

EFFECT OF ORGANIZATIONAL COMMITMENT WITH SPECIAL REFERENCE TO HRM

Dr. T.Rani

Assistant Professor, Department of Commerce, SRM Institute of Science and Technology,
Ramapuram, Chennai, Tamil Nadu, Email: ranit@srmist.edu.in

Dr.J.Janaki

Head, Department of Accounting and Finance, Prince Shri Venkateshwara Arts and Science
College, Gowrivakkam, Chennai, Tamil Nadu, Email: janakijayaraman1979@gmail.com

Dr.R.Jayanthi

Associate Professor, Department of Management Studies, Coimbatore Institute of
Technology, Coimbatore, Tamil Nadu, Email: jayanthimohan@cit.edu.in

Dr. Pralay Ganguly

Professor Department of Hospitality and Tourism, NSHM Knowledge Campus,
Durgapur – West Bengal, Email: pralay.ganguly@gmail.com

Dr. G.E Barkavi.

Associate Professor, Department of Business Administration, Kalasalingam Business School,
Kalasalingam Academy of Research and Education, Krishnankoil, Tamil Nadu.
Email: gebarkavi@klu.ac.in

Dr. Sumitha .K,

Associate Professor & HOD- BBA&BBA(AM), East point college of Higher education,
Bangalore. Karnataka, Email: sumipraba05@gmail.com

ABSTRACT

The goal of the current study is to understand how HRM practises affect organisations. This study only uses secondary data, reviewing academic articles on HRM practises, job satisfaction, organisational climate, and organisational commitment in banks. The study's goal is to better understand how various HRM practises used in organisations affect employees' loyalty to the company. The study's findings showed that employee organisational commitment is significantly impacted by HRM practises.

Keywords: Organizational commitment, job satisfaction, HRM practises.

INTRODUCTION

One of the organization's pillars is human resources. Without human resources, a company cannot manage or produce its resources. Any organisation, including government agencies, needs human capital to accomplish good results for the enterprise through the performance of skilled and trained employees. In order to improve organisational performance,

management must acknowledge employee performance. Employee performance is a complex mechanism that includes the company's strategic initiatives, as well as internal and external factors. Of course, all businesses and organisations that employ people are expected to perform well because doing so is expected to improve the performance of the company as a whole. Employee performance improvement will be influenced by organisational commitment and human resource management practises (Mailisa et al., 2016; Waldan, 2017). Human resource planning is the practise of organising and overseeing a company's human resource requirements to meet overall priorities and strategies in the short, medium, and long term. Manpower planning, strategic planning for human resources, strategic management of human resources, and so forth. Since the terms are used interchangeably and there is no real difference between them, it can be assumed that they both refer to the human resource of the company for the purposes of this analysis. A subset of human resource management, also referred to as personnel planning, is the management of an organization's human resource assets in accordance with its organisational goals.

Human resource processes in organisations include hiring and procurement procedures, disciplinary procedures, reward and recognition policies, workforce retention policies, succession planning, and talent acquisition. All of a company's other resources would be inactive and useless without its human capital. While it is important to have human resources that can use, manage, and transform other resources to produce goods and services, it is even more important to have the right quantity and quality of human resources available when you need them. This highlights how important human resource management is. As a result, the purpose of human resource (HR) planning is to guarantee that employees and positions are a good fit while avoiding labour shortages or spares. Strategic human resource planning is used to describe when human resource planning is in line with an organization's short-, medium-, and long-term business goals. The three main components of the HR planning process are forecasting labour demand, examining the current labour supply, and matching expected labour demand and supply.



Figure 1: Organizational Commitment

THEORETICAL FRAMEWORK

Pfeffer (1998) recognized seven human resource practices, involving job protection, selective employment, self-managed groups, provision of high salary contingent on firm performance, widespread training, decline of position dissimilarity, and information sharing. Various Human Resource Practices have been reviewed and taken by the researcher in the present study:

1. Recruitment and Selection
2. Training and Development
3. Compensation and Benefits
4. Promotion and Transfers



Figure 2: Types of Organization Commitments

1. RECRUITMENT AND SELECTION

Recruitment is the process to attract the prospective candidates to apply for the jobs. It is the process of searching for prospective employees and stimulating and encouraging them to apply for jobs in an organization. Different sources of recruitment are adopted by the organizations namely Internal sources like vacancies, transfers, promotions, retired and retrenched employees, dependants and relatives of deceased and disabled employees or it can be External sources like education and training institutions, search engines, employment exchanges etc. Recruitment process is technically followed by the Selection process. Selection is the process of choosing the most suitable persons out of all applicants.

According to Dale Yodder (1972) It is the process of matching the qualifications of applicants with job requirements. Test, Interview and Medical examination of the candidates are the different phases of the selection process. Referrals of candidates can also be checked for predicting their behaviour and performance.

