



Hr Policies in Improving Job Satisfaction Of Employees in Malaysian Organisations

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Abstract:

Finding out what aspects of strategic HR have the most bearing on audit firm employees' happiness on the work is the primary goal of this article. The basic model of the research is based on the idea that strategic human resource management elements might affect the level of work satisfaction among audit company employees. Among these considerations are hiring practices, performance reviews, remuneration and incentive systems, and opportunities for professional growth and development. For this data analysis, the researcher turned to SPSS, a statistical program. Finding out what aspects of strategic HR affect audit company employees' happiness on the work is the primary goal of this research. Three independent variables are favourably and substantially linked to work satisfaction, according to this study's analysis of the results, whereas one independent variable is negatively and significantly linked to job satisfaction. Managers in charge of human resources and other functional areas may use the study's conclusions to better recruit, motivate, pay, and retain personnel. Individual professionals and companies as a whole may learn something from this study. The purpose of this research is to identify the most important strategic HR aspects that influence audit company employees' happiness on the work. A fresh take on this subject is what it's trying to provide. Using audit businesses as a case study, this research looks at aspects influencing strategic human resource management and employee happiness on the work. This study focuses on audit businesses, however prior research has investigated similar issues in other sectors as well. Findings from this research give light on how human resource management strategies affect audit companies' employees' happiness on the job. Training and development, pay and benefits, performance reviews, and hiring practices are some of the important aspects covered.

1. Introduction

An external audit will be carried out to ensure that the company's financial statements accurately reflect its current financial position and have been prepared in accordance with accounting standards. An

independent review improves the credibility and value of management's financial statements, which boosts user confidence and reduces investor risk. It also offers shareholders more transparency by highlighting important areas. As a result, management's financial statements become more

valuable and credible. Achieving performance goals in today's industrialized business market is impossible without investing in human resource development. The impact of industrialization on the environment is the reason behind this. This significant accomplishment has been made possible through the utilization of contemporary methodologies[10]. To rephrase, businesses put money into human capital management by seeking out and hiring people who can adjust to new ways of thinking about leadership. In order to create long-term value, it is essential to assess human capital, which includes knowledge, experience, and the abilities needed to manage it. A person's human capital includes not only their knowledge, competency, and social awareness, but also their conduct, ethics, and ability to adapt to changing conditions in the classroom. The authors of the research noted that all of these factors make up human capital. Good HR procedures guarantee that companies follow Malaysian employment laws by proving dedication to moral principles and reducing legal threats. Policies that encourage work-life balance help workers to be more content with their employment by allowing greater control over their schedules and less stress resulting from it. By means of learning and development initiatives, staff development investments increase work satisfaction, competence, and internal organizational growth. A company that values its staff would indicate this by giving them social security, benefits, and fair pay. Keeping the lines of contact open and aggressively looking for employee comments via many channels—such as suggestion boxes or questionnaires—helps to raise morale and confidence[1].

2 Background of the Study

HR policy determines driving employee contentment, managing worker conduct, and reshaping of corporate culture. The creation and implementation of effective HR policies in the dynamic and diverse environment of Malaysia, where businesses operate within a multicultural, multi-ethnic population, would help to guarantee employee well-being and organizational success. Both public and private sector Malaysian businesses have realized increasingly how crucial it is to connect HR policies with employee expectations to raise job satisfaction and reduce turnover[2]. Remuneration and benefits, opportunities for professional development, performance evaluation systems, work-life balance, and employee engagement initiatives are some HR-related factors that influence job satisfaction. Under initiatives like the Shared Prosperity Vision 2030, Malaysia

maintains moving toward a knowledge-based economy, therefore the need of human capital becomes even more clear-cut. Therefore, companies have to use HR policies that not only comply with legal obligations but also actively support employee motivation, devotion, and satisfaction by means of legal requirements. Still, despite growing knowledge of this problem, job satisfaction varies depending on the industry and organizational level. Strict hierarchical structures, poor communication, restricted growth opportunities, and inadequate recognition usually lead to low morale and high turnover rates. Given Malaysia's competitive employment market, where maintaining competent personnel is become more challenging, this is particularly crucial. The purpose of this article is to find the degree of HR practices' influence on employee job satisfaction in Malaysian organizations. It aims to identify best practices relevant in many various sectors as well as to look at the specific HR policies most influencing employee satisfaction. First of all, HR managers and organizational leaders aiming to raise staff output and provide a decent working environment in the Malaysian context have to realize this relationship[3].

