The Impact of Human Resource Deliberating TQM Practice and Employees Job Satisfaction in Iran

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Abstract

This study investigates the relationship between human resource practices focused on Total Quality Management (TQM) and employees satisfaction at small and medium organizations in Iran. TQM that deliver quality services cannot be achieved without the satisfaction of employees of the organization. Most corporate of TQM practices were selected from the available literature; empowerment, training, appraisal system and compensation for this study. The questionnaire includes 24 items, including demographic factors of employee, TQM practices and employee satisfaction. The study sample of this study was comprised of 112 respondents working at small and medium organizations in Tehran (capital city of Iran). Data was analyzed using the SPSS 17.0 software. Results of this study provide a strong relationship among TQM practices and employee satisfaction.

Keywords: Job Satisfaction, Empowerment, TQM, HR

Introduction

Today’s business environment has become more competitive and challenging. In order to survive in the business world and to become successful and powerful firm in term of productivity, profitability, market share, quality, service delivery and sustainability, it’s required businesses to address their best strategies, tactics and techniques to their management. Human resource is considered as one of the most important aspects and a key success in productivity and performance in any organization. Human resource management in organization seeks to reach employees regarding their production to the maximum efficiency and effectively. In order to accomplish this goal, human resource department works to provide highly qualified labors when recruiting and selecting to fill the job position and to ensure equipping them with different skills to increase their estimated performance. Human resource practices are essential of any TQM success. By associating human resource practices and organizational strategies, it’s believed that an organization could enhance their service delivery, quality and profitability across the business sector and market segment.
Total quality management (TQM) is a key strategy used by Human Resource (HR) for maintaining competitive advantage and is a way of conducting organizations to improve the overall effectiveness as well as performance towards achieving outstanding status. Recently, in business environment, TQM is being adopted as one of the most powerful tools in order to support business functions. Improving quality of the management promotes organizations to be at strength competitive position, reduce production cost and generate better-cost management as well as enhance shareholder value and increase market share. The TQM encourage employees’ contribution to the organization through group meeting, discussion and planning. The exchange of ideas and concepts draws to enhance employee morale and job satisfaction (Alsughayir, 2014), together with positive organizational outcomes. Research showed that the organizational performance and customer satisfaction are the major result of TQM (Hsu & Chen, 2013). Employee satisfaction creates values to a company as it develops service quality and productivity (Alsughayir, 2014). Gaining service quality and productivity by addressing TQM system will be achieve in long term (Ananth et al., 2013; Alsughayir, 2014). Furthermore, according to Alsughayir (2014), total quality management will improve overall organizational strategic performance.

Employees in an organization represent the greatest asset, which should be paid attention on by being developed and empowered for improving overall performance. Due to the mentioned importance of employees to an organization; employee’s qualification are not enough to reach job satisfaction level and maximum performance, TQM should create motivation for employees. Consequence to the above, the human resource practices focused TQM that affect to employees’ satisfaction within an organization will be demonstrated in this study.

**Research Problem**

It can be shown that recently there is a lot of issues occurred regarding employees’ turn over or job dissatisfaction within organizations, which can be observed through their work performances. These problems occurred because of the misleading of the organizational management and the total quality management of human resource department that lack of motivations for their employees. There have been several studies and researches about the importance of motivation roles created by human resource on job satisfaction and its impact on job performance. Those studies have approves the positive relationship between those factors in different industries. Also, the roles that expected to be played by human resource professional will be critical going forward. This research will explore some of the human resource focused on TQM practices, and its impact in employees’ satisfaction.

**Significance of the Study**

Many research stated that low employees’ satisfaction can result in increasing staff turnover, absence and low work performance, which directly affects the efficiency, effectiveness and sustainability of organization’s operating system, productivity as well as customers’ satisfaction. Therefore, in order to overcome mentioned problems, this study will investigate the elements of TQM namely, employee’s empowerment, training, appraisal system, compensation and benefit on the employees’ satisfaction through several small and medium organizations in Iran.

Many high performance organizations have outstanding standard in term of human resource and total quality management, which are their key success. Effective human resource practices are significant to employees’ satisfaction, which directly benefit the organization as well as their customers. The research will contribute in identifying how human resource practices have significant impacts on employees’ job satisfaction associated with performance improving. Accordingly, for employees that contribute positively towards organizational success, those HR attributes that might influence their behaviors, conducting and performances will be examined and implemented. Specifically, the research will help an
organization to design appropriate and supportive HR practices that are necessary to support quality across the key functional area of the organization.

