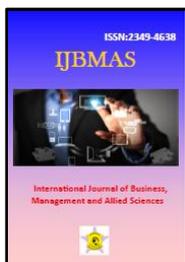


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**HUMAN RESOURCE MANAGEMENT'S MARKETING APPROACH FOR
IMPROVING EMPLOYEE SATISFACTION**

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ABSTRACT

In times when organizations in Germany are confronted with constant dynamics of change regarding their working conditions managers understand that human resources are an important driving factor for the overall company's performance. The attractiveness of an organization towards potential and actual employees is therefore an issue which is of broad interest for general management as it plays an increasing role to reach company's aims. In order to create this kind of attractiveness as employer the establishment of substantiated processes of acquiring and retaining employees is necessary. The objective of this dissertation is to assess whether the application of a company's human resource management's marketing approach has an impact on employee satisfaction. Concerning the research methods causal modelling and triangulation of research are used. Quantitative research is applied. Results show that the better a company's human resource management's marketing approach in terms of its quality and performance is, the higher is the employees' perception about their employer's organization as well as the overall employees' satisfaction in terms of a high retention period, a low fluctuation rate and a low absenteeism at a company. Findings also reveal a significant positive relationship between a high quality of human resource management's marketing approach in terms of a high ratio of received applications to offered positions, a high rate of identification between received application and offered position as well as a high retention rate after probation period and employee satisfaction. Furthermore, positive relation between high performance of human resource management's marketing approach in terms of high classification of the instruments of human resource management's marketing approach and the classification of brand awareness of the company on the labor market as well as the classification of the company into an employer of choice is found. Thus, it can be concluded that human resource management's marketing approach is a viable process in the realm of human resource management to steer a company's success through a focus on employee satisfaction.

Keywords: Human resource management, employee satisfaction, human resource management's marketing approach

INTRODUCTION

Only human capital – and not real or financial capital – can react to the required changes with the necessary knowledge and experience. The attractiveness of a company towards potential and actual employees is therefore an issue which is of broad interest for general management as it plays an increasing role to reach company's aims. In order to create this kind of attractiveness as an employer the establishment of substantiated processes of acquiring and retaining employees is necessary.

The identification and recruiting of employees target the needs of the actual and potential employees of a company. The same applies to retaining employees. By a successful acquiring and retaining of employees human resource management contributes significantly to improving company's performance. Human resource management's marketing (HRMM) approach – as one subsystem of human resource management - is hereby the function organizations need to focus on. It forms the bases for a successful acquiring and retaining of employees by attractively positioning a company on the labor market as well as significantly driving employee satisfaction within a company.

When analyzing the performance of the HRMM approach of an organization the following indicators are some of the ones considered, for example, how many applications are received per offered positions, how high is the retention rate after the probation period in percentage, how many absenteeism days exist per employee per year, how long is the average retention period within a company per employee in years.

Hereby the following *tasks* have been formulated to reach the research aim:

- To classify HRMM approach as subsystem of human resource management,
- To depict the nature of HRMM approach,
- To analyze theories for approaching the issue of HRMM approach,
- To survey – as organizations' self-assessment - human resource professionals of different companies about the quality of HRMM approach at their organizations as well as the employee-satisfaction at their company,
- To survey – as assessment by others - actual employees of organizations about their conception about their employer,
- To depict implications for management concerning the application of an employee satisfying HRMM approach.

