THE RELATIONSHIP BETWEEN HUMAN RESOURCE MANAGEMENT AND EMPLOYEE PERFORMANCE AMONG HOTELS IN LANGKAWI

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Thesis Submitted to
Othman Yeop Abdullah Graduate School of Business,
Universiti Utara Malaysia,
in Fulfillment of the Requirement for the Degree of Master of Science
(Management)

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ABSTRACT

One of the key issues in any organizational is managing their human capital who possess vital position in the organization`s goals. Thus, human resource management comes into play to ensure the availability of right people for the right position and guiding them to achieving successful organizational outcomes. Since employees are the heartbeats of the organizational it is important their performance gradually improves and matches what are expected of them. The purpose of this study was to study the relationship between human resources management practices and employee performance in hotel industry in Langkawi. The sample of this study was the 295 employees of five star hotels in Langkawi, Kedah. For this purpose survey method was used by questionnaire as instrument for data collection. For research method, Statistical Package for the Social Sciences (SPSS, Version 20) was used to analyze data. In this study, regression analysis method and correlation analysis method are used to analysis the correlation between independent variables and dependent variable. The research results have shown that Langkawi hotels have high implementation in human resource management at current stage. Meanwhile, recruitment and selection, training and development, compensation and performance appraisal significantly influence employee performance. During this study the researcher faced several limitations such as time constraints, language constraints and budget constraints. Finally, the finding of this study has some contributions for future research and organization's employee performance.

Keywords: Human Resource Management; Employee Performance; Langkawi Hotels; Malaysia

ACKNOWLEDGEMENT

First of all, I would like to thank Allah SWT who gave me the health, time and space to do my work and without him there was no way i could have done anything. Secondly, there are no enough words to express my gratitude towards my supervisor Shahmir Sivaraj Bin Abdullah who supported me throughout my research of two semesters and gave me the priceless guidance to accomplish my work, he was there for me every time i needed a help. Nevertheless, I would like to thank all my lecturers both in my bachelors and masters degrees. Moreover, I want to thank Universiti Utara Malaysia for offering me the chance to study here in the first place and being such a great home for me during my wonderful years of study in this campus.

Most importantly, i have special words of thanks to my two best friends; my mother Mako Haji Mohamoud and my father Abukar Ahmed who encouraged me since i was a little boy and stood by me through thick and thin, the moral support and love they showered on me will never go unnoticed and will greatly be appreciated. Finally, i want to thank all the people who i came across in this university who have been great to me as friends and family.

In the end, once again thank you to all.

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CHAPTER 1

INTRODUCTION

1.1 Background of the Study

In today`s world, there is stiff competition between companies of all kinds all over the world due to the globalization. As a result, companies try their best to meet the high expectation of their respective customers to overcome their rivals. Hence, employees performance come forefront to achieving such goal. Each organization will need to come up with human resources policy that suits their business and operational objectives. This selected policy will serve as the leading principle in determining the company`s human resource strategy from the beginning. From there the company will outline the basis for its human resource planning, selection, recruiting, compensation, training and development. This will have influence on the existing and future employees. Organizations develop human resource policies that truly reflect on their beliefs and principles and the relationship between company`s management and employees, or they may simply develop strategies to deal with current problems or requirements (Chew, 2005).

The most important sources of competitive advantage for any organization are their human resources (Becker & Huselid, 1998). Hence, it is not coincident that the

connection between Human resource management practices, employee performance and organizational performance has gained so much attention in last 20 years or so in the US (Huselid, 1995; Pfeffer, 1998) and the UK (Guest, 1997; Wood and deMenzes, 1998).

It is debatable that there is such a link exists in general and in particular, which practice that specifically lead to better employee's performance. Human resource managers in any organization need to examine the company performance by recruiting the best available employees with lower cost and global mindset in order the company to make greater profits and be successful. For that reason, human resource management practices play a key role in the organization`s stability (Guest, 1997).

Human resource management practices have to support the company goals and match with the mission and vision of the organization. Furthermore, by the time the organization complete its mission and specified their stakeholders and stated their goals, its necessary that they monitor and the progress towards achieving their targets (Kaplan & Norton, 1996)

Employees are one of the key elements towards success in any organization. Thus implementing human resource management practices that develop them is very important. As a result, HRM implementation in an organization results organizational performance (Guest, 1997; Delaney & Huselid, 1995; Pathak, Budhwar, Singh & Hannas, 2005). Guest (1997) also believes that human resource management practices practiced in organization will result high employee

commitment, high quality staff and highly flexible staff that lead to the better employees performance.

The effect human resource management practices have on company performance and in particularly employees, performance has been studied in developed world for many years (Delaney and Huselid, 1996; Huselid, 1995; Katou and Budhwar, 2007; Petrescu and Simmons, 2008)). However, it's very unfortunate that only very limited number of studies have been conducted on HR practices in the perspective of developing countries in general (Schuler as cited in Budhwar and Debrah, 2001, Sing, 2004, Yeganeh and Su, 2008) and Malaysia in particular.

Hotel industry of Malaysia has experienced tremendous growth in recent years. To benefit from growing market, hotels require right people for the right Job. To attract, retain, add to share holder value innovative and improve organization`s performance, Human Resource Management practices are required to be implemented.

Companies can use certain human resource management practice to improve employee skills to achieve set of organizational goals. HRM practices such as job redesign, employee empowerment and extensive employee training seem to improve the performance of organizations. Thus, this study analyzes the impact that HRM practices have on improvements of employee performance that lead to organizational performance.

1.2 Background of the Industry

Malaysia hotel industry has experienced and encouraging growth lately and Malaysia is establishing itself as major centre for international air travel in the region. Moreover, with the government of Malaysia promoting tourism through every possible media both locally and overseas, the country has being able to attract over six million people from overseas such as holidaymakers and businessmen to Malaysia every year (Regit, 2013).

The hotel industry in Malaysia is large. It offers accommodation ranging from lodging houses to five-star hotels, ranging from an inexpensive RM30 per day to an average of RM250 per day and can be as high as thousands. The visitors have a wider range of accommodation selection depending on their budgets. There are accommodation provider practically anywhere in all the major towns and cities.

According to (Malaysia Property, 2013) the tourism industry has rebounded quickly despite the effects of the global economic crisis. Currently, there are approximately 180 hotels of 4-star grade and above, contributing to a total room supply of 54,175. The average hotel occupancy rate in 2009 was fairly stable at 60.9%. According to the Malaysian Association of Hotels, average hotel room rates in Kuala Lumpur's prime Golden Triangle location stands at approximately RM 221.10 (USD$ 70.00).

Hotels in Malaysia have been awarded accolades in award shows such as the the16th World Travel Awards. In 2009, Pan Pacific KLIA was named Asia's Leading Airport Hotel and the Hilton Kuala Lumpur won in the Leading City Hotel and Leading Design Hotel categories. Such awards are testament to the world-class standards

found in Malaysia's hospitality industry.

According to (Hotel Reservation, 2013) the islands of Langkawi stand firm and majestic above the waters of the Straits of Malacca, off the northwestern shore of Peninsular Malaysia. It is far enough from the mainland towns are Kuala Perlis and Kuala Kedah. Kuah and Padang Matsirat are the bustling, busy townships of the main island of Langkawi, whilst Pulau Tuba is the only other inhabited island.

The total population is approximately 64,792 and made up of many races. Majority is Malays, followed by Chinese, Indians and other races. The original economy of Langkawi was based on its agricultural and fishing production.

Over the years, with encouragements from the Federal Government, the island now have transformed into one of the more exclusive resorts destination in Asia (Sinisini, 2013).

1.3 Problem statement

Hiring and recruiting employees with high potentials does not necessarily mean they will be performing well in their roles at organization. Similarly, employees who do not know what to do or how to do certain task well even if they want to can't contribute much to a company. Thus, training employees is so important to ensure that they are well prepared to perform well in the company for long term.

Furthermore, human resource managers have witnessed very challenging moments lately, namely an aging workforce, specialized talent needs and globalization that forced HRM managers to rethink of staffing strategies. Subsequently, leading HR organizations are moving beyond vacancy-driven staffing to explore proactive management of labor markets with the goal of ensuring advantaged access to scarce talent pools (Corporate Leadership Council, 2006).

Organizations of all sizes and from a range of industries and geographies have reported talent shortages and workforce management problems. These problems have resulted from increased demand in supply constrained labor markets, and in turn manifest through a diverse and wide-ranging set of challenges: shortages of highly qualified graduates, pending retirements, an aging workforce, and lack of experienced talent. These supply problems, coupled with rising demand for labor, also create two additional problems with which organizations must contend: high turnover and wage inflation. As competition for talent increases, organizations not only have trouble attracting employees, but also with keeping them as competitors raise compensation packages in bids to —poach talent. The resulting wage inflation

places additional strain on organizations. In combination, all these problems threaten to disrupt operations across the globe, requiring organizations to seek new and more refined methods to attract and retain the talent they need for success. In developed nations, a new problem is mushrooming, the over 65 years of age population is expected to raise that are facts that needs to be address by HR practitioners in the global market.

Langkawi is located in Kedah, the city is not developed as others such as Selangor, and that causes challenge for companies to get the best available employees. Even more so, those hotels face the challenge of retaining their most skilled personnel from leaving for other rivals not necessarily those in Langkawi but Malaysia as whole.

1.4 Research Questions

Based on the problems we indentified earlier, here we examine the relationship between our two variables namely Human resource management practices and employee performance. For that reason, the central research questions for this study are:

i.   Does staffing affect the extent of employee performance?

ii.   Do training and development affect the extent of employee performance?

iii.   Does compensation affect the extent of employee performance?

iv.   Does performance appraisal affect the extent of employee performance?

v.   What HRM practices contribute the most towards employee performance?

1.5 Research Objectives

The main objectives for this research was identify the relationship between Human resource management practices with the employees' performance in Malaysia hotel industry in Langkawi: the objectives are as following:

I. Examine the relationship between recruitment and selection and employee performance among hotels in Langkawi

II. Examine the relationship between training and development and employee performance among hotels in Langkawi

III. Examine the relationship between compensation and employee performance among hotels in Langkawi

IV. Examine the relationship between performance appraisal and employee performance among hotels in Langkawi

V. To identify which HRM practices contribute the most towards employee performance among hotels in Langkawi

1.6 Significance of the proposed study

This research gives the researcher a platform to practice the knowledge he gathered from his study in his course and implement it. Hence, this will give the researcher the confidence that he needs in the future for academic as well as industrial purposes.

