

ADDIS ABABA UNIVERSITY SCHOOL OF COMMERCE



**The Effect of Selected Human Resource Management Practices on Job Satisfaction
in the Case of Tsehay Industry S.C Kaliti Metal Products Factory**

**A Thesis submitted to Addis Ababa University, School of Commerce in partial
fulfillment of the Requirements for the award of MA in Human Resources
Management**

By: TesfahunAsratie Hibstu

Advisor: AtsedeTsfaye (PhD)

July, 2020

Addis Ababa,

ADDIS ABABA UNIVERSITY SCHOOL OF COMMERCE

The Effect of Selected Human Resource Management Practices on Job Satisfaction in the case of Tsehay Industry S.C Kaliti Metal Products Factory

By—Tesfahun Asratie Hibstu

Approved By:

Advisor

Signature

Date

Internal Examiner

Signature

Date

External Examiner

Signature

Date

DECLARATION

I, Tesfahun Asrtatie Hibstu declare that the thesis entitled ‘The effect of Selected Human Resource Management Practices on Job Satisfaction in the case of Tsehay Industry S.C Kaliti Metal Products Factory is my original work. Moreover, this study has not been presented for any other program or university and that all sources of material used have been acknowledged accordingly.

Tesfahun Asratie Hibstu

CERTIFICATION

This is to certify that Tesfahun Asratie Hibstu has carried out his research work entitled “The Effect of Selected Human Resource Management Practices on Job Satisfaction in the case of Tsehay Industry S.C Kaliti Metal Products Factory for the partial fulfillment of Master of Arts in Human Resource Management at Addis Ababa University, School of Commerce. This work is original and it is suitable for submission of Masters of Arts in Human Resource Management.

Advisor, Atsede Tesfaye (PhD)

ACKNOWLEDGEMENT

I would like to thank my almighty God for helping me in the process of my study until this time. My advisor, Atsede Tesfaye (PHD) shares her knowledge and experience unlimitedly and advice me in helpful and disciplined manner. I would like to appreciate her. All HRM department instructors have a big role in this study by being a moral from initiation up to now. So, I have a great appreciation to them. Addition, I would like to thank my families and friends for their commitment to my education and welfare. Furthermore, I would like to thank all Management groups and employees of Kaliti Metal Products Factory for providing me with all the necessary resources for completing this thesis.

Thanks to GOD who made all things possible

Table of Content

Approval by Board of Examiners.....	i
Declaration.....	ii
Certification.....	iii
Acknowledgment.....	iv
List of Tables and figures	vi
List of Abbreviation	vi
Abstract.....	viii
Chapter One:	
Introduction.....	1
1.1. Background of the study.....	1
1.2. Background of the company.....	3
1.3. Statement of the Problem	4
1.4. Basic Research Questions	8
1.5. Objectives of the study	8
1.6. Significance of the study	9
1.7. Scope of the study.....	10
1.8. Limitation of the study.....	10
1.9. Definition of Terms.....	10
1.10. Organization of the paper	12
Chapter Two:	
LITERATURE REVIEW	13
2.1. Introduction	13
2.2. Theoretical Review	13
2.3. Empirical Review	31
2.4. Conceptual Frame work	36
Chapter Three:	
Research Design and Research Methodology	37
3.1. Introduction	37
3.2. Research Design	38
3.3. Research Approach	38
3.4. Population of the Study.....	39
3.5. Sampling Design	39
3.6. Sampling Frame.....	40
3.7. Sample Size.....	40
3.8. Sample procedure.....	40
3.9. Research Instrument.....	41
3.10. Data Collection.....	42

3.11. Data Analysis.....	42
3.12. Validity and Reliability	43
3.13. Ethical Consideration.....	44
Chapter Four:	
Data Presentation, Analysis and Interpretation.....	44
4.1. Introduction.....	44
4.2 Respondents Information.....	45
4.3. Descriptive Statistics.....	46
4.4. Correlation Analysis.....	53
4.5. Multiple Regression Analysis.....	55
4.6. Interpretation and Discussion.....	59
Chapter Five:	
Summary of Findings, Conclusion and Recommendations.....	60
5.1. Introduction.....	60
5.2. Summary of Findings.....	60
5.3. Conclusion.....	61
5.4. Recommendations.....	62
5.5. Limitation and Future Research.....	63
Reference.....	64
Appendix II questionnaire.....	72
Appendix II different test.....	75

List of Tables

Table 1 Annual Report.....	7
Table 2 Proportional Allocation of Sample Size.....	41
Table 3 Reliability Statistics.....	43
Table 4 Gender and Age Cross Tabulation.....	45
Table 5 Education Levels.....	45
Table 6 Department and Service Years.....	46
Table 7 Descriptive Results of Training and Development.....	47
Table 8 Descriptive Results of Performance Appraisal.....	49
Table 9 Descriptive Results of Compensation	51
Table 10 Descriptive Results of Job Satisfaction	52
Table 11 Correlation Analysis	54
Table 12 Multi- Collinearly Diagnosis	55
Table 13 Normality Test	56
Table 14 Multiple Regression Analysis	57

List of Figures

Figure 1 Pay Dissatisfaction.....	25
Figure 2 Conceptual Model.....	37

List of Abbreviations

HRM Human Resource Management

HRMP	Human Resource Management Practices
HR	Human Resource
TD	Training and Development
PA	Performance Management
Com	Compensation
JS	Job Satisfaction
TISC	Tsehay Industry Share company
KMPF	Kaliti Metal Products Factory
ANOVA	Analysis of variance
ASTD	American Society for Training and Development
SPSS	Statistical Package for Social Sciences
PPESA	Privatization and Public Enterprises Supervising Agency

Abstract

In the competitive environment using effective and efficient Human Resource Management (HRM) practices are the key to achieve both short and long term objectives. In this line employee job satisfaction is one of the most complex areas for manager's to manage their employees for the success of organizational goal. The aim of this study is to investigate the effect of selected HRM practices on employee job satisfaction at Kaliti Metal Products Factory. Both descriptive and explanatory research design were employed. Quantitative approach was employed and the data was collected using structured questionnaires. The researcher used stratified random sampling techniques that constitute a sample of 208 employees. Out of them 196 respondents returned the questionnaires. The data obtained was coded and analyzed using the statistical package for social science (SPSS). Descriptive and inferential statistics were employed to examine the effect of selected HRM practices (namely training and development, performance appraisal and compensation) on job satisfaction. The correlation and regression analysis results showed that there are significant positive relationship between the selected HR practices and job satisfaction. Finally, the paper recommended that the company should develop and implement better HRM practices to enhance the satisfaction of employees.

Key words: HRM practices, Training and development, Performance appraisal, Compensation, Job satisfaction

Chapter One

Introduction

1.1. Background of the Study

Human Resource Management (HRM) is composed of the policies, practices, and systems that manipulate employees' behaviors, attitudes, and performance (Noe et al, 2007). Petersitzke (2009) defined HRM practices as "all practices, specific policies, tools, or techniques that contribute to managing human resources in an organization". Examples of HRM practices include recruitment and selection, training and development, compensation practice, performance appraisal, employment security, employee participation, and workforce structure (e.g. Demo et al, 2012; Yeganeh and Su, 2008; Thang and Quang, 2005; Ahmed and Schroeder, 2003).

HRM policies and practices are important to enhance human capital of the organization and it has a great contribution to achieve business goals. Further studies indicate that efficient and effective usage of HRM practices are the key to achieve both short and long term objectives (Syed and Yah, 2012; Gurbuz, 2009 and Price, 2004). In this regard employees are vital resources to achieve organizational objectives and to keep sustainable competitive advantage. Hence, HRM practices of any company should motivate and satisfy employees at their work place.

Job satisfaction has directly or indirectly a significant influence on employees' organizational commitment, turnover, absenteeism, tardiness, accident and grievances (Byars and Rue, 1997; Moorhead and Griffin, 1999). According to Robbins (1999) a satisfied workforce can increase organizational productivity through less destruction

caused by tardiness, absenteeism, turnover, few incidences of destructive behavior and medical costs. However, there is no universally accepted definition of Job satisfaction. It has been defined in different ways and from different perspectives. For instance Saif and Sahel (2013) defined job satisfaction as the degree to which an employee acts positively or negatively towards his or her job. It is viewed in to two ways: overall and facet. Overall satisfaction represents employees overall job satisfaction or even life satisfaction of them (Judge et al, 2005), whereas facet satisfaction relates to employees job satisfaction to particular factors such as, salary and benefits, promotional opportunity, supervision, co-workers and conducive working environment (Judge et al, 2005).

Several researches indicate that there is a direct relationship between HRM practices and job satisfaction (Tomavzevic, Seljak and Aleksander, 2014; Chhabra, 2013; Gavino, Wayne, and Erdogan, 2012; Zatzick and Iverson, 2011). However, the results lack consistency among researchers (Paauwe and Boselie, 2005; Guest, 2011). For example Zatzick and Iverson (2011) studied the impact of selected HR practices on employees in USA. They suggested that employee participation and involvement in decision making, promotional opportunities, and performance management systems play a major role in increasing employees' job satisfaction and improving their performance. A similar study conducted by Gurbuz (2009) in Istanbul Turkey using selected HRM practices showed that employee participation has significant effect on job satisfaction. Contrary to this in their study in Pakistan Iqbal et al., (2013) found that supervisory role has strong positive effect on job satisfaction while compensation and participation in decision making have no significant effect on job satisfaction. Moreover, Govand Anwar and Inji Shukur (2015) in Erbil Iraq showed that training and development have significant and positive

effect on job satisfaction. In Ethiopia context, Amare Werku (2015) revealed that training and development, performance appraisal and compensation practices have positive impact on job satisfaction in Ethiopia public bank. Overall among other factors the inconsistency of the results may depend on the context of the country.

In Ethiopia, there are large numbers of employees who are working at private companies. Such as metal manufacturing industry, there are more than ten companies who are producing structural and furniture hollow sections. However; there is no research investigation to show the effect of HRM practices on employees' job satisfaction. The researcher used the following three functions of Human Resource Management Practices in the study (training and development, performance appraisal and compensation). And examine its impacts on employees' job satisfaction. Generally the aim of this study is to investigate the effect of selected HRM practices on employee job satisfaction a case of Kaliti Metal Products Factory (KMPF).

1.2 Background of the Company

Kaliti Metal Products Factory (KMPF) was established in 1968 G.C. It has the objectives of manufacturing different metal products by importing raw material from abroad, such as structural and furniture hollow sections, door and window frame profiles, EGA and ribbed sheets for roofing and wall cladding, galvanized corrugated iron sheet, pressed and plain sheet metal products, trailer and Cargo truck bodies and other products based on customer demand. Starting from July 12, 2012 the factory was acquired by Tsehay Industry Share Company from Privatization and Public Enterprises Supervising Agency (PPESA). Currently the company uses the two names at the same time for the purpose of

branding. It has a total working capital of more than Birr one billion and having with a work force of 435 employees which is comprised of 378 male and 57 female. The fact that the factory has been engaged in the business for more than 50 years, now a day it faces a great competition in the market. Since, so many new entrants have been joined the market. Therefore; the management should give enough consideration for the HR practices. Since the competitive advantage of the company comes from effective and efficient utilization of HR. In addition to this among different departments HRM is one of them. The main objective of this department is to formulate and implement better HRM policies, practices and systems to achieve its strategic goals (i.e. Manufacture quality standard and engineered metal products to supply customers with a competitive price and deliver on time by using competent and motivated employees who work in a safe environment through state of the art technology to create sustainable values to the stakeholders). Therefore, it is very important for the organization to associate HRM practices with employee job satisfaction.

1.3 Statement of the Problem

The impact of HRM practices on organizational performance has been a leading research topic for many years in developed countries (Delaney and Huelid, 1996; Huselid, 1995; Katou and Budhwar, 2007; Petrescu and Simmons, 2008). However, recently most researchers have focused on human resource outcomes such as employee job satisfaction, employee commitment, and employee retention. This is due to the volatile business environment. So, organizations are considering human resource as source of competitive advantages.

According to Ting (1997) HRM policies and practices are closely associated with job satisfaction. Then, the satisfied employees can achieve organizational performance. Employee job satisfaction involves employee's emotions and their feelings at work place. These feelings, emotions and behavior of employees have a direct impact on the job and it is related to employee performance and organizational Performance. In the competitive environment knowing the relationship between HRM practices and employee job satisfaction is the crucial issue for any organization. So, HR managers and line managers are responsible to give emphasis to employee job satisfaction. Without employee job satisfaction, enhancement of employee performance and organizational performance is unattainable. In some organizations line managers are not actively participate to implement HRM policies and practices. Due to this many employees are dissatisfied and some of them leave the organization. Other employees may show physical and psychological withdrawal.

Using efficient HRM practices are crucial factor in determining the development and prospects of any organization. Decisions about what type of training to offer, how to evaluate and control employee performance, and what to pay directly affect employee motivation. Training and development is one of the key HRM practice by reducing the discrepancies in job tasks to enhance job skills and to motivate and satisfy employees. Well established performance appraisal systems are both important for the employers and employees. Employees are motivated by providing fair financial and non financial compensation. These three HRM practices lead towards employee motivation and satisfaction. According to the findings of Javed, et al., (2012) highly motivated employees are the most satisfied employees and also the high performers.

Among different HRM practices the researcher selected three of them (namely training and development, performance appraisal and compensation). The rationale is that these practices occur relatively frequently in HRM literature for manufacturing and service industries. Results of exit interview and collective agreement of the company are additional reasons for inclusion and exclusion criteria. Exit interview of the company: employees who had already left the company for the last three years (2009, 2010 and 2011), they filled the exit interview of the company and they reasoned out why they left the company. The major reasons were compensation. And at the company there is no retention system for highly skilled and professional employees. According to employee feedback some of them left the company due to the poor performance management of the organization.

Collective Agreement: based on the collective agreement of the organization, employees who have first degree they do not have a chance for further education. The retention mechanism of talented and professional employees is poor. Due to this some employees leave the company. On the other hand the reason for the exclusion criteria for another HRM practices like recruitment and selection, safety and health, promotion, job security etc have not any effect on job satisfaction. Since the company have been implemented other HRM practices in better way based on the collective agreement and administrative manuals.

