



EFFECT OF HR PRACTICES ON EMPLOYEE WELLBEING: A CASE OF TELECOM SECTOR OF PAKISTAN

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Abstract

The core purpose of this study is to point out the importance of employee well being at workplace which is an infant area of research in Pakistan. Due to complex nature of effects of bundle of 'High Involvement' HR practices on job satisfaction it requires deep investigation. The effect of HR practices on employee performance has already captured the attention in prior literature but little research has been conducted to include employee's perspective. So with this in mind this paper places employees' perceptions at central stage of inquiry.

To explore the theme, data was collected from sample size of 403 employees including first level managers, executives and officers through structured questionnaire from seven companies in the private sector of telecom. Principle component analysis (PCA) and regression analysis have been used for data analysis.

Bundle of HR practices including training, involvement in decision making, compensation contingent on performance and empowerment have a significant positive effect on perceived organizational support (POS) which is also positively related to employee job satisfaction.

This paper suggests that effective implementation of 'high involvement' HR practices will improve employee job satisfaction through POS. It implies that private organizations should reassess the existing formal HR practices for better results/outcome.

Key words: training; involvement in decision making; empowerment; compensation; job satisfaction and perceived organizational support.

Introduction

Telecom sector has become one of the most favorite segments with respect to the growth and development. At the time of inception of Pakistan, the country owned an inadequate telecom base with just 14,000 operational telephone lines. Previously telecom services were meant just to meet the needs of country administration but from the last decade significant change have occurred because Pakistan telecom industry is now flourishing throughout the country. By April 2010, there were 97.6 million mobile phone consumers in Pakistan. On estimation more than 17 million people have access to internet whereas 3.5 million are internet subscribed users and

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approximately three thousand and two cities have internet facility all over in Pakistan. It is crucial job for the telecom sector to hire right kind of people at the right job at the right place at the right time so that they can attract and retain the employees. Last year, this sector grew up by 80 percent while average growth rate in last four years has been more than 95 percent. The sector is currently contributing 2% in GDP.

The world has become a global village. In this era, there is a cutthroat competition among all the telecom companies on the basis of advancement in the new technologies. Pakistan is a developing nation wherein knowledge and technology intensive organizations and the effective system of HR practices are imperative. For the purpose of the survival in such a competitive environment, the companies require best human resource practices to best utilize the human resource.

Due to impetuously changes in the technology and environment, the telecom companies are giving full attention towards the training of the employees. There are lot of tools through which employees can be satisfied on the job and generate enough output as by providing adequate training, compensation, involvement in decision making and empowerment. When these things are in place then employees perceive that organization is concerned with their well being. And such perceptions of employees make them feel satisfied with their job.

Practitioners use a large variety of practices to constitute High-involvement practices bundle. According to (Lawler, 1986; Xana and Florkowski, 1992) some researchers included four HR practices; information, training, remuneration and empowerment in high-involvement HR bundle. However, Arthur (1994) suggested six HR practices such as performance-based compensation, collective participation in decisions, skill development training, empowerment and high wages. Wood and de Menezes (1998) further expanded this bundle by adding recruitment, appraisal systems and job security to the practices previously studied. Therefore, we may conclude that empowerment, training, compensation, and involvement in decision making are considered to be the integral practice for high involvement. High involvement practices suggest that effective implementation is done only if bundle of HR practices is used rather than individual HR practice because bundle takes synergy effect (Guerrem and Didier, 2004).

Hence, the current study has taken above mentioned four high involvement HR practices, which are likely to affect employees' job satisfaction. Mostly, trainings are aimed to enhance hard and soft skills of newly hired and experienced employees. The trainings are imperative for employees to have right combination of skill, knowledge and ability to take right decision



at workplace (Konard,2006).According to Guerrem and Didier(2004) compensation includes two types;monetary (profit sharing, employee stock ownership &gain sharing) and non-monetary rewards(fringe benefits).Merit based pay can also be considered as the measurement of compensation. Hence, this study measures compensation through merit pay, gain sharing and profit sharing.

