



IMPACT OF HUMAN RESOURCE MANAGEMENT PRACTICES ON ORGANIZATIONAL COMMITMENT OF EMPLOYEES

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Abstract- Recently researchers of Human Resource Management have highlighted the advantages of a committed workforce. All the activities of an organization are initiated and completed by employees and every success of organization depends on efficient and committed human resource. It is significant that for the success of the organization it is need of the day to implement best HRM practices for the employees' commitment to the organization. HRM practices molds employee's commitment level and their behavior and attitude. To build up the employee commitment through HR practices can lead to hard and long time work as well as the accomplish the organization' goals. The aim of this study is to identify the role of Human Resource Management practices on employees' commitment of organizations with the review of existing literature and theory.

Key words: Commitment, employee, HRM, organization's goal.

1. INTRODUCTION

In today's fast changing business environment and tough global competition, organizations are finding it difficult to function at optimum level. Employee commitment is now considered a natural process for effective performance of individuals and organizations [1]. Producing employee commitment has also been seen as a leading issue that many managers face in running their organizations and it has been viewed as an essential element in measuring employee behavior in organizations, which also tends to varies on organization's type [2]. Employee commitment can improve the performance of an organization but some time it is not delivering the benefit in many cases like when organization not given them the incentives and involve them in their jobs [3]. If the organization give proper opportunities and benefits to the employees than in response employees feel them secure and their commitment level increases with the passage of time [4].

In this highly competitive atmosphere, organizations in manufacturing sector and service sector is trying hard to win the mind of customers by providing them value added service and innovative products to remain competitive in the market by the effort of committed employee of the organizations [5]. HRM increase the communication, coordination and involvement so that chances of misunderstanding will be kept at minimum and organizations need committed HRM team and employees to accomplish goals set by the management. Employee commitment is the most researched topics in the area of organizational behavior because of their impact on behavior at work such as compliance with directives, effective performance in their jobs or lower turnover, absenteeism etc. [6]. Employees who feel that the organization is committed to them are likely to have a positive perception of HRM practices and hence be committed to the organization [7].

Commitment is a more global response to an organization and job satisfaction is more of a response to a specific job or various facets of the job states and job satisfaction is an attitude toward work-related conditions, which is the result of organizational commitment of employees [8]. Two noticeable ongoing organizational issues faced by managers include eliciting the commitment of employees and staff retention and there have been lot of previous studies on best practices in HRM split in identifying an effective mix of practices that could improve organizational commitment of employees and intention to stay in organization [9]. Organizational commitment of employees has been carried over from job satisfaction studies and include demographic variables, job characteristics, role stressors, organizational characteristics among others while variables more directly related to HRM practices [10], [11]. This study exposed that how HRM practices provide an advantage to employee's commitment towards an organization goal in the global competitive market.

2. ORGANIZATIONAL COMMITMENT OF EMPLOYEES

Organizational commitment is a concept derived from social psychology and sociology, evolving for more than five decades in the field of organizational behavior [12]. In the management and behavioral science literature, organizational employee commitment is a key factor in the relationship between individuals and organizations. Many organizations identify and stress the significance of employee commitment as a vehicle for delivering

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competitive edge over others by retaining key talent with the organizations [13]. Employee commitment has been shown to be a strong predictor of a variety of work outcomes, including intended and actual turnover and extra ordinary performance [14], [15]. Affective Commitment (AC) indicates an emotional bond between the employee and the organization that is based on identification with the organization's goals and values [15].

Commitment is considered to be psychological immersion of an individual with his institute through sense of belonging, ownership of organizational goals and being ready to accept challenges and creating commitment among employees is important because without this it will become difficult for an organization to achieve strategic goals [16], [17]. Committed employees identify themselves with the organization and demonstrate more willingness to work for its achievement and higher interest in remaining with the organization [7].