Moreover, in every organization (private, public or voluntary) a high rate of employee satisfaction is strongly correlated with a low level of employee turnover and job satisfaction has a significant influences on employees' organizational commitment, absenteeism, tardiness, turnover, accidents, medical cost and grievance (Byars and Rue,

1997; Moorhead and Griffing ,1999). According to Robbins (1999), satisfied employees can increase organizational productivity through less destruction caused by absenteeism or turnover, few incidences of destructive behavior, and low medical costs. At KMPF these phenomena have been shown (Annual Report for the last three years). It is illustrated in the following table.

Table 1: Annual Report

No.	Years	Total man power	Turn over	Turnover rate	Medical cost (in birr)	Disciplinary measures due to Incidence of destructive behavior (in number)
1.	2009 E.C	462	53	12%	296,079	38
2.	2010 E.C	460	33	7%	260,948	57
3.	2011 E.C	437	39	9%	278,457	40

This table showed that job satisfaction has significant influences on turnover, medical cost and incidence of destructive behavior that are shown at Kaliti Metal Products Factory for the last three years. And, this is the result of employee job dissatisfaction. In addition to this the customer satisfaction of KMPF in 2011 E.C was 66% (customer satisfaction survey of the company). This indicates that there is gap in customer satisfaction. Customer satisfaction is one of the outcomes of job satisfaction. They have a direct relationship between the two. So, the figure shows that to some extent there is employee's job dissatisfaction. In the long run the above consequences will affect organizational image of the company, profitability of the company and sustainability of the company.

Finally, to achieve the short and long term objectives using effective and efficient HR practices are the key. The overall performance of any organization depends on HRM practices. That is why in developed countries many scholars and researchers have conducted research by using this title. However; still there is lack of consistence of results (Paauwe and Boselie, 2005; Guest, 2011).

In Ethiopian context, a little research has been conducted in other sectors. At private metal manufacturing companies, it is difficult to get published researches that addressed the effect of HRM practices on employee job satisfaction. Therefore; this study was conducted to fill the gap of consistence of results among researchers and to examine the effect of selected HRM practices on employee job satisfaction.

1.4 Basic Research Questions

Based on the topic and the stated problem, the following will be specific research questions of this study.

- How are HRM activities practiced at KMPF?
- What is the level of job satisfaction at KMPF?
- What is the relationship between the selected HRM practices and job satisfaction?
- How do HRM activities affect job satisfaction at KMPF?

1.5 Objectives of the Study

1.5.1 General objective

The general objective of the study is to investigate the effect of selected HRM practices on employee job satisfaction at Kaliti Metal Products Factory (KMPF).

1.5.2 Specific Objectives

The specific objectives are listed below:-

- To assess the practices of HRM at KMPF.
- To identify the level of job satisfaction at KMPF.
- To examine existence of relationship between HR practices and employee job satisfaction.
- To analyze the effect of HR practices on employee job satisfaction.

1.6 Significance of the Study

The study has been conducted in such a way that it has certain importance for practitioners and literature:

- The findings of the study help the organization to identify areas of potential problems related with human resource management practices: mainly training & development, performance appraisal system and compensation management which have a direct impact on employee job satisfaction.
- The recommendations which have been described based on the conclusions of the research findings will help the organization to improve its drawback.
- The study help other sectors(public, private or vulture) organizations as a tool to know the relationship between HRM practices and employee job satisfaction
- The study used as a reference for other researchers who are working in similar or related topics.

1.7 Scope of the study

HRM practices includes different activities such as recruitment and selection, training and development, performance appraisal, compensation, participation in decision making, employment security, workforce structure e.t.c. However, the researcher focuses on only three independent variables of HRM practices namely training and development, performance appraisal and compensation with one dependent variable (employee job satisfaction). Further the study focuses on employees who are working at head office in Addis Ababa. It excludes top level management groups and all branch employees.

1.8 Limitation of the study

The limitation of this study may be categorized in to three. The first is the researcher employed only three HRM practices. The second is the population of this study was KMPF employees who were working at the head office. It did not include other private metal manufacturing organizations. And the third is the researcher used probability sampling technique. So these may be limitation of the study. This is due to time, financial and experience constraints.

1.9 Definition of Terms

- **HRM** is concerned with how organizations manage their workforce (Grimshaw and Rubery, 2007)
- **HRM practices** can be defined as “all practices, specific policies, tools, or techniques that contribute to managing human resources in an organization” (Petersitzke, 2009, p.1). Examples of HRM practices include recruitment and selection, training and development, compensation practices, performance

management, employment security, employee feedback, and workforce structure (e.g. Demo et al, 2012; Yeganeh and Su, 2008; Thang and Quang, 2005; Ahmed and Schroeder, 2003).

- **Training Programs:** A tool that enables a greater operational efficiency in companies (Ray and Goppelt, 2011). It's also defined as a process of learning a sequence of programmed behavior. It is an application of knowledge. Training is a means of giving awareness about the rules and procedures of the company to guide their behavior. And it attempts to improve their current and future performance for an intended job. (Kumar 2013)
- **Human Resource Development:** can be defined as a set of systematic and planned activities designed by an organization to provide its members with the opportunities to learn necessary skills to meet current and future job demands (Jon M.Werner, Randy L.DeSimone 2012).
- **Compensation Management:** is a crucial component of the overall management of an organization. It is the process by which employees are compensated for their contribution at the place of work (Khan et al. 2011).
- **Performance Appraisal:** A fundamental provider of information for making decisions that leads to improve performance and organizations. (Guerra-Lopez, 2008). It is the process of evaluating employees in relation to pre-standard agreements. (Abu-Doleh, 2007)
- **Employees' Job Satisfaction:** 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/she has dismissed. Job satisfaction is strongly associated with individual's behavior in the work place. (Aziri, 2011)

1.10 Organization of the Paper

The paper is organized into five chapters. Chapter one discusses the introductory part which comprises Background of the Study, Background of the company, Statement of the Problem, Research Questions, Objectives of the Study, Definition of Terms, Significance of the Study, Delimitation/Scope of the Study and limitation of the study.

The second chapter is the review of related literature which contains the relevant literature compiled as related to the study. It includes an introduction, theoretical review, empirical review, and the conceptual frame work of the study. The third chapter describes the Methods of the Study, which covers the research design and methodology, research approach, the population and sampling techniques applied, instruments adopted to collect the data, sources and methods of data collection, procedure of data collection and methods of data analysis, validity and reliability and ethical consideration.

The fourth chapter is about data presentation analysis and interpretation. And the final chapter is about the conclusion of the research findings and recommendations which aimed at addressing the research questions posed based on the statement of the problem.

Chapter Two

Literature Review

2.1. Introduction

This chapter encompasses three parts; theoretical literature review, empirical studies and conceptual model. The first part includes concepts of Human resource management, HRM practices (training and development, performance appraisal, compensation) and job satisfaction. The second part, empirical literature review demonstrates various types of previous studies related to effect of Human Resource management practices on employee job satisfaction. The third part illustrates the conceptual model of the study to show the relationship between independent and dependent variable.

2.2 Theoretical Literature Review

2.2.1 Concepts on Human Resources Management

Concepts on HRM mean management of people at work place. HRM can be defined in different ways. However, it has the same purpose which is the process of binding people with organization and helps both of them to achieve each other goals. Various policies, processes and practices are designed to help both employees and organizations to achieve each goal. According to Shahnawaz and Juyal (2006) Human Resources Management (HRM) can be defined as all decisions and practice that influence employee within organizations. Other scholars Daud (2006) defined HRM as a system, policy, and practices that can affect folks that work in an organization. HRM is “the policies, practices and systems that influence employees' behavior” (De Cieri, et al., 2008, p.5). While Hussain and Ahmad (2012) considered HRM to be a system that attempts to

realize an active balance between the personal interests of people and their economic added value. Moreover, Burma (2014) viewed HRM is a strategic and clear approach for the organization's most valued assets behind on the employees. Human Resources Management is considered to be the most important factor that helps the organization to achieve a competitive advantage (Obeidat, et al., 2012, 2013, 2014; Masa'deh, et al., 2019). This is due to the fact that all managers in any organizations consider human resources to be the main source of sustaining competitive advantage; this is implementing by having the best HRM systems such as the recruiting and selecting, motivating, and efficiently managing their people (Mesch, 2010).

The overall purpose of human resource management is to ensure that the organization is able to achieve success through people and to increase organizational effectiveness. Therefore acquiring competent employees, developing their skills, providing motivation, having well established performance appraisal system etc are important activities to attain higher goal and maintained high commitment. Ulrich and Lake (1990) explained that HRM systems can be the source of organizational capabilities, it allows to learn new opportunities and add values. But HRM has an ethical dimension and social responsibility which respects the rights and needs of people in organizations. In addition to this Dyer and Holder (1998) analyzed management's HR goals are to identify employee behavior, composition of workforce, competence and level of commitment. The general objectives of HRM are to keep individual well being, organizational well being and societal well being. How to achieve these objectives is the big issue. To achieve these objectives using best HRM practices are the crucial issue.

2.2.2 Human Resource Management Practices

Dessler, (2007) described Human Resource Management (HRM) as the policies, practices and systems that involved in carrying out the ‘people’ aspects of a management position including human resource planning, job analysis, recruitment and selection, induction, compensation management, performance appraisal systems, training and development, and labor relations. It is also composed of the policies, practices, and systems that influence employees’ behavior, attitude, and performance (Noe, et al, 2007). According to Tiwari and Saxena, (2012, p. 671) HRM practices can be expressed as “organizational activities directed at managing the pool of human resources and ensuring that the resources are engaged towards the fulfillment of organizational goals”.

While and Ling,(2012) Human Resource Management practices(HRMP) can be categorized into many activities and all managers are considered as in a sense Human Resource Managers. Since all of them are involving in HRM activities such as recruiting and selection, interviewing, training and development and performance appraisal. Yet most firms also have human resource departments with their own top managers (Dessler, 2013). There are numerous HR Practices for the organization to adopt HR practices contribute to the organization’s bottom line, areas such as recruitment and selection, training and development and performance appraisal which should be consistent, integrated and strategically focused thus Firms build long-term commitment to retain their work force (Choudhary & Lamba, 2013). However, the practices of HRM may differ from one country to another, it depends on the context. So, managers should take consideration that human resource management practices are not fixed (Ozutku and Ozturkler, 2009; Tiwari and Saxena, 2012).

Presently organizations are competing through implementing the unique HRM policies and practices and due to the globalization of the world organizations adopt the most up-to-date HRM practices in order to accomplish the organizational goals. Without having best HRM practices, it is difficult to achieve organizational goals. Organizations that have better HRM practices are important for both employee and employer. Having unique human resource management practices play a very crucial role in achieving the organization's goals and maintain the competitive advantage. Since many scholars believe that having sound HR practices result in better level of job satisfaction which ultimately improves individual and organizational performance (Appelbaum, Bailey, Berg and Kalleberg, 2000).

Human Resource Management popular known as HR practices and job satisfaction are studied widely in different parts of the world. Especially in the context of developed countries many scholars, researchers and practitioners have conducted research. And the results showed that there is positive association between HR practices and job satisfaction (Ting, 1997). Gould-William (2003) also showed that use of specific HR practices in local government organizations in the United Kingdom (UK) was associated with a greater degree of job satisfaction, workplace trust, commitment, effort, and perceived organizational performance. Several studies have been conducted in the title of the impact of Human Resource Management practices on employee job satisfaction in developed and developing countries (Javed et al, 2012; Syed and Yah, 2012; Igbal, et al., 2013;and Price, 2004).

2.2.3 The Concept of Training and Development

In large organizations Human Resource Managers ranked training and development as the most important functional area they had to deal with. To be competent many organizations are incorporating employee education, training and development as an essential part of their organizational strategy. The program efforts are linked to the goals and strategies of the organization. Many organizations consider training and development as investment and allocate huge amount of money for the program. For instance, according to the American Society for Training and Development (ASTD) estimates those U.S.A organizations spent \$134.1billion and \$125.9billion in 2008 and 2009 respectively for employee learning and development.

Training is an activity which intentionally attempts to develop a person's skill at a work place. According to Bakare (2012) training is the systematic development of employee's knowledge, skills, and attitudes in order to effectively perform a given task or job. It is also defined as the function that comprises all procedures of activities learning experiences whose aim is to influence and increase performance and other behavior through skills, attitudes, new knowledge and beliefs (Quresh, 2010). Other scholar, Wagonhurst (2012) described training as the development of skills in order to achieve certain measurable objectives and it should lead to favorable changes in the behavior. Moreover, Buckley and Caple (2000) considered training as a systematic process that aims to help employees learn how to be more productive at the work place by improving their knowledge, skills or behaviors through beneficial programs.

Training should be given for each employee. Hence, it has many purposes or its own importance's. According to Bakare (2012) within every organization, training occurs at all levels of personnel, and trainees may vary in terms of age, work experience, disability, educational background, ethnic origin, and skill level. Sajuyigbe and Amusat (2012) noted that Training is a sub-process of the overall process of corresponding individuals to jobs. They believed that training serves three important functions within an organization: The first is to maintain employees' existing performance as required by the organization, the second is to improve employee motivation by strengthening employees' beliefs in their abilities to perform their jobs and the third is assisting with employee socialization and understanding of organizational priorities, norms, and values. Similar to this idea Baldwin and Johnson (1995) stated that organizations carry out training for three purposes namely allow the company strategy, bringing innovation and to cope up technological advancement. Furthermore, it increases employee's motivational level, organizational commitment and help the workforce to decrease their anxiety or frustration, originated by the work on job (Pfeffer, 1994: Chenet al., 2004). According to Anonymous, (1998) training is also essential not only to enhance productivity but also to motivate and inspire employees by letting them know how important their jobs are and giving them all the information they need to perform those jobs. Organizations have got various benefits from employee training, such as to increase job satisfaction and motivation ,to enhance employee morale, to increase efficiencies in processes, to increase capacity with new technologies and methods, to increase innovation in strategies and products, to reduced employee turnover and resulting in financial gain.

On the other hand Employee development refers to the capacity and capability building on an employee, and thus as of whole organization, to meet the standard performance level (Elena P. 2000). If employees have got more development programs, they are more satisfied with their job. And the presence of this program leads to increase firm productivity and profitability (Champathes, 2006). Human Resource Development can be also defined as a set of systematic and planned activities designed by an organization to provide its members with the opportunities to learn necessary skills to meet current and future job demands. It is broadly focused to develop people's knowledge, expertise, productivity and satisfaction whether for personal or group gain or for the benefit of an organization, community, nation, or ultimately the whole of humanity. Among HRM practices development is an importance function by providing an opportunity for employees to enhance their performance and to explain organizations 'future directions (Hameed, 2011). Employee development seeks for all activities that have potential growth, learning and participation to attain both individual and organizational goal and set of goals.

