

## CHAPTER 2

### LITERATURE REVIEW

#### 2.1 Introduction

This chapter describes the literature review related to this study. The First Chapter explained the concept of Human Resource Management (HRM) and its practices (recruitment and selection, career development, training and development, performance appraisals and compensation). This chapter reviews the literature to support the link between Organizational Learning Culture and (HRM), Leader-Member Exchange and (HRM) and (HRM) and Job Satisfaction. The chapter briefly describes the research framework of this study.

#### 2.2 The concept of Human Resource Management (HRM)

Resource Management (HRM) has attracted enormous attention, and HRM aims to integrate all the personnel functions into a unified strategy. Furthermore, it dealt with employees as individuals by maintaining their files and job-related activities. On the other hand, it considered the entire organization as a focal point for analysis (Masood, 2010). According to Ayesha (2012), and Masood (2010), Human Resources Management is a critical and imperative organisational function. This function is classified into recruitment, compensation, development related to the organization, safety, motivation of employees, benefit wellness, communication and training, performance management and all other activities associated with the organisation's goal achievement.

Boselie & Harten (2021) point out that HRM involves management decisions related to policies and practices that shape the employment relationship and aim to achieve specific goals. These goals concern performance goals defined and measured in multiple ways. These goals are bundled into a multidimensional performance construct. Performance is not only regarded as organizational effectiveness (that reflects financial performance indicators and productivity measures, for instance) but also as creating employee well-being (reflected in satisfied and healthy employees) and societal well-being (e.g. an organization's impact on society).

In addition to the previous discussion related to the concept of HRM, other researchers have defined HRM in different ways, as detailed below:

Cerdin, et al. (2018) define HRM as the process of managing people in organizations to maximize employee performance to meet the objectives of the business owners.

While Rao (2010) defines HRM as a strategic and coherent approach to managing an organization's most valued assets, it refers to the people working in an organization who individually and collectively contribute to the achievement of the objectives of the business.

Human resource management is defined as a strategic and coherent approach to managing an organization's most valued assets – the people working there who individually and collectively contribute to achieving its objectives (Fahim, 2019).

(Armstrong, 2006) believes that HRM can be regarded as a 'set of interrelated policies with an ideological and philosophical underpinning'. He suggests four aspects that constitute the meaningful version of HRM:

- i. a particular constellation of beliefs and assumptions;
- ii. a strategic thrust informing decisions about people management;

- iii. the central involvement of line managers; and
- iv. reliance upon a set of 'levers' to shape the employment relationship.

People are employed, managed and developed in organizations. HRM originated in the 1980s as a philosophy on how people should be addressed. It replaced the term personnel management. Human resources include people's knowledge, skills, networks and energies and, underpinning them, their physical and emotional health, intellectual capabilities, personalities and motivations (Gulilat, 2018).

Furthermore, Mondy et al. (2005) defined HRM as using individuals to achieve organizational objectives. In addition, Noe et al. (2006) argued HRM refers to the policies, practices, and systems that influence employee behaviour, attitudes and performance. At the same time, Armstrong & Taylor (2014) described HRM as a strategic and coherent approach to managing people that deals with how the organization's goals are achieved through its human resource through integrated HR strategies, policies, and practices.

### **2.3 Importance of Human Resource Management**

Human Resources Management was an essential part of the organization that was concerned with the employees' dimension. The importance of Human Resources Management stems from the fact that Human Resources Management was a cornerstone of the organization that contributed to achieving innovation which maintained the survival of the Organization by motivating employees, creating opportunities for employees to act, and making greater use of technology (Haneda & Ito, 2018; Chowhan., Pries & Mann, 2017; Ling & Nasurdin, 2010). As well as the importance of Human Resources Management represents in contributing to organizational commitment, organizational resilience, and organizational performance within the

organization (Paşaoğlu, 2015; Emadi et al., 2017; Lengnick-Hall; Beck & Lengnick-Hall, 2009; Cherif, (2020).

Also, human resource management plays an increasingly important role in enhancing effectiveness and efficiency through the deployment of employee resources (Batarliene, Ciziuniene, Vaiciute, Sapalaite & Jarasuniene, 2017; Greg, Timothy & Pauline, 2017) and improving job satisfaction and decreasing job stress (Reina & Scarozza, (2021); Oraman., Unakıtan & Selen; 2011).

There are many reasons explaining the importance of Human Resources Management. The first reason is; It advises executives on all aspects of working individuals, helping managers formulate, manage and implement policies and solve problems related to working individuals. Also, It helped to diagnose organizational efficiency and efficiency through some means associated with working individuals and standard indicators such as measuring the adequacy of performance, rates of duties and arrears, courses and rates of accidents in work and rates of complaints and grievances. Finally, it helped managers to discover the difficulties and the fundamental problems related to the personnel working in the organization. Moreover, it provided all procedures associated with working personnel to ensure better productivity and higher performance. These procedures and services characterized work, prepared working individuals, prepared training programs, and prepared and manage wages, salaries and incentives. In addition, it ensured the coordination of all activities related to the working staff and the administrative units of the Organization through the discussion of the executive departments on these activities (Papa et al., 2018).

Theofanakis et al. (2017) argued that Human Resources Management had great importance, as indicated, and represented the management of the organisation's most important and most valuable assets, whether at the organisational or national levels.

Theofanakis et al. (2017) explained many reasons at the organisational level. First, the human element was the mastermind and the strength that it exploited all the material resources available in the institution and achieved the objectives sought by this organization, whether productive, marketing or financing. Also, While the value of the material resources in the institution decreases - over time - we find that on the contrary, the value of human resources is increasing, as it is initially increased day by day and therefore, the need to make good use of it. Finally, a good assessment of human resources need not impede the work of other departments of the Organization.

There are many vital reasons illustrated by Morrar et al. (2017) at the national level making Human Resources notably important. The first reason was the recent revolution in the world of the information revolution, the communications revolution and the technological revolution, and the resulting progress and superiority of countries due to the presence of creative human minds, high technical capabilities, and positive behavioural traits. The second reason is that Human Resources is a solid basis for economic strength in terms of their ability to manage effectively and perform the productive work of employees seriously, to maximize value-added and increase national output in various areas of economic activity. Moreover, human resources play an essential role in boosting exports through the presence of human elements capable of developing and innovating products, improving quality and reducing cost in light of effective management of Human Resources. Also, with the scientific progress and the entry of multinational companies to the global markets and strong competition, there has been intense competition between developed countries to attract human resources excellence. It also becomes essential for Human Resources Management to attract qualified workers with the appropriate climate.

According to Neighbors et al. (2016), there were several reasons explaining the importance of human resources in organizations. The extensive industrial growth that had taken place in the modern era and the intensity of industrial labour in terms of specifications and the training and preparation required make it difficult to underestimate the manpower that had been imported and trained. It also needs to maintain the workforce through continuous systems and procedures implemented by a responsible specialized administration. Also, increasing the percentage of education and culture among the workers led to changing the characteristics of the labour force as it became more aware than before, which required the presence of experts and specialists in the management of the workforce and modern methods more appropriate to deal with these modern types of workers. In addition, the high cost of humanitarian work, where wages have become a high and increasing proportion of costs, requires specialized management to pay attention to this resource and blow up their potential to cover these costs.

Moreover, the broad governmental intervention in business and employee relations, imposed on organizations of various forms and sizes, provides effective management working on applying multiple regulations and legislation relating to individuals. Another reason is the steady and increasing expansion in the size of the organizations and the use of different workers in their cultures, competencies and nationalities, which necessitates the existence of specialized management of this resource. Also, increasing the importance of the role of workers' organizations and trade unions in defending the rights of workers and increasing the conflict between management and workers, which requires attention to the management of relations between management and Labor organizations, and hence the need for a mechanism to create cooperation between management and workers. Finally, the high expectations of

workers due to high standards of living, awareness and culture so that workers do not become looking for wages.

## **2.4 Objectives of Human Resource Management**

While Macke & Genari (2019) indicated many objectives of Human Resources Management, it's to help employees achieve optimal performance and use their capabilities. Also, it convinces employees to do more to reach organizational goals. Moreover, it's to use Human Resources ideally to reach organizational goals. In addition, it's to meet employees' career development expectations. Also, it's to unify organizational plans and Human Resources strategies and to establish and maintain a corporate culture. Human Resource Management creates working conditions that foster innovation, teamwork and the concept of total quality. It provides a work environment that stimulates creativity and hidden energy. Finally, it encouraged flexibility to achieve learning organization.

Parameswari, & Yugandhar, (2015) shows other objectives of Human Resources Management. It affects the utilization of Human Resources for the benefit of the Organization. It motivates employees to achieve organizational goals. Also, it created opportunities and provided facilities for the organization's employees during training, development and compensation. Moreover, Human Resource Management created a sense of belonging of team spirit and encouraged suggestions from employees. One of HRM's objectives is assisting in maintaining policies and ethical behaviour within and outside the organization. HRM maintained positive relationships among employees within the organization. Additionally, it secured the integration of individuals and groups in ensuring organizational effectiveness by adopting a policy that recognizes merit and equality among employees, employee contribution and condition of employment stability. Ultimately, it increased maximum employee

satisfaction and self-fulfilment, trying to motivate and motivate each employee to achieve their potential.

## **2.5 Principles of Human Resource Management**

There were a set of principles for Human Resources Management. The first principle was the inspection, training, formation and provision of Human Resources concerning the requirements of the scientific and technical revolution and the concrete needs of the organizations. The second principle was continuous training of Human Resources to provide financial resources on the one hand and rapid integration into human resource recruitment on the other. Also, the principle of recruitment, selection and guidance concerning the need to ensure consistency between qualitative and qualitative staffing resources and available functions. Moreover, principles of staff assessment, physical energy, and psychological stress resulting from the evaluation of workstations and work performance. In addition, the principle of stimulating employees and establishing wages and distinguishing them regarding the weight and intensity of work and quantitative and qualitative performance encourages and builds professional jobs. However, the principle of protecting work that faces the risks of illness, work accidents and social protection facing social threats that can't be examined.

One of the critical principles is information and communication, personal negotiation and representatives (trade unions, associations, councils, etc.). Additionally, the principle of maximum economic efficiency for using all resources in the context of security and health protection highlights productivity gains at workstations, individuals or task forces. Finally, the principle of complementarily cooperation and participation of staff in decision-making and achievement of the objectives of the Organization (Armstrong & Taylor, 2020).

## **2.6 Philosophy of Human Resource Management**

According to Shani, Divyapriya. & Logeshwari, (2011), the human resources philosophy revolved around management's beliefs and the assumption of people's nature, needs, values and approaches to action. The philosophy of human resources was based on the following beliefs:

The first belief is human beings are the central element in the institution. Second, human beings can be developed mainly because they possess creative energy that is only partially used. Additionally, People feel committed to their work if they build their affiliation. Moreover, people will likely create a sense of belonging if the organization takes care of them and meets their needs. The fifth belief is that the individual contributes to the institution's development if he can discover and use his full potential. Finally, the institution is responsible for creating a healthy work environment characterized by openness, enthusiasm, trust and cooperation between its employees.

## **2.7 Modern Trends in Human Resource Management**

Kaur & Fink (2017); Muttagi (2016); Siwach et al., (2019); Mushkudiani & Dzotsenidze, (2019), mentioned that the recent trends in human resources management as follows:

### **2.7.1 Diversity in the Workforce:**

Diversity in the workforce indicates the similarities and differences between employees regarding age, cultural background, physical abilities, disabilities, race, religion, sex, and sexual orientation. It was known that no two humans are alike. The composition of the Labor force requires a family-friendly organization with flexible work schedules and many benefits to employees, such as Childcare. The organisation's Human Resource Management should be aware of the differences in the labour force.

