

THE EFFECT OF STRATEGIC HUMAN RESOURCE MANAGEMENT ON EMPLOYEE SATISFACTION: (CASE STUDY: SOMALI MEAT COMPANY IN MOGADIAHU SOMALIA)

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ABSTRACT

The achievement of any company is directly connected to the satisfaction of the employees who represent that company, that retaining people is critical to the accomplishment of any organization. The main purpose of this study was to determine the effect of strategic human resource management on employee satisfaction in Somali Meat Company. The specific objectives of the study were to examine human resources management from employee promotions, employee commitment, and employee retention on employee satisfaction. The study population of 142 comprised all staff in Somali Meat Company. Non-probability sampling technique was used for managerial and non-managerial staff but 105 calculated as the sample size using Solvent's formula. Data collection was done by a face-to-face personal filled in questionnaire method. The purpose of research is the numerical representation of the relevant data by coding and to analyze the data the researcher used Statistical Package for the Social Science (SPSS) version 20. Based on the findings in objective one presented that there is positive significance relationship between strategic human resource management and employee promotions which was indicated by Pearson correlation coefficient ($r= 0.594$ and $p \leq 0.05$). The findings in objective two presented that there is positive significance relationship between strategic human resource management and employee commitment which was indicated by Pearson correlation coefficient ($r= 0.745$ and $p \leq 0.05$). The findings in objective three presented that there is positive significance relationship between strategic human resource management and employee retention which was indicated by Pearson correlation coefficient ($r= 0.462$ and $p \leq 0.05$) of Somali meat company in Mogadishu, Somalia. It is suggested that managers to be trained to use strategic human resources management and along with the increasing need for new skills and competencies of strategic human resources management as a result of changes in community, strategic human resources management training program is more important than ever. The research is based on the conceptualization so the better results can only be achieved through effect strategic human resource management and proper system in the organization.

1. INTRODUCTION

1.0 Introduction

This chapter introduces the work accessible in this study. Contained is the background of the study, statement of the problem, purpose of the study, research questions, and significance of the study, scope and limitation of the study, the theoretical framework and the definition of terms.

1.1 Background of the study

The Strategic human resource management is a development that involves the use of overarching approaches to the growth of human resource strategies, which are included vertically with the business strategy and horizontally with one another. The strategy human resource of management is an integral part of business strategy, the main focus of this strategy is to achieve organizational objectives. (Nickels, 2016,)

An important role of strategic human resource management is about focusing the management in employees as a tool to increase competitive advantage.

The strategic approach to human resource management refers to the relationship between human resource practices and the strategic objectives, that is, the long-term goals of the organization. Strategic human resource management is concerned with a holistic move toward the management of people working in an organization, who supply to the accomplishment of organizational objectives. Strategic human resource management ensures the most effective and efficient use of human talent for achievement the goals of an organization. In order to successfully utilize and manage the human resource of an organization to achieve organizational objectives, each organization needs to develop a well-defined human resource strategy. (Agarwala, 2005)

The in general purpose of strategic human resource management is to make sure that the organization is able to achievement through people. John Purcell (1993) thinks that ‘the adoption of strategic human resource management is both a product of and a cause of a significant concentration of power in the hands of management’, while the widespread use ‘of the language of human resource management, if not its practice, is a combination of its intuitive appeal to managers and, more importantly, a response to the turbulence of product and financial markets. (Michael Armstrong, 2006)

1.2 Problem Statement

The achievement of any company is directly connected to the satisfaction of the employees who represent that company, that retaining able people is critical to the accomplishment of any organization, Freeman, (2005). The more satisfied an employee is, the fewer turnover and absenteeism occurs, Maloney, &McMillan, (1986). Judge, Et. Al, (1993).We should keep

employees knowledgeable on the company’s position, development made, issues/challenges, and how they directly supply to the success of the business. (Ms. P, 2012)

Actually, effect strategic human resource management on ever company is very excellent process that guides for all people, polices and organizational either public or private sector. So that effect strategic human resource management improved employee quality but every mankind has vision, mission and objective whether has achieved or failed such as motivation, morality skills, and productivity. Effect strategic human resource management on employee satisfaction drives right direction for organizational purposes by creativity and innovation in the staff morality.

