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#### Master's Thesis of Public Administration

# The Impact of Strategic Human Resource Management Practices on Perceived Employee Outcomes:

A Study on the Ministries of Defence and National Security and Education, Heritage and Arts in Fijian Civil Service

전략적 인적자원관리 시행이 인지된 직원 성과에 미치는 영향:

국방·안보·교육, 문화·예술 중앙부처의 피지 공무원 대한 연구

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Graduate School of Public Administration
Seoul National University
Global Public Administration Major

Prashila Priya Mohini

# The Impact of Strategic Human Resource **Management Practices on Perceived Employee Outcomes:**

A Study on the Ministries of Defence and National Security and Education, Heritage and Arts in Fijian Civil Service

Academic Advisor Im, ToBin

Submitting a master's thesis of Public Administration

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**Graduate School of Public Administration Seoul National University** Global Public Administration Major

Prashila Priya Mohini

Confirming the master's thesis written by Prashila Priya Mohini

**June 2019** 

Chair

Kum, Hyunsub

Vice Chair Koo, MinGyo

Examiner Im, ToBin

#### **Abstract**

# The Impact of Strategic Human Resource Management Practices on Perceived Employee Outcomes:

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> Prashila Priya Mohini Global Public Administration Major The Graduate School of Public Administration Seoul National University

The way to delivery service to the public is through having a good human resource Department. In the era of new public management, there is a lot of pressure on the employees to remain competitive in the labor force. With changes in the human resource management practices such as from a lifelong employment to a contract based employment leave employee in the edge of being completive. The major objective of the research was to determine the impact of strategic human resource management practices on perceived employee outcomes in the Fijian civil service. The research was conducted on two ministries in the Fijian civil service through questionnaire survey. The questionnaire was developed based on the literature review and past questionnaire was referred to and refined to suit accordingly.

To determine the result a statistical analysis was conducted on the data collected. Further, the data was analyzed using descriptive statistics, Cronbach's alpha, linear and multiple regression in order to test the hypothesis

and answer the research questions. Following the analysis, the result showed that there is moderate impact of strategic human resource management practices on the job satisfaction and turnover intention in the Fijian civil service. Based on the findings from the analysis, recommendation were made in order to improve the level job satisfaction and reduce the turnover intention of employees in the Fijian civil service. Foremost, it was recommended that the ministries to stop giving wholesale training to employees. In addition, it was suggested that in order to maximum the job satisfaction level and minimum turnover intention of employee the human resource department should develop a checklist of the strategic human resource management policies development and implementation.

**Keywords:** strategic human resource management, formal structured training systems, result-oriented performance appraisal, performance-based compensation, Fijian civil service.

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#### List of Abbreviations

HRM Human Resource Management

SHRM Strategic Human resource Management
CSRMU Civil Service Reforms Management Unit
MOD Ministry of Defence and National Security
MOE Ministry of Education, Heritage, and Arts

TR Training

PA Performance appraisal

PC Performance-based Compensation

SVT Soqosoqo ni Vakavulewa ni Taukei (Name of a political

party)

SFCCO Strategic Framework for Change Coordinating Office

RDSSED Roadmap for Democracy and Sustainable Socio-Economic

Development

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#### **Chapter 1: Introduction**

#### 1.1 Background of Study

An organization cannot be successful even if it has a sound organization structure, finely tunes control systems but hires poor performers. To ensure that organization goals are attained competent people should be in post. The people are the one who make the real differences even through many organizations have access to information technology, product or services, etc. Consequently, human resource practices must be given the crucial consideration. In Fiji, the country's policies and strategies depend on the government's ideology. Different governments with different policies, rules and regulations come into power from early times to now. Different governments determine country's fate based on the ruling party's attitude towards developments.

For instance, Bainimarama regime (2006 – to date) had its own socialist view with a centralized policy system. Consequently, under his regime decision making and designing of policies takes place in a decentralized system. In addition, all government ministries are highly decentralized. The 2014 constitution assigns the powers and authority to the Permanent Secretaries in respective ministries. As vital to its goals of a prosperous and stable country, the Fijian government views an effective and accountable public sector. A programme of Civil Service Reforms was embarked by the government in support of this objective.

Overall, the aims of the reforms is to cultivate a modern, high performing Civil Service that is receptive to Government priorities and providing high quality service to the public. In order to achieve this, through the development and implementation of best practice management policies that fully support the

Permanent Secretary's devolved authority in the Constitution whilst maintaining consistency of policy across the civil service. The government aspires to become an employer of choice. The Civil Service Reforms Management Unit (CSRMU) managed and implemented the reforms. The (CSRMU) issues guidelines to Permanent Secretaries as part of the programme, to provide the consistency of policy required across the civil service. The guideline that was issued to the Permanent Secretaries covered the following human resource management areas of open merit recruitment and selection, job Evaluation, Discipline, Performance Management and Training and Staff Development. The main objective of the guideline issued to the Permanent Secretaries through training and capacity development of ministry officials was to ensure effective and efficient implementation of the performance management system to improve ministries performance. Before this performance management guideline all the human resource management issue handled by the public service commission. After the 2014, constitution declared the powers and authorities to the permanent secretaries and the performance management implementation this was decentralized to the respective ministries.

#### 1.2 Statement of Problem

As opposed to old public administration system, new public management is often supported on the ground that it to promote efficient and effective service delivery. Several countries such as New Zealand, Britain and other Pacific Island countries have undertaken this process. According, to Alam (2012), the idea of New Public Management programme are designed on the ideological basis and not on pragmatic reality on the ground.

As Arbatani, Farhangi, & Dadashzadeh (2016), highlights many civil servants are reluctant to work in the civil service for the fear of reduction of their status and job security following the decentralized human resource management functions to the Permanent Secretaries. In order to deliver effective and efficient service to the public some of the issues preventing civil service organizations in achieving their goals are high incompetence, lack of effective personnel to perform all-round recruitment and selection tests, failure to identify appropriate training and development needs, and remuneration based on merit and performances. In the year 2014, after a new Constitution was promulgated, the current government decentralized the Fijian human resource management functions power. In comparison to the previous system, this system is somehow different and new to Fijian civil service.

Due to this process of the new performance management guideline issued by the CSRMU in relations to recruitment and selection, training and development, job security and remuneration, as many employees are not satisfied with the new arrangement in the above relation. The traditional model of personnel administration in many developing countries are being replace with the new public management within the public organization, thus bringing in the new culture of performance- based systems compared to the old which is seniority based. This allows for a more flexible approach to staffing, recruitment and selection, training and development and pay and performance appraisal in the new HRM practices.

With public-sector agencies being the model employer with a generous pay system, high levels of job security, and superior entitlements, many Intergovernmental organizations (El-Ghalayini) followed a very similar approach (Walther, 2015). HRM significantly contributes to increasing organizational result, which is the main idea behind the assumption that HRM

practices affects, the employees in a positive manner by motivating employees and increasing their job satisfaction. There is not much support from empirical research, on the presumed connection between HRM practices and the impact on employee outcomes. In the organization according to Paauwe & Boselie, (2003), human resource management is the function that focuses on recruitment and selection of employees, management of employees and providing direction to these employees who work in it. For the overall organization direction and the accomplishment of the organization's goals and objectives effective, human resource management enables employees to contribute effectively and efficiently.

After the recruitment of these people, the organizations fail to orient these employees to acquire other modern skills or improve upon their talents and educational qualifications. Public organizations view training employees as a cost to the government. They need to understand that work force planning and human resource development is an ongoing process and is not static. As the core business activity, it focuses on raising performance through in cooperating the Human Resource Management practices to provide effective and efficient service delivery to the citizens. Secondly, numerous research and study have been conducted on the similar research area in developed and large developing countries but only a few conducted in the Small Island developing states. Those few researches focus on tourism or private sector but not a single study has been conducted on the impact of HRM practices on perceived employee outcomes in the public sector of Fijian civil service.

Finally, across many sectors, this type of research has been conducted, but none has been done in the public sector. Therefore, by focusing on the relationship between HRM practices and its impact on perceived employee's job outcomes

in the Fijian civil service, particularly the Ministries of Defence and National Security, Education, Heritage and Arts will give a rationale to the effective implementation of the HRM practices in the civil service.

#### Pre-reform

In order to improve the public service delivery governments all around the world has implemented civil service reforms, which are the forms of deliberate inventions in reviewing and moving away from negative work practices in the public service. In other terms, civil service reform is all about managing and strengthening public sector. In an ADB (2004), report had pointed out on a number of key challenges. ADB highlighted that a lack of sustainability in terms of reforms exist in several Pacific Island Countries. The report also mentioned the key areas that are evident in all PICs; these are weakness in policy formation, and most importantly inadequate policy implementation skills, which is of great concern, as this mostly leads to inconsistent applications of approved policies.

To further elaborate on the areas highlighted in the ADB report was that a lack of policy formulation and analysis skills in those involved in the central agencies and sector departments. In all PICs, one of the most common difficult that is faced in reform implementation is due to skills and resource constraints. Reforms was first mentioned in the late 1980s and actual reform process commenced in 1985. For more than two decades, public service reforms has being carried out in Fiji-by-Fiji government. The key objectives of these reforms was privatization of public enterprise and civil service reform with the introduction of performance management and change leadership.

#### 1.3 Significance of the Study

Fijian public-service organizations usually face goal setting problems and the accomplishment of set goals. The performance of public sector organizations largely depends on the performance of its employees in an organization, which includes management and the subordinates. Therefore, human resource management in any organization wishes to be appropriately managed in order to accomplish success. In Fiji and especially in the region, little research has been done in this topic because the process of New Public Management is a recent phenomenon.

To that effect, the following research is projected to embark upon the following Human Resource Management Practices;

- i. Formal training Systems
- ii. Result- oriented Performance Appraisal
- iii. Performance based Compensation

Human Resource Management is the spine of any economic production process. HRM plays an essential role in the performance of the Fijian public-sector organizations. Hence, it is significant to find out the importance of the research work, which are subdivided as:

- The findings of this research project will serve as a guide in the perceived employee outcomes efficiency of other public service through their human resource.
- The findings of this study will make possible for good management of human resource, which will helps in effective customer value and increase perceived employee outcomes in public service organization.

- It would also boost government, private service and the public's involvement in attending to these human resource management issues in public service organization.
- 4. The study will allow me to provide my own outlook and ideas on human resource management practices and employee job performance in the public-sector organization of Fiji.
- 5. The study would be of great help to students and other people who may desire to accomplish other studies and research in the field.

#### 1.4 Research Question and Research Objectives

#### 1.4.1 Research Question

Does Strategic Human Resource Management practices affect perceived employee Outcomes in the Fijian civil service? More specifically how are the human resource management practices such as training and development, performance appraisal and Compensation influencing perceived employee outcomes.

#### 1.4.2 Objective of the Research

- 1. To determine the impact of SHRM practices on perceived employee outcomes in Fijian civil service.
- 2. To examine the relationship between of SHRM practices on perceived employee outcomes in Fijian civil service.

3. Also, to recommend policy solution in order to improve employee outcome in the Fijian civil service.

#### 1.4.3 Research Hypothesis

Hypothesis: Is there a significant relationship between SHRM and perceived employee outcomes among employees in the Fijian Civil service.

Hypothesis 1: Formal structured training systems has an impact on job Satisfaction.

Hypothesis 2: Result-oriented performance appraisal has an impact on Job Satisfaction.

Hypothesis 3: Performance based compensation has an impact on Job Satisfaction.

Hypothesis 4: Formal structured training systems has a positive impact on Turnover Intention.

Hypothesis 5: Result oriented performance appraisal has a positive impact on Turnover Intention.

Hypothesis 6: Performance based compensation has a positive impact on Job Turnover Intention.

#### 1.5 Scope of the Study

The study concentrates on the Impact of Strategic Human Resource Management practices in the Fijian Civil service. The Fijian public service is made up of Ministries, Departments, Agencies, Provincial Councils, District Office and Town Councils. This study will focus on the Ministries of Defence and Education, Heritage and Arts.

#### 1.6 Organization of the paper

This research paper is divided in to five chapters. Chapter 1 gives the background information and statement of the problem. It sets out relevance and justification of this study the objectives and research question, scope of the study, organization of the entire paper and limitations. Chapter 2 discusses the key concepts that are used in the paper to place the problem in a broader perspective of literature and concentrates on the historical background of HRM, SMRM practices in the public sector in Fiji, theoretical background, existing literature on the topic and the variables. Chapter 3 will highlight the research design and methodology deployed in this research paper. Also, the conceptual framework, (conceptualization and operationalization), data measurement and target population and sample size together with data collection method. Chapter 4 presents the findings and analyses. Finally, chapter 5 summarizes the main findings and gives recommendations to assist the agency in the future

# Chapter 2: Literature Review and Theoretical Background

#### 2.1 Introduction

This chapter reviews previous works done by researchers in the field of HRM and SHRM. It will shed more light on the concepts of HRM, SHRM, three HR practices, surrounding theories, models and previous findings. It ends with the HR practices that have been found to impact greatly on perceived employee outcomes of especially the Fijian civil service.

#### 2.2 The Concept of Human Resource Management

Bakke (1966), stated that the use of resources effectively for an organizational objective is the general type of activity in any purpose of management and it is referred as concept of human resource management. He further stated that the understanding, preservation, expansion, effective engagement and combination of the potential people as human capital is referred as human resource practices. Nevertheless, Shaukat, Ashraf, & Ghafoor (2015), promulgated the Michigan model at the Michigan Business School, this is when HRM has emerged fullyfledged. According to (P. F. Boxall, Purcell, & Wright (2007), the Harvard model was suggested by Beer, Lawrence, & Mills (1987), at Harvard University which also highlighted on the HRM concept stating that it is a wider matters that stresses more wide-ranging and more strategic perspective to an organizational human resource and goes beyond just recruitment, selection and compensation. On the other hand, the matching model states that in order to be consistent with the organizational strategies, HR systems and organization structure should be well managed. He further explained that selection, appraisal, rewards and development are the generic processes that are performed in an organization and it is referred as human resource cycle.

The Harvard model states that like any other shareholders, employees are equally important in influencing organizational outcomes. In other words, the challenges of with historical employees can only be resolved if the general managers advance a lookout for how they wish to see personnel elaborate and develop in the organization and what HRM procedures and practices may help to achieve those goals. In the management and thought of people as possible assets rather than merely an adjustable cost, this calls for a need to have a long-term perception. According to Armstrong, (2000), many personnel mangers regard HRM as old wine in bottles or as just a set of initials. As part of the strategic development processes of any organization, the aspect of highlighting and treating people as a key capital is the management of which is the direct apprehension of top management if not it would be no more or no less than alternative name for personnel management. In many organizations, inadequate consideration has been paid to it since there is no new idea present in it.

#### 2.3 Definition of Human Resource Management

The definition of Human resource management has remained diverse and vague though the term HRM is prevalent. Storey (1989), defines HRM as a strategic, combined and comprehensible approach to the employment, expansion and welfare of the people working in organizations. He also states that through the strategic deployment of highly committed and capable workforce, using an integrated array of cultural, structural and personnel technique is a distinctive approach to employment management, which seeks to achieve competitive advantage. It is a management of work and people towards desired results as mentioned by (P. F. Boxall et al., 2007). Watson (2010), mentioned that it is a careful designed combination of such practices geared towards improving the organizational effectiveness and hence better performance outcomes.

#### 2.4 Strategic Human Resource Management

Globalization, changing customer demands is a phenomenon that is causing the rapid change in the economic environment. In order to survive in this competing environment, organizations need to continuously improve their performance by offering innovative and creative product and services and improving quality and speedy service delivery to the customers. In today's organization, people who make up the organization human resource are considered one of the most vital resource of competitive advantage. All other source of competitive success is less important so people and how they are managed are becoming more important in the 21<sup>st</sup> century. It is crucial to progress a different frame of reference for considering matters of human resource management and strategy since the basis for competitive advantage has changed in recent times. An organization's human resources are more important for its sustainability, when compared to the traditional source of success such as economies of scale, product and services, markets etc. that still provides competitive advantage.

In the field of human resource management, strategic human resource management (SHRM) epitomizes a comparatively new revolution. In any organizations performance, the role of human resource management systems particularly the alignment of human resource as a means of gaining competitive advantage is the primary concern of SHRM. As organizations are becoming aware that areas such as performance, speedy service delivery and quality, human resource procedures and practices may surge performance.

Wright & McMahan (1992), states that to enable an organization achieve its goals through an intended pattern of planned HR activities is referred as SHRM. In the fields of HRM in recent years, SHRM has received a great deal of attention especially on organizational behavior and industrial relations. The primary motives

demanding HRM practices to be more strategically absorbed are the changes or movements that are emerging in recent times, such as, globalization, nature of work, struggle and technology. According to Analoui (2017), organizations tend to forgo their people and development and pay attention to the "task".

The primacy of traditional HRM also focuses on the need to emphasize on the precise tasks of purposeful specialization instead of "people". In regards to, overall success, expectation of advanced and creative performance as well as right attitude of employees in a workplace is supposed to be a modern HRM with emphasis on their total contribution in any organization.

#### 2.5 The Concept of Strategic Human Resource Management

The use of predominant tactics to the expansion of HR approaches, which are combined vertically with the organization approach and horizontally with one another, is Strategic HRM. These policies express intents and strategies linked to the general organizational contemplations, such as organizational efficiency, and to more precise features of people management, such as recruitment and selection, training and development, compensation and employee relations. Strategic HRM emphasizes on activities that distinguish the organizations from its competitors.

It is suggested by Hendry and Pettigrew (1986), that it has seven meanings:

- 1. the use of planning;
- 2. a coherent approach to the design and management of personnel;
- 3. systems based on an employment policy and workforce strategy;
- 4. often underpinned by a "philosophy";

- matching HRM activities and policies to some explicit business strategy;
- 6. seeing the people of the organization as a strategic resource;
- 7. achievement of competitive advantage (Michael Armstrong, 2006).