It should be concerned with training people of different ages and cultural, sexual and religious groups to manage effectively, deal with each other and respect the diversity of their views. Attention to the workforce contributes to better work within the Organization.

### **2.7.2 Globalization and its Implications**

There are no national boundaries between businesses, so businesses reach worldwide. In multinationals, the Human Resources Section should include the appropriate staff mix of knowledge, skills and cultural adaptability to deal with global tasks. To achieve this goal, organizations train individuals to meet the challenges of globalization, and human resources must be more flexible in their practices.

### **2.7.3 Employee Expectations**

Workers are now more educated, more extreme, and ready to express strong, violent, and shared protests if their unmet expectations are met. The list of financial and non-financial demands was growing and expanding. Sales were rising rapidly in rapidly changing industries such as software, communications, entertainment and pharmaceuticals. If human resources managers do not respond positively to staff expectations, recruits' acquisition and development costs increase steadily. Effective regulation, therefore, requires predictability and management through human resources planning and training systems followed by appropriate compensation packages.

### **2.7.4 Change Skill Requirements**

The recruitment and development of skilled Labor were essential to any company interested in competitiveness, productivity, quality and managing diverse manpower effectively. Human Resource practitioners and specialists had to inform teachers and community leaders. Etc. Strategic Human Resources planning had to balance the deficiencies and inadequacies of skills. The Human Resources Management

Section had to develop training programs and short-term programs appropriate to fill gaps in skills and shortcomings.

### **2.7.5 Corporate Downsizing**

Whenever an organization tried to delay, it attempted to create greater efficiency. Cost-effective pressure has forced many companies to rely on low amounts of fat at every management level. The number of workers working in the organization is gradually reducing due to cost management. HR staff should ensure that proper communication occurs during this time. They would reduce the negative effects of rumours and ensure that individuals were informed with factual data.

### **2.7.6 Continuous Improvement Programs**

Which mainly focuses on quality and adopting the best basis to serve its customers. These programs at the company level contributed to improving quality and productivity. Companies seemed to improve everything they did, from hiring high-quality people to processing management papers to meet customer needs. Human Resources Management played an essential role in implementing continuous improvement programs. Human Resources Management prepares individuals for change. This required clear and comprehensive communication about why the change had occurred, what was expected and what impact will be on employees.

### **2.7.7 Re-Engineering Business Processes to Improve Productivity**

The Re-Engineering occurred when more than 70% of the organization's business processes were evaluated and changed. It required organizational members to rethink the work, how to do it and how to implement those decisions best. To change Architecture Changes in how organizations work and directly affect the employees. Human resources management must therefore have in place mechanisms for staff to obtain appropriate guidance as to what to do and what to expect, as well as to help deal

with the conflict that may permeate the organization. To Re-Engineer its benefits, HRM needed to provide skills training to its employees.

#### **2.7.8 Contingent Workforce**

No organization could move to the Emergency Workforce without sufficient planning. In making these strategic decisions, Human Resources Management were an active partner in these discussions. After the Human Resources Management Section was entirely responsible for locating and entering these temporary workers. With the introduction of temporary workers, the Human Resources Department will adapt them quickly to the Organization. Human Resources Management should also consider how to attract time quality.

#### **2.7.9 Mass Customization**

Human Resources must develop principles to understand the optimal level of customization in a Business Relationship. In addition, customization often means that different groups of employees have other working arrangements based on their needs or the way they contribute. Human Resources has developed principles that provide leaders with an explanation for staff differences.

#### **2.7.10 Decentralized Work Sites**

Decent workplaces represent the challenge of Human Resources Management. Much of this challenge revolves around training managers to create and ensure appropriate work quality and timely completion. Work at home may also require Human Resources Management to rethink its compensation policy.

#### **2.7.11 Employee Involvement**

For the organization to succeed today, concepts such as delegation, participatory management, task forces, goal setting, staff training and employee empowerment must

be understood. What is required is clear leadership as well as supportive management. Human Resources Management played an important role in staff participation and Staff Training.

#### **2.7.12 Technique**

Technological advances have led to the emergence of several computerized systems that contributed to the management of Human Resources. For example, paperwork files are replaced by Human Resources Management with electronic data on computers. So, there was a need to train staff to operate those systems and develop the safety of those individuals to deal with the issue's sensitivity.

#### **2.7.13 Health and Safety**

The area of safety and accident prevention was a significant concern for Managers, as the lack of a safe place at work led to large fines and even criminal convictions for managers. Supervisors played a crucial role in monitoring employees for safety. The advent of health insurance requires human resource management to move on to another step, such as the need to engage its employees in Health Insurance Services. Engagement of employees in health insurance is not only a productivity strategy but also a strategy used to attract and retain high-value employees. Human Resource Management continued to show its importance shifted to providing health services to employees through health insurance, awareness, and free medical treatment bills. This process has seen high results not only in performance but also in attracting and retaining highly qualified staff.

#### **2.7.14 Balance between Work and Family life**

Though the Human Resources Department persuaded the administration to organize a family day for staff and their families, sometimes sacrificing long days to enable staff members to attend family cases. One of the best ways to ensure the staff's

productivity is to keep his home environments happy as possible. Research shows that employees will be more creative, energetic, and dependable when they have Stable and Thriving Families. Employees will work hard, ethically and with loyalty when they feel their managers care for them.

Amazing changes were noted in the organization's culture if its management incorporated their employees' few guidelines, which encouraged happy family life. The organizations can offer a little event to their employee, which leaves a good impression and attract their loyalties. The organizations' management may invite their employees to have lunch with their families once every year. Also, the management may keep an open-door policy to their employees to be available to listen direct from them. (<https://www.allprodad.com/10-ways-to-balance-work-and-family-life>)

#### **2.7.15 Confidentiality**

Trends were seen as new challenges in terms of costs, especially in the short term. Still, for the organization striving hard in this competitive market alongside the labour movement, it is essential to rethink human resources management regarding current trends at all levels. Since there were no clear strategies for managing Human Resources, there is undoubtedly a boiling problem in the same organization, or an explosion must occur. With the current trend in managing the organization's most valuable resources, organizations must dig deeper to maintain them.

#### **2.8 Human resources management and Total Quality Management.**

Total Quality Management was one of the essential modules often used to develop Human Resource Management in organizations, leading to many employee and organisation benefits. Firstly, Total Quality Management (TQM) helped to introduce the concept of employee empowerment in which internal control systems were raised

and calibrated. They were also, Changing the perception of Human Resources Management as a set of procedural actions related to implementing staff policies and procedures as a strategic function to deal with the organisation's most important resources and to be in line with the general objectives and strategies. Moreover, Total Quality Management helped to spread the search and polarization to the Global Labor Market and not to be confined to the Local Market in search of the best elements and the ablest to achieve the organisation's objectives. Additionally, disseminate the idea of Human Resources Management among the managers and supervisors, each responsible for Human Resources and not only the team of specialists in the organizational division concerned with Human Resources. However, starting with the thought of Human Resources Management from the lack of work to meet the needs of the effectiveness of the various executive departments is to engage in the issue of more importance. Vital manages performance and achievement for higher productivity and improved efficiency and effectiveness (Kapiki & Tsakiridou,2018).

## **2.9 Human Resource Management (HRM) Practices**

The (HRM) practices included recruitment and selection, career development, training and development, performance appraisal and compensation, as detailed below:

### **2.9.1 Recruitment and Selection**

Recruitment is finding and attracting capable applicants in sufficient numbers and encouraging them to apply for employment within the organization (OSOIAN & Zaharie (2014). Sudin (2004) defined recruitment as staffing employees in the organization that consists of finding, evaluating, and assigning individuals to work. The essential concept of the recruitment process is researching and attracting candidates for the organization to fill available positions (Lengnick-Hall et al., 2009). Recruitment and

Selection Processes were responsible for placing diversified talent at all levels within a firm. Recruitment practices are considered the key to an organization's success and the instrument enabling the organization to acquire its competitive value. Through continuing supply required and desired quality and number of HR, the organization needs at the right time and place with the least possible cost (Nigam et al., 2011). However, the recruiters knew about the job analysis process and HR plan. They determined the targeted work in the light of the required and desired capabilities, skills, and knowledge for vacant jobs (Paauwe et al., 2020).

According to Johansson & Herranen (2019), the recruitment efforts should be matched and combined with the organization's vision, mission, and strategy. According to Azmi (2011), recruitment is very distinctive in terms of essential knowledge, skills and abilities because the quality of HR engagements depends on the ability to recruit appropriate people. When the recruitment pool is large, the organization may fail to select the actual need of whether it is in quality or number. The recruitment department performed the essential function of drawing important HR capital into the organization (Kim & Sung-Choon (2013). Indeed, sourcing and retaining valuable human capital has become a competitive battleground. A sophisticated selection system tested the candidate's potential for a position and decreased the organization's level of uncertainty when faced with an external candidate. A stringent recruitment and selection system also gives those employees who have selected a sense of elitism, imparts high expectations of performance, and conveys a message of the importance of people to the organization (Sudin, 2004).

Despite human beings being heavily reliant on technology in every aspect of life, the human factor still plays an incomparable role in organizational success. Though human resources could and should be continuously enhanced, the first step toward

ensuring employees possess the qualities, skills and knowledge to serve the organization is to develop appropriate staffing practices (Saleh, 2016). Thus, the staffing process of an organization is an attempt to identify a suitable candidate who possesses the required qualities and attributes to fit well with the hiring organization. Moreover, effective staffing practices minimize the level of Labor turnover and enhance employee morale, eventually boosting organizational performance (Jimoh & Danlami, 2011; Hargis & Bradley, 2011). Osemeke, (2012) claimed that many studies had shown the causal relationship between Human Resource Management and Organization Performance. The author asserted that the effectiveness and efficacy of human resource practices, especially employee selection procedures, performance appraisals, rewards and benefits management and employee training and personal development, positively affect organizational performance and productivity and enhance the chance of competing among other organizations. Recruitment and selection seek to attract, obtain and retain the human resources the organization needs to achieve its strategic goals. It may also significantly impact the workforce composition, the ultimate fit with the organization's needs and culture and long-range employment stability. Interestingly, Rosenfeld et al. (2020) found that the participative human resource style positively correlated with all managers' performance. Furthermore, the study found a positive relationship between merit-based recruiting and participative human resource management support.

While recruitment and selection often consolidate together, it is worth being aware of their fundamental differences. Recruitment concerns the activities and practices organizations utilize to attract desirable candidates, and selection pertains to the techniques used to select the most suitable applicants. These processes form critical opportunities for an organization to change the type of staff it employs; however, such changes may need to attend also to attrition levels to see who is leaving. As a result, HR

professionals strive to attract and retain quality employees and face pivotal challenges. These include: meeting organizational innovation and efficiency desires and demands and presenting consistent and transparent information to attract those who fit or have new skill sets to the organization, especially those from minority groups; inherent in this challenge is a balance between attracting demographically diverse, suitable applicants and standardizing recruitment and selection processes without enforcing stereotype threats that adversely impact certain groups (Searle, 2018). Once the question is sincerely answered, human resources should be able to strategically recruit, select, develop, motivate and retain capable and suitable employees to fill the gap (Ozkeser (2019). Campion et al. (2020) stated that for staffing (Recruitment and Selection) to be strategic, it must display three interrelated fundamental characteristics. These characteristics are Strategic Integration, a long-term focus and a mechanism for translating strategic demands into an appropriate recruitment and selection specification. Strategic Integration predicts recruitment and selection as a powerful organizational mechanism for aligning employee behaviour with corporate strategy. According to Frolund et al. (2018), strategic staffing aims to identify and choose the people who best run the organization and its business in the long run.

