

Impact of High Performance Human Resource Management Practices on

Employee Job Satisfaction: Empirical Analysis

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Abstract

The purpose of this study is to explore potential impacts of high performance Human resource management practices on employee's job satisfaction. The research hypotheses are tested using sample data collected from 320 employees of 7 telecommunication companies' in Pakistan. The proposed practices, which were empowerment, job rotation, Employee participation, Merit-based Promotions & Performance-based Pay and Grievance handling procedures, were positively correlated with employee's job satisfaction. Multiple regression analysis reveals that all the practices except Grievance handling procedures account for unique variances in job satisfaction of the surveyed firm's employees. Implications for high performance HR practices and employee's job satisfaction are discussed, limitations of the study are revealed, and future research directions offered.

Keywords: High performance HRM practices, Telecom, job Satisfaction, Pakistan

1. Introduction

It is widely accepted that employees constitute a vital part of organization resource, with the potential to enhance the organization's sustainable competitive advantage. A company can achieve a competitive advantage and reach its goals by adopting an efficient usage of its personnel (Price ,2004) A large body of literature supports the notion that the work practices of an organization influence individual employee's feelings of commitment and satisfaction to an organization. Among these practices are those that involve open communication, organizational investments in individual employee's training, decision-making and

participation, promotion opportunities, and the use of performance contingent rewards (Konovski & Cropanzo, 1991; Meyer & Allen, 1997). Employee satisfaction is thought to be one of the main necessities of a well run organization and believed an essential by all corporate managements. It is undeniable reality that the future of business depends upon the satisfaction level of its employees. Dissatisfied employees cause immediate problems only to their particular businesses. High performance HRM practices provide a number of important sources of enhanced company performance (Pfeffer and Veiga 1999).

This study explores the impacts of High performance Human resource management practices on employee job satisfaction in Pakistan. This study is based on ideas of the Strategic Human Resource Management (SHRM). The study identifies the set of HRM practices that lead to high-employee job satisfaction. It has been proposed that High performance human resource management practices are not only beneficial for the employers but also their employees through increased job satisfaction.

The study aims to observe the impact of four High Performance Human resource management practices, which are empowerment, job rotation, Employee participation, Merit-based Promotions & Performance-based Pay and Grievance handling procedures on job satisfaction of employees of seven telecommunication companies of Pakistan. Therefore, the study can contribute to the growing literature by examining the impact of High performance human resource management practices on employee's job satisfaction in Pakistan context where published research on HRM is relatively limited.

Research Questions:

This study explores the answer to the following research questions (RQ):

1. Q1: Is there any empirical association between high performance human resource management practices and employee job satisfaction?
2. Q2: Do High performance human resource management practices have any impact on employee job satisfaction?

Objectives:

The main purpose of the study was to identify the impact of High Performance Human resource management practices on employee job satisfaction.

The following specific objectives were considered

1. To identify the most effective practices among all High performance human resource management practices such as empowerment, job rotation, Employee participation, Merit-based Promotions & Performance-based Pay and Grievance handling procedures.
2. To identify the impact of High performance human resource management practices on job satisfaction.
3. To suggest some measures in order to enhance the High performance human resource management practices of the selected Telecommunication companies.

2. Literature Review:

2.1. Job Satisfaction:

Job satisfaction is a pre-requisite for employee performance in any company. It is significant for both the employee and the employer. For the employee, job satisfaction gives them a sense of security and fulfillment. In return, it leads to employee commitment, reduced absenteeism and decreased employee turnover. For the employer, employee job satisfaction ensures committed staff and stable workforce which reduce cost of recruitment and training. Job satisfaction refers to an individual's general attitude toward his or her job. According to Locke (1976), job satisfaction is a pleasurable or positive emotional state resulting from the appraisal of one's job and job experiences. As Robbins (1993) put it, when people speak of employee attitudes, they often mean job satisfaction. Job satisfaction, like any attitude, is generally acquired over a period of time as an employee gains more and more information about the workplace.

Neuman (1989) found that employees develop and perform better if managers control and motivate their employees with participative forms of rewards. Most scales of job satisfaction (Hackman, Oldham, 1975; Herzberg, 1987; Smith, Kendall & Hulin, 1969; Spector, 1997) include such facets as the nature of work, promotion opportunities, and social relations. In the 1991 survey of American workers that investigated 16 aspects of work, respondents reported more satisfaction with such facets as being able to work independently, having interesting work, and enjoying an opportunity to learn new skills (Spector, 1997).

