

# HUMAN RESOURCE MANAGEMENT AFFECTING JOB SATISFACTION OF OPERATIVE EMPLOYEES: A CASE STUDY OF AUTOMOTIVE PARTS MANUFACTURING COMPANY

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**Abstract:** *The objectives of this research are 1) To study the job satisfaction of operative employees in an automotive parts manufacturing company, 2) To study the human resource management affecting the job satisfaction of operative employees in an automotive parts manufacturing company. Data was collected from 135 samples by using a questionnaire using simple random sampling from operative employees. Data was analyzed by percentage, mean and standard deviation whilst the Stepwise multiple linear regression was used for the hypothesis test. As for the results, the job satisfaction resulted at a high level. The human resource management in both recruitment and labor relations affected job satisfaction with a statistical significance level of 0.01. Both recruitment and labor relations could explain the variation of job satisfaction for 51.7 percent*

**Keywords:** *Job Satisfaction, Human Resource Management, Automotive Supplies Industry*

## 1. Introduction

Nowadays the automotive supplies industry in Thailand has expanded and focused on developing manufacture technology to be more effective to increase the range and types of parts manufacturing in the market. The manufacturer's quality and standard has been approved by international cars manufacturers so it raises the number of export sales worldwide. Thailand's automotive supplies industry currently provides jobs to over 100,000 people with 1,657 manufacturers and 2,237 industries (Office of Small and Medium Enterprises, 2015). Most parts manufacturers are small and medium enterprises (SMEs) and located in industrial parks in Bangkok and nearby provinces i. e. Samut Prakarn, Rayong, Chachoengsao and Chonburi.

Parts manufacturers are typically located near automotive industries. There are two main markets for parts manufacture; one is the Original Equipment Market (OEM), and the other is the Replacement Equipment Market (REM).

The important key role that drives parts manufacturing is the 100,000-labor force. The main factor affecting the automotive supplies industry is the job satisfaction of employees. If workers struggle or delay their work performance, this can affect negatively to their job satisfaction. If these troubles still exist, they then pay less attention to their work performance. It is why human resources is required to play an important role to manage employees' job satisfaction to be at its best and find strategic plans to get rid of those work performance troubles in order to keep quality operational level employees and further develop their organizations.

Since job satisfaction can affect employees' work performance and an automotive parts manufacturing company has faced some problems with their employees i.e. employees changing their

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jobs or their work performance is not as good as before. This research is interested in studying the role of the human resource management affecting the job satisfaction of employees in an automotive parts manufacturing company which can help solve and prevent problems, find solutions to create the job satisfaction to their employees and reduce work performance problems. In addition, it can help the company set management plans in order to reduce job changing and provide more efficiency and employee work performance.

## 2. Objectives

To study the job satisfaction of operative employees in an automotive parts manufacturing company.

To study the human resource management affecting the job satisfaction of operative employees in an automotive parts manufacturing company.

## 3. Hypothesis

Human Resource Planning, Recruitment, Training and development, Compensation and Benefits, Safety and Health, Labor Relations and Performance Appraisal, affects job satisfaction.

## 4. Research Framework

This research brings the concept and theory on human resource management from Mondy, Noe & Premeaux (1999) to study the role of human resource management affecting the job satisfaction as well as using a questionnaire that is adjusted from the Minnesota Satisfaction Questionnaire (MSQ) (Weiss et al. 1967) which is widely used for this type of study.

