THE RELATIONSHIP BETWEEN HUMAN RESOURCE DEVELOPMENT SYSTEM AND JOB SATISFACTION

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Abstract:
Job satisfaction is an attitude toward the job and the work context that has been in the centre of attention of theoreticians, researchers and practitioners for many decades. Past researches confirm that job satisfaction is related to employee’s job performance, organisational commitment, organisational citizenship behaviour, life satisfaction, and health. These job-related outcomes are also the main goals of HR function. The aim of the paper is to theoretically and empirically describe the role of HR practices in the area of HR development: training and education, career development, performance management and reward management, on job satisfaction. The study has been conducted on a sample of Slovenian employees (N = 824), from medium size private and public sector organisations. Cluster analysis of participant responses on the HRM practices questionnaire shows four different groups of organisational approaches to HR development that are moderately related to job satisfaction. The results are discussed from four perspectives: individual attitudes, HRM theory, social exchange theory and the psychological climate theory.

Keywords: job satisfaction, HR development system, HR function, social exchange theory, psychological climate.
1. INTRODUCTION

The importance of being satisfied with the job is known for more than 50 years. Job satisfaction is positively related to employee productivity (Iaffaldano & Muchinsky, 1985), organisational citizenship behaviour (Farh, Podsakoff & Organ, 1990), life satisfaction, subjective well–being (Bowling, Eschleman & Wang, 2010), physical and mental health (Faragher, Cass & Cooper, 2005). Moreover, job satisfaction is positively related to more complex job related attitudes, such as organisational commitment (Farkas & Tetrick, 1989) and job involvement (Babnik, 2010), which are necessary in present times, where all firms are looking for competitive advantage and especially through their people (Galanou, Georgakopoulos, Sotiropoulos & Dimitris, 2010, p. 102).

Although job satisfaction is one of the most studied variables, not only in the field of work and organisational psychology, the foundations of this psychological construct are largely unresolved (Babnik, 2010; Spector, 1997). Job satisfaction is a multidimensional concept that encompasses personality traits and environmental factors (Roelen, Koopmans & Groothoff, 2008). The power of both groups of determinants is still less clear, because of the inconsistent results of different studies and various variables employed to represent the personal and environmental nature of job satisfaction. One of the problems of the study of environmental factors is their perceptual nature. Perceptions have a historical component (Mandler, 1982), that is they are determined by individual experiences; by personal and personality variables.

Studied “environmental” determinants of job satisfaction can be grouped in four groups: i) immediate work environment, ii) leadership, iii) organisational characteristics and iv) societal level determinants. The immediate work environment is as an antecedent of job satisfaction best characterized by work characteristics (Hackman & Oldham, 1976; Bos, Donders, Bowman–Brouwer & Van der Gulden, 2009). Leadership and leader member exchange are important correlates and determinants of job satisfaction (Lapierre & Hackett, 2007). The role of organisational characteristic in job satisfaction is studied through variables, such as organisational or psychological climate (Patterson, Warr & West, 2004), organisational culture (Vandenberghhe & Peiró, 1999), human resource management practices (Brown, Forde, Specker & Charlwood, 2008; Jiang, Sun & Law, 2011; Kaya, Koc & Topcu, 2010; Petrescu & Simmons, 2008). The role of societal culture in job satisfaction is less clear. Hofstede (1980) reported that overall job satisfaction is most strongly associated with satisfaction with the level of challenge at work and pay, and that this relationship with regard to societal culture and professional culture does not change significantly. Similarly, Souza–Poza and Souza–Poza (2000) found a fixed pattern of relationship between overall job satisfaction and perception of interesting work and good relations with management. The results of these studies suggest that job satisfaction is a more culturally universal phenomenon (Judge, Parker, Colbert, Heller & Ilies, 2001).