2.2. Impact of High Performance HR Practices on Job Satisfaction:

High performance Human resource practices have gained great interest in recent years as the source of competitive advantage in complex environment of today's world (e.g. Pfeffer, 1998). The aim of high performance human resource management is to increase corporate performance by the help of its employees (Armstrong, 2001). According to Bamberger and Meshoulam (2000) high performance human resource practices consist of three main parts: (1) people flow, including selective staffing, training (such as more extensive, general skills training), employee mobility (for example, broad career paths, promotion within the firm) and guarantee of job security; (2) appraisal and rewards, including performance appraisal (specifically long-term, results-oriented appraisal), compensation and other benefits, such as extensive, open-ended rewards; (3) employment relations, including job design (such as broad job descriptions, flexible job assignments) and encouragement of participation.

The main argument of High performance human resource management practices is that firms can attain superior flexibility, higher product quality, and superior performance although remaining cost competitive by encouraging employees to work harder and using the skills and information of their employees more effectively through moving decision authorities closer to those who have the relevant information. It has further been assumed that High performance human resource management practices are "win-win"

methods that do not only benefit employers but also their employees through higher wages and increased job satisfaction. The advocates of best practices state that there are certain HRM practices appropriate to every organization, leading to best outcomes. These practices together are known as the 'High Performance HR practices. Delaney and Huselid (1996) summarize that, HRM best practices are aimed to improve the overall performance of employees within the organization, ultimately resulting in increased organizational performance. Delaney and Huselid (1996) carry on by stating that commitment plays a major role within HRM best practice. Commitment shown by the employer with regard to areas such as training and development for example, is as a result reciprocated by the employee, with this increased commitment toward the organization, performance increases as employees are more skilled and committed to the profession, resulting in a 'win – win' situation for both parties.

Godard (2001) based on a telephone survey of 508 employees in Canada collected in 1997, he studies the effects of innovative workplace practices on an extensive number of indicators for a workers' well-being. His findings indicate that a moderate use of high performance human resource management practices increases workers'

“belongingness”, empowerment, task involvement, job satisfaction, esteem, commitment, and citizenship behavior.

Most of the previous empirical studies have been described High performance human resource management practices and their effects on organizations, such as (Huselid 1997; Gephart 1995; Huselid 1995; G.F. Farias1998; M.J. Handel & M.Gittleman 2004).This study explore the impacts of High performance Human resource management practices on employee job satisfaction. This study is based on ideas of the strategic Human Resource Management (SHRM); the study identifies the set of HRM practices that have the potential to lead to high-employee job satisfaction. It has been proposed that High performance human resource management practices are not only beneficial for the employers but also their employees through increased job satisfaction. These high performances human resource management practices are empowerment, job rotation, Employee participation, Merit-based Promotions & Performance-based Pay.

3. Theoretical Framework and Hypotheses Development:

The variables that are being considered are described in the theoretical framework (fig.1). Employee job satisfaction is the dependent variable, which is going to be checked for a relationship with empowerment, job rotation, Employee participation, Merit-based Promotions & Performance-based Pay and Grievance handling procedures that are independent variables.

For the purpose of this study, the following hypotheses have been formulated

-----Figure.1 Insert here-----

3.1. Empowerment:

A human resource management practice of sharing information, rewards, and power with employees in order that they can take initiative and make decisions to solve problems and improve performance. Empowerment is based on the idea that giving employee resources, skills, authority, opportunity, motivation, as well embracing them responsible and answerable for results of their actions, will contribute to their capability and satisfaction.

Empowered employees are typically described as self motivated and committed individuals who feel responsible to perform at high level of effort (Thoman& Velthouse, 1990). Nykodym et al., (1994) found that empowered employees are able to reduce conflict and ambiguity because they are more capable and more in control (to a certain extent) at their workplace. Previous empirical work provided evidence those employees who are empowered reported higher job satisfaction at work (McDonald and Siegall, 1993; Snipes et al, 2005).

Empowerment also emerge to enable employee to do better work and take better responsibility on their own performance (Barry, 1993) which bring to more satisfied customers (Hubrect and Teare,1993). This situation highlight to us that the provision of empowerment may lead to employees' own job satisfaction as they are able to manage their own work which bring to the success of the organization. Based on these discussion following hypothesis is proposed

Hypothesis 1: Employee empowerment is positively and significantly related with Employee job satisfaction.

