

EFFECT OF HRM PRACTICES ON SERVICE QUALITY: JOB SATISFACTION AS A MEDIATOR VARIABLE

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Abstract

The purpose of this paper is to investigate the effect of human resource management (HRM) practices on job satisfaction and service quality. Furthermore, this paper also is conducted to examine the role of job satisfaction as a mediator in the relationships between HRM practices and service quality in the Malaysian hospitality sector. Data were gathered from one hotel at Shah Alam, Selangor, Malaysia. The results from data analysis revealed that there was a significant effect of HRM practices on job satisfaction and quality service. Moreover, the analysis result has confirmed the role of job satisfaction as a mediator in the relationships between HRM practices and service quality. This study contributes to the body of knowledge in expanding the knowledge about the roles of HRM practices in enhancing quality service and employee work attitude and behavior (i.e. job satisfaction) in the context of hospitality sector in non-Western context. This study also expands the literature by providing empirical evidence about the role of job satisfaction as a mediator in the relationship between HRM practices and service quality.

Keywords: human resource management practices, job satisfaction and service quality.

1. INTRODUCTION

The present study extends earlier research in several ways, through develops a model to explain the relationship between of human resource management (HRM) practices on job satisfaction and service quality. This study propose that HRM practices is the most important drivers of job satisfaction and service quality. Therefore, this study empirically examine the effect of HRM practices on service quality. Furthermore, this study evaluate the mediator role of job satisfaction in the relationship between HRM practices and service quality. Moreover, this study assess the direct effect of HRM practices on job satisfaction. In addition to examine direct effect of job satisfaction on service quality.

2. LITERATURE REVIEW

2.1. The importance of HRM practices

HRM practices facilitate and enhance the internal development of employees such as training and career development (Snell (2002) & Zhang, Wan & Jia (2008)). The relationship between HRM practices and service

quality have examined by several studies (Habtoor 2016, Chuang et al., 2013, Wright & Kehoe, 2008, Humphrey, et al 2003, Schneider & Bowen 1993). However, HRM practices play a critical role in the implementation of service quality.

Actually, HRM practices refer to how human resources are managed (Ngo et al., 2008). Majumder, (2012) suggested that, to survive with the challenges efficiently, HRM practices has been considered as one of the most critical factors in making and enhancing competitive advantage. Therefore, the contribution of HRM practice to enhance and develop the abilities of employees is the key factor for competitive advantage and organization performance as well as the implementation of service quality (Moreira, 2008, Huang, 2000).

2.2. The Relationship between HRM Practices and Job Satisfaction

Job satisfaction has become one of the significant indicators in measuring organizational performance in many studies. Onyema (2014) claim that human resources management practice such as recruitment and selection, training and development, performance appraisal and compensation jointly and independently effect job satisfaction.

Since HRM practices is the most important drivers of job satisfaction, the relationships between HRM practices and job satisfaction in the Malaysian hospitality sector will examine:

H1: HRM practices directly effect job satisfaction.

2.3. The Relationship between Job Satisfaction and Service Quality

The critical role of job satisfaction will take place in this study by examine the effect of job satisfaction on service quality, in addition the mediation role of job satisfaction in the relationship of HRM practices and service quality.

Hoppock (1935) put the early definition of job satisfaction. He claim that job satisfaction is the subjective reactions or satisfaction displayed by employees both physically and mentally with regard to the working environment.

Nowadays, human capital is the most key successes factors in the business environment. Indeed, to gain the benefits of this factors organizations consider employees as an internal customer and employee satisfaction become a measurement of organisational performance and a critical factor for the implementation of service quality (Nebeker et al., 2001; Rafi and Ahmed 2000). Therefore, the effect of job satisfaction on service quality will evaluate as well as the mediator role of job satisfaction in the relationship of HRM practices and service quality will examine:

H2: Job satisfaction directly affects service quality.

2.4. Job Satisfaction Is a Mediator between HRM Practices and Service Quality

According to Kenny et al. (1998), the previous discussions are necessary and sufficient to establish the mediation effect. Accordingly, this study proposing a mediated model, in that HRM practices is expected to influence job satisfaction, which, in turn, will improve service quality. Thus, the following hypothesis is proposed:

H3. Job satisfaction is a mediator between the HRM practices and service quality.

3. CONCEPTUAL FRAMEWORK

The literature has been used as foundation to develop the conceptual framework of this study as shown in Figure 1.



Figure 1: Effect of HRM practices on service quality: job satisfaction as a mediator variable

4. METHODOLOGY

4.1. Sample

The sample for this study consists of 50 employees of one hotel in Shah Alam, Selangor, Malaysia. 32 per

cent (N = 16) were female and 68 per cent (N = 34) were male. The average age was 29 years old, while the average of work experience is 7 years old. In terms of education level, 38 per cent (N = 19) of them hold secondary school certificate, 40 per cent (N = 20) of them are diploma holder, and the remaining 20 per cent (N = 10) of them are degree holder. In terms of status, 68 per cent (N = 34) are still single and 32 per cent (N = 16) are already married.

4.2. Procedures

Data for this study were collected from February to May 2016. Data were collected from the respondents through surveys. The questionnaires were designed in English and translated into the Malaysian national language. The use of the translated version increased the readability among the respondents (Bates & Khasawneh, 2005), and also increased the likelihood that the instrument would operate in this new target culture similarly to the original culture in which it was developed (Velada et al., 2009).