Studies anticipated that strategic staffing would lead to many positive outcomes for organizations. Firstly, it would lead to a front-loaded investment model. According to Lewis et al. (2009), adherence to this model is the expenditure of effort and cost to ensure effective recruitment and selection as preferable to incurring (end-loaded) costs associated with managing poor performers recruited due to inadequate investment in the process. Secondly, the greater financial expenditure would lead to evaluating all operations, including recruitment and selection and investigating the attainment of strategic objectives. However, to achieve this ultimate goal, the organization should

have the capacity to forecast those human resource requirements necessary to ensure the successful implementation of an organization's strategic plan and develop a range of staffing programs and activities to find authentic and appropriate people who can effectively implement the strategies.

Interestingly, Collins et al. (2006) found in their study that the effective implementation of Human Resource Practices such as Recruitment, Selection, Training, and Compensation in small firms was statistically linked to 22.1% higher revenue growth, 23.3% higher profit and 66.8% reduction in employee turnover. In support of these conclusions, Sels et al. (2006) empirically proved that implementing various human resource management practices helped small firms improve their financial performance and individual employee productivity. Fesharaki, Fesharaki, and Allameh, (2012), Timming, (2011), and Donate et al. (2020) also discovered that the value a company placed on developing its Human Resources and how the company structured its reward program were significant predictors of firm survival even after factors such as industry, company size, and profit were statistically controlled. Furthermore, when Strategic Human Resource Management is effectively implemented, it can create insightful individual and business-level effects because each independent practice (recruitment, selection, training and compensation) is designed to enhance organizational performance by developing skilled workers with a vested interest in the company's success.

### **2.9.2 Work-Life Balance**

Love and work are said to be the cornerstones of being human, and both are very important for happiness. A common dilemma for many people is managing all of the competing demands in work and life and avoiding letting any negative effects of work spill over into their personal lives. Climbing the organizational ladder required

employees to work long hours and deal with difficult and complex issues. The employee, however, doesn't have time to relax and recharge, their ability to do their job decreases, and their performance level suffers. It is crucial to encourage employees to take time off instead of putting in long hours. Creating a schedule that allows employees to do activities they enjoy helps them be better employees, friends, and family members. By thinking differently, we can perhaps find ways to have a better balance between work and home (Byrne, 2015)

According to Sheppard, (2016), Work-Life balance programs have been demonstrated to impact employees in terms of Recruitment, Retention/Turnover, Commitment and Satisfaction, Absenteeism, Productivity and Accident Rates. Work-Life Balance translates to satisfaction with one's entire life, Professional and Personal, and it can be reached even while working long hours. Work-Life Balance is defined as the amount of time an employee spends doing their job compared with the amount of time spent with her family and doing enjoyable things. Work-Life Balance is a comfortable equilibrium between an employee's primary priorities of their employment position and their private lifestyle. Research has shown that employees who believe they do not have time for their Personal Life feel drained and distracted while at work. Work-Life Balance is about creating and maintaining supportive and healthy work environments, which enable employees to have a balance between Work and Personal responsibilities and thus strengthen Employee Loyalty and Productivity.

Technology has improved people's lives; students can access vast information resources to complete their Assignments. Also, a mother can see and talk to a daughter thousands of miles away. However, people accessing information, communicating with each other, and completing tasks have allowed for flexibility in the workplace. Once the work time is over, the employee needs to know how to be away from the laptop and not

answer the work phone calls and emails. This type of balance is complex because some people want to make demands on an individual's time. Previous studies suggested that improvements in people management practices, especially work time and work location flexibility, and the development of supportive managers contribute to increased Work-Life Balance (Grant et al., 2013).

Wolor, (2020), al argued that long working hours and highly stressful jobs hamper employees' ability to harmonize work and family life and are associated with health risks, such as increased smoking and alcohol consumption, weight gain and depression. These kinds of employees aren't available for friends and family members, and often they take their stress out on their loved ones. Also, they suffer from illness and physical stress-related disorders such as heart disease, alcoholism, and even diabetes. Without a Work-Life Balance, employees cannot take time to enjoy their life and have to work hard to create Work-Life Balance. Self-Management is important; people must control their behaviour and expectations regarding Work-Life Balance.

### **2.9.3 Career Development**

A career is a person's work-related experiences in one or several organizations (Hall, 2004); Tzafirir, Baruch & Dolan, (2004). Career development has moved on the list of priorities for (HRM) in the organization that recognize planning for the future is necessary to stay healthy and remain competitive (Prescott & Bogg, 2011). The concept of career development is a Contemporary Practice of (HRM) practices, stressing the role of human capital in organizations and the partner relationship between the employees and the organization (Baruch, 2004). Prescott & Bogg (2011) argued that selection, development and other (HRM) practices focus on high performing employees, but otherwise, there is little differentiation between talent management and

embracing the creation of talent pools that are the target for career development in the organization

#### **2.9.4 Training and Development**

The world is facing rapid change due to the fast development of human life and phenomenal technological advancement. These changes and developments are forcing human beings to adapt to the rapid development in their milieu through rigorous training. Although highly skilled workers possess higher qualifications and sound standards of education, training is inevitable due to dramatic changes happening every second. Training and development focus on identifying, assuring, and helping to develop, through planned learning, the key competencies that enable individuals to perform their current jobs. An effective training program can facilitate the development of a more conducive learning environment for the workforce and train them to cope with upcoming challenges more efficiently and timely. Training generally leads to higher levels of employees' job performance, which can positively affect their productivity (Somu, Halid, Nasurdin, Lim, & Tan, 2020).

The concept of training refers to a simple and systematic approach to achievement to provide and enhance employees' knowledge and skills. Designing and carrying out training programs and activities with high efficiency and effectiveness may contribute in different ways to active critical advantages (Zumrah, 2012). Successful training and development for the organization, the programs were revised and renewed to give employees more flexibility, connected with rewards and incentives, and allocated a unique financial budget to support the training process (Blanchard, 2010).

The training aimed to change behaviour at the workplace to increase efficiency and higher performance standards. It has been defined as a function that includes all planned experiences and activities whose purpose is to effect changes in performance through

new skills, values, and attitudes. Thus, training reflects activities intended to influence individual employees' ability, commitment, and motivation. If training is not considered a vital component in realising business plans, then it is hard to accept that such an organization has committed itself to (HRM) (Prescott & Bogg, 2011). Without a clear understanding of needs, an organization's training efforts may completely miss the mark resulting in a total waste of valuable resources.

Training is an essential aspect of (HRM) practices in pursuing any activity that leads to continuous learning and personal growth and contributes to achieving both the individual's and the organization's objectives (Tseng & McLean, 2008). However, the organisation can realise enormous benefits when an employer supports employee development as a business investment. Development can occur through education, job experiences, promotions, mentoring, and employee behaviour assessment (Boxall, 2009). Kirkpatrick (1998) proposes the theoretical Four Evaluation Model regarding the conceptual training review. The first evaluation is Reaction, referring to how well the trainees were satisfied with a particular training program. The second evaluation relates to learning that improves the employees' knowledge and increases their skills because of attending training. The third evaluation is Behaviour, assessing the trainee's performance and knowledge. The last evaluation is the result, which refers to the assessment of outcomes that the organization gained following the training. In addition, all the evaluation program levels significantly influenced the organization's performance (Zumrah, 2012).

Interestingly, the formal training not only increased productivity and bridged the gap between company performance and industry productivity standards but also improved product quality and reduced the product scrapping rate. Training is considered one of the most significant factors in ensuring a sufficient supply of technically and

socially competent staff to carry out the task successfully. Hence, training is an integral part of total quality Strategic Human Resource Management. According to Saleh et al. (2015), the importance of training in the organization is influenced heavily by the intensification of competition and dramatic development of the organization, where the enhancement of employee skills is emphasized. They added that technological development and organizational change have gradually led some employers to realise that relative success relies on their employees' skills and abilities, which means considerable and continuous investment in training and development.

Human capital theory categorized training into two categories: General Training and Specific Training. General Training is any training an organisation provides that can be useful for any other organization. It is general and can fit any situation and use for general purposes. Specific Training is any training used only for an organization; the content of the acquired skills is very specific and narrow and can be only used for a limited purpose. Before an organization considers a training program strategic, it must determine whether or not the training is truly strategic. If an organization intends to make training a core component of its competitive strategy, it must provide performance improvement and competitive advantage. A Strategic Training Investment Decision Model is a tool that can be used to analyze the strategic potential of a training program (Ulferts, Wirtz, & Peterson, 2009; Sultana, Irum, Ahmed, Mehmood, (2012), Nguyen, & Klein, (2008).

Training played a significant and pivotal role in improving performance, enhancing productivity and facilitating quality. Many studies have consistently established linkages between training and employee performance (Mahmood et al., (2014);. Armstrong (2020) proposes that the following five steps should be considered when designing a training programme for expatriates. First, Identify the type of

assignment, e.g., technical, functional, tactical, developmental or strategic/executive. The next step is to conduct a training needs analysis covering organizational analysis and requirements, assignment analysis of key tasks and individual analysis of skills. Moreover, establish training goals and measures – cognitive (e.g., understanding the role of cultural values and norms) and affective (modifying perception about culture and increasing confidence in dealing with individual behaviours to form adaptive behaviours such as interpersonal skills). The fourth Develop the programme – the content should cover general and specific cultural orientation; various methods should be used. Finally, evaluate the training given. Apollo Tiers Limited (ATL), an ISO9001 company, considers training an important and integral part of its business strategy and, therefore, regularly conducts internal or external training for its employees. It is one of the primary functions of HR. (Gupta, 2020).

It is worth mentioning that previous studies use different measures to measure organisational performance, both objective and subjective measures. These measures include but are not limited to the rate of innovation, intention to turnover or actual turnover, organization commitment, productivity and profitability (McNamara, Parry, Lee & Pittcatsouphe, 2003). These studies suggested, with little exception, that training employees led to increased innovation and productivity. However, Shipton, Fay, West, Patterson, and Birdi (2005) indicated that training does not necessarily and in all circumstances, lead to the emergence of new ideas and products. Still, despite that, training is considered a significant factor in organization development, productivity and employee turnover, which consequently and positively affects the organization's performance.

Interestingly, the effect of training on productivity differs across cultural clusters. For example, training moderately affected productivity ( $\beta = .07$ ,  $p = .05$ ) for the

Anglo-Cultural Cluster, while it was statistically insignificant for Germanic, Nordic or Eastern European Cultures. This finding suggested that training was not equally affecting productivity across nations. Moreover, Aragon and Valle (2013) also found a statistical difference in managers' effectiveness in firms that trained their employees and firms that did not. More precisely, the study found that managers' abilities, involvement and innovativeness are higher in the firms that trained their managers than in those that did not.

### **2.9.5 Performance Appraisals**

Performance Appraisal can be defined as measuring work and its results using the scale and index that can be used to measure the desired quantity and quality with precision and free of personal judgments and vague evaluation criteria. Performance was the way employees performed their duties and the evaluation that judged the performance of employees (Ali et al., 2012).

The performance appraisal is essentially a formal mechanism for reviewing individual employee performance. It defines how organizations seek to assess employees, develop their competence, enhance performance, and distribute rewards. It generally involves line managers appraising their subordinate's performance annually (Szamosi, 2018).

It is a formal systematic, methodical process of assessing individuals for their behaviours, actions, thoughts, ideas, outcomes and the progress they have made. It is a developmental tool used to develop the employee and the organization. The performance is measured against job knowledge, quality and quantity of output, initiative, leadership abilities, supervision, dependability, cooperation, judgment, versatility, and health. Assessment should address both past and potential performance (Sharma, 2019).