3. Purpose of the Study

The primary purpose of this study is to explore the ways in which human resource policies in Malaysian firm's impact and enhance the happiness of employees while they are at work. The primary focus of the research is on determining which policies pertaining to human resources—performance evaluations, pay rates, benefits, opportunities for professional development, business culture, and work-life balance—have the greatest influence on the level of job satisfaction experienced by employees already employed. The objective of this research is to provide light on how Malaysian organizations could consciously establish and apply HR strategies that endorse a happier, more efficient, and more loyal staff. This will be accomplished via the evaluation of the connection between these policies and employee attitudes. The purpose of this research is to broaden the existing body of knowledge about the effectiveness of human resource management in a variety of economic situations, including Malaysia, which is experiencing rapid economic growth.

4. Literature Review

This research evaluates the characteristics that impact human resource disclosures made in the corporate annual reports of 54 Turkish insurance

firms between 2007 and 2017. It also investigates the disclosures made in these reports. For this purpose, the researcher employed content analysis to glean human resource disclosures from company annual reports. These disclosures addressed eight sub dimensions, namely: health and safety, minority and female employment, employees with disabilities, training, compensation, benefits, employee profiles, and morale. Using correlation analysis and pooled Ordinary Least Squares (OLS) models, the researcher statistically tested the data to determine the effects of various variables on these disclosures. These variables included return on equity, return on assets, leverage, firm size, and number of employees, age of the firm, public listing status, foreign ownership, and company type. Company type, staff count, and foreign ownership all have a role in determining the level of human resource transparency, according to the research. Employee training is the most often reported human resource in company reports[4].

Increasing transparency and accountability in human resource development reporting is something that companies should strive for. In recent years, insurance company performance in Malaysia has faced many obstacles. According to reports, the industry is still dealing with problems including low penetration rates, which were 2.9% of GDP in 2021, far lower than the worldwide average of 7%. Outsourcing human resources services and the performance of Malaysia insurance businesses were the overarching goals of the research. The primary objective of the research was to determine how insurance firms in Malaysia fared after they outsourced tasks like benefits administration and legal compliance. Human Capital Theory and Institutional Theory served as the guiding principles for this descriptive study. Managers from 56 different insurance firms in Nairobi City County, Kenya, were the intended subjects. So, insurance businesses in this area served as the unit of observation, while 336 management-level personnel (including upper-level, middle-level, and lower-level managers) were the unit of analysis. To better meet the varied demands of employees, businesses are increasingly turning to benefits administration companies who specialize in this area to help them design and implement competitive and all-encompassing programs. When it comes to determining employee happiness and loyalty on the job, perks are paramount. These connections were the focus of this internship's research at NHPC Limited, a Malaysian government agency. The purpose of this project was to learn how employees felt about their benefits, their work happiness, and whether or not they planned to quit the firm by conducting a thorough survey and analysing the

results. Employee benefits and total work satisfaction were shown to have a somewhat favourable link, according to the research[9].

The importance of maintaining a healthy work-life balance was highlighted by several workers. Although the retention rates were determined to be normal for the sector, certain workers were more likely to depart than others. The project report draws conclusions and describes the methodology for survey analysis based on these results. Investigating demographic differences in employee demands, assessing benefit communication tactics, and determining factors affecting employee exits are all potential areas for future study. A more contented and engaged staff with a greater retention rate is the end goal of this project, which equips NHPC with data-driven insights to back strategic choices about their employee benefits program[6].

5. Research Question

How does hr policies contribute in improving job satisfaction of employees in Malaysian organisations?

6. Methodology

Quantitative research is the examination of numerical data related to variables via the application of one or more statistical models. The social environment may be better understood via quantitative research. Scholars often use quantitative methodologies to examine matters impacting individuals. Graphically depicted objective data is a product of quantitative study. Numerical data is crucial for quantitative research and must be collected and examined methodically. Their support facilitates the computation of averages, development of predictions, detection of linkages, and extrapolation of findings to larger populations.

