



EFFECT OF SOCIALLY-RESPONSIBLE HUMAN RESOURCE PRACTICES ON JOB SATISFACTION AND EMPLOYEES' INTENTION TO QUIT WITH SPECIAL REFERENCE TO SELECTED HOTELS IN PASIKUDAH, SRI LANKA

T. Sellar*, R. Lanjana

Department of Management, Eastern University, Sri Lanka

INTRODUCTION

Over the past few decades, intense globalization and privatization have brought radical transformation in the dynamics of the business environment. The shift in the modern company from focusing on rapid economic growth to an emphasis on ethical and sustainable ideology has caused practitioners to rethink not only corporate strategies, but also human resource management (HRM) policies and practices (Ardichvili, 2011). Social responsibility is one of the most dynamic and demanding activity areas for modern corporations, where importance is put on fostering employee participation in corporate social responsibility (CSR) activities (Garavan, Heraty, Rock & Dalton, 2010). Social responsibility indicates the balanced approach to the economic, social and environmental impact of the corporation running and is based on the triptych of the growth, sustainability and social cohesion (Korontzis, 2013). Employees who represent an organization as a stakeholder, through CSR activities, will undoubtedly help the organization in rising ethically and sustainably. To attain this internal or employee-focused CSR, organizations are very much dependent upon their HRM function for the effective implementation of such kinds of human resource (HR) practices. Shen and Zhu (2011) have termed these HR practices as 'socially responsible HR (SR-HR) practices' with a notion that SR-HRM is as effective as other progressive HRM systems in the strategic development of organizations. The association between SR-HR practices and job satisfaction seems to have a greater effect size than the relationship between SR-HR practices and employees' intention to quit. The reason behind this result is that being an attitudinal variable, job satisfaction is the most immediate consequence of the application of SR-HR practices, and therefore receives a bigger impact than employees' intention to leave, which is a behavioral outcome (Kundu & Gahlawat, 2015).

In Sri Lanka, the hotel industry incorporates the diverse culture of the country. Based on the report of the World Travel and Tourism Council (2017), the direct contribution of the tourism sector to the country's GDP in 2016 is 5.1 % of total GDP. The Hotel Association of Sri Lanka addressed human resource development as one of the key initiatives in 2018. The Sri Lankan government identifies Pasikudah as one of the most attractive destinations in Sri Lanka. Hence managing the employee-related attitudes and behaviours needs more attention in the hotel sector in Sri Lanka. And the turnover intentions of hotel employees need special attention in order to incorporate the improvement of the tourism and hospitality industry in Sri Lanka.

The present article concentrates on this relatively novel area, which is very often termed socially responsible HRM. Very little empirical research has examined the effects of SR-HR practices from an internal or employee perspective (Kundu & Gahlawat, 2015). Studies of Hansen, Dunford, Boss, Boss, and Angermeier (2011), have also opined that research on socially responsible practices has mainly concentrated upon external stakeholders and outcomes, no spotlight has been given to the internal aspects that relate to CSR and firm performance and its impact on internal stakeholders such as employees. Until far, little research has attempted to establish a link between SR-HR practices and employee intention to quit, particularly in developing nations. The studies by Kundu and Gahlawat (2015) undertook the variables of job satisfaction and intention to quit as those are the important attitudinal variables, which have not been examined in early research. This highlights the importance of researching the effects of socially responsible HR (SR-HR) practices on intention to quit, while also determining the underlying mechanism underlying this relationship with the help of another employee attitudinal variable, job satisfaction. Thus, the study intended to achieve the following objectives;

1. To assess the level of socially responsible human resource practices, job satisfaction and employees' intention to quit.

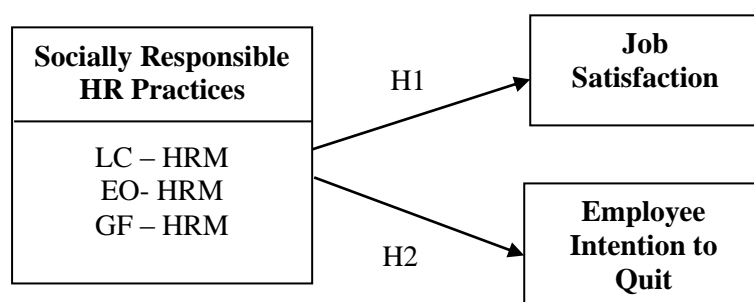
2. To investigate the relationships between socially responsible human resource practices and employees' intention to quit.
3. To investigate the relationships between socially responsible human resource practices and job satisfaction.
4. To investigate the effect of socially responsible human resource practices on job satisfaction and employees' intention to quit.