3.2. Job Rotation:

Job rotation is one of the high performances human resource management practice. Job rotation can be described as lateral transfer of employees among a number of different places and tasks within jobs where each needs different skills and responsibilities. Employees learn several different skills and perform each task for a particular time period. Rotating job assignments helps employee understand the different steps that go into creating a product and service delivery, how their own effort affects the quality and efficiency of production and customer service. Therefore, job rotation enables employees to gain experience in different stages of the business and, hence, broaden their viewpoint. Job rotation is a developmental technique that has been widely used but, surprisingly, received little attention in human-resources studies. Empirical research in this regard is greatly needed (Beatty, Schneier & McEvoy, 1987). Therefore, rotating employees to different positions is an admirable way to motivate employees, give them a sense of belonging, reduce boredom and fight off a lack of commitment (Campion et al., 1994).Hence job rotation increases the employee job satisfaction. Job rotation practices can yield to skill variety and task identity. Job rotation can be described as lateral transfer of employees among a number of different positions and tasks within jobs where each needs different skills and responsibilities. Individuals learn several different skills and perform each task for a specified time period. Hence, rotating employees to different positions is an admirable way to motivate employees, give them a sense of belonging, decrease boredom and force away a lack of commitment and increase employee satisfaction (Campion et al., 1994). Accordingly, the following hypothesis is proposed

Hypothesis 2: Job rotation is positively and significantly related with employee job satisfaction.

3.3. Employee participation:

Employee Participation is generally defined as a process in which influence is shared among individuals who are otherwise hierarchically unequal (Locke & Schweiger, 1979; Wagner, 1994). Employee Participation, otherwise known as employee involvement in decision making, persuades the involvement of stakeholders at all levels of an organization in examination of problems, development of strategies and implementation of solutions (Helms 2006; Armstrong 2006; Graham & Bennet 1998), describe participation in decision making as the inclusion of the employees in the decision-making process of the organization. Evidence illustrates that when employees are engaged in decision making, staff absenteeism is decreased, there's greater organizational commitment, improved performance, diminished turnover and greater job satisfaction (Luthans 2005, Moorhead & GrifCin 2004). Participation in decision-making can satisfy employees' self-actualization needs and, by doing so, increase employees' motivation and job performance. The use of employee participation is deemed to boost employee's satisfaction. Since there are many benefits from higher employee job satisfaction, many companies have begun taking more participative measures. Studies have shown that there is a positive association between the use of a employee participative approach and employee satisfaction. Employee participation can be a helpful system to increase job satisfaction which can increase the organizational effectiveness, but its implementation does not guarantee success. Kim (2002) surveyed 1,576 employees who worked for Clark County, Nevada and asked them about their job satisfaction and participation in decision making. The results showed that the manager's use of a participative practice in decision making correlated positively to job satisfaction.

Hypothesis 3: Employee participation in decision making is positively and significantly related with Employee job satisfaction.

3.4. Merit-based Promotions & Performance-based Pay:

Merit-based promotions refer to non-monetary rewards through which an organization tangibly signals its appreciation of quality work and achievements. Rewarding employees based on their performance enhances firm performance (Lawler 1986). Agarwal and Ferratt (1999) found that high-performance organizations persistently sought to recognize and reinforce valuable contributions made by employees.

Deeproose (1994, p. 3) is of the view that "Good managers recognize people by doing things that acknowledge their accomplishments and they reward people by giving them something tangible." Fair chances of promotion according to employee's ability and skills make employee more loyal to their work and become a source of pertinent workability for the employee. Bull (2005) hypothesizes a view that when employees experience

success in mentally challenging occupations which allows them to exercise their skills and abilities, they experience greater levels of job satisfaction. Employees are definitely closer to their organization as their job can become the major satisfaction in their life after having a proper rewards and promotions at their job. Ali and Ahmed (2009) verified that there is a statistically significant relationship between reward, promotions and satisfaction.

Hypothesis 4: Merit based promotions & performance based pay are positively and significantly related with Employee job satisfaction.

3.5. Grievance Handling Procedures:

Cultures where hierarchy is an important part of organizations, employees with higher position are usually supposed to be correct. They feel hesitant in raising their voices against their supervisors. Presence of grievance handling procedures will help the employees in addressing their issues and concerns and are important for sustaining high performance of employee (Arthur 1992; Huselid 1995; Delaney and Huselid 1996). Grievance can be defined as “imaginary feeling of dissatisfaction or injustice which an employee feels about his job, about the management policies and procedures. It must be communicated by the employee and brought to the notice of the management and the organization. Grievances take the shape of shared disputes when they are not decided. Also they will then lower the morale and efficiency of the employees; these also lower the employee commitment and satisfaction. Unsolved grievances result in frustration, dissatisfaction, low productivity, lack of interest in work, absenteeism, etc. In a nutshell, grievance occurs when employees’ hopes are not fulfilled from the companies as a result of which a feeling of unhappiness and dissatisfaction arises. This dissatisfaction must crop up from employment issues and not from personal issues.