Knowledge based organization in the modern era should include strategic human resource management in strategic planning. Delery & Doty (1996), study on the impact of strategic human resource management on organizational performance. Daley & Vasu (2005), replicated this study in the private sector and identified seven employment practices;

- 1. Internal career ladders
- 2. Formal training systems
- 3. Results oriented performance appraisal
- 4. Employment security
- 5. Employee voice/ participation
- 6. Broadly defined jobs
- 7. Performance-based compensation

Cania (2014), to warrant that the organization can contest successfully in the future, strategic HRM needs to have a vibrant attention on executing strategic alteration and growing the talent base of the organization. Guest (1987), states that for organizational goals and task to be attained SHRM needs to enable the expansion of a human capital that encounters the necessities of the organization's competitive approach. A fundamental part of organization strategy is Strategic Human Resource Management; to achieve organizational objectives is the primary focus of this Strategy. Strategy is then defined as a formally planned set of strategic choices. P. Boxall (1996) highlights that most

organization strategy develops in a stream of deed overtime. Table 1.1 below shows the differences between HRM and SHRM;-

Table 2.1: Difference between Human Resource and Strategic Human Resource

Management

	Differences	
	HRM	SHRM
1.	Focuses on HR level outcomes.	Focuses on business level outcomes.
2.	Reactive and follows the market	Proactive and sets the market trends.
	trends.	
3.	Develops the competencies at the	Integrates organizational functions
	functional levels.	and develops overall strategic
		competencies.
4.	Recognizes that HRM is an	Integrates organizational functions
	independent system.	and realizes that HRM is dependent
		on the other functions of the
		organizations.
5.	HRM managers usually work at the	SHRM managers usually work at
	functional levels in the organization.	higher levels in an organization.
6.	HRM achieves the goals established by	HRM strategies and organization
	the Organization strategies.	strategies are dependent on the
		organization.
7.	Managing employees.	Gaining competitive advantages by
		recognizing that employees are a
		source of competitive advantage.

According to Venclová, Salková, & Kolácková (2013), HRM largely emphasizes on HR results, is responsive to markets trends, progresses capabilities at the practical level, a self-governing system and accomplishment of the goals recognized by the organization strategies. In opposing to HRM,

SHRM largely emphasizes on organization level results, sets market trends, is proactive, progresses general planned capabilities, assimilates organizational roles and raise competitive advantage by identifying the importance of the employees.

#### 2.6 Current Challenges and Trends in Human Resource

#### Management

An organizational part that emphasizes on meeting the constrain of acquiring, retaining, handling, and evolving extremely skilled and inspired individuals desired by today's government organizations is public sector human resource management in the 21st century. This idea is in support of the current literature, for instance, to satisfy the desires and prospects of the workforce much of today's literature indicates that HRM is being reinvented and is undergoing continuous challenges. Paauwe & Boselie (2003), found out that there is a need to retort to fluctuations in the landscape of HRM, present practices, procedures organization mission and vision by human resource managers. Innovation and participation is frequently framed in recent literature as the trend in HRM. Paauwe & Boselie (2003), suggested that in strategic planning, human resource managers are now gradually involved and taking a proactive role in the organization policymaking process for the growth of employees. Thus, legislative, policy, and technological changes are the very reason for the underlining noteworthy reforms in the field of human resource management. In many organizations, reforms of legislative, policy, and technological changes are dramatically prompting changes in HRM practices and organizational performance views.

For instances, Analoui (2017), indicates that minority groups continue to grow when compared to the past in U.S organizations, it is important to consider the need for diversity management. To improve performance and quality of work

life and engagement of more diverse workforce, it requires organizations to change practices, actions and attitude towards employees. To add on, in today's public organizations, it is vital for managers and supervisors in line operation for active HRM practices to achieve competitive advantage. The triumph and existence of today's organizations, in the field of HRM sees strategic planning, as recruitment, selection, training and development, and organization development and change as significant for the survival of the organization. According to Arbatani et al., (2016), study at numerous cities and regions recognized as leaders in restructuring their human resource systems as reforms in HRM as a mean to better align this with organization goals. There are numerous cases of human resource revolutions that other organizations might implement as concluded by researchers. The procedure used to present HRM reforms may be as significant as the revolutions itself was further concluded by researchers.

An increasing body of work contains the argument that the use of high performance work practices, including comprehensive employee recruitment and selection procedures, incentive compensation and performance management systems and extensive employee involvement and training. This improve the knowledge, skills and abilities of a firm's current and potential employees, increase their motivation, reduce shirking and enhance retention of quality employees while encouraging nonperformers to leave the organization.

#### 2.6.1 Human Resource Management Practices in Fiji Islands

The public service organization therefore is examined as a simulated person who is endorsed by law to take, on particular roles and responsibilities. It is illustrated as a corporate body formed by the legislature with defined powers and functions and independently having a clear-cut jurisdiction over a specified

area or over a particular type of government services. Public service organization is part of government apparatus and three implications are hereby highlighted (Abassi, 2000). First, a public sector organization, by high merit of its complicated correlation with government, is a tool of public policy and its principal function is in connection with implementing and achieving governmental goals and programmes. Hence, it is logically under governmental power. Secondly, a public sector organization, naturally, controls public resources, particularly public money that implies that consideration must be made for the means of imposing liability for transparency. Thirdly, the amalgamation of monetary and economic intentions with public and political intentions consistently makes it complicated to formulate suitable performance measurement mechanisms (Brewster, 2007). The public sector, at times known as the state sector, is an element of the state that takes care of production, delivery and provision of services by and for the government and its citizens, whether local, regional or local/metropolitan.

Fiji gained independent in 1970. Like for most countries, the first government in Fiji started as a public sector-led augmentation movement, collectively with import taxes in order to protect local infant industries. Nevertheless, successive economic growth rates were far less than favorable. Government spending kept rising, however, with low economic growth government income was very slowly rising therefore the government opted for deficit financing (Mildred Golden Pryor, 1999). The protectionist strategy and the heart of government business ventures direct to an increase of inefficiency equally in the public and private sectors. Based on the Washington consensus, international lending

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<sup>&</sup>lt;sup>1</sup> The **Washington Consensus** is a set of 10 economic policy prescriptions considered to constitute the "standard" reform package promoted for <u>crisis-wracked developing countries</u> by Washington, D.C.–based institutions such as the <u>International Monetary Fund (IMF)</u>, <u>World Bank</u> and <u>United States Department of the Treasury</u>. <sup>[11]</sup> The term was first used in 1989 by English economist <u>John Williamson</u>. <sup>[2]</sup> The prescriptions encompassed policies in such areas as

agencies like the World Bank and International Monetary Fund provided guidelines for the re-orientation of economic policies. Rise in public debt made the Alliance government in 1986 to make a change in the economic policy trend. This led to a big change in economic policies.

For instance, the change of import substitution approach to export-oriented approach. The drive for the change in policy orientation improved following the political disturbance in 1987. The retrenchment of the economy because of the political crisis of 1987 built the momentum of moving to an export-led growth policy. After the political crisis, political party named as Soqosoqo ni Vakavulewa ni Taukei (SVT) government sustained with the restructuring in the main fields which was adopted by the previous government. The SVT government mostly encouraged exports based on tax-free factories and export-processing zones (Flippo B, 1971).

The idea of human resource management has its basis in the conventional thinking in the area of workforce management and organization but denotes modern and current sophisticated means and ways of dealing with workers in the public sector. Human resource management has grown and developed from personnel management. This expression according to Munjuri (2011), is an unusual position and embark upon organizational crisis from a different outlook. It takes into consideration functions like development, examining and managing instead of negotiation between workers and management of a public-sector organization. This means that human resource management involves every aspect of dealing with employee as resources. This view was upheld by Gold, (1994) and Boyars and Mildred Golden Pryor, 1999; Mitnick, (2013) in

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macroeconomic stabilization, economic opening with respect to both trade and investment, and the expansion of market forces within the domestic economy.

their effort to provide a significant definition of human resource management. The views of Gold, (1994) contrast to Mildred Golden Pryor, (1999) as Gold (1994), outlook views were more or less linked with personnel aspects or human resource activities in that they stated that, human resource management includes employee as capital for planning, staffing, training and development, performance appraisal and compensation.

However, Baron (2004) and Mildred Golden Pryor (1999) made a latter conclusion that sees human resource management in the aspect of income and earnings (in terms of wages and salaries) and still hold the former's view by including recruiting, hiring, and training as the major functions of human resources management. Human resource management is also viewed as something that includes all management choices activities, which influences people who directly work for the organization. This definition of human resource management is extensive and more realistic instead of personnel management stated by (Flippo B, 1971). Wikipedia defines Human Resource Management (Hard & Soft) as the management of an organization's employees. While human resource management is sometimes referred to as a "soft" management skill, effective practice within an organization involves a planned focus to safeguard that people resources can facilitate the achievement of organizational goals ("Wikipedia," 2017).

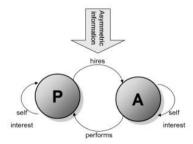
#### 2.7 Theoretical Background

#### 2.7.1 Agency Theory

This theory has its origin from economics and institutional theory, Kessler (2013), was the first scholar to actually begin its creation. The economic side of the agency theory is from the Mitnick (2013), who is responsible for the institutional theory of agency. The underling concepts these two discipline approaches are similar. The agency theory is a popular theory in financial economics and human resource management and it is applied to a vast array of situations in which one party referred to as the principal, utilizes the services of another party, referred to as agent Cohen & Baruch, (2010) defined agency theory as follows: "...An agency relationship is in effect whenever one party, a principal, hires another person, an agent, who possesses specialized knowledge and skills. The theory's main assumption is that human by nature are selfish, thus agents and principal will most probably have differences in interests and attitudes towards risks, leading to divergent decision-making preferences..." (pg.187).

The agent's self-interest and outcome in "agency costs" allowed by the principal could led contractual obligations of the agent to the principal to be negatively affected. Nevertheless, to keep the costs in check, the principal should anticipate that agency costs might emerge, and he or she can proactively set up controls. There has been tremendous impact of agency theory on management theory. In the 21<sup>st</sup> century, agency theory is one of the most dominant theory for corporate governance. In the field of management, this entry is an exploration of the application of agency theory including some extensions of the theory.

Figure 1. 1: Agency Theory



For examining transactions or associations between two parties, the principal and the agent, in which the principal engages the agent to provide a good or service is a stingy framework for agency theory. The dyadic contract between the principal and agent: are affected by, the agent's self-interest, which is assume to differ from the contractual obligation and the agent contractual obligation to the principal. On behalf of the principal, the agent is often hired based on expertise or knowledge and is trusted to use this expertise. The agent might have an informational advantage over the principal because the gap indicates that information asymmetries exists.

Adverse selection, or incomplete precontract information (e.g., the agent is not as competent or experienced as he is or she appeared to be), and moral hazard, or post contract hidden action or hidden information (e.g., the agent takes on too many contracts and fails to service a particular principal well) are the source of information asymmetry. As engaged in adverse selection or moral hazard, "agency costs" can emerge in contract execution and will reduce the outcome to the principal, as the agent is motivated by self-interest. In order to prevent their occurrence principal can minimize agency costs by assuming that they will tend to occur and employ controls over the agent (Kessler, 2013).

There are two key means to control the agent by the principal, and that is (a) through monitoring the agent and (b) to align the agent's self-interest to the principal by creating incentives. This is called bonding. It becomes critical particularly for the alignment of the incentives when an agent has highly specialized knowledge and skill to monitor the agent. This results in the additional source of agency costs that is borne by the principal as monitoring and bonding gets costly.

In terms of its relations to Human resource management practices and its impact on employee outcomes, its recognizes that organizations hire employees based on their specialized knowledge, skills that these employees possess. Therefore, to effectively manage these employees, HRM practices needs to be implemented in organizations (Kessler, 2013). In the field of public administration, a variation of agency theory is referred to as public choice theory, which has to do with the accountability of elected officials to their constituents and issues tied to the relative unaccountability of government administrators and bureaucrats, who are shielded by their civil service protection (Lepak & Snell, 1999; Paauwe & Boselie, 2003; Wright & McMahan, 1992).

#### 2.7.2 Human Capital Theory

This theory was popularized by Becker (1962), who was an economist and a Nobel Laureate from University of Chicago. In 1960s Becker (1962), stated that individuals, organizations and societies benefit from investment in human capital. He also suggested that human capital refers to the stock of skills, knowledge, abilities, habits, social and personality attributes, including creativity, embodied in the ability to perform labor to produce economic value. As found in the practice of business administration and macroeconomics, the

subject is closely associated with the study of human resources management. In the 21<sup>st</sup> century, Adam Smith originated the idea of Human Capital. Proper investments in human capital can result in improved performance at the individual, group, organization, and country levels. Human capital theory suggests that people are as important as other resources involved in the production of goods and services. It guides managers' decisions about investments in training and developing employees that is the reason why it is important to management.

Firstly, this theory describes the fundamentals from a management perspective, followed by the importance of the theory in the field of human resource management, particularly in talent management and strategic HRM. The primary proposition of human capital theory is the notion that an individual possesses human capital, which refers to the knowledge, skills, and abilities acquired from training, development, education, and other types of work and non-work learning-based experiences from labor economics point of view (P. F. Boxall et al., 2007). Some of the examples of human capital includes organizational tenure, education level, international travel experience, work experience, industry experience and cognitive ability this is similar to any other resources involved in the production and delivery of goods and services.

At various levels (e.g., individual, group, organizational, and national). Everything else being equal, appropriate investments in human capital can result in increased knowledge, skills, and abilities that in turn can improve performance and productivity. An important assumption of human capital theory from which organizations and individuals expect a return based on the proposition that training is an investment, its benefits is felt in long term competitive advantage. Investing in human capital can require extensive

resources such as time and labor from an organizational perspective (Snell & Dean Jr, 1992). Similarly, investing in human capital involves significant direct and opportunity costs, such as forgone earning, loss of productivity while in training, and stress and anxiety involved with learning from an individual perspective. Both the organization (e.g., a highly capable workforce) and the individual (e.g., increases in future earnings, job satisfaction, promotions) enjoy the return in the various ways listed.

The second assumption of human capital theory is that, any investment in human capital is likely to add value (e.g., create wealth or increase income) as long as the present value of the benefits exceeds the present value of the costs provided (others things being equal). Most importantly, benefits from investment in human capital are future oriented; that is, they occur in the future (e.g., after the learning event has taken place) and need to be discounted or converted to a present value for comparison purposes. To view talent as a form of capital and for understanding the choices organizations can make in terms of attracting, retaining, developing, and mobilizing individuals with high levels of human capital is a conceptual baseline assumption for human capital theory. The other assumption of human capital theory is that employees with high levels of human capital are useful to the organization to the extent they add organization specific value that is difficult for other organizations to copy and imitate. Investments in the human capital of the organization is viewed as investments in practices that attract, develop, retain, and mobilize talent (Guest, 2011).

The application of human capital theory that is noted, is how well the decisions in the organization is made in regards to the identifying and aligning the human capital with critical or core positions or jobs in the organization. Either the

choice organizations have to make in acquiring high-level human capital from the external global labor markets or by developing, the high-level human capital already within the organization is another important decision guided by human capital theory. In the context of talent shortages, high-level human capital is an important asset that needs to be developed internally more than recruited externally, the assumption of developing high-level talent internally is seen as more important. This organization specific human capital provides competitive advantage to the organization. The field of strategic HRM investigates the relationship between HRM systems and its effectiveness to all levels (e. individuals, teams and organization. Human capital is a mediator in the relationship between HRM and performance according to the recent findings that suggest that an important outcome of HRM systems is human capital (Guest, 2011).

A Model of Human Capital Theory

Individual Input (Investment)

Education

Outcomes

Productivity

Earnings

Social Input (Investment)

Citizenship

Efficacy

Figure 2. 1: Human Capital Theory

#### 2.7.3 Resource Based View

A business environment that is highly dynamic in nature, the way the employees are managed will provide a key source of competitive advantage for the organization and is referred to as Resource Based View (RBV) (Schroeder, Bates, & Junttila (2002), organization needs to see people as assets to the

organization rather than cost to achieve the goals. Human resource management will only be able to provide sustainable competitive advantage to the organizations if it is rare, valuable, difficult to imitate and non-sustainable as stated in a conceptual paper by Wright, Dunford, & Snell, (2001), have illustrated it on the figure 2.1 above. In 1990s, the strategic planning and resource-based view of the organization became the dominant paradigm. This theory blends organizational economics and strategic management. Porter (1985), stated that the most essential assumption of this view is that if those organizations that gain and maintain competitive advantage will be the successful ones. Barney (1991), explains that, by implementing a value-creating strategy that competitors cannot easily copy and for which there is ready made substitutes competitive advantage will be gained for those organizations. There are two conditions to gain competitive advantage: Firstly, among competitors the resource available must be variable and secondly, these resources are not easily obtainable.

The following are the three types of resources related with organizations; -

- (a) Physical (plant; technology and equipment; geographic location);
- (b) Human (employees' experience and knowledge), and
- (c) Organizational (structure; systems for planning, monitoring, and controlling activities; social relations within the organization and between the organization and external constituencies).



Figure 3. 1: Resource Based View

According to Jackson, Schuler, & Jiang (2014), a tool that could be used to gain competitive advantage is HRM, which greatly influences an organization's human and organizational resources. Whereas Wright et al. (2001), mentioned that, the extent to which the tools used by HRM to gain competitive advantage presumably is determined by the environment in which the organization operates also, the means of doing so. For example, human resource could be substituted with technologies, whereas in other organization human element is the most fundamental. While it is now understood that, it is necessary for an organization to possess valuable, rare, inimitable, non-substitutable resources and capabilities, it is also understood that such a condition is insufficient. In addition to possessing these ingredients, an organization seeking a competitive advantage must effectively exploit the resources and capabilities it possesses with an eye on continually upgrading them in ways that match the shifting opportunities and threats in the environments in which it competes.