Furthermore, the research will guide both small and medium organizations in Iran about the benefits of implementing TQM focused HR practices for optimum performance. The research will equally provide benefit to HR professionals in broad range of organizations, to understand the relevance of TQM that driven by high HR practices are necessary for quality and performance improvement. Finally, the research outcome will reflect degree of various factors affecting employees’ job satisfaction with views to provide the possible solutions.

**Research Objectives**

This study will investigate how organizational performance could be improved with a healthy Total Quality Management focused Human Resource practices and specifically,

I. To identify the relationship between the employees satisfaction and employee empowerment in small and medium organizations in Iran.

II. To determine the importance of employees training and development in employee job satisfaction in small and medium organizations in Iran.

III. To identify the impact of appraisal system to employees’ job satisfaction in small and medium organizations in Iran.

IV. To ascertain the effectiveness of employees compensation in employees’ job satisfaction in organizations in small and medium organizations in Iran.

**Hypothesis of Study**

The following research hypothesis investigated a possible result in the course of study.

H1: There is a significant relationship between employee’s empowerment and job satisfaction.

H2: There is a significant relationship between training and job satisfaction.

H3: There is a positive relationship between appraisal system and job satisfaction.

H4: There is a positive relationship between compensation and job satisfaction of employees.
Conceptual Framework of Study

Review of Literature

The changing business patterns and trends are demanding a participative, inclusive, committed and empowered workforce. TQM focused HR practices are critical if employees are expected to contribute in achieving organizational success. For employees to give their best, they must be satisfied to a reasonable degree (Alsughayir, 2014). An organization must understand the concept and meaning of satisfaction to be able to design a human resource focused practices, which will be suitable, acceptable and sustainable.

Satisfaction is a positive and encouraging feeling which an employee exhibit on the course of performing his/her job (Locke, 1976). Job satisfaction is the psychological, emotional, response, which an individual has for his/her job (Greenberg, 1997). Furthermore, job satisfaction is a multi-dimensional paradigm made up of various job satisfaction constituents. Employees being the critical and strategic assets for competition in the new economy, must be empowered, trained and developed as well as motivated to work in teams, be appraised fairly and should be properly compensated for them to deliver sustained value to the organization. Through the understanding of the job satisfaction construct, an organization aspiring to be a high performer should align the organizational goals and objectives by designing and implementing appropriate, supportive and healthy organizational climate for employees to showcase their ingenuity (Boselie, 2002).

Numerous theories abound to explaining job satisfaction. The Process theory of job satisfaction argues that satisfaction will occur when an individual expectations and values are met. The Situational theory, measures how an employee’s personal qualities complement the organizational objectives and characteristics (Boselie, 2002). It is important to note that, for job satisfaction to be instituted in an organization, management and employees should embrace and work towards the creation of enabling organizational structures, which will support it.
Employee Empowerment

Job empowerment according to Clutterbuck & Kernahan (1994) is the personal responsibility, which employees assume in other to contributing positively towards organizational success. The empowerment is the appropriate delegation of authority to the concerned employees by the managers in particular job and procedures. Lashely (2001) argued that, empowering and individual involves creating appropriate organizational structures where individual or a team could work in achieving, personal/group and ultimately organizational goals and objectives (Goetsch & Davis, 2014).

The origins of employee empowerment started in the middle of 20th century, when researchers started studying the influence of power and benefits in an organization and how powers, authority and responsibility are shared and encouraged among the organizational preferably between organizational layers (Follett, 1962). What differentiates a low and high performing organization is that a high performing organization strives to instill a more participatory and inclusive management design through the retention of skilled and productive workforce. Employee’s motivation, morale boasting and job enlargement are critical if management wants to reduce employee dependency in decision making so employee would contribute positively and productively towards organizational goals attainment (Emerson, 2013).

Employee’s empowerment and power dimension received a robust attention though the work of Kanter (1979) who suggests power not only come primarily authority but form tow main sources: access to critical information and support required to complete a task, and the ability to win the cooperation of subordinates in a given situation. Empowerment is more than grating authority and responsibility to perform a given/routine task rather it is enabling the employees to act and value their contributions.