Grievance may result from the following issues.

- Improper working conditions such as severe construction standards, unsafe workplace, terrible relation with supervisors, etc.
- Irrational management policies such as overtime, transfers, downgrading, inappropriate salary structure, etc.
- Disobedience of organizational rules and practices.

Grievance is an issue raised by employee to communicate dissatisfaction with management behavior and is an attempt to bring out changes (D'Cruz, 1999). Grievance involves an individual's claiming that he or she has suffered or been wronged, often because of the actions or decisions made by the manager acting on behalf of the organization (Anderson & Gunderson, 1982). Grievance handling procedures may influence employee perceptions of how the firm deals with a problematic situation (Morrison & Robinson 1997). Formal grievance procedures help to increase the probability that employee participation efforts will be effective because such programs provide a formal mechanism for employer-employee communication on work-related issues (Delaney et al. 1988; Huselid 1995). Employee work-related concerns and grievances which are not promptly and effectively resolved result in

1. Lost productivity and poorer quality work, products and customer services.
2. diversion from company goals and loss of confidence and communication between employees and supervisors;
3. low self-esteem and job satisfaction which can lead to industrial problems, increased absenteeism and increased staff turnover;
4. Loss of repute to the employee and lost working time of everyone involved.

Therefore employees who find that there are grievance handling procedures in place might be more comfortable in doing things and more committed and satisfied with their jobs.

Hypothesis 5: Grievance handling procedures are positively and significantly related with employee job satisfaction.

4. Methodology:

According to Yin (1994), research strategy should be chosen as a function of the research situation, while both qualitative and quantitative methods involve weaknesses and strengths (Amaratunga, Baldry, Sarshar & Newton, 2002). It is vital to get a convincing research result, hence the choosing a number of suitable techniques can be the vital part of the research work (Amirjamshidi & Shahalizadeh, 2009).

4.1. Sample:

The data are derived from research conducted among employees working in Telecommunication sector organizations in Pakistan. The questionnaire was given to 350 employees. Sample size was selected on the basis of criteria described by James, Joe, and Chadwick (2001) for known population. In this study, according to criteria of James, Joe, and Chadwick (2001), minimum sample size for this population is 310. Three hundred

and fifty questionnaires were dispatched to these companies. A total of 320 filled questionnaires were received which used for data analysis. Questionnaire survey was carried out between May-October 2011.

4.2. Research Instrument:

Most of the statements used in the survey were drawn from an in-depth study of literature on High performance Human Resource Management practices and its impact on employee job satisfaction. The questionnaire items used in the study were adapted from different studies (Appelbaum, Bailey, Berg & Kalleberg, 2000).

4.3. Measurement of independent variables and dependent variable:

The questionnaire measured four High performance human resource management practices and its impact on employee job satisfaction. The empowerment practices contained (4 items); job rotation (5 items); Employee participation (4 items); Merit based promotions & performance based pay (5 items), Grievance handling procedures (5 items) Employee job satisfaction (5 items) respectively. Respondents were asked to rate their answers on multi-item scale. A five point Likert scale has been used in this questionnaire to measure the impact of High performance HRM practices on employee job satisfaction. The scaling is: 5 for strongly agree, 4 for agree, 3 for neutral, 2 for disagree and 1 for strongly disagree have been given in order to analyze data

5. Results and Data analysis:

The statistical package used was SPSS-20 version. The following statistical techniques were applied to analyze the data:

1. Cronbach's alpha
2. Descriptive statistics (Mean and Standard deviation)
3. Correlation
4. Linear regression

5.1. Reliability and Validity of Data:

Table.1 shows the internal reliability, internal reliability of the instrument was checked by using Cronbach's alpha. The result of cronbach alpha is 0.711 which is well above the stander presented by (Nunnally, 1978) that is 0.70. Therefore, this is clear that the instrument used in this study had strong internal reliability and it could be used with confidence for the application of further statistical analysis and interpretation.