Regarding the content of appraisals, there is no definite 'one best' prescribed approach. For example, job performance will be constantly reviewed, while personality and behaviour may or may not. Performance management is often conflated with performance appraisal and vice versa. Performance appraisals are concerned with individual performance, whereas performance management looks at individual, team and organizational performance. The appraisal may be just another HR technique an organisation uses, while performance management attempts to link the appraisal process to the broader values and objectives of the firm. However, appraisals constitute an integral part of the performance management process (Prasanna et al., 2020).

Appraisals were one-step in a holistic performance management system and the final step for the specific performance period. The appraisal system can include rating achievement of performance goals and demonstrating the jobs required levels of knowledge, skills, abilities, and other competencies (Shet, Patil & Chandawarkar, (2019). The concept of performance appraisal is the process of obtaining, analysing, and recording information about the relative worth of an employee. The performance appraisal focuses on measuring and improving the employees' actual performance and potentiality. According to Kaplan and Norton (2006), each organisation member contributes something different, but all must contribute toward a common goal. Their efforts must all pull in the same direction, and their contributions must fit together to produce complete, without gaps, without frictions, and with unnecessary duplication of efforts.

Therefore, comparing their performance with expected performance helps develop employee performance during work. Hence, the more successful an organization largely depends on its goals and its adopted strategy. (Vlachos, 2008; Jaradat & Azaam,2013). Michael, (2019) notes that performance appraisal is a system

that provides organizations with a means of identifying people's performance levels and areas where levels need to be improved. In addition, every organization ensures that the individual is clearly aware of his functions and responsibilities to make performance appraisal effective. Jaradat and Azaam (2013) discussed the vital role of performance appraisal systems, concluding that they are significant to organisational outcomes. Therefore, the performance appraisal criteria used to evaluate managers found that only firms following a strategy contrary to the industry norm linked performance criteria to their strategy. The organizational performance and its significant efficiency and effectiveness could achieve when individuals were continuously appraised and evaluated. The organisation's inability to install an effective performance appraisal strategy hindered them from achieving the competitive advantage they required now more than ever before. Appraisal processes were not systematic and regular and were often characterized by personal influences occasioned by organizations' preoccupation with using confidential appraisal systems, which hindered objectivity and fairness (Noe et al., 2006). It could be concluded that the concepts appraisals of organization in determining efficiency, effectiveness, and appropriateness facilitate future planning to enhance the ability to meet customer's needs. Similarly, appraisals of individuals can also provide vital information and opportunities for organizational improvement.

The performance appraisal process can be described as the process of identifying, observing, measuring, and developing human performance in organizations. According to Whiting, Kline, and Sulsky (2008), performance appraisal attempts to determine the employee's work results. Rather than just concentrating on the performance results and compensation aspect, it also looks at how to create good working conditions, find competent management teams and develop staff successfully, enabling the organization to guarantee high motivation and work satisfaction amongst

staff. Turk (2008) unequivocally asserted that performance appraisal is one of the most valuable instruments in the manager's toolbox. No other management process dramatically influences an individual's career and work life. Performance appraisal had a crucial role in reforming the education system, increasing academic staff productivity, and raising the overall quality of higher education (Turk, 2008). Ali, Mahdi, and Malihe (2012), in their study conducted on employees of a transportation organization in Iran, found that the performance evaluation process in the organization influences employee intrinsic motivation ( $\beta = .414, p = .001$ ).

Although performance appraisal is a crucial management technique, generally used for making personnel decisions regarding employees' positions, such as promotion, transfer and pay, it could also be used for employee development, such as feedback and training. The appraisal activities were mainly based on the appraisal of employees' work results and their contribution to the organization (Lin & Kellough, (2019). The performance appraisal is used to evaluate employees' performance for appropriate compensations and rewards. In addition, it is necessary to grant procedural justice, accuracy and suitability of appraisal procedures and continuously drive toward a result-driven climate through shaping and changing organizational performance appraisal and compensation culture (Whiting, Kline, Sulsky, 2008; Saleh et al., 2015).

### **2.9.6 Compensation**

Compensation is the total financial and non-financial rewards and benefits an employer provides to an employee in a contract to work performed as required and as part of an employment relationship (Aaron, Harris, McDowell, & Cline, 2013). Mondy defined compensation as 'The total of all rewards provided to employees in return for their services' (2010, pp. 268-269). Compensation is comprised of fixed and variable components and employee benefits and services. An optimum combination of those

elements was ideal for maximizing influence on employee performance and organizational competitiveness.

A compensation system was based on excellent results to increase employee performance. The compensation system contributed to the organization's performance by enabling the organization to attract more and better candidates and retain essential employees for extended periods (Kamel, 2019). In the same way, a profit-sharing system increases productivity and contributes to improved performance by, among other things, decreasing absenteeism.

The compensation concepts are complementary (HRM) practices, either lower or high-skill or grading compensation benefits to employees' perceived performance (Subramony, 2009). Chew (2005) has observed the importance of compensation to the strategic integration of complementary (HRM) practices for achieving organizational performance. Shahzad, (2008) conducted a study on compensation among university teachers in Pakistan. The study's results indicated a positive relationship between compensation and employee perceived performance, while performance evaluations practice significantly insignificant with perceived employee performance.

Studies indicated that adequate and effective incentive compensation could motivate individual employees to perform more than rely on fixed rewards. Studies have found that higher compensation levels would lead to higher job satisfaction. According to Hesford, Mangin & Pizzini (2020), low-performing firms used higher fixed salaries and few incentives, while high-performance firms used lower set wages and a more significant percentage of overall compensation as incentive pay.

Compensation is divided into three categories: Fixed Pay, Flexible Pay and Benefits. Fixed Pay Compensation was a compensation where the amount and payment were guaranteed, such as base pay, seniority, etc. The Flexible Pay Compensation was

a compensation which included variable pay and deferred income. Variable pay is compensation in which the amount is variable, and its distribution is uncertain, such as Gain Sharing, Bonuses, Incentives, Goal-Based Pay and Overtime. Deferred Income is sums that are blocked for a given period of years before becoming available (Wan, 2006). Benefits are rewards other than wages and salaries paid by the employer.

As previously highlighted, compensation was a reward given to the employee based on the time at work, the output produced or performance. This compensation would include basic pay (salary), incentive or performance pay and other overtime payments. Compensation rewards occurred in direct and indirect forms. Direct Compensation refers to all earnings based on time worked or output produced. It would include basic pay (salary), incentive or performance pay and other overtime payments. Indirect Compensation was payment in kind. It had all benefits and services provided by the organization to its employees, such as Income Protection, and Security Plans (Pension, Employment Insurance, Workers Compensation and Disability Insurance), Paid Time Off (Vacation, Holidays, Paid Lunch and all other Rest Periods) and various employee services and gratuities. On the other hand, employee benefit is defined as a form of compensation provided by the organization other than Wages or Salaries paid for in full or partially by the employer (Odunlade, 2012).

It was empirically suggested that if the workforce were satisfied with their job and the organizational environment, such as colleagues, compensation and leadership, they would be more committed to their organizations, more devoted and contribute significantly to achieve the ultimate goals of the organization (Opkara, 2004). Consistently, Card, (2012) found compensation especially fixed pay, statistically and significantly increased employees' work, motivation and job satisfaction. The study confirmed the significant principles of expectancy theories, according to which the

perception of relationships between efforts and performance, on the one hand, and performance and compensation, on the other hand, can predict employee motivation and performance. Organizational productivity and efficiency are believed to be achieved through employee satisfaction and caring for employees' socio-emotional and physical needs. Moreover, Hamzat et al. (2018) also found that Compensation, Performance Management and employee benefits were all positively and statistically correlated with organizational competitiveness. Compensation practices as an antecedent of organizational effectiveness must be well-supported by other Human Management practices, such as Performance Management.

## **2.10 Theoretical Underpinnings of Human Resource Management**

Human resource management theory has often been used as the basic framework for investigating human resource strategy and employees' job satisfaction. Many theories have focused on Human Resource Management; each theory examines the organization from a different perspective, including Universalistic Theory, Contingency Theory and Configurational Theory. However, the researcher used Universalistic Theory for this study because it treats Human Resource Management from the perspective of antecedent factors of human resource practices. Universalistic theorists have found empirical evidence over the years that certain human resource practices can directly affect job satisfaction. The theory advocated what is labelled as “best practices”; these concepts mean that organizations adopting HR practices have always performed better than others. Many researchers (Becker, Huselid, & Ulrich, 2001), including micro-level human resources, posit that some human resource practices are always better than others, and all organizations should adopt these practices. Murphy et al. (2018) argued that greater use of 16 management practices, such as participation and empowerment, incentive pay, employment security, promotion from within, training

and skill development which, results in higher productivity and profit across organizations. Similarly, Androwis et al (2018) posited that several innovative work practices such as teams, job rotation, quality circles, and total quality management result in productivity gains for all American organizations. In general, the practices identified by Murphy et al. (2018) and Androwis et al (2018) can be labelled “best practices”; if an organization effectively used them, it would enhance employee satisfaction.

The notion of best practices was initially adapted to early US models of Human Resource Management, which emerged from the assumption that adaptation of certain attitudes and behaviour in an organization would result in the advancement of the organization and employees’ satisfaction. These best human resource practices manifested in improving employee attitudes and behaviours, lower absenteeism and turnover, higher skill levels and consequently higher productivity, enhanced quality and efficiency, which eventually increased productivity.

The Universalistic Theory maintains that organizations would succeed and improve if they could identify and implement best practices regardless of the product market situation, industry or organization location (Marchington & Grugulis,2000)

According to Waiganjo et al. (2012), organizational best practices are more idiosyncratic and must be tailored carefully to each firm’s industrial situation and the specific context to provide maximum performance. These human resource practices will only have a strategic effect if they are compatible and integrated and the total human resource management system supports the organization in achieving its target goals.

This theory has been considered the simplest compared to other theories in human resource management. It is argued that the relationship between a given independent variable and a dependent variable is universal across the organisation's population. Furthermore, developing universalistic predictions requires two specific

steps; the first step is identifying crucial human resource practices, and the second is presenting an argument that relates individual practices to organizational performance. Human resource practices are any practices that have been theoretically or empirically suggested as being related to overall organization well-being and performance and employees' job satisfaction. Thus, it is impossible to consider all practices in an organization as best practices because not all are proven to improve overall organizational performance and job satisfaction. However, some practices have been demonstrated in studies to be best in nature: recruitment and rewards, training and development, career development opportunities and work-life balance (Khilji & Wang (2006).

On the other hand, Tzafrir (2005), Nadeem and Rahat (2021), Mahdi et al. (2014) and Saleh (2016) listed the 16 most effective practices for managing people in the organization. It is worth mentioning that this list encompasses almost all the practices suggested by Delery and Roumpi (2017). However, organization performance practices are considered indicators of organizational performance and have been summarized from many theoretical and empirical studies such as Rao (2010) and Sonnenfeld et al. (1988). For example, Pfeffer (1994) argued that employment of best practices such as participation and empowerment, incentive pay, employment security promotion from within, and employee training and skill development leads to greater productivity and profit across organizations (Wall & Wood, 2005).