DISCUSSION

Multiple cause-effect function of performance factors and company value

Concerning the intensive practical and academic discussion about the decisive influencing factors of business performance and business success the author can also refer to the study of Bauer, Neumann and Lange with the title "Effects of employee satisfaction: An empirical study exemplified by the automotive retail industry". The aim of the research work was to identify the determining factors for and the consequences of employee satisfaction in the context of a structural equation model, also including variables like organisational trust and company image, and their impact on company success. Taking into account that all those influencing variables listed above have an impact on company value as the dependent variable the author formulates the following model for a theoretical multiple regression function, pointing out the cause-effect-relation between the performance factors and company success:

Formula 1.1: Theoretical standard regression function

$Y = a + b x_1 + c x_2 + d x_3 + e x_4 + f x_5 + \lambda$ standard function, with the following components:

a = regression constant

$b x_1$ = employee satisfaction

$c x_2$ = marketing efficiency

$d x_3$ = product portfolio and quality, innovation and technological standards

$e x_4$ = relationship with suppliers

$f x_5$ = overall market and industry situation and financial authorities

λ =residual (non-specifiable other impact factors)

Y =company value as the dependent variable

Science and literature offer different aspects to show reliance between employee's satisfaction, motivation, customer satisfaction and company value. Company managers usually cannot influence circumstances in the environment, but they can influence conditions inside the company. One of the most important factors is the human resources. How content are employees with their working conditions? What kind of emotional climate does one have in the group? Leadership style seems to be an important factor that determines whether activities are successful or not. Science supports this theory. For example Lutz v. Rosenstiel or Fredmund Malik argues that there is a very strong connection between those factors. One can find further details in literature cited in the attached bibliography. In summary, motivation and output are strongly related. But it seems to be important not only to concentrate on the motivation factor, but also on the bigger field of Corporate Social Responsibility (CSR). CSR is not yet well defined in a corporate definition and in the scientific literature no universally accepted definition. Therefore the definition used in this work is the definition in the CSR-Grünbuch of the European Commission contained in the ISO Norm 26000.⁹² "Precursor in the development of corporate social responsibility (CSR) is mainly driven by large companies, but also all types of companies – public and private, including SMEs and cooperatives – are already socially responsible." This definition says: "CSR is a concept which gives firms the base to integrate voluntarily social themes and environment themes in their business activities and to have a correlation with stakeholders." This means, that business units do more social activities as they are forced to do because of legal conditions. The factor voluntary has an immense importance in their activities. Those actions are not the same like NGO or NPO operations. They have to be seen as a kind of management tool.

Another definition is done by Wayne Visser (Founder and Director of CSR International, Adjunct Professor in Corporate Responsibility at La Trobe University in Australia, a Visiting Professor in Sustainability at Magna Carta College, Oxford, and Senior Associate at the

Cambridge Programme for Sustainability Leadership: "CSR is the way in which business consistently creates shared value in society through economic development, good governance, stakeholder responsiveness and environmental improvement. Put another way, CSR is an integrated, systemic approach by business that builds, rather than erodes or destroys, economic, social, human and natural capital".⁹³ Therefore CSR can be an important point of view in this research. The outcome can influence the internal climate and the stakeholders. Some of them are more inside a company and some are more for the environment. This research watches more the internal activities how the staff is treated and its influence in being satisfied with the working situation, motivation and output. External stakeholders will be less interesting. If one calls the personnel also stakeholder then one speaks about internal stakeholder.

Fundamental is the "Triple Bottom Line". The Triple Bottom Line defines the three pillar approach as a "concept", which assumes that the overall performance of a company should be judged by the extent to which it contributes to economic prosperity, environmental quality and social capital. Even the higher-ranking objective of sustainable development is taken into account these three dimensions of economic, environmental and social issues. The economic dimension of this is aimed at long-term incomes from existing resources, the ecological dimension to the careful use of these resources and nature in general and the social dimension of the distribution of justice, i.e. an "intra- and intergenerational equity" approach, which talks about three relevant elements: Society, Economy and Ecology. These elements are interleaved and there exists a strong dependency.

Participative management and job satisfaction

As mentioned above comparing the different leadership styles, the most positive impact on employee satisfaction can be reached with a participative motivating leadership style. There is a lot of research regarding the positive impacts of a participative leadership style which also goes along with a high identification of the staff in company goals.