-----Table.1 Insert here-----

5.2. Demographic Analysis:

Table .2 shows the characteristics of the respondents. A total of 320 employees in the Telecommunication companies' contributed in this survey. Majority of the respondents were male staff (82.5%) and female staff were (17.5%). Forty five percent were at the younger age group (20 to 25 years old) and most of them (58.6%) have been working in the companies from 5 to 10 years. Marketing executives made up 61.8% of the respondents and the second largest groups were management executives (17.5%) and technology executives (12.18%). Majority of the respondents (61.8%) possessed Bachelor degree, 27.8% with Masters and 10.8% with M.Phil.

-----Table .2 Insert here-----

5.3. Descriptive statistics:

The results of descriptive statistics are shown in table.3, results of descriptive statistics designated general agreement of the respondents to the different HRM practices. The mean values ranged from highest 3.2164 to lowest 2.8212). The results for Employee participation indicated highest concurrence (*Mean* =3.2164, *Standard Deviation* =.79664); Job rotation (*Mean* =3.0338, *Standard Deviation* =.73896); Empowerment (*Mean* =3.0273, *Standard Deviation* =.79664); Merit based promotions & performance based pay (*Mean* =2.8212, *Standard Deviation* =.72660); Grievance handling procedures (*Mean*=3.0862, *standard deviation*=1.14100) respectively. The mean score and standard deviation reflected conformity of respondents' perception about these high performance HRM practices and the agreement to the model. Therefore if the ratio of their mean score is calculated then it is clear that Employee participation has the highest value of mean, and then the number of Job rotation; the rest of the order is as follows: Empowerment and then Merit based promotions & performance based pay and Grievance handling procedures.

-----Table.3 Insert here-----

5.4. Correlation Analysis:

The results of correlation analysis are in Table 4. Range of correlation between HRM practices is between 0.154 to 0.511. All variables have positive relationship and statistically significant at ($p < 0.001$).

-----Table.4 Insert here-----

5.5. Regression Analysis:

In the present study, we analyzed our data by enter wise method in a multiple regression analysis. In this context, a multiple regression was performed; the overall model fit for regression equation was determined by F statistics. The model indicates positive and statistically significant relationship. To test how well the model fit the data and findings, R , R^2 (Coefficient of determination), variance, analysis of variance (ANOVA) and the t statistic were used.

In order to prove the impact of each independent variable on dependent variable and to check the hypothesis developed linear regression analysis was applied. Results of linear regression analysis are presented in table 5.

5.5.1. Hypothesis 1:

H1: Employee empowerment is positively and significantly related with Employee job satisfaction.

51.1% variance in employee job satisfaction is enlightened by employee empowerment, which is evident by the value of $R=0.511$ $F=112.6$ at $p=0.000$ illustrates the model's goodness of fit, Significant positive relationship between predictor and predicted variable is evident by the value of $t=10.6$. Therefore, based on the results it can be inferred with confidence that H1 is accepted.

5.5.2. Hypothesis 2:

H2: Job rotation is positively and significantly related with Employee job satisfaction.

18.0% variance in employee job satisfaction is enlightened by job rotation, which is evident by the value of $R=0.180$. $F=10.65$ at $p=0.000$ illustrates the model's goodness of fit. Significant positive relationship between predictor and predicted variable is evident by the value of $t=3.264$. Hence, on the basis of these results it can be inferred with confidence that H2 is accepted.

5.5.3. Hypothesis 3:

H3: Employee participation in decision making is positively and significantly related with Employee job satisfaction.

39.3% variance in employee job satisfaction is enlightened by employee participation, which is evident by the value of $R=0.393$. $F=57.7$ at $p=0.000$ illustrates the model's goodness of fit. Significant positive relationship between predictor and predicted variable is evident by the value of $t=7.602$. Therefore, on the basis of these results it can be inferred with confidence that H3 is accepted.

5.5.4. Hypothesis 4:

H4: Merit based promotions & performance based pay are positively and significantly related with Employee job satisfaction.

35.2% variance in employee job satisfaction is enlightened by Merit based promotions & performance based pay, which is evident by the value of $R=0.352$. $F=45.01$ at $p=0.00$ illustrates the model's goodness of fit, Significant positive relationship between predictor and predicted variable is evident by the value of $t=6.70$. Therefore, based on the results it can be inferred with confidence that H4 is accepted.

5.5.5. Hypothesis 5:

H5: Grievance handling procedures are positively and significantly related with Employee job satisfaction.