It is worth mentioning that despite the criticism against universalistic theory, it is the best theory for identifying good practice. It is worth noting that strategies that work well in an organization might not necessarily work with others since each organization has its distinctive nature. Interestingly, Rao (2010) emphatically asserted that several innovative work practices such as teams, job rotation, quality circles and

total quality management resulted in higher productivity for American organizations. Studies suggested that implementing these practices simultaneously and holistically instead of separately would enhance job satisfaction and organizational performance. For example, Tzafir (2005) stated that Terpstra et al. (1993) posited five best staffing practices and found that using these practices was moderately and positively associated with organizational performance. Furthermore, Combs et al. (2006) quoted that Huselid (1995) also found a link between organization-level outcomes and groups of high-performance work practices. Instead of focusing on a single approach (e.g., recruitment and rewards), Cooke et al., (2021); Selden, Schimmoeller, and Thompson (2013) evaluated the simultaneous use of multiple sophisticated human resource practices and concluded that the HR sophistication of an organization was significantly related to turnover, organizational productivity, financial performance and job satisfaction.

Thus, Universalistic Theory is valuable for benchmarking (i.e., to identify the innovation and development practised to good effect elsewhere by leading organizations); however, the organization will determine the relevant factors that should be considered as best factors. Furthermore, for an organisation to employ effective Human Resource Practices, Organizational Learning Culture and Leader-Member Exchange should be in place because they would pave the way for effective human resource practices, eventually enhancing job satisfaction. By extension, the goals of Organizational Learning Culture and Leader-Member Exchange are an exchange of valuable knowledge leading to innovation, improved performance, effective interaction between leaders and followers and sustained competitiveness (Lopez et al., 2005).

### **2.11 The Factors that Influence (HRM) Practices**

Many factors influence (HRM) practices in organizations irrespective of size and location. Studies show that factors such as organisational learning culture and

leader-member exchange significantly affect the employees and are closely influenced by the organizational structure, resources, organizational learning, leadership styles, organizational citizenship behaviour and engagement (Hassi, 2018).

### **2.11.1 Organizational Learning Culture**

Many factors in the literature determine organisational learning culture and its effectiveness. These factors and subsequent empirical evidence suggest that if leaders in organizations increased the amount of time and quality of energy devoted to developing culture, then the organization would perform at a higher level of Productivity (Schein, 2010). However, there is little agreement among scholars and practitioners about the concept of organizational culture or how it should be observed and measured (Schein, 2010). Organizational Learning Culture (OLC) is one such variable that has received much attention in Organizational Behaviour Literature (Astin, 2000; Schein, 2010). The culture is conveyed to an organization's members through socialization and training, rites and rituals, communication networks, and symbols. Organizational culture has four functions. These functions are (1) a sense of identity, (2) increasing the employees' commitment, (3) reinforcing organizational values, (4) serving as a control mechanism for shaping organizational citizenship behaviour (Nelson & Quick, 2013; Lunenburg, 2011).

Armstrong (2008) suggested that organizational culture, organizational climate and leadership styles and goals play a crucial role in determining levels of employee outcomes. Organization Learning Culture (OLC) in the private and public sectors recognizes that an organization's member largely determines its capacity to perform as work engagement (WE). These organizations understand that the organization's value depends on the value of its employees. Enhancing the value of employees is a win-win goal for employers and employees alike (Haslinda, 2009).

Schein (2010) argued that Organizational Learning Culture is a set of norms and values about the functioning support systematic, in-depth approach aimed at achieving a higher level double loop (Argyris & Schon, 1996), strategic (Bhattacharya, 1985) or generative (Wittrock, 1990,1992) organization learning. This process occurs through phases of information acquisition, distribution, interpretation, and organisational behavioural and cogitative changes (DiBella, Nevis & Gold, 1996; Dimovski & Reimann, 1994; Garvin, 1993; Huber, 1991). Organization Learning Culture is the set of shared values, beliefs and norms that influence how employees think, feel and behave in the workplace (Nazir et al., 2019). Curado (2006) defined Organization Learning Culture as an organizational phenomenon that supports the acquisition of information, the distribution and sharing of learning, and that reinforces and supports contentious learning and its application to organizational improvement.

Organization Learning Culture was a continuous process that enhanced its collective ability to accept, make sense of, and respond to internal and external change. Organizational learning was more than the sum of the information held by employees. It required systematic integration and collective interpretation of new knowledge that led to collective action and involved risk-taking and experimentation (Giannakos, Mikalef & Pappas, (2021).

Robbins (2005) postulates that culture is a concept that has a long and cheering history. In the last decade, it has been used by some organizational researchers and managers to indicate the climate and practices that organizations develop around their handling of people or to refer to an organisation's espoused values and philosophy.

Schein (2010) contextualized the culture as a pattern of shared basic assumptions that a group adapted as an external and internal integration that has worked well enough to be considered valid. Therefore this norm is to be taught to new group

members as the correct way to perceive, think, and feel concerning specific problems. Further, Stephen et al. (2016) define Organizational Culture as the collection of Traditions, Values, Beliefs, Policies, and Attitudes that constitute a Pervasive Context for everything one does and thinks in an organization. Aswathappa (2003) refers to culture as a complex whole which includes Knowledge, Belief, Art, Morals, Law, customs, and other capabilities and habits acquired by man in society.

Organizational Culture is the Performance of an organization committed to common Assumptions, Values, Beliefs, Attitudes, and Behaviour (Rashid et al., 2004). Values refer to what is considered critical about how people and organizations behave. Norms were the unwritten rules of behaviour. Henri, (2006) defined firms with greater flexibility of organizational culture as tending to use more performance measurement systems through emphasizing organizational attention, promoting strategic decision-making, and legitimating actions.

Ogbonna and Harris (2000) stated that one of the primary reasons for the widespread popularity of interest in organizational culture stems from the argument (or assumption) that certain organizational cultures lead to superior organizational financial performance. Uddin et al. (2013) argued that many academics and practitioners proclaimed that the performance of an organization is dependent on the degree to which the values of the culture are widely shared, i.e., 'strong' (Ouchi, 1981; Pascale & Athos, 1981; Kotter & Heskett, 1992).

It was arguable that the academic acceptance of culture, without the usual squabbles and scepticism associated with new concepts, is a significant indication of the perceived importance of the concept (Ogbonna & Harris, 2000). However, this is not to infer that there was consensus on the meaning and relevance of the concept. On the contrary, there is widespread disagreement about the definition and scope of the

organizational culture concept (Ogbonna & Harris, 2000). Consequently, Bipath (2007) discussed three main issues. Firstly, many researchers note that treating culture as a unitary concept reduced its value as an analytic tool (Martin, 2006; Ogbonna & Harris' 2000). Secondly, culture cannot be equated to power, politics, or climate (Schein, 1986). Lastly, there is disagreement on whether organizational culture can be easily changed (Ogbonna, 1993). Organizational culture has been an essential theme in management and business research for over two decades. One reason for this was that organizational culture could potentially affect various organizationally and individually desired outcomes. Also, Organizational culture helps firms ease communication, facilitate decision-making and control, and generate cooperation and commitment (Ruppel & Harrington (2001).

Several scholars, such as Bates and Khasawneh (2006) and Bunch (2007), have noted the enormous implications of organizational culture on (HRM) practices and vice versa. Thus, HRM practices may impact organizational culture, but a dominant culture may influence the HRM practices adopted by the organization. Although research on both perspectives is possible, we shall consider the following statement of Kusluvan et al. (2010), who pertain that "The culture of an origination affects the types of HRM systems and practices in the place in this regard. Jackson (2011) considered that Human Resource Managers were aware of the cultural constraints on the alternatives and relationships they can propose within the organization. Subsequently, the model of cultural fit presented by Bunch (2007) explicitly related culture to HRM practices. The authors proposed that HR managers determine how human resources should be managed based on assumptions and beliefs of the internal work culture. An OLC's values, norms, and assumptions could influence several (HRM) practices, like career development or reward systems, To Signal the Value of Training (Bunch 2007).

However, as Bunch (2007) suggested, some organisations could use their impressive training facilities or a large budget to provide training of no value to the organization or the employee. For this reason, several authors stressed that for organizational culture to generate a climate of continuous learning, it should encourage implementing certain (HRM) practices that contribute to giving value, such as training and development Activities (Bates & Khasawneh, 2006; Bunch, 2007).

In summary, culture, as the way things have been managed, significantly influences how leaders establish their strategic objectives and how they achieve them. HRM practices are also determined by business strategy and organizational culture. Implementing HRM practices that focus on training is a way to develop the values and beliefs of a continuous learning culture (Wei et al., 2008). In that sense, organizational learning culture could significantly highlight the importance of HRM practices (Bunch, 2007; Zumrah, 2012). Based on the discussion, below is the proposed hypothesis.

An increasing body of literature (Hurley, 2002; Haji Rahman et al. asserted that organizational learning culture helps organizations to affect the behaviour of employees. These studies contended that organizational culture with characteristics like group cooperation, trust, open communication, employee involvement, constructive participation and empowerment have enormous effects on employees' career development which is considered one of the significant components of human resources development. Equally, this literature supports that employees and systems can mutually benefit from the career development process, reinforcing its relevance as a human resource development function. It is, therefore, expected that if organizations involve employees in career development activities, this will increase their level of commitment and satisfaction and consequently lead to performance improvement, help them stay in the organization, and accomplish organizational objectives efficiently.

Empirically, Haji Rahman et al. (2016) found organization learning culture directly and indirectly predicts employees' career development. According to the authors, organization learning culture directly predicted career development ( $\beta = .36, p = .001$ ) and indirectly via career planning ( $\beta = .48, p = .001$ ) and career management ( $\beta = .15, p = .001$ ), respectively. Similarly, Shuaib Ahmed (2014) concludes that the organisation's culture is essential to employee career advancement. It was found that a positive organisational learning culture significantly and positively affects employees' career development.

Work-life balance is the equilibrium point between the amount of time and effort an individual spends in their work and personal life (Clarke, Koch & Hil, 2004). Likewise, work-life balance has also been considered to impact employee behaviours, demeanours, and emotions strongly. Greenhaus, Collins and Shaw (2003) contend that work-life balance can be categorized into three aspects to measure it. Primarily is balancing time, which is regarding the quantity of time set to finish the work and balance individual or family activities of employees. The second is participation balance, which includes a commitment to work and other activities or roles. Lastly is relevant to compensation.

### **2.11.2 Organizational Learning Culture Theory (Social exchange theory)**

Studying organizational culture is considered to be a significant part and parcel of organizational behaviour studies. It is defined as "an organization skilled at creating, acquiring, and transferring knowledge, and at modifying its behaviour to reflect new knowledge and insights" (Garvin, 1993, p. 80). An organisation's culture portrays the shared values, norms and practices the organisational members follow, which differentiate one organization from other organizations in a similar industry (Hakim, 2015).

Watkins and Marsick (1997) provided a framework that identified seven action imperatives for a learning organization:

- (1) create continuous learning opportunities;
- (2) promote inquiry and dialogue;
- (3) encourage collaboration and team learning;
- (4) establish systems to capture and share learning;
- (5) empower people to have a collective vision;
- (6) connect the organization to the environment; and

(7) use leaders who model and support learning at the individual, team, and organization levels. Thus, learning organization involves an environment in which organizational learning is structured so that teamwork, collaboration, creativity, and knowledge processes have a collective meaning and value (Confessore and Kops, 1998).

An organisation's culture develops the perception of its employees, and they tend to behave accordingly. Thus, organizational culture impacts employees' behaviours, attitudes, organizational activities, and, importantly, organizational performance. Further, many scholars from the management field have also claimed that an organization must be strategically fit and have a proper and strong organizational culture (Storey & Hughes, 2013; Chuang, Morgan, & Robson, 2012). Likewise, different scholars have argued that strong organizational culture encourages those strategies advantageous to both the employees and organizational customers (Majid et al., 2016; Çapuni, 2016). So, there is a need to investigate the consequences of organizational culture on the other organizational variables.