This perception of organizational commitment as a contingent and dynamic relationship draws attention to the possibility of alternative forms of commitment such as to a specific team, to a particular supervisor or manager [7]. Meyer (2010), defined organizational commitment as a psychological link between the employee and the organization so that the employee would be less likely to voluntarily leave the organization. [18]–[20] stated that Organizational commitment of employee refers to congruence between the goals of the individual and the organization whereby the individual identifies with and extends effort on behalf of the general goals of the organization. Employee commitment has been described as consisting of two constructs affective and continuance [15], [21]. Employee outcomes consist of affective reactions such as satisfaction and commitment as well as behavioral reactions such as absenteeism and turnover and organizational outcomes focus primarily on operational performance measures such as quality, productivity, and customer satisfaction [22].

Researcher have explained three main concepts of organizational commitment: Affective commitment, normative commitment, continuance commitment [15]. Affective commitment defines the employee's emotional attachment to, identification with, and involvement in the organization [10]. Affective commitment (AC), referring to an employee's emotional engagement with their place of work [23]. Normative commitment defines as employees' identification with the organization's goals and values are as a result of personal moral standards, cultural or organizational socialization, and not rewards or punishments. [10], [15]. Normative commitment which reflects the employee's feelings of obligation to continue with employment [15]. Employees with a high level of normative commitment feel that they ought to remain with the organization [24].

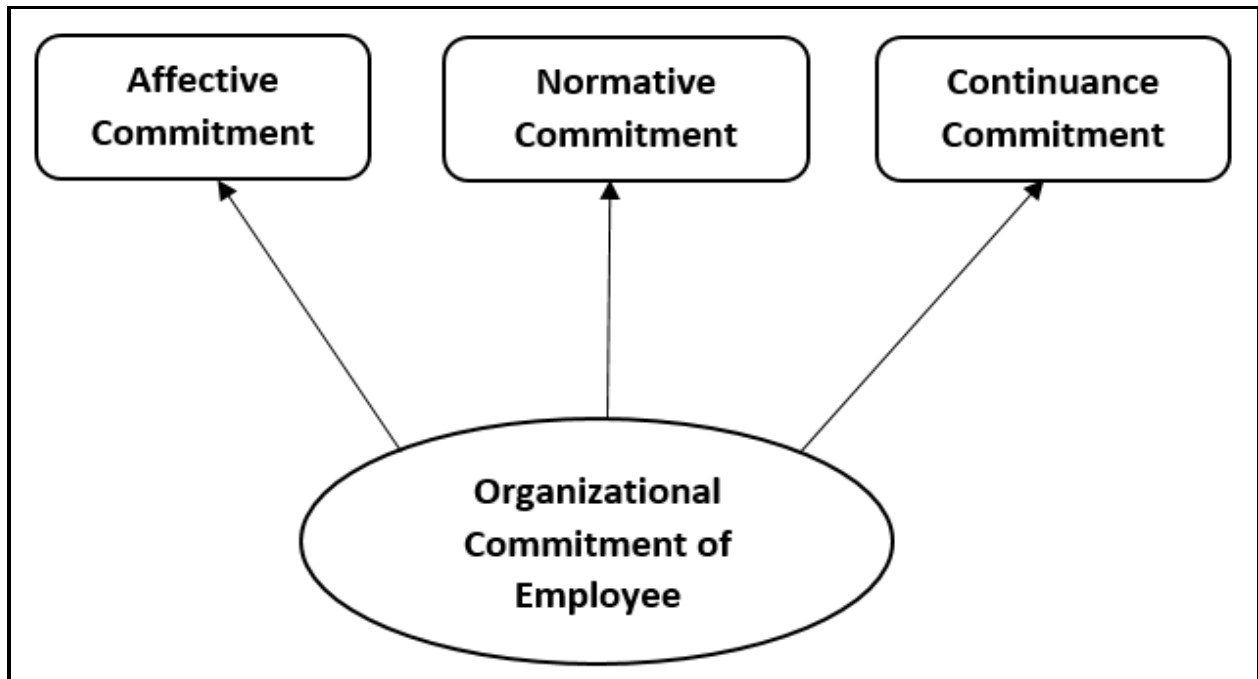


Fig. 2.1 Dimensions of Organizational Commitment

Source: Allen and Meyer, 1990.