6.1 Research design:

Quantitative data was analyzed using SPSS version 25. The odds ratio and 95% confidence interval were used to evaluate the direction and size of the statistical association. The researchers established a statistically significant threshold of $p < 0.05$. A descriptive analysis elucidated the principal facets of the data. Quantitative approaches are often used for mathematical, numerical, or statistical analysis of data acquired via surveys, polls, and questionnaires, or by modifying existing statistical data using computing tools.

6.2 Sampling:

Research participants filled out questionnaires to provide data for the research. Employing the Rao-soft program, researchers identified a study population of 852 persons, necessitating the delivery of 1236 questionnaires. The researchers obtained 1,033 replies and eliminated 28 due to incompleteness, yielding a final sample size of 1,005.

6.3 Data and Measurement:

A questionnaire functioned as the principal instrument for data collection in the research. The survey had two sections: (A) General demographic information and (B) Responses on online and offline channel features assessed using a 5-point Likert scale. Secondary data was obtained from many sources, mostly internet databases.

6.4 Statistical software:

The statistical analysis was conducted using SPSS 25 and MS-Excel.

6.5 Statistical Tools:

Descriptive analysis was used to comprehend the essential nature of the data. The researcher must analyze the data with ANOVA.

7. Conceptual Framework



8. Result

Factor analysis

A prevalent use of Factor Analysis (FA) is to determine the existence of latent variables within visible data. In the absence of clear visual or diagnostic signs, regression coefficients are often used to assign ratings. In FA, models are essential for success. The aims of modelling are to detect mistakes, intrusions, and discernible linkages. The Kaiser-Meyer-Olkin (KMO) Test is a technique for assessing datasets produced by multiple regression analyses. The model and sample variables are affirmed to be representative. The data demonstrates

redundancy, as shown by the figures. Reducing the proportions enhances the comprehensibility of the data. The KMO output is a value between zero and one. A KMO value between 0.8 and 1 indicates an adequate sample size. These are the permissible levels, according to Kaiser: The following approval criteria set out by Kaiser are as follows:

A dismal 0.050 to 0.059, insufficient 0.60 to 0.69

Middle grades often span from 0.70 to 0.79.

Exhibiting a quality point score between 0.80 and 0.89.

They are astonished by the range of 0.90 to 1.00.

Table 1: KMO and Bartlett's Test for Sampling Adequacy Kaiser-Meyer-Olkin statistic: 0.729

The outcomes of Bartlett's test of sphericity are as follows: The degrees of freedom for the chi-square test are around 190, with a significance level of 0.000.

This confirms the veracity of claims made just for sampling reasons. Researchers used Bartlett's Test of Sphericity to assess the significance of the correlation matrices. A Kaiser-Meyer-Olkin score of 0.729 indicates that the sample is sufficient. The p-value is 0.00, as discovered using Bartlett's sphericity test. A positive outcome from Bartlett's sphericity test suggests that the correlation matrix is not an identity matrix.

Table: KMO and Bartlett's

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.729
Bartlett's Test of Sphericity	Approx. Chi-Square	3252.968
	df	190
	Sig.	.000

The importance of the correlation matrices was also validated by Bartlett's Test of Sphericity. The Kaiser-Meyer-Olkin metric of sampling adequacy is 0.729. Utilizing Bartlett's sphericity test, researchers obtained a p-value of 0.00. The results of Bartlett's sphericity test indicated that the correlation matrix is erroneous.

Independent Variable

Hr Policies

Human resources policies provide forth the rules for how a company should deal with certain problems. Principles, rights, and duties of managers and workers are outlined in them. An organization's fairness and consistency, as well as its defence against legal claims, are greatly aided by them. But

the key to making policies work is getting the word out and putting them into action. A company's HR policy encompasses all the guidelines, procedures, and overarching objectives it has set up to make the most of its people capital. It addresses issues including labour relations, working environment, training, remuneration, and career management. The goal of any good human resources policy should be to boost morale and productivity by getting workers' goals in line with the company's. Human resources strategy is an integral part of overall performance and should not be considered in isolation. The success of the team and the organization as a whole depends on this HR strategy's alignment with the company's overarching policy in the medium to long term. The way it is implemented should reflect the principles, culture, and identity of the organization. Managers' and HR

officers' day-to-day tasks will be made easier by the HR policy, which ensures the organization runs smoothly and works in tandem with the HR strategy (Koon, 2020).