Many researchers have approved that training and development has positive effect on job satisfaction. Bakare, (2012) agreed that trained employees are more satisfied with their job than those are not trained. Rowden (2002) suggested similar idea: training may also be an efficient technique for improving employee job satisfaction, and then if employees have better performance, this leads to appreciation by the top management, hence employee feel more adjusted with his job. Moreover, Rowden and Conine (2005), trained employees have more ability to satisfy the customers. Other scholars Tsai et al., (2007), employees who have got an opportunity of training and development, they show greater

levels of job satisfaction with better performance. Further, past studies indicated that training and development had positive effect on job satisfaction and it is important to retain competent employees. (Govand Anwar and Inji Shukur, 2015; Oyeniya, 2013; Bakare, 2012; Saif and Saleh, 2013; Amare Werku,2015).

2.2.4 Performance Appraisal

The measurement portion of performance management system is called performance assessment, performance appraisal or performance evaluation (Cynthia D. Fisher et al., 2006). According to Angelo S. De Nisi and Robert D. Pritchard (2006) defined performance appraisal as a discrete, formal, organizationally approved event, usually not happening more frequently than once or twice a year, with having clearly stated performance dimensions and/or criteria that are used in the evaluation process. Other scholars Jackson & Schuler (2002) also described performance appraisal as a formal process of employee monitoring which usually involves the evaluation of performance based on the judgments and opinions of different individuals such as supervisors, subordinates, peers, other managers and even employees themselves. They defined 360 degree of performance appraisal system. It ensures that organizations give awareness for employees to know their expectation to carry out in relation to organizational goals after their performance are evaluated (De Waal, 2004).

The main aim of performance appraisal is to provide periodic and formal feed back to employees (Gabris and Ihrke, 2000). However, some organizations fail to provide feedback (Jackson and Schuller, 2012). The long term success of any organization depends on the ability to measure how well employees perform and use that information

to ensure that performance meets present standards and improves over time. So, giving feed back to employees is very essential.

The reasons for performance appraisal is undertaken (Malcolm and Jackson, 2002), they discuss three main reasons why performance appraisals are done. These are performance reviews, reward reviews and potential reviews. Similar to this discussion, Wendy R. Boswell and John W. Boudreau (2002) mentioned two typical reasons for performance appraisal namely evaluative and developmental purposes. According to them the evaluative function covers using performance appraisal for typical HR decisions like pay and salary administration, promotion, retention, termination, layoffs, giving employees the needed recognition, and identifying poor performance. Similar to this idea Malcolm and Jackson (2002) discussed the two combination purposes of performance appraisal, that is performance reviews and reward reviews. It is also considered as an evaluative process because depending on how an employee performs, they achieve certain numerical scores. Based on the scores each employee is communicated to him or her. Boswell and Boudreau (2002) also described as developmental functions geared towards improving individual employees by using appraisals it is possible to identify training deficits of employees, giving feedback to employees about what their strengths and weakness of their performance. This is like to what Cook and Crossman (2004) described as the development of employees skills. With regards to clarifying reasons for performance appraisal, Youngcourt et al. (2007) stated that perceived reasons for performance appraisal will influence employees' attitudes towards its irrespective of intended purpose. Therefore, they suggested that there should be a clear purpose behind establishing performance appraisal and it must be achievable to motivate employees.

Even if, performance appraisal has its own benefits, there are certain challenges. It has also been criticized by researchers and authors alike. The criticism includes absence of clear evaluation criteria, evaluation errors from supervisors and system and others which affects the effectiveness of Performance appraisal. Maroney and Buckley (1999) stated that there is a gap between theory and practice and HR specialists neglecting the use of psychometric tools in performance appraisal. Similarly, Walters (2005) identified that lack of clear evaluation criteria and competence of evaluators which results in rating and evaluation errors based on personal biases like stereotyping and halo effect as a challenge faced by performance appraisal. Maroney and Buckley (1999) also argued that managers who carry out performance appraisals are usually not trained. Due to this they hinder to give genuine feedback. And this leads to subjectivity and the biases that affect the data which is collected on the performance of employees. Walters (2005) suggested that to get reliable data and objective appraisal results, giving training to appraisers is very important to carry out fair performance appraisal. He also discussed that employee may show resistance due to unfavorable ratings system. Therefore giving clear explanation to employees is very crucial to achieve the purpose of performance appraisal systems. The standards should be clearly communicated and every employee should be made aware of what exactly is expected from them. In the light of this challenge, Maroney and Buckley stated that performance appraisal may increase the dependence of employees on their superiors. A potential problem, and possible a primary cause of much dissatisfaction with appraisal, may result from expecting too much from one appraisal plan. Studies revealed that performance appraisal had positive association on job satisfaction (Amare Werku, 2015; Romous Agyare eta l., 2016; Chauhan et al., 2014).

2.2.5 Compensation Management

Compensation is a vital instrument for the attraction and retention of competent and talented employees that are dedicated to their responsibilities within the firm. Shieh (2008) and Petera (2011) said that compensation management aims to promote the achievement of business goals through attracting, motivating and retaining competent employees. According to Bustamam et al. (2014) and Greene (2014) compensation management is a useful tool in the hand of management to contribute to the organizational effectiveness and can impact positively on the behavior and productivity of employees. Compensation management determines to hire new employees, to retain competent employees and by having these to attain the objectives of an organization, and it is the basis of concern of each employees to strengthen their performance (Bustamam et al. 2014; Shaw 2014; Terera and Ngirande 2014; Xavier 2014). Compensation management is a major factor in attracting new blood and retaining staff among other HRM practices. Having competent and stable workforce enables organizations to gain competitive advantage over competing organizations and to implement their strategies successfully (Heneman et al. 2000; Ivancevich 2004). While substantial financial resources are invested in designing, organising and managing compensation systems and despite their prominent role in determining the success and development of the firm, scholars and practitioners have lamented the slow pace of research on compensation management specifically (Heneman et al. 2004; Kersley and Forth 2005). The design, delivery and use of compensation management have undergone major shifts to accommodate the motivational aspect of employee performance that promotes improved organizational performance (Heneman et al. 2000; Purcell et al. 2003).

For the purpose of this study, compensation is classified into two categories. These are financial compensation and non-financial.

Financial Compensation

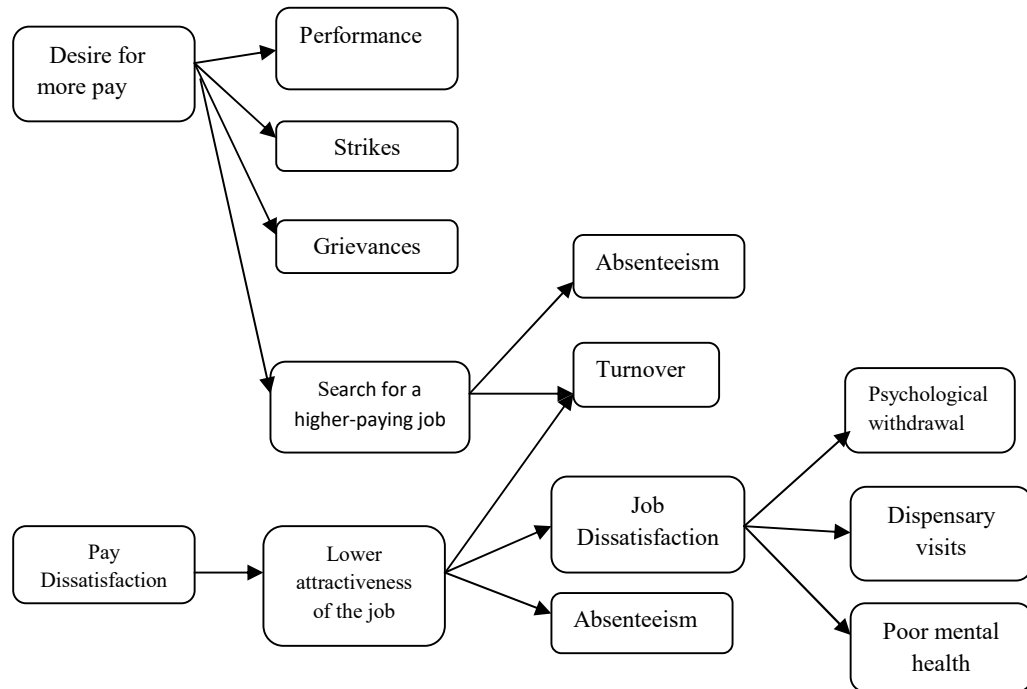
Financial compensation refers to financial rewards and incentives. Armstrong (2003: 687) acknowledged that financial rewards provide financial recognition to people for their achievements in the shape of attaining or exceeding their performance targets or reaching certain levels of competence or skill while financial incentives aim at inspiring people in achieving their objectives, improve their performance or enhance their competence or skills by focusing on specific targets and priorities”.

Non-financial Compensation

This type of compensation is usually related to the work itself; it does not direct involvement of money. It includes like achievement, autonomy, recognition, the scope of the work, skills development, training and career development opportunities (Armstrong 2003: 626; Herzberg 1966). This type of rewards aims to enhance employee morale (Danish and Usman 2010; Resurreccion 2012).

Generally, among other resources employees are the backbone of the organization. The attainment of organizational objectives is highly depending on employee’s motivation. Employees are motivated by providing fair financial and non financial compensation. The significance of well designed compensation systems enables the organization to attract competent employees, to retain and motivate the existing workforce towards its goal achievement. On the contrary, if compensation is not tied to work, employees are likely to search a better paying job. Moreover, other implications of pay dissatisfaction are illustrated in the figure (Werther & Davis, 1996) below. Model of the Consequences of Pay Dissatisfaction.

Figure 1: Pay Dissatisfaction



Source: Werther and Davis (1996)

As can be seen from the above figure, in organization where employees are dissatisfied with the types of compensations, their contribution toward goal achievement tends to be lower. In severe cases, pay dissatisfaction may lower performance, cause strikes, increase grievances, and lead to forms of physical or psychological withdrawal ranging from absenteeism and turnover to increased visits to the dispensary and poor mental health (Werther and Davis 1996). Several researchers indicate that there is positive relationship between compensation practice and job satisfaction (Abayomi Olarewaju Adeoye and Ziska Fields, 2014; Khan et al., 2011 and Amare Werku, 2015).

2.2.6 Job Satisfaction

Luthans (2005) expressed that job satisfaction is a broadly researched topic that attracts the attentions of several researchers from various disciplines. Similar to this previous

literature highlights the importance of job satisfaction as one of the key variables that affect organizational success, and therefore, it is very essential to regularly study this subject matter to assess employees' perceptions about their job. It has been defined in different ways and from different perspectives. Bernal, et al. (2005) suggested that there is no universal definition of employee job satisfaction that exposes all these dimensions at the same time. Most of the definitions emphasize the importance of employees' job related perceptions that link the expectations of them and what they receive in return. So, in this context job satisfaction means satisfaction of employees at their work place.

Job satisfaction was defined as an employee's feeling about his or her jobs and its related aspects (Hedge and Borman, 2012). According to Saif and Sahel (2013), job satisfaction is the degree to which an employee acts positively or negatively toward his or her job. The most referred definition of job satisfaction that was explained by Locke (1976), he defined job satisfaction as a pleasing or positive emotional state resulting from the evaluation of a person's job. According to Cranny et al., (1992) job satisfaction can be defined as the affective reactions of an employee towards his or her job by comparing the desired outcomes with the perceived ones. Haque and Taher (2008), also defined job satisfaction as an individual's general attitude towards his or her job. Job satisfaction is an attitude which is a consequence of outline and consistent of many precise likes or dislikes experiences with the job (Kabir, 2011). Further, job satisfaction is a vital indicator of how an individual's feel regarding of the job and it can be defined as how much they are satisfied with their job (Khan, et., al, 2012).

Judge, et al., (1993), mentioned that employee job satisfaction is positively correlated with motivation, job involvement, organizational citizenship behavior, organizational

commitment, life satisfaction, mental health, and job performance and it is negatively related to absenteeism, turn over, and perceived stress and identify it as the degree to which a person feels satisfied by his or her job. Other scholars Byars and Rue (1997), Moorhead and Griffin (1999), explained that job satisfaction has a significant influence on employees' organizational commitment, turnover, absenteeism, tardiness, accident, and grievances. Robbins (1999) said that a satisfied workforce can increase organizational productivity through less destruction caused by absenteeism or turnover, few incidences of destructive behavior and low medical costs. Moreover, the level of job satisfaction of individuals associated with rise of organizational performance (Lambert, et. al, 2001). Ghafoor, (2012) stated that in every company a high rate of individual's job satisfaction is strongly linked with a low level of employee turnover. Job satisfaction can be measured in different approaches. One of them is using the single rating approach which states that a response to one question by considering all things, how satisfied with your job? And respondents circle a number between 1 and 5 on a scale from highly satisfied to highly dissatisfied. The other is using of summation of job facets. It identifies key elements in a job such as the type of work, skills needed, supervision, present pay, promotion opportunity, culture, relationships with coworkers (Judge, et. al, 2005, Cranny, et. al, 1992).

In addition to this job satisfaction can be measured by using the following questions. Such as I enjoy my work most days, I do interesting and challenging work, I am noticed when I do a good job, I play to stay on my job, I feel I am valued at the organization etc (Rathnaweera,2010; Sue Hayday and Stella Achieng' Odembo,2013). In relation to this other scholars Rousseau (1978) identified three components of employee satisfaction:

they are characteristics of the organization, job task factors, and personal characteristics. In his identification characterization of the organization and the job task factors can be regarded as work factors in job satisfaction while personal characteristics can be regarded as non-work factors of job satisfaction. In this study the facet satisfactions were asked in the part of HRM activities. So, the researcher used the above job satisfaction questionnaires to reduce redundancy.