The role of human resource (HR) management practices in job satisfaction is rooted in the purpose of the HR function. The aim of the paper is to describe and explain the relationship between HR practices and job satisfaction. Even though perceptions of HR practices are implicated in a direct relationship with job satisfaction, only a few empirical studies have actually explored this relationship (Byrne, Miller & Pitts, 2010, p. 452).
1.1. Definition and components of job satisfaction

Initial interest in job satisfaction has been marked by diversity of ideas and research methods. In 1976, Locke proposed one of the most important definitions of job satisfaction: “a pleasant or positive emotional state resulting from the individual's assessment of the work or work experience” (p. 1300). Job satisfaction is therefore described as an individual's affective reaction to work. Organ & Near (1985) have extended the concept of employee satisfaction on cognitive and affective component, and have called into the question the adequacy of former measures of job satisfaction, with the regard of their sensitivity to both components (Kaplan, Warren, Barsky & Thorensen, 2009). In the nineties, the authors have developed a more comprehensive and balanced interpretation of job satisfaction. The definition of job satisfaction that is the closest to the explanation of job satisfaction as an attitude is the definition of Weiss (2002, p. 6). He defines job satisfaction as a positive (or negative) evaluation of the job or the job situation.

Job satisfaction can be studied as an overall attitude toward the job or as evaluation of different aspects of the job (facets of job satisfaction). Measures of overall satisfaction is primarily used for determining the global attitude to work and its change over time, facets of job satisfaction (satisfaction with pay, satisfaction with co–workers, satisfaction with leadership etc.) are used by researchers and practitioners to get more accurate prediction of behaviour, and to identify areas that need improvement within the organisation (Scarpello & Campbell, 1983).

1.2. HR function and HR practices

The interest in the HR function and HR practices has emerged from two sources. The first source is the economic theory, which emphasizes the role of human resources as added value (Huselid, 1995). The second source is mainly psychological: i) HR practices became popular as planned activities to achieve an optimum contribution of employees (Babnik, 2010), ii) HR practices became recognised as formal organizational policies, practices and procedures that through rewards and expectations, inform employees about the goals that are important for the organisation and the proper means to achieve them (Kopelman, Brief & Guzzo, 1990; Yeung, Brockbank & Ulrich, 1991). Accordingly, we can find HR practices as a part of the concept of organizational culture (e.g., van den Berg & Wilderom, 2004; Quinn, 1989) and as a source of perceptions of organizational climate (e.g., Ferris, Arthur, Berkson, Kaplan, Harrell–Cook & Frink, 1998; Van Muijen et al., 1999).

The objectives of HRM function are (Armstrong, 2009): ensuring that the organisation is able to achieve success through people, increasing organisational effectiveness and capability, concerning with the rights and needs of people in organisations through the exercise of social responsibility. In the literature various models of HR system and areas of HR management can be found. Based on theoretical and empirical models (Armstrong, 1993; 2009; Bae, Chen & Lawler, 1998; Delaney & Huselid, 1996; Delery & Doty, 1996; Huselid, Jackson & Schuler, 1997; Mescon, Albert & Khedouri, 1985) the most common HR areas can be identified: i) organisational design, ii) HR planning, recruitment and selection, iii) performance management, iv) training and development, v) reward management, vi) communication and employee relations, vii) health and safety.
1.3. HR practices and their impact on organisational and individual results

The first studies on the role of HR practices in performance observed this relationship at the individual’s level; the studies were focused on the relationship between a specific HR practice and worker’s productivity and attitudes toward their job (e.g. Hackman & Oldham, 1976; Locke & Latham, 1990). Later, the research interest transferred to the organizational level. Recent interest was directed toward the impact of HR management systems on organisational results (e.g. Becker & Gerhart, 1996; Bowen & Ostroff, 2004; Delery & Doty, 1996; Huselid & Becker, 1996; Wood & de Menzes, 1998) and the more subjective measures, such as employee turnover (Huselid, 1995). Such studies identified two types of HR management systems that have a potential impact on organisational results: technical and strategic system (Huselid et al., 1997), and bureaucratic and organic system (Bae et al., 1998). Technical and bureaucratic system "meet" the basic needs of human resources, and at the level of "basic needs" such organisations deal with their staff. The strategic HR system or organic HR system are aimed to identify and manage people as organisational values. Such systems are known also as high–performance work systems (Becker & Huselid, 1998). The core characteristics of an high–performance work system are (Armstrong, 2009): it links the firms selection and promotion decisions to validate the competency models; it is the basis for developing strategies that provide timely and effective support for the skills demanded to implant the firm’s strategies; it enacts compensation and performance management policies that attract, retain and motivate high–performance employees. Development in accordance to the organisational and individual need is therefore the crucial difference between the technical HR system and the strategic approach to HR management.