Dependent Variable

Improving Job Satisfaction of Employees in Malaysian organisations

Improving job satisfaction in Malaysian companies mostly depends on establishing a working environment where individuals feel valued, motivated, and content with their employment. This is influenced by a decent work-life balance, competitive salary, opportunities for development, and a friendly workplace. Making work more fun and fulfilling can help to increase employee investment and improve their performance[7].

Relationship between Hr Policies and improving job satisfaction of employees in Malaysian organisations

Human resource policy in Malaysia clearly reflect the degree of occupational happiness among individuals. A good and interesting place of work is defined by effectively formulated HR policies. Policies supporting fair compensation, chances for professional development, constructive criticism, and a decent work-life balance have a significant influence on the self-worth workers experience. better output, lower turnover, and better work satisfaction in Malaysia's fast evolving and culturally varied economy are significantly correlated with inclusive and employee-centered human resource policy. Human resources policy is in charge of helping employees to improve personally and professionally by being flexible

enough to meet their demands and motivating them to keep their loyalty to their job. Policies controlling human resources must be sufficiently flexible to satisfy the needs of the workforce if Malaysia is to retain a workforce with both competency and productivity[8].

Following the above debate, the researcher developed the following hypothesis to examine the correlation between Hr Policies and improving job satisfaction of employees in Malaysian organisations.

H₀₁: "There is no significant relationship between "Hr Policies and improving job satisfaction of employees in Malaysian organisations"

H₁: "There is a significant relationship between "Hr Policies and improving job satisfaction of employees in Malaysian organisations"

Table 2: H₁ ANOVA Test

ANOVA					
Sum					
	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	39588.620	402	6357.737	797.808	.000
Within Groups	492.770	602	7.969		
Total	40081.390	1004			

This study produces significant findings. The F value is 797.808, attaining significance with a p-value of .000, which is under the alpha threshold. The hypothesis "H₁: A significant relationship exists between HR policies and the enhancement of employee job satisfaction in Malaysian organizations" is accepted, whereas the null hypothesis is rejected.

9. Discussion

A company's HR have a significant impact on workers' outlooks, levels of motivation, and happiness on the job. It is becoming more and clearer that businesses in Malaysia, with their culturally varied workforces and rising economic competitiveness, need to develop effective HR if they want to keep their employees happy and their organizations running smoothly. Human resource policies including pay, growth opportunities, performance evaluation, and work-life balance are directly connected to employee happiness on the job, according to a number of studies. Employees are more likely to feel appreciated and treated properly when they get competitive and transparent pay, and they are more likely to feel secure in their careers when they have possibilities for continuous training and progress. These factors are especially important in Malaysia because of the high cost of living in cities and the importance placed on having a stable job. Having a performance evaluation system in place that is both fair and constructive may have a

positive impact on work satisfaction. Employees are more inclined to put forth their best effort when they see their efforts acknowledged and when their input is used to further their professional growth. Unless modified to fit local expectations and cultural norms, such HR strategies may not be as successful in Malaysian firms due to hierarchical workplace cultures that might impede open communication.

But other parts like training, performance management, and recruiting were left out of this research, which only looked at the fundamental HR policy operations. In order to find out how HR policies affect employee happiness and loyalty to the company, a more holistic strategy is needed. To further understand how HR policies impact work satisfaction and organizational commitment, future research should look at other aspects of HR policies including recruiting, performance management, and training. Also, to better understand how HR policies affect job satisfaction and organizational commitment, future research should look at how HR policy types compare to actual policy performance.

Author Statements:

- **Ethical approval:** The conducted research is not related to either human or animal use.
- **Conflict of interest:** The authors declare that they have no known competing financial interests or personal relationships that could have appeared to influence the work reported in this paper
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10. Conclusion

In the end, HR policies are evaluated based on how managers and workers perceive them. Therefore, it's possible that the comments aren't totally true. This study's findings point to the fact that HR significantly impact workers' happiness on the job and loyalty to the company.

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