High involvement means getting ideas from employees and including them in decision making process. It describes that employees' efforts are oriented to achieve organizational goals and they are powered by the desire to support the company (Guerrem and Didier, 2004).Empowerment provides opportunity to employees to formulate decisions (Bowen & Lawler, 1992) and individualis considered to be responsible for his own decisions (Pastor, 1996).

The remaining article is sequenced as follows. Second section reviews the literature that defines dependent and independent construct variable with the significance of employee wellbeing and divergent views over the effect of HR practices on job satisfaction.Third sectiondiscusses the methods of data collection and data analysis.Fourth section presents the results of investigation.Fifthsection discusses the findings.Managerial implications and limitations of the study have been given in sections six and seven respectively.

LITERATURE REVIEW:

There are number of dimensions of employee well being at work that have been defined in literature as aspects of job satisfaction, work related outcomes either positive or negative and job stress(Furnham,1991). According to Peccei (2004) the employee wellbeing at work can add to people's contentment that may be measured by job satisfaction. Warr (2002) advocated that wellbeing at job is connected with people's happinessrelevant to jobs aspects e.g.training opportunities, involvement, team working, nature of tasks, rewards, peersand bosses, and working environment. Employee satisfaction refers to specific facets of the job (type of the work, salary, promotion opportunities, peers and organizational environment [Gurbuz, 2008; Currie, 2001]. Graham (1982) explainedjob satisfaction as "the measurement of one's total feelings and attitudes towards one's job". Hoppock (1935) discussed job satisfaction as "any combination of psychological, physiological, and environmental circumstances that causes a person truthfully to say, 'I am satisfied with my job'".According to Jernigan et al. (2002) work satisfaction refers to one's feeling of satisfaction not only associated with work but organization(procedures, working condition)

as well. Locke and Latham(1990)statedjob satisfaction as emotional state of affairs that result from individual's job experiences. Likewise, Fisher et al. (2004) described that job satisfaction is about the positive attitudeconcerned with the key aspects of a job. Finally, Job satisfaction is one's attitudedeveloped on composition of individual's perceptions regardingcomponents of job (working environment, employment rules and regulation, extent of sovereignty, responsibility, and power) (Kersley et al., 2006).

Well being is recognized as an underpinning factor in yielding organizational success and benefits. Due to frequent changes in job environment particularly due to excessive use of technology and lay off due to economic crisis, less people are created for more work. This demands extensive work role on the cost of health which may increase job stress, absenteeism and reduce job satisfaction & quality of output in the developing countries like Pakistan.

Job satisfaction -one of the fundamental dimensions of employee well-being- has become frequently studied variable (Spector, 1997) due to its positive impact on many individual factors(effort, health, performance) and organizationaloutput(culture & environment, turnover, productivity) (Perrow, 1972).

Fisher et al. (2004) suggested that job satisfaction can improve work performance. Job satisfaction is crucial to company performance because satisfaction enhances employees' commitment and dedication to work and reduces employee absenteeism and turnover (Rainy 1991). Job dissatisfaction boosts the likelihood of intent to turnover and escaping the job context(Mobley, 1982). Finally, research has proven that job satisfaction is imperative in yielding individual and organizational performance (Steers, 1977; peffer, 1999; judge et al, 2001; Nebeker et al, 2001; Gurbuz, 2008).

According to Shore &Tetrick(1991) perceived organizational support (POS) focuses on the employees' positive and negative perceptions of the organization's concern toward them. Similarly, Eisenberger et al. (1986) described the term POS, as individuals' general perceptionregarding the degree to which the organization is concerned about employees' well-being and compensate their contribution according to their efforts. He observed thatstrong positive relationship exists between POS and overall job satisfaction. Thus, if employees perceive that organizations consider and regard their contribution/work and deal them impartiallythey will reciprocate positively and exert high level of discretion at work.(Aryee et al., 2002).