Strong believes and feelings of the employees with the organization make him committed to work for the organization. In this way employees started hardworking for the benefit of the organization and he/she want to work for the organization for a long time [4], [25]. Continuance commitment is defined as that it is a consistent involvement of the employees with the organization and this type of commitment is very fruitful for the organization to sustain his employees for the better productivity [4], [17], [26]. According to Meyer (2010) both affective and continuance commitment represent psychological states that have implications for whether an employee remains

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with an organization. Committed employees bring added value to the organization, including through their determination, proactive support, relatively high productivity and an awareness of quality improvement [27]. They are also less likely to call in sick or to leave the organization and non-committed employees can work against the organization and hold back the organization's success [28].

3. HRM IMPACT ON COMMITMENT

HRM practices played an important role in increasing the organizational commitment of employees. Human Resource management needs to implement the HR practices effectively in order to align the employee's objectives with organizational objectives [29]. Organizational commitment which has been the focus of attention for most HRM theorist, and it has been shown to be a much better predictor of tenure and absenteeism than job satisfaction [28]. Commitment is just one of the many factors of the HR policy which seems to influence people and certain HRM practices act as a mediator in enhancing organizational performance as it encourages employees to perform better within the workplace [30]. An employer can improve commitment through a variety of HRM practices which can influence an individual's performance as they will be able to perform better and be more motivated by gaining a sense of value and recognition within a firm thus reducing the labor turnover [31].

To focus on the area of organizational performance HR practices can elicit organizational commitment from employees, a construct which is argued to influence their motivation and desire to stay with the firm [22]. Employee commitment could be pursued by different techniques i.e. performance appraisal related to employee development, team work practice, providing employment security, bilateral communication, respect and reward focusing on employee development and performance [32], [33]. Motivation raises the satisfaction of the employees and involves them in their jobs, by that the employees become creative and they can improve the performance of their organization [3]. Every employee needs no-discrimination, reasonable benefit, they need to be accepted for their assistances and the commitment of the employees can have extended if the intrinsic and extrinsic motivation practices are existed in organizations [3].

Human Resource Management is much more difficult than technology management and effective management of HRM practices lead to the development of organizational commitment [29]. Remuneration and recognition are important contractual and implied agreements between an employer and an employee and some companies may even provide remuneration packages that are well above the market rate to attract and retain critical talents, which often include special pay premiums, stock options or bonuses [9], [22].

Organization investment on the employees has a positive relationship with the organization commitment but it can me negative when it utilization is not in proper direction [15]. Different studies have explained that motivation has a strong impact on employees' commitment with the organization by employees [4]. Implementation of the strategic strategies, programs and plan of an organization to motivate most of the individual intrinsically and extrinsically towards the organization, so that way employees will able to make a commitment with the organization for the long [17], [34], [35]. Monetary compensation is important, but not sufficient, to keep employees and non-monetary recognition plays the same role as compensation does and in addition praise, appreciation, and positive feedback from managers and peers for a job well done is imperative to generate job satisfaction and commitment [36].

In high professional jobs, recognition is considered as a main objective to maintaining the feeling of high involvement and being an important element of the organization confirmed that recognition is positively related to continuance and affective commitment of employees [36], [37]. The view that overall organizational commitment reflects a psychological state or mindset has an interesting parallel in the motivation of employees [38]. Employee development, reward, and retention plans encourage long-term employment relationships and long term commitment [22]. Employee attachment to the organization depends on a high- quality employee-organization relationship, which is often the result of HRM practices [22]. Four HRM roles, specifically, proper communication, maintaining procedural justice, empowerment practice and employee development plans that are build the high organizational commitment of employees [39], [40]. HRM practices can also influence firm performance through provision of organizational structures that encourage participation among employees and allow them to improve how their jobs are performed [41].