Therefore, the researcher will investigate the effect of strategic human resource management on employee satisfaction on case study of Somali Meat Company in Mogadishu Somalia.

1.3 Objectives of the study

To correlate between the effects of strategic human resources management on employee satisfaction in selected Somalia Meat Company in Mogadishu, Somalia.

1. To find out the effect of strategic human resources Management on employee promotion.
2. To determine the of effect strategic human resources Management on employee commitment.
3. To identify the outcome effect of strategic human resources Management on employee retention.

2. LITERATURE REVIEW

2.1 The strategic human resource Management

Generally, strategic human resource managements the complete of decisions and activities for increasing and implementing successful strategies and assessing and controlling them, strategy is determining the goals and purposes of the organization and rearranging the essential activities to comprehend these goals by analyzing the relationships between the organization and its environment and allocating the sources needed in a way that they will be effective in the long run. Strategic human resource management has evolved to help organizations to operate successfully in competitive environment. Strategic human resource management is an organized development of resources of the functional areas. Strategic human resource management has gained importance in recent years due to significant charity to company success. (Žaneta Rylková1, 2014)

Strategic human resource management can be entirely delegated to management – with the board receiving and approving plans/decisions. But has many practical problems concerning the time and knowledge level of (particularly) non-executive directors to perform their role this way. This problem can be especially pronounced in organizations such as charities or public bodies with governing boards or trustees of people committed to the mission of the organization, keen to become involved but with limited operational understanding of it. At the

individual level, business ethics is about the behavior and actions of people in organizations. This is clearly an important issue for the management of organizations in general, but it is discussed here in terms of the role of managers in the strategic management process. (Richard Whittington, 2008)

2.2 Employee satisfaction

According to Moyes, Shao & Newsome (2008) the employee satisfaction may be described as how pleased an employee is with his or her position of employment. As Specter (1997) defined job satisfaction as all the feelings that a given individual has about his/her job and its various aspects. Sometimes they need to change their behaviors in order to execute their duties more effectively to gain greater job satisfaction, Miller, (2006). Having good relationships with the colleagues, high salary, good working conditions, training and education opportunities, career developments or any other benefits may be related with the increasing of employee satisfaction (Rafat, 2012)

Employee job satisfaction is reflections of how well an employee's expectations of a job are aligned with the reality of their work (Lund, 2003). Employees assess job satisfaction based on intrinsic job elements, such as feelings of purpose at work, and extrinsic job elements, such as compensation. The level of employee job satisfaction reflects the cumulative level of fulfilled job expectations. That is, employees expect their job to provide a mix of these elements, for which each employee has distinct preferential values (Al, 2004)

2.2.1 Employee promotion

Employee promotion is an essential element for any employment of public and private institutions and it is emphasized in the legislations of the most of Asian countries including India. Employee promotion yet remains a critical issue in private organizations that is why several institutions were established at different periods for the purpose of putting into effect the government policies and directives related to employment and promotion. In developing countries, the employee promotion yet remains a critical issue that is why given essential priority and constitutionally right to employees. In USA and UK promotion is effectively undertaken through the base of seniority. (Bhattacharyya, 2002) Promotion also increases the effectiveness of organizational employees through assignment of suitable positions. (MACHANA, 2013)

Employee commitment will be conceptualized in this research using the Three-Component Model of organizational commitment from Meyer & Allen (1991). As will be discussed later, the developers of the model were concerned with applicability of this model outside North America. The model has been used in a number of international studies, and this research will be an example of applying the Three-Component Model of organizational commitment in the Netherlands. Moreover, we intend to apply existing scales from previous studies to measure training and commitment constructs. (Dr. M.J. Van Riemsdijk and Dr. A.C. Bos-Nehles, 2011)

2.2.2 Employee commitment

Stated that the commitment of employees is an important issue because it may be used to predict employee's performance, absenteeism and other behaviors. The business organizations are aware of the importance of employee commitment and its role in motivating employees. Employee commitment can benefit organization in a number of ways such as it can improve performance; reduced absenteeism, and turnover thereby resulting in sustained productivity. (Biljana, Employee commitment, 2004)