There isemerging interest in the search of adopting "best practices" of human resource management occasionallymentioned as "high performance work systems (HPWS)" (Appelbaum et al., 2000), "high commitment"



(Guest, 2001) or “high involvement” (Wood, 1999) bundle rather than individual practices. The growing body of literature and research revealed degree of fuzziness as to what sort of practices should be included in the “high involvement” bundle.

Lies et al. (1990) proposes that constellation of HR practices convey very strong message of the organization concern for the workers. Many theoretical models have been developed to determine relationship between bundle of HR practices and organizational performance mediated by attitudinal and behavioral outcome including well being and job satisfaction (Guest, 1997; Marchington and Grugulis, 2000; Wood, 1999; Williams, 2003; Truss, 2001; Applebaum et al., 2000; Becker and Huselid, 1997; Paaauwe & Richardson, 1997). But there are limited studies that focus on negative work-related effects except Ramsay et al. (2000) and Godard, (2001). Previous research scholars have paid more attention on outcomes that are crucial to attain increased level of organizational performance with little emphasis on workers' attitude (Allen et al., 2003; Guest et al., 2003; Wood and de Menezes, 1998; Arthur, 1994) except few research conducted by Guest, (2002); Kersley et al., (2006) and Peccei, (2004) on HRM practices and wellbeing of the workforce.

Whitener (2001) and Guzzo and Noonan (1994) argued that employee experience of HR practices may or may not be aligned with organization. For instance, employees may perceive reward inequity although the organization has endorsed fair rewards. Furthermore, employees may view participation schemes as burden or just a lip service without any reward, especially if their inputs are not recognized (Gould-Williams and Davies, 2005; Allen et al., 2003).

With the emergent awareness in the literature over the effects of HRM on job satisfaction scholars and practitioners have provided divergent views. For better understanding these are divided into three perspectives as optimistic, pessimistic and skeptical respectively (Peccie, 2004).

Optimistic perspective: This view is connected with behavioral theories of HRM, which suggest that HR practices increase higher level of empowerment that creates conducive environment resulting in better quality of work life which leads to higher levels of job satisfaction. Boselie et al., (2005) suggested that ‘bundles’ of HRM practices as ‘high-involvement’, can result in increased degree of job satisfaction. Guest and Conway (1999) suggested that HRM practices are related with improved levels of satisfaction. If HRM practices endow workers with higher level of delegation and involvement in decision making, then this might be expected to have a positive impact on satisfaction (Spencer et al., 2008). Guest (2002)

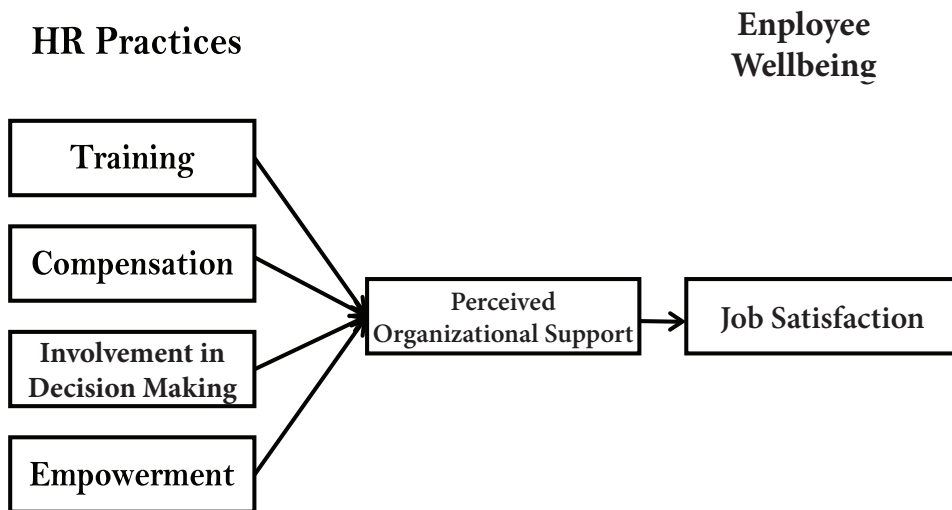
concluded that employee participation programs, open flow of information and friendly working environment were all linked with increased job satisfaction. Participation in decision making has positive impacts on job satisfaction [Scotti (2003), Griffeth (1985) and Wagner (1994)].

