib et al. (2009) revealed that attractive and competitive remuneration packages still ranked as one of the very important factors that affect job satisfaction because it fulfils the financial and material desires. Munap et al.(2013) also found that all organisational rewards examined have contributed to employee's satisfaction while salary is the predictor that significantly contributes to job satisfaction , among employees. Fisher (2008) revealed that there are statistically significant relationships between pay and job satisfaction, benefits and job satisfaction, contingent rewards and job satisfaction, nature of work and job satisfaction and for promotion and job satisfaction. The moderate to high correlations between these dimensions and job satisfaction suggest that the higher their relationship with job satisfaction, the more satisfied employees would be.

Our results show that PAs have a positive impact on the job satisfaction of employees. This relationship can be strengthend when appraisals are linked to monetary outcomes. The results shows PAs that are linked to monetary outcomes may be a powerful HR management tool

that is appreciated by employees. Hence, it seems to be very important that appraisals are linked to tangible outcomes, such as a bonus, a promotion, or a pay raise (Kampkotter, 2016).

On the other hand, offering talented employees training to keep them current on their job functions and allowing them to learn new skills can be utilised to improve employee satisfaction within the organisation (Rice et al., 1991). A popular approach to explaining job satisfaction so far has been the person-environmental fit paradigm (Ellickson, 2002; Kristof, 1996). This suggests that the more a person's work environment is fulfilling one's needs, values or personal characteristics, the greater the degree of job satisfaction.

5.4 Managerial Implication

The purpose of this study was to find the relationship between HRM practices and job satisfaction among white collar employees in logistics companies as most logistics companies are labour intensive., It is important for management of these organizations to understand in greater detail the HRM practices influencing job satisfaction so that it can be implemented in their companies.

The most contributing factor from this study is compensation and benefits, therefore management must ensure the remuneration scheme of the employees is comparable with best practices and not under the industry norm. The management must exercise fair remuneration scheme to employees with clear guidelines to ensure satisfaction and confidence in the work force.

The conduct of performance appraisal should also be in a fair manner to all employees. The management must exercise ethical decision making when conducting performance appraisal. There must proper explanation and engagement with the employees prior to the exercise and the results should be shared to all workforce There should also be proper channels for employees to air their grievances should they feel they have been unfairly appraised.

Training and development is also important for employees to have high job satisfaction. Management should implement a comprehensive training development program for all their employees. With a comprehensive and detailed training program, employee skills will be continually updated and current with the needs of the industry. Employees will have career growth and advancement and this can provide strong job satisfaction for them. Therefore, there

should be timely reviewed and improved on HRM practices within the organization to keep job satisfaction among employees.

5.5 Limitations of Study

There are limitations faced during this study when it comes to soliciting response from respondents. The response rate for the survey was 66%; and this figure could be more if respondents did not have work commitments that hampered them from participating in this survey. The low response rate could also affect the generalizing the results of this study.

The sampling size could be bigger in order to solicit more responses and therefore be able to analyze and produce more accurate findings for this study. The sampling could included other companies that is associated with logistics and warehousing industry for example rather than just focussing on one company or the sampling size could also include other logistic companies in other states in Malaysia.

There are many other HRM practices that are not included in this study. Job satisfaction is also contributed by 69% from other HRM practices which was not examined. Perhaps by including other HRM practices for example, recruitment, work conditions or organizational design; more accurate findings could be obtained to understand job satisfaction among employees in an organization.

5.6 Recommendation for Future Research

This is a first of such survey that measures job satisfaction amongst white collar employees in a port in Johor. It would be more comprehensive, if future research could include the blue-collar employees as well because their opinions and feedback would enable better understanding and communication with management. The research can also be applied to organizations in Malaysia or even in the region in order to obtain more data to for accuracy.

There are new and more recent research that links employee attitudes, work environment and other psychological and physiological attributes to job satisfaction. As a labour intensive international organization, it could be a worth while investment to also conduct studies into employee attitudes and psychological variables to determine the link to job satisfaction. With this knowledge, implemented HRM practices can add value to the employees and drive organization

performance. Judge and his colleagues (Judge & Bono, 2001; Judge, Locke, Durham, & Kluger, 1998) found that a key personality trait, core self-evaluation, correlates with (is statistically related to) employee job satisfaction.

There could also be comparative studies among other two or more industries instead of just focussing on ports.

In the future, there could also be comparative studies conducted in different regions to obtain more data. .

5.7 Conclusion

This study examined if there is a relationship between three HRM practices on job satisfaction among white-collar employees in logistic company in Johor. The findings from this study showed there is strong positive relationship between the three HRM practices and job satisfaction. By comparison, it is found that compensation and benefits contributes the most on job satisfaction.

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APPENDIX A:

Human Resource Practices and Job Satisfaction Questionnaire

Outline of proposed survey to be submitted for MBA Thesis

Name: Siti Nuraziah Syed Saruat Nasim Supervisor: Dr. Choi Sang Long

Contact details – HP 02 7661172 Email: intanhaiza@gmail.com

Please tick the following statements. Respondents information will be kept strictly confidential for this research purpose only.

Section A: Demographics:

1) Gender:

Female	
Male	

2) Age:

Below 25 years old	
26-40 years	
More than 40 years old	

3) Race

Malay	
Chinese	
Indian	
Others	

4) Highest Qualification

SPM/Certificate	
Diploma	
Bachelor of Degree	
Master Degree	

Section B:

Training & Development

Question	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1) This organization has provided me with training opportunities enabling me to extend my range of skills and abilities.					
2) I get the opportunity to discuss my training and development requirements with my employer.					
3) This organization is committed to the training and development of its employees					
4) Employees in this company normally go through training programs every few years					
5) There are formal training courses to teach new employees the skills they need to perform their jobs					

Compensation & Rewards:

Question	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1) If I do work well, I can count on earning more money (bonuses and increment).					
2) My salary is fair for my task, duties and responsibilities of my job.					
3)This organization's remuneration package is intended to promote employee retention.					
4)In determining compensation, we emphasize the individual's contribution more than just job title.					
5)This organization's remuneration package is designed to be more competitive than other organizations in the industry.					

Performance Appraisal:

Question	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1) The performance appraisal is fair.					
2) I am informed on how my performance is evaluated.					
3) Performance appraisals emphasize outcomes/results.					
4) I am well informed of the performance appraisal process before hand.					
5) I receive feedback on my performance during Performance Appraisal.					

Job Satisfaction:

Question	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1) This is the best of all possible organizations for work.					
2) I find that my values and this organizations values are very similar.					
3) I spend parts of my day day dreaming about a better job.					
4) I feel much of my job repetitive and boring.					
5) I feel that my job has impact on the success of my organization..					

~Thank you~