

Examining the Relationship between HRM Practices and Organizational Commitment: An Empirical Study in Select Higher Educational Institutions

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Abstract - Human capital is recognized as a vital factor in contributing towards organizational performance and in this competitive and knowledge driven economy play a critical role for the success and survival of their institutions. Organizations irrespective of their nature and size have realized that capable and effective human resource acts as a strategic advantage over its competitors provided employees are committed towards their organizations. In this respect HRM practices have a significant role in enhancing employee commitment as it leads in improving their morale and performance. Keeping this in view, the present paper is aimed to examine the relationship between HRM practices and organizational commitment in sample select four educational institutions. It is also aimed to examine the effect of HRM Practices on organizational commitment. The findings of the study revealed that there exists a positive and favourable relationship between HRM practices and Organizational commitment. Moreover, the study found that HRM practices significantly influences Organizational commitment among employees. The study suggests that HR practitioners need to relook at HRM practices for increasing employees' commitment in sample select institutions.

Keywords: HRM practices, Organizational commitment, selection, performance appraisal, training and development, reward system, Academic staff

I. INTRODUCTION

Organizations worldwide are going through a paradigm shift due to change in nature of doing business at global level. The complex business scenario has forced organizations to adopt strategies in order to ensure their relevance and sustainability among market players. It calls for attracting and selecting dynamic and capable workforce who would contribute towards organizational objectives. Zaitouni et al (2011) believed that human resources are considered as the most important asset of an organization and plays a vital role for organizations to gain competitive advantage. In higher educational perspective, De Lourdes Machando- Taylor (2014) and Shen and Kehm (2013) shared a similar view by revealing that higher educational institutions plays a pivotal role in formation of human capital who in return helps educational institutions to thrive and transform for achieving its goals and objectives. It is imperative that management retains its best workers and keeps them committed to the organization in order to attract other quality employees. In order to retain these employees, organizations should make efforts to increase the

motivation and commitment of their employees. HR practices of organizations have an important role in increasing the motivation and commitment level of employees because the development of organizational commitment needs effective HR practices. Past research on HRM practices and organizational commitment have been discussed individually in various organizational settings by many researchers, however, examining the relationship that exist between the two have found less mention in literature. Moreover, some studies have been conducted in service sector to some extent but in higher educational context it has not been explored yet. Keeping this in view, the present paper will make an attempt to study the relationship that exists between the HRM Practices and organizational commitment in higher educational settings.

II. REVIEW OF LITERATURE

A. HRM Practices

For an organization to be more effective it should have skillful and innovative employees to work and should also try to retain them. In today's competitive business world both HR managers and line managers have become responsible for all HRM processes and practices. Several studies have shown that human resources (HR) practices have an impact on performance and competitive strategies of organizations. Tahir et al (2010) opined that the success factor in today's competitive and knowledge driven environment depends less on advantages associated with economies of scale, technology, patents but are more derived from organizational human resources and high involvement of human resource management practices. Schuler and Macmillan (1984) stated that HR practices play a critical role in attaining organizational objectives in terms of enhancing profitability, low employee turnover, high product quality, and lower production costs. Stewart and Brown (2011) stressed that effective HR practices leads to high employee motivation and thereby increases their performances.

B. Organizational Commitment

Organizational commitment is the individual's psychological attachment to the organization.

Commitment represents something beyond loyalty to an organization. Lamba and Choudhary (2013) opined that organizational commitment involves an active relationship with the organization such that individuals are willing to give something of them in order to contribute to the organization's well-being.

Meyer et al (1989) argued that in the present times organizational commitment is even more important since it is considered as the driving force behind organizational performance and a desirable quality which can reduce employee turnovers. Kumar and Krishnaveni (2008) highlighted that the concept of commitment has been defined in different ways in the literature by various researchers. Organizational commitment as defined by Mowdey et al (1982) has three major components; a strong belief in and acceptance of the organization's goals, a willingness to exert considerable effort on behalf of the organization, and a definite desire to maintain organizational membership, Angle & Perry, (1981). Organizational commitment comprises three types: i) *affective commitment*: the psychological feeling and attachment of an employee to stay in the workplace socially and organizationally) ii) *continuance commitment*: the cost-benefit evaluation of whether to stay or leave, and iii) *normative commitment*: the feeling of being obliged to stay in the organization because of moral factors, Meyer & Allen (1997) and Meyer & Smith, (2000).

C. Relationship between HRM Practices and Employee Commitment

Effective HR 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. Past research studies Browning (2006); Conway, E., (2004); Finegold, et al (2002) have stressed on promoting HR practices for enhancing employee motivation and satisfaction which would eventually lead to their commitment towards their organizations. The dynamic nature of human resource management in recent decades affirms the need for more research studies on the impact of human resource practices on employee organizational commitment. Meyer and Allen (1997) believe that the relationship between human resource practices and employee commitment should be examined more fully. The concept of organizational commitment has been investigated and proven to be a consequence of HR practices in many studies, Kumar & Krishnaveni, (2008); Shahnawaz & Juyal, (2006); and Guest, (1995). Relationships between Human resource practices such as selection, performance appraisal, training and development, compensation and organizational commitment have received wide considerable attention from the researchers in the recent years, Chang, (2005); Lin & Chang, (2005).