2. TRAINING AND DEVELOPMENT

The process of increasing the knowledge and sharpening the skills for doing a particular job is called Training. Training is basically conducted to bridge the gap between job requirements and present competence of an employee. It also focuses on improving habilitation and performance of persons. Different types of training programmes like Orientation training, Job training, Safety training, Promotional training, refresher training, remedial training etc. are being conducted to enhance the skills of employees. Managers need to apply knowledge, skills and aptitude to manage the work in their organizations efficiently and effectively development. It occurs through a systematic process of executive development. Managers should also recognize their social and public responsibilities etc.

3. COMPENSATION

Every Organization expects to attract and retain well qualified and motivated employees through the fair compensation. The wages, salaries, complete remuneration and compensation form a very large component of operating costs. Basic or Primary compensation and Supplementary Compensation are two categories of employee compensation.

4. PROMOTIONS AND TRANSFERS

Advancement of an employee to a higher position carrying greater responsibilities, higher status and better salary is called Promotion. An employee's performance and commitment can be recognized through the promotions. The basis of promotion is either seniority or merit. It helps to develop a competitive spirit among employees for attaining knowledge and skills. A horizontal or lateral movement of an employee from one job to another in the same organization without any notable change in status and pay is called Transfers help to make employee more versatile and knowledgeable.

ORGANIZATIONAL COMMITMENT

The studies of many researches reveal that organizational commitment of employees plays a very important role in the increased efficiency of employees and the performance of any organization. Thus, the individual's psychological attachment to the organization is called Organizational Commitment. It shows the extent to which employees are involved and are really willing to contribute something towards the Organizational well-being.

According to Porter et al. "the Organizational Commitment is characterized by at least three factors: (a) a strong belief in, and acceptance of, the organization's goals and values; (b) a willingness to exert considerable effort on behalf of the organization; and (c) a strong desire to maintain membership in the organization Commitment is a sort of bond between employee and the organization.

MODEL OF COMMITMENT

According to Meyer and Allen's (1990) three-component model of commitment indicated that there are three "mind sets" which can characterize an employee's commitment to the organization: *Affective Commitment*: AC is defined as the employee's positive emotional attachment to the organization. This employee commits to the organization because he/she "wants to". *Continuance Commitment*: The individual commits to the organization because he/she perceives high costs of losing organizational membership, including economic costs (such as pension accruals) and social costs (friendship ties with co-workers) that would be incurred. The employee remains a member of the organization because he/she "has to". *Normative Commitment*: The individual commits to and remains with an organization because of feelings of obligation. These feelings may derive from many sources. For example, the organization may have invested resources in training an employee who then feels a 'moral' obligation to put forth effort on the job and stay with the organization to 'repay the debt.' It may also reflect an internalized norm, developed before the person joins the organization through family or other socialization processes, that one should be loyal to one's organization. The employee stays with the organization because he/she "ought to". However, affective commitment is more important to organizational performance than continuance or normative

commitment. It has also been proven that If employees are committed towards their organization, they will perform their job well and it will ultimately leads to the improved performance of the organization. Organizational commitment of employees can also be increased by committing the values of people first by giving them proper compensation, promotion, training, fringe benefits etc. Also by communicating and clarifying the mission, vision and objectives of the organization, comprehensive grievance procedure provide for extensive two way communication, support employee development, security etc.(Fred Luthans,2002).

The regularity and punctuality at work, demonstration of a willing adherence to the company policies, and have lower turnover rates which is directly related to employee’s retention are the basic characteristics of organizationally committed employees. After reviewing various research studies, the researcher wants to conduct the study on the problem “Do HRM Practices make an impact on the Organizational Commitment?” As many studies have been conducted on HRM Practices but the author wants to examine the impact of HRM Practices on organizational commitment in various sectors.

The main objective of this paper is to study, analyze and examine the impact of HRM Practices on Organizational Commitment of Employees. So, the researcher aims to develop a research model which can validate this paper and also find out the possible ways of influential role of HRM practices on Organizational Commitment. Therefore, we have used Secondary data for our research. The data was composed through the source of various research studies, articles and research papers and results have been analysed with the help of reviewing the published material.