1.4. The psychological processes underlying the role of HR practices

In the field of research of the impact of HR practices on individual and organisational performance, a systematic explanation of mediating factors and processes that explain the impact is still lacking (Bacharach, 1989). One of the identified mediating variables is organizational climate (Kopelman et al., 1990; Ferris et al., 1998; Rogg, Schmidt, Schmitt & Shull, 2001). Organisational climate or psychological climate, on individual level of analysis, represent psychologically meaningful descriptions or contingencies and situational influences that individuals use to apprehend order, predict outcomes, and gauge the appropriateness of their organisational behaviours (Kopelman et al., 1990, pp. 294–295). Through individual interpretations of the immediate working environment, described by HR practices, employees develop more or less stable cognitive and affective states in the relation to their job and organisation, that in accordance to the models explaining the role of attitudes in individual behaviour (e.g. Ajzen & Fishbein, 2000), guide their job–related behaviour.

Relatively independently of the organisational climate theory, a concept, based on social exchange theory (Blau, 1964), has been developed. Perceived organisational support (Eisenberger, Huntington, Hutchison & Sowa, 1986) is a general belief that employees develop on the basis of their experience at work, about how the organisation values their contribution in achieving its goals and how much it concerns about their welfare. Employees evaluate various organisational practices and give them meaning; they attribute the motive and the level of sincerity of their employer. Perceived organisational support is strengthen by HR practices in the area of reward management, work design (work characteristics such as autonomy), training and development, and HR practices aimed to the promotion of health, safety and well–being of employees (Fister, 2004). Perceived organisational support has several positive effects for the employer and employees; it promotes organisational
commitment, job satisfaction, organisational citizenship behaviour, job satisfaction and lower the levels of job related stress (Fister, 2004).

1.5. The aim and the goal of the study

The aim of the study is to explain the relationship of HR management practices and job satisfaction. Studies do confirm the positive effects of HR practices on the level of employee’s job satisfaction (Bos et al., 2009; Galanou et al., 2010; Jiang et al., 2011; Kaya et al., 2010), but only with the regard to a specific HR practice. According to the recent development of HR theory and studies, the present research focuses on the relationship between the HR development system and employee’s job satisfaction. The HR development system is defined as the interrelated organisational system that through training, career development, performance and reward management foster the development of employees in accordance to organisational and individual capabilities, competences and needs. Specific research goal of the study is to answer the following question: to what extent are various models of HR development system related to overall job satisfaction?

2. METHODOLOGY

2.1. Participants

The study was conducted on a sample of 824 employees of organisations from different sectors (manufacturing and services) and with different ownership structure (public, private, mixed). The biggest share of participants (44.5 %) carry out executive work, followed by the middle management and professionals; the lowest share of participants are managers (9.1 %). Men and women are relatively evenly represented in the structure of participants. The biggest share of participants are aged between 21 and 50, with only 6.8 % younger than 20 and 4 % older than 51. Most participants have worked for their organisation for more than 21 years.

2.2. Measurement tools: questionnaires and rating scales

For the purpose of a research project, according to the theory and definition of HR management areas developed by Armstrong (1993), a questionnaire of HR practices has been developed (Fister, 2005). The HR practices forming the HR development system were tested with 10 questions. Participants answered the question whether each of the practice pertaining to three HR areas: training and formal education of employees (e.g: “All employees are included in various form of training.”), career development practices (e.g. “Systematic selection and preparation of personnel for management position is being performed—succession management”), performance and reward management (e.g. “Every year a performance review meeting is performed with each employee.”; “Reward for individual performance is based on defined criteria and measures.”) is implemented in their organisation (the possible answers were: “yes”, “no”, “don’t know”). The indicator EDU representing the first HR area was obtained by aggregation of four variables. We choose the value 1 for answer “yes” and the value -1 for “no”, answer “don’t know” was omitted. Consequently, the values of indicator EDU are in the closed interval between -4 and 4. Similarly, the indicators DEV and REV were defined for second and third HR area, respectively. Each of them includes three variables and therefore their values vary between -3 and 3. Overall job satisfaction OJS was measured with the non–verbal six point Faces scale (Kunin, 1955). Since only one respondent answer with the highest value (6), we merge answers with values 5 and 6 in one group fitted with the value 5.
3. RESULTS

In the first step, the hierarchical agglomerative cluster analysis was performed. The Ward method with corrected Euclidean distance was used and consequently four clusters were obtained. The dendrogram of hierarchical clustering with all four clusters is presented in Picture 1.

