

An Empirical Analysis of HRM in Different Pharmaceutical Departments of Different Pharmaceutical Industries in Pakistan

Faisal Ali, Mansoor Shuakat, Lirong Cui, Helena Uhde, Rabia Riasat, Janeth J. Marwa

Abstract—HR is a department that enhances the power of employee performance in regard with their services, and to make the organization strategic objectives. The main concern of HR department is to organize people, focus on policies and their system. The empirical study shows the relationship between HRM (Human Resource Management practices) and their Job Satisfaction. The Hypothesis is testing on a sample of overall 320 employees of 5 different Pharmaceutical departments of different organizations in Pakistan. The important thing as Relationship of Job satisfaction with HR Practices, Impact on Job Satisfaction with HR Practices, Participation of Staff of Different Departments, HR Practices effects the Job satisfaction, Recruitment or Hiring and Selection effects the Job satisfaction, Training and Development, Performance and Appraisals, Compensation affects the Job satisfaction, and Industrial Relationships affects the Job satisfaction. After finishing all data analysis, the conclusion is that lots of Job related activities raise the confidence of Job satisfaction of employees with their salary and other benefits.

Keywords—HRM, HR practices, job satisfaction, TQM.

I. INTRODUCTION

HR born in earlier 20th century and the person was Frederick Taylor. He introduced scientific management later known as Taylorism. He also introduced the Economic efficiency that eventually plays a principle result oriented in different process. [1] “The Elton Mayo research leads the growth of human relations while Hawthorne studies unrelated to financial compensation and working conditions as a result more productive workers” [2]. During the same period of time, Abraham Maslow, Hurt Lewin, Max Weber, Frederick Herzberg and David McClelland make basic studies in different organizations. They formed Organizational psychology, Organizational behavior and organization theory.

In 1913, “The Chartered institute of Personnel and development found in United Kingdom as the name is welfare workers associations, the institute of industrial welfare workers and in next 10 years, its change and become Institute of Labor Management” [3]. “In the United Sates, The School of Industrial and labor Relations was founded at Cornell University in 1945” [4].

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In 21st Century lots of advancements come, different organizations, corporations began the employees and workers their assets. Human Resource management consequently, became the dominant term for the function as the ASPA even changing its name to SHRM in 1998 [5]. “The Organizational performance and employee attitudes towards the growth of companies are the main area of research in the developed world for years” [6]-[9]

II. RESEARCH METHODOLOGY

Research strategy should be chosen as a function of the research situation, while both qualitative and quantitative methods involve weaknesses and strengths. [10]. It is important that suitable techniques should apply and get the authentic results [11].

III. SAMPLE

The data is collected from Pakistan pharmaceutical factories, in which overall 320 employees of 5 different Pharmaceutical departments of different companies include. The questionnaire samples were distributed to 320 employees. The minimum sample size is 310. 350 questionnaire samples were distributed. 320 filled questionnaire samples were received and result and analysis. This survey conducted out within the July-September 2013.

IV. DEPENDENT VARIABLE AND INDEPENDENT VARIABLES

The questionnaire samples estimated five High performance HRM practices and its effect on job satisfaction. The Impact of HR Practices on Job Satisfaction are 4 items, Training and Development are 5 items, Performance and Appraisal are 4 items, Compensation Effects 5 items, Industrial Relations contained 5 items.

The employers write their choice on 5 scale system in which 5 for strongly agree. 4 for Agree. 3 for Neutral. 2 for Disagree and 1 for Strongly Disagree. After collection of data we analyze our results.

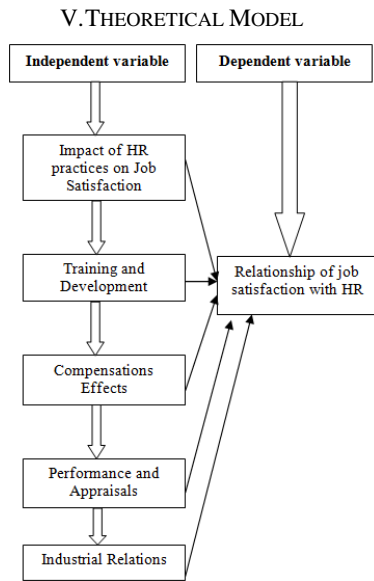


Fig. 1 Schematics diagram of independent and dependent variables (Theoretical model)

VI. RESULTS AND DATA ANALYSIS

To obtain the results we used different statistical tools IBM SPSS 20. And different techniques were used to analyze data that are as. ANOVA, Histogram, Regression, Correlation, Descriptive statistics (Mean and Standard deviation). The statistical package used was IBM SPSS Statistics 20.

VII. VALIDITY AND RELIABILITY OF DATA

The Reliability Statistics clearly evident that Cronbach's alpha is 0.711 which indicates that it's up to the standard value and clearly show that the study is strongly reliable and used for further analysis as shown in Table I.