17.0% variance in employee job satisfaction is enlightened by grievance handling procedure, which is evident by the value of $R=0.170$. $F=9.476$ at $p=0.002$ illustrates the model's goodness of fit, which is not satisfactory. Insignificant relationship between predictor and predicted variable is evident by the value of $t=0.624$. Hence, on the basis of these results it can be inferred with confidence that H5 is not accepted.

-----Table.5 Insert here-----

6. Discussion and Conclusion:

The objective of this paper to investigate the relationship between High performance human resource management practices and employee job satisfaction in telecommunication sector in Pakistan. The results of the paper offered empirical support for the existence of a positive and statistically significant impact of High performance HRM practices on employee job satisfaction in Pakistan. Most of the high performance HRM variables have the high value of means, suggesting that all variables are perceived by sample respondent employees to have strong influence on employee job satisfaction.

The data gathered were analyzed with the help of statistical tools like correlations, standard deviations, analysis of variance (ANOVA), and mean scores. Correlations were used to assess the relationships of High performance human resource management practices used in telecommunication companies, and standard deviations were calculated to understand the variations in data collected through responses.

Reliability of the data collected was also calculated by applying the Cronbach Alpha. Table 1 shows the values of cronbach Alpha of all HRM practices. Further, the data were subjected to correlation. Table 2 shows the characteristics of respondents, Table 3 shows the descriptive statistics of respondents and Table .4 shows the correlations of five variables which were almost significantly correlated.

The regression analysis results demonstrate that High performance HRM practices have a strong significant relationship to employee job satisfaction of telecommunication companies in Pakistan. In this study five High performance human resource management practices were hypothesized to influence the employee job satisfaction in telecommunication companies. The results suggest that High performance HRM practices, namely empowerment, job rotation, employee participation and Merit based promotions & performance based pay are related to job satisfaction except grievance handling procedures. Thus, empirical results of this study generally support the hypotheses and are in line with those found by other researchers (i.e. G. Spreitzer 1995; G.M., Kizilos, M.A. Spreitzer, S.W. Nason, 1997; E. Appelbaum, T. Bailey, P. Berg, A. Kalleberg,2000).

The *first hypothesis (H1)* stated that empowerment would be related to employee job satisfaction. In this study it was found that effective empowerment in telecommunication companies had a positive effect on employee job satisfaction with a coefficient of .511 ($p < .05$). These results support previous empirical results (G. Spreitzer 1995; G.M., Kizilos, M.A. Spreitzer, S.W. Nason, 1997; R.C., Liden, S.J. Wayne, R.T. Sparrowe, 2000; S.E., Seibert, S.R Silver, W.A. Randolph, 2004), which have found that empowerment has an indirect relationship with employee job satisfaction. The result of this study indicates that empowerment practice had an impact on employee job satisfaction as it explained 51.1 per cent of total variance.

The *second hypothesis (H2)* stated that job rotation would be related to employee job satisfaction. In this study it was found that if job rotation is offered then the employee job satisfaction will be increased. In this research job rotation practice in telecommunication companies had a positive effect on employee job satisfaction with a coefficient of .180 ($p < .05$). These results support previous empirical results (J. Godard,2001; R.B. Freeman, M.M. Kleiner,2000; J. Harmon, D.J. Scotti, S. Behson,2003; E. Appelbaum, T. Bailey, P. Berg, A. Kalleberg,2000), which have found that High performance HR functions that holds job satisfaction related functions can improve knowledge, skills and the abilities of an organization's potential employees, and improve the satisfaction of employees .The result of this study indicates that job rotation practice had an impact on employee job satisfaction as it explained 18.0 per cent of total variance.

The *third hypothesis (H3)* stated that employee participation in decision making practices, which are linked to employee skills, knowledge and performance, are likely to be positively related to employee satisfaction. In this study it was found that employee participation practice in telecommunication companies had a positive effect on employee job satisfaction with a coefficient of 0.392 ($p < .05$). The result of this study supports the previous studies by (R.W. Griffeth, 1985; J.A. Wagner, 1994; D. Scott, J.W. Bishop, X. Chen, 2003) found a positive relationship between employee participation and employee job satisfaction. This finding suggests that employee participation practice has an impact on employee job satisfaction of telecommunication companies of Pakistan, it explains 39.2 per cent of total variance. The *fourth hypothesis (H4)* stated that Merit based promotions & performance based pay practice is positively related with employee job satisfaction. The study result showing that Merit based promotions & performance based pay is positively associated with employee job satisfaction in telecommunication companies in Pakistan with a coefficient of .352 ($p < .05$). This result is in line with the findings of the previous studies undertaken by (Ross and Reskin, 1992; Agho et al., 1993; Stordeur et al., 2001; Chu et al., 2003; Kafetsios and Zampetakis, 2008; Lu et al., 2005). Working environment practice has an impact on employee job satisfaction and it explains 35.2 per cent of total variance.