METHODOLOGY

The current study adopted a quantitative approach based on survey research design. Also, this study is a cross-sectional study. Accordingly, 415 employees were reported from all the selected four hotels and 200 employees were selected using the stratified random sampling technique. According to Krejcie and Morgan (1970), a minimum of 201 respondents should be selected as the sample size, if the sample population is around 420. The reliability of the instruments was measured using Cronbach's alpha analysis. It measures the internal consistency of the instrument, based on the average inter correlation (Zikmund, Babin, Carr, & Griffin, 2013). In this study, Cronbach values for overall variables are above 0.70 so it indicated that all items were considered as reliable, which suggests that the internal reliability of each instrument was satisfactory. The research adopted Shen and Zhu (2011), in classifying SR-HRM dimensions as three different constructs: Legal Compliance HRM (LC-HRM), Employee-Oriented HRM (EO-HRM) and General CSR Facilitation HRM (GF-HRM), and these were measured by six, four and three items respectively. Job satisfaction measurement was adapted from Green, Wu, Whitten and Medlin (2006)'s study, which consists of four items. Further, employees' intention to quit measurement was adapted from Yavas, Karatepe, Avci and Tekinkus (2003), which also consists of four items. Responses were obtained on a five-point Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree). The researchers used the descriptive statistics; mean and standard deviation to achieve objective 1, the second objective of the study was investigated using the Pearson correlation analysis and the third objective was investigated using regression analysis (SPSS 22.0 Version).

The conceptual framework of the study was derived from the previous theoretical and empirical literature on SR-HR practices, job satisfaction and turnover intentions (Kundu & Gahlawat, 2015; Shen & Zhu, 2011). Accordingly, LC-HRM, EO-HRM, and GF-HRM are the dimensions of the independent variable; SR-HR practices. Job satisfaction and turnover intention were concerned as the dependent variables of the study.

Figure 1: Conceptual Framework



(Source: Kundu & Gahlawat, 2015)

H1: SR-HR practices are negatively related to job satisfaction.

H2: SR-HR practices are positively related to employees' intention to quit.

RESULTS AND DISCUSSION

Discussion of respondent profile consists of the distribution of job position, gender, age, education level and working experience. The sample profile of the current study consisted of 85.5% males and 14.5% females. The non-executives are showing the higher proportion in the sample as 87%, while the managers and executives are respectively 5% and 8%. Considering the age distribution, the majority of the sample (59%) is 26 -35, while 17% of the sample was in between 18-25 years of age. A vast majority of the respondents have worked in hotels. 49% fall under 2-5 years of working experience and the majority of the respondents are with G.C.E. A/L, which represented 49% of the sample.

Based on the mean values, SR-HRM practices expressed a high level of the mean value (Mean=4.41 and SD=0.366) as a result of the analysis. The mean value of 1.51 of intention to quit illustrate a low level among the respondents of selected hotels, while the dependent variable job satisfaction shows a high level mean value as 4.44 with the standard deviation of 0.440 (see Table 1).

Table 1: Mean and Standard Deviation

	Mean	SD
SR-HRM	4.41	0.366
LC-HRM	4.51	0.361
EO-HRM	4.17	0.649
GF-HRM	4.56	0.437
Job Satisfaction	4.44	0.440
Intention to Quit	1.51	0.512

Notes: * $p < 0.05$, ** $p < 0.01$, $N = 200$

(Source: Survey Data)

As shown in Table 2 above, Pearson correlation (r) value of 0.722 shows a strong positive relationship between SR-HRM and job satisfaction. Also, r value of -0.664 shows a strong negative relationship between SR-HRM practices and employees' intention to quit. As the level of significance is less than the alpha value (0.000), it can be concluded that both hypotheses; H1 and H2 are accepted.

Further, SR-HRM dimensions; LC-HRM, EO-HRM and GF-HRM respectively shows negative relationship with the employees' intention to quit as -0.401, -0.667 and -0.447 and EO-HRM shows the strongest negative relationship with the employees' intention to quit. De Jong (2011), has explored that employee-oriented CSR practices and reflected that the practices are lowering absenteeism and voluntary turnover rate. According to Kundu and Gahlawat (2015), the coefficient of overall SR-HRM is significant and negative for employees' intention to quit. The correlation analysis expresses the result of a strong positive ($r = 0.722$) relationship between the two variables SR-HRM practices and job satisfaction. The dimensions of SR-HRM practices with job satisfaction show a positive relationship. It is classified as LC-HRM, EO-HRM shows a strong positive relationship and GF-HRM shows a medium positive relationship. De Roeck, Marique, Stinglhamber and Swaen (2014), in their study on hospital employees, have attempted to explain the positive relationship between CSR initiatives and employee job satisfaction. The study by Kundu and Gahlawat (2015), explains that the coefficient of overall SR-HRM is found to be significant and positive for job satisfaction.