Role of employee commitment is always been accepted as an active catalyst for improving organizational satisfaction. It is necessary for every organization to have full level of its employee commitment in order to have outstanding performance on long term basis Mowday, Porter, & Steers (1982). Currently employees act like entrepreneurs when they work in a team and every member of the team tries his level best to prove one the best amongst all others (Mowday et al., 1982). Increase in commitment level of employees in organization ultimately increases the performance of their employees. In past organizations provide job security to its employees to improve their commitment level in the organization and to improve their productivity. (Zia-ur-Rehman, 2012)

2.2.3 Employee retention

Effective employee retention is a systematic effort by employers to create and foster an environment that encourages current employees to remain employed by having policies and practices in place that address their diverse needs. A strong retention strategy becomes a powerful recruitment tool. Retention of key employees is critical to the long-term health and success of any organization. Employee retention strategies help organizations provide effective employee communication to improve commitment and enhance workforce support for key corporate initiatives. Employee retention matters as organizational issues such as training time and investment; lost knowledge; insecure employees and a costly candidate search are involved. Various estimates suggest that losing a middle manager in most organizations, translates to a loss of up to five times his salary and job security. (Kumar, 2017)

Samuel and Chipunza (2009) noted that the main purpose of retention is to prevent the loss of competent employees from leaving the organization as this could have adverse effect on productivity and profitability. Similarly, Bogdanowicz and Bailey (2002) noted that organizations try to provide their workforce benefits and a holistic motive to stick to the current organization and making the decision to leave the organization difficult and pointless. (Hunjra, 2014)

For the past few decades, employee retention has been of interest to researchers and employers in various fields. To remain competitive in the rapidly expanding global economy and to keep pace with technological advances requires a workforce with robust institutional knowledge; therefore, employee retention is of great importance to business and academic communities (Benko & Weisberg, 2007; Becker, 2007; The Future of Work 2020, 2007). In other words, more satisfied employees are less likely to seek a new job, with a new employer. For this

reason, studying the factors associated with job satisfaction is practical and valuable. (Medina, 2012)

2.3 Conceptual framework

To implement the study various dependent and independent variables will be defined for conceptual framework. The independent variable is the strategic human resource management dependent variable an employee satisfaction is a. The two variables have been chosen is to see the relationship between them. The conceptual framework can be seen from the following schematic diagram.

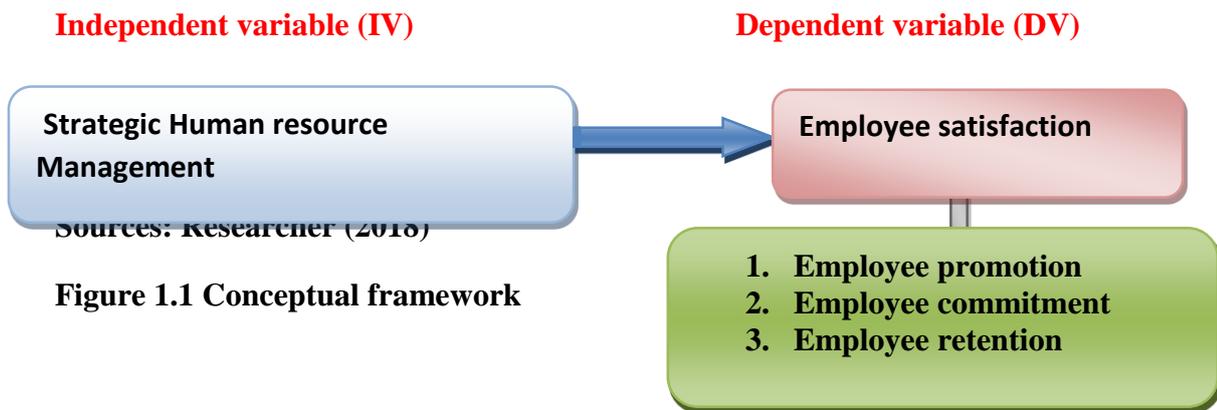


Figure 1.1 Conceptual framework

3. RESEARCH METHADODOLOGY

3.1 RESEARCH DESIGN

Descriptive studies were concerned with what, where and how of a phenomenon hence more placed to build a profile on that phenomenon. The researcher will use to quantitative approach with to correction in order to describe current conditions

3.2 RESEARCH POPULATION

The target population of this study will be 142 from Somali Meat Company in Mogadishu, Somalia. (Human resource director, 2018) The compositions of the target population will be managerial and non-managerial staff in this.