The *fifth hypothesis (H5)* stated that Grievance handling procedures practice is not positively related with employee job satisfaction. The study result showing that Grievance handling procedures practice is not positively associated with employee job satisfaction in telecommunication companies in Pakistan with a coefficient of .170 ($p < .01$).

The results of this study have shown that the independent variables which are empowerment, job rotation, employee participation and Merit-based Promotions & Performance-based Pay have a direct and positive impact on the dependent variable that is employee job satisfaction which means the improvement of one independent variable causes the improvement in the employee job satisfaction which is the dependent variable, except grievance handling procedures. Today it has become critical to have a dedicated, faithful and retained work force, while it is the one whose devotion can really pay off in the long run to get a competitive edge in the business. Therefore if the telecommunication sector adopts these High performance human resources management practices and implements them in the telecommunication sector it would promote the employees job satisfaction. All the formulated hypotheses are accepted at the significance level of .05. More importantly, all the High performance HRM system components are highly and significantly related to employee job satisfaction in telecommunication sector in Pakistan.

7. Contribution of the Current Study:

This study incorporates to researcher's efforts to recognize the relationship among high performance human resource management practices and employee job satisfaction in Telecommunication sector.

- The study added novel directions in the research of business management by opening up a debate on the impact of high performance human resource management practices on job satisfaction. The detail that statistically significant correlations and regression results are showing that all high performance human resource management practices have a significant impact on dependent variable Job satisfaction.

8. Implication for Management

The results also recommended that management might be able to increase the level of commitment in the organization by increasing satisfaction with High performance HRM practices like empowerment, employee participation in decision making, job rotation and Merit based promotions & performance based pay. One way of addressing this could be by increasing the interactions with employees in staff meetings and increasing guided discussions of topics related to these issues. Employees could be interviewed to determine their perceptions of management's ability to address these issues. Changes in organizational variables, such as pay scales, employee input in policy development, and job rotation could then be made in an effort to increase organizational commitment and job satisfaction.

Most of the Pakistani organizations do not see empowerment, job rotation, employee participation, Merit based promotions & performance based pay and grievance handling procedures are act as a driver of better employee performance; our research is indicating that these are leading contributing variables towards Job satisfaction.

9. Directions for Future Research

This study is specifying that certain high performance human resource management practices like empowerment, job rotation, employee Participation, Merit based promotions & performance based pay and grievance handling procedures could influence Job satisfaction, employee commitment and employee productivity; it still does not shed light on the mechanisms through which this is accomplished. Future research directions could include: Longitudinal studies to establish the causal relationship between the variables. To enhance external validity, future research attempts should get a representative sample from more organization.