TABLE I
RELIABILITY STATISTICS

Cronbach's Alpha	No of Items
0.711	6

VIII. DEMOGRAPHIC ANALYSIS

The Questioner sample of overall 320 employees, Most of the employers are male workers about 50.1%, and female workers were 49.1%. From Age 21 to 30 years are 48.1% and having work experience from 1 to 5 years as well. From Age 31 to 40 years are 24.1% and they have working experience from 6 to 10 years. From Age 41 to 50 years are 17.2% and they having work experience from 11 to 15 years. From above

51 years 10.6% and they have work experience above 16 years respectively. Production department is the biggest department having 28.1% employees, followed by manufacturing department having 21.3%. The marketing department having 16.6% followed by management department having 15.9% employees and others have 18.1% respectively. The Educational department of 10th Grade having 17.5%, 12th Grade having 47.5%, Bachelors are 15.9% followed by Masters and PhD having 19.1% respectively.

IX. THE REGRESSION ANALYSIS RESULTS

The multiple regression analysis conducts to measures the results. The HR model fit for regression and shows that Model has Positive significant effects. To prove the model is fit for findings we use R, R², and Coefficient of determination, variance, analysis of variance (ANOVA) and the t statistic. To prove the impact of independent variable on dependent variable we perform linear regression and the results shown in Tables II-VI.

TABLE II
REGRESSION VARIABLES ENTERED/REMOVED^a

Model	Variables Entered	Variables Removed	Method
1	Industrial relation, Training and Development, Compensation affect, Performance and Appraisal, Impact of HR on Job Satisfaction ^b		Enter

a. Dependent Variable: Relationship of Job Satisfaction and HR practices, b. All requested variables entered.

TABLE III
REGRESSION ANALYSIS

Variables	R	T-value	B-coefficient	F-value	R ²	p-value
Impact of HR on Job satisfaction	0.511	10.6	0.511 0.472**	112.6	0.26	0.000
Training and Development	0.392	7.60	0.392 0.378**	57.7	0.15	0.000
Performance and Appraisal	0.352	6.70	0.352 0.356**	45.01	0.12	0.000
Compensation affect	0.180	3.26	0.180 0.179**	10.65	0.03	0.000
Industrial relation	0.170	3.07	0.170 0.110**	9.476	0.02	0.002
N	320	320	320	320	320	320

X. CORRELATION ANALYSIS

The descriptive statistics result shown as in tables that the highest value is 3.2164 and the lowest is 2.8212. The Range of correlation between HRM practices is 0.154 to 0.511. All attributes shown positive relationship to significant p values < 0.001 as shown in Tables VII, VIII.

TABLE IV
MODEL SUMMARY^b

Model	R	R ²	Adjusted R ²	Std. Error of the Estimate	Change Statistics				
					R ² Change	F Change	df1	df2	Sig. F Change
1	.577 ^a	.333	.323	.65560	.333	31.404	5	314	.000

a. Predictors: (Constant), industrial relation, Training and Development, compensation affect, Performance and Appraisal, Impact of HR on Job Satisfaction, b. Dependent Variable: Relationship of Job Satisfaction and HR practices.

TABLE V
ANOVA^a

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	67.489	5	13.498	31.404	.000 ^b
1 Residual	134.960	314	.430		
Total	202.448	319			

a. Dependent Variable: Relationship of Job Satisfaction and HR practices,

b. Predictors: (Constant), industrial relation, Training and Development, compensation affect, Performance and Appraisal, Impact of HR on Job Satisfaction.

TABLE VI
RESIDUALS STATISTICS^a

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	1.8920	4.9571	3.0273	.45996	320
Residual	-1.70709	2.16072	.00000	.65044	320
Std. Predicted Value	-2.468	4.195	.000	1.000	320
Std. Residual	-2.604	3.296	.000	.992	320

a. Dependent Variable: Relationship of Job Satisfaction and HR practices

TABLE VII
DESCRIPTIVE STATISTICS CORRELATION

	Mean	Std. Deviation	N
Relationship of Job Satisfaction and HR practices	3.0273	0.79664	320
Impact of HR on Job Satisfaction	3.2164	0.76349	320
Training and Development	2.8212	0.72660	320
Performance and Appraisal	3.0338	0.73896	320
compensation affect	3.2887	0.73506	320
industrial relation	3.0862	1.14100	320

XI. HI (HYPOTHESIS I): RELATIONSHIP OF JOB SATISFACTION WITH HR PRACTICES

The variance in employee job satisfaction is 51.1% which shows relationship of job satisfaction with HR practices are positive and the value of $R=0.511$ $F=112.6$ at $p=0.000$ and t value is 10.6 shows the results, and indicates that positive relationship of Job satisfaction with HR practices. Therefore, based on measurement of calculations and results that Hypothesis I accepted.