3.3 Sample Size

According to Slovene's formula the sample size was **105 respondents**. In this study probability sampling procedure was used particularly simple random sampling to select the sample.

Data is the raw fact collected from respondent and it can be either primary or secondary data. Therefore, the researcher used primary data source for collecting the research data.

3.4 DATA ANALYSIS

After the research team collected the questionnaires from the respondents, the researcher was used the quantitative method for analysing and interpreting data, the data was analysed through correlation analyse to describe the despondence.

4. RESEARCH FINDINGS AND DISCUSSION

4.1 Strategic human resource management

Based on the under mention table, it indicates that the effect of strategic human resource management in Somali meat company are high reflected by the respondents and this is presented by the mean scores as My organization has a clear and well defined mission, vision and objective statement with a mean organization score of (4.27) which is interpreted as Excellence, Formulation and implementation of programs, policies and procedures will increase the productivity of company (Mean = 3.96) interpreted as Very good, strategic human resource management to evaluate and controls the business and the industries (Mean 3.50) interpreted as Very good, strategic human resource management to specifying company’s objective (Mean 3.39) which is also good and The strategic human resource management for my organization leads to achieve (Mean = 3.42) which is also Very good and was ranked last.

This brings an overall average mean of 3.71 suggesting that strategic human resource management is implemented in the selected Somali meat company in Mogadishu Somalia.

4.2 Correlation Analysis

Relationship between levels of strategic human resource management on employee satisfaction (Level of significance at .000)

Table 4.4.1 Correlation Analysis

Correlations		Strategic human resource management	Employee satisfaction
Strategic human resource	Pearson Correlation	1	.462**
	Sig. (2-tailed)		.000
	N	105	105
Employee satisfaction	Pearson Correlation	.462**	1
	Sig. (2-tailed)	.000	
	N		

** . Correlation is significant at the 0.01 level (2-tailed).

Source: Primary Data 2018

Dependent Variable: employee satisfaction

Pearson Bivariate correlation coefficient was used to compute the correlation between effects of strategic human resource management independent variables on employee satisfaction dependent variable.

According to Sekaran (2008), the correlation coefficient ranges from -1.0 perfect negative correlations to +1.0 perfect positive relationships. The correlation coefficient was calculated to determine the strength of the relationship between dependent and independent variables (Kothari, 2013).

From table 4.4 the results generally indicate that strategic human resource management as independent variables and employee satisfaction as dependent variables (employee promotion, employee commitment and employee retention) were found that the positive significant so correlations on employee satisfaction at 0.05 level of significance.

Table 4.4.1 shows that there is positive significance of strategic human resource management effects employee promotions which was indicated by Pearson correlation coefficient ($r= 0.594$ and $p \leq 0.05$). The table also shows that there is positive significance of strategic human resource management effects employee commitment which was indicated by Pearson correlation coefficient ($r= 0.745$ and $p \leq 0.05$). The table also shows that there is positive significance of strategic human resource management effects employee retention which was indicated by Pearson correlation coefficient ($r= 0.462$ and $p \leq 0.05$) of Somalia meat company in Mogadishu, Somalia.

Table 4.4.2 correlation correlations

		Strategic human resource management	Employee promotions	Employee commitment	Employee retention
Strategic human resource management	Pearson Correlation	1	.594**	.745**	.462**
	Sig. (2-tailed)		.000	.000	.000
	N	105	105	105	105
Employee promotions	Pearson Correlation	.594**	1	.533**	.503**
	Sig. (2-tailed)	.000		.000	.000
	N	105	105	105	105
Employee commitment	Pearson Correlation	.745**	.533**	1	.426**
	Sig. (2-tailed)	.000	.000		.000
	N	105	105	105	105
Employee retention	Pearson Correlation	.462**	.503**	.426**	1
	Sig. (2-tailed)	.000	.000	.000	
	N	105	105	105	105

** . Correlation is significant at the 0.01 level (2-tailed).

5. SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1.1 To determine how strategic human resource management affects employee promotion

The study found out that strategic human resource management affect employee promotion. The findings of the strategic human resource management affect employee promotion of Somali meat company to predict a positive relationship and also the show that Somali meat company has significant effect on employee promotion. On the basis of the findings it has been found that the agreed that the manager of Somali meat company consider the morally of employee and ethical consequences of decisions.