Barney specified two critical assumptions. First, Barney (1991), assumed that resources are heterogeneously distributed among organizations, which allowed for the existence of differences in the resource controlled by individual organizations. Second, Barney (1991), assumed that resources are imperfectly mobile, which allowed for these differences in resource endowments to persist over time. With these assumptions in place, he argued that organization that possess and exploit resources that are simultaneously valuable (i.e., they enable the organization to exploit an opportunity or neutralize a threat in its environment) and rare (i.e., the resource is controlled by a small number of organizations) will assist to attain a competitive advantage. (i.e., the implementation of a strategy not currently being implemented by other organizations that facilitates the exploitation of opportunities and/or the neutralization of competitive threats (Colbert, 2004).

While the importance that resources must be valuable may seem rather obvious, that they must also be rare may not be. For Barney (1991), rareness was important given that widely available resources, no matter how valuable, should afford all organizations, the opportunity to implement identical value-creating strategies and, thus, could only lead to competitive parity. In addition to the conditions necessary for an organization to achieve a competitive advantage, Barney (1991), also articulated the conditions necessary for the organization to maintain an advantage over time.

In order to achieve a sustained competitive advantage (i.e., the implementation of a value-creating strategy that current or potential competitors are unable to duplicate), the resources on which the competitive advantage is based must be both inimitable. (i.e., organizations that do not control the resource face a considerable cost disadvantage in obtaining or developing it) and non-substitutable (i.e., organizations that do not control the resource cannot obtain similar benefits from other resources). Since otherwise the advantage could easily be competed away. In other words, if valuable, rare resources are not protected from imitation or if other resources can yield equivalent value, the benefits those resources provide to the organization will not remain rare for long.

One of the primary criticisms of Barney (1991), paper was his all-inclusive definition of resources. In response, scholars began to emphasize the difference between tangible and intangible assets (i.e., resources) on the one hand and the processes by which they are exploited (i.e., capabilities) on the other. Another critique of Barney (1991), articulation of the RBV was that it was rather static. Many argued that the process by which resources generate competitive

advantage remains in a "black box<sup>2</sup>." In response to this missing link between resource possession and resource exploitation, many scholars have since emphasized that the best performing organizations are not merely those who possess better resources but, more importantly, that they use those resources better than competing organizations.

Subsequently, a great deal of theoretical work began to emerge regarding the types of processes to which resources must be subjected in order to exploit their latent value. This rediscovered attention to process led to the emergence of three important theoretical approaches within the RBV. The first was (J. Barney, 1991 value- rarity-imitability-organization (VRIO) framework. As a follow-up to his 1991 paper, Barney (1991), argued that in addition to simply possessing valuable, rare, inimitable (which by then included non- substitutable) resources, an organization also needed to be organized in such a manner (via such mechanisms as structure, control systems, and compensation policies). That it could exploit the full potential of those resources if it were to attain a competitive advantage. In the first assessment of RBV research in 2001, Barney & Arikan (2001) conclude that virtually all of the RBV studies with which they were familiar provide results that are consistent with RBV logic.

However, Barney & Arikan (2001), counted articles as supportive of the RBV if they reported any findings consistent with its hypotheses; in so doing, they

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<sup>&</sup>lt;sup>2</sup> It remains true that little is known about the mechanisms by which HR practices translate into competitive success. Due to the lack of understanding on mediating variables and their effect on HRM-Performance linkage the existing gap in explaining this link is referred to the "black box" (Boselie, Dietz,Boon, 2005). Despite the quantity and variety of empirical studies, examining the impact of different HRM practices on organizational performance, little attention has focused on the concept or understanding of the mechanisms through which HRM practices influence performance. There appears to be only a limited amount of research attempting to explore how HRM practices essentially work and, hence, to pinpoint the processes through which these practices can lead to competitive advantage Theriuo, Chatzoglou (2009).

ignored non-findings (such as insignificant regression coefficients). Given that most empirical articles fail to find support for all hypotheses tested (i.e., some portion of tests will yield insignificant results). Barney & Arikan (2001), study cannot be used (nor was it intended to be used) to assess the actual level of support for the RBV.

In order to more precisely assess support for the RBV, in 2007, Priem & Butler (2001), analyzed a random sample of RBV studies from which he found that roughly half (53%) of all empirical tests conducted stand in support of the RBV. More importantly, he found that this support varied considerably based on the theoretical approach tested, with tests relying on early incarnations of the RBV receiving far less support than its more recent extensions (Wright et al., 2001). Based on these findings, he concluded that an organization is replacing context and its capabilities (dynamic and otherwise) have a far greater effect on its competitive position than its static resources and that, therefore, these areas ought to be the focus of future empirical inquiry. In response to these findings, Crook, Todd, Combs, Woehr, & Ketchen Jr (2011), conducted a meta-analysis of the literature in 2008 and concluded robust support for the RBV.

# 2.8 Review of Existing Literature on the Impact of Human Resource Management Practices and Employee outcomes:

Regarding the human resource, management practices and employee performance there are adequate number of different theories and models. In the field of HRM, practices and perceived employee outcomes there are adequate number of research and development to support this study. Many researchers have introduced different approaches to explain the impact of HRM practices and employee outcomes. It is being identified that for any organization to

achieve competitive advantage, human resource is the most important asset and resource to help achieve this goal.

Shaukat et al. (2015), in their study on impact of Human Resource Management, practices on employee performance claimed that on the link between systems of high performance work practices and employee performance. According to their study it had being concluded that these practices have an economically and statistically significant impact on perceived employee outcomes based on the result on a national sample of organizations. For their study, they had considered that HRM practice such as Selection, Training, Performance Appraisal, Career Planning, Compensation, Employee Participation and Job Definition to determine the impact on employee performance. The null hypothesis that was tested in this case was that the above-mentioned HRM practices are positively correlated. This hypothesis was accepted based on the p-value was significant of multiple variables in the regression model. Except for compensation variable, the result had a negative alpha (â) value as per the coefficient table and all other variables resulted in a positive (â) value (Shaukat et al., 2015).

Their study had concluded that organization need to pay attention to Training, Compensation, Selection and Employee participation for policy development if this organizations are interested for higher growth through employee participation. For the enhancement of the effectiveness of the organization and specially perceived employee outcomes, the developmental aspects need to give more importance in the management of human resources. To modify various routine activities and mold them to serve the employees' development is becoming authoritative in recent times (Shaukat et al., 2015).

Vui-Yee (2015), in the study conducted on the impact of Strategic Human Resource Management on employee performance in Private and Public Limited Companies in Malaysia. The interaction effects of two business strategies (differentiation and low cost) and human resource (HR) management (Hard & Soft) practices (recruitment and selection, training and development, compensation, performance management, employment security and work–life balance) on perceived employee outcomes (organizational commitment, turnover intention, employee involvement and job satisfaction) was investigated in the study. The extent of differences between public and private limited companies in Malaysia was the relationship that was further analyzed. The effect of the three variables and the invariance effect of the two types of companies was examined using Structural Equation Modelling (SEM) (Vui-Yee, 2015).

The interaction Business strategy and employee outcomes is mediated by HRM practices as shown in his study. Furthermore, in comparing the two sectors, the private and public companies, private companies have a slightly different effect of business strategy and HRM practices on perceived employee outcomes than the public companies from the ones implemented. Precisely, the control analysis displays invariance between distinction strategy and variance in low-cost strategy. To explore the relationship between business strategy, HRM practices and perceived employee outcomes was the purpose of this study. There were two hypotheses in this study and the findings was partially supported. The collaboration of HRM practices among differentiation and job satisfaction, differentiation and organization commitment and differentiation and employee involvement, could increase their positive attitude by 0.295, 0.397 and 0.340, respectively, for every increase of differentiation. Nevertheless,

mediation effect of HRM practices between differentiation strategy and turnover intention showed a significant result. However, a negative effect was shown from the standardized estimates (Vui-Yee, 2015).

Al-Qudah, Osman, Ab Halim, & Al-Shatanawi (2014), research was based on the effect of HRM practices towards employee performance in Malaysian Skills Institutes (MSI). In MSI, the factors that were investigated towards perceived employee outcomes were recruitment, selection, and compensation. For the study, (40 respondents from MSI were considered as the study population. The questionnaires were developed and distributed by the researcher and collect and analyzed using SPSS application to achieve the study objective. Descriptive statistics and correlation analysis was performed to get the overall analysis of the study. In MSI, perceived employee outcome had significant correlation with HRM practices such as recruitment, selection and compensation as indicated by the result of the study. There were two hypotheses for this study, first hypothesis was (H1), recruitment and selection have a positive effect on employee performance in MSI. The two variables as mentioned (r=.946; p<.05) specified that there is a positive relationship and indicating that the relationship between the variables is significant with moderate correlation. A positive statistically significant relationship between recruitment and selection process and perceived employee outcomes was noted from the regression analysis with these results ( $\beta = 0.484$ , p<.05). Thus, H1 is accepted. Second hypothesis was (H2), compensation has a positive effect on employee performance in MSI. The two variables as mentioned above with this result (r= .951; p<.05) specifying that there is a positive relationship and indicating that the relationship between the variables is significant with moderate correlation. A positive statistically significant relationship between recruitment and selection process and

perceived employee outcomes was noted from the regression analysis with these results ( $\beta = 0.525$ , p<.05). Thus, H2 is accepted (Al-Qudah et al., 2014).

Munjuri (2011), in the study conducted on the effect of Human resource management practices in enhancing employee performance in Catholic Institutions of Higher Learning in Kenya, pursued to determine the effect of training, performance-related pay, employee empowerment, job-design and job security on employee outcomes. The support staff of the institution were the target study population. The researcher had developed and distributed the questionnaire, which was analyzed using descriptive statistics. To establish the relationship between various HRM practices and perceived employee outcomes correlation and regression analysis was conducted. The greatest impact on increasing employees' level of performance based on the findings was noted from training and employee empowerment. The least impact on performance was noted from job design and job security. The study had four objectives, first, to regulate the position of numerous human resource management practices in the institution.

The study revealed that in most cases the courses were paid for by the employer and majority of the middle-level employees were provided with training opportunities. Second, to regulate the impact of HRM practices on employee performance. Half of them felt that the rewards motivated them to improve their performance for the small percentage of employees who appealed to have received monetary rewards upon attainment of the set goals. Third, to determine the extent to which performance would improve following the implementation of various HRM practice. Performance would improve largely when employees are provided with an opportunity to make decisions that they can handle,

deciding how to go about one's tasks is what was revealed by the study conducted by (Munjuri 2011).

The final objective was to establish the correlation between performance and the various Human Resource Management practices; the result was that, a very strong positive relationship between fair evaluation of performance and bonuses and incentives on achievement of targets as stated by the study. In addition, there was a very strong positive relationship between job security and bonuses and incentives on achievement of targets as discovered by the study. Performance-related pay had the utmost impact on increasing employees' level of performance since there was a straight optimistic association followed by training and empowerment, which was obvious from direct positive relationship. There was little impact on performance and they have inverse relationship with performance as per the regression analysis.

## 2.9 The Human Resource Management Practices

## 2.9.1 Formal Structured Training Systems

Any attempt to improve current or future employee performance is, by increasing an employee's ability to perform through learning, usually by changing the employee's attitude or increasing his or her skills and knowledge is a formal definition of training and development (Chaturvedi & Yadav, 2013). To help employees grow training is seen to be the process of imparting specific skills, development is said to be the designed learning opportunities. According to Ali, Majeed, & Riaz (2009), the formal and systematic modification of behavior through learning which occurs because of education, instruction, development and planned experience is referred as formal training systems. Stone (2002), explains that incorporating the interests of organization and the workforce highlighted that training has the distinct role in the achievement of

an organizational goal. The design and delivery should be well executed for training to have a better effect on performance. To enhance perceived employee outcome straining remains a vital HRM practice. Sahinidis & Bouris (2008), stated that depending on effective training and development programs an organizational commitment is devermined based on the relative strength of an individual's identification and involvement in a particular organization.

Those organizations that are keen of making provisions for satisfying the training needs of their current workforce will prevail according to these authors. Cheng & Ho (2001), claimed that marked improvement in employee communication and proficiency of performance as well as extending retention time of employees is indicated by the adequate training the workforce is involved in. Additionally, there are significant increases in profit as well as a greater number of reported positive working relationships that are formed when programs target communication skills with co-workers Sung & Choi (2014), mentioned that a significant positive effect on job involvement, job satisfaction, and organizational commitment has been shown by formal training and education.

According to (R. A. Noe, Hollenbeck, J. R., Gerhart, B., & Wright, P. M, 2012), training is the formal method of ongoing efforts that are made within organizations to try and improve the performance and self-fulfilment of their employees through using different educational programs and procedures. These efforts have taken on many different applications, varying from instruction in highly specific job skills to long term professional development within organizations these days (Fitzgerald, 1992). According to Fernald Jr, Solomon, & Bradley (1999), the use of training is now seen as crucial factors resulting in long-term success and profitability in organization through the quality of

employees and their continuous development of skills and productivity. According to Guest (1997), high organizational performance is a result of substantial levels of training opportunities. Based on employees own behavior and unrestricted effort. The attainment of employee developmental needs can lead to flexible, autonomous and empowered employees (DeFillippi & Arthur, 1994). Training and development motivates individuals to apply those skills and behaviors within their role in work related activities together with that it initiate the development of skills and behavioral scripts (Pfeffer, 1999).

Anderson, DeFillippi & Arthur (1994), highlighted that organizations should not except that employee will come to work with all the required skills. The knowledge possessed by its people is indeed the frame for modern organization. Specific adaptation is required in today's organization. To be fit for the organization and be the valuable contributor to the team, training is still required for most knowledgeable and skill worker (R. A. Noe & Peacock, 2002). In achieving its mission formal training enables organization to provide its employees with the precise skills that will assist most effectively and efficiently. The most neglected aspects of governments in developing countries are training and development. In the late 1950 and 1960s, most governments denied the value of training and development. All the skills needed for the job was assumed to be upheld by individuals who were hired for the specific jobs. It remains a neglected area, despite the importance of training and development is recognized. Under-investment in maintenance of new employees will allow them to denigrate like the buildings and equipment of government (R. A. Noe & Peacock, 2002).

#### 2.9.2 Result-oriented Performance Appraisal

Performance appraisal of employees is the systematic evaluation of employee's performance and potential for development during a certain period by supervisors or others who are familiar with their performance. Result-oriented performance appraisal is one of the widely and oldest used management practices. For an organization because the information it provides is highly useful in decision making regarding issues such as promotion, transfers, discharge, training and development performance appraisal is an indispensable tool. Wiese & Buckley (1998), stated that it also increases employee commitment and satisfaction apart from the issues that are mentioned above.

According to Nayab (2011), it is more important to focus on defining, planning and managing performance than merely appraising performance, which is the recent great realization in the field of performance appraisal. Nayab (2011), claimed that many organization have being forced to shift from reactive performance appraisals to proactive performance management to boost productivity and improve organizational performance due to increased competitive nature of the economy and rapid changes in the external environment. Prasad (2006), stated that to improve performance the process of planning performance, appraising performance, giving its feedback, and counselling an employee is performance management. As Armstrong (2006), claimed for improving organizational performance by developing the performance of individual and teams in a systematic process is performance management.

In the field of HRM probably propelled into visibility in the early 1980's because of the growing importance of total quality management performance management is one of the most important developments. Bach (2005), stated

that in human resource management practices performance appraisal is one of the most critical practices. A more strategic approach of combining HR activities and organization policies and may now be seen as a generic term covering an array of activities where organization seek to assess employees and develop their skills, build their performance and give out rewards is the most recent development of performance appraisal (Fletcher, 2001). Fletcher (1997), states that dissatisfaction in result is found from performance appraisal in most organization as a tool of developing and motivating people, this may mark a lack of success within Performance Appraisal. A positive effect on employee's behaviors and development, employees must have experienced some form of positive feedback is often created; if not performance appraisal will fail. As argued by Cardy (1994), the organization's goals, vision and strategies which should result in higher levels of commitment can be expressed through performance appraisal (Latham, 2003). Within the organization, performance appraisal is the way of increasing employee awareness of how they are valued in the organization and also this become a likely result of effective commitment.

The main purpose of result-oriented performance appraisal systems is that it links individual's effort to the organization goals. The strategic goals and its components are used to measure the individual performance. In terms of achieving the organization mission, both reward and development are the focus. An objective appraisal instruments with supervisory and employee training is the combined modern performance appraisal systems. The failure in performance appraisal system is mostly due to failure in linking the instruments to these purposes.

#### 2.9.3 Performance-based Compensation

Policies, guiding principles, structures and procedures which are devised and managed to provide and maintain appropriate types and levels of pay, benefits and other forms of compensation, is a compensation process based on compensation philosophies and strategies. It is constituted through measuring job values, designing and maintaining pay structure, paying for performance, competence and skill and providing employee benefit. According to Bob (2001), compensation management is concerned with that non-financial compensation which provides intrinsic or extrinsic motivation and not just money. Performance based compensation has a motivational effect and therefore implies that it is vital for enhancing organizational performance having a compensation structure in which the employees who perform better are paid more than the average performing employees (Hewitt, 2009). The early work of Richard (2001), which states, "happy workers are productive workers." is the growing recognition and consensus that compensation promotes productivity is consistent.

A core feature of the employment relationship with that of the reward system in the context of managing people. According to Bratton (2007), reward refers in exchange for the work employees perform to all the financial, non- financial and psychological payments that an organization gives for its employees. The role that it plays in achieving substantive employee behaviors like task performance, flexibility, quality and commitment, reward practices engendering debate among academics and organizational leaders. As argued, one of the most difficult, HRM tasks for general manager lays in the design and management of performance-based compensation. An organization must make three main decisions about monetary reward: how much to pay, for whom to pay (individual or group) and how much emphasis should be placed on

monetary reward as part of the total employment relationship, regardless of any other rewards it gives to its employees.

