RESEARCH ARTICLE

An empirical study on influence of hrm practices on organisational commitment

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ABSTRACT

Human resources have become the key source of competitive advantage for the organizations that strive in challenging environments. In order to retain and satisfy their employees, organizations should design their human resource (HR) functions and practices consistent with the expectations of their employees. In this sense, organizational commitment of employees has become very important for especially retaining the employees in the organization. Human resource managers can increase the organizational commitment levels of their employees by designing HR functions and practices according to their expectations and by that way employees can feel that they are the most important assets of the organizations. The purpose of the research is to investigate the relationship between organizational commitment dimensions and HR practices. Also determining the perceptions of employees for organizational commitment levels and HR practices is another purpose of this research. According to the results of the research it will be possible to give insights that can contribute to develop organizational commitment by HR practices in organizations.

INTRODUCTION

HRM Practices

Human resource management (HRM) practices are being increasingly treated as dependent rather than independent variables. Whereas in the past researchers focused almost exclusively on how changes in HRM practices affect employee performance or satisfaction, researchers now are beginning to ask how organizational conditions shape HRM practices. Until recently almost all HRM research was dominated by the technical perspective. The technical perspective presumes that organizations wish to plan, staff, appraise, compensate, train and develop their employees in order to ensure that the right people (skill-wise) are in the right place (job) at the right time. The technical perspective leads to research designed to develop techniques for maximizing the match between employees' knowledge, skills and abilities on the one hand and the demands of the jobs on the other. The presumed result of good matching is organizational effectiveness, from which individual employees and the organization as a whole both benefit.

Organisational Commitment & HRM Practices

Organizational Commitment: The available literature reveals that commitment has evolved as a wide range of 'types' (e.g.

engagement, attachment, commitment, involvement) within a wide spectrum (e.g. work, job, career, profession/ occupation, organisation, union), while studies on commitment varied between the categories of behavioural, attitudinal and motivational within three broad research streams through sociological, industrial/ organisational psychology and health psychology (2004). Despite the lack of consensus on the various definitions, conceptualisations and measurements, a common theme is shared across all these deviations, namely that, organizational commitment is psychological contact which governs the attitude and behaviour of an employee and characterize as the degree of loyalty, obligation and attachment towards an organization and its goals. It is different from other forms of commitment such as work ethic endorsement, career commitment, job involvement, and union commitment which focused on value, career, job, and union, respectively (Baker,2000). Moreover, organizational commitment appears to develop slowly but consistently over time as employees think about their relationship with the organization (2000). This type of commitment is less affected by day-to-day events in the workplace (et al., 1979). We identified variations in the definition of commitment among the studies. The mere number of different definitions sheds light on the fact that no real consensus exists regarding the very construct of commitment. Hall (1977) remarked that better abandon the term altogether and deal instead with set of concepts. Hence commitment can be considered as a multidimensional concept. Therefore, this

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study based on the affective, normative and continuance commitment.

Affective commitment: Affective commitment is the extent to which employees are involved with and emotionally attached to their organizations because they identify themselves with the goals and values of their organizations (et al., 2008) resulting which an affective bond an individual develops with the organization as characterized by identification and involvement with the organization as well as enjoyment in being a member of the organization (2006). Individuals with a high level of affective commitment continue to work for an organization because they want to (1997).

Normative Commitment: et al., (1998) defined normative commitment as an obligation to remain with an organization. It may be the consequence of an internationalized norm, developed by the person prior to joining the organization through the values inherent or other socialization processes, that one should be loyal to one's organization. It is based upon generally accepted rules about reciprocal obligations between organisations and their employees. Reciprocity is a mechanism underlying commitment yet contingent.

Continuous commitment: Continuance commitment is the perceived costs to the employee of leaving the organisation, and may include the loss of benefits or seniority status within the organisation (1990). Employees with strong continuance commitment stay with the organisation out of self-interest (2010). Continuance commitment is an attachment to an organization based on an employee`s awareness of the costs associated with discontinuing membership (2010). It is an inertia of an employee to retain organizational membership and has mainly two antecedents: investments (perceived sacrifice) and lack of alternatives. Remaining with an organization tends to result from the accumulation of side bets (investments) an individual has made in the organization which would be lost if the individual discontinue the membership of the organization.