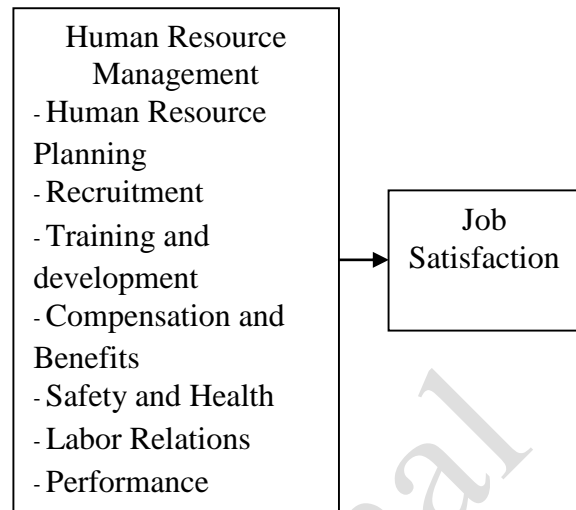


Figure 1 Conceptual Framework

## 5. Scope of the Research

**Population** is 165 operative employees in an automotive parts manufacturing company (information from the human resource department of an automotive parts manufacturing company dated 18 July 2015). The sample size of this research is 135 operational level employees.

**Independent Variables** are human resources management, which are human resource plans, recruitment, training and development, benefits and profits, health and safety, labor relations and performance evaluation.

**Dependent Variable** is job satisfaction.

## 6. Research Instrument

The research instrument is a questionnaire which is divided into 3 parts;

Part 1 is questions about personal factors of the samples which are gender, age, marital status, educational level, monthly income and experiences with the company.

Part 2 is questions about human resource management, which are human resource planning, recruitment, training and development, compensation and benefits,

safety and health, labor relations and performance appraisal.

Part 3 is questions about job satisfaction.

## 7. Data Collection

Data was collected from operative employees in an automotive parts manufacturing company by using a questionnaire. The completed questionnaire was collected from 135 samples in October 2015.

## 8. Data Analysis

1) A reliability test of the research instrument was completed using Cronbach's Alpha coefficient with a result of higher than 0.7

2) General information of the samples was analyzed by using percentage, mean and standard deviation.

3) Data about opinions toward human resource management and job satisfaction was analyzed by using mean and standard deviation.

4) Inferential statistics was used for the analysis of the hypothesis test. Stepwise multiple linear regression was analyzed to find independent variables that affect the job satisfaction of operative employees in an automotive parts manufacturing company.

## 9. Results

**Table 1** Personal factors of respondents.

Personal factors	Unit	Percent
1. Gender		
Male	34	25.20
Female	101	74.80
Total	135	100.00
2. Age		
Less than 20 years	7	5.20
	50	

21 years - 30 years	62	37.00
31 years - 40 years	16	45.90
41 years - 50 years		11.90
Total	135	100.00
3. Marital		
Single	75	55.60
Married/ Live together	55	40.70
Divorced / Separated	5	3.70
Total	135	100.00
4. Educational level		
Lower Secondary School	59	43.70
High School	35	25.90
Diploma	20	14.80
Bachelor Degree	21	15.60
Total	135	100.00
5. Monthly income		
Less than 10,000 Baht	62	45.90
10,001 - 15,000 Baht	34	25.20
15,001 - 20,000 Baht	23	17.00
20,001 - 25,000 Baht	16	11.90
Total	135	100.00
6. Experience at the company		
Less than 1 years	16	11.90
> 1 - 3 years	13	9.60
> 3 - 6 years	21	17.80
> 6 - 9 years	69	51.10
> 9 - 12 years	12	8.90
More than 12 years	1	0.70
Total	135	100.00

In table 1, the results showed that the most of operative employees of an automotive parts manufacturing company were female (74.80%), older being between 31 years - 40 years (45.90%), who had a married/live together status (55.60%), were educated not higher than lower secondary school level (43.70%), having an average income per month of less than 10,000 Baht (45.90%) and more than 6-9 years work experience in this company (51.10%).

**Table 2** Mean ( $\bar{x}$ ), Standard deviation (S.D.) and Level of human resource management.

Human Resource Management	$\bar{x}$	S.D.	Level	Rank
1. Human Resource Planning	3.64	0.70	high	3
2. Recruitment	3.47	0.57	high	4
3. Training and Development	3.41	0.70	high	6
4. Compensation and Benefits	3.21	0.82	medium	7
5. Safety and Health	3.87	0.67	high	1
6. Labor Relations	3.65	0.57	high	2
7. Performance Appraisal	3.42	0.78	high	5
Total	3.52	0.51	high	

In Table 2, human resource management resulted at a high level (mean = 3.52). Human resource management was found in similar results (standard deviation = 0.51). Considering each factor, the higher to lower results were safety and health, labor relations, human resource planning, recruitment and performance appraisal, respectively.