Three issues that dominates pay and benefits. Firstly, in the entire public service the attempt to set up the principle of equal pay for equal work. It is this principle that helps to decide the salary scales that are paid to various grades of personnel. Second, the issue of comparing work in the private sector of the economy on how to guarantee that salaries are adjusted periodically in response to inflationary trends and in combination with the pay. Third, the issue of how to consider organization those benefits really serve as motivators, as if the salaries do motivate.

According to Bratton (2007), it denotes a high percentage of personnel costs, and most often, they are not effectively used to give necessary services, in many developing countries, the remuneration is invisible. On the same line, in many countries in order to correct inflation and wage erosion it has been argued that the search for a decent wage has led to efforts to modify salaries up-ward.

A few countries have succeeded in the area of trying to decompress the wage structure. For example, since 1975, for the first time in 1995, Ethiopia had raised salaries for public officials. For professional groups such as doctors, nurses and teachers, this gave special salary increase. However, in developing countries the most difficult challenges that confronts in the area of compensation is how to develop systems of performance-related pay and incentives, coupled with lack of lacking the resources to pay for scarce skills.

These countries have focused their efforts on monetizing benefits, since benefits often constitute a large percentage of total compensation. To improve the efficiencies and productivity in the operation of the civil service through performance-based compensation, enhance service delivery with a positive trickling effect of a dynamic, professional and result-oriented workforce organization need to relook at their compensation policies.

#### 2.9.4 Perceived Employee Outcomes

It has been argued that most of the research focusing on examining the effects of HRM on individual perceived employee outcomes intended at evaluating the effects of HRM practices arguing that the link between HRM and performance is based on the positive effects of HRM practices on employee knowledge, attitudes, and skills. To achieve the desired perceived employee outcomes HRM represents the specific bundle of management policies and practices implemented within the organization. According to Campbell, (1990), to achieve organizational goals performance is a set of behaviors or actions that is aimed towards it. In achieving these goals these behaviors and actions can be used as a measurement in terms of the level of contribution by the employees. He further added, to the achievement of goals that job performance is characterized only by the discrete behavioral episodes that make a measurable contribution. To study individual performance at work Campbell (1990), developed a model that consists of eight performance features and these are;

- (1) job-specific task proficiency,
- (2) non-job-specific task proficiency,
- (3) written and oral communication proficiency,
- (4) demonstration of effort,
- (5) maintenance of personal discipline,

- (6) Facilitation of peer and team performance,
- (7) supervision/leadership, and
- (8) management/administration.

(Campbell, 1990), also stated that declarative knowledge, procedural knowledge and skills, and motivation are the performance features as functions of three direct determinants.

According to Borman (1993), there are two types of job performance – contextual performance and tasks performance. Borman (1993); Koopmans (2014), defined Contextual performance as actions or behaviors that contribute to organizational goals through supporting the broad social, organizational, and psychological environments in which the technical core must function. There is numerous terms that are used for contextual performance such as non-job specific task proficiency, organizational citizenship behavior, or interpersonal relations and extra-role performance. Koopmans (2014), claimed that, all those behaviors including taking on extra work, showing initiative, or coaching new employees which overstep the prescribed work goals are contextual performance.

To help realize organizational goals through technical core tasks with the actions and behaviors is referred as task performance. Task performance has two categories. The first activity involves direct transformation of raw materials into goods and services that the organization produce. The second activity involves staff functions that enable it to function effectively and efficiently by serving and maintaining the technical core, by replenishing its supply of raw materials, distributing its finished products, and providing important planning, coordination, supervising (Borman W. C., 1993). Most often individual work performance is regarded as the most important feature for task performance. It

can be defined as the proficiency with which one performs core job tasks Koopmans (2014) states that job-specific task proficiency, technical proficiency, or in-role performance are the labels given to task performance.

Previous studies have shown the impacts of SHRM on performance in public organizations using different variables as the intermediate link between practice and performance, while others have used a comparative approach, in examining differences between public and private organizations. Wang, Yi, Lawler, & Zhang (2011), in their research in the Chinese context examine the impacts of HRM on worker attitudes and behaviors in private (Private Enterprises or PEs) and public (State-Owned Enterprises or SOEs) organizations. The research focused on individual employee outcomes and finding any distinctions on the efficacy of HRM practices between private and public organizations. The authors found that differences in the effects of specific HRM practices, such as employee empowerment, on employee commitment exist based on survey data from samples from SOEs and PEs. Empowerment had less effect on employee commitment within public organizations. However, on the effects of other HRM practices between private and public organizations there were no significant differences (Wang et al., 2011).

#### 2.9.7 Job Satisfaction

According to El-Ghalayini (2017), the overall assessment of one's job in his or her work context is job satisfaction. The relationship of employee with his/her supervisor, physical environment, the extent of task completion is the number of factors that affects job satisfaction (Mustapha & Zakaria, 2013). Compensation is one the main factors of job satisfaction as stated by the study of Fitzgerald (1992). According to Bob (2001), for the private and public sector professionals pay and security is the main motivator. Good compensation is a

tool to achieve job satisfaction and retention of employee in the organization. Rahman, Kakakhel, & Ahsan (2014) states that to improve job satisfaction high reward systems is another tool that could be used. Kuvaas (2007), states that when compared to those employee that are not satisfied in the work place to employees that are satisfied with the job as well as the environment which includes those members employees, compensation, and management, these set of satisfied employees will be more devoted to their work.

Latham (2003), mentions that a positive emotional response of individuals due to apprising one's job performance is referred as job satisfaction. Rahman et al. (2014), argued that development opportunities, top management, compensation are the basis of employee job satisfaction which is associated with aligning personal expectations. Job satisfaction improve performance of an organization, which eventually reduces absenteeism, executing errors, and turnover intentions reduce cost as found from (Flippo B, 1971).

#### 2.9.8 Turnover Intention

In the literature turnover and turnover, intention is used interchangeably. When employees really consider leaving their jobs, they are supposed to have the intention to quit the organization. The wish or the deliberateness to leave the organization by an employee is the described as intention. A strong predictor of quitting an organization is turnover intention. To explain, it is employees' extraction perception development where they have views of leaving the occupation, intention to pursuit for a job, and intention to leave (Yamazakia, 2015).

## **Chapter 3: Research Design and Methodology**

#### 3.1 Introduction

This study is aimed at examining the HRM practices of the Fijian civil service and the impact of such practices on the perceived employee outcomes in the two ministries. A quantitative method will be deployed to examine the impact of the HRM practices on perceived employee outcomes using survey questionnaires for the employees of two ministries; (books, journals, report and document from ministries will be used to assist in the research). This chapter discusses the conceptual framework and research methodology including; research design, target population, sample, sampling techniques sources of data, and data collection procedures used in obtaining the required data. The techniques used to collect data will be explained in the research method. The framework used in the collection and analysis of data is present in the research design.

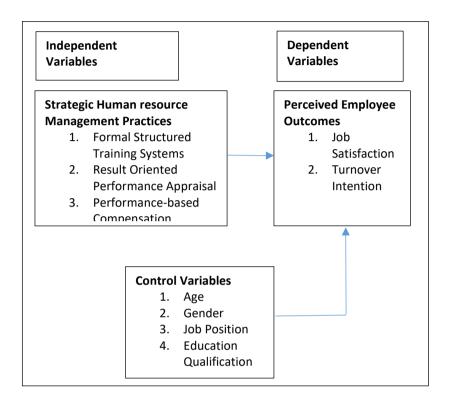
## 3.2 Research Design

In defining design, Onodugo (2000), stated that designing implies outlining the name of equipment and other materials the research intends using, applying some to successfully execute the practical aspect of the research study. According to NKOLI (2011), research design is the fundamental plan, which directs the collection of data and examination phases of a research assignment. It is the benchmark, which identifies the sort of data to be collected, the process and procedures.

Research design embraces the methodology and procedures employed to conduct scientific research. The design defines the study type, data collection methods and statistical analysis plan. This study will depend on descriptive research design (Cross- Sectional survey design) since it seeks to examine the impact of HR practices on perceived employee outcomes with a large number of respondent who will be asked the same set of questions and also to study the problem at a point in time without taking long. This is a survey research design that used a selected number of HRM practices to get realistic data on HRM practices and how they affect employee outcomes. A survey method was utilized for this study since the study was to examine the perception of employee on how the SHRM practices will affect the level of employee outcomes. This study depends on descriptive research. The basis of the cross-sectional study is to support the study of the feelings and perceptions of the employees that are thought to be unswervingly detected. The research strategy used for the research was a survey approach in order to collect quantitative data, which was, analyzed using descriptive statistical tools. The use of a survey enables generalization to be conducted using findings generated from a sample size, which is representative of the whole population.

## 3.3 Analytical Framework

Figure 4. 1: Analytical framework for the study



## 3.3.1 Conceptualization and Operationalization

The dependent variable for this study according to the analytical framework is Strategic Human Resource Management practices. This independent variable is defined by Pfeffer (1999), into sub variables such as

(1) Formal structured training, (2) result-oriented performance appraisal, (3) performance-based compensation. Whilst the dependent variable for this study is employee outcomes. For this study, the perceived employee outcomes would be measured with three (2) sub-variables which is job satisfaction and turnover intention. Moreover, this study will also have control variables such as

demographic variables comprising of age, sex, working experience and education qualification.

- Formal Structured Training Systems- refers to officially structured training programs that includes skills acquisition and development.
   They can be delivered either on-or off-the job, officially, highlighting the skills, cross-functional, team, literacy training and so on (Ali, 2009).
- Result-oriented Performance Appraisal (PA)-refer to the "distinct, formal, organizationally authorized affair, typically occurring one or twice a year, which has clearly specified performance scopes and/or measures that are used in the evaluation process" (Daley, 2005).
- Performance-based Compensation-A monetary reward system for employees where some or all of their monetary compensation is related to how their performance is assessed relative to stated criteria. It is constituted through measuring job values, designing and maintaining pay structure, paying for performance, competence and skill and providing employee benefit.
- Perceived employee outcomes-Job performance has been defined as the overall expected value from employees' behaviors carried out over the course of a set period (Mustapha N, 2013).
  - *Turnover intention* is a measurement of whether an organization's employees plan to leave their positions.

• *Job satisfaction* - the overall assessment of one's job in his or her work context is job satisfaction.

#### 3.4 Procedure for Data Collection

While collecting information for the research, the researcher will use both primary and secondary source of data.

#### 3.4.1 Primary Sources

According to (NKOLI, 2011), primary sources contains the data originally assembled by the person who actually observed the phenomenon. Primary data mainly come from direct observation of events, manipulation of variables, contrivance of research situations including performance of experiments and responses to questionnaire (Abassi, 2000). These will be mainly obtained from the answers of respondents to self-completion questionnaires, semi structured interviews and researchers findings. The researcher will source her primary data via questionnaire, etc.

## 3.4.2 Secondary Source

The secondary sources of data refer to data collected by a person or researcher other than the user of the information. Secondary sources will contain information, which is needed for the secondary study. Secondary data collection for this study was not be original to the researcher; they will be gathered from other scholar's research and study. In order to gather sufficient information for this research project past data, journals, gazettes, textbooks, magazines, newspapers, encyclopedias, other scholars project reports, web and library will be used. This kind of previously collected information is not case specific but it can be relevant to the studied problem (Brewster, Mayrhofer, & Farndale, 2012).

#### 3.5 Data Collection Method

To collect data from the field this research used a questionnaire, which was distributed to the respondents and requested them to fill and send them back. The questionnaire that is being used for this study was developed and used by Quansah (2013), which was a standardized questionnaire. However, in the context of the Fijian civil service, this questionnaire had be modified to fit this study. In order to guarantee efficient and easy data collection, using online survey question, which will be prepared through the help of google form website and were be distributed to respective respondent's mobile phone. The respondents were be asked to fill and send it back to the researcher for analysis. The researcher would develop database of the contact number of the employees in the two ministries under study. The confidentiality of the respondents will be highly maintained since the name of respondents will not appear using online survey, so it is advantageous (Mason, 2017).

#### 3.6 Data Measurement

To study the relationship that exist between SHRM practices and perceived employee outcomes this research used the standardized questionnaires, which was developed by other researchers. The study of variables, SHRM practices and perceived employee outcomes, which is widely studied and measured using a Likert scales, is evident in most research done to date. To measure the views from the respondents, this research will adopt the Matrix Questionnaires that will be developed for the purpose of this research. The responses will be measured on a 5 point scale based on 1- "Strongly Disagree", 2- "Disagree", 3- "Neutral", 4-"Agree", and 5- " Strongly Agree", this the respondents were requested to indicate the extent that each statement characterized them using the Likert scale format from 1 (Strongly Disagree) to 5 (Strongly Agree).

The questionnaire consisted of closed ended questions as an instrument for self-explanatory responses. There are three sections in the questionnaire: Section A consists of personal details of the respondents, Section B consists of questions based on the SHRM practices such as Training and Development, Result-oriented performance Appraisal and performance-based compensation with different questions. The final Section C consists of questions regarding employee outcomes. The demographics part looked at five variables: sex, age, job position, working experience and educational qualification.

### 3.7 Sampling Method

Random sampling and purposive sampling was used for this study. Purposive sampling was considered for the selection of the two Ministries under study. To select the sample frame, this study considered random sampling in which employees were randomly chosen from the population and have equal chance to be included in the study. These two agencies have been selected for this study for two reasons. Firstly, Ministry of Education and Heritage and Arts is selected because it is one of the Ministry with the highest number of civil servants and also due to the reason that it is to deliver quality education and improve education outcomes especially for children in disadvantaged and remote communities. To add on, it is based on the theory of change, which is achieving improved educational outcomes for students in disadvantaged and remote areas by addressing system wide improvements to education planning, management and delivery. Secondly, Ministry of Defence and National Security was rated by Strategic Framework for Change Coordinating Office (SFCCO) in 2016 as the Ministry, which achieved 99.01% of its deliverables and was consistently monitored on its performances by the SFCCO under the Office of the Prime Minister and this progress was maintained. To add on, ministry of Defence and National Security provides the most important services, which is to ensure safety and security of all Fijians. This significant progress made in advancing Defence and National Security issues based on the strategies enshrined in the Roadmap for Democracy and Sustainable Socio-Economic Development (RDSSED). In addition, in terms of capacity building the Defence Ministry had achieved the expected results. The study has considered taking 150 respondents given the period to conduct the research.

#### 3.8 Target Population of Study and Sample Size

All the people and variables, which will make up the center of study, are referred as population. According to Gold (1994), "population is the totality of any group, person or objects which is defined by some unique attributes". This is to say that population is any group of being the study has focused attention on and chosen as approved area of study. Ministries, agencies, departments, town council, provincial office, district office make up the public service of Fijian government, which comprise of management and administrative staff. With a total of 15 ministries, 12 town council and 14 provincial council to use all organization as sample is difficult. The result from the employees of two ministries will be replicated to the other organization. To collect data from the field the study targeted 150-sample size given limited time.

Given that it is on most occasions not possible to study the whole population of public service of Fiji, therefore, the study has selected Ministries of Defence and National Security and Education, Heritage and Arts as the study population to consecutively discover a possible solution that involves 150 employees including top and junior level staff.

#### 3.9 Data Analysis

To analysis data for this research, the study will rely on quantitative method. To aid in obtaining diagrams for the demographic trends. For the control variables, the study will use descriptive statistics. To test the hypothesis, correlation and simple linear regression analysis will be performed to determine the relationship between SHRM practices and perceived employee outcomes in Fijian civil service.

## 3.10 Validity and Reliability

#### **3.10.1** *Validity*

According to Joppe, (2000), Validity for this research is defined in the most simplest forms is that to what extent does the research measures what it is exactly expected to measure. In addition, Sunder (2007) stated that it is one of the methods to regulate what is definitely mean to be. Therefore, at all times the research focuses to accomplish both internal and external validity. The research will ensure that the findings of the research finds what was intended during the initial study that the result are line with the main area of the study to achieve the validity. The measurement and the research design aided to drive the conclusion between the independent and dependent variables and determine the casual relationship in other words. For developing, a more clear and concise questionnaire two methods were taken in consideration to test the questionnaire in the study population. For this research, multiple secondary sources of data were used to construct the questionnaire that had the study model. Secondly, a through literature review was done to incorporate all the relevant study constructs was performed. The result of the research attempted to warrant the sample understudy is representative to all population and it could be generalized to meets the criteria for external validity.

#### 3.10.2 Reliability

Accordingly to Joppe (2000), reliability is defined as how reliable and precise the result of the research finding are to the overall set of population for the study and ensures that it could be generalized and reproduced given the same research methodology. Indicator reliability and Cronbach Alpha reliability are the two ways to measure reliability in the area of social science as stated by (Hulland, 1999). The internal consistency reliability of the study instrument (questionnaire) is measured by Cronbach Alpha at  $\geq$  .6 and  $\geq$  .7 respectively .Whilst the outer loading factors that must be  $\geq$  .7 is the measure for indicator reliability. Therefore, as stated that the consistency and stability of the findings is better measured using Cronbach Alpha and since it is the one that is most generally used to measure reliability is also employed for this research.