The management of hotels in Langkawi can gain some information from this research that is crucial for them to identify the human resource management practices that affect their employees' performance. Thus, this research can be helpful in improving the employee performance as well as their commitment in the long term. Additionally, the findings from this research should be able to provide some knowledge as to how hotel managers can motivate their employee by using human resource practices that will improve the employees' performance.

The government and non-profit organizations can use this research as information and useful knowledge in studying or assessing employee performances. It can be very helpful if want to know the human resource management elements that shape employee performances and morale.

Finally, this research can be used by the university to add to an already existing literature and can be used as a reference for future researches. Additionally, this research can contribute to body of knowledge that is present already in the area of human resource management practice and employee performance.

1.7 Definition of terms, terminologies and concepts

Human Resource Management:

Previously, human resource management was known as personnel management that was used to indicate the adoption of approach in managing labor. After long evolutionary progress, the employees were identified as the most valuable asset to any organization. Thus, if the employees are well prepared for their specific tasks and managed properly, it will reflect on their behavior, attitude and performance and that leads to organizational effectiveness (Storey, 1989; Beaumont, 1993; de Cieri &Kramar, 2008).

HRM practices:

This means the organizational activities that is directed at managing the human resource that lead to fulfillment of organizational goals (Schuler & Jackson, 1987; Schuler & MacMillan, 1984; Wright & Snell, 1991); determination of human resource elements to be used in a particular organization, such as staffing, training, rewarding, appraising, labor relations and safety and health (Dessler, 2011; de Cieri & Kramar, 2008).

Recruitment and Selection:

Recruitment is the process by which the organization attracts potential applicants from inside the company or externals for vacant position in the company. Subsequently, selection comes into equation to pick the best from the candidates' pool. Therefore, selection process can be defined as a process to collect and evaluate potential employees in order to decide whether to extend an offer of employment.

This it involves determining the characteristics required for effective job performance based on those characteristics, which are typically based on a job analysis (Gomez-Mejia, Balkin &Cardy, 2010).

Training and Development:

Training is defined as special activities designed to help learning of knowledge, attitude and skills among the employees in company to improve their specific job performances as well as to achieving organizational goals (Edralin, 2004). On the other hand, development activities are aimed on the long-term by preparing future work responsibilities and the current work as well.

Training and development focus on technical training, skills, counseling and other development programs.

Performance Appraisal

 Performance appraisal is defined as evaluating employees how well do their jobs according to performance standards (Dessler, 2000). In general, performance appraisal is process in which an organization or by selected agency evaluate the company`s employees in order to find out their performance level as well as using it as mechanism for promotion, firing and organizational decision making.

Compensation

Compensation can be described as pay and reward system given to employees at an organization resulting from their performances. It can be divided into direct financial rewards such as commissions and bonuses, and indirect payments such as vacations. Compensation is very important at any organization given that employees work for

it and it motivates them highly. The extent to which pay and rewards are fairly offered, employee benefits, position of a firm's pay relative to the pay of its competitors, firm's effort to maintain external equity, and the extent of compensation in line with organizational and job requirements (Ghebregiorgis & Karsten, 2006).

Employee performance:

Employee performance is defined as the level of an individual's work achievement after having exerted effort (Hellriegel, Jackson & Slocum, 1999).

1.8 Research Organization

This thesis comprises of five chapters. *Chapter One* provides the background of the study, the problem statement, research questions, research objectives and the significance of the study. *Chapter Two* covers the literature reviews past studies review and theoretical perspectives related to the research area. The chapter continues with discussion on the framework used and the hypotheses formulated for this study. *Chapter Three* presents the research method for the study, which is the research design and procedure. The chapter mentioned the selection of the respondents, sample size, development of questionnaire for the research and data collection procedure. The chapter ends with a brief description of the strategies and procedures that were used to analyze data collection from the survey. *Chapter Four* is devoted to the findings of the study. The demographic profiles of the respondents, descriptive analysis, and result of hypotheses testing are presented. At the end of this chapter, a summary of the result is presented. *Chapter Five* discusses the interpretation of the research findings from the study. The findings from this study are compared to those found in past research reviewed in Chapter Two. The chapter concludes with management implications and some suggestions for future research.

CHAPTER 2

LITERATURE REVIEW

2.1 Introduction

Literature review plays a key role to a reader or researcher in which it explains the discussed topic and related issues. Thus, literature review is considered crucial chapter where a researcher summarizes many of previous done researches by others and their views (Hart, 1998).

In order for a researcher to come up with the right theoretical framework in doing the research study, it is necessary that a researcher carries out reviewing literatures of past works by previous researchers in the topic of study. Therefore, this chapter will study and cover the areas of interest.

Overall, in this chapter the researcher will try to give a summarized overview of literature reviews on Human Resources Management practices. At first, it starts with some empirical studies on human resources management, followed by the importance of human resource management in an organization and the influence it can have on employee performance.

2.2 Human Resource Management

Nowadays companies tend to use human resources management policies that are clearly based on their beliefs and principles to form a relationship between management and the employees of the organization, or they simply come up with policies that manage and contend with the current problem or requirement (Chew, 2005). In recent studies, there have been an identified six important human resource management practices seen as key to organizations in becoming more efficient and effective. There practices namely are, recruitment, selection, compensation, employee participation, training and performance appraisal (Osterman, 1994; Pfeffer, 1994; Delery& Doty, 1996).

Conversely, Sheppeck and Militello (2000) have classified human resource management into four groups which are employment skills and work policies, supportive environment, performance measurement and reinforcement and market organization in which Guest (1997) categorizes into three groups such as differentiated on innovation, focus on quality and cost-reduction. Moreover, Zaini, Nilufar and Syed (2009) have stated that human resource management practices of training and development, teamwork, human resource planning and performance appraisal have positive and significant relationship with organizations performance. Similarly, Lee and Lee (2007) argued that human resource management practices of training and development, teamwork, compensation, human resource planning, performance appraisal and employee security insures the organization`s performance such as employee`s productivity, product quality and firm`s flexibility. Inevitably,

all those human resource management practices mentioned above would help the organization develop employees with outstanding contributions, and a feat that competitors find hardly to copy or imitate.

The British colonization`s experience has greatly influenced the human resource management practices, systems, and in regulations in Malaysia. Thus, HRM practices in this country are usually seen as a result of an integration of Western and local or native human resource management practices (Chew, 2005). According to Hirano (1991) Malaysian human resource management practices can be classified into two forms; British oriented values and ethnic oriented values (Malay, Indian and Chinese) and this is clearly shown in many companies whereby they were managed in either British way or indigenous way. Furthermore, Kawabe (1991) have stated that the Malaysians as a people with money oriented attitudes and argued that they would not hesitate to grab a job with superior financial offers. Regardless of whether an organization follows and practices British or local HRM practices it is important that managers pay close attention to how such practices are implemented in the organization.

The certain practices of human resource management practices in an organization can be very critical factor, and that's because it can affect the employee`s morale, behavior and attitude towards the organization. Such attitudes can determine the chances of the employee seeking alternative employment or accepting an offer from another organization (Chow, Haddad & Singh, 2007).

The importance of human resource management practices such as recruitment and

selection and employee monitoring   in any given organization is obvious in which a turnover of employees are a result of dissatisfaction with their jobs or apparently the availability of another job.

2.2.1 Recruitment and Selection and Employee performance

Staffing can described as the process in which the organization gets all potential targeted talents that are available for selections to fill specific unit in the organization. The staffing process consists of two methods that are implemented accordingly to fulfill the intended goals. The first step when conducting staffing at the company is known as recruitment which is inevitable that companies have to conduct regardless of their size or operations.   In this process organizations generate and gather a pool which consist all potentially qualified candidates to fill a specific vacant job in any given organization. Thus, if the management of organization succeed in achieving this task successfully, it's more likely that the company is primed to have done a good job for the direction and the future of the organization.

Next, after completing the first major part of the stuffing process, the attention of the management lies towards the second part of the staffing process which known as selection. The selection process will work on the results of the recruitment process. Thus, this process will involve picking up and selecting or choosing the qualified talented potential applicants who are seen to be very capable of completing the desired outcomes at the specific tasks given. The

main focus of this process is to make a decision of "hiring" or "no hiring" about the pool of applicants for a given job.

In general, the words staffing and hiring are sometimes used interchangeably. Therefore, it seems that hiring cannot simply reflect on the whole scope and process that comes with the staffing process. In many ways, hiring is seen as simply a process that solely reflects or covers the selection process and that leaves the recruitment process of the equation. Similarly, the words recruitment and staffing are being used many as an equal or interchangeable. However, others, have noted that recruitment is referred to the sourcing and advertising phases of the staffing process (Noe et al.,2009). Furthermore, Noe et al. (2009) summarized the recruitment as the process in which the management of the organization seek and attract the potential applicants for the specific job whereas the selections process is a process in which the organization selects the right applicants with the required qualifications, skills and have desirable characteristics needed to achieve certain goals. In addition to that, even though its may take long time but organizations need to keep in mind that they need to be clear and be very specific about their expectations from the potential candidates before hiring them in terms of skills, behavior and attitude so that their selected employees are the right people for the vacancies (Pfeffer, 1998; Vlachos, 2009).

The stuffing process is normally two-faced process which starts with determining the required talents, skills, qualifications and characteristics to

achieve a certain job and then to measure and evaluate the applicants based on that set scale. It's crucial that the new recruits become familiar with their new surroundings and company`s policies and procedures. Thus, during the hiring process the organization does socialization course which helps binding and integrating the new employees into the organization and more specifically to their assigned units or departments that they will be working in the organization. In order to create appropriate expectation about the job, the organization can use Realistic Job Preview which is seen as the best method. In order to facilitate and smoothen the transition for the new recruit's socialization process is important to make them feel not as outsiders but an important member of the team. The ultimate objective of the hiring process is improve the relationship between employees and the company so that to create good working environment (Tzafrir, 2006)

According to Fernandez (1992) a very well carried out recruitment and selection process will enable and ensure that the employee`s individual capabilities are well matched to the organization`s requirement. Similarly, Hunter and Schmidt (1982) argued that for a given organization to achieve stability its important that the selection procedure is carefully undertaken. Recently, a study that on manufacturing firms carried out by Katou and Budhwar (2007) in Creek found that recruitment and selection processes are positively related to all organizational performance elements namely quality, innovation, efficiency as well as effectiveness.

The recruitment and selection can be done in different ways depending on the vacant job that needs to be filled or the policy and requirements at an organization. In today's world companies have variety of options to find a match for a job. One of the ways that companies can do it is to use external sources which mean finding the recruits through job posting on the internet, advertisement on television or newspapers or radios depending on suitability and complexity of the job itself. Second way of recruiting employees is by looks inward and selecting from within, this means that company chooses who to fill the vacant job from their current employees and choose the most suitable and well prepared employee at the company. In many ways, the second option can be seen as less costly or risky, due to the familiarity with the company policies and easily fit in.