The conception of social interaction as social exchange comes from economic exchange (Molm, 2006). Many forms of social interaction outside of the economic

marketplace can be conceptualized as an exchange of benefits, for example, children, toys; neighbours exchange favours; colleagues, assistance; acquaintances, courtesies; politicians, concessions (Blau 1964:88). Economic and social exchange both are based on a fundamental characteristic of social life: a lot of things we need and value in life (e.g., information, goods, services, status, companionship, approval) we can only get them from others (Foa et al., 2012). People always depend on one another to obtain such valued resources and give them to one another through exchange. Therefore, the social exchange theory mainly focuses on this aspect of social life - the source of benefits that people obtain from and contribute to social interaction and the patterns of dependence that govern those exchanges (Molm, 2006).

In general, since 1964, social theory has become a famous theory that describes the relationships between organizations and people's behaviour and outcomes. Social exchanges theory, as described by Blau (1964), requires unspecified obligations; when a person does another person a favour, that person will have an expectation of some future return, though it is unknown when that return would occur and in what form it will be returned (Cross & Dundon, 2019). Therefore, the obligation to reply to the benefit obtained before, based on the norm of reciprocity, will help to strengthen the interpersonal relationship (Eisenberger, Armeli, Rexwinkel, Lynch and Rhoades, 2001). Employees at work tend to take a long- term to social exchange relationship, with the form of reciprocity determining the perceived balance in an exchange over time (Mitchell, 2012).

According to Social exchange theory (SET), the encouragement activities between employees and the organization they work for would decide the type of commitment and satisfaction they would generate. It is empirically proved that the employees would expect the organisation to provide a better working environment and

culture, feel belongingness and satisfaction and utilize their skills and knowledge to achieve their goals. Based on this theory favourable exchange relationship between employees and an organization would lead to employees' satisfaction, commitment and sense of belongingness. Furthermore, the social exchange theory also asserts the existence of reciprocal relationships between organizational learning culture, human resource management and job satisfaction which ultimately affects organizational performance (Ahmed, Khuwaja, Brohi, Othman, & Bin, 2018).

The SET deals with three fundamental principles, which are; (1) rationality, (2) reciprocity and (3) specificity principle, to explain the relationships between employee and employer (Foa & Foa, 2012; Cheung, 2000; Ahmed, Khuwaja, Brohi, Othman, & Bin, 2018). According to the theory, the first principle of Social Exchange theory is rationality means that employees would have a sense of belongingness and association with the organization that could provide desirable rewards and satisfy its employees' needs and wants. At the same time, reciprocity theorizes that the social relationship is always reciprocal between employee and employer. When caring occurs in the organization, the employee's commitment and satisfaction would consequently increase. Furthermore, the third principle (specificity) assumes that only the reciprocity type can endure an exchange relationship between the employees and an organization (Foa & Foa, 2012; Cheung, 2000). For the employees, organizational learning culture would be a strategic focus of fair organizational activities, which increases employee's job satisfaction, sense of belongingness and commitment towards their organizations, which would enhance human resource management and consequently and significantly affects organizational performance (Pinho et al., 2014; Aldhuwaihi, 2013; Ahmed, Khuwaja, Brohi, Othman, & Bin, 2018).

Additionally, Egan, Yang, & Bartlett (2004) also found that organizational learning culture affects employees' job satisfaction, consequently impacting organisational performance. According to the researchers, organizations prioritising learning and development have found increases in employees' job satisfaction, productivity, and profitability. It was found that organizational learning culture has significantly positive contributions to both job satisfaction ( $r = .68$ ,  $p .01$ ) and motivation to transfer learning ( $r = .28$ ,  $p .01$ ).

### **2.11.3 Leader-Member Exchange (LMX)**

Scandura and Meuser (2002) argued that although role theory provided the framework for LMX research, the theoretical basis concept for LMX emerged from Social Exchange theory. In particular, reciprocation processes involved in social exchange add further understanding of LMX relationships. Moreover, using norms of reciprocity in social exchange theory allows the researchers to investigate how LMX is embedded in a larger network of exchange relationships.

Social exchange emerged from the economic exchange (Molm, 2006); many forms of social interaction outside of the economic marketplace can be conceptualized as an exchange of benefits; for example, Children exchange Toys; Neighbours exchange Favours; Colleagues exchange Assistance; Acquaintances exchange Courtesies; Politicians exchange Concessions (Blau 1964:88). Economic and Social Exchange both are based on a Fundamental Characteristic of Social Life: A lot of things we needed and value in life (e.g., Information, Goods, Services, Status, Companionship, Approval) we can only get them from others. People always depend on one another to obtain such valued resources and give them to one another through exchange. Therefore, the theory of Social Exchange mainly focuses on every aspect of social life - the source of benefits

people obtain from and contribute to social interaction and the patterns of dependence that govern those exchanges (Molm, 2006).

Leader-Member Exchange theory suggests that an interpersonal relationship develops between supervisors and followers against the background of a formal organization (Nazir et al., 2018). The relationship between supervisors and followers is based on Social Exchange when a party offers something to the other party and sees it as valuable. Each party considers the exchange to be reasonable, equitable or fair (Liao, 2011).

LMX relationships appear to change regarding the amounts of tangible or intangible things, information, and support exchanged between the two parties. The greater the value that is perceived of the concrete and intangible goods and services exchanged, the higher the quality of the LMX relationship. Previous studies found the quality of exchange to be related to essential behaviours of leader and subordinate. Gottfredson et al. (2020) have shown that subordinates have variance in the frequency with which they engage in activities beyond the employment contract. However, there are differences in employment contracts regarding the nature and amount to be exchanged. Members who obtain significant benefits from their formal contracts, even those with low leader-member exchange relationships, may feel obligated to contribute to the organization (Rhoades et al., 2002).

Leader-Member Exchange is vital to the organization because LMX describe the relationship between the Manager and Subordinates. In this study, it is hypothesized that high-quality relationships can have enormous value to organizations. The higher Quality of LMX increases performance by about 20%. Satisfaction can be higher by 50% over their low LMX counterparts. Moreover, the low quality of the LMX relationship can increase enormous existent costs to organizations. Ballinger et al.

(2010) quoted from Mayfield and Mayfield (1998) that, on average low LMX members leave an organization after around 12 months. When there is low LMX, employees quit the organization and search for an alternative elsewhere. Therefore, when there is high turnover, it costs the organization training and recruitment expenses. However, when there are high LMX, employees do not move out of the organization but instead move on for promotions (Ballinger et al., (2010).

Although the relationship between leaders and their subordinates could contribute to the effective implementation of HRM practices, it is hardly considered in the strategic human resources management literature. It is firmly believed that considering the relationship quality between leaders and members (employees) could explain the difference between actual and perceived HRM practices and between a leader's implementation of HRM and its employee evaluation. When the relationship between leaders and employees can be characterized as a high-quality relationship, they may have the same understanding and goals regarding HRM practices. Thus, the perceptions might be more similar to the actual HRM practices. Not only can LMX explain differential perceptions of HRM within a leader's team, but it can also explain the differential implementation of HRM within the group or team.

Previous studies have suggested a strong relationship between the concepts of LMX and HRM. However, there are some arguments about how they are related. Many researchers proclaimed that LMX relationships affect employee perceptions of HRM policies and practices (e.g. Kuvaas & Buch, 2017; Martinson & Deleon, 2016; Sanders et al., 2010), while others stress that it is the other way around. This group shows that under certain conditions, HRM can also affect LMX relationships (e.g. Stinglhamber & Vandenberghe, 2003). Conversely, other scholars negate the direct relationship between LMX and HRM but say that the interrelationship between both concepts leads to

positive employee outcomes because how line managers apply HRM practices depends on their leadership behaviour.

Studies showed that LMX could affect perceptions of the performance management system. Employees with a high-quality LMX relationship may perceive more favourable performance appraisals (Levy & Williams, 2004). Furthermore, employees may perceive that the goals of the performance management system cannot be changed. When employees perceive that goals are invariable, they believe that the set standards must be met without exception. Employees in a high-quality social exchange relationship with their line manager perceive that goals are more variable than their colleagues in a low-quality LMX relationship. This implies that the LMX relationship determines how much employees adhere rigidly to their goals. Moreover, when circumstances ask for less stringent or more challenging goals for optimal work performance: 'followers in a high-quality LMX relationship will believe they have the competence to know when goal performance is at odds with work performance. However, due to the low role ambiguity and because they experience less conflict when prioritising work performance over goal performance' (Kuvaas & Buch, 2017: 3).

Furthermore, Janssen et al. (2004) documented the consequences of LMX on attitudes and perceptions climate such as job problems, leader supply of resources, leader support of innovation, organizational commitment, overall satisfaction, satisfaction with co-workers, and pay. Moreover, Bowman (2009) found a relationship between LMX, turnover intentions, and job search behaviours. Chun, Cho and Sosik (2015) also found a connection between LMX, in-role, and extra-role performance.

Li, Sanders and Frenkel (2012) argued that Human Resource Management (HRM) consistency affected the relationship between LMX and two work outcomes (Engagement and Job Performance). HRM can strengthen the relationship between

LMX engagement and work engagement and affect employee performance. The authors argued that the interaction between LMX and HRM affects employee job performance via the mediating effect of employee work engagement. LMX and HRM simultaneously affect employee engagement and performance because both supervisor support and HRM motivate employees to engage in their work. High HRM consistency helps employees reciprocate supervisor behaviour through superior Performance (Li, Sanders and Frenkel, 2012).

Many studies have shown that the strength of LMX relationships can significantly predict organisational outcomes, including performance-related and attitudinal variables (Kang et al.,2011). Consistent with this argument, employees in Higher Quality Dyads have been demonstrated to be more Committed to the organization than employees in Lower Quality Dyads (Zhang et al., 2010). A study by Reid et al. (2008) supported the relationship between LMX and Employee Commitment, specifically regarding effective Organizational Commitment. Ariani (2012) also reported that LMX was related to commitment through its strong influence on satisfaction with leaders and other members. It can be inferred, therefore, that employee commitment may be a way to demonstrate reciprocation or obligation to what their leaders or organization have done for them. This implies that High-Quality Exchange employees who received a large portion of formal and informal benefits would, in return, be dedicated and committed followers (Kang et al., 2011). Based on the discussion, below is the proposed hypothesis.

#### **2.11.4 Leader-member exchange theory**

Leader-member exchange theory is a part of social theory explaining the impact of the supervisor and the subordinate's relationship on individual and organizational outcomes. Leader-member exchange (LMX) theory proclaims that supervisor forms

relationships of different qualities and degrees with their subordinates, ranging from high to low. In high-quality relationships, subordinates receive advantages and benefits, and the other subordinates in low-quality exchanges do not (Wheeler et al.,2010).

In high levels of Leader-member exchange (LMX) relationships, individuals trust their managers and positively interpret the meaning and intent of management initiatives. Therefore, they may direct some energies into demonstrating their behaviours and attitudes. Also, they may be more likely to stay with the organization as they feel trusted and supported by their managers. On the other hand, employees who report low-quality relationships of Leader-member exchange (LMX) may continue to invest energy into their jobs and enjoy carrying out the tasks associated with their job. They may also invest their energy into a similar job in a different organization (Gupta & Sharma, 2018).

Sanders et al. argued that the basic assumption of Leader-member exchange (LMX) theory is that leaders establish higher quality exchanges with some of their employees (in-group members) while with others, they depend more on the terms of employment in forging exchanges (out-group members). Positive leaders' experiences and expectations start to be associated with favourable leaders' behaviour towards employees, such as the assignment of distribution of rewards, constructive feedback and challenging tasks. Employees' perceptions of the helpfulness of their supervisor are positively related to their willingness to show discretionary behaviour like cooperative behaviours and assisting co-workers. On the other hand, Low- quality exchange relationships are characterized by more formal, role-defined interactions that result in hierarchy-based downward influence and distance between the leaders and employees.