In objective 1. The respondent asked five questions with the average mean of 3.71 which indicate strategic management has a strong relationship with employee promotion in relation with respondent of this study.

5.1.2 To establish how strategic human resource management level effects employee commitment.

According to the findings strategic human resource management affect Somali meat company employee commitment. As per findings there was positive correlation between the strategic human resource management and employee commitment, which also has significant on the Somali meat company employee commitment. As per the findings of the research in regard to the effect of human resource management on employee commitment most of the respondent disagreed, it implies that strategic human resource management has positive impact on employee performance. Strategic human resource management affect on employee commitment.

In objective 2. The respondent asked five questions with the average mean of 3.712 which indicate strategic management has a strong relationship with employee commitment in relation with respondent of this study.

5.1.3 To examine how strategic human resource management level affect employee retention.

Statistics on the affect strategic human resource management on the Somali meat company employee retention showed that there is positive correlation between the employee retention. Strategic human resource management which was also has significant with employee retention. As per the findings of the research in regard to the effect of strategic human resource management on employee retention, most of the respondent disagreed; it implies that strategic human resource management is not practiced in the Somali meat company (Somali meat).

In objective 3. The respondent asked five questions with the average mean of 3.71 which indicate strategic management has a strong relationship with employee retention in relation with respondent of this study.

5.3 Conclusions

The data gathered and analyzed showed that the most employees of Somali meat were male, and married, also the majority of them were young teenagers, and the data gathered illustrates that most of the employees were skill s persons among which the high number were experience, and finally all Somali meat employees have been working in the institution for a long time.

Since the three strategic human resources management (promotion, commitment, retention) that the researcher applied indicated that there is positive relationship with Somali meat company employee satisfaction. Also the results showed that the promotion, commitment had significant with employee satisfaction in Somali meat company and employee retention also had significant with employee satisfaction, which can lead positive and negative impacts of Somali meat company in Mogadishu, Somalia.

The positive side and on job satisfaction results into enhancing their employee morals, may be on the other hand it has negative impacts which may lead to an overall lack of control and guidelines over employees, it also avoids decision making and problem solving.

A prior study indicates that employee promotion and employee commitment have great influence in employee satisfaction and are the most effective strategic human resources management, and promotion and commitment has a weaker influence on employee satisfaction and it is not very effective leadership style, but this study found out retention is effective strategic human resources management and has the greatest influence on employee satisfaction in Somali meat company.

The results established that strategic human resource management drivers were found to significantly and positively influence employee satisfaction, Somali Meat Company.

The findings of the study established Somali meat company will operate under a highly competitive environment between them. However, this moderate revealed that there were all variables which were influencing the employee satisfaction of Somali meat company in Mogadishu- Somalia.

Based on the findings in objective one presented that there is positive significance relationship between strategic human resource management and employee promotions which was indicated by Pearson correlation coefficient ($r= 0.594$ and $p \leq 0.05$). The findings in objective two presented that there is positive significance relationship between strategic human resource management and employee commitment which was indicated by Pearson correlation coefficient ($r= 0.745$ and $p \leq 0.05$). The findings in objective three presented that there is positive significance relationship between strategic human resource management and employee retention which was indicated by Pearson correlation coefficient ($r= 0.462$ and $p \leq 0.05$) of Somalia meat company in Mogadishu, Somalia

5.4 Recommendation

1-This study was limited to the relationship between employee promotion , employee commitment and employee retention , and employee satisfaction in Somali meat company In future studies, Charismatic and strategic human resources management should be added to the research questions.

2-As the study found that there is strongly positive relationship between the three variables: employee promotion, employee commitment, and employee retention with employee satisfaction in Somali meat company, and that indicates there may exist variables which influence employee satisfaction , so the researcher recommends that Somali meat company should launch another research to find those other variables.

3- it is suggested that managers to be trained to use strategic human resources management and along with the increasing need for new skills and competencies of strategic human resources management as a result of changes in community, strategic human resources management training program is more important than ever. Bass and Avolio (2004) stated that employee, promotion should be taught to all people at all levels of the Somali meat company to have a positive impact on the overall performance.

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