2.2.7 Theories of Job Satisfaction

There are many theories associated with job satisfaction. These theories are important to determine how they can be utilized to improve and enhance job satisfaction in any organization. Some of them are listed as follows:

1. Abraham Maslow's Need Hierarchy Theory

Abraham Maslow proposed his hierarchical theory of five important needs of human being in 1943. The theory was widely accepted over the years and gained ground because of its innate logic and part of compulsory reading for every management student and Human Resource Management Professional. His basic premise concerns the gathering of human needs is progressively move up the value chain as simpler and more basic needs are met. Maslow's theory includes five progressive sets of needs. These are physiological needs, safety and security needs, love and belonging needs, status and prestige needs and self actualization needs. The first physiological needs include all the needs a person needs first to stay alive like, food, water, air, the maintenance of body temperature and the necessity of voiding of natural human waste. After the satisfaction of this needs the next needs will be thought of for satisfaction. The five needs are arranged in sequential

order. Human beings work to satisfy these needs and people and societies move up in life their need set also changes. It is true for all people and could apply to the situations. There is upward and downward movement to fulfill the needs of individuals. The safety needs includes physical safety, family security, monetary security and employment security and love; belonging needs can be grouped into parental love, love between partners, sibling and children. The basic reason for the classification of these needs is with physiological needs at the base and actualization needs at the apex of a hierarchical pyramid. Using this classification Maslow reasons that as a person moves up in life his need changes and if a person is unable to achieve it he will basically be dissatisfied, even though he may not know it.

2. Frederick Herzberg's Two-factor theory: Frederick developed to modify Maslow's need Hierarchy theory in 1959. His theory is also known as two factor theory namely Hygiene theory and motivator factors. The motivators include recognition, achievement, and other intrinsic interest in the work itself. Herzberg concluded that there must be some direct link between performance and reward. Hygiene factors are characteristics of the job such as policies, practices, remuneration, benefits and working conditions, matching with Maslow's lower order of needs. Inadequate hygiene factors may lead to dissatisfaction, at the same time sufficient hygiene factors do not necessarily lead to job satisfaction. Hygiene factors need to be tackled first, and the motivators can follow. Motivators According to Herzberg, include job content such as responsibility, self-esteem, growth and autonomy. These satisfy high order needs and can result in job satisfaction. Granting employees more responsibility and creativity in their jobs is an

example of a motivator which may encourage them to exert more effort and perform better.

3. Vroom's Valence Expectancy Theory

The most widely accepted clarification of motivation has been propounded by Victor Vroom. His theory is commonly known as expectancy theory. It argues that the strength of a tendency to act in a specific way depends on followed outcome and these outcomes should be attractiveness to the individual. To illustrate more expectancy theory says that an employee can be motivated to perform better when there is a belief that the better reward.

4. Equity Theory

This theory focused on the comparison between inputs and outcomes variables. Inputs are what a person contributes to an exchange whereas outcomes represent what an individual obtains from an exchange. In this theory individuals give weights to various inputs and outcomes according to their own perception of relative importance. Daft and Noël (2001) defined that equity theory is a process of job satisfaction that emphasize on individuals' perceptions of how fairly they are treated compared to other employees. This implies that, if people perceive their treatment as less favorable than that of others with similar jobs they compare themselves, they are likely to be less motivated to perform better.

According to Lambert (2007) positive perception of employee payment will result inputs through working harder, putting more effort and increase organizational commitment. On the contrary if their perception is negative, they will reduce their effort as well as being dissatisfied and they have low commitment for the organization. A state of equity is

expressed if the perception ratio of individual outcomes to inputs favorably compares to the outcome-inputs ratio of other referent person. Greenberg (1990), employees who have the perception of inequity are likely to be engaging in various counter-productive behavior such as job dissatisfaction, absenteeism, and existence of high turnover. On the other hand, employees who have the perception of equity, they are likely to be more satisfied with their job and having less turn over.

4. Job characteristics model:

It is an interactive model that develops employees and the work environment to achieve maximum fit in the organization (Bergh and Theron ,2000). The model states that the job itself should be designed to possess characteristics to enable conditions for high motivation, satisfaction and performance. There are five core characteristics of the job that influence workers' behavior and attitude, namely, skill variety, task identity, task significance, autonomy and feedback. The relationship between core job characteristics and work outcomes is moderated by employees' growth-need strength, knowledge, skill, and contextual satisfaction, therefore it may differ.

2.3. Empirical Review

According to Gerhart, (2007) HRM is a combination of multiple factors and these factors are policies, practices and system which influence the behavior, attitude, and performance of the employee towards an organization in a positive way. Mahmood, (2004) stated that HRM Practices are associated with managing human resources, staffing activities for the organization and keeping high employee performance. Yeganeh and Su, (2008) listed the most common HRM Practices such as recruitment and selection, training and

development, compensation, rewards and recognition and performance appraisal. Delaney and Huselid (1996) agreed that having best HRM practices are intended to develop the overall performance of employees and ultimately resulting in increased organizational performance through motivation and job satisfaction of employees.

The previous studies of HRM practices and job satisfaction that have been conducted in different countries with different scholars and practitioners have proposed similar and contradictory findings. For instance, Gürbüz (2009) investigated the impact of HRM practices on job satisfaction in Istanbul, Turkey. The data was gathered from 35 large firms of 480 blue collar employees. He used five HRM practices namely empowerment, team work, Job rotation, participation and contingent compensation. The result showed that participation in decision making have dominant variable for job satisfaction. On the contrary, Iqbal et al, (2013) examined the impact of HR practices on job satisfaction in corporate sector of Punjab- Pakistan. They found that supervisor role has strong positive effect on job satisfaction while compensation policy and participation in decision making have no significant effect on job satisfaction. Other researchers Syed and Yah (2012) also studied the impact of high performance HRM practices on employee job satisfaction in China. They found that empowerment, job rotation, employee participation, merit-based promotion and performance based pay and grievance handling procedures were positively correlated with employee's job satisfaction.

Javed et al, (2012) examined the effect of HRM practices on employee job satisfaction in the case of Pakistan public sectors. They found that recognition, training and development are a key source of employee job satisfaction while reward did not have any significant impact upon it. Masoodul et al, (2013) also investigated the impact of selected

HRM practices (namely compensation, empowerment and appraisal system) on employee satisfaction and employee loyalty among government owned public sector banks of Pakistan. The results indicated that employee compensation is most important factor for creating satisfaction among employees, while employee empowerment found to be significant factor for developing employee loyalty.

Delaney and Huselid (1995) also studied eleven HRM practices such as personnel selection, performance appraisal, incentive compensation, job design, empower of decision, information sharing, attitude assessment, labor management participation, recruitment efforts, employee training and promotion practices. They found that four HRM practices namely compensation, promotion, empowerment and performance evaluation practices were predictors of job satisfaction in Pakistan. Similar to this finding, Taseem and Soeters (2006) examined about eight HRM practices and their relation with job satisfaction. These are recruitment and selection, placement, training, compensation, performance evaluation, promotion, empowerment and social security or pension practices and each of them had significant effect on job satisfaction.

Petrescu & Simmons (2008) studied that entitled "Human resource management practices and employees job satisfaction". It aimed to investigate the relationship between human resource management (HRM) practices and workers' overall job satisfaction and their satisfaction with pay. The study used British data from two different cross-sectional datasets. It estimated probity models with overall job satisfaction and satisfaction with pay as subjective dependent variables. The study found that several HRM practices raise workers' overall job satisfaction and their satisfaction with pay. These effects are only significant for non-union members. Majumder (2012) studied entitle; "Human Resource

Management Practices and Employees' Satisfaction towards Private Banking Sector in Bangladesh". 100 bank employees were selected from chosen banks and out of these 88 employees' responses properly. The questionnaire consists of different questions on nine HRM practices namely recruitment and selection, compensation package, job security, career growth, training and development, management style, job design and responsibilities, reward and motivation and working environment. The results revealed that all HRM practices exercised in the private banking sector of Bangladesh did not satisfy employees equally. Most of employees were dissatisfied with compensation package followed by reward and motivation, career growth, training and development, management style, and job design and responsibilities. And he recommended that the quality of HRM practices should be improved for the betterment of the bank's success.

Haquec, et al., (2013) study entitled: "HRM Practices and its Impact on Employee Satisfaction: A Case of Pharmaceutical Companies in Bangladesh". This study aimed to investigate the impact of HRM practices on employee satisfaction in the pharmaceutical companies of Bangladesh. A structured questionnaire was developed and distributed among 108 employees of four pharmaceuticals companies, Statistical tools like z test mean and proportion analysis was used. The study revealed that employees in pharmaceutical companies were satisfied with the recruitment and selection, and training and development policy and practices, while they were dissatisfied with the human resource planning, compensation, performance appraisal, industrial relations practices and working environment,. They recommended that the pharmaceutical companies in Bangladesh should develop proper human resource management policy and practices to enhance job satisfaction of employees and to build effective human resources.

Shikha (2010) examined HRM practices among employees of Indian commercial banks. Implementing HRM practices provide a source of sustainable competitive advantages. The results revealed that organization should give emphasize on long term commitment towards human resource instead of spending capital on training and development, Other researcher Hock (2011) carried out a study to examine and gain a better understanding of the impact of human resource management practices on foreign workers job satisfaction in PCSB group of companies in Malaysia. The results found that the independent variable, only compensation was found to have an impact on foreign workers job satisfaction. It also revealed that workers, who possess only primary education, have higher job satisfaction. Martin (2011) investigated the research to find out the influence of HRM practices on job satisfaction, organizational commitment and intention to quit. HRM practices include recruitment and hiring, compensation and benefits, training and development, and supervision and evaluation. The results found that a significant relationship between perceptions of human resource practices and intention to quit, mediated by organizational commitment and job satisfaction. Khan et al (2012) conducted a research on university teacher in Pakistan in three different sectors of Universities namely public, private and semi government to know the relationship between HR practices and job satisfaction. The result showed that male university teachers are more satisfied with their job but female teachers are more satisfied with HR practices of universities. Public sector university teachers are more satisfied and found direct relationship in length of experience and job satisfaction overall HR practices have positive correlation with job satisfaction.

Oyeniya, K.O, Afolabi, M.A, Olayanju, Mufutau (2014) have been conducted five HRM practices such as compensation, supervisory role, promotion, training and performance evaluation practices in six selected banks in Nigeria. They found that HRM practices have a direct effect on job satisfaction. Other researchers Parikshit Joshi, AnujSrivastava (2012) studied that HRD practices in Indian PSUs, with a sample size of 48 managers and 300 employees and using the simple probability random sampling methods in IOC Mathura Refinery. The study focused on seven HRD practices and found that there is no association among the variables. In Ethiopian context, Amare Werku (2015) entitled with the effect of selected human resource management practices on employees' job satisfaction in public banks. The researcher assessed four HRM practices namely recruitment and selection, training and development, performance appraisal and compensation. The results revealed that recruitment and selection have moderate but positive correlation; the other three practices have strong positive correlation with employee's job satisfaction.

Generally from the above empirical studies we can understand that some scholars have conducted similar findings and others investigated contradictory findings. This is due to employee job satisfaction may depends on the context of the country.

2.4. Conceptual framework

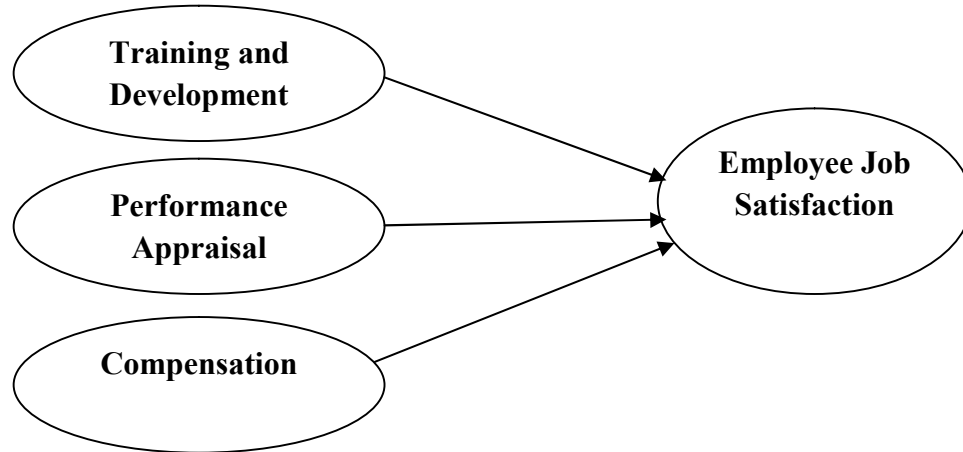
Based on study of literature review, the following hypothesis and conceptual model are formulated to examine the effect of selected HRM practices on employee job satisfaction at KMPF.

Hypothesis 1 (H1): There is positive effect of training and development on employee job satisfaction.

Hypothesis 2 (H2): There is significant association between performance appraisal and employee job satisfaction.

Hypothesis 3 (H3): There is positive influence of compensation on employee job satisfaction.

Figure 2: Conceptual Model



Based on the comprehensive literature review, this study focuses on three HRM practices; training and development, performance appraisals, and compensation as independent variables and job satisfaction as dependent variable.

Chapter Three

Design and Methodology of the Research

3.1. Introduction

This chapter includes the design and methodology of the study. The researcher used both descriptive and explanatory design with quantitative approach. The methodology consists of population of the study, sample design, sample size, sampling procedure, research instrument, data collection, data analysis, validity and reliability, and ethical consideration.

3.2. Research Design

It is used as plans and the procedures for the research that span the decisions from broad assumptions to comprehensive methods of data collection and analysis. The aim of this research is to examine the relationship between selected HRM practices and employee job satisfaction. To achieve this objective, the researcher used descriptive and explanatory type of research design with cross sectional survey. Descriptive survey research design is systematic research method for collecting data from a representative sample of individuals by using closed-ended questions. In addition to this, the main aim of descriptive study is to provide an accurate and valid representation of the factors that pertains the research question (Kothari, 2004). And, to answer the research questions the researcher also used explanatory research. Explanatory research is used to answer the question why? It goes beyond descriptive research to identify the reason for something that occurs and it looks for causes and effect. The main purpose of explanatory research is to identify any causal relations between the variables that can be valid to the research problem.

3.3. Research Approach

Based on its approach research can be divided into three namely quantitative, qualitative and mixed approach. Among this approach the researcher used quantitative approach. The researcher used this approach due to its statistical analysis of standard research design which is developed prior to the actual research. It is also helpful to collect results in numerical and standardized data (Saunders, Lewis & Thorhill, 2009). Furthermore, its main aim is to build up and make use of mathematical model, theories and hypotheses pertaining to natural phenomena. The researcher aimed to show the relationship between

selected HRM practices and employee job satisfaction by using statistical analysis. So, the quantitative approach is appropriate for this study.

3.4. Population of the study

The total population of the study comprises all employees of Kaliti Metal Products Factory (KMPF) in 2012 E.C. The number of total population was 435. From whom the researcher took a sample which represents the whole population.