Pessimistic perspective: According to this view adoption of high performance practices by organizations normally leads to work overload and generally more organized exploitation of employees at work place (Delbridge & Turnbull, 1992; Fucini & Fucini, 1990; Landsbergis et al., 1999; Guest, 1999). Similarly, HR practices which are aimed at increasing performance may indeed lead to raised work-related stress and decreased quality of life and thus lower Job satisfaction (Green 2006). In this situation workers respond negatively and may become more dissatisfied with performance-related pay (Marsden & Richardson, 1994). Marchington and Wilkinson (2005) concluded that the effect of participatory work practices is over claimed. It in fact leads to increased work pressure and stress, which causes reduced levels of satisfaction with relevance to pay (Morris et al., 2006).

Skeptical perspective: According to this view, HRM is not supposed to have a certain effect on employee well being on the rational of quite weak implementation of progressive HR practices. Some suggest HPWS may or may not have such an effect (Appelbaum, 2002). Performance-related pay also shows no association with work satisfaction. However, training and development shows little link to satisfaction.

Despite mixed nature of results there is much more evidence for positive effects of HR practices on well being (for example Appelbaum, 2002; Guest, 2002 and Goddard, 2001; Pfeffer, 2005; Purcell et al., 2003). Considering the continuous changes occurring in the private sector of telecommunication in Pakistan, this seems an intriguing and critical area of investigation which is in its infancy and remains relatively untapped (Guest 2002). We could not find any other study which would have investigated the impact of HR practices on employee well being taking perceived organizational support as mediating variable in telecommunication sector of Pakistan. Keeping this view in mind, the purpose of present research is to address this gap.

Theoretical framework: The general theoretical framework underpinning the analysis is exhibited below in Figure 1. Idea behind this framework is that employee job satisfaction is a function of individual's perceived organizational support at work which is determined by the HR practices implemented in organization. Specifically the focus of study is on individual's perceptions about supportive environment, equitable rewards, and supervisor & organizational support.



3. Data and Methodology

3.1 Data Collection and Sample:

We used structured questionnaire to measure the variables included in this study. Items of job satisfaction have been adopted from Gardner et al. (2001), Williams (2007) and Bellingham (2004). POS is measured with the help of a questionnaire adopted from Williams (2007), Baptiste (2007) and Eisenberger (1986). The items which are related to the training and involvement in decision making are taken from Williams (2007) and Guest (2002). Empowerment questions have been taken from Ravichandran and Gilmore (2007). The present study uses five point likert scale questionnaire as instrument of data collection ranging from “strongly disagree” to “strongly agree” with numbers “1” to “5” respectively. Construct of employee well being is measured by single dimension of job satisfaction of employees at workplace. Compensation has been measured in terms of merit based pay and financial benefits. This questionnaire includes 15 statements to measure HR practices, 16 statements for POS and 16 statements to measure the job satisfaction. This questionnaire has been discussed with a panel of five experts- three academic and two non academic HR professionals- and found to be suitable for using in present research.

Data is obtained from seven renowned telecom companies situated in the city of Lahore. Lahore is one of the densely populated city and capital of Punjab province of Pakistan. Lahore is the foremost center of literary and remains the vibrant educational and economic hub.

Many researchers suggest that, as a rule of thumb, a sample size of any

number more than two hundred is assumed to give adequate statistical power for data analysis (Sivo et al., 2006; Garver and Mentzer, 1999; Hoelter, 1983). Keeping this in mind a total of 480 questionnaires were distributed to the first level managers, executives and employees selected on the basis of systematic random sampling working in private telecom companies (both local and MNC's) which were chosen through simple random sampling technique. Only those telecommunication companies have been carefully selected that have formal HR department for handling human resources. Most of the questionnaires had been filled in by self conducted survey. Some of the questionnaires were sent through surface mails accompanied by a cover letter and prepaid envelope. HR managers and participants were informed about the purpose of the study and confidentiality of data was ensured so that they could give their unbiased opinion to the questions being asked. No personal data had been collected except demographic information such as gender, age and education.