Normally, the process of recruitment and selection has one goal which is finds the best people for the job. Huselid (1995) have argued that gathering employees with great quality and possess the right skills for the organizations mainly depend on whether the organization has succeed in having enough pool of candidates and well matched with reliable and valid system in picking the best applicants from the candidates pool.

For an organization to have good corporate performance and be successful rely on the effectiveness of the recruitment and selection process. Boheeneet all, (2011) suggests that organizations need to be aware of the impacts the recruitment and selection can impose on the future of the company. Thus, if an

organization ensures that they recruit the best potential applicants for vacant job, it will be fruitful to them that they will most probably overcome costs that come with ineffective recruitments such as ineffective employee or associated costs of firing and hiring replacements. Therefore, its important the recruitment process is carried out in most effective way, for instance the organization have to define the job that's needed for a recruit, and then plan clear strategy for recruiting, make sure that the applicants have be reviewed and checked their credentials, during the interview its important that the questions asked must be relevant ones, doing background check on the candidates, because the recruitment and selection process have a positive relation with the market share, sales growth, profits, employee performance and productivity (Chanda &Chanda, 2009).

According to Robins (1991), employee's attitudes and behavior In an organization is clearly a reflection of the human resources practices and policies at the organization. Thus, if the recruitment process succeeds and the selection process properly determined who the right people to be hired matching them with the job, then there is high chance of finding the perfect fits for the job which will eventually lead to increases in productivity and employee performance.

2.2.2 Training and Development and Employee performance

Training is described as a structured intervention that is aimed at enhancing and improving key elements that is vital in individual performance. In other words, training and development consist of set of strategies, policies, lessons, tools and procedures that is designed to enhance the members or the employees at the organization (Delery & Doty, 1996). Management of an organization design and then carry out a training program that is believed to be crucial in improving the skills, performance and productivity of the employee in order to achieve the overall goals of the organization.

Furthermore, training is an important human resource practice which is seen to be vital factor in any organization that aims to be productive and it's argued that higher productivity comes with providing a good training program at a firm (AW & Tan, 1995). In many cases, many trained employees have changed their jobs to other companies and that became costly to organization who spent a lot and will have to find replacement for the vacancies left by former employees, so this has resulted an increased cost to the firm to make sure they keep their current trained employees rather than losing them and replacing them with others who will need another training programs (Schaffner, 2001).

Training and development can consist of a set of organized learning programs that can increase the level of employee`s performance by improving their knowledge, skills and attitudes (Huang, 2001). Training programs can be a systematic process that's to identify what the employee needs, set annual

training plans, explain the objectives of the training, decide the most appropriate methods of delivery, implement the training program, evaluate the outcome of the training and finally document the training records. Training programs that organizations implement to improve the skills of their newly recruits can come in many ways such formal training program or informal training program which can be done on-the job or off-the-job (Saks, 1996).

It's obvious that in most cases new recruits deal with anxiety and frustrations during their early spell at an organization which comes with the unfamiliarity with the organization itself, feeling being short of skills needed to do certain tasks and mainly the work demands presented to them, so training program is one way of making sure that employees overcome such worries and tensions. In other words, sometimes when employees feel that they are incapable or incompetent to do their work, they decide to leave the organization (Chen et al., 2004). Hence, if such employees decide to stay and stick with their organization, it's very likely that their performance and productivity will eventually drop (Kanelopoulos and Akrivos, 2006). As a result, the more the employees feel like they can't perform to the expectations of the organization, the higher the chances that their performances will slump.

Tzafrir (2006) argued that training and development is the most common practice of human resource management practices. Moreover, training and development can play a key role in improving the knowledge, skills and abilities of the current employees for their future performances (Aswathappa, 2008).

Similarly, Thang and Buyens (2008) illustrated that the training and development programs at an organization will directly result a superior knowledge, ability and behavior of the employees which in time will increase will improve the financial and nonfinancial performance of the organization as well as the employee`s performance.

Organizations focus on making profits which is managed by cutting costs. Thus, improvements in employee`s performance level is seen as return on investments of providing training and development sessions as such programs have carried costs to the company (Pfeffer, 1998). Therefore, during the implementation of the systematic training programs, organizations emphasize to their employees that they are worthy to the company (Subramaniam, Shamsudin & Ibrahim, 2011). Likewise, Islam & Siengthai (2010) indicatedthat organizations need to ensure that their training programs are matched and based on the labor demand features, workforce skill level, firm size as well as labor flexibility in various directions.

One of the ways of improving employee`s performance is training and development, it enhances their skills, knowledge and attitude towards the organization. Meta-analysis shown evidences that training programs can enhance employee performance level (Arthur et al., 2003). Similarly, it's also seen that building a team training to be effective to enhance employee`s job satisfaction, productivity and performance (Neumann et al., 1989).

Tsai et al., (2007) suggested that if the employees are committed to learning

during their training program, it's likely that they will have higher job satisfaction later on which in return will have positive impact on their performance level. Therefore, it's safe to say that, employees who know and understand the benefits that they gain from their training program will be feeling satisfied compared to those who didn't attend any training programs or attended training with no values gained. Numerous studies have shown the benefits of training to the employee`s in which they stressed that the more the training programs are well tailored to the employee`s desired knowledge skills, behavior at the organization, the greater level of productivity and performance by the employees.

Organizations that provide formal or informal training experiences, such as basic skills training, on the job training experience, mentoring and management development, will see improvements on their employee`s performance and the organization as whole (Huselid, 1995). In addition to that, when companies implement training programs successfully, it will improve their level of productivity. Thus, if the productivity increases, the organization has maximized their profits which are the result of good employee performance in the organization. Also, if an organization is boosted with increased skill-set, higher productivity, employees with good knowledge transfer and most importantly increase in employee ability to perform job-related task successfully, which is a result of the commitment shown by the organization in their employee training programs (Acton and Golden, 2003). Thus, when

organizations provide training programs to their employees, they are clearly sending a message which shows the management`s commitment in serving their customers well (Babakus et al., 2003). Organizations found that their training programs will result in enhancement to their employees' skills, improvement in their professionalism, employees' commitment to the organization and increase in their overall performance (Bateman and Strasser, 1984).furthermore, Burka (1995) argued that participating in internal and external training courses is valuable to the employees as well as the organization. Inevitably, those employees who perceive greater formal training programs will be relatively more satisfied with their jobs than others, which will give them good feelings about their jobs and the organizations that their work in (Burke, 1995).In terms of international tasks, Steer and Mowday (1982) believe that an expatriate`s expectations in shown in their attitudes and as for that reason, emphasizes skills development opportunities, provided through training, can explain the complex expiations that comes with international assignments that lead to higher congruency between the employee`s expectation and the job experiences which most probably will lead to good attitudes from the employee`s and higher level of performances.

2.2.3 Performance Appraisal and Employee performance

Performance management is a process in which an organization evaluates its employees and its entire members to improve their performance and productivity to achieve organizational goals (Brady, 2002). Likewise, when an organization evaluates the performance level of its employees and how well they their doing their specific tasks in the organization, its called performance appraisal (Dessler, 2000). This process is carried out by the management of the organization after specified certain period. It's common that the process of performance appraisal directly or indirectly affects other human resource practices of recruitment and selection, training and development, compensation and employee relations. Since performance appraisal determines and shapes the pay level or promotion, it's assumed that good rating outcomes from this process can lead to better employee performance level as well as satisfaction with their jobs.

Many employees at different organizational has perceived that performance appraisal is deemed to be fair as long as the employees are involved in goal setting and appraisal methods, fair and accurate appraisal, using trained and professional appraisers and most importantly monitoring any possibility of irregularity in the appraisal. Additionally, many organizations have benefited from performing a performance appraisal and organizations have included their employees in operational performance related decisions regarding products inputs, they have also reshaped their performance appraisal methods to be fair,

objective and measurable. As a result, these organizations have succeeded to boost their employees` morale, commitment, performance and healthier workplace (Chew, 2005).

Moreover, organizations are aware the importance of performance appraisal in which they believe is helpful to compare employee`s performance over overtime and comparing employees` one to another,   since organization need to find out who are their best performers and below par performers to determine the direction of the organization and its success. Hence, for an organization to be successful it depends on the effectiveness of their management team. Thus, the ultimate goal of the performance appraisal should be helping the employees to develop and improve their performance, and a formal appraisal procedure is essential at organizations (Fryer and Haynes, 2000).

Performance appraisal process has advantages to organizations, as it enables them to monitor employees performance, developing their workers both individually and as a team, involving them organization`s goal setting, determine the reward systems fairly and improve their performance level through communication and feedback. Fryer and Haynes (2000) argue that the best way to evaluate employees is to do a systematic performance appraisal. More importantly, this system need to be objective, free of bias and fit to the organization`s needs. An Increase in organizational performance depends on the effectiveness of the performance appraisal systems, since; it helps the organization measures and monitors the performance and achievements of its

personnel over time (Devries et al., 1981).

According to Miller & Thornton, (2006) organization use performance appraisal for three reasons. Firstly, performance appraisal helps employees become better and improve their performances by showing them their strength and weakness. Secondly, performance appraisal can be used as guideline for the management of the organization regarding employee compensation, promotion and required trainings. Lastly but not least, performance appraisal can be a shield for organizations against illegal claims they sometimes encounter.

It's recommended that the managers and supervisors of an organization to pay close attention to the process of performance appraisal. Performance appraisal can be conducted in systematic process which is to firstly establish appraisal standards and criteria of job, next, is the timing of the appraisal to be conducted, then, the judges and appraisers, and finally helping the employees by showing them their strengths and weaknesses (Gürbüz&Dikmenli, 2007).

Pay-for-performance appraisal rating is found to be attractive method that many employees which gives them an incentive to improve their performance and become more productive (Mani, 2002). The ultimate goal of performance appraisal is to engage, align and unite employees towards achieving the mission and goals of the organization. Therefore, performance appraisal identifies and measures the performance of employees and improves them in order to improve the performance of the organization (Vance, 2006). Nowadays, organizations have realized the importance of performance appraisal which they integrate as

part of managing their employees and it also holds a vital role in improving the satisfaction and performance level of their employees (Harris, 2001). Watson (1998) argued that companies need to match their performance appraisals to their goals, objectives and effective workplace.

Performance appraisal is one key the figures of the human resource management practices and has been a topic that many researchers discussed frequently. The reason is that performance appraisal is deemed to be a very useful for managerial decisions and it's crucial that this process provides accurate employee performances and has accurate rating results which reflect on the achievements and contributions of the employees to the organization (Dulebohn and Ferris, 1999).