4. PROPOSED MODEL

HR can add value by helping to cultivate employees' cultural fit with their organizations and helping to create an initial compatibility between employee and organization provides a good basis for an employee's engagement and commitment [42]. By encouraging employees and managers to create appreciative work atmospheres, HR can contribute to the development of positive environments [42]. Wage, Salaries and other forms of employee's compensation constitute a very large component of operating costs. No organization can expect to attract and retain qualified and motivated employees unless it pays them fair compensation [5]. Compensation depends on employees' performance, Knowledge, skills etc. and compensation is defined as a package comprises of medical compensation, accommodation, travelling benefits, salary and other rewards [29].

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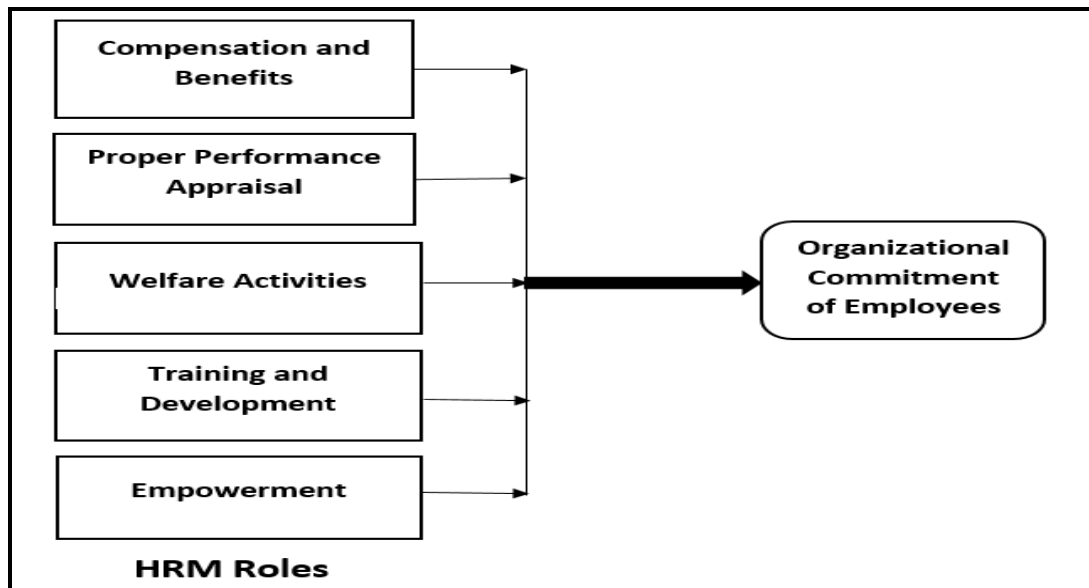


Fig. 4.1 Proposed Model for Organizational Commitment of Employees

Organizations can enhance the performance of employees by providing them effective training that in turn increase the productivity [29], [43]. Trainer can be internal or external but external trainer can be more effective than internal [29]. Providing formal and informal training experiences, such as basic skills training, on-the-job experience, coaching, mentoring, and management development, can further influence employees' development [41]. Empowerment refers to advancement of an employee to a higher post carrying greater responsibilities, higher status and better salary and empowerment can be made on different criteria's like seniority, merit etc. which help to recognize an employee's performance and commitment [5]. Performance appraisal can be used by the management to evaluate the performance of employees in order to determine their promotions and rewards and appraisal has become the necessity of the organizations [5].

CONCLUSION

Employee commitment is a fundamental key to overcoming high employee turnover which is visible through the influence of HR. Human resource managers can play an important role in devising HRM policies and procedures that are visible for developing employee commitment of the organization. Organizations must increase their commitment and dedication to employees. Employees that have a positive attitude about the organization that they work for, perceiving that their work contributions are valued and that their organization cares about them are more willing and likely to work harder. To increase commitment among employees, ensure that HR practices should be properly implemented. Committed and satisfied employees are less likely to leave for another job and are more likely to perform at higher levels.

To earn employee commitment, organizations must offer a workplace with effective performance feedback and opportunities for participation and overall employee satisfaction. To achieve the high commitment of employees' organizations must offer a workplace with effective HRD strategies like performance feedback, competitive salary, world-class training and opportunities for participation and career growth for retention etc. A further empirical study will conduct in the perspective of the proposed model about the organizational commitment of employees and HR roles.

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