3.5. Sample Design

Sampling technique is the process of selecting appropriate sample for the purpose of determining parameters of the whole population. The two basic sampling techniques are probability and non probability sampling. A probability sampling techniques can be defined as a sample in which every element of the population has an equal chance of being selected. According to this, the researcher used stratified random sampling. This probability sampling technique guarantees equal representation for each group in proportion to the size of each group. The researcher employed this technique by taking the list of population from HRM department. The population of the study is divided in to three groups based on the structure of the organization, namely Administrative, Marketing and Production department.

3.6. Sampling Frame

Sampling frame is a source list from which sample is to be drawn by the researcher. Sample shall be representative since the sample generalization is given for the entire population. For the purpose of this study, the sampling frame is employees of Kaliti Metal Products Factory.

3.7. Sample size Determination

The sample size is a smaller set of the large population (Cooper and Schindler, 2003). Different researchers use different formula to determine the sample size of the study. For simplicity the researcher used the simplified sample size formula which was developed by Taro Yamane has been used. Taro Yamane's simplified formula (Israel, internet, 2010) is:

$$n = N / ((1 + N * e^2))$$

Where: n = the sample size,

N = the total population, and

e = the level of precision

Accordingly, sample size of 208 employees has been selected to participate in this study.

3.8. Sampling Procedure

Employees who are working at Kaliti Metal Products Factory at head office in Addis Ababa were included in the study. Based on sample size and the number of employees at each department, 208 employees were proportionally allocated as shown in table 2. Sampling frame for each department was taken from HRM department, and

representative samples were selected from each department according to proportionally allocated number of workers.

Table 2 Population from different departments and proportional allocation of sample size

Department	Population	Sample size
Administrative	122	58
Marketing	86	41
Production	227	109
Total	435	208

Note: The administrative department includes other supporting staffs such as finance, procurement, Audit and system Improvement departments.

3.9. Research Instrument

A questionnaire is used as data collecting instrument to answer the research objective. Eight items are used to measure training and development. These items were developed and used by Huselid (1995) and Iqbal, et al., (2011). Performance appraisal variable is measured using nine items were developed by Huselid (1995), and Caroline W.M'Mbui (2011). Compensation variable has six questionnaires. The items were developed by Huselid (1995) and Adeoye, A.O and Fields, Z.(2014). And job satisfaction questionnaires were adopted from Caroline W.M'Mbui (2011) and Huselid (1995). A five point Likert scale ranging from 1(very disagree) to 5(very agree) had been used to measure the independent variables (training and development, performance appraisal and compensation) and the dependent variable employee job satisfaction.

3.10. Data Collection

The researcher collected the data from two sources namely primary and secondary. The primary data are basically opinions of the respondents by using questionnaires. Company manuals, International Journal Articles, Textbooks are some of the secondary data sources. The researcher used the face to face or personal data collection methods for both primary and secondary data sources.

To collect the required data from the identified sources the researcher used the following steps. First the researcher took supporting letter from the university. An orientation of the purpose of the research was presented to the HR department of the company. Then with the support of the HRM department the researcher distributed hard copies of questionnaires as required to the respondents. Finally, the face to face contact tools were used to collect the data. The questionnaires were translated into Amharic language in order to make effective communication between researchers and respondents.

3.11. Data Analysis

Data analysis is the process of computing certain measures to search pattern of relationship of the variables. Quantitative data analysis tools had been used to analyze the collected data. Both descriptive and inferential statistics were included in this study. Descriptive statistics are used to compute the demographic profile of respondents by using frequency and percentage and determined the independent and dependent variables in terms of mean and standard deviation presenting the results with the help of tables.

The researcher used inferential statistics to generate correlation and multiple regression analysis. Correlation analysis more specifically Spearman rho coefficient was used to

measure the degree of association between the variables. A multiple regression was performed by making use of all the discrete variables (i.e dependent and independent variables) available in the data set. The researcher employed Statistical Package for Social Sciences (SPSS) software to analyze the data. Because, by its ability to cover a wide range of the most common statistical analysis.

3.12. Validity and Reliability

Mugenda and Mugenda,(2009) defined validity as to the extent to which a tool can measure what it should to measure. The face and content validity of the instrument was checked by researcher’s advisor, internal examiner and other experts. Based on the comments, the researcher modified the questionnaires before the actual data collection. So, the researcher used valid instruments to reach reliable result of the study.

According to Toke et al., (2012), the aim of reliability analysis is to find the extent to which a measurement procedure produced the same result if the process is repeated over and over again under the same conditions. The most common technique used in the literature to assess the scales reliability and stability is use of the Cronbach Alpha Statistics. So, the researcher used this technique. Cronbach Alpha should be over 0.70 to produce a reliable scale and any scale with Cronbach Alpha less than this standard should be eliminated Sekaran (2005). The final reliability test obtained from the main study was presented as follows:-Table 3: Reliability statistics

Reliability statistics	Cronbach alpha	# of Items
Training & Development	.724	8
Performance Appraisal	.897	9
Compensation	.879	6
Job satisfaction	.938	9
Total	.953	32

Source: researcher’s survey (2020)

The overall reliability of the questionnaire was 0.953 which indicate above 0.7. Thus, the content of the questionnaire was reliable for the study.

3.13. Ethical Consideration

Participation of respondents was strictly on voluntary basis. Different measure was taken to ensure the respect, dignity and freedom of each individual participating in the study and to assure confidentiality. Participants were informed that the information they provide kept confidential to the researcher and would not be disclosed to anyone else. Finally, before collecting the data the researcher expressed thankfulness to them for their willingness to participate in the study.

Chapter Four

Data Presentation, Analysis and Interpretation

4.1 Introduction

This chapter includes data presentation, analysis and interpretation of the results based on the collected data. Presentation and analysis were described by using descriptive and inferential statistics. The descriptive statistics include the frequency distribution of the respondents, descriptive result of each variable in terms of mean and standard deviation. The inferential statistics include the correlation and multiple regression results. The researcher used SPSS version 20 to calculate different statistics. Based on the sample size of this study 208 questionnaires were distributed, and out of which 196 filled out by the respondents which have a response rate of 94.2%. No missing data in the questionnaires.

4.2 Respondents Information

4.2.1. Gender and Age

Table 4: Gender and age cross tabulation table

		Age			Total
		18-30 years	31-45 years	46-60 years	
Gender	Male	23	106	35	164
	Female	12	15	5	32
Total		35	121	40	196

Source: researcher's survey (2020)

Out of the respondents 164 (83.7%) of them were male and 32 (16.3%) of them were Female. Most of the respondents were of age group 31-45(61.7%), 46-60 (20.4%) and the rest 18-30(17.9%). So, from this data we can understand the majority of employees are male with age categorization of 31 up to 45 years old. This is important for the company to enhance productivity.

4.2.2. Education Level

The current education status of the respondent was illustrated in the following table.

Table 5: Education Level

Educational Level	Frequency & percent		
	Frequency	Percent	valid percent
1 – 8	6	3.1	3.1
9 – certificate	29	14.8	14.8
Diploma	113	57.7	57.7
First Degree	44	22.5	22.5
Master & above	4	1.9	1.9
Total	196	100	100

Source: researcher's survey (2020)

Out of the respondents 6(3.1%) of them had below grade 8, 29(14.8%) of them had from grade 9 up to certificate, 113(57.7%) of them had Diploma, 44(22.5%) of them had first

degree and the rest 4(1.9%) of them had master. From this we can understand that the majority of respondents had diploma.

4.2.3. Department and service year cross tabulation

The service years and department of the respondents were illustrated in the following table.

Table 6: Department and service years

Staff	Service Year				Total
	1-5	6-10	11-15	16and above	
Administration	31	16	3	5	55
Marketing	9	10	5	15	39
Production	6	20	49	27	102
Total	46	46	57	47	196

Source: researcher's survey (2020)

Out of the respondents 55(28.1%) of them were working in administrative department who have different service years. 39(19.9%) of the respondents were working in the department of marketing with having different service years and 102(52%) of the respondents were working in the department of production with having different service years. From this we can understand that the majority of the respondents were working in the department of production having with different service years.

4.3 Descriptive statistic results of variables

For the purpose of this study the researcher used the mean score measurement of Mabonga (2012). The interpretation of the independent and dependent variables were presented as follows. Mean score range from 1.10 up to 1.80 are categorized in very low level (very disagree), mean score range from 1.90 up to 2.60 are categorized in low (disagree), mean score range from 2.70 up to 3.40 are categorized in undecided (neutral),

mean score range from 3.50 up to 4.20 are high (agree) and mean score range from 4.30 up to 5.00 are categorized in very high (very agree).

4.3.1 Training and Development Descriptive statistics

The researcher described the items of training and development in terms of frequency, percent, mean and standard deviation in the form of table as shown in table(7).

Table 7: Descriptive Results of Training and Development

No	Items	Very agree		Agree		Neutral		Disagree		Very disagree		Mean	St. Deviation
		No	%	No	%	No	%	No	%	No	%		
1	Training needs are identified through a formal performance appraisal mechanism	4	2.0	11	5.6	168	85.8	13	6.6	-	-	3.03	.452
2	There are formal training programs to teach new employees the skills they need to perform their jobs.	12	6.1	15	7.6	159	81.2	10	5.1	-	-	3.03	.357
3	Training needs identified are realistic, useful and based on the business strategy of the organization.	165	84.5	15	7.6	9	4.5	7	3.4	-	-	4.82	.605
4	Employees in each job will normally go through training programs every year.	14	7.1	15	7.6	151	77.2	16	8.1	-	-	2.99	.399
5	Training focuses on problem solving and decision making	-	-	24	12.3	161	82.1	11	5.6	-	-	2.94	.231
6	A trainee has been given an opportunity to perform learned skills	-	-	175	89.3	11	5.6	10	5.1	-	-	3.9	.441
7	Employees are assisted in planning their career advancement	-	-	6	3.0	168	85.8	17	8.6	5	2.6	2.94	.339
8	All training programs are of high quality	-	-	4	2.0	164	83.7	22	11.2	6	3.1	2.89	.316
	Average											3.32	.338

Source: researcher's survey (2020)

Table (7) showed that the very high item on training and development was "Training needs identified are realistic, useful and based on the business strategy of the

organization” to which respondents indicated very agree 165(84.5%). High rate item was “A trainee has been given an opportunity to perform learned skills” which had respondent’s response of agree 175 (89.3%). The rest items “Training needs are identified through a formal performance appraisal mechanism which had respondent’s response of neutral 168(85.8%), there are formal training programs to teach new employees the skills they need to perform their jobs which had respondent’s response of neutral 159(81.2%), employees in each job will normally go through training programs every year which had respondent’s response of neutral 151(77.2%) , training focuses on problem solving and decision making which had respondent’s response of neutral 161(82.1%), employees are assisted in planning their career advancement which had respondent’s response of neutral 168(85.8%) and all training programs are of high quality which had respondent’s response of neutral 164 (83.7%) ” were categorized in undecided level. The mean score of training and development range between (2.89 up to 4.82). In addition to this it had overall mean score and standard deviation of (M=3.32, SD=.338). So, the company should improve the limitation part of training and development. Since except the two items, other six items are categorized in undecided level.

4.3.2. Performance Appraisal

The researcher described the items of performance appraisal in terms of frequency, percent, mean and standard deviation in the form of table as shown in table(8).

Table 8: Descriptive Results of Performance Appraisal Table 8

No	Items	Very agree		Agree		Neutral		Disagree		Very disagree		Mean	St. Deviation
		No	%	No	%	No	%	No	%	No	%		
1	HRM department offers sufficient training on Performance appraisal system in our organization	-	-	29	14.7	116	58.9	22	11.2	29	14.7	3.18	1.13
2	In our organization performance appraisal system is fair	-	-	173	88.3	12	6.1	-	-	11	5.6	3.83	.692
3	performance appraisal helps individual staff meet set targets and goals	13	6.5	164	83.5	15	7.5	-	-	4	2.5	3.94	.425
4	Performance Appraisal assists staff to know their level of performance	7	3.6	180	91.9	3	1.5	-	-	6	3.0	3.89	.530
5	My supervisor is accurate in measuring actual performance against set targets	22	11.2	-	-	88	44.7	39	19.8	47	23.9	3.22	1.71
6	In our organization there exist clearly stated performance evaluation criteria	174	88.7	7	3.6	5	2.6	-	-	10	5.1	4.80	.882
7	Performance appraisal identifies skills, gaps and developmental needs	-	-	10	5.6	166	84.2	15	7.6	5	2.6	2.96	.384
8	Timely feedback is given on performance appraisal in our organization	11	5.6	163	83.2	8	4.1	-	-	14	7.1	4.63	1.09
9	Employees satisfied with performance appraisal results	152	77.5	29	14.8	5	2.6	-	-	10	5.1	4.80	.882
	Average											3.92	.858

Source: researcher's survey (2020)

Table (8) showed that for performance appraisal items “In our organization there exist clearly stated performance evaluation criteria which had respondent’s response of very high 174(88.7%), timely feedback is given on performance appraisal in our organization which had respondent’s response of very high 163 (83.2%) and Employees satisfied with performance appraisal results which had respondent’s response of very high 152(77.5%). These statements had the mean score of (M=4.80, M=4.63 and M=4.80) respectively. High rated items were “performance appraisal helps individual staff meet set targets and goals which had respondent’s response of 164(83.5%), Performance Appraisal assists staff to know their level of performance which had respondent’s response of 180 (91.9%), In our organization performance appraisal system is fair which had respondent’s response of 173 (88.3%). These three statements had the mean score of (M=3.94, M=3.89, M=3.83) consecutively. The rest statements “My supervisor is accurate in measuring actual performance against set targets, HRM department offers sufficient training on Performance appraisal system in our organization, and Performance appraisal identifies skills, gaps and developmental needs” were categorized in undecided level. The mean score of performance appraisal ranged from 2.96 up to 4.80 having the overall mean score of (3.92) and standard deviation of (.858).

4.3.3. Compensation Descriptive Statistics

The researcher described the items of compensation practice in terms of frequency, percent, mean and standard deviation in the form of table.