In general, performance appraisal consists of identifying, measuring and managing employee performance in an organization. It's conducted mostly for two main reasons. Firstly, it's conducted for administrative purpose in which the appraisal is used as the basis of making decisions regarding employees` work conditions such as promoting, terminating or rewarding them. Secondly, performance appraisal is used for development a purpose which mainly focuses on improving employees` performance, enhancing their skills, shaping their work behavior and attitudes.

Recently, the applications of performance appraisal in corporations have greatly increased due the desire of organizations to affect their employees` behavior, attitudes and ultimately employee performance and organizational performance

(Aguinis, 2009; Gardner, 2008; Murphy and Cleveland, 1991).

There have been concerns emerging regarding the fairness of performance appraisal when a particular supervisor or appraiser makes judgments subjectively and makes unfair conclusions about certain employee` performance. Hence, it's possible that the outcomes of appraisals might be mislead by bias or distortion as a result of emotion and that can damage the quality of performance appraisal process (Longenecker et al., 1987; Murphy and Cleveland, 1995).

There is other concern which is that some supervisors or appraiser to change and distort employees` performance deliberately for political reasons (Longenecker et al., 1987). For instance, a manager may decide to give good ratings to subordinates to gain goodwill or simply avoid any confrontations that come with giving lower ratings (Fried and Tiegs, 1995). Thus, giving employees pay rises or promoting them while their performances was not as good as shown in their ratings, it could lead to them performing poorly and ultimately the organizations performance drops.

Studies from organizational justice domain can explain on how performance appraisal based on political rating can influence employees` behavior and attitudes (Cropanzano and Folger, 1996).. Organizational justice domain mentions two primary elements that are crucial for any appraisal, distributive justice which is about the fairness of the evaluation received and procedural justice which refers to the fairness of the process used to determine the evaluation of the employees (Greenberg, 1986).

2.2.4 Compensation and Employee performance

The term compensation can be described as payment of salaries, wages, bonuses or reward systems that is used by organization to motivate their employees (Milkovich & Newman, 1999). These payments are normally based on the employees' value to the company, position at the company and their overall contribution in the organizations` performance. Thus, pay system is one of the ways organizations motivate their personnel and influence their performances which can consist of monetary payments and non-monetary rewards that is given to employees (Huselid, 1995).

Normally when employees expect to be rewarded based on their performance; they tend to be more active and hard workers so that the organization achieves its goals at the same time they gain the rewards that they expected to be given (Subramaniam, Shamsudin & Ibrahim, 2011). Furthermore, according to Vroom expectancy theory, companies can use rewards as a way of influencing their employees` performance level and motivate them (Vroom, 1995).

Many organizations are known to pay higher salaries to their employees who possess higher education and are more talented to make sure they are committed and loyal to the organization. As a result, employees try their best to contribute to the organizations` success (Pfeffer, 1998; Subramanian, Shamsudin & Ibrahim, 2011). Moreover, pay system can come in many ways such as employee to have their share on the profits, receive bonuses and incentives, vacations, attending overseas courses and study leaves for them to develop their

knowledge. Therefore, the organization can expect their employees to feel as a very important part of the company and be determined to do so well. Consequently, this will lead the organization to generate greater profits. According to Wan (2008), firms need to make sure that their payment systems are well matched with the employees` performance and not in terms of seniority or how long a person lasted in the organization.

In general, employees` turnover can be decreased by implementing fair and effective pay system and incentives (Vlachos, 2009; Subramaniam, Shamsudin & Ibrahim, 2011). In other words, attractive pay system can be used a method of making employees loyal and committed to the organization. For that reason, it's a duty of the management of the organization to develop a pay system which is directly linked to the performance of the workers and failure to do so can have its consequences such as less loyal or less committed employees to the organization and higher turnover rates.

Compensation can have two meaning in two different perspectives. Firstly, individual perspective which describes compensation as membership or non-membership rewards that is vital for employees to meet the basic needs of live and possibly improve their living standards (Henderson, 2006; Maurer et al., 1995). Secondly, in terms of organizational point of view, compensation is a pay system whether monetary of non-monetary form that employers give to their workers as a way of reward for their performance and contribution to the organization (Becker and Gerhart, 1996; Heneman, 2002).

In most cases, employees tend to compare their pay level to their co-workers or their friends who work the job as them but in other organization. Thus, this result whether an employee feels to be treated fairly/equally or the opposite. In workplace context there are three types of assessment an employee can do. Firstly, assessment of internal equity which refers to the act that the employee compares his pay package to employees within the same organization. Secondly, assessment of relative equity which is deeper than the previous one, this happens when employee compares his or her pay package to employees with the same job who work in the same company. Lastly, assessment of external equity occurs when employee compares his pay package to employee who works in different organization.

Furthermore, many investigations which are based on psychological perspectives have revealed that the effect of pay level have on outcomes is the result of interactional injustice indirectly (Adams, 1963, 1965; Bloom, 1999; Mani, 2002). Interactional injustice is described in human resource management as to how employees are sensitive and aware of the treatments they receive from their managers or employers while they are performing organizational procedures (Bies and Shapiro, 1987; Greenberg, 1996, 2003). Thus, if an employee perceives that they managers or supervisors are treating them fairly in how they allocate the pay level, they will have a sense of good interactional justice which inevitably leads to good employee attitude and superior employee performance (Adams, 1963, 1965; Bloom, 1999; Pfeffer and Langton, 1988).

There are some interactional justices theories that can be used to further study on the subject of compensation such as Adams` equity theory, self-interest model, group value model and so on. Even though these theories are basically focusing on   the fairness in pay systems and the interaction between employers and their employees, they have dissimilar terminologies and unlike treatments that they focus. For example, Adams` equity theories believes that equality comes when employee`s efforts and the work he or she has contributed to the organization are matched to their pay level, and the outcome of the equation will determine their sense of fairness or unfairness. However, self-interest model have six decision making justice rules which are, the decisions that is made should be based on an accurate information, the allocation procedures at the organization should be consistent, correct decision in case they are made wrongly, overcome any possibilities of bias, moral and ethical standards have to be practiced in making decisions and to ensure that the allocation process meets the recipients'` expectations.

In the United States, benefits are received by almost all employees, but they are often seen as less significant than pay to employees. This is because employees in USA believe that receiving benefits as merely their rights and promotion decision are usually based on performance and merit (Mroczkowski et al. 1992). Meanwhile, in Malaysia employees are expected to give their all and perform well when they believe that their pay and promotion will be based on their performance appraisal results. Thus, good appraisal outcomes will lead to

greater rewards of promotion, bonuses and increase in salary which will satisfy

them (Kuean, Kaur and Wong, 2010). Based on these information, its safe to say

that in United Stated and Malaysia pay systems are based on workers`

performances and merit.

2.3 Employee performance

No organization can achieve its goals and be successful with the performance of only one or individuals in company. It's important that all employees do their work properly and that is the only way that an organization can have success. Performance is a multidimensional concept which companies need to be aware of its effects on the organization`s strategies and goals. Thus, employee performance carries huge importance and it's simply the heartbeat of the organization. Employee performance can be measured by the productivity and efficiency of the employees growth and employee performance will reflect of the overall organization`s performance. Organizations have learned the importance of employees are as an asset and without them performing well, there is no chance organization will achieve its targeted goals (Mwita, 2000).

Employee performance can be defined as the level and quality of effort, cooperation, commitment, lateness or absenteeism as well as compliance with standard shown by an individual (Cronje, 1995). Likewise, employee performance can be described as employees doing their best to achieve their specific work which results good outcome and behavior (Ivancevich& Matteson, 1996). According to McConnell, (2003) employee performance the achievement and contribution of an individual is practical and quantifiable. Moreover, employee performance is a complex concept which can be affected by many variables (Popovich, 1998). These variables can range from age, gender, employee recognition to job satisfaction (Voltero, 2004; Bonett, 2002; Becherer, 1999).

Managing employee performance can be done by assessing the individual`s performance and giving rewards based on their outcomes. Thus, employee performance can be a result of one's` ability and motivation. Furthermore, the work environment is also vital element for employees to perform whereas giving employees a guidance, providing the required resources and support of management team are central to superior performance (Torrington, Hall & Stephen, 2008).

There are other factors that determine the performance of employees such as, individual`s capacity, willingness and the opportunity to perform. Additionally, performance based system can be important tool to motivate employees so that they know only their performance level will decide their compensation and bonuses they expect to receive (Ivancevich& Matteson, 1996). According to Den Hartog, Boselie&Paauwe, (2004), organization need to do implementation and realization of their strategies so that they can ensure employees to perform well and eventually maximize the organizational performance.

Employee performance can be measured through absenteeism, behavior, turnover, their reaction to work such as staying or quitting the job. This performance can lead to quality outcomes as well as achieving the goals of the organization (Ali, 2000). In his book "Managing Employee Performance, Design and Implementation in Organization", Williams (2002) argued that individual`s performance is the result of how he or she perform the task assigned to, he claimed that performance should be based on task accomplishment, goal achievement, results and outputs.

In some cases, organizations do not focus job result as the outcome of what

employee does, this is because there are hidden elements which shapes individual outcomes such as opportunity to work and the complexity of the work given which does not necessarily tell a person doing his job or not (Cardy and Dobbins 1994; Murphy and Cleveland1995). Thus, comparing the performance of one employee to another can sometimes be misleading and important to know that they may have different opportunity to perform and complexity of the tasks assigned to them (Murphy, 2002).

Recently, there have a behavioral view which claims that performance doesn't simply mean the results or the outputs. However, that doesn't mean companies should ignore their goals and targets. Thus, performance comprises all the behaviors that are related to achieving the unit or department goals as well as organizational goals in which individual works on (Murphy, 1990). Hence, there are two views of performance, results/output and behaviors, and that makes its difficult to distinguish between these two aspects of performance and would be confusing to do so. Nevertheless, behavior is viewed as the cause of output, and output is one of the ways that measures employee performance and effectiveness (Cardy and Dobbins 1994; Waldman 1994).

Many scholars have tried to come up with the best way to explain employee performance and some of the definitions given are organizational commitment (Meyer & Allen, 1991), esprit de corps (Robins & DeCenzo, 2001), job innovation (Elenkov, 2002), job satisfaction (Tesluk, 1999), job motivation (Givens, 2008), team performance (Lim & Ployhart, 2004) and group cohesiveness (Bass, 1999).