#### 3.11 Statistical Treatment

All data received from survey questionnaire were statistically analyzed to find the results of the study and draw the appropriate conclusions and recommendations. The result from the survey questionnaire was later decoded in excel and SAS program. The following most suitable statistical methods and program was used to analyze the result. The correct scale was used to classify and label the data. In order to compare the different results the mean, standard deviation, t-test and variance was calculated using the SAS program. This classification of the data will be the appropriate way to analyze the collected data. In addition, Reliability test was performed with the use of Cronbach Alpha (a) to see whether there was any correlation between the different variables on the same test. This method to test the reliability is most commonly used for survey questions that has multiple Likert scale questions, which forms a scale in determining the reliability. Accordingly to Venclova (2013), Cronbach

Alpha range from (0) to (1) whereby (1) indicates the perfect correlation and (0) with no correlation at all

## Chapter 4: Data Presentation, Analysis and Interpretations of Data

This chapter present and describes that statistical analysis result for the study questions and research hypothesis based on the previous study framework. Based on the methodology online survey was conducted in order to evaluate the research hypothesis presented in chapter 3 and see if there is sufficient evidence to accept or reject the hypothesis. To obtain a deep understanding of the research hypothesis the chapter explore the latent structure of the dataset.

From the estimated population of 415, 131 completed responses were received from the civil servants with the overall responses rate of 31.5%. According to Cooper & Schindler (2003), for survey research in this nature with the general response rate of close to 30% is considered highly acceptable. All collected questionnaire were collated into excel and screened for any errors. Those questionnaires that were incomplete or invalid were removed from the final data file and from statistical analyses as well. In order to analysis the questions understudy this research included a descriptive analysis using mean, Standard deviation and for empirical analysis ANOVA, multiple linear and regression, analysis was performed.

## 4.1 Data Analysis

The data analysis was performed after the collection of all survey questionnaire. The analysis and interpretation of the data using SAS program was carried out for this study. In addition, to determine the relationship between variables and testing of the hypothesis regression and coefficient correlation analysis was performed.

#### 4.2 Descriptive Analysis

According to Zikmund (2003), the information about a population or sample, which is represented statistics, is referred as descriptive analysis. Apart from the above, it is also understood as transformation of raw data to make it easy for the reader to understand, which was further interpreted to structure descriptive information (Groenewald, 2010).

By calculating the mean, percentage, and frequency distribution are the several ways of summarizing the data. For this research in order to describe the descriptive statistics average, percentage of demographics will be used as the technique. Furthermore, demographic factors such as age, gender, education, Ministry and position in organization are the areas, which are tested in this research. In terms of the satisfaction of employees in the public sector this demographic factors will bring significant impact.

## 4.2.1 Respondents Demographic Description

In terms of demographics such as age, gender, education level, job position and organization.

Table 4.1 below presents the general characteristics of the respondents as follows:

- 1. Gender: from the total 131 completed questionnaire that was received from the respondents. Majority of the population are female with 77(58%) and male population is 54(41%). As for the study, both of the gender had almost equally responded.
- 2. Age: the age result from the respondents shows that the highest percentage of respondents fall between 30 39 years with the

percentage of (45%) representing 59 respondents. The second group that follows is the age group between 18-29 years with the percentage of (32%) with 43 respondents. The third group that follows is the age group between 40 to 49 years with the percentage of (16%) and 22 respondents in this group. Those respondents from 50 to 59 years contributes (4.6%) with six (6) respondents. Respondents from age group 60 to 69 years make up (0.7%) percentage with one (1) respondent in this group.

- 3. Education Level: For the education level, the respondents were given (6) level of qualification starting from high school, Diploma, Bachelors' Degree, Postgraduate, Masters' and Doctorate level. From the six (6) level of qualification the result shows that majority of the respondents were Bachelor's Degree holder with the percentage of (41%) consisting of 55 respondents. Diploma level qualification followed with the percentage of (35%) consisting of 46 respondents. The next level was the postgraduate level representing (13%) with 17 respondents holding this level of qualification. The Master's level had (5.3%) with 7 of the respondents holding this qualification. With the high school level qualification (3.1%) of the respondents representing 4 respondents in this category. The last level of qualification was doctorate with a percentage of (1.5%) representing 2 respondents from the sample population.
- 4. Job Rank: the job position was ranked with four (4) levels starting from management, middle management, senior and junior staff levels. The majority of the respondents were from the junior level with the percentage of (58%) representing 76 out of the 131 respondents. The

second group of job position that had a percentage of (25%) represents 33 out 131 respondents followed by middle management with the percentage of (9%) which is 12 out 131 and the last group was management level with percentage of (7.6%) which is (10) out of 131 respondents.

5. Ministry/Department: the distribution of the respondent by ministry was equal between the ministries that were understudy for this research. For Ministry of Defence and National Security, it had a (52%) of respondents from this Ministry with total number of 68 respondents. the Ministry of Education, Heritage and Arts had a percentage of (48%) with 63 respondents.

Table 4.1: Descriptive Profile of Respondents

	Dimension	Frequency	Percent
	Male	54	41.2
Gender	Female	77	58.7
Total	•	131	100
	18 - 29	43	32.8
	30 - 39	59	45.0
Age	40 - 49	22	16.7
	50 - 59	6	4.6
	60 - 69	1	0.7
Total	•	131	100

	High School Level	4	3.1
Education	Diploma Level	46	35.1
Education level	Bachelor's Degree	55	41.9
	Post graduate Level	17	12.9
	Master's Level	7	5.3
	Doctorate Level	2	1.5
Total		131	100
	Management Level	10	7.6
	Middle Management Level	12	9.1
Job Position	Senior Level	33	25.2
	Junior Level	76	58.0
Total		131	100
	Ministry of Defence and		
Ministry	National	68	51.9
	Security		
	Ministry of Education,		
	Heritage	63	48.1
	and Arts		
Total		131	100

Table 4. 2: Simple Statistics of Strategic Human Resource Management and

Perceived Employee Outcomes

			Std Std				
Variable	N	Mean	Dev Dev	Sum	Minimum	Maximum	Label
JS	131	2.89924	0.73521	379.80000	1.00000	5.00000	Job Satisfaction
TI	131	3.26209	0.83000	427.33333	1.00000	5.00000	Turnover Intention
TR	131	2.71450	0.97729	355.60000	1.00000	5.00000	Training
PA	131	2.92061	0.86244	382.60000	1.00000	5.00000	Performance appraisal
PC	131	2.81527	0.80139	368.80000			Performance based compensation

From the table 4.2, the result of simple descriptive statistics analysis is presented on the first scale of the questionnaire, which consists of (5) subscales. This mean variable includes all independent and dependent variables for the study. With the average, mean score ranging from (2.714 to 3.262). Each of the variables has the average score of the number of question it carries. For the independent variables (formal structured training systems, Result-oriented performance appraisal and performance-based compensation had 5 questions each whereby the two dependent variables had 3 questions each to measures the impact. From the data that was collected from the respondents, the independent variable turnover intention had the highest average means score of 3.26(SD=0.83).

Followed by independent variable result-oriented performance appraisal with the average mean score of 2.92(SD=0.86) job satisfaction with the average mean score of 2.89(SD=0.73), performance-based compensation has an average mean score of 2.81(SD=0.80). The lowest average mean score was for formal structured training systems with the score of 2.71(SD=0.97). With the respective average, mean score from the above-mentioned variables the average mean score is 2.99. According to Pfeffer (2003), the questionnaire that was used

has a midpoint scale of average score of 2.5. From the table it is noted that most of the respondents generally had a neutral opinion with the issues referred to the subscale of human resource management.

This section of the research data was collected on the perception of public service employees in the Fijian civil service on the impact of human resource management practices on perceived employee outcomes.

### 4.2.2 Dependent Variable

Table 4. 3: Simple Statistics of Job Satisfaction

		Mea Std					
Variable	N	Dev n	Std Dev	Sum	Minimum	Maximum	Label
JS1	131	2.62595	1.17235	344.00000	1.00000	5.00000	JS1
JS2	131	3.32824	1.10553	436.00000	1.00000	5.00000	JS2
JS3	131	2.58015	1.08808	338.00000	1.00000	5.00000	JS3
JS4	131	2.49618	1.26718	327.00000	1.00000	5.00000	JS4
JS5	131	3.46565	1.14554	454.00000	1.00000	5.00000	JS5

According to the data collected from the respondents, the simple statistics on the dependent variable job satisfaction is presented in the table 4.2. With the mean of 2.63 shown in the table for the first question on job satisfaction indicates that employees in the public service of Fiji disagree that they are not satisfied with the job. For the second item on the questionnaire, has a mean score of 3.33 shows that employee's take a neutral stand that they are not valued and affirmed at work. The mean of 2.58 for the third shows that respondents disagree on the fact that the work requirement in the respective organization are not reasonable. Moving on to the item number four in the table above with the mean score of 2.49 most of the respondent indicate that they do not feel

confident that the job will be satisfying in the future. The last item on the list has a mean value of 3.46 take a neutral stand with the feeling of not accomplishing anything with work.

Table 4.4: Simple Statistics of Turnover Intention

Variable	N	Mean	Std Dev	Sum	Minimum	Maximum	Label
TI1	131	3.28244	1.27264	430.00000	1.00000	5.00000	TI1
TI2	131	2.90076	1.34081	380.00000	1.00000	5.00000	TI2
TI3	131	3.60305	1.27508	472.00000	1.00000	5.00000	TI3

From the table 4.4, the item with the highest mean score of 3.60 specifics those respondents take a neutral stand when it comes to keeping the job until retirement. The item with the second highest mean score is assigned to item 1 from the table with mean value of 3.28 specifying that respondent do think about the quitting the job and also do not think of quitting the job. Item number two has the lowest mean score of 2.90, indicates that respondents take a neutral stand when it comes to looking for a new job after one or two years. This shows that respondents give more importance to keeping the job until retirement whether they are satisfied with the work not. Moreover, with the least mean assigned to item two indicates that organization needs to retain employees with high skills and abilities through it is unclear from the table.

### **4.2.3 Independent Variables**

Table 4.5: Simple Statistics of Formal Structured Training systems

Variable	N	Mean	Std Dev	Sum	Minimum	Maximum	Label
TR1	131	3.00000	1.28303	393.00000	1.00000	5.00000	TR1

TR2	131	2.71756	1.24823	356.00000	1.00000	5.00000 TR2
TR3	131	2.79389	1.26319	366.00000	1.00000	5.00000 TR3
TR4	131	2.60305	1.20051	341.00000	1.00000	5.00000 TR4
TR5	131	2.45802	1.22951	322.00000	1.00000	5.00000 TR5

With the use of SAS program the simple statistical analysis was conducted for sub variable of human resources management for this case is formal structured training systems. From the two ministries of Defence and National Security and Education, Heritage and Arts 131 respondents were part of the successful completion of the questionnaire. There were five questions for the sub variable. Table 4.5 above, details the data on formal structured training systems. The average mean score range from 2.45 to 3.00. Respondents are neutral about extensive training programmes are provided for employees in all aspects, this is represented by a mean of 3.00 (SD=1.28). This reflects that respondents cannot take a concrete stand as to whether the extensive training programmes are provided in all aspects. This could mean that extensive training programmes are only provided in specifics areas.

In addition, it could mean that it is provided to the senior to top management employees since this survey consists of 58% junior staffs. Item 3 from the table indicates a mean of 2.79(SD=1.26) which is respondents do not wholly agree that they are selected for training that suit their job needs the most in this case. This reflects that in most cases "wholesale" training programme are provided without any discussion with the individual employee concerned. A mean of 2.71(SD=1.24) to item "I have training opportunities to learn and grow" indicates that organization interest overrides the opportunities of individuals to grow and learn. It is important for the organization to incorporate training programme with individual and organizational interests. It is not surprising that respondents disagree to item "training programmes are identified through a

formal performance appraisal mechanism". This is shown in the mean of 2.60 (SD=1.20) for this item. Obviously, this is link back to the first item from the table where it was identified that wholesale nature of training programme do not allow a proper identification of training through a formal appraisal mechanism. Furthermore, item "training programmes have improved my decision making and problem-solving skills" receive the lowest mean value of 2.45(SD=1.22). It proves that respondents do not agree the that training programmes have improved the decision making and problem solving skills which is due to the fact that training are not identified on needs basis and training provided are on whole sale style training which is unrealistic and does not match to individual and organization needs.

Table 4.6: Average Mean of Formal Structured Training system

	Mean	Minimum	Maximum	N of Items
Item Mean	2.71	2.458	3.000	5

From the viewpoint of the respondents, the table 4.6 shows an average mean score of 2.71 in regards to how formal structured training systems are carried out in the Fijian civil service. With the given mean of 2.71 is can be said that there is weak agreement to what and how formal structured training systems are carried out. The minimum and maximum mean is also provided from the table in this category as 2.45 and 3.00 respectively. The minimum mean is to the item in question about training programmes have improved my decision making and problem-solving skills from the respondent viewpoint indicates lowest level of agreement.

This disagreement proves that respondents have not benefited from the training programmes for betterment of the decision-making and problem solving skills. The item with the highest level of mean is to; extensive training programmes

are provided for employees in all aspects with mean of 3.00. This indicates that the respondents are neither agreeing nor disagreeing to extensive training being provided to employees in all aspects. However, it is obvious that respondent's from the Fijian civil service are maintaining a balance view in regards to the training programmes because they are part of the civil service workforce and will not risk the jobs even this survey is treated confidential at the highest level.

Table 4.7: Simple Statistics of Result-oriented Performance Appraisal

Variable	N	Mean	Std Dev	Sum	Minimum	Maximum	Label
PA1	131	3.22137	1.14549	422.00000	1.00000	5.00000	PA1
PA2	131	2.80916	1.18396	368.00000	1.00000	5.00000	PA2
PA3	131	2.76336	1.12887	362.00000	1.00000	5.00000	PA3
PA4	131	2.88550	1.07160	378.00000	1.00000	5.00000	PA4
PA5	131	2.92366	1.18723	383.00000	1.00000	5.00000	PA5

The table 4.7 shows that the mean range from 2.76 to 3.22 for the items in the table. The general mean for the result oriented performance appraisal is 2.95 that shows that there is negative attitude towards the questions for this variable with the general mean close to mean scale of (3). Item PA1 only has a highest positive mean indicating positive attitudes towards that item with a mean above 3.22. Item PA 1 articulates, "Performance appraisal is fair in this organization" which states that respondents presents a neutral stand neither agreeing nor disagreeing to the fairness in the appraisal system. Whilst the lowest mean was mapped to item PA3, "I am informed of my how my performance evaluation is done" with mean value of 2.76. Thus, this indicates that respondents not wholly disagree that they are informed of the how their performance is evaluation is done in the organization. According to the observation, it shows that the employees are not informed of the performance evaluation.

The statistics data for item PA 5 gives a mean of 2.92 which mean that respondents take a neutral stand that by neither agree nor disagree that "the objectives of the performance appraisal is clear to employees". Result oriented performance appraisal is concerned with open communication and involvement as stated by (Armstrong, 2001). Therefore, it can be stated from observation by the study that there is lack of communication and involvement between the appraiser and appraisee in term of setting up objective before the appraisal to benchmark it against doing appraisal. This will give a clear picture of what the employee is expected to do. The table presents a mean of 2.88 to item PA 4, which is, "performance of employees is measured on the basis of objective quantifiable results".

It indicates that respondents fails to take a concrete stand as to whether their performance is measured based on objective quantifiable results. This shows that there is lack of awareness in term of the result-oriented performance appraisal and the respective ministries attitude towards preparing the assessment is based more on job description than institutional strategic plan or business plan. This also depicts that the performance assessment is more based on the behavior than performance. In addition, the ministries fails to align the key government objectives into implementable targets. Another major reason is that during the initial preparation stage there was lack of participation from the respondents.

For the last item in the table above, with a mean of 2.80 for "there is formal and written performance appraisal system". This mean of 2.80 indicates that the respondents generally disagree that there is a formal and written performance appraisal system. Thus, this predicts that the performance appraisal in the Fijian civil service is just a formality therefore it only to done to prove that the

performance appraisal practice exits. Furthermore, it can also be said that there is no link between promotion, reward and career growth for employees since it is just a formality.

Table 4.8: Average Mean of Result-oriented Performance Appraisal

	Mean	Minimum	Maximum	N of Items
Item Mean	2.95	2.76	3.22	5

In relation to the viewpoint of the respondents, the table 4.8 presents the summary of the statistical data from result –oriented performance appraisal. With the given average mean of 2.95 for the (5) item in this category precisely show that the respondent maintain neutrality for the items in result oriented performance appraisal in the respectively ministries in regards to the question being asked in this section the respondents neither agree nor disagree. The table provides with the minimum mean of 2.76, which is assigned to the lowest agreement item, and the maximum mean of 3.22 is assigned to the most agreed item. Item with the lowest mean value for the ministries in concern is; "I am informed of how my performance evaluation is done" depicts that a significant level disagreement in sustained as well as it being the item with the lowest mean. It indicates that respondents are not informed of how their evaluation is done. In addition, it shows that there is no appraisal criteria for evaluation of performance. Whereas for the item with the maximum mean value shows that respondent have maintained a significant level neutrality for this item as they do not want to clearly state that there exist a transparency issue in relation to result-oriented performance appraisal. This can also be linked to the public servant cultural values and norms, which is when it comes to assessing their performance the Fijian society is more of reserved and arrogant when compared to the western administrative culture values.

Table 4.9: Simple Statistics of Performance-based Compensation

Variable	N	Mean	Std Dev	Sum	Minimum	Maximum L	abel
PC1	131	2.77099	1.36193	363.00000	1.00000	5.00000 P	°C1
PC2	131	2.83206	1.11736	371.00000	1.00000	5.00000 P	C2
PC3	131	2.66412	1.12051	349.00000	1.00000	5.00000 P	C3
PC4	131	3.03053	1.17630	397.00000	1.00000	5.00000 P	PC4
PC5	131	2.77863	1.26059	364.00000	1.00000	5.00000 P	C5

The mean figure as displayed in the table 4.9 as accrued by the five (5) items for performance-based compensation. From the above analysis, it is noticed that none of the items had a mean with strong agreement. The highest mean figure for this variable is assigned to item PC 4 that is "pay raise in my work unit is not really related to performance" with a mean of 3.03. It indicates that most of the respondent have a neutral stance in this regard. This can be linked to the new salary band that in endorsed last year with claims to be merit and performance based but the research proves otherwise.