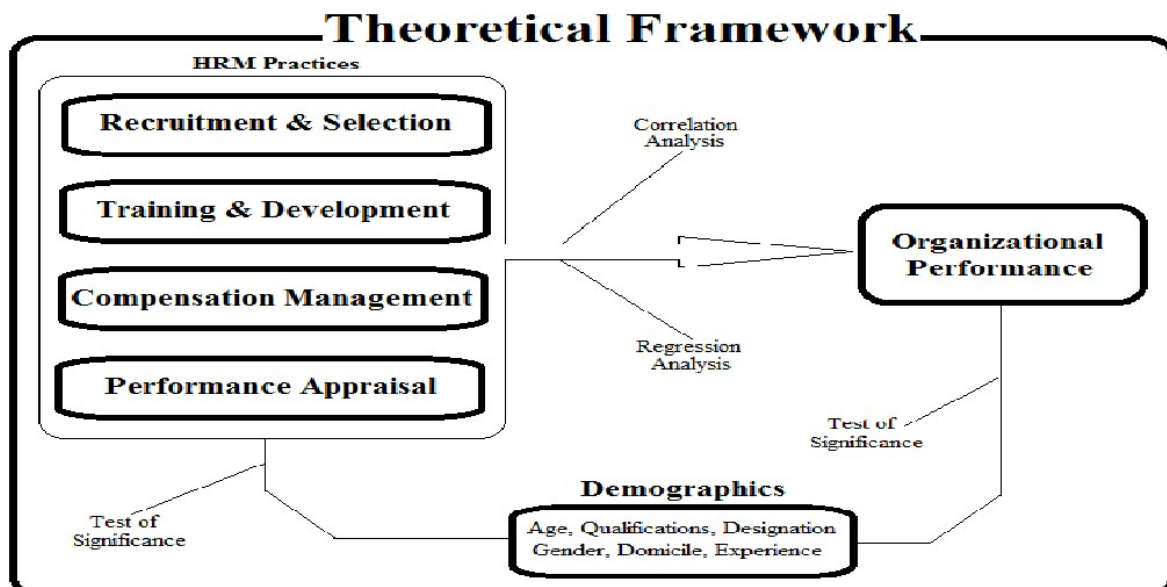


Figure 2: Theoretical framework of human resource practices

RESEARCH FINDINGS

The objective of this study was to determine the extent of impact of HRM practices on Organizational commitment can be ascertained by reviewing various research studies. The

study found out that HRM practices play a significant role on Organization Commitment in every sector. It is also found that that HRM practices such as Compensation, Job security and Job performance has significant importance on Affective commitment but same HRM policies cannot be set for two different set of identities among private Universities across globe. In hospitality industry. HRM Practices also increases employee commitment towards Organization. It has also been found that Employees of BPO's and software industry are also influenced by HRM policies such as Recruitment and Selection, Training and Development, Career development and friendly work environment. The Model which has been proposed by the researcher has been framed after reviewing many of the research studies which shows that HR Practices always form the central part of any organization which have direct relationship with Organizational Commitment which ultimately leads to the employee retention and Organizational Performance.

CONCLUSION

It has been concluded that there is significant effect of HR Practices on Organizational commitment and are also associated with organizational Effectiveness and performance. The present Study reveals the results of number of sectors through the review of various research studies. So, it has been proved that the employee satisfaction and commitment must be achieved first to increase the profitability and goodwill of the firm. Therefore, it is proved in this study that HRM practices have significant impact on Organizational commitment and which is further related to Retention of knowledgeable and skilled Employees.

REFERENCES

1. Mailisa, Y., Hendri, M. I., & Fauzan, R. (2016). Pengaruh Iklim Organisasi dan Kemampuan Kerjaterhadap Komitmen Organisasional dan Dampaknya pada Kinerja Pegawai DISPERINDAGKOP dan UKM Kota Pontianak. *Jurnal Ekonomi, Bisnis dan Kewirausahaan*, 5(3), 198–215.
2. Waldan, R. (2017). Quality of Work Life sebagai Solusi Peningkatan Kinerja Karyawan dalam Perspektif Islam. *Jurnal Al-Hikmah*, 12(2), 29-50.
3. Waldan, R. (2020). The Effect of Leader Support and Competence to the Organizational Commitments on Employees Performance of Human Resources Development Agency in West Kalimantan. *Jurnal Ekonomi Bisnis dan Kewirausahaan (JEBIK)*, 9(1), 31-46.
4. Pfeffer J. (1998). "Seven Practices of Successful Organizations", *California Management Review*, Vol. 40, No. 2, pp 96-124
5. Fred Luthans, (2002) *Organizational Behaviour*, Tata Mc Graw Hill International Edition, 9th Edition, pp-236
6. Meyer, J. P., Allen, N. J. & Smith, C. A. (1993). Commitment to organizations and occupation: Extensions and test of a three-component conceptualization. *Journal of Applied Psychology*, 78, 538-551.
7. Meyer, J. P., Paunonen, S. V., Gellaty, I. R., Goffin, R. D. & Jackson, D. N. (1989). Organizational commitment and job performance: It's the nature of the commitment that counts. *Journal of Applied Psychology*, 74, 152-156.

8. Porter, L. W., Steers, R. M., Mowday, R. T., & Boulian, P. V. (1974). Organizational commitment, job satisfaction, and turnover among psychiatric technicians. *Journal of Applied Psychology*, 59(5), 603–609.
9. Dale Yoder (1975) - Personnel Management and Industrial Relations, Prentice Hall of India, New Delhi.p.63.