2.4 Research Framework

This study is using a conceptual model which links variables of interest which is human resource management practices of recruitment and selection, training and development, performance appraisal and compensation towards employee`s performance. The link is a direct relationship between those practices and the employee`s performance.

Figure 2.4: Research Framework

INDEPENDENT VARIABLE   **DEPENDENT VARIABLE**
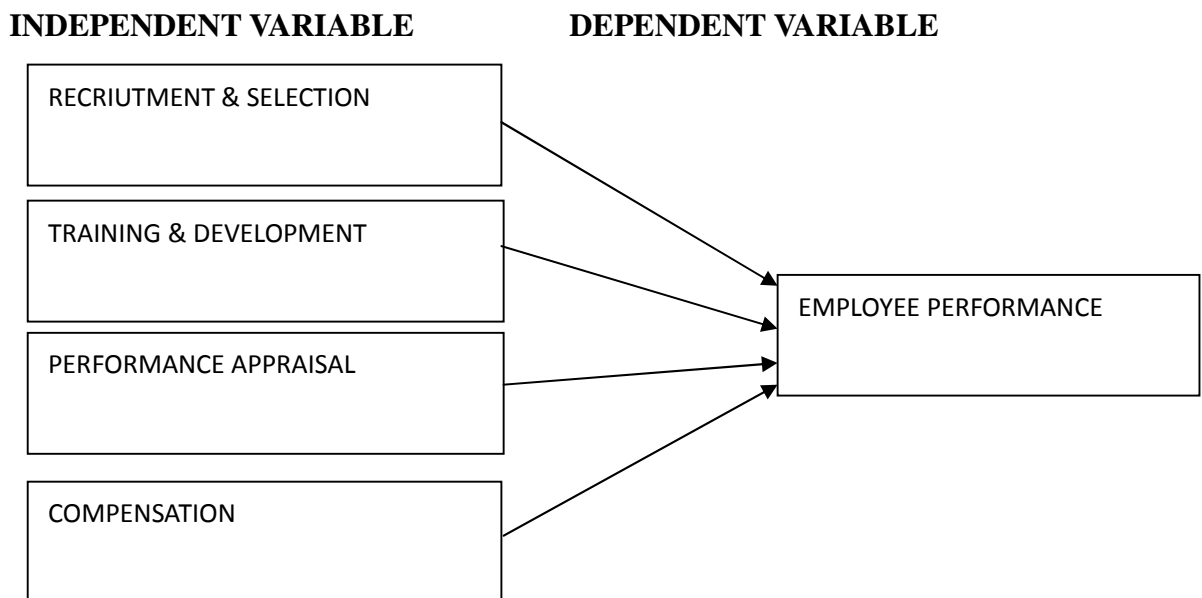
The four human resource practices are the independent variables of the study whereas the employee`s performance is the dependent variable of this research.

2.5 Hypothesis Development

Hypothesis testing enables us to make interface about the real world from a sample. As such, the following hypotheses are proposed:

H1: There is a significant relationship between recruitment & selection and employee performance.

H2: There is a significant relationship between performance appraisal and employee performance

H3: There is a significant relationship between training and development and employee performance

H4: There is a significant relationship between compensation and employee performance

2.6 Conclusion

In this chapter, the researcher presented a review on past literatures which studied the human resource management practices namely, recruitment and selection, training and development, performance appraisal and compensation and their relationship with the employee`s performance. So far the researcher based on his readings of many articles, journals and books has found that there are many studies on human resource management practices and other fields, also the researcher has come across other studies on human resource management practices and employee`s performance. However, the researcher believes that there not enough studies being performed in Hotels at Langkawi. As for that reason, this solely focuses on the human resources management practices of recruitment and selection, training and development, performance appraisal and compensation and their relationship with employee`s performance. Finally, the researcher has developed a conceptual framework based on the literature reviews, and from there the researcher constructed the research`s hypothesis.

In the following chapters, the researcher will test the hypothesis and carry out variety of analysis to either accept and support the hypothesis or reject them.

CHAPTER 3

RESEARCH METHODOLOGY

3.1 Introduction

This chapter will explain the methods that is used to examine and study the relationship between human resource management practices namely as recruitment and selection, training and development, performance appraisal and compensation, and employee performance. The chapter explains the research design, sampling technique, measurement and instrument, data collection method and analysis technique that is being used to test the variables.

3.2 Research Design

A plan in which data is collected and utilized to gather desired information is called research design. In other words, a strategic plan used by researcher to investigate and answer research questions.

The objective of this research is to find out the relationship between HRM practices and Employee performance. Hence, this is correlation study which studies the nature of the certain relationship between two or more variables in a situation (Cavana, Delahaye &Sekaran, 2001).

In doing the research, the researcher will use questionnaire over period of weeks or months to answer the research questions.

3.3 OPERATIONAL DEFINITION

Recruitment &Selection: recruitment is process in which the organization chooses the best potential candidates from the applicants. Subsequently, the selections process comes into action to select the right people for the right job to make sure that the company is able to minimize their cost and improve their profits.

Training and development: Any organization that is aiming to be profitable must be aware that their employees play key role in achieving such goal. Thus, training employees will enhance their skills, knowledge and abilities; and that will lead to overall organizational performance. Development programs have crucial role in enhancing employees` strength and adaptability to the work culture and requirements.

Performance appraisal: decision making process needs blueprints and guidelines. Therefore, performance appraisal can indicate the employees who are hardworking and those who contribute less to company. Thus, it's very important to measure the current performance of each employee in an organization to make decision regarding promotion and termination.

Compensation: reward system is one of the most important methods in an organization to keep employees highly motivated. This process has to deal with two situations. Firstly, paying employees their deserved amount of money based on their performances. Secondly, the extent to which such process is perceived to be equitable.

Employee performance: this means the level of contribution that an employee

performed in achieving organizational goals

3.4 Population and Sampling

The sampling technique that is being used in doing this research is probability sampling. Probability sampling is a sampling technique in which every member of the targeted population has a chance of being selected that is known and nonzero (Zikmund, Babin, Carr and Griffin, 2010).

In this technique the methods that is used is a simple random sampling in which every member of the population has an equal chance of been selected in the sample. As it's the least expensive, easiest to measure as well as the least time consuming compared to the other sampling techniques.

The population of this study comprises of all staffs at 5-star hotels in Langkawi who match our specific characters at those hotels. According to (Agoda, 2013), there are seven 5-star hotels in Langkawi namely Bayview Hotel, Dayang Bay, Langkawi Lagoon, Sheraton, Resorts World, The Danna, and finally The Westin. These hotels have 3068 employees in different departments and different tasks.

According to Krejcie, Robert V., Morgan, Daryle W. (1970) in determining the sample size, the sample drawn from the population has to be 341 respondents. In addition to that, sample sizes which larger than 30 and less than 500 is appropriate for most research. Within this limits (30 to 500), the use of sample about 10% size of parent population is recommended (Sekaran & Bougie, 2010).

3.5 Sampling Technique

In this section, the researcher explains the techniques that are used in formulating the sample that is used to measure the relationship between human resource management practices and employee performance among hotels in Langkawi.

3.5.1 Primary Data

First hand work of the research is normally known as primary data. The researcher used questionnaires as method in having primary data. The best thing about questionnaires is the anonymity of the respondents which leads to more open and truthful responses unlike many other techniques. Nevertheless, questionnaires are also attractive because they are relative low cost and can be done by the respondent in their preferred time. In doing this research, approximately 600 sets of questionnaire were distributed by the researcher to the targeted respondent and collected 400 sets of completed questionnaires.

The participation of employees from these hotels are based on voluntarily and confidentiality due to the used of this data for academic purposes only.

3.5.2 Secondary Data

Secondary data comprises of all the work that is done by others in which the researcher used as guidance or reference. These can include International research journals, published articles and academic text books are used to support the findings of this research.

3.6 Measurement/Instruments

In this research, a descriptive study is carried out and the researcher distributed set of questionnaires to obtain information that can be analyzed and compared. Thus, random questionnaires are seen fit and suitable in which same questions to be asked every respondent in same circumstances.

In this research, the questionnaires deployed consist of three sections. First, is the demographics of the respondents; there the questions ask about the gender, age, marital status and the length of service at the organization. Second, is B section whereby the researcher studies independent variables of human resource practices which are recruitment and selection, training and development, performance appraisal and compensation. Third, is section C where questions are about employee performance.

The questions were measured based on five points like as style: 1= strongly disagree, 2= disagree, 3= natural, 4= agree, 5= strongly agree. The rating scale is shown in the table below:

Figure 3.1: Five-Point Respondant Format

Strong disagree	Disagree	Moderate	Agree	Strong agree
1	2	3	4	5

The questionnaires used in this research were adopted from and based on previous questionnaires about human resources management and employees performance such as Chand and Katou (2007), Delery and Doty (1996), Uen and Chien (2004); Tsuiet al. (1997) and (Chenhall. 2003).

Figure 3.2:Layout of Questionnaires

Section	Item	No.of Questions
A	**Demographic** • Gender • Marital status • Age • Length of service	4
B	**HRM practises** •Recreiutment and Selection •Training and Development •Performance Appraisal •Compensation	18
C	**Employee Performance**	8

3.7 Data Analysis Technique

In research that is understaken, one of the key parts is doing data analysis. Because, only after doing data analysis will the researcher be able to transform raw and unfinished data into meaningful one which will the researcher read facts, find patterns and come up with explanations to the generated hyphothesis. One of the very common analaysis used by most researchers in doing data analysis technique is statistical package for social sciences. Hence in this study, the researcher used Statistical Package for Social Sciences (SPPS) version 20.

3.8 Methods Utilized

In this study, the researcher utilized three types of motheds to analyze the research which are relaibility, discriptive & inferential analysis

3.8.1 Descriptive Statistics

It is an analysis technique that is used to describe the respondents of the study in terms of their demographics. Thus, the researcher selected Age, Gender, Marital Status & The years of service to make sure that the respondents are known.

3.8.2 Reliability

The researcher needs to be alert and has to be very careful with the questionnaires distriputed. Thus, to ensure that the questionnaires are measuring the desired measure, the researcher has to keep an eye on the results from the Cronbach`s alpha of reliablity. Cronbach`s alpha results range between 0 to 1; which means when there is 0 value there is no consistency and when there is 1 value it means there complete consistency.