Table 9: Descriptive Results of Compensation

No	Items	Very agree		Agree		Neutral		Disagree		Very disagree		Mean	St. Deviation
		No	%	No	%	No	%	No	%	No	%		
1	My salary is commensurate to the work I do	-	-	5	2.6	158	80.6	15	7.7	18	9.1	2.82	.579
2	My salary is enough to compensate me for my job	-	-	8	4.1	148	75.5	19	9.7	21	10.7	2.79	.620
3	I receive other payments a part from the salary	-	-	161	82.2	6	3.0	9	4.6	20	10.2	3.53	1.07
4	My salary is competitive, reasonable and is reviewed	-	-	4	2.0	175	89.3	5	2.6	12	6.1	2.88	.481
5	My company pays salary and emoluments that are sufficient to motivate employees	13	6.6	127	64.9	35	17.8	-	-	21	10.7	3.50	.947
6	Compensation is directly linked to employees performance	-	-	4	2.0	168	85.8	12	6.1	12	6.1	2.88	.481
	Average											3.07	.696

Source: researcher's survey (2020)

Table (9) showed that the high items on compensation practice were “I receive other payments a part from the salary which had respondent’s response of 161 (82.2%), my company pays salary and emoluments that are sufficient to motivate employees which had respondent’s response of 127 (64.9%). The mean score of the two statements were 3.53 and 3.50 respectively. The rest statements “Compensation is directly linked to employees performance, my salary is competitive, reasonable and is reviewed, my salary is commensurate to the work I do and my salary is enough to compensate me for my job” were categorized in undecided level. The arithmetic mean for compensation ranged from (2.79 up to 3.53). And it had the overall average mean of (M=3.07 and SD=.696).

4.3.4. Job satisfaction descriptive statistics

The researcher described the items of job satisfaction in terms of frequency, percent, mean and standard deviation in the form of table.

Table 10: Descriptive Results of Job Satisfaction

No	Items	Very agree		Agree		Neutral		Disagree		Very disagree		Mean	St. Deviation
		No	%	No	%	No	%	No	%	No	%		
1	I feel good about my job	5	2.6	76	39.0	95	48.2	12	6.1	8	4.1	3.33	.685
2	I plan to stay on my job	-	-	81	41.6	93	47.2	14	7.1	8	4.1	3.33	.685
3	I am proud of working on my job	6	3.1	81	41.6	99	50.1	5	2.6	5	2.6	3.36	.621
4	I feel I am valued at the organization	12	6.1	69	35.2	93	47.5	9	4.6	13	6.6	3.28	.776
5	I have sense of worthwhile accomplishment in my job	8	4.1	81	41.6	100	50.7	-	-	7	3.6	3.34	.664
6	I do interesting and challenging work	-	-	6	3.1	151	77.0	34	17.4	5	2.5	2.95	.316
7	I am noticed when I do a good job	3	1.5	10	5.1	150	76.6	17	8.7	16	8.1	2.84	.549
8	My physical working conditions are good	-	-	5	2.6	164	83.6	20	10.2	7	3.6	2.93	.372
9	In general, I am satisfied with my work	4	2.0	8	4.1	160	81.6	18	9.2	6	3.1	2.94	.345
	Average											3.15	.405

Source: researcher's survey (2020)

Table (10) showed that the statement “I feel good about my job” had majority respondent’s response of neutral and agree 95 (48.2%) and 76 (39.0%) consecutively. The item “I plan to stay on my job” had majority respondent’s response of neutral and agree 93 (47.2%) and 81 (41.6%). The statement “I feel I am valued at the organization” had majority respondent’s response of neutral and agree 93 (47.5%) and 69 (35.2%) respectively. The other statements “I am proud of working on my job, I have sense of worthwhile accomplishment in my job, I do interesting and challenging work, I am noticed when I do a good job, my physical working conditions are good and In general, I am satisfied with my work” had more than half respondent’s response of neutral. The

mean score of job satisfaction ranged from 2.89 up to 3.36. The grand mean and standard deviation are ($M=3.15$ and $SD=.405$). Based on the above interpretation tool and the descriptive statistics results, at the company there exists employee job dissatisfaction. Therefore, the company should try to increase job satisfaction level by implementing better HRM policy and practices.

4.4 Correlation Analysis

A correlation analysis shows the relationship between the two variables to know how strong the relationship is, in what direction the relationship goes. According to Franzblau (1985), the correlation coefficient can be interpreted as follows:-

- If $r=0$ to 0.20 , it indicates no correlation
- If $r=0.20$ to 0.40 , it indicates positive but low degree of correlation
- If $r=0.40$ to 0.60 , it indicates positive moderate degree of correlation
- If $r=0.60$ to 0.80 , it indicates positive and marked degree of correlation
- If $r=0.80$ to 1.00 , positive and high degree of correlation

Table 11: Correlation statistics on Job satisfaction and selected HRM Practices

Spearman's rho Training and Development correlation coefficient (TD) Sign (2 tailed) N	TD	PA	COM	JS
	1.00	.528	.461	.488**
	.000	.000	.000	.000
	196	196	196	196
Performance Appraisal correlation coefficient (PA) Sign (2-tailed) N	.528	1.00	.518	.542**
	.000	.000	.000	.000
	196	196	196	196
Compensation correlation coefficient (com) Sign (2-tailed) N	.461	.518	1.00	.691**
	.000	.000	.000	.000
	196	196	196	196
Job Satisfaction Correlation correlated (JS) Sign (2 tailed) N	.488**	.542**	.691**	1.00
	.000	.000	.000	.000
	196	196	196	196

** Correlation is significant at 0.01 levels (2- tailed)

The relationship between Job satisfaction and selected HRM Practices (Training and development, performance appraisal and comparison) were investigated by using Spearman's rho correlation coefficient. The above table (11) revealed that training and development and performance appraisal were a significant positive moderate correlation. Compensation practice was positive and marked degree of correlation. It was found that between job satisfaction and training and development the value of ($r=.488$, $p<0.05$), the correlation coefficient between job satisfaction and performance appraisal value ($r=.542$, $p<0.05$), and the association between job satisfaction and compensation value ($r=.691$, $p<0.05$). Therefore, it can be concluded that there are positive correlation between job satisfaction and selected HRM practices.

4.5 Multiple Regression Analysis

Multiple Regressions is the study of a dependent variable y is related to two or more independent variables. The general objective of the study is to investigate the effect of selected HRM practices on job satisfaction at Kaliti Metal Products Factory. To determine the relationship between the two variables multiple regression analysis was conducted. It illustrates that how much each independent variable has an effect or relationship with dependent variable. Before the result of the regression analysis, the data was analyzed to check the basic assumptions such as multi- collinearly test, normality test, homoscedasticity, and linearity test. Some of the test is illustrated in the form of tables as follows:-

1. Multi- collinearly Test: may occur when two or more x-variables that are included simultaneously in the model are strongly correlated with each other. It is tested by variance inflation Factors (VIF).

Table 12: multi-collinearly Diagnosis

Model	collinearly statistics	
	Tolerance	VIF
1.Training and development	.400	2.502
Performance appraisal	.340	2.938
Compensation	.588	1.700

The above table indicates that all the tolerance level of the variables are more than 0.2 (Menard, 1995) and which have the VIF value with less than 10(Myers, 1990). So, this proves that there is no multi collinearly problems.

2. Normality Test: In order to measure the data normality the statistical significance of skewness and kurtosis are two important indicators. Normality is most of the times

referred to the shape of the data collection (Koizumi, 2013). The two key indicators for normality testing is skewness and kurtosis. Skewness demonstrates if the shape is balanced while the other indicator kurtosis allows identifying if the curve is peaked or flat. Also it was suggest that too much variation from the normal distribution can cause negative impact during the data analysis (Zygmont and Smith, 2014). According to (Sekaran,2013) if the value of skewness is less than 1 and the value of kurtosis is less than 7, then it indicates that the sample of the study represents the population and the results could be generalized. The following table shows that skewness results having range between (-1.629 to -0.353) and kurtosis results ranged between (-1.534 to 4.805).

Table 13:- Normality Test

Items	N	Mean	Std. deviation	Skewness		Kurtosis	
				Statistics	Std. error	Statistics	Std. error
Training and Development	196	3.32	.338	-1.301	.181	2.621	.359
Performance Appraisal	196	4.16	.695	-1.629	.181	4.805	.359
Compensation	196	3.07	.696	-0.353	.181	-1.534	.359
Job satisfaction	196	3.15	.405	-0.923	.181	.613	.359

3. Model specification

The researcher used the multiple regression analysis by using dependent and independent variables. In this study the estimation process was based on ordinary least square (OLS) [i.e= $a+bx$]. For this purpose, Job satisfaction is considered as dependent variable and the selected HRM practices are considered as independent variables and the following models are developed to find out statistical significant among the two variables.

$$JS = \beta_0 + \beta_1 (TD) + \beta_2 (PA) + \beta_3 (COM) + e \text{----model (1)}$$

Where:-

β_0 is constant

$\beta_1, \beta_2, \beta_3$ are the regression coefficient

JS=Job satisfaction

TD=Training and development

PA=Performance appraisal

COM=compensation

e=error term.

Table 14.1 Model Summary

Model	R	R square	Adjusted Square	R	Std error of the estimate
1.	.766(a)	.587	.581		3.17884

Predictors (constant):- training and development, performance appraisal, compensation

As seen from the above table (14.1) the value of adjusted $R^2 = 0.581$. This indicates that independent or predictor variables jointly explained 58.1% variance in dependent variable, job satisfaction.

14.2 ANOVA

Model	Sum of square	Df	Mean Square	F	sig
1. Regression	2757.832	3	919.277	90.97	.000(b)
Residual	1940.168	192	10.105		
Total	4698.000	195			

a. Dependent Variable : Job satisfaction

b. Predictors (constant): Training and development, Performance Appraisal and Compensation Coefficients.

The result in table (14.2) shows that the predictor variables training and development, performance appraisal, and compensation were jointly significant predictors of job satisfaction ($F(3,192)=90.97$). This indicates that the selected HRM practices are key managerial tools to boost up employees job satisfaction.

14.3 Regression coefficients (a)

Model	Unstandardised coefficient		Standardized coefficient β	T	sign
	B	Std. Error			
1.(constant)	-3.002	4.042		-.743	.459
Training and development	.461	.218	.155	2.114	.036
Performance Appraisal	.308	.078	.312	3.922	.000
Compensation	.571	.086	.404	6.674	.000

As seen in the Table (14.3) indicates the Regression coefficients. There is a significant relation between training and development and job satisfaction ($\beta = .461$, $t = 2.114$, $p < 0.05$). This supports hypothesis 1. And a unit increase in training and development will result in 46.1 % increase in employee's job satisfaction. There is relation between performance appraisal and job satisfaction ($\beta = .308$, $t = 3.922$, $p < 0.05$). This supports hypothesis 2. And a unit increase in performance appraisal will result 30.8% increase in job satisfaction at Kaliti Metal Products Factory. And the last variable, compensation practice showed that the most important factor that influences job satisfaction ($\beta = .571$, $t = 6.674$, $p < 0.05$). This supports hypothesis 3. And one percent increase in compensation will result in 57.1% increase in job satisfaction.

4.6 Interpretation and Discussion

Human Resource Management practices include recruitment and selection, training and development, performance appraisal, compensation management, safety and health etc. Among these activities, the researcher selected three of them, namely training and development, performance appraisal and compensation. HR policies and practices are strongly associated with job satisfaction. Satisfied employees can enhance productivity and they can achieve organizational goals.

In the competitive world having better HRM policies and practices are the key to achieve short and long term objectives. However, some line managers are implementing these activities poorly. As a result some employees leave the organization and others may show employee withdrawal. These phenomena have a great impact on organizational performance.

The success of any organization depends on the competence of line managers to design and implement better HR practices. Supervisors and line managers are responsible to implement better bundle of HRM practices. However, some line managers and supervisors at KMPF are not implementing HRM activities in better way. According to the descriptive result of the study job satisfaction was categorized in undecided level having the average mean score of 3.15. This indicates that to some extent there is employee job dissatisfaction at the company.

There is positive relationship between selected HRM practices and job satisfaction. So, all managers should give enough concentration to employee job satisfaction. In relation to the correlation and regression analysis of this study the selected HRM practices are

significantly and positively associated with job satisfaction. This result was supported by other researchers (Govand Anwar and Inji Shukur, 2015; Amare werku, 2015; Agyare, et al., 2016; Abayomi Olarewaju Adeoye and Ziska Fields, 2014).

Chapter Five

Summary of Findings, Conclusion and Recommendations

5.1. Introduction

This chapter presents the Summary of the finding in relation to objectives of the study and hypothesis. Then based on the findings of the research, it gives conclusion and recommendations.

5.2 Summary of findings

This study was conducted to examine the relationship between selected HRM practices and job satisfaction. The selected HRM practices are training and development, performance appraisal, compensation practice. To address the stated objectives both descriptive and inferential statistics were employed. The descriptive statistics explained in the form of frequency, percent, mean and standard deviation. Descriptive results of training and development, performance appraisal, Compensation and job satisfaction had a grand mean score of (M=3.32, M=3.92, M=3.07 M= 3.15) respectively. The inferential statistics was presented in the form of correlation and multiple Regression analysis. The correlation coefficient of the selected HRM practices showed positive relationship with job satisfaction (Training and development $r=.488$, performance appraisal $r=.542$, and compensation $r=.691$). Multiple Regression analysis of predictor variables were jointly

significant of job satisfaction ($F(3,192)=90.972$, $R^2=0.587$, $p<0.05$). And 58.1% of independent variables jointly explained job satisfaction.

The regression coefficient result (training and development has $\beta =.461$, t value= 2.114 and having sign. Level of 0.036 , performance appraisal has β value $=.308$, t value $=3.922$ with having sign level of 0.000 and compensation has β value $=.571$, t value $=6.674$ with sign level of 0.000). This findings support to accept the three hypotheses.

5.3. Conclusion

Using effective and efficient Human Resource Management Practices are the key to achieve short and long term objectives. To achieve these objectives among other resources having motivated and satisfied Human Resource is vital. This study focused on the effect of selected HRMP (namely training and development, performance appraisal, compensation) on job satisfaction in the case of Kaliti Metal Products Factory.

The objective of the study is to examine the effect of selected HRM practices on job satisfaction. The researcher used both descriptive and explanatory research design with quantitative approach. The population of the study was employees of KMPF with stratified random sampling technique. For data analysis, the researcher used both descriptive and inferential statistics.

