



## Understanding Interrelationship between Organisational Commitment & Selected HR Practices: a Conceptual Study

### KEYWORDS

Organisational Commitment, HR Practices, Employees.

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### ABSTRACT

Organisational commitment is one of the most widely discussed topics in the field of OB among the researchers, Psychologists, HR practitioners and Top Management employees. A committed employee not only works with full dedication but also proves to be most productive. The objective of this study is to find out the relationship of HR practices & organisational Commitment of employees. HR practices viz. Training & Development, Staffing, Performance Feedback, Reward System, Welfare Measures, Employees' Participation in Management, Promotion and Transfers etc.& their influence on organisational commitment discussed in this study is based on literature review and experts opinion and may be subject to validation in future research. The study provide important implications for practitioners to understand the concept of organisational commitment and encourage them to focus more on organisational commitment by providing better understanding of HR practices and their effect on the commitment part.

### I.INTRODUCTION

In the current scenario of competitive environment organisations are facing with challenges not only hire the skilful employees but also to use them in most efficient manner for longer time. As war of talent is so tuff that high performers are of acute shortage. It's very crucial for any organisation to make his employees committed towards the organisational goals. A committed employee not only works with full dedication but also proves to be most productive. So organisational commitment is one of the most widely discussed topics in the field of OB among the researchers, Psychologists, HR practitioners and Top Management employees. Human resources play an integral role to make employees committed to the organisation. Human resources management practices play a very crucial role in achieving the organization's goals and proved to be very useful to make organisation to be competent enough. HRM practices refer to organizational activities directed at managing the pool of human resource and ensuring that the resources are employed towards the fulfilment of organizational goals (Schuler & Jackson 1987). Human resource management practices is the management of people within the internal environment of organizations, comprises the activities, policies, and practices involved in planning, obtaining, developing, utilizing, evaluating, maintaining, and retaining the appropriate numbers and skill mix of employees to achieve the organization's objectives (Appelbaum 2001).

It is quite important for management to retain its best workers and keeps them committed to the organization in order to attract other quality employees. Therefore, this concept should be the primary focus of researchers in their studies of employment, organizations, and related fields (Scarpello, Ledvinka, & Bergman, 1995)

Meyer and Allen (1997) believed that the relationship between human resource practices and employee commitment should be examined more fully. They asserted that additional research is needed to identify the antecedents associated with the multiple domains of employee commitment.

### II. OBJECTIVES OF STUDY

The objective of this study is to find out the relationship of

HR practices & organisational Commitment of employees on the basis of previous researches & develop the conceptual model of Interrelationship between organisational commitment and selected HR practices.

### III. REVIEW OF LITERATURE

#### Concept of Organizational Commitment:

Organizational commitment has been defined by the different researchers in different aspects. It is defined as the extent of employees' willingness to put their efforts for the organisations' success and degree of fit between the employees' values and the organisation values. It is the strength of an individual's identification and involvement with a particular organization (Steers, 1977) but then in advance it is affirmed by three aspects: a belief in and acceptance of goals and values, a willingness to exert effort, and a strong desire to maintain membership (Porter, Steers, Mowday and Boulian, 1974). Becker (1960) described commitment, in general as "a disposition to engage in consistent lines of activity as a result of the accumulation of earnings that would be lost if the activity were discontinued."

Meyer and Allen (1991) purposed the three-component model of organizational commitment. According to them Organizational commitment is a three dimensional approach and opened a path of research with this. As per their views, commitment is the aggregate result of three different but related components viz., Continuance Commitment, Affective Commitment and Normative Commitment. The three dimensions are as follows:

- **Affective Commitment:** It is defined as an emotional attachment to the organization such that the strongly committed individual identifies with, is involved in and enjoys membership in the organization (Allen and Meyer, 1990). This is the ideal 'happy' state for an individual. : He wants to stay with a company or organization because he has an emotional attachment and involvement with the organization or we can say that he is psychologically attached to the organization.
- **Continuance Commitment:** It involves commitment based on the costs that the employee attaches with leaving the organization. The individual who has been worked

quite a bit in the organization feels that that he/she has invested a great deal of effort/time and now they have no option but to remain in the organization. "Continuance commitment develops on the basis of two factors: The magnitude of the investments individuals make, and the perceived lack of alternatives" (Allen and Meyer, 1990).