The scales are explained in the below table:

Figure 3.3: Cofficient alpha scales

No.	Range in Scale	Consistency
1	0.8 – 0.99	Very Good
2	0.70 – 0.88	Good
3	0.6 – 0.7	Fair
4	0.6 and below	Poor

3.8.3 Inferential Statistics

In the inferential analysis, the researcher tries to inference the population of the study based on the sample that is chosen. In this research, the inferential statistics deployed to analyze are Pearson correlation and linear regression analysis

3.8.3.1 Correlation Analysis

This research is aimed to examine the relationship between human resouce management practices and employee performance. therefore, correlation analysis is one of the very important analysis the researcher needs to perform. Normally, Pearson correlation is used in most correlational studies and similarly the researcher uses it in this study. Pearson correlation shows linear relationship between depedent variable and independent variable of the study. sebsequently, based on restuls from the Pearson correlation, the researcher illustrates the intensity of the relationship between dependent variable and independent variable.

To read the results from the correlation coefficent, its important that the researcher know the meaning of numbers and signs. Hence, cofficient value ranges from -1 to +1. The negative and positives sign show the direction of the relationshio whereas the -1 means there is strong negative relationship between dependent variable and independent variable, and +1 meaning that there is strong positive relationship between the variables of the study. however, in some cases 0 value can result from cofficient correlation which means there is no relationship

between the variables.

In summary, values ranging between (0.7-1.0 or -0.7 and -1.0) are showing very high correlations, while (0.5 to 0.7 or -0.5 to -0.7) mean there is high correlations; $(0.3-0.5$ or-$0.3-$-$0.5)$ low correlation; $(0.0-$-0.3 or $0.0-0.3)$ very low correlation.

3.8.3.2 Regression analysis

Regression analysis studies relationship between dependent variable and one or more independent variables. Thus, in this study the research uses multiple regression analysis to decide between the four independent variables of human resources practices namely as recriutment and selection, training and development, performance appraisal and compensation. Sebsequently, the the variable with the highest value of Beta is seen to be the critical factor to employee performance. However, if the Beta result zero then it means that the independent variable can not effect the dependent variable.

3.9 Conclusion

This chapter covered and summarized many aspects of research methodology that is used to carry out this research. The chapter describes the methods the researcher used to examine the relationship between human resource practices and employee performance among hotels in Langkawi islands. The chapter includes main analysis which are descriptive statistics and Pearson correlation analysis and multiple regression analysis are used to examine the relationship hypothesized. Furthermore, the chapter explains the research design, data collection method and questionnaires development.

CHAPTER 4

RESULTS AND FINDINGS

4.1 Introduction

In this chapter, we discuss the findings from the analysis. The data we use here are all analyzed using statistical package for social sciences (SPSS) version 20. Furthermore, we collect the data from our respondents and use pilot analysis to test reliability of the questionnaire. Subsequently, we do descriptive analysis to describe and explain the demographic of the respondents who filled the questionnaires. Additionally, Pearson correlation analysis is used to test the relationship between human resource management and employee performance. Finally, regression analysis is used to find out the human resource practice that is critical factor to variance in the employee performance.

4.2 Overview of the Collected Data

The researcher spent one week at Langkawi islands to meet the respondents. During that week the research submitted a total 600 printed questionnaires to the hotel managements. And Within that week the researcher received a total of 170 filled questionnaires.

Over the 170 collected questionnaires, only 90 were filled properly and were fit and useable. The researcher then had to comeback two weeks later to collect the remaining questionnaires he left. Thankfully, the researcher collected 281 filled questionnaires and from that number, there were 205 useable filled questionnaires. At that point, the researcher had a total of 295 respondents which was 86.5% of 341 targeted sample sizes.

4.3 Respondents Profile

4.3.1 Gender

Table 4.1: Gender

	Frequency	Percent
Male	164	55.6
Female	131	44.4
Total	295	100.0

As table 4.1 shows out 295 respondents participated in this research, 164 (55.6%) were male which means the remaining 131 (44.4%) respondents were female.

4.3.2 Marital Status

Table 4.2 Marital Status

	Frequency	Percent
Married	139	47.1
Unmarried	156	52.9
Total	295	100.0

As for second part of demographic of the respondents, Table 4.2 showed that more than half of the respondents were unmarried which was 156 (52.9%) and the other 139 (47.1%) were female.

4.3.3 Age

Table 4.3 Age

	Frequency	Percent
21-30	115	39.0
31-40	134	45.4
41-50	32	10.8
Above 50	14	4.7
Total	295	100.0

As we can see from the above table, the biggest number of the respondents belong the age level of between 31 and 40 which is 134 (45.4%) of the overall respondents. Another 115 (39%) were at younger age of between 21 and 30

years of age. However, 32 (10.8%) and 14 (4.7%) were between 41 and 50 and

above 50 years respectively.

4.3.4 Years of Working

Table 4.4 Years of Working

	Frequency	Percent
Less than 1 year	64	21.7
1-5 years	138	46.8
6-10 years	75	25.4
11-15 years	12	4.1
16-20 years	6	2.0
Total	295	100.0

Table 4.4 shows, out of 295 respondents 138 (46.8%) have been working at their

organizations between 1 to 5 years. Another 75 (25%) were working between

6-10 years, and 64 (21.7%) respondents had been working for less than 1 year.

Very few respondents of 12 (4.1%) and 6 (2%) had been working 11 to 15 years

and   16 to 20 years respectively.

4.4 Reliability Analysis

To measure the consistency and the stability of items, the researcher used Cronbach`s Alpha value. In general, if the value of alpha indicates 0.7 and above, it means the items have high reliability and from that point on the research can be used for further analysis (Nunnaly 1978).

Figure 4.4: **Value of Alpha**

Cronbach's alpha	Internal consistency
$\alpha \geq 0.9$	Excellent (High-Stakes testing)
$0.7 \leq \alpha < 0.9$	Good (Low-Stakes testing)
$0.6 \leq \alpha < 0.7$	Acceptable
$0.5 \leq \alpha < 0.6$	Poor
$\alpha < 0.5$	Unacceptable

Source: Cortina, J.M. (1993). What is coefficient alpha? An examination of theory and applications

As for this research, Cronbach`s alpha value resulted 0.895 which was good reliability level as illustrated in the below table of 4.6

Table 4.5 Reliability Test

Combined reliability of all variables

Reliability Statistics

Cronbach's Alpha	N of Items
.895	5

Individual reliability of each individual independent variables and dependent variable

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
Recruitment and Selection	17.9694	.659	.769	.867
Training and Development	17.9518	.614	.677	.891
Performance Appraisal	17.9484	.646	.748	.870
Compensation	17.9697	.639	.729	.874
Employee Performance	17.9272	.633	.811	.857

4.5 Pearson Correlation Analysis

In correlation analysis the aim of the researcher is to describe the kind of relationship that exists between two or more variables of study. Meanwhile, correlation analysis covers three aspects in relationship which are the form of the relationship, the direction of the relationship as well as the degree of that relationship. In relationship studies, most of researchers apply a specific correlation test namely the Pearson correlation (Gravetter & Wallnau, 2005).

In Pearson correlation analysis, the aim is to study the direction of the relationship and then the degree relationship between the variables of study. In this research, the researcher conducted correlation test to analyze the relationship between the independent variable which is Human Resource Management Practices and the dependent variable which is Employee performance.

In general, the r-values from the test have to be in between the range of -1.0 to 1.0 which shows that there is a positive relationship or negative relationship. In some cases, the r-value can be zero which indicates a zero relationship (Gravetter &Wallnau, 2005).

Table 4.6 Correlations

Pearson Correlation Sig. (2-tailed) N=295	Employee Performance (DV)
Recruitment & Selection	0.754
Training & Development	0.605
Performance Appraisal	0.728
Compensation	0.656

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

To examine the first objective of this research which is to determine the relationship between human resource practices; recruitment and selection, training and development, performance appraisal, compensation and employee performance Pearson correlation is needed.

Table 4.6 shows the independent variable that has the highest relationship with the employee performance is Recruitment and selection; it has strong positive relationship of 0.754 with the dependent variable. Furthermore, performance appraisal also has strong positive relationship of 0.728 with employee performance. Similarly, compensation shows strong positive relationship of 0.656 with the dependent variable. Finally, training and development have the least of all with moderate positive relationship of 0.605 with the employee performance.

In summary, this part has answered the first four objectives of this research which is to examine if there is a relationship between employee performance and the four human resources practices namely; recruitment and selection, training and development, performance appraisal and compensation. As shown in the above table r=0.811 means that the independent variables have very strong positive relationship with the dependent variables.

4.6 Regression Analysis

In this regression analysis, the researcher has the task of identifying which of the

human resources practices have the biggest influence on employee performance.

According to (Cravetter&Wallnau, 2005), regression analysis is a statistical analysis

technique that is used to find out the best-fit straight line for set of data.

Table 4.7 Regression Analysis of Human Resource Practices and Employee Performance

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	.269	.170		1.588	.113
Recruitment and Selection	.391	.052	.374	7.562	.000
Training and Development	.099	.037	.119	2.658	.008
Performance Appraisal	.296	.048	.301	6.180	.000
Compensation	.162	.045	.172	3.625	.000

a. Dependent Variable: Employee Performance

Table 4.8 Regression Analysis on Coefficient of Determination(R Square)

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.828[a]	.686	.681	.12629

a. Predictors: (Constant), Compensation, Performance Appraisal, Training & Development, Recruitment & Selection

According to Table 4.8, R=0.828, in a linear regression analysis, its critical when the R score is greater than 0.5. Thus, R=0.828 which tells us that its significant, in other words, there is a relationship between employee performance and the four human resource management practices. The R=0.828 means that the dependent variables have relationship with the independent variable. Moreover, the 68% of variance in employee performance can be explained by the four human resource management practices.

As illustrated in Table 4.7, Based on the result of regression analysis on coefficient, all the independent variables of human resource management (recruitment and selection, training and development, performance appraisal and compensation) significantly influence the employee's performance. P value of recruitment and selection is (0.000), training and development is (0.008), performance appraisal is (0.000) and compensation is (0.000). The p values for these four independent variables are below 0.05. Therefore, they are all significantly influence employee performance.

Similarly, the independent variable that has the highest beta among the four human resource practices is recruitment and selection with beta of (0.374), which means

that recruitment and selection have the biggest effect on employee performance among the other human resources practices. Thus, one unit increase in standard deviation of recruitment and selection will result 0.374 increases in employee performance. Furthermore, performance appraisal has the second highest beta (0.301) among the four human resource practices after recruitment and selection. Meanwhile, Compensation has proved to have beta of (0.172). Lastly, training and development has the least beta (0.119).

In summary, the aim of this analysis was to provide answers to the final objective of this research which is to examine which human practices among recruitment and selection, training and development, performance appraisal and compensation has the biggest influence on employee performance of hotels at Langkawi. Thus, its summarized here that recruitment and selection is the critical factor in explaining employee performance.