In the research "Participative Management and Job Satisfaction: Lessons for Management Leadership", Soonhee Kim from the University of Nevada, Las Vegas, explores the relationship between

participative management in the context of strategic planning and job satisfaction in local government agencies. This study examined the positive relationship between participative management and job satisfaction. It also points out the positive relationship between a participative strategic management process and job satisfaction. Furthermore, the study emphasizes effective supervisory communications as a factor affecting employee satisfaction. The evaluation of this research shows a clear evidence how necessary it is to involve employees in the decision making process and to get a commitment of the staff also for unpopular decisions and strategies. Besides all limitations and directions for further research, it seems evident that participative management and participative planning processes have a positive effect on job satisfaction.

Marvin Weisbord emphasized in his paper "Techniques to Match to Our Values" the importance of a participative Leadership Style. He pointed out that it is necessary to add significant sophistication to the practice of participative management, putting economics and technology right back up there with human relations. "It is very important to involve employees by improving the whole system." For involving "every mind and brain" to improve the whole systems it is necessary to share information, involve the staff in decision making processes and at the end make decisions which solve problems. This goes along with managing work more horizontally than vertically. For improving the whole system it is also very important to build personal credibility, which leads at last to more employee satisfaction. Also in his paper "Requiem for Bethlehem -The Company Went Broke - The Learning Was Priceless" ways of going to a more collaborative workplace were elaborated.¹¹⁶Weisbord worked out that the involvement of each individual combined with supporting individual efforts and team performance has a high impact on employee satisfaction and on the personal identification of the employees with the firm.

Besides leadership and management styles there are a lot of other factors influencing employee satisfaction.

In the paper "Job design, opportunities for skill utilization, and intrinsic job satisfaction" David Morrison, John Cordery, Antonia Girardi, and Roy Payne from the University of Western Australia, Crawley, Australia made a theoretical framework, linking the key job characteristics of perceived control and perceived cognitive demand to perceived skill utilization and intrinsic job satisfaction.

Results from one cross-sectional study and one longitudinal study which are presented and reported, support the meditational influence of perceived skill utilization on the perceived job control and job satisfaction relationship only. The relationship between perceived job demand and perceived skill utilization was mixed but no mediating effect was evident. It is argued that the level of both perceived demand and perceived control dictates the nature of the joint influence of both job characteristics on perceived skill utilization and work attitudes such as job satisfaction.

Work-role input vs. work-role output

In the paper "Well-being at work: a cross-national analysis of the levels and determinants of job satisfaction",¹¹⁸ Alfonso Sousa-Poza and Andres A. Sousa-Poza analyze the levels and determinants of job satisfaction in a cross-national setting. By using a bottom-up psychological model, in which they compare work-role inputs (e.g. effort, education, working time) with work-role outputs (e.g. pay, fringe benefits, status) the paper tried to explain cross-national differences. In their investigation they tried to explain why job satisfaction levels differ in the considered countries. The main contribution of this paper was to show that job-satisfaction levels differ across countries and that these differences can be partially attributed to differences in work-role inputs and outputs. Furthermore, they showed that there are some determinants of job satisfaction that apply to all countries (namely, having an interesting job and good relations with management) and others that are country specific (such as pay and job security).

CONCLUSION

Workers in all countries are quite satisfied.

Denmark was the country with the highest job satisfaction level. The USA was ranked seventh, Germany thirteenth, Great Britain fifteenth, Japan nineteenth and Russia twentieth.

A comparison with the 1989 ISSP (International Social Survey Program) data set reveals that job satisfaction has declined in Germany and the USA in the 1990s.

Countries with high work-role outputs, in general had a high job-satisfaction ranking, and vice versa. Having an interesting job and having good relations with the management are the two most important work-role inputs and having an exhausting job is the most important work-role input.

Workers in eastern European countries tend to value high income.

Managerial implications: With the increased importance of multinational companies it is mandatory for managers that they know how job satisfaction can be influenced in different cultures and how to deal with it.

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