The Effect of HR Practices on Organizational Commitment: According to HRM practices are the ways that organizations use to mould employee behaviour, perception and attitudes. This implied that if HR policies are properly formulated and implemented, the organizations should be able to achieve their objectives that are mainly dependent on human capital. Because human capital nowadays becomes the central asset in organizations, managing them in a way that is able to make them behave, act and think in the manner that employers want is pertinent. The question is what kind of employees' perception and behaviour that can significantly affect business results. (1997) stressed that company performance is highly influenced by HR practices that can directly influence organizational commitment among employees. This view is in line with the earlier proposition made by that HR practices has a strong impact on organizational commitment and they viewed it as an important criterion to measure HRM effectiveness. Good management of employee performance, career, training, compensation and selection will be interpreted positively by employees and in turn, they will reciprocate with high commitment to the organizations. Contended that HR practices that are well managed and implemented are able to increase organizational commitment and decrease intentions of resigning among employees because individuals tend to respond positively to top management commitment and support. As expounded earlier on the pivotal role of HR

practices in managing the human capital that can heighten organizational commitment and thus reducing intention to quit by employees, organizational commitment can be regarded as the factor that mediates the relationship between HR practices and turnover intention.

HRM Practices and Organizational Commitment: It is important to highlight the point that HRM is not the property of particular specialists. HRM should be seen as an aspect of all management levels. HRM is concerned with both the structure of work in a company and with all the related employment practices that are needed to carry out the work. HRM is not simply about HR or people practices; it is about the management of work and people in the company. HRM is concerned with managing people both individually and collectively (2003). In today's competitive business world both HR managers and line managers have becomeresponsible for all HRM processes and practices. HRM functions and practices are the infrastructure elements of strategic HRM process. Organizations should strategically utilize these infrastructure requirements to gain competitive advantage, particularly through their human resources and human resource management practices. Infrastructure requirements consist of those functions and activities are necessary for effective management of an organization's human resources. The major purposes of these activities traditionally have been to attract, retain, and motivate employees. They are referred as HRM practices and the key HRM practices include; human resource planning, staffing including recruitment, selection and socialization, appraising, compensation, training and development. The result of effectively managing human resources is an enhanced ability to attract and retain qualified employees who are motivated to perform, and the results of having the right employees motivated to perform are numerous. They include greater profitability, low employee turnover, high product quality, lower production costs, and more rapid acceptance and implementation of corporate strategy.

Effective HRM acquires quality employees, motivates them to maximize performance and helps meet their psychological and social needs. This leads to long term relationships with skilled and happy employees. HRM focuses on people in organizations. People are a major component of any organizations so organizations with more productive employees tend to be more successful. Employee productivity increases when organizations hire and motivate employees effectively. In addition, good human resource practices create more satisfied employees (2011). It is imperative that management retains its best employees and keeps them committed to the organization in order to attract other quality employees. With the high costs involved in employee selection and recruitment, companies are increasingly concerned with retaining employees. Generating employee commitment is an important consideration for large and small organizations. Commitment is one of the factors of HRM policy for an effective organization. The commitment and motivation built through well designed HR practices can lead high performance of employees. Especially innovative HR practices increase the commitment of employees and help them to achieve the goals of the organization. The satisfaction of employees with HR practices elicits the commitment of employees towards the organization. In this perspective; HR functions as employee selection and recruitment, training and development, performance evaluation, compensation management and

investigating their relationships between organizational commitments have become very important. Monetary compensation is important but not sufficient to keep employees. Praise, appreciation and positive feedback from managers and peers for a job well done is imperative to generate job satisfaction and commitment. Recognition is considered as a main objective to maintain the feeling of high involvement found that employees' commitment is related directly to their faith in the intention of the organization's HRM practices to keep skilled employees and treat the fairly. Employee's skill, training, personal development practices including job redesign/enrichment shows positive results in building employee's confidence level as a result of affective commitment. Also attractive benefits package are viewed by employees as a sign that the organization cares and supports its employees, resulting in the development of a strong affective commitment. From this point, it is possible to say that good HRM practice can improve commitment and efficiency in organizations by motivating employees.

Literature Review

Studied intervening effects of Affective commitment on the relationship between certain human resource practices and turnover intention in the context of private university in Bangladesh and reveal that HRM Practices did have significant impact on affective commitment except job autonomy. S.G.A. Smeenk, et al in 2006 examined the factors that affect organizational commitment among Dutch university employee's two faculties with different academic identities (separatist versus hegemonist). The results empirically give an argument which tells there can't be same HRM policies for two different set of identities.

- Recruitment & Selection
- Training & Development
- Compensation
- Promotion & Transfer
- Welfare Schemes
- Commitment Retention of Employees.