Table 1 mentioned below shows the demographic details of the respondents.

Table 1
Demographic Profiles of Respondents

Respondents Demographics		Frequency	Percentage
Gender (N=392)	Male	278	69.0
	Female	114	28.3
Age (N=394)	20 to 25	122	30.3
	26 to 30	170	42.2
	31 to 35	76	18.9
	36 to 40	16	4.0
	41 to 45	2	0.5
	51 to 55	4	1.0
	56 or above	4	1.0
Education (N=393)	Matriculation	6	1.5
	Intermediate	13	3.2
	Graduation	246	61.0
	Masters	116	28.8

3. 2 Methodology:

Principal Component Analysis (PCA) is a useful statistical technique that exercises orthogonal conversion to change number of interrelated items of



a construct into a smaller number of uncorrelated factors which are called principal components. Shortly, it discloses the inside composition of the data in a form that best covers the variance in the data.

PCA develops a principle component in the following way.

$$PC = a_1(x_1) + a_2(x_2) + a_3(x_3) + \dots + a_n(x_n).$$

Where

PC = Principle component

a_n = regression weight for observed item X_n

X_n = nth item of the construct

By using Varimax method of rotation this investigation gets orthogonal components. Kaiser-Meyer-Olkin Measure of Sampling Adequacy test and Bartlett's Test of Sphericity are used to check whether data used in this study are adequate to apply factor analysis. According to KMO criterion those components are taken which have Eigen value of more than 1.0. Factor loadings have been found to ensure whether each item loads into its respective factor. Values of Cronbach's alpha have been computed to check internal consistency among the items of each construct.

The study uses multiple regression analysis to determine the impact of HR practices on employee job satisfaction.

4. Empirical findings:

Research questionnaire used in this paper has 16 items on 'job satisfaction', 16 items on 'POS' and 15 on 'high involvement HR practices'. Responses taken on total 47 items vary from strongly agree to strongly disagree, whereas mean scores and standard deviation range from 3.28 to 3.86 and from 0.70 to 1.09 respectively.

Table 2 represents the values of Cronbach's Alpha for job satisfaction, POS, training, compensation, involvement in decision making and empowerment which deviate from 0.80 to 0.97 respectively. These results show that data collected on Job satisfaction, POS and HR practices used in this analysis are reliable and internally consistent.

Table 2
Reliability of Measurement

Construct	Valid N	Numbers of Items	Cronbach's Alpha
Job satisfaction	403	16	0.954
POS	403	16	0.941
Training	403	05	0.863
Compensation	403	03	0.973
Involvement in decision making	403	04	0.902
Empowerment	403	03	0.774

Table 2.1
KMO and Bartlett's Test

Construct	No. of Items	KMO Measure of Sample adequacy	Bartlett's Test of Sphericity Chi-Square	Bartlett's Test of Sphericity Sig.
Job satisfaction	16	0.839	5423.47	0.000
POS	16	0.807	4896.91	0.000
Training	5	0.847	920.286	0.000
Compensation	3	0.609	2038.98	0.000
Involvement in decisionmaking	4	0.784	1130.07	0.000
Empowerment	3	0.678	340.2703	0.000

Table 2.1, Table 2.2 and Table 2.3 represent the findings of PCA. The present study uses factor analysis by employing PCA to ensure construct validity. KMO measure of sampling adequacy has been used to extract orthogonal components of each construct. Bartlett's Test of Sphericity is used to confirm correlation among items of each construct. Values of KMO 0.5, 0.6, 0.7, 0.8, and 0.9 are considered to be poor, acceptable, good, very good and excellent respectively (Hutcheson and Sofroniou, 1999). In table 2.1 results suggest that our data meets the criterion of KMO and null hypothesis of no correlation among items of each construct is rejected at less than one percent significance level according to the results of Bartlett's test of sphericity in each case.