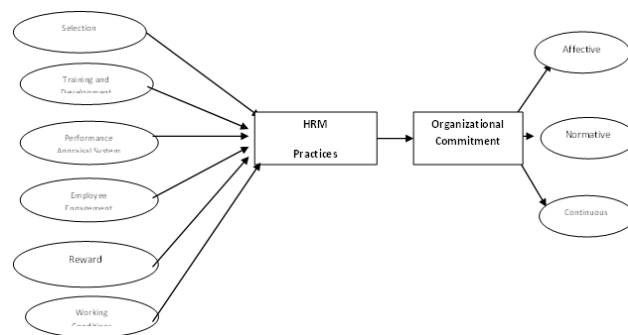


Fig 1 Relationship model of HRM practices and Organizational Commitment

III. RESEARCH METHODOLOGY

A. Research Objectives

The following objectives have been laid down for the present study:

- 1) to analyze the relationship between HRM Practices and organizational commitment,
- 2) to assess the impact of HRM practices on organizational commitment, and
- 3) to draw conclusions and suggest measures for improving HRM practices for improving employee commitment.

B. Research Hypotheses

Keeping in view the above objectives, the following hypothesis has been formulated for the present study:

- H1. HRM practices have positive and significant relationship with organizational commitment
- H2. HRM practices significantly influences organizational commitment

C. Sample Features

The present paper gathered responses from employees (academic staff) working in four colleges in Srinagar district. Organizational commitment scale developed by Meyer and Allen (1997) was used to measure organizational commitment. To measure HRM practices a scale developed by Demo et al., (2012) was used. The questionnaires were distributed among 160 academic staff and only 122 questionnaires were returned. Of those 122 returned questionnaires, nine were not found fit for further analysis and thus were rejected. Therefore, only 113 questionnaires were used for final analysis with usable response rate 76.25%. The data whatsoever collected were analyzed using SPSS 20.0.Version. Descriptive statistics such as mean score, Std. deviation, frequency were used to study the employee's perception with respect to HRM practices and organizational commitment Pearson correlation and regression was employed for hypotheses testing purpose.

IV. DATA ANALYSIS AND INTERPRETATION

TABLE I DESCRIPTIVE STATISTICS AND RELIABILITY VALUES OF STUDY VARIABLES

| Dimension | n | mean | Std. dev | Cronbach alpha |
|------------------------------|-----|------|----------|----------------|
| Selection | 113 | 3.29 | 0.71 | 0.79 |
| Performance Appraisal System | 113 | 3.17 | 0.72 | 0.70 |
| Training and Development | 113 | 3.37 | 0.76 | 0.83 |
| Employee Engagement | 113 | 3.11 | 0.79 | 0.77 |
| Reward system | 113 | 3.20 | 0.63 | 0.73 |
| Work Conditions | 113 | 3.19 | 0.69 | 0.85 |
| Affective Commitment | 113 | 3.39 | 0.70 | 0.87 |
| Normative Commitment | 113 | 3.24 | 0.86 | 0.70 |
| Continuous Commitment | 113 | 3.22 | 0.81 | 0.77 |

Table I depicts the perception of employees towards HR Practices and Organizational commitment. It can be inferred from the table I that all the HR practices were perceived positively by employees. However, the highest satisfaction level of employees among HR practices was shown towards training and development with mean score of (3.37) whereas the least satisfaction level among HRM practices was found towards employee engagement with

mean score of (3.11). With respect to organizational commitment, employees have shown favorable perception. Similarly, highest satisfaction level was shown towards affective commitment with mean score of (3.39) while as perception towards continuous commitment showed least satisfaction with mean score of (3.22).

TABLE II RELATIONSHIP BETWEEN HR PRACTICES AND ORGANIZATIONAL COMMITMENT (CORRELATION)

| | | HRM practices | Organizational Commitment |
|---------------------------|---------------------|---------------|---------------------------|
| HR practices | Pearson Correlation | 1 | .519** |
| | Sig. (2-tailed) | | .000 |
| | N | 113 | 113 |
| Organizational Commitment | Pearson Correlation | .519** | 1 |
| | Sig. (2-tailed) | .000 | |
| | N | 113 | 113 |

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

From the above table II, it can be seen that there is a positive and significant relationship between HRM practices and Organizational Commitment in sample organizations. It depicts that the more effectively we employ HRM practices in organizations the more it will

result in enhancing organizational commitment among employees. The correlation between HRM practices and Organizational Commitment was found positive ($r=.519$, $p=0.000$) as well as statistically significant. Thus our hypothesis 1 is accepted.

TABLE III EFFECT OF HRM PRACTICES ON ORGANIZATIONAL COMMITMENT (REGRESSION ANALYSIS)

| Model Summary | | | | | |
|--------------------------------------|-------------------|----------|-------------------|---------|-------------------|
| Model | R | R Square | Adjusted R Square | F-Value | Sig. |
| 1 | .519 ^a | .376 | .375 | 95.28 | .000 ^a |
| Predictors: (Constant), HR practices | | | | | |

Further, in order to examine the effect of HRM practices on Organizational Commitment, regression analysis was performed (table III). The regression analysis indicates that the perception of employees towards HR practices has a significantly positive effect on Organizational

Commitment. The value of $R^2 = 0.376$ shows that 37.60 % variance is explained by independent variable (HR practices) on dependent variable (Organizational Commitment). Thus our hypothesis 2 is accepted.

V. CONCLUSION

The present study examined the influence of HRM practices on organizational commitment and moreover the study aimed to examine the relationship that exists between HR practices and organizational commitment. On the basis of findings it was found that there exist a positive relationship between HRM practices and organizational commitment. Further findings of the study revealed that HRM practices significantly influences organizational commitment of employees working in sample select institutions. The present study is faced with some limitations. Firstly, the study targeted only four colleges in Srinagar district as such findings of the study cannot be generalized to whole population. Therefore, future research can include more colleges from other districts in order to cover wider geographical representation. Secondly, the sample size taken in the present study was small therefore sample size can be enhanced in future to authenticate the conclusions of this study. Lastly, the present study did not take into account the influence of demographic factors such as age, gender, and experience on study variables. Therefore future research can explore this gap by including these variables as well.

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