The major findings about descriptive statistics indicated that performance appraisal had high level practice with average mean score of 3.92 . This showed that the company has better practice of performance appraisal to motivate and satisfy employees at their work place. The rest variables such as training and development, compensation and job satisfaction had undecided (neutral) level practices which have average mean score of ($M=3.32$, $M=3.07$ and $M=3.15$) respectively. This showed that training and development

and compensation practices were not implemented in better ways. Due to this employees are dissatisfied at their work place. So, the company should improve the limitation parts of these variables to increase employee job satisfaction.

The major finding of correlation coefficient stated that correlation is significant at 0.01 levels, and thus the correlation coefficient of training and development, performance appraisal, compensation are significantly and positively correlated with job satisfaction. Regarding to multiple regression analysis the value of adjusted $R^2=0.581$. This indicates that independent or predictor variables jointly explained 58.1% variance in dependent variable, job satisfaction. This showed that the selected HRM practices are key managerial tools to boost up employees job satisfaction.

5.4. Recommendations

Based on the findings and conclusion, the researcher proposes the following recommendation:-

- Training and development: the average mean of training and development was undecided (M=3.32). So, decision makers should try to improve the limitation part of this practice by implementing better training and development policy and practices. Since having better policy and practice is important to retain competent employees, and then it enhance organizational performance.
- Performance Appraisal: In regard to performance appraisal the average mean was high (3.92). However, some of the questionnaires were found in undecided level, so it should require improvement for the future.
- Compensation practice: it revealed undecided mean score (3.07). This shows that to some extent there is employee job dissatisfaction about compensation practice

at KMPF. So, decision makers should try to improve the compensation practice both in terms of financial and non-financial types for the future. Because compensation management has a strong effect on job satisfaction.

- Job Satisfaction: In regard to this, it had the mean score of (3.15) with in undecided level. This result revealed that to some extent there is employee job dissatisfaction. So, decision makers of the company should formulate and implement better HRM practices to enhance job satisfaction. Since having highly satisfied employees lead to achieve the short and long term objectives of the organization.
- Finally, the company should design better HRM policies and practices to reduce turnover, absenteeism, tardiness, employee withdrawal etc. As a result of this employees can be satisfied and their performance also is high. Generally, the top level management should try to implement better bundle of HRM practices to motivate and maintain competent employees. Having satisfied and competent employees are a source of competitive advantage.

5.5. Limitations and future Research

Human Resource Management Practices includes many activities such as recruitment and selection, training and development, performance appraisal, compensation practice, safety and health etc. Among these practices the researcher selected and tested three of them, namely training and development, performance appraisal and compensation. Other HRM practices could not be tested in this study. This can be seen as the major limitations of this study. So that further study can be conducted by using a bundle of HRM practices.

This study was conducted at Kaliti Metal Products Factory in the head office. So, conducting future research is very important in other manufacturing industry. Academic studies have its own limitation, so the results of this study cannot be generalized.

Reference

- Abiy et al.,(2009), Introduction to Research Methods, Addis Ababa University, Ethiopia.
- Abdurezak et al., (2014), Research Methods, Addis Ababa University School of commerce, Ethiopia.
- Abu-Doleh,W.(2007), “Dimensions of Performance Appraisal Systems in Jordanian Private and Public organizations”, *International Journal of Human Resource Management*, 18(1), pp.75-84.
- Adeoye, A.O. and Fields, Z. (2014), “Compensation management and employee job satisfaction: A case of Nigeria, *Journal of social science*”, 41(3), pp.345-352.
- Adesola, et al.,(2013), “Empirical study of the relationship between staff training and job satisfaction among Nigerian Banks employees”, *International Journal of academic Research in Economics and Management Science*, 2(6), pp. 108-115.
- Agyare, et al., (2016), “The Impact of performance Appraisal on employees’ job satisfaction and organization commitment: A case of Microfinance Institutions in Ghana”, *International Journal of Business and Management*, 11(9), pp. 281-297.
- Ahmed, S. and Schroeder, R. G.(2003), “The impact of human resource management practices on operational performance: recognizing country and industry differences”, *Journal of Operations Management*, 219(1) pp. 19-43.
- Akhter et al., (2016), “Impact of HR practices on job satisfaction: A study on teachers of private and public sectors”, *International Review of Management and Business Research*, 5(2), pp. 572-584
- Alshaikhly, N.A. (2017), the impact of HRM Practices on Employees’ satisfaction: A Field study in the Jordanian Telecommunication companies, unpublished Master’s Thesis,
- Amare Werku (2015), “The Effect of selected Human Resource Management Practices on employees’ job satisfaction in Ethiopian Public Banks”, *Emerging Markets Journal* 5(1), pp. 1-16.
- Angelo, S. D. et al.,(2006), *Management and Organization Review*, 2(2), pp.253-277.
- Anwar, G. and Shukur, I. (2015), “The impact of training and development on Job satisfaction: A case study of private Banks in Erbil, Iraq”, *International Journal of Social Science and Education Studies*, 2(1), pp. 65-71.
- Appellabum, et al.,(2000), *Manufacturing advantage: Why high-performance work systems pay off*. Ithaca, NY: Cornell University Press.
- Armstrong, M.(2006), *A Handbook of Human Resource Management-10th edition*, Great Britain and USA, Kogan Page Limited.

- Armstrong, M.(2009), A Handbook of Human Resource Management Practice-11th edition, Great Britain and USA, Kogan Page Limited.
- Asta.S and Zivile, S.(2011),“Human Resource Management Practices linkage with Organizational Commitment and job satisfaction”, Economic and Management Review. 16, pp. 921-927.
- Aziri, B.(2011), “Job Satisfaction: A Literature Review”, Management Research and Practice 3(4), pp.77-86.
- Bakare, K. O.(2012), Training needs of hotel employees as correlate of job satisfaction in Ile-Ife,Osun state, JABU International Journal of social and Management Science,4(1), pp.17-24.
- Baldwin J.R. and Johnson, J.(1995), Human capital development and innovation: the case of training in small and medium sized firm.
- Bernal, et al.,(2005), Job satisfaction: Empirical evidence of gender differences, Women in Management Review, 20(4) pp.279-288.
- Birhanu Tadesse (2017), Effect of reward practice on employee job satisfaction at Abay Bank s.co, unpublished Master’s Thesis, Addis Ababa University School of Commerce, Ethiopia.
- Bharadwaji, Y.P. (2015), “Impact of Human Resource Practices on Job Satisfaction with special reference to Delhi Metro Rail Corporation”, International Journal of Engineering Technology, Management and Applied Science, 3(1), pp. 41-50.
- Boswell, W. R. and Boudreau, J. W.(2001), How leading companies create, measure, and achieve strategic results through “line of sight”, Management Decision, 39, pp. 851-859.
- Burma, Z. (2014), Human resource management and its importance for today’s organizations, International Journal of Education and Social Science, 1(2), pp. 85-92.
- Bustamama, et al.,(2014), Reward management and job satisfaction among frontline employees in hotel industry in Malaysia, pro. Social Behavior Science, 144, pp.392-402.
- Byars, and Rue (1997), Human Resource Management, USA: Irwin/McGraw-Hill.
- Chauhan, Y.S. and Patel, N.K. (2014), “Human Resource Management practices and job satisfaction: A study of hotel industry”, Abhinav National Monthly Refereed Journal of Research in Commerce and Management, 3(9), pp. 1-6.
- Chhabra, B.(2013), “Locus of control as a moderator in the relationship between job satisfaction and organizational commitment: A study of Indian professionals”, organizations and Markets in Emerging Economies, 4(2).
- Cranny, et al.,(1992), “Job satisfaction: How people feel about their jobs and how it affects their performance”, Lexington Books: New York.
- Daft, R.L. and Noël, R.A (2001), Organizational Behavior, South-Western Publishing: New York.
- Danish, R.Q. and Usman A. (2010), “Impact of reward and recognition on job satisfaction and motivation: An empirical study from Pakistan”, International Journal of Business and Management, 5(2) pp.159-167.

- Daud, N. (2006), Human resource management practices and firm performance: the moderating roles of strategies and environmental uncertainties, University Sains Malaysia.
- De Cieri, et al.,(2008), Human Resource Management in Australia: Strategy, People, Performance, 3rded. McGraw Hill, North Ryde, NSW.
- Delaney,J. T. and Huselid, M. A. (1995), “The impact of Human Resource Management practices on perceptions of organizational performance”, the Academy of Management Journal, 3(4), pp.949-969.
- Demo, et al.,(2012), "Human Resource Management policies and practices scale: exploratory and confirmatory factor analysis", BAR – Brazilian Administration Review, 9(4), pp. 395-420.
- Dessler, G. (2013), Human Resource Management. New Jersey, USA, Pearson Education.
- Farooq and Khan (2011), “Impact of training and feedback on employee performance”, Far East Journal of Psychology and Business, 5(1), pp. 23-33.
- Gabris, G. T., and Ihrke, D. M. (2000), Improving Employee Acceptance towards Performance Appraisal and Merit Pay Systems: The Role of Leadership Credibility.
- Gavino, et al.,(2012), “Discretionary and transactional human resource practices and employee outcomes: The role of perceived organizational support”, Human Resource Management, 51(5), pp.665-686.
- Ghafoor (2012),“Role of demographic characteristics on Job Satisfaction”, Far East, Far East Research Centre, 6(1), pp.30-45.
- Greenberg, J. (1990), Organizational justice: Yesterday, today and tomorrow, Journal of Management, 16(2).
- Greene RJ (2014), the role of Employee Ownership in the Total Rewards Strategy, Compensation and Benefits Review.
- Guest, D. E.(1997), “Human resource management and performance: a review and research agenda”, the International Journal of Human Resource Management, 8(3), pp.263-276.
- Gould -Williams, J.(2003), “The Importance of HR practices and work Place trust in achieving superior performance: a study of public-sector organizations”, International Journal of Human Resource Management,14(1), pp. 28-54.
- Guerra-Lopez, I. J.(2008), Performance Evaluation: Proven Approaches for Improving Program and Organizational Performance, San Francisco, USA, Jossey-Bass.
- Gürbüz, S. (2009), “The effect of high performance HR practices on employees’ job satisfaction”, Istanbul University Journal of the School of Business Administration, 38, pp.110-123.
- Hameed, A.(2011), “Employee development and its effect on employee performance a conceptual framework”, International Journal of Business and Social Science, 2(13), pp.224-229.
- Hanaysha, J. and Tahir, P.R. (2015), “Examining the effect of employee empowerment, teamwork, and employee training on job satisfaction”, Social and Behavioral Science, 219(2016), pp.272-282.
- Hedge, J.W. and Borman (2012), The Oxford handbook of work and aging: Oxford University Press, USA.
- Heneman et al.,(2000), Staffing Organizations, New York: McGraw Hill Irwin.

- Herzberg F. (1966), *Work and the Nature of Man*, Cleveland:World
- Hock, Y. K., (2011), "Impact of Human Resource Practices on Foreign Workers' Job Satisfaction: Evidence from a manufacturing firm in Malaysia", Research paper college of Business University Utara Malaysia.
- Hussain, M. and Ahmad, M. (2012), Mostly discussed research areas in human resource management (HRM) – a literature review, *International Journal of Economics and Management Sciences*, 2(3), pp.10-17.
- Huselid et al.,(1996), "The impact of Human Resource Management Practices on Perceptions of Organizational Performance", *Academy of Management Journal* 39(4), pp. 949-969.
- Huselid, et al.,(1995), "The impact of Human Resource Management practices on turnover, productivity, and corporate financial performance", *The Academy of Management Journal*, 38(3), pp.635-672.
- Igbal, et al.,(2013), "Impact of HR Practices on Job Satisfaction: An Empirical Evidence from corporate sector of Punjab- Pakistan", *Interdisciplinary Journal of Contemporary Research in Business*, 5(2), pp.442-454.
- Jackson, S. and Schuler, R. (2002), *Managing Human Resources through Strategic Partnership-8th ed.* Canada:Thompson.
- Javed, M. et al., (2012), "Impact of HR practices on employee job satisfaction in public sector organizations of Pakistan", *Interdisciplinary Journal of Contemporary Research in Business*. 4(1), pp. 348-363.
- Jeet, V. et al., (2014), "A study of Human Resource Management Practices and its impact on employee job satisfaction in Indian private sector banks: A case study of HDFC Bank", *International Journal of advance research computer science and management studies*, 2(1), pp. 62-68.
- Judge, et al.,(2005), "Core self evaluation, Job and life satisfaction: The role of concordance and attainment", *Journal of Applied Psychology*, 90, pp. 257-268.
- Kamau, N.F. (2015), *Effect of Human Resource Management practices on Job satisfaction: A case of the Floriculture Industry in Naivasha sub-country, Kenya*, unpublished Master's Thesis, Egerton university, Kenya.
- Katou , A. A. and Budwar , P. S.(2007), "The effects of Human Resource Management policies on organizational performance in Greek manufacturing firms", *Thunderbird International Business Review*, 49(1), pp.1-35.
- Kothari, C. (2004), *Research Methodology, Methods and Techniques*, 2nd ed. New Delhi: NewAge International P (ltd).
- Kersley BA, Forth J (2005), *Inside the Workplace: First Findings from 2004 Workplace Employment Relations Survey (WERS 2004)*, London: Economic and Social Research Council.
- Khan, et al.,(2011), "Compensation management: A strategic conduit towards achieving employee retention and job satisfaction in banking sector of Pakistan", *International Journal of Human Resource Studies*, 1(1), pp.89-97.