4.7 Hypothesis Testing

In this part, the researcher related the results found from the analysis carried out to

the hypothesis in chapter 2.

4.7.1. Hypotheses 1: There is a relationship between recruitment and selection and employee performance among hotels in Langkawi

The result from correlation analysis and multiple regression analysis indicate there is a significant positive relationship between recruitment and selection with employee performance Because the person correlation value is 0.754, and (B=0.374). In this study, the model reach statistics significant (p=0.000<0.05). According to correlation value and Beta value to show that recruitment and selection has employee performance. Therefore, the first hypothesis of the research is supported.

4.7.2. Hypotheses 2: There is a relationship between training and development and employee performance among hotels in Langkawi

The result of the Pearson correlation analysis and multiple regression analysis tested earlier shown that there is significant positive relationship between training and development and employee performance Because the person correlation value is 0.605, and (B=0.119). In this study, the model reach statistics significant (p=0.008<0.05). Thus, this supports the second hypothesis of this research.

4.7.3. Hypotheses 3: There is a relationship between performance appraisal and employee performance among hotels in Langkawi

Performance appraisal has significant positive relationship with employee performance which the third human resource practices in this research with r-value of 0.728, and (B=0.301). In this study, the model reach statistics significant (p=0.000<0.05). Hence, the third hypothesis test of this research is supported

4.7.4. Hypotheses 4: There is a relationship between Compensation and Employee Performance among hotels in Langkawi

As for final hypothesis of this study, Pearson correlation resulted r-value= 0.656 for compensation, and (B=0.172). In this study, the model reach statistics significant (p=0.000<0.05) which means that compensation has significant positive relationship with employee performance. As a result, the last hypothesis test of the research is supported.

4.8 Summary Hypotheses Results

Figure 4.8: **Hypotheses Results**

Hypothesis	Result
Hypotheses 1: There is a signficant relationship between recruitment and selection and employee performance among hotels in Langkawi	**Accepted**
Hypotheses 2: There is a signficant relationship between training and development and employee performance among hotels in Langkawi	**Accepted**
Hypotheses 3: There is a signficant relationship between performance appraisal and employee performance among hotels in Langkawi	**Accepted**
Hypotheses 4: There is a signficant relationship between compensation and employee performance among hotels in Langkawi	**Accepted**

4.9 Conclusion

This chapter presented the findings of the research which examine the relationship between human resource practices and employee performance among hotels in Langkawi islands. The first part was to test the reliability of the questionnaire items from the respondents. And from the Cronbach`s alpha value of dependent variable and independent variables proved to acceptable and reliable. Next, descriptive analysis was conducted to describe the respondents in terms of their gender, age, marriage status, and working years at their organizations. In addition, correlation analysis is carried out to determine if there is any relationship between the human resource practices of recruitment and selections, training and development, performance appraisal and compensation with employee performance and the Pearson correlation test resulted positive significant relationship between all the HRM practices with employee performance. Regression analysis showed that the company`s recruitment and selection practice contributed to biggest influence on employee performance. Finally, all the resulted were matched with hypothesis tests of the researcher and all the results supported that hypothesis.

CHAPTER 5

DISCUSSION, RECOMMENDATION AND CONCLUSION

5.1 Introduction

In the previous chapter, the researcher presented various research methods and analysis. Subsequently, this chapter summarizes those results and then integrates them with the research objectives covered in first chapter. This chapter also discusses the hypothesis results and based on them the researcher presents recommendations for those discussions. In addition to that, the researcher discusses about some limitation of this research and limitations faced while doing the research. Finally, the researcher makes conclusions of the study and recommendations for future researches and use.

5.2 Recapitulation of Research Findings

This research examined the relationship between human resource management practices namely as recruitment and selection, training and development, performance appraisal and compensation with employee performance among hotels in Langkawi islands.

Initially, during the research a total 600 printed questionnaires were distributed to employees among hotels in Langkawi and 295 were fit to use for this research. Thus, in this study the respondent rate was 86.5%.

Based on the collected and used questionnaires, in terms of their gender, the male number was 164 (55.6%) and female number was 131 (44.4%). As for their marriage status, 139 (47.1%) were married and 156 (52.9%) were unmarried. Furthermore, in terms of their age, those who were aged 21-30 were 115(39%) respondents, 31-40 were 134 (45.4%), 41-50 were 32 (10.8%) and the least number came from the above 50 with only 14 (4.7%) respondents. Moreover, in terms of the respondents working years at their current organization, the analysis resulted at 138 (46.8%) respondents have been working at their organizations between 1 and 5 years. Another 75 (25%) were working between 6-10 years, and 64 (21.7%) respondents had been working in less than 1 year. Very few number of 12 (4.1%) and 6 (2%) had been working 11 to 15 years and   16 to 20 years respectively.

5.3 Discuss on Research Objectives

Moreover, the research investigated on how HRM practices influence organization`s people and its performance. In the analysis shown in previous chapter those data indicated that human resource practices have positive relationship with employee's performance, since recruitment and selection, training and development, performance appraisal and compensation resulted significant positive relationships with employee performance in hotel industry. Hence, based on those analysis recruitment and selection are seen to be the practice with the most influence on employee performance.

In the flowing part, the researcher relates the results gathered from data analysis carried out to the objectives of the research study.

5.3.1 Objective: Examine the relationship between recruitment and selection and employee performance among hotels in Langkawi

As shown in table 4.7 of Pearson correlation analysis there is a significant positive relationship between recruitment and selection with employee performance (r-value 0.754), which means that recruitment and selection have strong positive relationship with employee performance among hotels in Langkawi.

5.3.2 Objective: Examine the relationship between training and development and employee performance among hotels in Langkawi

In terms of objective number two of this research, the researcher carried out Pearson correlation analysis to see if there is any relationship between training

and development with employee performance. Hence, as is shown in table 4.7, there is a significant positive relationship between training and development with employee performance with r-value of (0.605).

5.3.3 Objective: Examine the relationship between performance appraisal and employee performance among hotels in Langkawi

Similar to prior objectives, the researcher found that performance appraisal has significant positive relationship with employee performance among hotels in Langkawi. Since, the r-value is (0.728) as shown in Pearson correlation table 4.7 in research methods chapter.

5.3.4 Objective: Examine the relationship between compensation and employee performance among hotels in Langkawi

As for compensation, the data analysis of Pearson correlation illustrated that there is significant positive relationship between compensation and employee performance. This, is based on the result in table 4.7 which shows r-value of (0.656) for compensation relationship with employee performance among hotels in Langkawi.

5.3.5 Objective: To identify which HRM practices contribute the most towards employee performance among hotels in Langkawi

To identify the critical factor of human resource management practice that improves the employee performance among hotels in Langkawi, the researcher has 4 practices to analyze namely as recruitment and selection, training and development, performance appraisal and compensation. To find out the critical

factor would simply tell the management which of the selected practices leads the when it comes to improving employee performance as well as organizational performance as whole. During the analysis discussed in Pearson correlation, all the four human resources resulted positive relationship. However, to highlight the one practice that stands out from the four practices, it's important that regression analysis is put into play. Furthermore, in table 4.8, the independent variable that has the highest beta among the four human resource practices analyzed is recruitment and selection with beta of (0.374), which means that recruitment and selection have the biggest effect on employee performance among the other human resources practices. Thus, 1 increase in standard deviation of recruitment and selection will result 0.374 increases in employee performance.

In summary, the aim of this analysis was to answer the final objective of this research which is to find examine which human practices among recruitment and selection, training and development, performance appraisal and compensation has the biggest influence on employee performance of hotels at Langkawi. Thus, its summarized here that recruitment and selection is the critical factor in explaining employee performance.

5.4 Limitations

5.4.1 Limitations to the Researcher

There are some limitations encountered during the course of completing this research study. These are listed as follows:

Cost

The researcher carried out the research by self-financing. As foreign full time student at UUM, the researcher has to deal with all the costs arise during the course of this research. Additionally, Langkawi is a lexury place and its common that tourism spots are costly; therefore, the researcher faced extreme costs during the two visits to the island.

Language Barrier

During the two sessions of the visit to Langkawi islands, the researcher has endured so much due to the language complications with many of the locals unable to speak or understand English. As a result, the researcher had to get on as much as he could without thinking about the longevity of his stay the expensive island to complete his targeted number of respondents

Time Constraint

As many say time is money, and for that, it was true for the researcher. As full time student, to complete the research in 10 months while possibly having other

subjects to attend was understandably difficult. However, the researcher tried his best to come up with quality and good research work in time.

Lack of experience

During the time this research is being done, the researcher experienced a real revelation. As fresh graduate from bachelor`s degree at UUM, without any past working experience, the research sincerely believes that there are possibilities that there can be some limitation to this work. However, the researcher gained priceless experience which will benefit him for the future researches.

5.4.2 Limitations of the Study

In any research that is done, there are always some limitations. Similarly, this study has some limitations as well.

To begin with, this research consists of only four human resource practices which are recruitment and selection, training and development, performance appraisal and compensation to study a relationship between HRM and employee performance. For that reason it's possible that these practices may not represent the whole aspects of human resource management practices that are directly related with improving employee performance.

Furthermore, using the questionnaire to gather employees' real perception on certain elements is not easy. These questionnaires consists of 26 questions altogether, thus, there might be some questions that employees don't understand what it's about. Similarly, there is a possibility that certain respondents used "3" which stand for neutral when they don't understand the question instead of asking the researcher.

5.5 Recommendations for future research

Based on the limitations discussed earlier, the research has several suggestions for future researches done in human resource management practices and employee performance. Firstly, as it's mentioned before, this research focused on four human resource practices which are recruitment and selection, training and development, performance appraisal and compensation; for that reason it's possible that future researchers can pick other practices such as manpower, job design, quality circle or pay systems.

Secondly, this research is based on Five-star hotels at Langkawi and it's possible that some other research feel that they can study on lower level hotels such as Motels. Moreover, it's also recommended that there can be similar other researches done on hotels in other areas of Malaysia such as in Kuala Lumpur or Penang.

Finally, future researchers can use other variables to investigate employee performance. In this research, the independent variable is human resource management, and it's possible that future researchers choose other aspects in the organization that can explain the level of employee performance at the organization.

5.6 Conclusion

This research was conducted to examine the relationship between human resource management and employee performance among hotels in Langkawi. The researcher selected four HRM practices namely as recruitment and selection, training and development, performance appraisal and compensation. Questionnaires were distributed randomly to the respondents and collected back. Moreover, the researcher carried out reliability analysis to test the level consistency and then tested for correlation analysis using Pearson correlation which all resulted significant positive relationships. Subsequently, regression analysis needed to find out the critical practice among the four human resource management practices selected and recruitment and selection came up with the highest beta. Lastly, the researcher discussed several limitations to both the researcher and the study, and then suggested several recommendations and suggestion for future study.