XII. HII (HYPOTHESIS II): IMPACT ON JOB SATISFACTION WITH HR PRACTICES

The Impact on Job Satisfaction with HR Practices variance is 51.0%, the value of $R=0.180$. $F=10.65$ at $p=0.000$ and the value of $t=3.264$ shows model goodness fit. So the results and calculations indicate that the Hypothesis II which is the relationship of Impact on Job satisfaction with HR practices accepted.

XIII. HIII (HYPOTHESIS III): TRAINING AND DEVELOPMENT AFFECTS THE JOB SATISFACTION

In Training and Development affects the Job satisfaction shows 39.2% variance is positive relationship with Employee job satisfaction. The value of $R=0.392$. $F=57.7$ at $p=0.000$ and $t=7.602$ illustrates the model's goodness of fit, so HIII is accepted which shows Training and development effects the

job satisfaction.

XIV. HIV (HYPOTHESIS IV): PERFORMANCE AND APPRAISALS AFFECTS THE JOB SATISFACTION

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

XV. HV (HYPOTHESIS V): COMPENSATION AFFECTS THE JOB SATISFACTION

18.0% variance in employee job satisfaction is enlightened by Compensation affects the Job satisfaction, which is evident by the value of $R=0.180$. $F=10.65$ at $p=0.000$ illustrates the model's goodness of fit, which is not satisfactory. Insignificant relationship between predictor and predicted variable is evident by the value of $t=0.624$. Hence, on the basis of these results it can be inferred with confidence that HV is not accepted.

XVI. HVI (HYPOTHESIS VI): INDUSTRIAL RELATIONSHIPS AFFECTS THE JOB SATISFACTION

17.0% variance in employee job satisfaction is enlightened by Industrial Relationships affects the Job satisfaction, which is evident by the value of $R=0.170$. $F=9.47$ at $p=0.002$ illustrates the model's goodness of fit, which is not satisfactory. Insignificant relationship between predictor and predicted variable is evident by the value of $t=0.624$. Hence, on the basis of these results it can be inferred with confidence that HV is not accepted.

XVII. CONCLUSION

The Research shows 5 High performance HRM practices were used as hypothesis to check the role of the employee job satisfaction in pharmaceutical companies and the statistically results shows High performance HRM practices are positively related to job satisfaction.

The Statistically Analysis shows independent variables (industrial relation, Training and Development, compensation affect, Performance and Appraisal, Impact of HR on Job Satisfaction) have a direct and positive impact on the dependent variable that Relationship of Job Satisfaction and Human Resource practices is independent variable causes the significant effect in the employee job satisfaction, the Compensation effects of the Job satisfaction and Industrial relations shows negative relationship. All hypotheses accepted at the significance value of .05. Hence we concluded High performance HRM system positively significant related to employee job satisfaction in different departments of different Pharmaceutical factories in Pakistan.

TABLE VIII
CORRELATIONS THE DESCRIPTIVE STATISTICS AND CORRELATION ANALYSIS

Variables	RJS	IHR	T&D	P&A	CA	IR	
RJS	Pearson Correlation	1	.272**	.194**	.154**	.511**	.350**
	Sig. (2-tailed)		.000	.000	.006	.000	.000
	Sum of Squares and Cross-products	202.44	52.856	35.914	28.905	95.523	101.445
	Covariance	.635	.166	.113	.091	.299	.318
	N	320	320	320	320	320	320
IHR	Pearson Correlation	.272**	1	.231**	.647**	.392**	.405**
	Sig. (2-tailed)	.000		.000	.000	.000	.000
	Sum of Squares and Cross-products	52.856	185.95	40.928	116.413	70.204	112.477
	Covariance	.166	.583	.128	.365	.220	.353
	N	320	320	320	320	320	320
T&D	Pearson Correlation	.194**	.231**	1	.374**	.352**	.080
	Sig. (2-tailed)	.000	.000		.000	.000	.155
	Sum of Squares and Cross-products	35.914	40.928	168.416	64.131	59.996	21.094
	Covariance	.113	.128	.528	.201	.188	.066
	N	320	320	320	320	320	320
P&A	Pearson Correlation	.154**	.647**	.374**	1	.180**	.307**
	Sig. (2-tailed)	.006	.000	.000		.001	.000
	Sum of Squares and Cross-products	28.905	116.41	64.131	174.195	31.201	82.62
	Covariance	.091	.365	.201	.546	.098	.259
	N	320	320	320	320	320	320
CA	Pearson Correlation	.511**	.392**	.352**	.180**	1	.170**
	Sig. (2-tailed)	.000	.000	.000	.001		.002
	Sum of Squares and Cross-products	95.523	70.204	59.996	31.201	172.360	45.511
	Covariance	.299	.220	.188	.098	.540	.143
	N	320	320	320	320	320	320
IR	Pearson Correlation	.350**	.405**	.080	.307**	.170**	1
	Sig. (2-tailed)	.000	.000	.155	.000	.002	
	Sum of Squares and Cross-products	101.445	112.477	21.094	82.629	45.511	415.300
	Covariance	.318	.353	.066	.259	.143	1.302
	N	320	320	320	320	320	320

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

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