- Koizumi, R. (2013), Structural Equation Modeling in Educational Research, In Application of Structural Equation Modeling in Educational Research and Practice, Sense Publishers, pp. 23-51.
- Kumar, K.(2013), Training and Development Practices and Performance International Journal of Pharmaceutical Sciences and Business Management,1(1), pp.82-103.
- Lambert, E. (2003), Correctional staff, Journal of Criminal Justice 31(2), pp.155-168.
- Locke, E. A. (1976), the handbook of industrial and organizational psychology, New York, Wiley.
- Luthans, F.(2005), Organizational Behavior, Nework: Mcgraw Hill.
- Mabonga, E.,(2012), Working capital management and competitiveness of small and medium enterprises, Unpublished PhD thesis, Kampala International University.
- Majumder, T.H.(2012),“Human Resource Management Practices and Employees’ Satisfaction towards Private Banking Sector in Bangladesh”, International Review of Management and Marketing, 2(1), pp.52-58.
- Malcolm, M. and Jackson, T.(2002), Personnel Practice 3rd ed., Chartered Institute of Personnel and Development.
- Martin, M. J. (2011), “Influence of Human Resource Practices on employee intention to quit”, Dissertation submitted to the faculty of Virginia Polytechnic Institute and State University.
- Maroney, B. and Buckley, M.(1992), Does research in performance appraisal influence the practice of performance appraisal: Regretfully Not, Public personnel management.
- Masa'deh, R. et al.,(2019), “The role of knowledge management infrastructure in enhancing job satisfaction: a developing country perspective”, Interdisciplinary Journal of Information, Knowledge, and Management, 14, pp.1-25.
- Mesch, D. (2010), Management of human resources in 2020: the outlook for nonprofit organizations, The American Society for Public Administration, 70(1), pp. 173-174.
- Metwally, D. (2016), “Exploring the relationship between HR practices and organizational commitment in Egyptian organizations: The mediating effect of job satisfaction”, International Journal of Business and Management Review, 4(8), pp. 76-111.
- M’Mbui C.W. (2011), Effect of performance appraisal on employee job satisfaction in Kenya Revenue Authority, unpublished Master’s Thesis.
- Moorhead, G. and Griffin, R.W (1999), Organizational behavior - Managing people and organizations, Delhi: AITBS Publishers and Distributors.
- Mudor and Tooksoon (2011),“Conceptual framework on the relationship between Human Resource Management practices, job satisfaction, and turnover”, Journal of Economics and Behavioral Studies, 2(2), pp. 41-49.
- Mufutau, O. et..al.,(2014), “Effect of Human Resource Management Practices on Job Satisfaction: An Empirical Investigation of Nigeria banks”, International Journal of Academic Research in Business and Social science, 4(8), pp. 243-251.

- Mugenda, M.O. and Mugenda, A.G.(2009), *Research methods: quantitative and qualitative approaches*, Acts Press, Nairobi.
- Myers, R. H.(1990), *Classical and modern regression*, 2nd ed. CA: Duxbury press.
- Noe et al..(2007), *Human resource management: Gaining a competitive advantage USA*, McGraw-Hill.
- Obiedat, B. et al..(2019), “Reviewing the literature among Human Resource Management Practices, Total Quality Management (TQM)practices and competitive advantages”, *Journal of Social Science*, 8(2), pp. 327-358.
- Obeidat, O. et al..(2012), “The effect of perceived service quality on customer loyalty in internet service providers in Jordan”, *Journal of Management Research*, 4(4), pp. 224-242.
- Osibanjo et al., (2012), “Human Resource Management and employee job satisfaction: Evidence from the Nigerian Banking Industry”, *Journal of Economics and Business Research*, 1, pp. 17-32.
- Oyenyi, K.O. et al., (2014), “Effect of Human Resource Management practices on job satisfaction: An Empirical Investigation of Nigeria Bank”, *International Journal of Academic Research in Business and social science*, 4(8), pp.243-251.
- Ozutku, H. and Ozturkler, H.(2009), “The determinants of human resource practices: an empirical investigation in the Turkish manufacturing industry”, *Edge Academic Review*, 9(1), pp.73-93.
- Petersitzke, M.(2009), “Managing psychological contracts through human resource practices supervisor psychological contract management”, *Wiesbaden, Gabler Verlag*, pp. 119-129.
- Petrescu, A. I. and Simmons, R.(2008), “Human Resource Management practices and workers’ job satisfaction”, *International Journal of Manpower*, 29(7), pp.651-667.
- Pfeffer, J.(1994) ,*Competitive Advantage through People*, Harvard Business School Press, Boston, MA.
- Price, A. (2004), *Human Resource Management in a Business-2nd edition*, Context London, Thomson.
- Pule, S. et al..(2014), “Human Resource Policy and job satisfaction of employees in knowledge-based enterprises: A comparative study of the indigenous and expatriate teaching staff of Kampala”, *Global Journal of Human resource Management*, 2(3), pp. 13-27.
- Paauwe, J., and Boselie, P.(2005), “HRM and performance: what next” *Human Resource Management Journal*, 15(4), pp.68-83.
- Purcell J., Kinnie N., and Hutchinson S.(2003), *Understanding the People and Performance Link: Unlocking the Black Box*, London: Chartered Institute of Personnel and Development.
- Quresh, M. A. (2010), Do Human resource management practices have an impact on financial performance of banks?, *African Journal of Business Management*, 4(7), pp.1281-1288.
- Rahman, M. et al..(2011), “HRM practices and its impact on employee satisfaction: A case of pharmaceutical companies in Bangladesh”, *International Journal of Research in Business and social Science*, 2(3), pp. 62-67.
- Ramadhani, R.M.(2017), *The effects of human Resource Management practices on employee’s job satisfaction in Monduli District Council*, unpublished Master’s Thesis, open university of Tanzania.

- Ray, K. and Goppelt, J.(2011), “Understanding the effects of leadership development on the creation of organizational culture change: a research approach”, *International Journal of Training and Development*, 15(1), pp.58-75.
- Resurreccion PF (2012), “Performance management and compensation as drivers of organizational competitiveness: The Philippine perspective”, *International Journal of Business and Social Science*, 3(21): 20-30.
- Robbins, S.P. (2005), *Essentials of organizational behavior*. 7th ed., Upper Saddle River, New Jersey: Pearson Education, Inc.
- Robbins, S. P.(1999), *Organizational Behavior - Concepts, controversies, applications*. New Delhi: Prentice – Hall of India Private Limited.
- Saif, N.I and Saleh, A.S.(2013), “Psychological empowerment and job satisfaction in Jordanian hospital”, *International Journal of Humanities and Social Science*, 3(16), pp.250-257.
- Sajuyigbe, A.S. and Amusat (2012), “Staff training and development as managerial tools for organizational effectiveness: An appraisal of first bank”, *JABU International Journal of social and management science*, 4(1), pp.100-109.
- Schuler, R. and Jackson, S. (1987), “Linking competitive strategies with human resource management practices”, *Academy of Management Executive*, 1(3), pp. 207-219.
- Shahnawaz, M. and Juyal, R.(2006), “Human resource management practices and organizational commitment in different organizations”, *Journal of the Indian Academy of Applied Psychology*, 32(2), pp.171-178.
- Shikha, N. (2010), “Human Resource Practices and their impact on employee Productivity: A Perceptual Analysis of Private Public and Foreign Bank Employees in India”, *DSM Business Review*, 2(1).
- Sekaran, U. (2006), *Research Methods for Business: A Skill Building Approach*-4thed. New Delhi: Sharda offset Press.
- Singh, N.R. and Biniam, K. (2016), “The impact of Human Resource Management practices on organizational performance: A study of Debre Berhan University”, *International Journal of recent advances in organizational behavior and decision sciences*, 1(1), pp.643-662.
- Suresh,P. and Reddy,T. N. (2017), “Impact of HRM practices on employee satisfaction in banking sector in CHITTOOR District, India”, *International Journal of Engineering Technologies and Management Research*, 4(12), pp. 43-48.
- Syed, N. and Yah, L.X (2012), “Impact of High Performance Human Resource Management Practices on Employee Job Satisfaction: Empirical Analysis”, *Interdisciplinary Journal of Contemporary Research in Business*. 4(2), pp. 318-342.
- Terera, S.R. and H. Ngirande(2014), “The impact of rewards on job satisfaction and employee retention”, *Mediterr Journal of social science*, 5, pp.481-487.

- Thang, L.C. and Quang, T.(2005), "Antecedents and consequences of dimensions of Human Resource Management practices in Vietnam", the international Journal of Human Resource Management, 16, pp.1830-1846.
- Ting, Y.(1997), "Determinants of job satisfaction of federal government employees", Public Personnel Management, 26(3), pp.313-334.
- Tiwari, P. and Saxena, K.(2012), Human resource management practices: a comprehensive review. Pakistan Business Review, pp. 669-705.
- Tomavzevic, et al.,(2014), "Factors influencing employee satisfaction in the police service: the case of Slovenia", Personal Review, 43(2), pp. 209-227.
- Tsehay Industry S.C. (2017), Kaliti Metal Products Factory Human Resource Management Manual, Addis Ababa, Ethiopia.
- Tsehay Industry S.C.(2019), Kaliti Metal Products Factory Annual Report, Addis Ababa, Ethiopia.
- Tsehay Industry S.C.(2017), Kaliti Metal Products Factory Collective Agreement, Addis Ababa, Ethiopia.
- Waal, A. A. D.(2004), Stimulating performance-driven behavior to obtain better results, International Journal of Productivity and Performance Management.
- Wendy, R. and Boswelljohn, W. B.(2000), Employee Satisfaction with Performance Appraisals and Appraisers: The Role of Perceived Appraisal Use, Human Resource development, 11(3).
- Werner, J.M. and DeSimone, R.L.(2012). Human Resource Development – 6th edition, Erin Joyner, USA.
- Werther, et ai...(1996), Human Resources and personnel Management, New York: McGraw Hill Inc.
- Xavier B. (2014), "Shaping the Future Research Agenda for Compensation and Benefits Management: Some Thoughts Based on Stakeholder Inquiry", Human Resource Management Review, 24(2014), pp. 31-40.
- Yeganeh ,H. and Su, Z.(2008), "An Examination of Human Resource Management Practices in Iranian public sector" Personnel Review, 37(2), pp.203-221.
- Yoseph Lemma (2018), The effect of selected HRM practices on organizational performance at Berhan Bank s.c., unpublished Master's Thesis Addis Ababa University of commerce, Ethiopia.
- Youngcourt, L. et al., (2007), "Perceived purposes of performance appraisal: Correlates of individual- and position-focused purposes on attitudinal outcomes", Human Resource Development Quarterly, 18(3), pp.315-343.
- Zygmunt, C. and Smith, M. R.(2014), "Robust factor analysis in the presence of normality violations, missing data, and outliers: Empirical questions and possible solutions", The Quantitative Methods for Psychology, 10(1), pp. 40-55.
- Zatzick, C. and Iverson, R. (2011), "Putting employee involvement in context: a cross-level model examining job satisfaction and absenteeism in high-involvement work systems", The International Journal of Human Resource Management, 22(17), pp. 3462-3476.

Appendix I: Questionnaire

Addis Ababa University School of Commerce Masters of Art Program in Human Resource Management. Questionnaires to be filled by employees of Tsehay Industry S.C. Kaliti Metal Products Factory.

Dear Respond:-

I am conducting a research on “The Effect of selected Human Resource management practices on Employee job satisfaction” In the case of Kaliti metal products factory for partial fulfillment of the requirements for masters of art degree in human resource management. The study intends for academic purpose only, besides the output of the study will help as input for the companies decision makers.

Note

- Please put “✓” Mark in the box to the point which highly reflects your idea.
- Your honest and unbiased response will greatly contribute for the research to achieve its objectives and there is no need to write your name.

Thank you very much, in advance, for your sincere cooperation.

If you have any comment and questions you can contact me through the following address;

- Tesfahun Asratie (0913181062) email: tesfaasratie@gmail.com

Employees with less than one year of experiences are not required to fill this questionnaire.

Part one:- Demographic Information

1. Gender Male Female
2. Age 18 – 30 31 – 45
 46 – 60
3. What is your current educational status?
 1 – 8 grade 9 – Certificate
 Diploma First Degree Masters and above
4. Years of service in the organization
 1 – 5 6 – 10 11-15 Years 16 and above
5. Your Staff
 Administrative Marketing Production

Part two: Research Related Questions:-

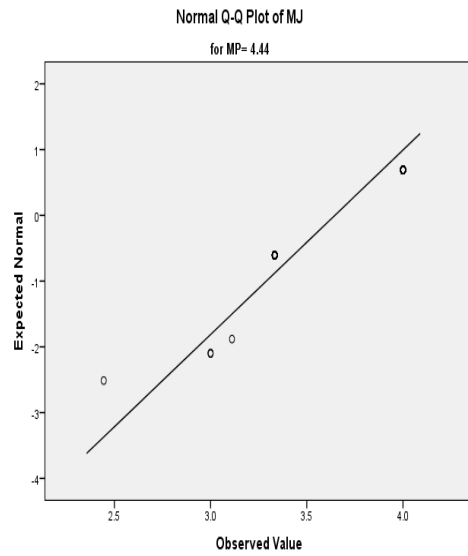
The following Questions are presented on a five point Likert scale. If the item strongly matches with your response choose 5/very agree/, if you moderately agree on the idea choose 4/Agree/, if you can't decide on the point choose 3/I don't know/, if you disagree with the idea choose 2/disagree/ and if you completely disagreed with the point choose 1/very disagree/

- 5 = Very Agree
- 4 = Agree
- 3 = I don't know
- 2 = Disagree
- 1 = Very Disagree

Items	1 = Very Disagreed	2 =	3 = I don't	4 = Agreed	5 = Very Agreed
A. Training and Development					
1. Training needs are identified through a formal performance appraisal mechanism					
2. There are formal training programs to teach new employees the skills they need to perform their jobs.					
3. Training needs identified are realistic, useful and based on the business strategy of the organization.					
4. Employees in each job will normally go through training programs every year.					
5. Training focuses on problem solving and decision making					
6. A trainee has been given an opportunity to perform learned skills					
7. Employees are assisted in planning their career advancement					
8. All training programs are of high quality					
B. Performance Appraisal					
1. HRM department offers sufficient training on Performance appraisal system in our organization					
2. In our organization performance appraisal system is fair					
3 .performance appraisal helps individual staff meet set targets and goals					
4.Performance Appraisal assists staff to know their level of performance					
5. My supervisor is accurate in measuring actual					

Items	1 = Very Disagreed	2 =	3 = I don't	4 = Agreed	5 = Very Agreed
performance against set targets					
6.In our organization there exist clearly stated performance evaluation criteria					
7.Performance appraisal identifies skills, gaps and developmental needs					
8.Timely feedback is given on performance appraisal in our organization					
9.Employees satisfied with performance appraisal results					
C. Compensation					
1. My salary is commensurate to the work I do					
2. My salary is enough to compensate me for my job					
3. I receive other payments a part from the salary					
4. My salary is competitive, reasonable and is reviewed					
5. My company pays salary and emoluments that are sufficient to motivate employees					
6. Compensation is directly linked to employees performance					
D. Job satisfaction					
1. I feel good about my job					
2. I plan to stay on my job					
3. I am proud of working on my job					
4. I feel I am valued at the organization					
5. I have sense of worthwhile accomplishment in my job					
6. I do interesting and challenging work					
7. I am noticed when I do a good job					
8. My physical working conditions are good					
9. In general, I am satisfied with my work					

Appendix II: Different Tests



Normal P-P Plot of Regression Standardized Residual