Picture 1: The dendrogram of hierarchical clustering with four clusters demonstrated with red boxes

Table 1 presents three perceived modes of implementation of HR development practices in the area of i) training and formal education of employees, ii) career development practices, iii) performance and reward management. The present research identified four different systems of HR development perceived by employees: i) implementation of training and formal education practices (cluster 1), ii) implementation of training, education and career development practices (cluster 2), iii) training, education, and systematic approach to performance and reward management (cluster 3), iv) training, education, career development, systematic approach to performance and reward management (cluster 4).

<table>
<thead>
<tr>
<th></th>
<th>EDU</th>
<th>DEV</th>
<th>REV</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cluster 1</td>
<td>0.43</td>
<td>-1.18</td>
<td>-2.09</td>
</tr>
<tr>
<td>Cluster 2</td>
<td>2.60</td>
<td>1.86</td>
<td>-0.35</td>
</tr>
<tr>
<td>Cluster 3</td>
<td>1.80</td>
<td>-0.15</td>
<td>1.61</td>
</tr>
<tr>
<td>Cluster 4</td>
<td>3.61</td>
<td>2.99</td>
<td>2.39</td>
</tr>
<tr>
<td>All clusters</td>
<td>1.91</td>
<td>0.61</td>
<td>0.14</td>
</tr>
</tbody>
</table>

To answer the research question: to what extent are various models of HR development system related to overall job satisfaction?, we calculate the mean values of all four clusters on the variable overall job satisfaction (OJS). Firstly we verified with Pearson Chi-squared test that correlation between clusters and OJS was statistically significant (\( \text{Chi-square}(12;n=824) = 86.9433; p<0.001 \)). The results are presented in Table 2.
Table 2: Mean values of four clusters and an overall sample over the OJS variable

<table>
<thead>
<tr>
<th>Cluster</th>
<th>OJS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cluster 1</td>
<td>3.03</td>
</tr>
<tr>
<td>Cluster 2</td>
<td>3.27</td>
</tr>
<tr>
<td>Cluster 3</td>
<td>3.52</td>
</tr>
<tr>
<td>Cluster 4</td>
<td>3.76</td>
</tr>
<tr>
<td>All clusters</td>
<td>3.35</td>
</tr>
</tbody>
</table>

The results indicate lower overall job satisfaction in the first two clusters. On the other hand mean values of OJS variable were over the overall mean value in cluster 3 and cluster 4.

4. DISCUSSION

Job satisfaction is a fundamental reaction of employees in relation to their job and the work environment. The HR function ensures that HR strategies, policies and practices are introduced and maintained that cater for everything concerning the employment, development and well–being of people, and the relationship that exist between management and workforce (Armstrong, 2009, p. 82). Therefore, the expectation of the strong relation between HR development system and overall job satisfaction is justified.

The study conducted on a sample of Slovenian employees from various organisations shows that at least four different types of HR development system is implemented and perceived by the employees. The HR system that encompasses the whole process of HR development: training, career management, performance and reward management is most strongly and positively connected with employee’s overall job satisfaction. Surprisingly, also less holistic development system that includes only training and the financial support of formal education is positively related to job satisfaction.

The social exchange theory is based upon the assumption that employees develop a general perception of the organisation, as a personified object, as good or harmful to the individual's subjective well–being and satisfaction. In the psychological climate theory, a direct focus is on the process of evaluation of the work environment that is interpreted as “good” or “bad” for individual’s wellbeing (James & James, 1989). The perceived organisational support theory (Eisenberger et al., 1986) ads a moderator variable in the process of evaluation of the work environment, and the behavioural response of employees, that is the norm of reciprocity. This is a universal norm that obliges people that positive behaviour and attitudes of others, reciprocally return (Blau, 1964, p. 93). The more the organisation cares about their employees in the form of the fulfilment of personal development needs, and this development if further on stressed by performance and reward management practice, the stronger is the employees positive affective reaction toward the organisation. The personified organisation gets the credibility, and employees develop trust toward their employer.

Further studies should be performed to confirm the linkage between HR development systems and employees attitudes toward the job, that take into account also the personal characteristics of employees, described by their demographic variables, work–related needs and expectations, and the strength of the norm of reciprocity.
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relationship between affect(ivity) and differing conceptualizations of job satisfaction:


