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The Effects of Recruitment and Promotion Practices on Employees' Job Satisfaction in the Local Governments

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ABSTRACT

Human resource practices are usually associated with the continuous organization's operation and succession. In order to succeed, an organization must prioritize the welfare of their employees as they are the key players in determining the prosperity of the organization. Hence, employees' job satisfaction is the focal point in retaining the employees and organization's succession. This study tries to identify the effects of human resource practices towards employees' job satisfaction. The respondents in this research were employees from five selected local governments in Northern Region in Malaysia. There are two independent variables used which are Recruitment and Promotion. The findings of this study show that there are positive significant relationship between recruitment and promotion towards employees' job satisfaction but only at a moderate level. Due to this reason, local governments must increase the effort to maximize the satisfaction level among employees by stressing on their recruitment and promotional practices.

Keywords: Recruitment; Promotion; Job Satisfaction; Human Resource & Local Government

1.0 INTRODUCTION

Generally, the term Human Resource Management means the utilization of a firm's human resources to achieve organizational objectives (Mondy & Noe, 2005). Specifically, there are various activities or programs that are related with human resource management. These activities will support the organization in utilizing their workforce in order to strengthen their effectiveness and efficiency. Lado & Wilson, 1994 found that HR activities consist of recruitment, promotion, training and development as well as disciplinary actions. The process of human resource development and public personnel management or administration in Malaysia had emerged rapidly through series of reformations made by the government. These reformations affected the overall government structure including the local government. Local government, operating as the third tier of the government branch plays an important part in their own system of administration in relations to recruitment, providing training, offering promotional opportunity and terminating their own staff. Nevertheless, in performing their administrative functions local governments are bound with its parent act known as Local Government Act 1976. Under this act, every local authority is given the power to recruit its own personnel to carry out its functions. However, the state government has to approve the budget and the reasons for recruitment. Given this discretion, local authorities can appoint their own staff, exercise control and execute disciplinary action and undertake other personnel functions such as recruitment, training, promotion and termination of employees' services. Due to several reformations waives, local councils are now facing with several problems and weaknesses in their human resource practices. According to the former President of ANULAE (The Amalgated National Union of Local Authority Employees), Abdul Rahim Mahad noted one of the aspects that needed to be highlighted was the human resources practices. He also added that, comprehensive planning for human resource development had not been given much attention by local governments ("PBT Wajar Dirombak", 2003). It can be seen through several complaints made by the local people pertaining several issues such as the recruitment process which carried out by them used to practise Closed System which lead to biasness in employing their staff ("Syor Temuduga PBT Dikendali JPA", 2009). Therefore, this study aims to identify the relationship between two core elements of human resource practices which are the recruitment and promotion towards employees' job satisfaction.

1.1 Literature Review

Basically, human resource practices dealing with grasping people attention to join the organizations as employees. However, there are various activities involved in order to ensure people may join such organization. Some studies related to human resource practices can be found in the operations management literature Jayaram, Droge, & Vickery, 1999; Kathuria & Partovi, 1999; Youndt et al., 1996; Kinnie & Staughton, 1991). Apart from that, Paauwe & Richardson, 1997 gave an overview of prior research on the relationship between human resource practices and business performance. In addition, several researches undertook their studies on human resource and other outcomes such as employees' commitment can be found in McGunnigle & Jameson, 2000. As for this research, it focuses on human resource practices and its effect towards job satisfaction. There are various elements that may contribute to job satisfaction. Apart from the design of the job and the personal characteristics, a number of other elements, such as pay, promotion, job security, supervision, work-group characteristics, participation and organizational structure and climate, are held to be responsible for determining job satisfaction (Rainey, as cited in Wouter Vandenabeele, 2009).