## **2.12 Job Satisfaction:**

### **2.12.1 The Significance of Job Satisfaction to an Organization:**

In their study, Mofoluwake and Oluremi (2013) noted that the employees who were satisfied with their jobs offered better services to the internal staff. In another study, the researchers determined the relationship between employee satisfaction, product quality, and customer satisfaction (Sizer, 2008). It was found that employees with high satisfaction quotient could perform better than their counterparts with low-satisfaction levels. Furthermore, Rutto (2012) mentioned that if employees expressed positive feelings towards their employers and their job, they performed better at their jobs. Thus, many researchers have contended that if any organization wants to improve its productivity, it must ensure that all its employees are satisfied with their jobs (Basak, 2014). Job satisfaction allows employees to become more committed to their jobs, offer high-quality customer service (Wang, 2012), and improve production (Chambers, 2010). Satisfied employees also are more willing to continue in their jobs, fulfil all organizational goals, and be more enthusiastic and active to work (Rutto, 2012; Turner et al., 2014). In contrast, employee dissatisfaction leads to absenteeism and higher attrition rates.

### **2.12.2 The Significance of Job Satisfaction for An Employee:**

The employee satisfied with his job would adapt to any changes in his work environment and improve his ability to control his work (Chambers, 2010). In a different study, Rutto (2012) noted that professionally-satisfied people lived longer than their dissatisfied counterparts. They also experienced lesser psychological anxiety, displayed better social adjustment and considered themselves worthier. Sizer (2008) also stated that professionally satisfied people led satisfied lives, and the reverse was also true. Lee (2008) mentioned that satisfied employees were more innovative and

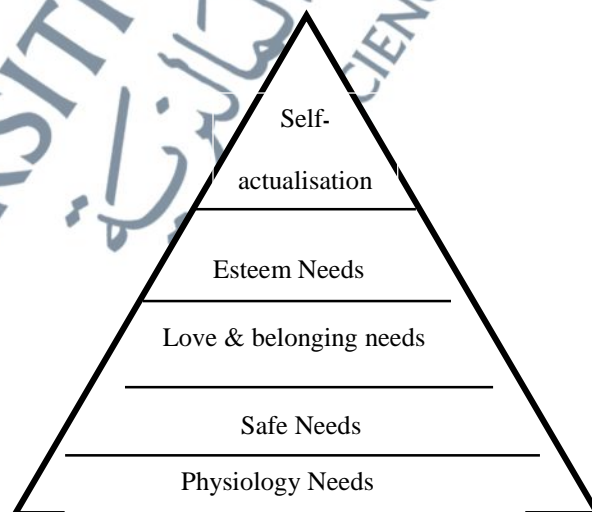
creative. Thus, it is concluded that if the employees realized their professional needs are satisfied (e.g., job security), they would willingly perform their tasks more creatively.

Martin (2006) noted that the workers who enjoyed their jobs were willing to improve their future careers. Additionally, if these employees were satisfied at their workplaces, they would have happy and comfortable lives. This indicates that job satisfaction affects the balance between the personal and professional lives of the employees (Pinsker, 2012). Also, job satisfaction decreased employee pressure (Mofoluwake et al., 2013).

## 2.13 Job Satisfaction Theory:

### 2.13.1 Maslow's Theory:

Maslow's theory of the hierarchy of needs (1954) is a comprehensive theory that partially explains the job satisfaction process. The theory has been extensively used and cited by many studies related to job satisfaction. Maslow (1954) described five types of needs for every individual. These five needs are set in a hierarchical sequence from bottom to top and are gradually and sequentially phased, as presented in Fig. 2.1.



**Figure 2. 1:** Pyramid of Maslow's Hierarchy of Needs

Maslow (1954) mentioned that the needs of every individual are intertwined and dependent on one another. The hierarchy of human needs is based on the degree of the earlier need psychologically and physiologically. Maslow's theory states that if any individual aims to become satisfied with his job, he must be at the position corresponding to his level on this hierarchy.

The first type of the five needs described in Maslow's theory is the Physiology Needs. These include survival needs, such as shelter, food, drink, sex, etc. (Joseph & Wood, 2010). This is a primary type of need that helps in the survival and continuity of any individual. Factors affecting the physiology needs include workload or work environment, i.e., sufficient workspace, clean air and proper facilities.

Safety needs are the second type of needs described in Maslow's theory. These include all needs related to the individual's sense of confidence and security, stability and factors that can threaten human safety, i.e., psychological or physical threats (Bilz, 2008). In their study, Snowden (2011) noted that the sense of security in the workplace was based on three aspects. Firstly, the individual believed that his superiors were satisfied with his job and he was respected and appreciated. Secondly, he had proper knowledge of his duties and well-defined responsibilities. Thirdly, he felt stable at his job.

The third type of Maslow's needs theory is Love and belonging needs; These needs are related to an individual desire to be accepted by his colleagues and friends. Furthermore, social needs include a sense of belonging, acceptance and friendships with co-workers. These directly affect his job satisfaction level (Detamore, 2007).

Esteem Needs- is the fourth type of need described in Maslow's theory. These refer to the desire of an individual to be respected and valued by other people. Robbins (2005) noted that esteem needs are based on internal esteem factors like job satisfaction,

autonomy, self-respect, and achievement and external esteem factors like recognition, attention and status.

The last type of need is described in Maslow's theory of Self-actualisation. This refers to a human desire to fulfil his ambitions and improve his social standing. Self-actualisation allows an individual to display his best, grow, increase his potential and succeed in the organizational hierarchy (Maslow 1954; Otoum, 2010).

#### **2.14 Factors Affecting Job Satisfaction:**

Chen (2005) stated that the job satisfaction level of the employees was based on two major factors. The first factor is organizational factors, such as work environment, supervision, workload, job stress, payments, autonomy and relationship with colleagues. In contrast, the second factor is individual factors (such as age, sex, work-family conflicts and employees' commitment level).

##### **2.14.1 Organizational Factors:**

Organizational and environmental factors significantly affect job satisfaction. Many researchers have considered the characteristics of an organization and its working environment. A few organizational factors that affect the employees' job satisfaction level are autonomy, relationship with their co-workers, supervision, payment, workload, job stress and work environment.

##### **2.14.2 Workplace Environment:**

Workplace environment refers to where employees work, such as a factory or office (Badayai, (2012). Monroe (2007) described the workplace environment as the physical conditions, amount of work and facilities offered. Amin (2015) stated that the working condition or environment affects all employees and their ability to carry out daily tasks. Denning (2008) indicated that the physical features of the building, the type

and condition of equipment and, the resources offered to the employees, working standards were important aspects of any job (Sirajuddin, 2014). If the work environment is good, the employee becomes more productive. They have mentioned that the employees, who were satisfied with their workplace environment, displayed more job satisfaction and were more creative. In the past, the researchers noted a strong positive relationship between job satisfaction and workplace environment (Denning, 2008; Aazami et al., 2015). Furthermore, Aazami et al. (2015) investigated the relationships between job satisfaction levels and Malaysian working women's psychological/physical health in their empirical study. Aazami et al. (2015) found a positive relationship between the workplace environment and job satisfaction when they investigated the association.

### **2.14.3 Supervision:**

Job satisfaction is significantly affected by the employees' relationship with their supervisors. Locke (1976) stated that supervisors control the nature of tasks offered to individuals, their workload, sense of responsibility, promotional opportunities, pay scale and their physical work conditions (Singh, 2013). The researcher also mentioned that an organization has absolute control over all these factors instead of an employee's immediate boss. Pan (2015) noted that to increase the productivity and success of any organization, the supervisors need to understand the employees' perception regarding their supervision and determine their motivation, engagement and job satisfaction levels.

Babakus et al. (2003) mentioned that a supervisor's commitment to the quality of services, displayed in the form of appraisals, rewards and empowerment, significantly affects the employee's recovery performance. They stated that the effect of commitment demonstrated by the management for quality service on their service

recovery performance was mediated by the affective commitment of the employees towards their organizations, which increases job satisfaction (Babakus et al., 2003). Patricia and Leonina, (2013) carried out a study and noted that the support offered to the employees by the organizations affects their job satisfaction level and service quality. Scher (2006) further stated that conflicts between employees and supervisors negatively influence job satisfaction.

The results also indicated that the employee's efforts at his job and job satisfaction played a vital role in determining the customer's perception of service quality. Thahier et al. (2014) observed that the relationship between supervisors and employees affected their job satisfaction levels. Strom et al. (2014) noted that the employee-supervisor relationship affected their job satisfaction levels. The stronger this relationship between the supervisors/managers and their employees, based on appreciation, mutual respect and brotherhood, the higher the employees' job satisfaction levels. However, if the supervisors had a weak relationship with their employees, the workers would be unhappy and dissatisfied.

Chou (2012) conducted a study where he noted that the type of leadership in an organization affected the employees' job satisfaction levels. He pointed out that a dictatorial form of leadership significantly decreased the job satisfaction level of the staff. Many reasons can be attributed to the influence of this relationship between employees and supervisors on their job satisfaction level. Firstly, it is believed that the manager or leader is the primary mover in any organization. Hence, he is mainly responsible for taking care of the junior staff or other employees and can impact their job satisfaction levels. Several researchers have stated that leadership significantly affects the job satisfaction level of employees (Mello, 2012).

#### 2.14.4 Workload:

Workload refers to the demands placed by the organizations on the employees (Spector 1997). The researcher mentioned that workload is categorized into quantitative and qualitative workloads. The qualitative workload is described as the job's difficulty level (both mental and physical). In contrast, the quantitative workload refers to the amount of work that has to be completed by an employee. Baro et al. (2013) stated that a higher workload leads to job dissatisfaction.

Furthermore, Cash (2013) stated that the quality of the expected work is an essential factor that affects the job satisfaction level, wherein the employees are more satisfied if they believe that they have achieved more than what was expected by their supervisors. Hong et al. (2013) observed no significant relationship between job satisfaction and workload. This dissatisfaction could be attributed to inconsistent results noted across different studies, owing to the various measures of the workload (Spector 1997).

Workload influences job satisfaction since there is a direct relationship between an employee and his work. A civil servant working in a work environment that contains all material products, proper lighting, ventilation, equipment and a stimulating work environment is satisfied, comfortable and happy to work. However, if a civil servant is forced to work in an environment that is not conducive to work, he is often dissatisfied. Several researchers (Graham, 2010; Hutchins et al., 2010; Stark, 2011) highlighted the effect of workload on the job satisfaction level of employees. According to the researchers, employees' satisfaction could be attributed to many reasons, such as workload and workload distributions. Firstly, the workload should be based on individual capacity and must not depend on the time available for the jobs. As a result, the employees should not compel to work overtime to complete their tasks and

workload. Another primary reason is unequal workload distribution and division amongst employees or departments. This unequal distribution of tasks forces some employees to carry out assignments or tasks outside their work's scope, consequently accumulating tasks and increasing their job dissatisfaction.

#### **2.14.4 Job Stress:**

Stress is an adaptive reaction to environmental demands and stressors, inducing a fight or flight response (Kreitner & Kinicki 2004). Spector (1997) described two types of job stress. Job stress refers to an event or condition at work that needs an adaptive response by the employee, or a job strain, which indicates a reaction to the job stressor. Several related studies linked the job-based stress experienced by employees with their job satisfaction level. Stress negatively affects many critical occupational factors, such as organizational commitment, job satisfaction and employee withdrawal behaviour (Otoum, 2010; Moura, 2014).

