

The Relationship Between Human Resource Practices and Organizational Commitment

Noorfariza Binti Aliasad and Nur Adilah Binti Ismail

Faculty of Administrative Science and Policy Studies, Universiti
Teknologi MARA (UiTM) Merbok, Kedah

ABSTRACT

Organizational commitment can be defined as the feeling of attachment and loyalty towards the organization. There are three forms of commitment; which are affective, continuance and normative. Organizational commitment can have a beneficial impact on organizations such as reduced turnover, lower absenteeism and increased productivity. The purpose of this study is to examine the relationship between the human resource practices (training, performance appraisal, reward system and staffing) and organizational commitment and to identify the most dominant human resource practices influence the organizational commitment and to identify the level of organizational commitment among the employees of Metro Specialist Hospital (MSH). This study gather data through questionnaire which contain organizational commitment and human resource practices measure. The questionnaires were distributed to a total of 169 respondents.

Keywords: Organizational commitment, Training, Performance Appraisal, Reward System, Staffing

INTRODUCTION

Employee turnover is a serious issue in the field of human resources management as it involves the moving of the employees out of the organization. Turnover can increase the burden of managerial as the

organization has the potential to lose the employees who can be the asset of the organization. In order to enhance the commitment of the employees, increase the feeling of attachment among the employees towards the organization and besides reduce the number of turnover among them, the organization may need to alter the organizational factors that can be the determinants of the organizational commitment.

An employee's relationship with an organization is shaped by HRM actions such as recruiting, appraising performance, training, and benefits administration through which employees come to understand the terms of their employment (Rousseau & Greller, 1994). According to Priyanko Guchait (2007), the way an organization is portrayed during the recruitment interviews, how jobs are advertised, comments made in performance appraisal reviews, compensation systems, all send strong messages to individuals regarding what an organization expects of them and what they can expect in return. This can result the employees come to understand the term of their employment.

Human resource practices which determine the organizational commitment is important to study as by knowing the practices, the organization will know how to enhance commitment besides retain their employees from leaving the company and go to the other organizations. As the employees is the most valuable asset of the organization, the organization need to have its own way in order to remain the employees in the organization.

Organizational commitment can be identified and represented in three forms of commitment (Allen & Meyer, 1997):

- i. Affective commitment: An individual's emotional attachment with (i.e. identification with and involvement in), the organization (Allen & Meyer, 1997).
- ii. Continuance commitment: The individual's recognition of the benefits of continued organizational membership versus the perceived cost of leaving the organization (Allen & Meyer, 1997).
- iii. Normative commitment: The employee's feeling of obligation to stay in the organization. All three forms of commitment affect not only employee's willingness to remain with an organization, but their work related behavior as well (Allen & Meyer, 1997).

Training can be defined as the process of systematically developing expertise in individuals for the purpose of improving performance (Barrett & O'Connell, 2001). Specific training initiatives have specific goals such as the improvement of employee job performance, employee development (Burden & Proctor, 2000), the development of skills, knowledge, and attitudes (Al-Khayyat & Elgamal, 1997), and a means of achieving a competitive edge (Hughey & Mussnug, 1997; Hallier & Butts, 2000).

Training employees leads to increased employee satisfaction, facilitates the updating of skills, leads to an increased sense of belonging and benefit, increased employee commitment to the organization and strengthens the organization's competitiveness (Acton & Golden, 2002).

The training and development of employees is increasingly recognized as an important aspect of best HRM practices. Training and development are commonly considered to be different forms of human capital investment for individual and organizational improvements (Chew, J. & C. A. Chan, C., 2003).

The performance appraisal can be defined as the process of evaluating how well employees perform their jobs when compared to a set of standards, and then communicating that information to those employees (Guchait, 2007).

According to Gbolahan and Mohammed D. Al-Qahtany (2005), it is rational to expect that a fair and positive performance evaluation should result in a positive feeling among employees and perhaps enhance the commitment of such employees. This is because by fairly evaluating performance and giving positive and fair monetary rewards, managers hope to motivate employees, enhance their commitment and increase their desire to stay in the organization.

According to the Business Dictionary, reward system can be defined as procedures, rules, and standards associated with allocation of benefits and compensation to employees (Business Dictionary, 2010). In other words, reward system is the relationship between the organization and the

individual member by specifying the terms of exchange where it specifies the contribution expected from members and expressive values and norms to which those in the organization must conform as well as the response individuals can expect to receive as a result of their performance.