• **Normative Commitment:** It involves the employee's feelings of obligation to stay with the organization. "Workers with a strong normative commitment feel that they ought to stay within the organization because he/she believes they should" (Meyer and Allen, 1991). The employee feels that he is obliged to stay in the organization due to some reason.

Wasti (2003) discovered that fulfilment with work and special offers were the most effective predictors of business investment among individualists, whereas fulfilment with manager was an important forecaster of business investment among collectivists. Evaluating acquired outcomes with the research conclusions in the individual European societies would allow us to comprehend whether or not the workers of a collectivist lifestyle display the same design in their business investment.

Commitment according to Jaw and Liu (2004) is not only a human relation concept but also involves generating human energy and activating human mind. Without commitment, the implementation of new ideas and initiatives will be compromised (see Ramus and Steger 2000 cited in Jaw & Liu, 2004). Human resource system can facilitate the development or organisational competencies through eliciting employees' commitment to the firm (Arthur, 1994; Boxall & Macky, 2009). Hence organisations with a fit business strategy, structure and practices and policy might perform better. Walton (1995) prescribed "commitment" as a distinctive strategy for HRM whose positive effect will be felt. High commitment work practice according to Guest (2003) is an approach to managing employees, which emphasises is on the need to develop organisational commitment amongst employees based on the assumption that it will lead to positive outcomes such as low labour turn over, absenteeism, better motivation and improved performance. Below is the contribution of various researches in the concept of organisational commitment.

Researchers	Definitions of Organizational Commitment
Becker (1960)	Employee's organizational commitment develops through their actions and choices over time. Commitment is viewed as a function of employee behaviour.
Kantor (1968)	Willingness of social actors to give energy and loyalty to the organization.
Hrebeniak and Al-luto (1973)	The unwillingness to leave the organization for increments in pay, status, or professional freedom or for greater colleague friendship.
Sheldon (1971), Buchanan (1974)	Positive evaluation of the organization and the intention to work toward its goals
Porters, Steers, Mowday and Boulian (1974)	The relative strength of an employee's identification with and involvement in a particular organization. Three factors influencing organizational commitment: acceptance of the organization's goals and values, willingness to work on behalf of the organization and strong affiliation.

Mowday et. al., 1979; Allan and Meyer, 1990	Organizational commitment, as an attitude, has been defined as the relative strength of an individual's identification with, and involvement in, a particular organization
Liou and Nyhan (1994, p.100), Guffey, et al. (1997)	A. The attitudinal approach refers to the attitude that an employee has towards one's organization. B. The behavioral approach states that an employee becomes attached or committed to an organization based on one's individual investment of time, money or training that would be lost if one left the organization.
Meyer and Allen (1991), Bartlett (2001), Ahmad and Bakar (2003), Meyer and Allen (1984)	- Affective commitment (AC) refers to the psychological attachment to the organization. - Continuance commitment (CC) refers to the costs associated with leaving the organization. - Normative commitment (NC) refers to a perceived obligation to remain within the organization - added in 1991 by Meyer and Allen -
Brief (1998)	- emotional attachment (Affective Commitment) - the costs of leaving, such as losing attractive benefits or seniority (Continuance Commitment) - the individual's personal values (Normative Commitment)

**HR Practices:**

Training & Development	Training is the process of increasing the knowledge and skills for doing a particular job Executive development is a systematic process of learning and growth by which managerial personnel gain and apply knowledge, skills, attitudes and insights to manage the work in their organizations efficiently and effectively
Staffing	Process of identifying, attracting, hiring, and retaining people with necessary knowledge, skills and abilities to fulfil the responsibilities of current and future jobs in organisation
Reward System	"Compensation/Rewards refers to all forms of financial returns and tangible services and benefits employee receive as part of an employment relationship
Employee Welfare Measures	Anything done for intellectual physical, moral and economic betterment of employees by employers, Govt. or other agencies
Promotion & Transfers	Promotion refers to advancement of an employee to a higher post carrying greater responsibilities, higher status and better salary. Promotion can be made on different criteria's like seniority, merit etc. Transfers refer to a horizontal or lateral movement of an employee from one job to another in the same organization without any significant change in status and pay
Performance Feedback	Feedback is given to employees in matters pertaining to his present job and his potential for the present or future job.