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APPENDIX

Appendix A

Questionnaires

The relationship between human resources management practices and employee performance in Malaysia hotel industry at Langkawi, Kedah

Dear Sir/Madam,

I am inviting you to participate in my research project entitled "The relationship between human resources management practices and employee performance among hotels in Langkawi, Kedah".

The study aims to link between human resource management practices on employee performance in Langkawi hotels. I hope you will be able to assist me by completing the enclosed questionnaires. All information provided will be treated as private and confidential. It will be used for academic purposes. As is normally in academic research, I shall not disclose the names of individuals who provided me with particular information. All data will be analysed in a collective manner and will be not attributed to name individuals.

The survey should take approximately 15 minutes to answer. I shall be grateful if you could complete the enclosed questionnaires.

Thank you in advance for your time and cooperation.

Yours sincerely

AbdirahimAbukar Ahmed (811002)

Master of Science Management, UUM

<div align="center">**SECTION A**</div>

1.0 Demographic Profile

Please tick (/) the appropriate box to answer the questions

1.1 Gender

Male	Female

1.2 Status

Married	Unmarried

1.3 Age

21 -30	31 – 40	41 – 50	Above 50

1.5 Working Years

Less than 1 years	1 – 5 years	6 – 10 years	11–15 years	16-20 years	More than 20 years

PART B

2.0 Human resource management Practices

The following questions ask you about the extent of your judgment on the HRM practices that influence your department's performance. Please indicate your agreement or disagreement on the following statements by indicating your appropriate response based on the following scale.

No.	Factors	Strongly Disagree 1	Disagree 2	Neutral 3	Agree 4	Strongly Agree 5
Recruitment and Selection						
2.1	The organization has practices harmony (multiple approach) terms and conditions in the process of recruitment and selection					
2.2	The organization is clearly practices fair treatment in the promotion process for all employees					
2.3	The organization practices filling vacancies from within the organization as a norm (promotion)					
2.4	The organization uses multiple test criteria in selecting the right employees					
2.5	The organization is using merit element in the selection process					
2.6	The organization practices selecting the right employees based on candidates multi-skilling and experience					
Training and Development						
2.7	The organization practices formal system of induction to new employees					
2.8	The organization encourages learning organization by providing internal and external training workshops, including on-the job trainings					
2.9	The organization concentrates on the formal training and development sessions					
Performance Appraisal						
2.10	My organization evaluates my performance annually.					
2.11	Performance appraisal in my organisationis based on supervisors-subordinates rating.					
2.12	Performance evaluation in my organisationis based on the job related criteria.					

2.13	I can know my performance appraisal results by formal feedback systems.					
2.14	My organization ties the results of performance appraisal as a guide for my salary increment and promotion.					
Compensation						
2.15	My organization consistently reviews and updates its compensation systems to meet the needs of the employees					
2.16	Employees are given positive recognition when they produce high quality of work.					
2.17	Compensation structure in my organization is equitable.					
2.18	Salary raised in my organisationis based primarily on seniority.					

3.0 Employee Performance

The following questions ask you about the degree of your perceived rating on your performance. Please indicate your agreement or disagreement on the following statements by indicating your appropriate response based on the following scale.

Employee Performance						
No.	Factors	Strongly Disagree 1	Disagree 2	Neutral 3	Agree 4	Strongly Agree 5
3.1	I would be happy to spend the rest of my career in this organization.					
3.2	I am always excited to perform my responsibilities.					
3.3	I really feel the problem of this organization is as though it is my problem as well.					

3.4	I'm always ready to offer help to those around me					
3.5	I feel emotionally attached to this organization.					
3.6	I see my future bright if I will be working in the same organization.					
3.6	I feel that I have a moral obligation to stay on because of loyalty.					
3.8	I feel pride to be member of this company					

END OF THE SURVEY
THANK YOU FOR YOUR PARTICIPATION.

Appendix B

==Frequencies==

Statistics

		What is your gender?	What is your marriage status?	What is your age level?	How long have you been working at this organization?
N	Valid	295	295	295	295
	Missing	0	0	0	0

Gender

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	164	55.6	55.6	55.6
	Female	131	44.4	44.4	100.0
	Total	295	100.0	100.0	

Marital status

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Married	139	47.1	47.1	47.1
	Unmarried	156	52.9	52.9	100.0
	Total	295	100.0	100.0	

Age

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	21-30	115	39.0	39.0	39.0
	31-40	134	45.4	45.4	84.4
	41-50	32	10.8	10.8	95.3
	Above 50	14	4.7	4.7	100.0
	Total	295	100.0	100.0	

Years of Working

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Less than 1 year	64	21.7	21.7	21.7
	1-5 years	138	46.8	46.8	68.5
	6-10 years	75	25.4	25.4	93.9
	11-15 years	12	4.1	4.1	98.0
	16-20 years	6	2.0	2.0	100.0
	Total	295	100.0	100.0	

Human Resource Management and Employee Performance

Case Processing Summary

		N	%
Cases	Valid	294	99.7
	Excluded[a]	1	.3
	Total	295	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
.895	5

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
Recruitment and Selection	17.9694	.659	.769	.867
Training and development	17.9518	.614	.677	.891
Performance Appraisal	17.9484	.646	.748	.870
Compensation	17.9697	.639	.729	.874
Employee Performance	17.9272	.633	.811	.857

Reliability Statistics

Cronbach's Alpha	N of Items
.859	2

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
Recruitment and Selection	4.5145	.050	.754	.
EmployeePerformance	4.4722	.046	.754	.

Reliability Statistics

Cronbach's Alpha	N of Items
.746	2

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
Employee Performance	4.4898	.073	.605	.
Training anddevelopment	4.5145	.050	.605	.

Reliability Statistics

Cronbach's Alpha	N of Items
.843	2

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
Employee Performance	4.4932	.052	.728	.
PerformanceAppraisal	4.5145	.050	.728	.

Reliability Statistics

Cronbach's Alpha	N of Items
.791	2

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
Employee Performance	4.4719	.056	.656	.
Compensation	4.5145	.050	.656	.

Recruitment and Selection and Employee Performance

Correlations

		Employee Performance	Recriutment and Selection
Employee Performance	Pearson Correlation	1	.754[**]
	Sig. (2-tailed)		.000
	N	294	294
Recruitment and Selection	Pearson Correlation	.754[**]	1
	Sig. (2-tailed)	.000	
	N	294	295

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

Training and Development and Employee Performance

Correlations

		Employee Performance	Training and development
Employee Performance	Pearson Correlation	1	.605[**]
	Sig. (2-tailed)		.000
	N	294	294
Training and development	Pearson Correlation	.605[**]	1
	Sig. (2-tailed)	.000	
	N	294	295

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

Performance Appraisal and Employee Performance

Correlations

		Employee Performance	PerformanceApprai sal
Employee Performance	Pearson Correlation	1	.728**
	Sig. (2-tailed)		.000
	N	294	294
PerformanceAppraisal	Pearson Correlation	.728**	1
	Sig. (2-tailed)	.000	
	N	294	295

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

Compensation and Employee Performance

Correlations

		Employee Performance	Compensation
Employee Performance	Pearson Correlation	1	.656**
	Sig. (2-tailed)		.000
	N	294	294
Compensation	Pearson Correlation	.656**	1
	Sig. (2-tailed)	.000	
	N	294	295

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

Human Resource Management and Employee Performance

Correlations

		Human Resource ManagementPracti ces	Employee Performance
Human Resource Management Practices	Pearson Correlation	1	.811**
	Sig. (2-tailed)		.000
	N	295	294
Employee Performance	Pearson Correlation	.811**	1
	Sig. (2-tailed)	.000	
	N	294	294

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

Human Resource Management Practices and Employee Performance

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.828[a]	.686	.681	.12629

a. Predictors: (Constant), Compensation, PerformanceAppraisal, Training and development, Recruitment and Selection

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	10.048	4	2.512	157.495	.000[b]
	Residual	4.609	289	.016		
	Total	14.657	293			

a. Dependent Variable: Employee Performance

b. Predictors: (Constant), Compensation, Performance Appraisal, Training and development, Recruitment and Selection

Coefficients[a]

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	.269	.170		1.588	.113
Recriutment and Selection	.391	.052	.374	7.562	.000
Training and deveopment	.099	.037	.119	2.658	.008
PerformanceAppraisal	.296	.048	.301	6.180	.000
Compensation	.162	.045	.172	3.625	.000

a. Dependent Variable: Employee Performance

Recruitment and Selection and Employee Performance

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.754[a]	.569	.568	.14708

a. Predictors: (Constant), Recriutment and Selection

ANOVA[a]

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	8.340	1	8.340	385.522	.000[b]
	Residual	6.317	292	.022		
	Total	14.657	293			

a. Dependent Variable: Employee Performance

b. Predictors: (Constant), Recriutment and Selection

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.988	.180		5.493	.000
	Recriutment and Selection	.789	.040	.754	19.635	.000

a. Dependent Variable: Employee Performance

Training and Development and Employee Performance

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.605[a]	.365	.363	.17847

a. Predictors: (Constant), Training and development

ANOVA[a]

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	5.357	1	5.357	168.176	.000[b]
	Residual	9.301	292	.032		
	Total	14.657	293			

a. Dependent Variable: Employee Performance

b. Predictors: (Constant), Training anddevelopment

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.260	.174		12.978	.000
	Training and development	.502	.039	.605	12.968	.000

a. Dependent Variable: Employee Performance

Performance Appraisal and Employee Performance

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.728[a]	.530	.528	.15361

a. Predictors: (Constant), Performance Appraisal

ANOVA[a]

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	7.768	1	7.768	329.212	.000[b]
	Residual	6.890	292	.024		
	Total	14.657	293			

a. Dependent Variable: Employee Performance

b. Predictors: (Constant), Performance Appraisal

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.299	.177		7.320	.000
	Performance Appraisal	.716	.039	.728	18.144	.000

a. Dependent Variable: Employee Performance

Compensation and Employee Performance

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.656[a]	.430	.428	.16918

a. Predictors: (Constant), Compensation

ANOVA[a]

Model		Sum of Squares	Df	Mean Square	F	Sig.
	Regression	6.300	1	6.300	220.102	.000[b]
1	Residual	8.358	292	.029		
	Total	14.657	293			

a. Dependent Variable: Employee Performance

b. Predictors: (Constant), Compensation

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.748	.187		9.357	.000
	Compensation	.619	.042	.656	14.836	.000

a. Dependent Variable: Employee Performance