Lawler & Mohrman (1995) Assert that, the empowerment is essentially appropriating power and responsibility among lower cadre of employees and allowing them access to key information which will enable them to perform creditably. They conclude that, the following four essential ingredients: (1) rewards, (2) Access to information, (3) work knowledge and (4) Authority are essential if an organization would obtain the rewards of empowered employees (Fernandez & Moldogaziev, 2013). Thomas (1990) suggested that empowerment is an enhanced level of inner motivation internalized about a particular task. They conclude that, employees essentially make four key assessments on task based on: Competency, impact, Meaningfulness, and choice (Solansky, 2014).

Employee management model as suggested by Fernandez (2011) argued that employee’s empowerment will lead to high innovative mindset; job satisfaction and the empowered employees will invariably contribute to the overall organizational performance which is the epicenter of any management improvement program. Allowing sufficient discretion to the employees and subordinates are necessary to nurturing and developing the creative capabilities, and applicable behaviors in an organization (Fernandez, 2011). Several studies notably supported a positive relationship between empowerment, employee involvement and participation and overall job satisfaction (Amaanda, 2011; Fernandez, 2011; Greene, 2008).

Employee Training

Training is the process of impacting required skills, knowledge and other capabilities to the employees to enhance their current or immediate work demand aimed at achieving organizational success (Phillip, 1996). All organizations irrespective of size and scope must manage four critical and fundamental resources; equipment, money, information and people. Information is vital, especially in the present competitive environment where availability of information could enhance the organization strategic consideration. Finally, human recourses maybe not maximized without the full support of highly trained, dedicated, committed and passionate workforce (Taj & Morosan, 2011).
The new work role which delegation and work enlargement entails requires new set of skills, knowledge and applicable capability for success. Training will not only improved the employees’ specific knowledge in key functional areas, but also will enhance the needed flexibility in responding to rapidly changing market and customer demands (Schonberger, 1984). Quality management practices require the adoption of quality induced training programs and introduction of enhanced quality ideology across board toward improving organizational competitiveness (Azad, 2014).

Investment in skills, knowledge and capability of employee improves organizational goals and objectives. Ishikawa (1984) suggests that quality improvement management practices should be supported with employees training and development. Organizations desiring to implement quality have realized the strong positive relationship between employee enhancing activists, job satisfaction, customer’s loyalty and organizational performance (Taj & Morosan, 2011; Azad, 2014). Continuous rise in training and development needs is worthy of note, since organizations have realized that for employees to be productive, innovative and creative, new skills, knowledge and relevant capability should be continually impacted to the employees (McDougall & Beatice, 1998). Understanding of the employee training linked motivation and enhance the training efficacy, job satisfaction and organizational objectives (Salas & Lacerenza, 2013)

**Appraisal System**

Employees need constant improvement on their jobs as the marketplace demands. One of the tools that could be of immense help going forward is an effective performance appraisal system. Ivancevich (1998) stated that employee’s performance evaluation is the HR management practices designed to assess the extent of job performance by the employee. Employee Performance Evaluation System (EPSS) should not be used as a punishment but to improve the employees’ ability to perform routine or assigned tasks. EPSS is used for employee’s development, administrative purpose and program assessment. Prasad (1993) argued that EPSS should be used for planning and evaluation in understanding the gap in skills, knowledge and appropriate intervention method for improvement.

The objective of performance appraisal system is to motivate and empower employees for organizational success; and enhancing job satisfaction and organizational commitment, which will reduce employee turnover. The disagreement on weather performance appraisal has a direct or mediated effect on job performance should be dispel with a renewed drive towards role clarify, effective communication, motivational incentive and work environment (Moyano& Lengler, 2013).

**Compensation System**

Effective rewards have been suggested to have a strong positive relationship with job satisfaction and improved performance. Koch (2007) concluded that, when employees are properly motivated with relevant motivational tools, commitment and improved organizational success is assured. (Pohlman & Gardiner, 2000) States that employee’s behavior would be driven by the values cherished by the company. Building and nurturing a value based, performance driven organization is vital for long-term survival and sustainability. Effective rewarding system is necessary in motivating the employees and the creation of the right organizational climate (Kabir& Parvin, 2011).

Motivational factors and its effect in various settings should master by managers to design an appropriate rewards system. Several authors have argued that, expectancy theory influences required behaviors when employees perceive that, their efforts will be rewarded. Additionally the essence of the reward system is to align the organization with that of the employees to creating a fit for improved performance. When the employees are motivated with applicable incentive to perform, their job
satisfaction level will be translated to improved customer service and task completion, which will benefit the organization through profitability, market share, quality and overall competitiveness (Kabir & Parvin, 2011).