1.1.2 Recruitment

Recruitment is the initial step in managing organizational human resource. In fact, recruitment of employees is a critical process toward building a productive workforce. Systematically designed recruitment processes help to identify people with the right set of knowledge, skills, and abilities for individual jobs (Liu, Combs, Ketchen Jr. & Ireland, 2007). Apart from that, recruitment is a tricky process because the suitability between a person and a job, as well as between a person and a company's culture and values, is important. Kristof-Brown, Zimmerman, & Johnson, 2005 in their study reported that employees may feel dissatisfied with the organization and tend to leave the organization if their job does not fit with their knowledge, skill and ability (KSA). Besides that, the comprehensiveness of selection practices greatly affects employees' level of perceived fit, which enhances job satisfaction and organizational commitment, and reduces intentions to quit (Saks & Ashforth, 1997).

1.1.3 Promotion

Promotion can be defined as the movement of a person to a higher-level position in an organization (Mondy & Noe, 2005). This is an opportunity provided by the organization towards its employees, and normally only those who achieved the standard set by the organization may be promoted. Promotion is also an important aspect of a worker's career and life, affecting other

facets of the work experience including workers' labor mobility that resulted in the wage increases (Kosteas, 2009). Promotion opportunity is always associated with an increase in workload and responsibility. Pergamit and Veum (1999) stated that promotion could have a significant impact on other job characteristics such as responsibilities and subsequent job attachment. Firms can use promotions as a reward for highly productive workers, creating an incentive for workers to exert greater effort. Promotions will only be an effective mechanism for eliciting greater effort if workers place significant value on the promotion itself. Kosteas, 2009 posited that, workers may value promotions because they carry an increase in job amenities such as a bigger office or spending account (factors which are observable but for which we do not have the information) or because they enjoy the acknowledgement of work well done and the ego boost that comes with a promotion (factors which are not easily observable).

1.1.4 Job Satisfaction

Traditionally, economists have embraced job satisfaction with "professional suspicion" (Freeman, 1978) because it is a subjective variable. In 2000, it was still possible to state that the study of job satisfaction by economists is "still in its infancy" (Blanchflower & Oswald, as cited in Petrescu & Simmons, 2008). Some studies show that certain HRM practices, such as working in teams, greater discretion and autonomy in the workplace and various employee involvement and pay schemes, do motivate workers and hence generate higher labor productivity (Cully et al., 1999; Boselie & Van derWiele, 2002). Specifically, employee job satisfaction is an attitude that people have about their jobs and the organizations in which they perform these jobs. According to Mosadeghrad (2003) job satisfaction can be defined as an employee's affective reaction to a job, based on a comparison between actual outcomes and desired outcomes.

Job satisfaction is generally recognized as a multifaceted construct that includes employee feelings about a variety of both intrinsic and extrinsic job elements. It encompasses specific aspects of satisfaction related to pay, benefits, promotion, work conditions, supervision, organizational practices and relationships with co-workers (Misener, Haddock, Gleaton, & Ajamieh (1996). It should be noted that, there are numerous factors which influence employee job satisfaction, including salaries, fringe benefits, achievement, autonomy, recognition, communication, working conditions, job importance, co workers, degree of professionalism, organizational climate, interpersonal relationships, working for a reputable agency, supervisory support, positive affectivity, job security, workplace flexibility, working within a team environment and genetic factors. Sources of low satisfaction are associated with working with unskilled or inappropriately trained staff, laborious tasks such as

documentation, repetition of duties, tensions within role expectations, role ambiguity, role conflict, job/patient care, feeling overloaded, the increasing need to be available for overtime, relations with co-workers, personal factors and organizational factors (Mosadeghrad & Yarmohommadian, 2006).

1.2 Research Framework

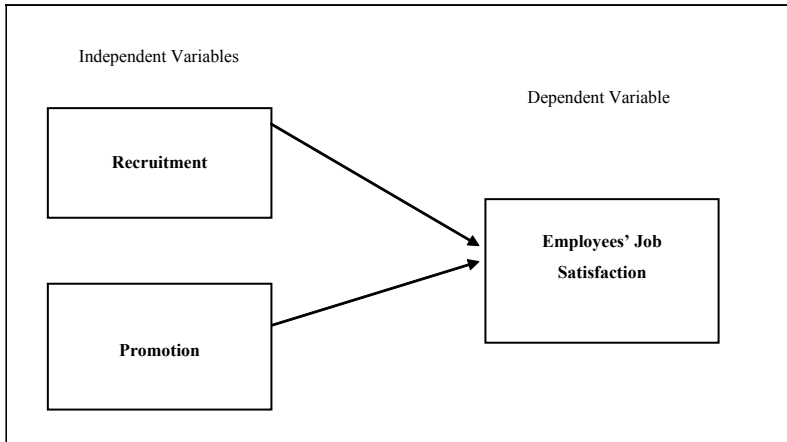


Figure 1.0: Research Framework for the study on the Effect of Recruitment and Promotion Practices on Employees' Job Satisfaction in Local Government