Affective commitment mediates the proposed relationship between HRM practices and turnover intention among the private university faculty members. HRM Practices mainly Job Security, Compensation, Job Autonomy, Working Condition, Training & Development, Supervisory Support were conducted and found that compensation, supervisory support and job security were highly significant and negatively related to turnover intention. Has shown that direct participation has effect on Organization commitment has significant and positive impact among Banking Sector Employees of U.S.A and Pakistan. Furthermore, research on the Impact of Human Resource Management Practices on Organizational Commitment in the Banking Sector was conducted across permanent, full-time, and part-time employees (managers and non-managers) of five large private banks in Kuwait. The HRM practices were measured on a scale for recognition, competence development, fair rewards, and information sharing and study showed that competence development, fair rewards has impact of HRM practices on Organizational commitment and other factors doesn't show an impact on organizational commitment. Has made a research on Influence of HRM practices on organizational commitment among software Professionals in India which revealed that HRM practices such as employee-friendly work environment, career

development, development oriented appraisal, and comprehensive training show a significant positive relationship with organizational commitment. Among Army man it was found that higher levels of Affective Commitment and Normative Commitment predicted higher leadership evaluations, whereas higher levels of Continuance Commitment were associated with lower leadership evaluations.

Research Methodology

The purpose of the study is to determine the relationship between HRM practices and organizational commitment of employees. Another purpose of the study is to reveal the relationship between the dimensions of organizational commitment and HRM practices. The study is important to show the HRM practices that can increase organizational commitment of employees. With the results of the research, it is possible to give valuable insights about the effect of HRM practices on organizational commitment. By considering the need of empirical studies in this field, it is obvious that both the theoretical and empirical results of this research will give an important contribution to the related literature.

Sample and Data Collection

Employees who are working in private companies from different sectors participated to the research (n = 88). The method of the research sampling is "convenience sampling" (Balcı, 2005). The research has been designed as a descriptive research which aims to determine the relationship between HRM practices and organizational commitment of employees. Two scales were used in the questionnaires as measurement instrument of the research. The first scale developed by has 6 dimensions (recruitment and selection; involvement; training, development and education; work conditions; performance appraisal and compensation and rewards) and 38 items that measure HRM practices. The scale was translated to Turkish by the researchers and an academic at Foreign Language Faculty and then the two translations were compared with each other. The second scale developed by Allen & Meyer (1990) has 3 dimensions and 17 items that measure organizational commitment. The questions about social demographic qualifications such as gender, education, seniority, position and age were included to the items and the questionnaire form was developed. The questionnaires were sent to employees via e-mail and collected by the same way. Questionnaires were sent to employees who are working in different sectors.

Data Analysis

- The items of HRM practices and organizational commitment scales were presented using a five-point Likert item as "1: strongly disagree" and "5: strongly agree. Data was analyzed by SPSS for Windows 18.0 package program.
- Cronbach alpha reliability value was computed in order to find the reliability of the scales. The reliability values are 0,956 for HRM practices scale and 0,857 for organizational commitment scale.
- The reliability values of both scales are very high for researches in social sciences.
- Kolmogorov-Smirnov test was used to determine the normality of data and it was shown that data was

distributed normally so parametric tests were used for data analysis.

FINDINGS AND RESULTS

Employees from different companies in various sectors participated to the research (n=88). The sample range due to the socio-demographic characteristics is shown in Table 1.

H1: There is a relationship between employees' perceptions on the human resources management practices and their organizational commitment.

In order to investigate if there is a relationship between employees' perceptions on HRM practices and their organizational commitment, Pearson Correlation Analysis was carried out.

Table 1. Demographic Characteristics

	Variables	Frequency	Percentage (%)
Gender	Male	52	59,1
	Female	36	40,9
Education	Two Year College of Lower	18	20,4
	Graduate School	40	45,5
	Post Graduate School	29	33
	Unreplied	1	1,1
Age	18-25	15	17
	26-35	51	58
	36 and Over	21	23,9
	Un-replied	1	1,1
Marital Status	Married	48	54,5
	Unmarried	38	43,2
	Un-replied	2	2,3
Organizational Seniority	Less then 1 Year	20	22,7
	Less then 1-4 Year	43	48,9
	Less then 4-7 Year	12	13,6
	More then 7 Year	13	14,8

Table 2. Descriptive Statistics Results and Reliability Value

Scales and Dimension	n	Mean	Std. Dev.
HRM Scale	88	3,10	,72
Recruitment and Selection	88	3,42	,77
Involvement	88	3,22	,80
Training and Development	88	3,37	,95
Work Conditions	88	3,03	,90
Performance Appraisal	88	3,12	,99
Compensation and Rewards	88	2,32	1,08
Organizational Commitment	88	3,12	,63
Affective	88	3,44	,87
Continuance	88	2,85	,84
Normative	88	3,01	,85

When we examine the descriptive statistical analysis, the arithmetic mean of the human resources management practices` scale is computed as 3,10 (std.dev.: 0,72) and this score indicates that participants answered the HRM practices almost as "neutral-agree". According to the arithmetic means of the HRM practices` dimensions, the highest computed arithmetic mean is 3,42 (std dev.: 0,77) for the dimension of "recruitment and selection", besides the lowest mean is 2,32 (std dev.: 1,08) for "compensation and rewards". The arithmetic mean of the second scale which investigates organizational commitment is computed as 3,12 (std dev.: 0,63). According to this result, the participants answered the organizational commitment scale nearly to "neutral-agree" as well. The scores of organizational commitment` dimensions indicate that the highest computed arithmetic mean is 3,44 (std dev.:0,87), for the dimension of "affective commitment", while the the lowest mean is 2,85 (std dev.: 0,84) for "continuance commitment". The following Table 2 shows the descriptive statistics results.