**Table 3** Mean ( $\bar{x}$ ), Standard deviation (S.D.) and Level of job satisfaction.

Dependent Variable	$\bar{x}$	S.D.	level
job satisfaction	3.73	0.54	high

In Table 3, the job satisfaction resulted at a high level (mean = 3.73, standard deviation = 0.54).

**Table 4** Stepwise Multiple Linear Regression analysis of human resource management affecting the job satisfaction.

Independent Variables	$\Delta R^2$	t	p-value
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Constant	1.02	4.43	0.000**
Recruitment	0.51	7.26	0.000**
Labor Relations	0.24	3.40	0.001**

$$\Delta R^2 = 0.517 ; \Delta R^2 - \Delta R^2_{\text{adj}} = 0.000**$$

\*\* Statistical significance level of 0.01

In Table 4, the results found that  $\Delta R^2$  is 0.517, which means that both independent variables could explain the variation of job satisfaction for 51.7 percent. For recruitment, the job satisfaction results were mostly linear ( $\Delta R^2 = 0.51$ ) with a statistical significance level of 0.01, followed by labor relations ( $\Delta R^2 = 0.24$ ).

## 10. Discussion

1. The job satisfaction resulted at a high level as employees at an automotive parts manufacturing company had an opportunity to perform their work to the best of their ability and be able to achieve the company goal which could help them get promotion and be satisfied with their careers. The employees had chances to work their unique ways and plan work that didn't destruct the whole company's system. Employees' incomes were suitable with employees' positions. They were stable at their careers, accepted socially and praised by colleagues and bosses. Employees' work environment was suitable for their work performance which is related to the research of Lertsuwunseri (2012) stating that the job satisfaction was found at a high level.

2. For human resource management, the recruitment factor affected job satisfaction as an automotive parts manufacturing company has planned to recruit employees at the same standard and being fair to all candidates, both inside and outside company so that they could find the right persons for the right jobs. The recruitment for people who already work in the company helps to find the right people

quickly and less time is spend for training. While the recruitment from outside could help the company get new employees with versatile skills, knowledge and experience, which could help the company improve some work performance. This is related to the research of Nimkoetphol (2012) who stated that the human resource management factor that the company performed the most was the recruitment in which the company had recruitment with a good and fair system and under the same standard. So the employees were satisfied with their jobs as they did not have to be stressed if they had the right amount of work and had skills for their own work.

For the labor relations factor, it was related to the job satisfaction as an automotive parts manufacturing company managed to set a close relationship between employers and employees. The employers were able to hear employees' opinions and adjust work performance according to the company's policy. The company informed all employees about the company's policy so that they could follow in the same direction. The employers were able to give some advice in cases where there were some problems at work, which is related to the research of Karnkarn (2005) who stated that the company was focused on keeping their organization at its best for the human resource management, which could drive the company to achieve its success. One good management proposal was to build labor relations between 'employers and employees', 'higher and lower positioned staff', 'colleagues and colleagues' and create a company system that could take care of employees' health which could reflect employers' willingness to make their employees happy at work.

## 11. Recommendations

### 11.1 Recommendations from this research

1. For recruitment, the company should find appropriate ways or a good

system to recruit employees from both inside and outside the company. The job and candidate requirements should be clearly stated and meet the company's needs. The company should also offer various types of requirements and skills for recruiting new employees.

2. For labor relations, the company should have effective labor relations. Employers should be able to hear employees' opinions and be fair to all. In addition, the company should give precedence to create a system that let employees receive advice or answers immediately when they need them.

### 11.2 Recommendations for further research

1. The results found that human resource management affected the job satisfaction towards only 2 factors, the recruitment and labor relations. The next research should study why other factors do not affect job satisfaction and should suggest how to solve the problem in the future.

2. The other factors affecting job satisfaction should be further studied, i.e. organization factor, in order to understand and use as a guideline for the next study.

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