Table 2.2
Eigen Value and Total Variance Explained

Construct	No. of Items	Initial Eigen Values		
		Total	% of Variance Explained	Cumulative % of variance explained
Job satisfaction	16	14.214	88.836	88.836
POS	16	13.118	81.988	81.988
Training	5	3.257	65.141	65.141
Compensation	3	2.850	95.009	95.009
Involvement in decision making	4	3.097	77.432	77.432
Empowerment	3	2.072	69.081	69.081

Those components of a construct are selected as principle component that have Eigen value of more than 1 and can be used for finding factor loadings . Refer to table 2.2 for Eigen value and total variance explained for the constructs. For each construct we find only one component using the rule of thumb of Eigen value above 1. Percentages of variance of each construct explained by the respective retained components range from 65.14 to 95.00. With reference to table 2.3 factor loadings vary from 0.73 to 0.99. A factor loading shows that how each item loads into its relative principle component. According to Straub et al.(2004) value of factor loading of each item into its relative principle component should not be less than 0.40. Following the criteria described earlier cross loadings which were less than 0.40 have not been included. Summing up the above points results suggest that criteria of construct validity are satisfied.

Table 2.3
Factor Loadings

Variable	Item	Factor Loading
Job Satisfaction	I like the people I work with.	0.87
	This is a fun place at work.	0.85
	I look forward to going to work on Monday morning.	0.78
	I feel positive and up most of the time i am working.	0.70
	I have the time and angry in my life to read books that interest me.	0.87
	I have energy at the end of each work day to attend to the people i care about.	0.87
	Most interactions at work are positive.	0.77
	Work is real a real plus in my life.	0.76
	I am engaged in meaningful work.	0.73
	My manger cares about me as a person.	0.72
	I overall, I am very much satisfied with my job and couldn't be more satisfied.	0.71
	I talk about this organization to my friend as a great organization to work for.	0.86
	I feel real enjoyment in my job.	0.83
	I like my job better than the average workers does.	0.75
	I am seldom bored with my job.	0.76
POS	There's a friendly supportive atmosphere amongst staff in this department (supportive environment).	0.72
	I feel fairly rewarded for the amount of effort I put into my job (equitable reward).	0.71
	I do receive help from my line manger which improves my performance.	0.77
	My line manager supports me when necessary.	0.98
	I am given feedback by my immediate line manger on how i am going.	0.89
	The organization values my contribution to its wellbeing.	0.89
	The organization fails to appreciate any extra effort from me.	0.83
	The organization would ignore any complaint from me.	0.85
	The organization really cares about my well being.	0.85
	Even if I did the best job possible, the organization would fail to notice.	0.93
	The organization cares about my general satisfaction at work.	0.83
	The organization takes pride in my accomplishments at work.	0.085
	Company gives enough recognition for well done work.	0.75
	My supervisor handles my work related issues satisfactorily.	0.75
	My supervisor treats me fairly.	0.85
Training	Training needed assessment is conducted before training is provided.	0.80
	I am provided with sufficient training and development opportunities.	0.84
	Training programs are evaluated in order to improve their effects.	0.83
	I am provided with the training needed to achieve high standards of work.	0.82
	Received training and development courses to update skills within the last 12 months.	0.72
Involvement in Decision Making	Management involves people when they make decisions that affect them.	0.91
	Some organizations are trying to get employees more involved in workplace decision-making (using self-directed work teams, total quality management, quality circles, or involvement programs.) Have	0.84



Table 2.4
Regression Analysis
POS is dependent Variable

Regressor	Coefficient	Standard Error	t-Ratio
Constant	-.005	.042	-.128
Training	.200	.048	4.169*
Compensation	.115	.048	2.410**
Involvement in decision making	.263	.051	5.191*
Empowerment	.164	.046	3.594*

Note: a* and **Represent the significance level at less than 0.01 and 0.05 simultaneously.