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Annexure

Figure No.1: Theoretical Model of the Study

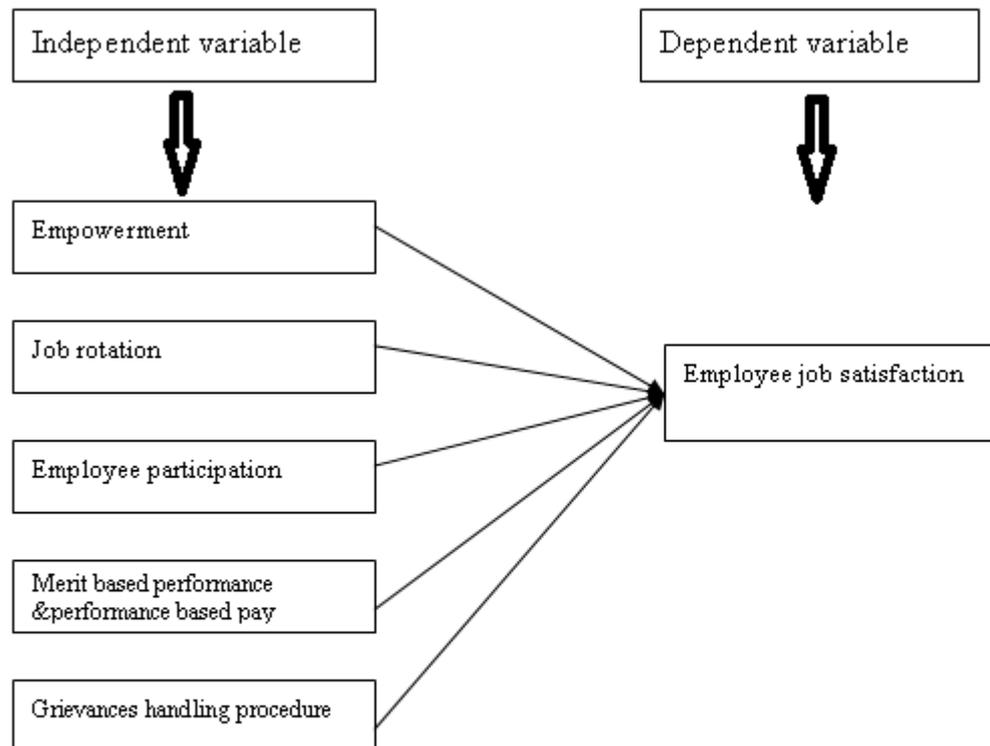


Table. 1 Reliability Analysis:

Variables	Cronbach's Alpha
Empowerment	0.766
Employee participation	0.735
Job rotation	0.775
Merit-based Promotions & Performance-based Pay	0.747
Grievance handling procedures	0.762
Job satisfaction	0.713
Overall Alpha for the instrument	0.711

Table 2.Characteristics of respondents (212 respondents)

Characteristics	Categories	Frequency	Percentage (approx)
Age	20-25	145	45.3
	26-30	37	11.56
	31-35	56	17.5
	35-40	41	12.8
	41-45	28	8.75
	45-55	13	4.06
Gender	Male	264	82.5
	Female	56	17.5
Qualification	Graduate	197	61.5
	Master	89	27.8
	MS/M.Phil	34	10.6
Tenure	1-5	153	47.8
	6-10	74	23.1
	11-15	38	11.8
	15-20	24	7.5
	Above 20	31	9.6
Department	Marketing	198	61.8
	Management	56	17.5
	Technology	39	12.18
	Others	27	8.43

Table.3: Descriptive Statistics.

Descriptive Statistics			
Variables	Mean	Std. Deviation	N
Empowerment	3.0273	.79664	320
Employee participation	3.2164	.76349	320
Merit-based Promotions & Performance-based Pay	2.8212	.72660	320
Job rotation	3.0338	.73896	320
Grievance handling procedures	3.0862	1.14100	320
Job satisfaction	3.2887	.73506	320

Table 4: Pearson correlation:

Correlation							
Variables		Empowerment	Employee participation	Merit-based Promotions & Performance-based Pay	Job rotation	Grievance handling procedures	Job satisfaction
Empowerment	Pearson Correlation	1	.272**	.194**	.154**	.350**	.511**
	Sig. (2-tailed)		.000	.000	.006	.000	.000
	N	320	320	320	320	320	320
Employee participation	Pearson Correlation	.272**	1	.231**	.647**	.405**	.392**
	Sig. (2-tailed)	.000		.000	.000	.000	.000
	N	320	320	320	320	320	320
Merit-based Promotions & Performance-based Pay	Pearson Correlation	.194**	.231**	1	.374**	.080	.352**
	Sig. (2-tailed)	.000	.000		.000	.155	.000
	N	320	320	320	320	320	320
Job rotation	Pearson Correlation	.154**	.647**	.374**	1	.307**	.180**
	Sig. (2-tailed)	.006	.000	.000		.000	.001
	N	320	320	320	320	320	320
Grievance handling procedures	Pearson Correlation	.350**	.405**	.080	.307**	1	.170**
	Sig. (2-tailed)	.000	.000	.155	.000		.002
	N	320	320	320	320	320	320
Job satisfaction	Pearson Correlation	.511**	.392**	.352**	.180**	.170**	1
	Sig. (2-tailed)	.000	.000	.000	.001	.002	
	N	320	320	320	320	320	320

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

Table 5: Regression Analysis:

Variables	R	t-value	B-coefficient	F-value	R ²	p-value
Empowerment	0.511	10.6	0.511 0.472**	112.6	0.261	0.000
Employee participation	0.392	7.602	0.392 0.378**	57.7	0.154	0.000
Merit-based Promotions & Performance-based Pay	0.352	6.709	0.352 0.356**	45.01	0.124	0.000
Job rotation	0.180	3.264	0.180 0.179**	10.65	0.032	0.000
Grievance handling procedures	0.170	3.078	0.170 .110**	9.476	0.029	0.002
N	320	320	320	320	320	320

**Unstandardized Beta Coefficients in parenthesis

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