A mean figure of 2.83 for item PC 2 which is "my organization is committed to merit-based pay system". It also linked to the new pay band that just came in to effect mid last year. Most respondents had taken a neutral stand for this item and it can be attributed to the new pay band, which came into effect mid last year. It will be difficult for the respondent to make any strong agreement to this merit—based pay system. Followed by the item PC 5 with a mean value of 2.77 to item "Favoritism is a problem for pay-for-performance program in my agency". It indicates that the respondents neither agree nor disagree whether in pay-for-performance has being victimized for favoritism. It is still unclear whether most respondent fall which side of the scale but one thing is obvious that they fall more towards disagree. The is no strong agreement on item PC 1 "whether pay for performance improves performance" with a mean of 2.77 this

attributes to the reason that there is a tendency for decreasing performance if pay does not commensurate performance. Last but not the least item PC 3 "Implementing pay-for-performance makes employees in my state more productive than not implementing pay-for-performance" in this category sought to establish a mean of 2.66 which is disagreement for this case from majority of the respondents.

This indicates that there is lack of awareness in term of the new pay-for-performance under the civil service reform management guideline. The respondents fail to see this as a management approach rather than a political agenda, which only focus, is to meet deadlines rather than to go further. If the pay-for performance is appropriately executed with the relevant awareness and training will definitely add value for the improvement of performance in the Fijian civil service. Through, there exist a certain percentage of uncertainty among the respondents whether the newly implemented pay-for-performance has improved the performance of the employees or not.

Table 4.10: Average Mean of Result-oriented Performance Appraisal

	Mean	Minimum	Maximum	N of Items
Item Mean	2.81	2.66	3.03	5

The table 4.10 sum up the items on performance-based compensation with an average mean value of 2.81. From the result it shows that respondents neither agree nor disagree on the performance-based compensation practices undertaken by the ministries. This can be the result of lack of awareness since this is a new practice being implemented recently. In addition, the practices is new so it is difficult for the respondents to analysis whether they are totally in support of it of vice versa because it is too early to see the result of what it

claims. The item PC 3 "Implementing pay-for-performance makes employees in my state more productive than not implementing pay-for-performance" has the lowest minimum value representing that they disagree pay-for-performance has makes any differences in the performance of employees in the respective ministries. Whereas the maximum mean value is to item PC 4 "pay raise in my work unit is not really related to performance" indicates that respondents are playing safe by being neutral that pay raise is related to performance because according to pervious research it proves that it is not related for the population under study. There were five (5) item used for measuring compensation.

#### 4.3 Reliability Test

To check whether the measures used in the research are free from error and henceforth yield consistent results as defined by (Bryman, 2012). Cronbach's Alpha as suggested by Bryman (2012), can be used as the measurement for reliability. To be reliable, the threshold of Cronbach's Alpha must exceed .70 but in exploratory research although .60 level can be used. The Cronbach's Alpha for the variables in this research is shown in the table below. The Cronbach's Alpha for this study range from 0.608 to 0.844 for reliability. Cronbach Alpha value of more than 0.9 is regarded as excellent, more than 0.8 is regarded as very good, more than 0.7 is deemed good, more than 0.6 is considered as acceptable, more than 0.5 is poor and less than 0.5 is deemed unacceptable. The table below shows the reliability for the independent variables. The Cronbach's Alpha for formal structured training systems is 0.844 this indicates that there is high internal consistency for the questions used for this variable. The Cronbach's Alpha value for performance appraisal is 0.812 therefore this indicates that there is high internal consistency as this is regarded as good and is acceptable for the questions used to measure this variable. Performance-based compensation has a Cronbach's Alpha value of 0.684; it also has high internal consistency therefore we can still accept this value for further analysis. Moving to the Cronbach's Alpha for the dependent variable as show in the table below has a value of 0.642 therefore, we can still consider this value for further analysis. Therefore, it could be concluded from the Cronbach's Alpha value that all items that represents the various determinants of formal structured training systems, performance appraisal, performance-based compensation and job satisfaction there was internally consistency in the responses from the respondents and was deemed very reliable.

Table 4.11: Reliability statistics of Dependent and independent variables

Construct	Cronbach's alpha for main study
Job Satisfaction	0.642
Turnover Intention	0.628
Formal structured training system	0.844
Performance Appraisal	0.812
Performance-Based Compensation	0.684

### 4.4 Pearson Correlation Analysis

For obtaining a favorable analysis, it is important to use correlation analysis and guidelines. For the purpose of this research to determine the statistical measures of association between variables Pearson's correlation coefficient was gathered. With the use of predefined set of parameters correlational research, determine the relationship between two variables and accurately observe the level of relationship (Swanson and Holton, 2005). For the purpose of this research, if the correlation coefficient is between r=.60 and r=1.00 as per the correlation guidelines the strength of the relationship between variables is very strong. The strength of the relationship between variables is considered

strong if the correlation coefficient is between r=.40 to r=.60 and it is considered moderate if the correlation coefficient is between r=.20 to r=.60 and it is considered as weak if the correlation coefficient is between r=.00 to r=.20. A Pearson correlation coefficient was performed between independent variables with dependent variable. The correlation coefficient for this research range from .496 to .367.

Table 4.12: Pearson Correlation Analysis

	JS	TI	TR	PA	PC
JS	1				
Job Satisfaction					
TI	0.22597	1			
<b>Turnover Intention</b>	0.0095				
TR	0.38746	0.15428	1		
Training	<.0001	0.0785			
PA	0.36579	0.14965	0.65702	1	
Performance appraisal	<.0001	0.088	<.0001		
PC	0.49561	0.37249	0.41026	0.48747	1
Performance based compensation	<.0001	<.0001	<.0001	<.0001	

<sup>\*.</sup> Correlation is significant at the 0.05 level (2-tailed).

Based on the table 4.12 the correlation coefficient has a positive value, which indicates that there is positive relation between formal structured training and job satisfaction. With the given correlation guideline formal structured training

<sup>\*\*.</sup> Correlation is significant at the 0.01 level (2-tailed).

<sup>\*\*\*.</sup>Correlation is significant at the 0.0001 level (2tailed).

systems has correlation coefficient value of .387 with job satisfaction. Henceforth this indicates that when formal structured training systems are moderate, job satisfaction is moderate. From the correlation coefficient range given in the guideline from r=.20 to r=.60 this two variable fall under this range. Thus, this depicts that there is moderate relationship between formal structured training systems and job satisfaction. However, there is significant relationship between formal structured training systems and job satisfaction. The p-value of 0.001 is less than alpha value 0.01 is the reason for a significant relationship between two variables.

Based on the table 4.12 the correlation coefficient has a positive value, which indicates that there is positive relation between performance appraisal and job satisfaction. With the given correlation, guideline performance appraisal has correlation coefficient value of .367 with job satisfaction. Hereafter this indicates that when performance appraisal are moderate, job satisfaction is moderate. From the correlation coefficient range given in the guideline from r=.20 to r=.60 this two variable fall under this range. Thus, this depicts that there is moderate relationship between performance appraisal and job satisfaction. However, there is significant relationship between performance appraisal and job satisfaction. The p-value of 0.001 is less than alpha value 0.01, which is the reason for significant relationship between two variables.

Based on the table 4.12 the correlation coefficient has a positive value, which indicates that there is positive relation between performance-based compensation and job satisfaction. With the given correlation, guideline performance-based compensation has correlation coefficient value of .495 with job satisfaction. Hereafter this indicates that when performance-based compensation are moderate, job satisfaction is moderate. From the correlation coefficient range given in the guideline from r=.20 to r=.40 this two variable

fall under this range. Thus, this depicts that there is moderate relationship between performance-based compensation and job satisfaction. However, there is significant relationship between performance-based compensation and job satisfaction. The p-value of 0.001 is less than alpha value 0.01, which is the reason for significant relationship between two variables.

In conclusion, there exist moderate correlation between the independent variable and dependent variable. Therefore, this indicates that as ministries improve the practices of these independent variables the ability of job satisfaction among employees will significantly increase and turnover intention will decrease.

#### 4.5 Testing Hypothesis

A set of independent variable, which describe the variance proportion in a dependent variable at a significant level and hence set up the relative predictive importance of independent variable is referred as multiple regression. The variance of dependent variable is determined by the set of independent variables using the hierarchal regression. The closer the score is to the regression line is based on the higher value of the correlation as stated by (Naidu, 2013). This would produce a more precise prediction. In relation to multiple regression, the factor that determine how much the dependent variable's variance percentage can be explained by all of the independent variable is multiple correlation ( $\mathbb{R}^2$ ).

Formal structured training systems, performance appraisal and performancebased compensation are the independent variable while the job satisfaction is the dependent variable for the purpose of this research. To investigate which of this independent variable are most significant impact on dependent variable that is job satisfaction and turnover intention data was collected for this entire variable for the study.

Table 4.13: Regression Analysis for Job Satisfaction

			Parameter	Standard		
					t	
Variable	Label	DF	Estimate	Error	Value	Pr >  t
Intercept	Intercept	1	1.37056	0.22845	6.00	<.0001
TR	Training	1	0.14794	0.07546	1.96	0.0521
	Performance					
PA	appraisal	1	0.03837	0.08931	0.43	0.6682
	Performance based					
PC	compensation	1	0.36054	0.07945	4.54	<.0001

Hypothesis 1: Formal structured training systems has an impact on job Satisfaction.

To determine the relationship between SHRM practices and perceived employee outcomes with multiple variable impacts on the relationship, additional analysis was conducted by completing a multiple regression model using the indicators of the independent variable. For accepting and rejecting the hypothesis when no significant predicators were observed the model used the probability level of p<0.05 and p<0.01.

Based on the result shown on table 4.13 from conducting the regression analysis there exist a positive and significant relationship between formal structured training systems and job satisfaction with a ( $\beta$ =0.147; P-value =0.05). Along with the significant relationship, the analysis provides us with the multiple R-Squared value of 0.270, which indicates that the significant independent

variable (formal structured training systems) of this model explains up 27 percent of the total variability in the dependent variable (job satisfaction). This result in in favor of the study conducted by Bratton (2012) proves that when employees are given formal structured training the job satisfaction in the agency strengthen. Therefore, "hypothesis 1: Formal structured training systems has positive impact on job Satisfaction" is accepted.

## Hypothesis 2: Result-oriented performance appraisal has an impact on Job Satisfaction.

Based on the result shown on table 14.1 from conducting the regression analysis there exit a positive and not significant relationship between result-oriented performance appraisal and job satisfaction with a ( $\beta$ =0.038; P-value =0.668). Along with the significant relationship, the analysis provides us with the multiple R-Squared value of 0.270, which indicates that the significant independent variable (Result-oriented performance appraisal) of this model explains up 27 percent of the total variability in the dependent variable (job satisfaction). This result in in favor of the study conducted by Gold (1997) proves that when employees are result-oriented performance the job satisfaction in the agency strengthen. Therefore, "Hypothesis 2: Result-oriented performance appraisal has a positive impact on Job Satisfaction." is rejected.

## Hypothesis 3: Performance-based compensation has an impact on Job Satisfaction.

Based on the result shown on table 14 from conducting the regression analysis there exit a positive and significant relationship between Performance-based compensation and job satisfaction with a ( $\beta$ =0.360; P-value =0.0001). Along with the significant relationship, the analysis provides us with the multiple R-Squared value of 0.270, which indicates that the significant independent variable (Performance-based compensation) of this model explains up 27 percent of the total variability in the dependent variable (job satisfaction). This result in in favor of the study conducted by Borman (1993), proves that when employees are given Performance based compensation the job satisfaction in the agency strengthen. Therefore, "Hypothesis 2: Performance based compensation has a positive impact on Job Satisfaction." **is accepted.** 

Table 4.14: Multiple Regression Analysis for Job Satisfaction with Control variables

Parameter			Standard	t value	<b>Pr</b> >{t]
Estimate			error		
Intercept	1.395151757	В	0.61413982	2.27	0.0250
TR	0.154609925		0.07807823	1.98	0.0501
PA	-		0.09194951	-0.15	0.8843
	0.013414607				
PC	0.343907079		0.08265937	4.16	<.0001
<b>Position Junior</b>	-		0.24092158	-0.02	0.9869
Staff	0.003967077	В			
<b>Position Senior</b>	-		0.25372452	-0.98	0.3308
Staff	0.247804069	В			
<b>Position Middle</b>	-		0.29786864	-0.14	0.8918
management	0.040598154				
staff		В			
Position	0.000000000		-	-	-
Management					
staff		В			
Edu Bachelor's	0.054157413		0.50445248	0.11	0.9147
degree		В			

Edu Diploma	0.223028987	В	0.49649259	0.45	0.6541
Edu			0.51592882	-0.37	0.7114
Postgraduate	-				
Diploma	0.191392599	В			
Edu Master's	0.314321971		0.54551726	-0.58	0.5656
degree		В			
Edu High school	0.733456099	В	0.61063362	1.20	0.2322
Edu Doctorate	0.000000000		-	-	-
degree		В			
Age 2	0.137760176	В	0.30629289	0.45	0.6537
Age 1	0.193482896	В	0.30407944	0.64	0.5259
Age 5	-		0.31356551	-0.33	0.7403
	0.104185874	В			
Age 3	0.442686763	В	0.31653036	1.40	0.1647
Age 4	0.000000000	В	-	-	-
Gender Female	-		0.11425967	-0.62	0.5388
	0.070434426	В			
Gender Male	0.000000000	В	-	=	-

An examination of the table 4.14 indicates that if control variables and independent variable are analyzed together for this research, it does not have an impact on the independent variables. The following are the p-values of the independent variables formal structured training systems p-value of (0.05<0.1), result-orient performance appraisal p-value of (0.88>0.1) and performance-based compensation has a p-value of (0.001<0.1). This is an indication from the table 12.1 that the control variables are not influencing the independent variable.

To sum up, from the table 15.1 it can be said that given that all factors stay constant, a one (1) point increase in formal structured training systems will lead to an increase in job satisfaction by (0.15). This indicates that employee are in

favor of these practices. This is because employees indicated that there are training systems are conducting in a fair and transparent way. In addition to this is that the training are conducted through performance appraisal mechanism. Moving on, a one (1)-point increase in result-oriented performance appraisal will allow for a decrease in employee job satisfaction by (-0.01) which indicates that performance appraisal in the organization are not conducted in the fair way. This also shows that employee's performance are not measured through objective quantifiable results. The appraisal system is not very well communicated to the employees in terms of awareness.

The performance management framework is a new framework, which the employees are not quite familiar. Performance appraisal is a two way process where the supervisors and the employees build a clear and precise expectations from which the employee will be assessed. In addition to above, this also proves that employees are not informed of the criteria for assessment before assessment is done. The next item on the list is performance-based compensation as shown from the table 15.1 proves that a one (1) point increase performance-based compensation will lead to a (0.34) increase in job satisfaction of employee in the Fijian civil service. This indicates that the respondents who participated in the survey state that pay for performance improves performance. In addition to this, employees are in favor of the performance-based compensation.

Table 4.15: Regression Analysis for Turnover Intention

Variable	Label	DF	Parameter Estimate	Standard Error	t Value	Pr >  t
Intercept	Intercept	1	2.22398	0.28319	7.85	<.001
TR	Training	1	0.13137	0.09354	3.45	0.0037

PA	Performance appraisal	1	-0.14162	0.11071	-1.98	0.0588
PC	Performance based compensation	1	-0.40242	0.09849	4.44	<.0001

Hypothesis 4: Formal structured training systems has an impact on Turnover Intention.

Based on the result shown in table 4.15 from conducting the regression analysis there exit a positive and significant relationship between formal structured training systems and turnover intention with a ( $\beta$ =0.13; P-value =0.0037). Along with the significant relationship, the analysis provides us with the multiple R-Squared value of 0.120, which indicates that the significant independent variable (formal structured training systems) of this model explains up 12 percent of the total variability in the dependent variable (turnover intention). This result in in favor of the study conducted by Bugaza (2013) proves that when employees are given formal structured training the turnover intention of employee's increases. Therefore, "Hypothesis 4: Formal structured training systems has an impact on Turnover Intention" is accepted.

## Hypothesis 5: Result oriented performance appraisal has an impact on Turnover Intention.

Based on the result shown from conducting the regression analysis there exit a negative and significant relationship between result oriented performance appraisal and turnover intention with a ( $\beta$ =-0.14; P-value =0.058). Along with the significant relationship, the analysis provides us with the multiple R-Squared value of 0.120, which indicates that the significant independent variable (result oriented performance appraisal) of this model explains up 12 percent of the total variability in the dependent variable (Turnover intention).

This result in in favor of the study conducted by Bugaza (2013), proves that when employees are given Result oriented performance appraisal the turnover intention of employees in the agency reduces. Therefore, "Hypothesis 5: Result oriented performance appraisal has a significant impact on Turnover Intention." is accepted.