Becker and Gerhart (1996) suggest that the human resource system can be a unique source of competitive advantage, especially when its components have a high degree of internal and external fit.

Ideally, reward management strategies are interlinked with corporate strategies and comprise not only a basis for motivation and control; but also an incentive for higher productivity. A number of more specific pay strategies are available, including production-based pay, skill-based pay and knowledge-based pay (Jenkins & Poole, 1997).

Staffing includes human resources planning and forecasting, recruiting, and selecting employees. Human resources planning and forecasting is the process that a firm uses to ensure that it has the right amount and the right kind of people to deliver a particular level of output or services in the future. Recruiting is the process used to form a pool of job candidates for a particular job. Selection is the process of making a “hire” or “no hire” decision regarding each job applicant for a job (Crowley, 1999 & Czaplewski et al, 2001).

According to McElroy (2001), selective hiring is another HRM practice that sends a clear message to employees that people matter. He points out that extensive recruitment and targeted selection of the best might increase affective commitment for several reasons.

METHODOLOGY

Sample Size

The target population of this study is all the employees of Metro Specialist Hospital (MSH). The sample size we use in this research is 169

which represent almost the whole population of the employees of MSH. The sample size of 169 will be chosen from the 300 total numbers of populations.

Respondents

As this research will address the issue of organizational commitment among the employees in Metro Hospital Specialist (MSH), therefore the unit analysis of this research is individual which will be the employees of MSH at Sg. Petani Kedah itself.

Objective of the Study

- i. To study the relationship between human resource practices (reward system, training and job security) and organizational commitment among the employees of Metro Specialist Hospital (MSH).
- ii. To investigate which of human resource practices that most influence the organizational commitment among the employees of Metro Specialist Hospital (MSH).
- iii. To identify the level of organizational commitment among the employees of Metro Specialist Hospital (MSH).

Data Collection

Section A (Demographic Question): This section will gather all the information about the respondents which is related to their demographic factors such as age, gender, marital status, and education level.

Section B (Dependent Variable Question): This section consists of question which is about dependent variable that is related to independent variable.

Section C, D, E, and F (Independent Variable Question): These sections are about independent variables such as questions related to human resource practices which are training, performance appraisal, reward system and staffing.

Data Analysis

This research will use the Statistic Package for Social Science (SPSS) version 16.0 for Window program system for the processing of raw data received, data analysis and to show the final result of data gathered by using these three methods:

Pearson Correlation

The researchers use the Pearson correlation to see the strength of interrelated that present among all the variables mentioned. Pearson correlation is important to measure the relationship between two variables. For instance, in order to know the relationship between personal characteristics variable and organizational commitment variable, Pearson correlation can be used to analyze the relationship whereby the value of $p < 0.05$.

Descriptive Statistics

The researchers are used descriptive statistics in order to explore the data collected, to summarize and describe those data. For example, in this research, the researchers use descriptive statistics in discussing the background of the respondents which are gender, age, marital status and education level.

Multiple Regressions

The researchers use standard or simultaneous and stepwise regression. Standard model can be used in order to examine the relationship between the whole set of independent variables and the dependent variable which organizational commitment. It is important to know the most significance influence of the organizational commitment.

RESULT

This study is important to reveal to what extent the commitment perceived by the employee of the organization can reduce the turnover among them. By conducting this research, we want to investigate whether the committed employee will remain in the organization or not.

The result of this study is intended to provide the relevant information to the upper level management in order for them to increase the organizational commitment among their employee. The result of this research can be used by the upper level management in enhancing the level of commitment among their employee as it provides important implications for the employee and managers.

The result of this study is also to know the perception of employee of MSH towards the role of their organization in enhancing their commitment. This research is conducted in order to know the relationship between the human resource practices and the organizational commitment. The result produced will show the human resource practices implemented by the organization in relation to the organizational commitment and whether the practices can increase the commitment among the employee or not.

CONCLUSION

As a conclusion, the study of organizational commitment is important in order to retain the employee within the organization besides increase their productivity and performance. The organization needs to know the determinants of the organizational commitment such as human resource practices so that they can use it as a method to create the feeling of attachment and loyalty between their employees.

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