The surveys were anonymous and were delivered personally to the respondents as the respondents were located in a local area and the researcher had obtained approval to meet them (Cavana et al., 2001; Sekaran & Bougie, 2010). Evidence from previous studies indicates that this method produces higher response rates when it is applied in the context of this type of study (Tay, 2008). A brief description of the study was presented to the respondents, including the study aims and background. In addition, the issue of anonymity, confidentiality and voluntary participation was highlighted. This approach has been found useful to clarify any doubt among respondents to the questionnaire, and subsequently motivate them to be more open and honest in their answers (Sekaran & Bougie, 2010). The respondents were reminded that they could withdraw from the study at any time without the need to give any explanation. Respondents completed the survey and returned them in a sealed envelope to ensure anonymity and confidentiality (Yamhill & McLean, 2005). The researcher was at the respective department throughout the process of distributing and collecting the surveys.

4.3. MEASURES

4.3.1. Human Resource Management (Hrm) Practices

HRM was measured using thirteen items developed by Langford (2009). An example of the items used is 'I am satisfied with the income I receive'. This measurement has been used in recent study by Presbitero, Roxas and Chadee (2016).

4.3.2. Job Satisfaction

Job satisfaction was measured using a three of the five items of the Hackman and Oldham (1975). An example of the items used is 'Generally speaking, I am very satisfied with this organization'. This measurement show high internal reliability: 0.96 in a study by Paillé, Grima & Dufour (2015).

4.3.3. Service Quality

Service quality was measured using 20 items developed by Ramseook-Munhurrin, Lukea-Bhiwajee and Naidoo (2010). Example of items used is 'I am able to instil confidence in customers'. Coefficient alpha reliability for these items were reported to be 0.86.

5. ANALYSIS RESULT

5.1. Descriptive Statistics, Correlation and Cronbach's Alphas Results

In this study the variable means (M) range from 3.81 to 4.00, while the standard deviations (SD) for the variables range from 0.27 to 0.56. The correlations between the constructs are positive. The values of the correlation range from 0.301 to 0.850. The Cronbach's alpha value for each variable also exceed the acceptable value (> 0.70); job satisfaction ($\alpha = 0.90$), HRM practices ($\alpha = 0.86$), service quality ($\alpha = 0.72$).

5.2. Test of the Research Framework and Research Hypotheses

To evaluate the proposed hypotheses of this study, hierarchical regression analyses were conducted. The procedure originally suggested by Baron and Kenny (1986) was followed to test the mediating effects.

It was predicted that HRM practices would have a direct effect on job satisfaction. The result shows that HRM practices has a significant and positive relationship with job satisfaction (coefficient = +0.850, $p < 0.001$), supporting Hypothesis 1. The effect of job satisfaction on service quality was also significant and positive (coefficient = +0.301, $p < 0.05$), confirming Hypothesis 2. These results indicate that the effects of

HRM practices on service quality are mediated by job satisfaction (Chand, 2010; Kenny et al., 1998; Mitchell et al., 2013), so the Hypothesis 3 of this study, which suggesting that the relationship between HRM practices and service quality is mediated by job satisfaction is supported.

6. DISCUSSION

Researchers have empirically investigated and described the relationships between human resource management practices and service quality in different contexts. (e.g., Moreira, 2008; Ngo et al., 2008; Zhu et al., 2008; Gautam & Davis, 2007; Huang, 2000)

Since, HRM practices influence the implementation of total quality management program (Habtoor, 2016; Bou & Beltran, 2005), and effectively, enhances the capability of the organization to generate product innovations (Beugelsdijk, 2008) as well as HRM practices significantly enhancing organizational performance (Bhattacharya et al., 2005), this study try to investigate the effect of HRM practices on service quality.

However, the result of this study confirm the effect of HRM practices of service quality and claim that HRM practices significantly effect services quality at in the context of hotel in Malaysia, a Southeast Asia country

Moreover, large literature investigate the relationship of HRM practices and job satisfaction and claim that HRM practice such as recruitment and selection, training and development, performance appraisal and compensation jointly and independently effect job satisfaction (Onyema 2014). To expand the literature, this study investigate the effect of HRM practices and job satisfaction, and the result confirm the significant role of HRM practices toward job satisfaction.

Furthermore, the direct effect of job satisfaction on service quality investigated in this study, in addition to the mediation role of job satisfaction toward the relationship of HRM practices and Service quality examined as well. Nebeker et al., (2001); & Rafi and Ahmed (2000) suggested that human capital is the most key successes factors in the business environment.

Indeed, to gain the benefits of this factors, organizations consider employees as an internal customer and employee satisfaction become a measurement of organisational performance and a critical factor for the implementation of service quality. This study confirm the significant role of job satisfaction to the implementation of service quality, which job satisfaction directly effect service quality. Moreover, the result of this study confirm the mediation role of job satisfaction toward the relationship between HRM practices and services quality, which this study found a partially mediation role of job satisfaction for this relationship.

7. CONCLUSION

In summary, the findings of this study suggest that HRM practices play a critical role in enhancing job satisfaction and service quality. As well as job satisfaction play as a mediator variable of the relationship between HRM practices and job satisfaction.

The result of this study highlighted the important role of HRM practices for the implementation of services quality in addition to enhancing and increase the job satisfaction in the context of hospitality sector in non-Western context.

Furthermore, this study give a signification of the important role of job satisfaction for service quality implementation, and a critical mediation role of job satisfaction toward the relationship between HRM practices and services quality in the context of hospitality sector in non-Western context.

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