## Hypothesis 6: Performance based compensation has a significant impact on Job Turnover Intention.

Based on the result shown from conducting the regression analysis there exit a negative and significant relationship between performance based compensation and turnover intention with a ( $\beta$ =-0.40; P-value =0.001). Along with the significant relationship, the analysis provides us with the multiple R-Squared value of 0.120, which indicates that the significant independent variable (Performance based compensation) of this model explains up 27 percent of the total variability in the dependent variable (turnover intention). This result in in favor of the study conducted by Bugaza (2013), proves that when employees are given Performance based compensation the turnover intention of employees in the agency reduces. Therefore, "Hypothesis 6: Performance based compensation has an impact on Job Turnover Intention." **Is Accepted** 

Table 4.16: Multiple Regression Analysis for Turnover Intention with Control variables

Parameter			Standard	t value	Pr>{t]
Estimate			error		
Intercept	2.087342427	В	0.75603530	2.76	0.0067
TR	0.011473648		0.09611801	2.12	0.0452
PA	-		0.11319422	-1.98	0.0582
	0.030483853				

PC	-		0.10175761	3.85	0.0002
	0.392039816				
Position Junior Staff	0.126851936	В	0.29658591	0.43	0.6697
Position Senior Staff	0.200348691	В	0.31234694	0.64	0.5225
Position Middle	0.374042152	В	0.36669045	1.02	0.3099
management staff					
Position Management	0.000000000	В	•		
staff					
Edu Bachelor's	-	В	0.62100498	-0.32	0.7478
degree	0.200153391				
Edu Diploma	-	В	0.61120597	-1.08	0.2817
	0.661086317				
Edu Postgraduate	-	В	0.63513289	-0.27	0.7883
Diploma	0.170954874				
Edu Master's degree	-	В	0.67155767	-1.43	0.1551
	0.961264023				
Edu High school	-	В	0.75171900	-0.07	0.9419
	0.054906048				
Edu Doctorate degree	0.000000000	В			
Age 2	0.385852423	В	0.37706110	1.02	0.3083
Age 1	0.137576423	В	0.37433623	0.37	0.7139
Age 5	0.401896858	В	0.38601404	1.04	0.3000
Age 3	0.362180544	В	0.38966392	0.93	0.3546
Age 4	0.000000000	В			
Gender Female	0.109854924	В	0.14065908	0.78	0.4364
Gender Male	0.000000000	В			

An analysis of the table 4.16 indicates that once the control variable and independent variable are analyzed together for this study, it does not have an impact on the independent variable. The p-values of the independent variables are listed. Formal structured training has a p-value of (0.04<0.1), result oriented performance appraisal has a p-value of (0.05<0.1) and performance-based compensation had a p-value of (0.002<0.001). Therefore, the results from the above table indicates that the control variables are not affecting the p-values of the independent variables.

In summary, it can be stated from the table 4.16 that if all factors remain constant, I point increase in formal structured training systems will increase turnover intention of employees by (0.01) which shows that employees feel that formal structured training systems are still not conducting in a fairness and transparent way. The respondents indicated that this form of training does not allow employees to learn and grow. Moving on, a 1 point increase in result-oriented performance appraisal will lead to a decrease in turnover intention of employees by (-0.03), therefore this indicates that employees are in support of this practices. This shows that employee have a sense of belonging to the respective organization when they know that the appraisal system is fair and allows an open forum with their supervisors, and it is discussed with the employee.

Further, this also indicates that employees are aware of the new framework. Last but not the least is performance-based compensation as shown in the table 4.16 states that is all factors remain constant, a one (1) point increase in performance-based compensation will allow for a decrease in the turnover intention of employees in the organization by (-0.39). This depicts that employees are willing to stay in the organization once the performance-based compensation is practiced with its fully agreed terms and conditions. Further to this, it can also be stated that employees are in favor, that pay for performance will lead to increase in their performance and this is psychological. Furthermore, this analysis also proves that employees have a better understanding of performance-based compensation and that the government is working towards retaining high-qualified civil servants based on their performance and merit.

#### 4.6 Discussion on the Major Findings

The main research objective for the study was to determine the impact of strategic human resource management practices on perceived employee's outcomes in the Fijian civil service. This are the three human resource management practices which is being examined for this study are formal structured training systems, result oriented performance appraisal and performance-based compensation with job satisfaction and turnover intention in the Fijian civil service. This study was conducted to solve the problem that was mentioned in the chapter 1 of this study. This is done by answering the hypothesis and research questions. The statistical analysis gave different solution or result in order to accept the hypothesis or reject it.

This section summarizes the result of the findings, by answering the research question. Further, the next chapter will draw recommendation based on the findings and provide conclusion based on study findings and recommendations. From the analysis of the study and research objectives a strong conclusion will be drawn. Moving on, the chapter will highlight some implication of the study of strategic human resource management, towards the SHRM and policy implication. Finally, this chapter will point out major limitations of the study and provide areas of future research. By using the regression analysis the research hypothesis were tested to achieve the objectives.

The major research objective of this study was to determine whether strategic human resource management practices, affects perceived employee outcomes in the Fijian civil service. The statistical analysis result shows that there exist a positive and significant relationship between formal structured training systems and job satisfaction among the employees in Fijian civil service. The hypothesis for this was support. Results from regression analysis shows that there exist a

positive and significant relationship between Performance-based compensation and job satisfaction. The hypothesis for this was support. Result shown from conducting the regression analysis shows that there exist a negative and not significant relationship between result oriented performance appraisal and job satisfaction. The hypothesis for this was not support. Therefore, this result is in line with previous studies done to investigate the relationship between strategic human resource management practices and perceived employee outcomes in the public service. Thus, the result of the analysis provide a mixed result of strategic human resource management practices and perceived employee outcomes. This section of the paper provides details explanation for the each of the factors and their relationship with perceived employee outcomes.

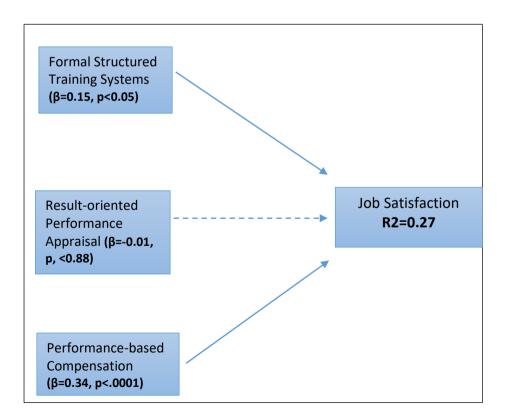


Figure 5. 1: Model for SHRM and Job Satisfaction

## H1: Hypothesis 1: Formal structured training systems has significant impact on job Satisfaction.

According to previous research conducted by different scholars in the area of formal structured training systems has, a positive and significant impact on job satisfaction has also being proven for Fijian civil service. The result from statistical analysis on whether the formal structured training systems has a positive relation with job satisfaction gave a result of ( $\beta$  =0.15; P-value =0.05). Therefore, it can be stated that the finding of the study is consistent with the pervious findings done by Gold (1997), discovered that there are positive significant relationship between formal structured training systems and job satisfaction. Since there exist a positive and significant relationship between formal structured training systems and job satisfaction in the Fijian civil service.

The implication of this result can be expressed through various factors in the Fijian context. The government of Fiji recent has endorsed the training and development guideline, which is part of the Civil service Reform Management. This covers areas in human resource management such as open merit recruitment and selection, Job Evaluation, Discipline, Performance Management and Training and staff development. As stated earlier this aimed at provide comprehensive training for all staff across all levels and areas of civil service. From the research, it was also noted that most ministries do not have a proper training strategy and coherent training performance.

The ministries end up giving wholesale training programme to their employees, which do not meet the interest of individual training needs. Training needs are neither identified through formal performance appraisal nor discussed with employees and thus training needs identified is mostly unrealistic and not based

on business strategy. It is the practice of ministries to dedicate budgets to training and development of employees every year.

## Hypothesis 2: Result-oriented performance appraisal has a significant impact on Job Satisfaction.

Another important HR function is performance appraisal and management. The result from statistical analysis on whether the result-oriented performance appraisal has a positive and no relation with job satisfaction gave a result of ( $\beta$  =0.01; P-value =0.88). The practice of appraising employees is common with ministries; at least it is conducted twice a year for all the ministries staffs. Whereby before the implementation of the civil service reform management it was conducted quarterly. There is formal and written performance appraisal system, which though appreciated, does not provide employees with feedback and counselling. Appraisal has become just a formality and appraisal data is not usually used for promotion, job rotation, training, compensation, transfer. Performance management, which has just gained roots in the HRM field, is fictional in civil service and as such, underperformance is not given the needed attention for corrective measures.

# Hypothesis 3: Performance based compensation has a significant impact on Job Satisfaction.

From this research, it is noted that on average the employees in the public service indicated that there is a merit pay system in in the Fijian civil service. The result from statistical analysis on whether performance-based compensation has a positive relation with job satisfaction gave a result of  $(\beta=0.34; \text{ P-value}=0.0001)$ . It was also noted from the study that performance based compensation improves performance which leads to job satisfaction. The civil service reform as part of the human resource management reform had

reviewed the remuneration scale with the proper job evaluation. After the review of the remuneration the Fijian civil service salary bands was endorsed in August last year. This new pay band claims to be merit and performance based but the research proves otherwise. The respondents indicated that the pay raise in their organization is not really related to performance. From the total respondent 30 percent of them indicated that they are not sure whether favoritism in the problem for performance-based compensation.

Table 4.17: Analysis of the Casual Relationship Strategic Human Resource

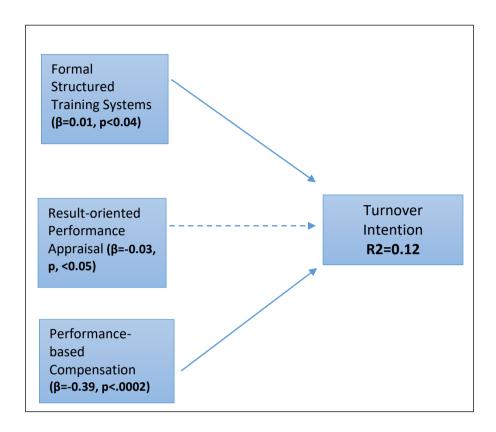
Management, Job Satisfaction and Control Variables

Dependent Variable (Job Satisfaction)										
		M - J - 1		Model 2 (Multivariate Analysis)						
	Model 1 (Bivariate Analysis)			4 control variables						
	Parame ter	Std.	t	Pr >  t	Parame ter	Std.	t	Pr >  t		
	Estima te	Error		227 [0]	Estima te	Error		227 [4]		
Intercept	1.3705	0.2284	6.0	<.0001	1.3951	0.6141	2.27	0.0250		
Formal Structure d training	0.1479	0.0754	1.96	0.0521	0.1546	0.078	1.98	0.050		
Performa nce Appraisal	0.0383	0.0893	0.43	0.6682	-0.0134	0.091	-0.15	0.884		
Performa nce based Compens ation	0.3605	0.0794	4.54	<.0001	0.3439	0.082	4.16	<.0001		
Age			I		-0.1041	0.313	0.45	0.653		

Gender		-0.0704	0.114	-0.62	0.538
Job Position		-0.0039	0.240	-0.02	0.986
Org					
N	131		131		
$\mathbb{R}^2$	0.28		0.39		
Adjusted R <sup>2</sup>	0.27		0.30		

The table 4.17 show the model 1 and model 2 for the simple linear and multiple regression analysis between strategic human resource management practices and job satisfaction is fit according to the value of Sig. in ANOVA is <0.0001, which is smaller than alpha (0.01 at 99% confidence level). This indicates that the model is fit to predict Job satisfaction. The R squared value for this model is (0.28) which indicates that the independent variable of the study accounts for 28% of the variance of job satisfaction. For model 2, the R squared value is (0.39) which indicates that the independent variables of the study accounts for 39% of the variance in job satisfaction. The table shows that the control variables for this study were the demographic factors, which were control to determine whether they influence those independent variables. It is noted from the table that the control variables do not influence the independent variables. The Significant level remain same for all the three variables

Figure 6. 1; Model for SHRM and Turnover Intention



Hypothesis 4: Formal structured training systems has significant impact on Turnover Intention.

From the research it was noted, that in the Fijian civil service formal structured training system has no significant impact on turnover intention of employees. The study also revealed that increasing the formal structure training systems would not reduce the turnover intention of employees. The result from statistical analysis on the formal structured training systems has a positive significant relation with turnover intention gave a result of ( $\beta$  = 0.01; P-value =0.04). It is because in Fiji the public service is one of the highly paid jobs in the labor force. Through it was noted that the respondents are not satisfied with the formal structured training systems but they do not have an option to choose

alternatives. This can also be attributed to the fact that training policy manual did not consider the employee involvement in the process of drafting the training policy. This was observed from the survey results whereby employees indicated that training needs are not identified through formal performance appraisal mechanism, nor does involve employees in all aspects and does not even provide opportunities to grow.

## Hypothesis 5: Result oriented performance appraisal has significant impact on Turnover Intention.

Based on the result show from the correlation and regression analysis it was noted that result-oriented performance appraisal have a significant impact on turnover intention of employees in the Fijian civil service. The result from statistical analysis on the result-oriented performance appraisal has a negative significant relation with turnover intention gave a result of ( $\beta$  = -0.01; P-value =0.04). This means that increasing result-oriented performance appraisal will reduce employee turnover intention. One of the most important aspect of performance appraisal is to have a properly planned and written appraisal system to ensure fairness in the organization. This will reduce the turnover intention of employee in the organization. The result of linear regression shows that result-oriented performance appraisal reduces turnover intention in the organization. The result indicates that 1-point increase in performance appraisal will reduce by (0.12). This means that if employees are satisfied with performance appraisal system they are more likely staying with the organization.

For instance, the aim of Fijis performance management framework is to provide quality service to its citizens with a modern an high performing civil service which receptive to government priorities. In Fiji, the new performance management framework has certain criteria set to assess employee performance, which includes the employees to be informed well in advance of the criteria of evaluation; there will be individual work plan for the with key performance indicators drawn from the job description linked directly from the ministries objectives. This also means that quite a few SHRM practices has being implemented but at what degree are they utilized shows certain level of inconsistencies. Since the performance management is a new framework at its early stage of implementation, it will have certain lag syndrome.

### Hypothesis 6: Performance based compensation has a significant impact on Turnover Intention.

Based on the findings from the survey analysis, it was shown that performance-based compensation has a significant impact on turnover intention of employee in the organization. The result from statistical analysis on whether the performance-based compensation has a negative but significant impact with turnover intention gave a result of ( $\beta$  = -0.39; P-value =0.0002). This indicates that if performance-based pay increases in organization turnover intention decreases. It can be said that since the new salary band has come in place has led the respondents to state that performance-based compensation has a significant impact on turnover intention. It was also clearly indicated by respondents that performance-based compensation is just for formalities and none of the compensation bases are utilized in their organization. There exist a level of neutral opinion about respondents not aware of the performance-based compensation and indicate a certain level of bias in the system.

Table 4.18: Analysis of the Casual Relationship Strategic Human Resource

Management, Turnover Intention and Control Variables

	Dependent Variable (Turnover Intention)							
	Model 1 (Bivariate			Model 2 (Multivariate Analysis)				
	Analysis)					4 contro variable		
	Parame ter Estima te	Std.	t	<b>Pr</b> >  t	Parame ter Estima te	Std. Error	t	Pr >  t
Intercept	2.2239	0.2831	7.85	<.0001	2.087	0.756	2.76	0.0067
Formal Structur ed training systems	0.1313	0.0935	1.40	0.0037	0.392	0.096	4.08	0.0052
Perform ance Apprais al	-0.1416	0.1107	-1.27	0.0588	-0.1304	0.113	-1.15	0.0382
Perform ance- based Compen	-0.4024	0.0984	4.44	<.0001	0.3190	0.101	3.15	<.0002
sation Age					0.4018	0.386	1.04	0.300
Gender					0.1098	0.140	0.78	0.436
Job Position					0.1268	0.296	0.43	0.669
N		131			131			
<sub>R</sub> 2		0.14			0.27			
Adjuste d R <sup>2</sup>		0.12			0.17			

The table 4.18 show the model 1 and model 2 for the simple linear and multiple regression analysis between strategic human resource management practices and turnover intention is fit according to the value of Sig. in ANOVA is <0.0002, which is smaller than alpha (0.01 at 99% confidence level). This indicates that the model is fit to predict turnover intention. The R squared value for this model is (0.14) which indicates that the independent variable of the study accounts for 14% of the variance turnover intention. For model 2, the R squared value is (0.27) which indicates that the independent variable of the study accounts for 27% of the variance turnover intention. The table shows that the control variables for this study were the demographic factors, which were control to determine whether they influence those independent variables. It is noted from the table that the control variables do not influence the independent variables. The Significant level remain same for all the three variables.

## Chapter 5: Implications, Recommendation and Conclusion

#### 5.1 Review of Research Questions

For this study, the research question was to investigate whether strategic human resource management practices affect perceived employee outcomes in the Fijian civil service. Based on the research question the hypothesis was developed, that there is statistically significant relationship between strategic human resource management practices and perceived employee outcomes in the Fijian civil service.

The research has three research objectives and one research question. The first research objective was to determine whether strategic human resource management practices for this case is (formal structured training systems, result-oriented performance appraisal and performance-based compensation) affect perceived employee outcomes, which are (job satisfaction and turnover intention).

Through an extensive literature review on strategic human resource management practices and perceived employee outcomes two research question were developed. The basis of the research questions were the 6 hypothesis. For this study, the hypotheses were extrapolated to the 3 categories of strategic human resource management practices and job satisfaction and the same 3 categories of strategic human resource management practices and turnover intention.

# 5.1.1 Research Question 1: Is there a relationship between SHRM practices and job satisfaction?

From the statistical analysis, of the relationship between strategic human resource management practices and job satisfaction shows a moderate correlation for the three practices and job satisfaction. There were three hypothesis for the research question number one. From the three hypothesis from the research question hypothesis 1 and 3 were used to answer the question with a moderate level of correlation. Hypothesis 2 was reject in this case as it had a weak correlation , thus indicating that result-oriented performance appraisal do not have as significant as effect as formal structured training systems and performance-based compensation have on job satisfaction.

# **5.1.2** Research Question 2: Is there a relationship between SHRM practices and turnover Intention?

It was found that there is weak to moderate relationship between SHRM practices and turnover intention. Hypothesis 4 to 6 was to determine this relationship. It is not always the case that weak correlation means that there is no correlation. Previous studies showed more of positive effect SHRM practices on turnover intention. Since turnover intention is viewed as a subjective basis, turnover Intention is more context and intention specific.