Within the research, the relationship between employees' perceptions on the human resources management practices and the organizational commitment of the employees was investigated. In this context, the main hypothesizes of the research are given below:

The results show that there exists a medium positive relationship (p<0,01 ; Pearson correlation (r) =0,471) between the variables and H1 is accepted. This finding shows that for those who have positive perceptions about their companies, HRM practices are important variables and have the potential to foster the organizational commitment of employees. As the positive association has been proved using Pearson Correlation Analysis, the associations between the dimensions of HRM practices and organizational commitment are also examined.

H2: There is a relationship between employees' perceptions on the human resources management practices` dimensions and their organizational commitment`s dimensions.

The following Table 3 includes the correlations between HRM practices and organizational commitment`s dimensions. According to the correlation analysis results, there is a strong or medium positive relationship between all HRM practices (except "compensation and rewards") and two organizational commitment dimensions (affective & normative commitment). However, continuance commitment did not correlate significantly with any of the HRM practices.

Table 3. correlations between HRM practices & organizational commitment dimensions

	HR Scale	Recruitment and Selection	Involvement	Training and Development	Work Conditions	Performance Appraisal	Compensation and Rewards	Affective Commitment	Continuance Commitment	Normative Commitment	Org. Commitment
HR Scale	1										
	88										
Recruitment and Selection	,733**	1									
	,000										
	88	88									
Involvement	,898**	,674**	1								
	,000	,000									
	88	88	88								
Training and Development	,718**	,488**	,571**	1							
	,000	,000	,000								
	88	88	88	88							
Work Conditions	,847**	,608**	,665**	,483**	1						
	,000	,000	,000	,000							
	88	88	88	88	88						
Performance Appraisal	,798**	,495**	,598**	,569**	,661**	1					
	,000	,000	,000	,000	,000						
	88	88	88	88	88	88					
Compensation and Rewards	,724**	,375**	,576**	,287**	,651**	,525**	1				
	,000	,000	,000	,007	,000	,000					
	88	88	88	88	88	88	88				
Affective Commitment	,469**	,289**	,475**	,440**	,346**	,403**	,188	1			
	,000	,006	,000	,000	,001	,000	,079				
	88	88	88	88	88	88	88	88			
Continuance Commitment	,146	,112	,055	,107	,194	,169	,117	,110	1		
	,175	,298	,612	,323	,070	,116	,277	,309			
	88	88	88	88	88	88	88	88	88		
Normative Commitment	,405**	,235*	,409**	,382**	,281**	,334**	,203	,539**	,318**	1	
	,000	,027	,000	,000	,008	,001	,058	,000	,003		
	88	88	88	88	88	88	88	88	88	88	
Organizational commitment	,471**	,294**	,438**	,430**	,376**	,417**	,230*	,786**	,604**	,827**	1
	,000	,005	,000	,000	,000	,000	,031	,000	,000	,000	
	88	88	88	88	88	88	88	88	88	88	88

**. Correlation is significant at the 0.01 level (2-tailed).
*. Correlation is significant at the 0.05 level (2-tailed).

Conclusion

Human resources are the key competitive advantage factor for all organizations. In this sense; appealing and retaining the qualified workforce to the organizations can be seen as one of the most important factors in HRM. Organizational commitment is very important for retaining the employees in the organization because only committed employees can feel the organization as a part of their life and family. Effective HRM practices can increase the organizational commitment levels of employees. Functions such as recruitment, participation to decision making process, training and development, performance evaluation, working conditions and compensation management can help to improve organizational commitment. By considering these factors; it is aimed to investigate the relationship between HRM practices and organizational commitment levels of employees in the paper. According to the research results, a medium-strong level relationship has been found between HRM practices and organizational commitment levels of employees. Also it has been found that there is a strong relationship between "affective commitment" dimension of organizational commitment and "involvement" dimension of HRM and there is no relationship between "affective commitment" dimension of organizational commitment and "compensation and rewards" dimension of HRM. It has been found that there is no relationship between "continuance commitment" dimension of organizational commitment and HRM practices. The results of the research can be seen as parallel with the related empirical results of the researches in the literature.

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