As illustrated in the above figure, there are two independent variables used in this study which are the Recruitment and Promotion. The dependent variable for this study is the Employees' Job Satisfaction. This study attempts to measure the effect of recruitment and promotion practices toward employees' job satisfaction and to identify the most independent variable which constitutes the most significant relationship with the dependent variable.

2.0 METHODOLOGY

This research was conducted in selected local governments in the northern region, comprising Kedah (Alor Star City Council, Sungai Petani Municipal Council and Kubang Pasu District Council), Penang (Penang Municipal Council) and Perlis (Kangar Municipal Council) using quantitative method. The population of this research was the employees from Administration & Professional and Supporting Staff in all the selected local governments. The questionnaires were distributed to 50 respondents for each local government. All the data gathered had been analyzed using Statistic Package for Social Sciences (SPSS). This study also used descriptive statistics in order to

describe the background of the respondents that consist of gender, race, age, marital status, education level, job group and length of service. In measuring the relationship among the variables, Pearson Correlation was used in this study. The relationship among the variables was determined by the value of $p < 0.05$.

2.1 Instrumentation

In this research, a set of questionnaires will be used as the instrument in collecting the data. All the questions constructed in the questionnaires are closed-ended questions, which asking the respondents to make choices among the set of alternatives given by the researcher. The questionnaires will be divided into three parts, consist of Demographic, Independent Variable and Dependent Variables.

The Demographic part includes questions relating to the background of the respondent which refers to the demography factors such as gender, race, age, marital status, level of education, job level and year of services. The nominal scale was used in measuring this part. As for independent variables, questions are related to recruitment and promotion practiced in the local governments. The last part includes questions about the dependent variable. This part refers to the employees' job satisfaction that had been constructed based on the Minnesota Satisfaction Questions (MSQ) 1977. Both independent and dependent variables parts used Likert Scale measurement in measuring the effects of both variables on the employees' job satisfaction.

3.0 FINDINGS & DISCUSSION

This research was conducted in selected local governments in the northern region, comprising Kedah (Alor Star City Council, Sungai Petani Municipal Council and Kubang Pasu District Council), Penang (Penang Municipal Council) and Perlis (Kangar Municipal Council) to explore the current human resource practices adopted by these local governments as well as to identify the relationship between human resource practices with the employees' job satisfaction. Based on the research findings, all the independent variables have positive significant relationship with the job satisfaction. Thus, the detail discussions on the findings are as follows:

3.1 Recruitment

The recruitment is the initial process in attracting and pooling potential candidates to become members of the organization. Thus, it plays vital roles in ensuring they are hiring suitable and competent employees. As indicated by the research findings, out of five (5) statements given to the respondents only

one (1) statement showed their dissatisfaction which was regarding the relatives of employees who were encouraged to apply for jobs at the same organization. They expressed their dissatisfaction to this situation because they feel that the organization or the councils did not use their power wisely in recruiting their employees. This would make other people form negative judgement towards the local councils.

In addition, this study also found that even though there were employees who had their relatives working in the same council, they also must undertake the same process to enable them to be recruited. The study revealed that most of the respondents rated the recruitment process at the neutral level. They claimed that, they were neither satisfied nor were dissatisfied with the current recruitment practices in their workplace. Thus, the local council must take drastic actions in order to ensure the employees who were at the Neutral level could be change to the satisfied level. This could be done by reducing the number of relatives working in the same council in order to avoid employees having negative judgement towards the management which would lead to their dissatisfaction.