**Research Design**

The research design is the method adopted in data collection and analysis, which will help in achieving the desired result. Sekeran (2010) argues that the research design focuses on the purpose of the study, sample type and methods adopted in arriving at a valid and reliable conclusion expected from the study.

The current study uses a quantitative approach, which conforms to the research objectives. Schutt (2006) suggests that apart from cost effective advantage, quantitative approach provides a less tedious data analysis procedures to arriving at valid conclusion. Also, the questionnaire design suggests by Craswell (2004) offer more flexibility through the open ended format which is aimed at representing the diverse viewpoints of the respondents. The hypothesizes which are formulated are tested using statistical which largely depends on the measuring instruments in use, variables of measurement and applicable procedures. In the research, the relationship between human resource (HR) practices, empowerment, training & development, appraisal and compensation as well as employees job satisfaction is investigated. The above information achieved using some organizations in Iran. There are more than thousands employees working in companies in Iran. More than 100 valid responses were scheduled. To obtain that number, questionnaires were distributed throughout the companies in Tehran (capital city of Iran). The questionnaire was developed in English and Persian language, which process was properly checked.

**Data Collection**

Sekeran (2010) suggests that the primary data maybe used when the secondary data will not provide enough information needed for a valid and reliable decision. The secondary data represent hose data, which are collected from previous researches done on the topic. This is particularly useful in understanding the areas and context of the present investigation based on the previous works done. The secondary data helped in creating the research proposal, led to create the research framework and research hypothesis. For collecting the data the questionnaire was developed based on the research framework, which includes all the independent, and dependent variables. In conducting this study, the researcher has utilized numerous sources in finding the information necessary for the investigation. All the sources that utilized were verified in other to have the information that is not only essential and important but also valid and reliable. Primary and secondary sources were extensively used. Structured questionnaires were used with particular references to previous studies carried out in the topic. All questionnaires were distributes unsystematically (randomly) to enhance the integrity of the responses outcomes. The questionnaire of this research was distributed to the sample selected of the employees in both small and medium organizations in the area of Tehran capital city of Iran.

The questionnaire for this research consists of two major sections such as, section A is Demographic Factors and Section B consist of five parts, employee empowerment, employee training, appraisal system, employee compensation and employee satisfaction. The questions in section B were formed in a five point Likert scale from strongly agree to strongly disagree.
**Target Population and Sampling**

The study population consists of all employees in small and medium organizations in Tehran (capital city of Iran). All employees were from different age range, working field, position and qualification. The sample of 122 respondents was randomly selected from different types of employees in organizations.

**Data Analysis and Finding**

After the questionnaire had been distributed and collected, data was analyzed by using SPSS software.

According the frequency analysis of data; out of 122 participants, (55%, N= 66) respondents are males; whilst (45%, N=53) female had participated in the questionnaire. Majority of participants were aged between 20 – 25, covering (58%, N=69). Also majority of participants hold Bachelor’s Degree, which covering up to 77 participants out 122, followed by Master Degree and above, which accounted 35 participants. Furthermore Most of participants have working experience from 1 – 5 years, accounts up to 49%.

Scale reliability was assessed in term of Cronbach’s alpha to determine the internal consistency of the measurement scale. Reliability, which is a type of association used to correlate a variable with itself. The generally agreed upon lower limit for Cronbach’s alpha is .60, although it may decrease to .60 in exploratory research (Muller, 2009). According Gelim & Gelim (2003) the following rule of thumb is followed, where an alpha score of 0.9 is considered as excellent, 0.8 good, 0.7 acceptable, 0.6 questionable, 0.5 Poor and less than 0.5 as unacceptable. To assess whether the variables that were summed to create the employee satisfaction in this research, score formed a reliable scale, Cronbach's alpha was computed. The alpha for five items was .793, which indicates that the items form a scale that has reasonable internal consistency reliability. Multiple and linear Regression analysis is used to test the hypothesized relationship among the variables; All result measure with α = 0.05. Based on the regression analysis, and using α=0.05, F test → p value (F test) =0.0000 < α.

The relationship between empowerment and employee satisfaction, as represented in regression output showed that (t = 8.219 and P = .000< 0.05), there is a positive relation between empowerment and employee satisfaction therefore “H1” was supported. The relationship between employee training and employee satisfaction, as represented in regression output showed that (t = 9.089 and P = .000< 0.05), there is a positive relation between employee training and employee satisfaction therefore “H2” was supported. The relationship between appraisal system and employee satisfaction, as represented in regression output showed that (t = 5.441 and P = .000< 0.05), there is a positive relation between appraisal system and employee satisfaction therefore “H3” was supported. Finally the relationship between compensation and employee satisfaction, as represented in regression output showed that (t = 2.119 and P = .036< 0.05), there is a positive relation between compensation and employee satisfaction therefore “H4” was supported.