**Importance of Organisational Commitment**

Several academic researches on human resource management practices suggested that high commitment human resource practices will increase organisational effective-

ness by creating a condition whereby employees become highly motivated and involved in the organisational activities aimed at achieving organisational goals (see Arthur, 1994; Abu-Baker, 2010; Boxall & Macky, 2009). Superior performance has been linked with organisations that implement this practices based on the fact that 'commitment approach' as classified by (Walton, 1995) is used, which aims at increasing effectiveness, productivity and rely on conditions that encourages employees to identify with the goals of the organisation and also work in order to achieve common goals (Sweetman, 2001). Moreover, recent studies have shown that high commitment practices can work well synergistically and a reflective of a general commitment strategy (Sweetman, 2001). Evidences derived from social science researches have shown that there is now a broad agreement amongst commentators that high commitment work practices do improve performance, labour productivity and the quality of service (Boxall & Macky, 2009; Marchington 1994; Pfeffer 1994). Although researchers such as Boxall and Macky (2009) and Purcell, Kinnie, Hutchinson, Rayton and Swart (2003) have argued that the majority of previous studies have looked at high commitment work practices from the employers' perspective, and the over dependence on such perspectives can sometimes be mis-leading and will not present the real impact on organisational performance. Nevertheless, when employees positively interpret high commitment work practices, it will sequentially increase their commitment to the organisation, thereby increasing their individual performances and hence organisational performance will also increase (Purcell et al., 2003; Peccei, 2004). Although a commitment strategy can be tied to all company human resource practices; recruitment, selection, performance evaluation, according to Scholl (2003), it can also be used to develop psychological connections between the company and employee as a means of achieving goals (Arthur, 1994; Scholl, 2003). Companies can seek to achieve organizational goals through a variety of human resource strategies and approaches and the importance of ensuring employees' commitment and retention following training may lie in the strategic approach that is utilised. In an attempt to ensure that the employee remains with the company following training, employers may implement a strategy to training that fosters commitment.

#### IV Conceptual Model Development

##### Relationship between Human Resource Practices and organizational commitment

i) **Training & Organisational Commitment:** Training according to Brum (2010), Owen (2006) will increase employees' commitment, which can further counter the numerous direct and indirect costs associated with employees' turnover. Although various reports have been given on the positive impact of training on organisational commitment (Boxall & Macky, 2009; Fleetwood & Hesketh, 2006); Guest et al., (2003) argued that for the effect of training to be felt, its values must lie in the part it can play in the integrated HRM strategy, especially when there has been so much investment in high quality and flexibility of the workforce. The study conducted by Owoyemi, Oluwakemi Ayodeji (2010) revealed a positive statistical significant relationship between the different levels of training and employees' commitment to the organisation. Their study concludes that the more the training giving to employees, the higher their level commitment to the organisation.

ii) **Staffing:** According to P. Kamalakannan research (2011) Staffing is substantially important contributing dependent variable to Organizational Commitment. Joshi S.S.,

et. al., (1991) in their article titled "Recruitment, Training and Manpower Development in Bombay Electric Supply and Tramways company" have suggested that proper recruitment, training and manpower development are most important at every level of the organization so that it results in efficient management and effective utilization of all resources, especially in Transport undertaking. Monica B.R. Pangemanan (2015) in her study titled "The impact of staffing, training and development, performance management on organisational commitment atPt. BTN (Persero) TBK. Manado also revealed that good HRM practices changed the commitment of employees.

iii) **Performance Feedback:** Performance Feedback is also a crucial contributing dependent variable to Organizational Commitment, P. Kamalakannan (2011).

iv) **Reward System:** Pay according to Moha Asri Abdul-lah, Munir Shuib did not significantly influence employee commitment. Studies conducted in the western societies support a positive association between rewards and employees commitment (Malhotra et al., 2007; Mottaz, 1988 ). Michel Zaitouni study (2013) also supported that fair rewards are positively related to affective commitment. In Hospital industry, according to Shruti Lamba, Nirmala Choudhary (2013) supportive reward oriented HRM Practices increases employee commitment towards Organization. & however, the research on blue collar employees in manufacturing industries found that pay satisfaction has significant role in achieving organizational commitment. According to Pt. Ravishankar Shukla (2012) the salary emerged to be the most important determinant in deciding the organizational commitment among employees working in organized retail outlets in India.