Table 2.4 (a)
Necessary Statistics

R²	Adj. R²	F-statistics	Sig. (F-Statistic)
0.852	0.812	39.684	0.000

Results of regression analysis have been given in table 2.4 to 2.7. Table 2.4 and 2.4(a) demonstrate that effect of HR practices on POS of employees of private telecom sector of Lahore is significant. Regression analysis shows that among four HR practices 'involvement in decision making' (b=0.26) has higher effect than training (b=0.20), compensation (b=0.12) and empowerment (b=0.16) on POS. However, all HR practices are positively related to POS. All HR practices are significant at less than one percent except compensation which is significant at less than five percent level of significance. Value of adjusted R² (0.812) shows that HR practices explain 81.2% variation of POS. F test (F statistics=39.684) is significant at less than one percent significance level so the model is good fit.

Table 2.5
Regression Analysis
Job satisfaction is dependent Variable

Regressor	Coefficient	Standard Error	t-Ratio
Constant	0.028	0.021	1.346
POS	0.882	0.021	42.210*

Note: a. * Represents that significance level of coefficient is less than 0.01.

Table 2.5 (a)
Necessary Statistics

R²	Adj. R²	F-statistics
0.703	0.681	1782

Table 2.5 demonstrates that effect of POS ($b=0.88$) on job satisfaction of employees is significant at less than one percent. Value of adjusted R² (0.68) shows that POS explains 68% variation of job satisfaction.

Table 2.6
Regression Analysis
Job satisfaction is dependent Variable

Regressor	Coefficient	Standard Error	t-Ratio
Constant	.025	.041	.595
Training	.309	.047	6.596*
Compensation	.097	.047	2.088**
Involvement in decision making	.130	.049	2.640*
Empowerment	.170	.044	3.811*

Note: * and ** Represent the significance level at less than 0.01 and 0.05 simultaneously.

Table 2.6 (a)
Necessary Statistics

R²	Adj. R²	F-statistics
0.885	0.826	39.866

Table 2.6 demonstrates that effect of HR practices on job satisfaction of employees of private telecom sector of Lahore is significant. Regression analysis show that among all four HR practices training ($b=0.31$) has larger effect on job satisfaction than involvement in decision making ($b=0.13$), compensation ($b=0.10$) and empowerment ($b=0.17$). However, training and



empowerment and involvement in decision making are positively related and significant at less than one percent. Compensation comparatively has less effect on employee job satisfaction and significant at less than five percent. Value of adjusted R² (0.826) shows that HR practices explain 8.6% variation of job satisfaction.

Table 2.7
Regression Analysis
Job satisfaction is dependent Variable

Regressor	Coefficient	Coefficient	Coefficient	Coefficient
	Model 1	Model 2	Model 3	Model 4
Constant	.028	.028	.029	.028
Training	.124*			
Compensation		.013		
Involvement in decision making			0.054	
Empowerment				.042
POS	.833*	.877**	.904*	.866*
R ²	.830	.816	.819	.818
Adj. R ²	.829	.815	.818	.817
F. Statistic	975.729	889.583	902.243	898.689

Note: * and ** Represent the significance level at less than 0.01 and 0.05 simultaneously.

A mediation model used by the current study seek out to explain the method that brings about a pragmatic relationship between an independent variable and a dependent variable by the addition of a third variable known as a mediator. Results shown above in table 2.7 suggest that effect of HR practices on employee job satisfaction is mediated by perceived organizational support. If we see individual practices effect then effect of training on job satisfaction is partially mediated by POS whereas effect of involvement in decision making, compensation and empowerment on job satisfaction is fully mediated by POS. Full mediation shows that an independent variable affects the dependent variable just through the mediating variable and no direct effect goes from independent variable to dependent variable.

Table 2.8
Sobel test for Significance of mediation

Individual variable	mediator	Dependent variable	Sobel test statistics	P-value
Training	POS	Job satisfaction	4.142	0.000
Compensation	POS	Job satisfaction	2.39	0.02
Involvement in decision making	POS	Job satisfaction	5.11	0.000
Empowerment	POS	Job satisfaction	3.55	0.000

Table 2.8 exhibits the results of Sobel test which investigates whether a mediator variable significantly carries the influence of an independent variable to a dependent variable. The test infers that effect of all HR practices used in this study on job satisfaction significantly mediate through POS.