It should be noted that this dimension showed significant relationship with the level of employees' job satisfaction. According to the research finding, this study showed that there was a positive significant relationship between recruitment and job satisfaction due to the value of p which was 0.000 (<0.05). The finding also indicated that the relationship was moderate because the value of $r = 0.537$, which meant that the more positive the recruitment practices in the local council will lead to the more positive job satisfaction among their employees. This finding was supported by the past researchers by Kristof-Brown, Zimmerman & Johnson (2005) and Saks & Ashforth (1997) which recorded the same outcomes of significant relationship between recruitment and job satisfaction. In sum, recruitment and job satisfaction are inter-related and they would boost employees' loyalty, reduce turn over and enhance satisfaction.

3.2 Promotion

Promotion was the second independent variable used by the researcher to examine the relationship of promotion with job satisfaction. The finding indicated that respondents rated their satisfaction level at Neutral level which showed that they were neither satisfied nor dissatisfied with the current opportunity for promotion. This was because they felt that there was still fewer promotional opportunities given to them. In reality, a local council operating at a local level only required a small-sized council. Hence, they need a small number of employees for certain job position. This scenario will lead the employees to work for more than 15 years before they are entitled to be

promoted to a higher position. This newly created position is known as “Khas Untuk Penyandang” (KUP). The employee who is promoted to fill this position will also manage their previous position and this makes the lower position employees cannot get the promotion unless the KUP employee has retired. Hence, it shows how critical the promotional opportunity in local council is and this leads to the dissatisfaction of employees, even though they do not directly express their feeling in the questionnaires.

In the aspect of transferability, the local council employees also have limited movement or mobility in their position. According to the Officer in the selected local council, the current practice in local councils does not allow the employees to be mobilize to other ministries or organization. However, there are few employees that can be transferred to other department but within the same local council, as for examples the Engineer and Land Surveyor. All of these show the reason why employees in local council did not rate themselves at the satisfied level.

In addition, the research finding indicated that there was a positive significant relationship between promotion and job satisfaction as the value of p was 0.000 (<0.05). This relationship was moderate because $r = 0.676$ and it meant that more positive promotion opportunities would it lead to more job satisfaction of employees. This research finding was in-line with the past researchers such as Pergamit & Veum (1989), De Souza (2002) and Shields & Ward (2001). It shows that, promotion plays an important role in ensuring employees are satisfied with their job and promotion acts as a mechanism to boost their motivation to stay longer with the organization.

4.0 CONCLUSION

In a nutshell, human resource practices act as the back-bone of the local government in ensuring that they are having adequate and competent manpower that would be best described as their valuable assets. Thus, these valuable assets need to be retained, maintained and preserved in order to ensure they will last long and be loyal to the local council by maximizing their job satisfaction. The study found that both independent variables tested in this study showed positive significant relationship with job satisfaction. Thus, the demand and needs of the employees must be taken into account as the main priority to make sure that all possible problems and weaknesses of the personnel system can be reduced and eliminated. As regards to this, local government must focus on more on their employees as to retain and attract people to join them in order to make sure they have adequate and enough manpower to serve the local people. There are several recommendations for future research and modifications. In the aspect of recruitment, the local government should reduce hiring relatives and family members of existing employees as their

workers. This is to avoid from public having negative judgement toward the local government. Due to that reason, the management of local government should be transparent and do not discriminate in hiring the employees. Such discrimination will lead to bad impression and will disrepute their credibility as the third tier in the government hierarchy. This can be done by having a special body in carrying out the recruitment and selection of the employees like using the Public Service Department (PSD) that acts as the central body to uphold the power and rights in handling recruitment and selection process of the local governments' employees. As for the promotion, it is recommended that local governments allow their employees and staff to be promoted and transferred to other local council or even to other government hierarchy. This means that the local council staff may get career development. If the local government allow its staff to be transferred or promoted to a higher position, then it will make them become motivated and increase their self-esteem and loyalty to the local council. This will indirectly reduce the number or labor-turnover in local council. Apart from that, it is recommended that employees from higher government to be sent to local council as well. This will bring a lot of positive impact toward the local council whereby the higher government helps out local councils in areas such as accounting, tax assessment by sending their staff to local councils. This in return will also help solve the services professional in local councils.

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