v) **Employee Welfare Measures:** According to Shruti Lamba & Nirmala Choudhary (2013) research conducted on Law firms suggested that Employee welfare may be the path in achieving better organizational commitment.

vi) **Employees' Participation:** Employee participation according to Shruti Lamba, Nirmala Choudhary (2013) play a significant role on Organization Commitment in Banking sector

##### Relationship between personal variables and organizational commitment

Some research drew results that male employees are more committed than their female counterparts (Knoke, 1988), while other studies found no significant link between the genders (Igbaria & Wormley, 1992; Van Dyne & Ang, 1998). With regard to the education level, some research showed a negative relationship with normative and continuance commitment (Cohen, 1999; Mayer & Schoorman, 1998), but others showed no obvious relationship (Knoke, 1988). P. Kamalakannan research (2011) also revealed that level of OC depends on the member's gender and mean agreeability score on organisational commitment is higher in female than male respondents but Pt. Ravishankar Shukla study (2012) revealed level of organizational commitment of male employees is higher than the level of organizational commitment of female employees working in organized retail outlets. Similar kind of result were revealed in the study by Fikri Pala, Semih Eker & Melek Eker (2008) that the organizational commitment level of men health care staff was higher than woman health care staff .

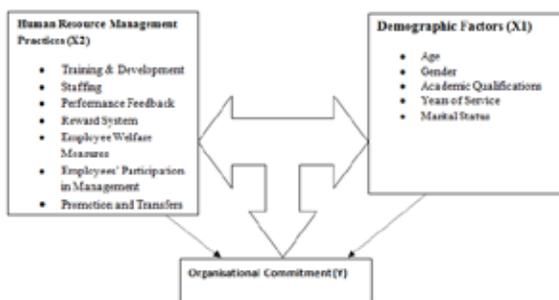
Many scholars in the field considered age as an important factor to predict commitment. Mathieu and Zajac (1990)

and Meyer, Allen and Smith (1993) revealed a significant positive correlation mean, 0.2 and 0.36, between commitment and age. Kaldeberg, Becker and Zvonkovic (1995) indicated that current job attractiveness increases as the employee ages due to fewer other employment options. Hawkins (1998), on the other hand, found an insignificant statistical correlation ( $r = -.004$ ) between age and affective commitment for a sample of 396 high school principals. P. Kamalakannan research (2011) also concluded through his research is concluded from the study that the level of organizational commitment depends on the member's age. As per his findings mean agreeability score on Organisational Commitment is higher in middle age group than other age groups of respondents.

Meyer and Allen (1997) stated that organizational tenure can lead to contemplative organizational commitment due to the fact that uncommitted workers leave early while the committed ones stay. In another study by Meyer, Allen and Smith (1993), it was found that the new and the senior-tenured employees are more committed than the middle-tenured ones. In addition, Liou and Nyhan (1994) concluded that affective commitment has a negative relationship with tenured employees and continuance commitment had no correlation at all. P. Kamalakannan research (2011) also reveals that mean agreeability score on Organisational Commitment is higher in high experience group than other groups of respondents but according to Pt. Ravishankar Shukla (2012) thorough his study in retails industry revealed that increase in retail industry experience the organizational commitment among employee's decreases.

According to Fikri Pala, Semih Eker & Melek Eker (2008) in their study on healthcare staff study revealed that organizational commitment scores of health care staff who had technical school were lower than health care staff possessed university degree and master and above degree.

**Theoretical/ Conceptual Framework:** From the above discussion, following research Model has been developed.



In this model OC is a dependent variable and the HR practices and Demographic factors are independent variables. The effect of independent variable on dependent variable can be studied and joint effect of both independent variable can also be investigated.

## V. Conclusions and Recommendation for Future Research

The above study examines the contributions of various researchers in the field of organizational commitment. Generally, previous studies found that there is positive relationship between HR practices and organisational commitment. On the basis of above study a conceptual model is being developed and presented in this study. This model can be used in future research which could be conducted in different industries/ Sectors viz. Manufacturing, Banking, Automobile, Auto ancillaries, Cement & Building Materials etc. Research based on above model can be done on a particular company. Some other variables like job satisfaction, job characteristics, organisational climate & quality of work life can also be linked to organisational commitment scenario of the company/industry and studied or this model can also be used to know the effect of contemporary HR practices like performance measurement, talent management and Career development on organisational commitment.

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