Table 2: Correlation Analysis

		SR-HRM	LC-HRM	EO-HRM	GF-HRM
Job Satisfaction	Pearson Correlation	0.722	0.516	0.774	0.413
	Sig. (2-tailed)	0.000	0.000	0.000	0.000

Intention to Quit	Pearson Correlation	-0.664	-0.407	-0.667	-0.447
	Sig. (2-tailed)	0.000	0.000	0.000	0.000

Notes: * $p < 0.05$, ** $p < 0.01$, $N = 200$
(Source: Survey Data)

According to the results of regression analysis (see Table 3), “R Square” statistic indicates that 44.1% of the variation in the employees’ intention to quit is explained by SR-HRM. The B coefficient for the SR-HRM is -0.931. This means that on average, if go up by 1 point on the SR-HRM scale, employees’ intention to quit will decrease by -0.931 units. Based on Table 4, the linear regression is $p = 0.000$, which indicates that the SR-HRM has significant influence on employees’ intention to quit. The argument of Allen (2001) established that employee-oriented practices in SR-HRM are negatively related to the intention to leave the organization. The study of Kundu and Gahlawat (2015) explains the similar findings that the SR-HR practices negatively affects employees’ intention to quit.

Table 3: Model Summary of SR-HRM on Employees’ Intention to Quit

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	0.664	0.441	0.438	0.384	0.441	156.168	1	198	0.000
a. Predictors: (Constant), SR-HRM									

Table 4: Coefficient for SR-HRM and Employees’ Intention to Quit

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	5.616	0.330		17.034	.000
	SR-HRM	-0.931	0.074	-0.664	-12.497	.000
a. Dependent Variable: Intention to Quit						

Moreover, the study results highlighted that 52.2% of the variation in job satisfaction is explained by SR-HRM (see Table 5) while the B coefficient for the SR-HRM is 0.869. This means that on average, if go up 1 point on the SR-HRM scale, job satisfaction will increase by 0.869 units (see Table 6). Since the p value is less than 0.05, study results proved that SR-HRM has a significant effect on job satisfaction. Kundu and Gahlawat (2015) stated in their study as, with an application of SR-HR practices, organizations enhance job satisfaction. The study by Morgeson, Aguinis, Waldman and Seigel (2013) suggested that effectively internalized CSR in HRM function positively affects employees’ attitudes and behaviours.

Table 5: Model Summary for SR-HRM and Job Satisfaction

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	0.722	0.522	0.520	0.305	0.522	216.202	1	198	0.000
a. Predictors: (Constant), SR-HRM									
(Source: Survey Data)									

Table 6: Coefficient for SR-HRM and Job Satisfaction

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	0.600	0.262		2.294	.000
	SRHRM	0.869	0.059	0.722	14.704	.000

a. Dependent Variable: Job Satisfaction

CONCLUSION/ RECOMMENDATION

At the outset of this study, it is highlighted that the mechanisms through which SR-HR practices are linked to employees' intention to quit have received very little attention. The results provide support for the proposed conceptual model. It has been established that SR-HR practices impact on employees' intention to quit and job satisfaction. The findings present an insight into the organizations about how the role of HR practitioners should be redesigned so that implementation of socially responsible initiatives can be facilitated through better alignment of HRD/HRM with CSR and other ethical issues at the organization level. Overall, the study favours the prospects of a participative and democratic mode of relationship between employees, organizations, and society through the adoption of socially responsible HRM rather than focusing solely on individual or organizational performance.

From a practical stance, the study suggests that to promote desirable attitudes and behaviour in employees, it is important to design and implement SR-HR practices in ways that are perceived favourably by employees. The HR practitioners and organizations need to manage the SR-HR practices well as employees reciprocate in the form of higher job satisfaction and lower intention to quit. Therefore, the key implication is that adoption of socially responsible HRM in the form of LC-HRM, EO-HRM and GF-HRM will enable firms to retain talents, which in turn will assist in enhancing firm performance through two significant employee outcomes such that job satisfaction and employees' intention to quit. The findings further recommend that to advance the agenda of SR-HRM in organizations, HR professionals need to raise the awareness of such practices among employees. Further, the study recommends that HR practitioners should focus on enhancing socially responsible practices which are mainly related to the humanization of work such as the provision of equal opportunities in HRM, adopting employment programmes related to work-life balance, improving employee participation, and complying with all the labour laws, etc. When employees perceive that their organizations have adopted such practices, their satisfaction with the job and the organization increases and they tend to stay.

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