5. Discussion & Conclusion:

This article examined the relationship between ‘High involvement’ HR practices and job satisfaction with the mediation of perceived organizational support. According to our results all HR practices have significant positive impact on POS and these practices contribute 81 percent to explain POS. This refers that if employers implement selected practices such as training, merit base compensation, financial participation, empowerment and involvement in decision making then employees will perceive that they are given value by organization in terms of providing sufficient support. In second step we see that POS has significant positive relationship with job satisfaction and contributes 68 percent to explain job satisfaction. In the third step it is found that effect of bundle of HR practices on job satisfaction is significant and positive. Practices used in the current study describe 83 % of variation of job satisfaction. Employees feel satisfaction at job if they are trained, involve in decision making, given authority to make decision and given merit pay and financial participation. Further, it has been found that individual HR practices have positive significant relationship on job satisfaction through POS. Moreover, we see that effect of training is partially mediated by POS and we may say that some effect of this practice directly goes to job satisfaction. However, effect of other individual practices i.e., involvement in decision making, compensation and empowerment on job satisfaction is fully mediated by POS. Compensation with POS describes 82 % of job satisfaction that suggests that if employees perceive that they are provided with equitable rewards, supports and pay for performance, gain sharing scheme and profit sharing then these perceptions result in job satisfaction. Empowerment with POS also describes 82% of job



satisfaction. This implies that if employees are provided with autonomy and independence at job and then they perceive managerial and organizational support is given then they will be satisfied. Effect of involvement in decision making (IDM) is also fully mediated by POS. We may say if employees are involved in decision making then they will perceive that their managers and organization provide support to them and it causes higher level of satisfaction at workplace. Training with POS explains 83 % of job satisfaction and the effect of training on job satisfaction is partially mediated by POS. Hence, we conclude that our findings underlie the optimistic view which suggests positive relationship of HR practices and job satisfaction. So our study supports the findings of Boselie et al. (2005), Guest and Conway (1999), Spencer et al. (2008), Guest (2002), Scotti (2003), Griffeth (1985), Wagner (1994) and Wilkinson et al. (1997).

6. Managerial Implications:

There are some implications to be extracted from the findings of this research. This study suggests that managers should reevaluate their current system of implementing HR practices to enhance employee well being and positive employees' perceptions. From HR practitioner and policy perspective, our results support the idea that implementation of bundle of 'high involvement' HR practices is of crucial importance for the enhancement of job satisfaction. We suggest that training need assessment must be conducted (TNA) before training. There must be sufficient training program for development and to achieve high standards of work. If employer will evaluate training program it will improve training effectiveness. Compensation must be merit based and they should provide profit sharing and gain sharing scheme so that they feel higher level of satisfaction. Employees should be involved in decisions that affect them. There should be effective communication in organization. If employees are given autonomy and discretionary power to make their job relevant decisions they will feel job satisfaction. These all core HR practices used in this paper create employees' perceptions of supportive environment, equitable rewards, recognition and perception that they are not just considered as numbers but as assets. Implementation of HR practices and positive perception may enhance meaningfulness of work, enjoyment, and leisure time and leads to generally higher satisfaction with job. In today's world employees are considered to be their human capital so they should not be exploited in any way.

7. Limitations of Study:

There are number of dimensions of employee well being at work that have been identified in literature such as both positive and negative work related effects, job stress,happiness,physical and mental healthetc.But this study incorporates only single dimension of well beingi.e, job satisfaction. Furthermore, employee satisfaction can be measured by job satisfaction, life satisfaction and work life balance satisfaction but this study only measures employee satisfaction with 'job satisfaction'.This study has taken limited number of HR practices in high involvement bundle although we can add many other HR practices such as recruitment, skill development communication, appraisal systems and job security for further research. Moreover there are some othermodels of HR practices including 'best practices', 'high performance work practices', and 'high commitment' which can be used. Sample size can be enlarged and this study can be conducted in other sector as well.

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