Job stressors are predictive of job dissatisfaction and a higher tendency to stop working at the organization (Hanas, 2013). Furthermore, higher work stress is associated with low job satisfaction levels (Shaheen, 2012). A Japanese study asserted that, although Japanese academicians were very satisfied with their jobs, they were also highly stressed. In contrast, the study indicated that Australian and UK academicians were stressed and less satisfied with their jobs (Bentley et al., 2013).

Many studies highlighted the negative relationship between job satisfaction and stress (Mahendran & Deyanesan, 2013). Sundaram et al. (2012) stated that acute job stress affected the employees' mental state and transactive memory, which, in turn, decreased their job satisfaction level. This finding is consistent with previous studies that indicated a strong connection between higher job stress and employee dissatisfaction. Hence, it can be concluded that when employees suffered from work-

related pressure, it affected their comfort level and led to job dissatisfaction. However, a lack of job pressure was positively associated with the satisfaction level of the employees (Skaalvik & Skaalvik 2015). It was concluded that unequal job distribution, unequal incentives, high workload and manager characters are the major factors of job stress and pressure among employees.

#### **2.14.5 Payments:**

Wages are regarded as an essential factor that determines job satisfaction. Baro et al. (2013) mentioned that payment motivates a person to perform well and continue working for the organization. However, Krifa and Amal (2012) did not note a very high effect of salary on the job satisfaction level among university faculty members. Wang (2006) observed that employees who received high wages were more satisfied with their jobs than those with low wages. Some of the researchers (Baro et al., (2013); Maoc, (2014) proclaimed that the amount of salary or wages received significantly contributed to job dissatisfaction among the employees. Hence, the more the employees' wages are low, the higher their dissatisfaction and, consequently, their performance.

Furthermore, Goodall (2003) stated that the employees were not satisfied with the salary they received from their employers. One of the primary reasons for employees' dissatisfaction is that the incentives offered by the employers could not cater for their life expenses. It was observed that the employees often compared the wages offered by different organizations, eventually nurturing their job dissatisfaction. Payment plays a complex role as it interacts with various factors. For instance, after comparing the wages of the male and female employees, it was noted that the female employees were more satisfied compared to their male counterparts, who were offered the same salary for the same amount of work (Stringe et al., 2011).

Researchers (Stringer et al., 2011; Maoc, 2014) proclaimed that wages and job dissatisfaction displayed an inverse relationship. It means that when the employees are not satisfied with their wages, it triggers their sense of dissatisfaction. Chaudhrya et al. (2011) discovered that if the employees dissatisfied with their wages, it would increase their overall job dissatisfaction and subsequently reduce their interest in the job. Furthermore, they also found that low wages lower employees' performance and motivation levels, increase absenteeism and attrition rates and salary-related grievances. It was also found that the employee's salary affected their job satisfaction since they depended on their salary to fulfil their primary needs. Hence, the better their salary could fulfil their requirements, the more they would be satisfied with their job. Furthermore, the employees compare their expectations from promotions, bonuses and payments and what is needed for a decent life. Thus, it can be concluded that job satisfaction is significantly affected by the employee's pay.

Furthermore, a comparison between the staff members is also an essential factor. It was noted that employees often wonder if they are offered a fair payment compared to their colleagues. After calculating their expertise level and specializations, if the civil servants believed their payments were fair, they would be more satisfied with their job and serve their organization better. On the contrary, if they believed that their payments were unfair, it could increase job dissatisfaction, and they would leave the organization. Additionally, this also affected the behaviour of the employees while dealing with clients or their colleagues.

#### **2.14.6 Autonomy:**

Autonomy refers to the level of independence and freedom offered to the workers to schedule their duties and decide how to do their job. It can be defined as job-related independence, liberty or initiative, which is required or permitted in daily work-

based activities (Zurmehly, 2008). Autonomy increases the feeling of responsibility, enhancing motivation, job performance, job satisfaction and attendance (Spector 1997). Carden (2007) stated that autonomy refers to the extent to which employees feel personally responsible and accountable for their work. Furthermore, George and Jones (2008) unequivocally indicated that higher autonomy leads to higher job satisfaction. In their study, Turner et al. (2014) discovered that autonomy increased when the employee was independently asked to do various tasks, which led to job satisfaction. However, if an employee was asked to do fewer tasks, even increased autonomy did not lead to job satisfaction. For instance, teacher autonomy was related to higher job satisfaction (Guarino et al., 2006; Zembylas, 2006; Skaalvik & Skaalvik, 2009). However, nurses cannot carry out their tasks without autonomy since attending to different patients involves making proper choices regarding the quantity and quality of resources that can be spent (Ricucci, 2005).

Autonomy for professional jobs entails (a) determination of the job priorities; (b) Selection, planning and performance of tasks that generate prescribed outputs; and (c) Answering the leadership regarding the output generation instead of the technique used for job completion (Shacklock et al., 2012). Thus, the employees with a higher level of autonomy are more involved, motivated and satisfied with their jobs (Spector 1986; Mack 2012). It can be noted that autonomy is related to job satisfaction and the level of authority an individual possesses while carrying out his job-related tasks. There is a difference between autonomy and independence since the workers can depend on their interpersonal communications to complete some interdependent duties (Dee et al., 2000).

Turner et al. (2014) determined a significant relationship between independence, autonomy, job freedom and job satisfaction. They observed similar

results in different occupational sectors, such as public relations personnel, nurses, social workers and blue-collared workers. It is concluded that a balanced autonomy, where employees are offered an autonomous area for making decisions related to their duties and implementing them, makes employees more comfortable and satisfied with their job. Autonomy is positively associated with job satisfaction. Many researchers (Skaalvik & Skaalvik, 2009; Mack, 2012) asserted that this relationship is based on human nature, where employees need autonomy to do their job. However, if they have to continue their tasks independently and without monitoring, it can affect their job satisfaction level.

#### **2.14.7 Relationship with their Co-Workers:**

The relationship between employees and their colleagues is vital for job satisfaction. A supportive and cooperative relationship with supervisors and co-workers can improve job satisfaction. In their study, Adkins et al. (1996) emphasized the significance of the relationship with their co-workers, indicating that the employee fits within his work environment. Herzberg et al. (1959) noted that this relationship was used to understand the job satisfaction level of UK academicians. The researchers used a questionnaire methodology and noted that  $\approx 70\%$  of the respondents were delighted with the behaviour of their co-workers (Oshagbemi, 2000). They also pointed out that female academicians were more satisfied with their co-worker's behaviour than their male counterparts.

Ting (1997) conducted a study where they noted that employees were more satisfied with their jobs if their supervisors or co-workers offered them support and cooperated while completing their duties. However, Narveson, (2013) noted a minor relationship between job satisfaction and the role played by co-workers. One of the primary reasons why the relationship between co-workers affects job satisfaction is

attributed to the concept of 'brothers in religion', a fundamental concept in Islam. It was noted that co-workers belonging to the same religion tend to help one another more. This leads to a collaborative relationship that generates harmony and unity and becomes a social connection. However, Shinko, (2011) noted that this relationship between coworkers did not affect the employee's job satisfaction level.

Scher (2006) observed that nurses often derived job satisfaction based on their relationship with their colleagues. An employee's relationship with his co-workers affects his job satisfaction since the co-workers play a vital role in communicating and establishing a cooperative environment. Maslow's (1954) theory states that man always tries to form friendships and relationships with colleagues to build a social environment. This improves understanding between co-workers and establishes a relationship based on intimacy and love. This relationship offers a sense of comfort to the employee, who derives more satisfaction in his job. However, suppose an employee has a bad or competitive relationship with colleagues. In that case, it can create a gap between them, leading to conflicts and discord and increasing the number of complaints and, eventually, job dissatisfaction.

### **2.16 Human Resources Management as a Mediator**

Mediation was an assumed causal chain in which one variable affects a second variable, affecting a third variable. Mackinnon et al. (2002) argued that the hypotheses articulating measurable processes that the mediating between the independent and dependent variables have long been proposed in psychology. Moreover, Sarstedt et al. (2020) explained the mediating effect was made when a third variable interferes with two other related variables. Mediation shows the question of how the change occurred when a third variable was thought to be intermediate in the relationship between two variables. Evidence for mediation appears when an intervening variable can partially or

totally account for the relationship between two variables. (Bootstrapping the Standard Error of the Mediated Effect).

## 2.18 The Research Framework

Based on the extensive literature review that has shown interconnection between the components of the current study, it was hypothesized that there is a positive and direct relationship between Leader-Member Exchange (LMX) and Organization Learning Culture (OLC) on the one hand and employees' job satisfaction on the other hand. It also depicts that human resources management plays a significant mediating role in mediating between OLC and LMX and employees' job satisfaction.

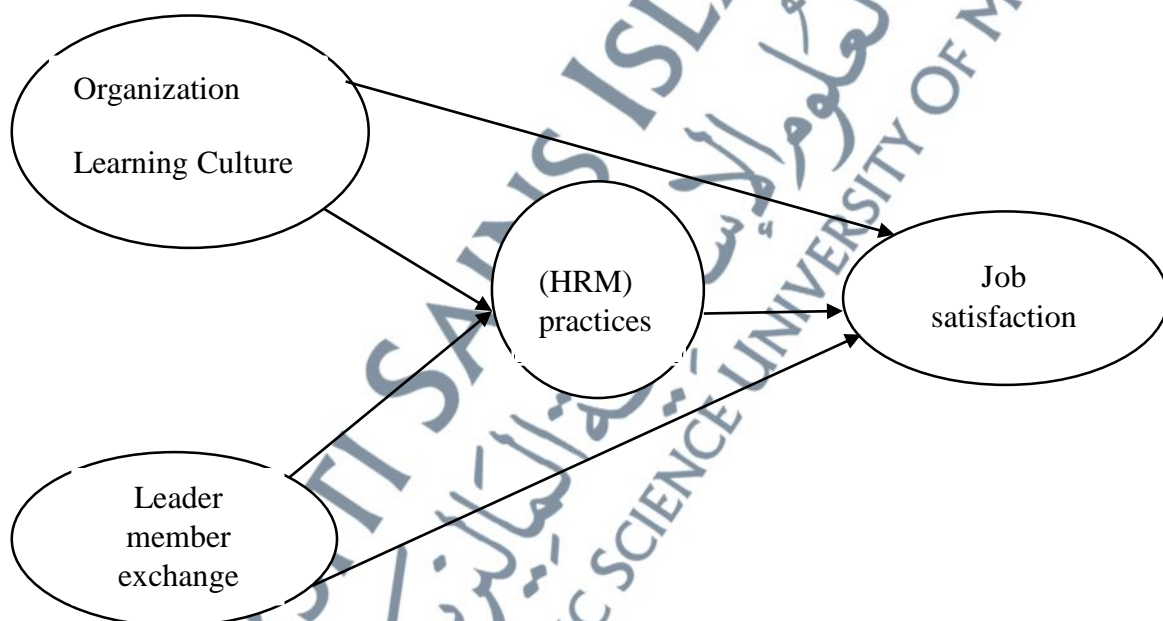


Figure 2. 2: The Research Framework

## 2.19 Conclusion

This chapter provides a literature review on organization learning culture, leader-member exchange, human resource management practices, and job satisfaction.

The chapter has holistically presented the influence of organizational learning culture

leader-member exchange on human resource management. Moreover, this chapter provides sufficient evidence that human resource management influences employees' job satisfaction. Also, this chapter reviewed past studies and found that human resource management plays a significant role in mediating between organizational learning culture and leader-member exchange (independent variables) on one hand and job satisfaction (Dependent variable) on the other hand. Finally, it shows the research framework, which looks at the independent, dependent and mediator.

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