Also, according the Beta (standardized coefficients), Appraisal system (Beta: .597) with the positive impact and the size of its standardized coefficients (Beta) suggests that the appraisal system is a bit more important subject in employee satisfaction comparing to other variables.

**Limitation of the Study**

The most obvious limitation of the study was that the data collection was restricted to mostly the organizations in capital city (Tehran) of Iran. Moreover, the short time allocated for the questionnaire distribution was another limitation observed in the research. The sample for the present study comprised
of 112 participants in both private and public sectors. This sample is only a very small proportion of the entire population of employees in the country. Therefore, research studies with much larger sample size would be required to ensure appropriate generalization of the findings of the study.

**Conclusion and Recommendation**

It has been proved that employee satisfaction is an important factor for the success of any organization. This study has analyzed employee job satisfaction and the factors that affect employees in Iran small and medium organizations. In general the study examined HR focused TQM practices and their effects on employee job satisfaction. It is also purposed that employee satisfaction will improve through the inclusion of TQM practices associated with human resources. Employee empowerment, training and development, appraisal system and employee compensation verified as significantly positive predictors of employee job satisfaction in Iran. However, between all these factors the benefits of the appraisal system slightly showed more significant than other factors.

Only through the better HR practice, it is possible to establish a efficient appraisal system in the organization. Also it is needed for employees to be given the opportunities to be heard, compensation, rewards and training of employees in each organization should be the future practice for HR managers to improve job satisfaction among the employees.

Based on this study, it is recommended that more research should be conducted in different cities of Iran to investigate about which TQM factors are critical in different areas or other countries across the world. To find the true relationship among TQM factors and their effects on employee job satisfaction can be examined with longitudinal studies. Also, the role of contingency factors such as IT, government regulation and rules and culture should be focused to obtain more result. A good implementation for TQM is executing all factors of TQM and establishing a new culture in organization. Top management should focus on maximizing the efficiency and effectiveness to improve the system in process and to implement TQM nicely should combine some philosophy and techniques as well as practices in organizations that will help to reduce cost and lead time and make sure that TQM principle planted in employees mind and run in all department of an organization.

**References**


Boselie, P. a. (2002). Employee perceptions of HRM and TQM and the effects on satisfaction and intention to leave. In Managing Service Quality Vol. 12 No.3 (pp. 165-72).


Appendix

Reliability Statistics

<table>
<thead>
<tr>
<th></th>
<th>Cronbach's Alpha</th>
<th>Cronbach's Alpha Based on Standardized Items</th>
<th>N of Items</th>
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<td></td>
<td>.793</td>
<td>.781</td>
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Case Processing Summary

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<th></th>
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<td>Valid</td>
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<tr>
<td>Excluded a</td>
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<tr>
<td>Total</td>
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<td>100.0</td>
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a. Listwise deletion based on all variables in the procedure.

Intraclass Correlation Coefficient

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<th>Intraclass Correlation b</th>
<th>95% Confidence Interval</th>
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<tr>
<td></td>
<td></td>
<td>Lower Bound</td>
<td>Upper Bound</td>
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<tr>
<td>Single Measures</td>
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<td>Average Measures</td>
<td>.793 c</td>
<td>.726</td>
<td>.848</td>
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Two-way mixed effects model where people effects are random and measures effects are fixed.

a. The estimator is the same, whether the interaction effect is present or not.

b. Type C intraclass correlation coefficients using a consistency definition-the between-measure variance is excluded from the denominator variance.

c. This estimate is computed assuming the interaction effect is absent, because it is not estimable otherwise.
# Model Summary

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<td>1</td>
<td>.682*</td>
<td>.466</td>
<td>.446</td>
<td>.513</td>
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*a. Predictors: (Constant), COMPENSATION, EMPOWERMENT, TRAINING, APPRAISAL*

*b. Dependent Variable: SATISFACTION*

# Coefficients

<table>
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<tr>
<th>Model</th>
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<th>Sig.</th>
<th>95.0% Confidence Interval for B</th>
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*a. Dependent Variable: SATISFACTION*