Since this research is quantitative based with no qualitative data to support the agreements. Therefore, this study lacks evident to support the gap between data interpretation where the quantitative was not able support this with explanation. For instance, the previous studies shows that there is a strong correlation between SHRM practices and turnover intention. Whereby this study does not provide with the same level of correlation and statistical significance. Thus, the result on SHRM practices and job satisfaction from quantitative data indicates a statistically significance, whereby the qualitative would have useful to deliver

related information to the interpretation of the result. However, the quantitative data is evident that strategic human resource management practices can significantly affect turnover intention.

#### 5.2 Recommendations

Based on the analysis in chapter 4 the study hypothesis, the study would provide some recommendation that are needed to be taken care off in order to address the problem improving of job satisfaction whereby this study is conducted to examine how well the strategic human resource management practices have influenced employee job satisfaction among the Fijian civil service. Despite there being a moderate, level of significant for strategic human resource management practices and job satisfaction.

#### 5.2.1 Formal structured training systems

From the research, it was revealed that extensive training programmes are not provided to employees in all aspects. It is therefore recommended that to improve the level job satisfaction in the Fijian civil service there needs to be plans and guidelines to implement formal structured training systems in all aspects of the Fijian civil service. It was also noted that the "wholesale" nature of training and development is being provided to employee, which does not yield any result because it is not relevant to the specific employee. Therefore, it is recommended that there should be coherent and strategic training and development plans by agencies to incorporate the individual and organization interest with a proper discussion with the employees to address his/her training needs. In addition, to enjoy the full benefits of the training and development programmes there needs to adequate monitoring evaluation of the employee performance should be provided hand in hand.

#### 5.2.2 Result-oriented performance appraisal

It was discovered from the research that performance appraisal in the Fijian civil service is just a formality therefore it is only done to prove that the performance appraisal practice exits. There is no proper and regular feedback given to the employees. Thus, it is recommended that the ministries adopt the 360-degree form of performance appraisal to help employees get confident of their own self in terms of strengths, weaknesses other needs. This form of appraisal system will also ensure regular feedback. The feedback should inform the employee on what he/she is doing well and clearly specific what areas the employee needs to improve and why. A quality and regular conversation with the supervisor and manager is a simplest form to performance appraisal. In addition, it is recommended that there is open communication channel and involvement of employee in term of hoe the evaluation is done, the objective of the performance appraisal needs to be clear to employees and under the result-oriented performance appraisal systems performance of employees is measured based on objective quantifiable results. Finally, it is recommended that there needs to be proper and effective human resource management strategies that is focused on employing and sustaining a dedicated and inspired labor force for improved performance. Furthermore, the need to be ministries need to align it key objectives into implementable targets.

## **5.2.3** Performance-based compensation

The findings from this study illustrates that merit-based pay system is in practice in the Fijian civil service but respondents have taken a neutral stand for this merit-based system reflecting that it proves otherwise to what it claims. Therefore, it is recommended that the performance-based compensation should be designed in a way that to gain confidence of the employee for the compensation based on performance. In addition to the above, it is also

recommended that in order to ensure that pay-for performance improves performance ministries should make clear how employees are being evaluated for pay-for performance. Furthermore, there is a great need for awareness for new par-for performance under the civil service reforms mandate for Fiji. Only if the pay-for performance is executed properly with proper awareness and with the help of the qualified staff in executing this system will definitely add value to the improvement of performance in the Fijian civil service. It needs to be given more exposure within the employees in the civil service to get rid of the uncertainty whether it the newly implemented pay-for-performance has improved the performance of the employees or not.

#### 5.3 Implications

From the viewpoint of theoretical contribution, this study provide useful information to the human resource management and the future researcher in the field of Strategic human resource management practices and perceived employee outcomes. This study provides strategic for employers in order to deal with problems and which particular human resource management practices to focus on to increase the level of job satisfaction and decrease the turnover intention of employees. Employees will be efficient and effective in the respective organization with the increase level of job satisfaction. Thus, from the findings of the study, it is noted that this strategic human resource management practices are new and unfamiliar to the employees, therefore the organization needs to take a lead role in this by emphasizing on this practices to increase level of job satisfaction and decrease turnover intention. There is a need for the organization to involve the employees in the process of making these programs to have better implementation of this programs where the employees are encourage increasing their critical thinking and analysis. This

will be further enhanced only if this activity is backed by a succession plan, which will help to predict the future abilities of existing human resource and future resource requirements.

#### **5.3.1 Implication on SHRM**

Following the findings of the research, it revealed that there is a moderate impact of strategic human resource management practices on job satisfaction. With the moderate level of statistically significant result it can concluded that the model is still valid to be considered. With this result, the organization will be able to develop a positive perception of organization to determine the main concerns of the employees to measure job satisfaction when generated by perception. To add on, this result from the analysis of survey will assist the organization in enhancing the job satisfaction by changing their employment policy giving reference to the results. This will imply on the organization to understand the value strategically formalized human resource management. It is because the realization of the fact appears to be greater obstacle to its adoption than the process itself. Moreover, all the strategic human resource management practices will have a link to job satisfaction and turnover intention as well, of the fact that employees are concerned about these variables. Henceforth, each of the variables are equally important and need to be taken into consideration to achieve the expected outcomes of the organization and meet the expectations of the employee. In addition, it is important for organization to bring in place strategic to motivate employees in the workplace to reduced turnover intention of the employees.

### **5.3.2 Policy Implication**

Based on the findings of the study, it suggests the following policy implication, which should be implemented to address the issue of increasing job satisfaction

and decreasing turnover intention inn the Fijian civil service. Overall, there in a decreasing effect of job satisfaction among employees in the Fijian civil service. Policy makers in Fiji should therefore consider that the changes in the human resource management practices due civil service reforms, globalization, changes in organization changes in government structure has led to the decreasing satisfaction level. The government needs to work on building up a conducive training policy, which takes in consideration the training needs to employees aligned to the organization objectives. The policy needs skilled HRM specialist who can handle needs assessment and the effective implementation of this policy is far more important to avoid providing whole training to the employees.

Moreover, policy makers in line with the result-oriented performance appraisal will have to work hard than those policy makers since the statistical result for these practices did not quiet favor the current practice. Since this phenomenon is quiet recent in developing countries it is well communicator to the employees. In practices, this was supposed to the increase the satisfaction and performance of employees in the organization. The policy makers needs to consider the performance assessment system to be more open, carry out regular feedback, and incorporate 360- degree feedback. The policy has to be communicated to the employee with proper evaluation criteria discussions. It is equally important for the policy highlight the use of appraisal result for decision related to training, compensation, transfers oversea assignment, promotion, etc.

Furthermore, organizations that are wishing to adopt performance-based compensation firstly should have clear objectives. This objective needs to be clearly communicated to the employees in an integrative and affirmative way. A great degree of employee involvement is necessary remove any level fear,

mistrust and doubt towards the system. For a successful operation of this scheme, adequate preparation vital before the system is in place. Policy makers needs to consider the organizational culture, available skills assessors to commerce this system. A suggestion is proposed for performance-based compensation is to have incentive schemes rather than merit-based. Incentive system leave little room for disagreement because it is based on relatively objectives indices of performance. Therefore, it is more conductive to achieve their objectives. Finally, the policy should incorporate both financial and non-financial compensation to motivate employees eligible for compensation. In the 21<sup>st</sup> century employees are not only motivate with financial incentives so the non-financial will enhance the value.

#### 5.4 Limited of the study

As this study, focus was on the cross sectional survey design. One of the main shortfall of the study was that there are very few to none of the literature available on strategic human resources management practices and perceived employee outcomes in Fiji. There are previous studies conducted in this area but in different region and countries. This are most developed and middle-income developing countries. Another major limitation was that the sample size was not supportive of the study to represent the whole population. This led the study to borrow research from other countries to support the study, which can be quite questionable as to the impact of this on the research for Fiji. This also leads to another drawback, which is that it hinders the study by not allowing a deeper analysis due to size of population such as regression analysis. This also led to a poor determination of the level of impact of the control variables.

The other limitation was answering questionnaire in my country especially by the civil servant is not welcoming. This is because they fell that they job will be at risk if they get involved in any study conducted. In addition, some ministries policies do not allow them to part take in any questionnaire. This leads to respondent falsifying the answers. The major limitation is the availability of internet access since the questionnaire online google survey form. This study lacks qualitative study to back up the study with some in-depth explanations to the research questions. The other leading limitation was the method of data collection since it is most based on questionnaire and respondents fills this based on the perception which may not very reliable. Last but not the least, there was limited access of information and data from the country and collecting first hand raw data to make this research more reliable and valid was quiet difficult.

Apart from the limitations, this research provide insight information on the impact of strategic human resources management practices on perceived employee outcomes in the Fijian civil service. It also provides valuable contributions to the academic literature of Fiji in the area of strategic human resources management practices on perceived employee outcomes.

#### 5.5 Future Direction

This study is only focused on two ministries as the population under study. A further research is recommended including all ministries in Fijian civil service to deliver a way better generalization of the results. A qualitative research is further recommended to provide will an in-depth and more accurate understanding of the study. Other tools to be used such as interview. This will lead to a better understanding of the topic. Apart from that a suggested for future research should include a wider sample size to get more reliable results. Moreover, recommendation for future study is to include more Strategic human resource management practices in the research to examine relationships that are

more credible. A further study should be conducted with revise scales and all ministries to measure perceived employee outcomes. To enable an extension on the linkage with SHRM and perceived employee outcomes recommendation is made to conduct a longitudinal research.

#### 5.6 Conclusion

The main objective of the study was to determine the impact of Strategic human resources management practices on perceived employee outcomes in the Fijian civil service. This research revealed that there exist a moderate impact of Strategic human resources management practices on perceived employee outcomes in the Fijian civil service whether separately or collectively. This study provides in detail the discussion of this the result gather from the analysis. It is mainly concentrated on the perception of employees on the impact of SHRM such formal structured training systems, result-oriented performance appraisal and performance-based compensation. The main purpose of the paper was to examine the perception of employees in order to determine the relationship between the independent and dependent variables. Since the correlation between the independent and dependent variable was moderate it was recommended for a critical scrutinizing in the future studies.

This also leads to conclude that ministries for this study need to give more attention to the better management of the SHRM practices to gain competitive advantage and gain full prospective. The major aim of the paper was to ensure that this practice increases the job satisfaction level of employees and reduces the turnover intention of employees in the Fijian civil service. As turnover intention is seen as the antecedent, it is therefore vital for the organization to work towards planning strategic that will reduces the turnover on employees and improve employee performance and efficiency.

This study has looked into the implementation of HRM practices and the relationship between human resource management practices and perceived employee outcomes in government ministries under the new public management context in Fiji. There are various advantages in studying the HRM practices of an organization and this particular research will add on to the literature on the execution of new public management framework especially the human resource management issues and propose ways of enhancing perceived employee outcomes in service delivery for civil servants and government level.

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**Annexation** 

**Questionnaire** 

STRATEGIC HUMAN RESOURCE MANAGEMENT PRACTICES AND JOB

SATISFACTION SURVEY

**Appendix: List of Survey Questions** 

Dear Respondent,

I am a candidate for the Master degree of Public Administration at Seoul National

University (SNU) – South Korea. I am conducting research on "The Impact of Strategic

Human Resource Management Practices on Job Satisfaction in Fijian Civil Service."

The research is purely for academic purpose and your participation will be appreciated.

The information you provide will be treated as confidential. Please assist me by

attending to this questionnaire.

I appreciate your feedback, as it will enable us to assess and improve the Human

Resource Management Practices in the public service. Please feel free to let us know

your comments, views and suggestions.

Your evaluation will be kept confidential.

Thank you for your cooperation.

Yours sincerely,

Prashila Priya Mohini

If you have questions, please contact me through the following means:

Phone No:

Email:

**SECTION (A): Human Resource Management Practices** 

In this section, please indicate by selecting the appropriate rating box (as detailed hereunder) against each statement to show the extent to which you agree with it.

The Rating Are:

Strongly Disagree = 1

• Disagree = 2

Neutral = 3

Agree = 4

Strongly Agree = 5

#### **Formal Structured Training Systems**

Please read the statements thoroughly and indicate your level of agreement with the following statements about Formal Structured Training Systems.

Forma	l Structured training systems	1	2	3	4	5
1.	Extensive training programmes are					
	provided for employees in all aspects.					
2.	I have training opportunities to learn and					
	grow.					
3.	I am selected for training programmes that					
	suit my job needs most					
4.	Training needs are identified through a					
	formal performance appraisal mechanism					
5.	Training programmes have improved my					
	decision making and problem-solving					
	skills					

#### **Performances Appraisal**

Please read the statements thoroughly and indicate your level of agreement with the following statements about Performance Appraisal.

Perfor	Performance appraisal		2	3	4	5
1.	Performance appraisal is fair in this organization					
2.	There is a formal and written					
3.	performance appraisal system  I am informed of how my performance					
4.	Performance of employees is measured					
	on the basis of objective quantifiable results					
5.	The objectives of the appraisal system are clear to employees					

#### **Performance-based Compensation**

Please read the statements thoroughly and indicate your level of agreement with the following statements about Performance-based Compensation.

Performance based Compensation		1	2	3	4	5
1.	Pay for performance improves					
	performance					
2.	My organization is committed to a merit					
	pay system.					
3.	Implementing pay-for-performance (merit					
	pay) makes employees in my state more					
	productive than not implementing pay-for-					
	performance.					
4.	Pay raises in my work unit often are not					
	really related to performance.					
5.	Favoritism is a problem for the pay-for-					
	performance program in my agency					
T. L. C. 42.	8 4					

#### **Job Satisfaction**

Please read the statements thoroughly and indicate your level of agreement with the following statements about Job Satisfaction.

Job Satisfaction		1	2	3	4	5
On my present job, this is how I fee	l about					
1. I am satisfied with my job.						
2. I do not feel valued and affirm	ed at work.					
3. The work requirements of my	job are					
reasonable.						
4. I feel confident that my job wi	ll be					
satisfying in the future.						
5. I sometimes feel like I am not						
accomplishing anything with a	ny work.					

#### **Turnover Intention**

Please read the statements thoroughly and indicate your level of agreement with the following statements about Turnover Intention.

Turnover Intention	1	2	3	4	5	1
--------------------	---	---	---	---	---	---

1.	I often think about quitting my current			
	job.			
2.	I will probably look for a new job after			
	one or two years.			
3.	I do not want to keep this position until			
	retirement.			

## **Section B: Demographic Information**

Please choose the appropriate answer (s)

#### 1. Gender

	Gender	Please tick
1.	Male	
2.	Female	

## 2. Age

	Age	Please tick
1.	18 – 29	
2.	30 – 39	
3.	40 – 49	
4.	50 – 59	
5.	60 – 69	
6.	70 or older	

## 3. Job Position

	Job Position	Please tick
1.	Management Staff	
2.	Middle Management Staff	
3.	Senior Staff	
4.	Junior Staff	

## 5. Education

	Education	Please tick
1.	Doctorate	
2.	Master's Degree	
3.	Postgraduate Diploma	
4.	Bachelor's Degree	
5.	Diploma	
6.	Trade	
7.	High School equivalent	

## 6. Organization

	Organization	Please tick
1.	Ministry of Education, Heritage and	
	Arts	
2.	Ministry of Defence and National	
	Security	

## 국문초록

## 전략적 인적자원관리 시행이 인지된 직원 성과에 미치는 영향: 국방·안보·교육, 문화·예술 중앙부처의 피지 공무원 대한 연구

Prashila Priya Mohini 서울대학교 행정대학원 글로벌행정전공

대중에게 서비스를 제공하는 방법은 훌륭한 인적자원부를 갖는 것이다. 신공공관리 시대에는 노동력에서 경쟁력을 유지해야 한다는 압박감이 크다. 인적자원관리의 변화와 함께, 고용기반 계약으로 평생 고용과 같은 사례시행들은 직원들을 경쟁의 궁지로 몰게 된다. 본 연구의 주요 목적은 피지 공무원 중 인지된 직원 성과에 대하여 전략적 인적 자원 관리 시행의 영향을 살펴보고는 것이었다. 본 연구는 피지 2개 중앙부처의 공무원에 설문조사를 실시하였다. 설문지는 문헌 연구를 바탕으로 개발되었으며, 과거 설문지를 참고하여 연구에 맞게 수정하였다.

결과를 알아보기 위해 수집된 데이터에 대한 통계 분석을 진행하였다. 또한, 가설을 검증하고 연구 질문에 대답하기 위해 기술 통계, 크론바흐 알파값, 다중 회귀 분석을 사용하여 분석하였다. 분석 결과, 전략적 인적자원관리 시행이 피지 공무원의 업무 만족도와 이직 의도에 미치는 영향은 미미했다. 분석 결과를 바탕으로 피지 공무원의 업무 만족도를 높이고 이직 의도를 낮춰야 한다는 권고가 제시되었다. 무엇보다도, 공무원들에게 대규모로 전체 교육을 하지 말 것을 권고한다. 중앙부처는 공무원들에게 제공되는 교육의 질에 초점을 맞추어야 하며, 이 훈련은 공무원들의 문제해결과 분석 능력을 향상시키기 위한 구성원 프로세스 구축 과정의일환이라는 것이 중요하다. 또한, 업무 만족도의 극대화와 이직 의도최소화를 위하여 인적자원부서는 전략적 인적자원관리 정책 개발 및 실행지침의 체크리스트를 개발해야 한다. 가장 중요한 것은 인적자원부서는하급직 공무원이 그들의 걱정을 제기할 수 있으며 그들이 가지고 있는기술을 업무에 활용할 수 있도록 하는 "문호개방정책"을 실시해야 한다. 그리고 업무를 수행하기 위해 실질적 기대를 가질 수 있도록 구축해야 한다.

주제어: 전략적 인적 자원 관리, 공식 구조 교육 시스템, 결과지향적인 성과 평가, 성과 기반 보상, 피지 공무원

학번: 2017-28497

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