

International Journal of Advance Research in Computer Science and Management Studies

Research Paper

Available online at: www.ijarcsms.com

A Study of Human Resource Management Practices and Organizational commitment in Self Financed Professional Institutions

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Abstract: *Human resource management (HRM) practices and Organizational commitment (OC) have been identified as a basis for achieving sustained competitive advantages, particularly for organization operating in challenging and rapidly changing international competitive environments. The purpose of the study is to examine and analyze the level human resource management practices and Organizational commitment in self financed professional institutions. The study revealed that training practices and performance appraisal show significant positive correlation with affective commitment. Normative commitment is significantly positive, with high positive correlation in compensation and performance appraisal.*

Keywords: *Human resource management, Organizational commitment, normative commitment, Affective commitment.*

I. INTRODUCTION

Human Resource Management (HRM) Practices

Human resource management (HRM) practices have been recognized increasingly as a basis for achieving sustained competitive success, particularly for firms operating in challenging and rapidly changing international competitive environments (Cascio & Bailey, 1995; Florkowski & Schuler, 1994; Pfeffer, 1994). Human Resource Management is a strategic and coherent approach to the management of an organization's most valued assets - the people working there who individually and collectively contributes to the achievement of the objectives. HRM involves all management decision and practices that directly affects the people, or human resources, who work for the organization (Armstrong 2006). Beardwell et al., (2004) regard HRM as the philosophy, policies, procedures, and practices related to the management of people within an organization. Senyucel (2009) defines HRM as a combination of people-centered management practices that recognizes employees as assets to create and maintain skilful and committed workforce for achieving organizational goals. Schuler and Jackson (1987) defined HRM practices as a system that attracts, develops, motivates, and retains employees to ensure the effective implementation and the survival of the organization and its members. Besides, HRM practices is also conceptualized as a set of internally consistent policies and practices designed and implemented to ensure that a firm's human capital contribute to the achievement of its business objectives (Delery & Doty, 1996). Likewise, Minbaeva (2005) viewed HRM practices a set of practices used by organization to manage human resources through facilitating the development of competencies that are firm specific, produce complex social relation and generate organization knowledge to sustain competitive advantage. Against this backdrop, we concluded that HRM practices relate to specific practices, formal policies, and philosophies that are designed to attract, develop, motivate, and retain employees who ensure the effective functioning and survival of the organization. Buck and Watson's (2002) indicated nine important HRM practices such as Decentralization, Compensation, Participation, Training, Development, Employment Security, Social Interactions, Management Style, Communications, and Performance Appraisal. Taseema &

Soeters (2006) has studied about eight HR practices such as Recruitment and Selection Practices, Placement Practices, Training Practices, Compensation Practices, Employee Performance Evaluation Practices, Promotion Practices, Empowerment and Social Security or Pension. Huselid (1995) studied eleven practices that are Personnel Selection, Performance Appraisal, Incentive Compensation, Job Design, Empower of Decision, Information Sharing, Attitude Assessment, Labour Management Participation, Recruitment Efforts, Employee Training and Promotion Criteria.

Organizational Commitment:

Organizational commitment is a feeling of dedication to one's employing organization, willingness to work hard for that employer, and the intent to remain with that organization (Meyer and Allen, 1997). A respected theory proposes that there are three components to organizational commitment: Affective, Continuance, and Normative Commitment (Meyer and Allen, 1991).

Affective commitment is an emotional attachment to the organization.

Continuance commitment is characterized by a more rational analysis of the costs of staying versus leaving the organization.

Normative commitment is a sense of moral obligation to stay with the organization.

Various authors have been instrumental in identifying types of employee commitment as critical constructs in understanding the attitudes and behaviors of employees in an organization. There are two dominant conceptualizations of organizational commitment in sociological literature. These are an employee's loyalty towards the organization and an employee's intention to stay with the organization. Loyalty is an affective response to, and identification with, an organization based on a sense of duty and responsibility. It is believed that affectively committed employees continue working with great devotion on voluntary basis, continuance commitment ensures that employees retain their organizational membership, however those who are normally committed usually feel obligation on their part to stay in the organization.

II. OBJECTIVES OF STUDY

The main objective of the study is to examine and analyze the level human resource management practices and Organizational commitment in self financed professional institutions.

III. REVIEW OF LITERATURE

Iqbal et al. (2011) found that there was a significant difference in HRM practices among executives of public and private universities of Pakistan. HRM practices in the areas of job definition, training and development, compensation, team work and employees participation were better in the public universities than private universities. However, performance appraisal practices were found better in the private universities than public sector universities. Khan et al. (2012) found that male university teachers are more satisfied with their job but female teachers are more satisfied with HR practices of universities Pakistan. Public sector university teachers are more satisfied and found direct relationship in length of experience and job satisfaction. HR practices have positive correlation with job satisfaction. McNeal and Gloria (2003) found African American nurse faculty members productivity have correlation with satisfaction and management practices such as leadership, communication and decision-making process have much impact on employees' satisfaction in exercising their job.

Romle (2006) concluded that management practices among Assistant Registrars at Public Institutions of Higher Learning in Northern Region Malaysia do have an impact on employees' job satisfaction Sial, et al (2011) found that organizational commitment is strongly, positively influenced by compensation practices adopted by the universities of Pakistan. However performance evaluation and promotion practices were found to have no significant relationship with Organizational commitment. Nasurdin, et al (2008) found in study on Malaysian manufacturing sector that organizational commitment has direct, positive and significant relationships with career development and performance appraisal. Chew, et al (2005) revealed

that organizational commitment have significant positive correlations with HR practices. Further it suggests that it is HR practices which will influence commitment of core employees rather than other organisational features.

Payne and Huffman (2005) found in a longitudinal study that organizational commitment mediated the relationship between mentoring, an HRM practice in the organization studied, and employee turnover over time. Hemdi (2009) revealed in his study of hotel employees in Malaysia that the HRM practices, particularly those relating to performance appraisal and career development, have significant, positive, and direct effects on organizational commitment. Padala (2010) revealed that Employee's of Nagarjuna Fertilizers and Chemicals Limited, India have a positive inclination in their intensity of commitment towards their organization. Age, Education, Nature of the job, length of service and income have negative relations with the employee job satisfaction as well as organizational Commitment. Employees having very active participation in trade union are found job satisfied and high degree of organizational commitment compared to other groups of employees. Sonia (2010) found significant positive correlation of job satisfaction with affective commitment and normative commitment, and negative correlation with continuance commitment in the employees of information technology industry in Bangalore, India. It indicates that higher the level of job satisfaction greater the level of affective commitment and normative commitment.

METHODOLOGY

1. Sample

The present research was conducted on a sample consisted of 331 faculty members drawn randomly from different Professional institutes located mostly in North part of country. The age of the respondents vary from 27-52 years all the faculty members were working either at junior level or middle level.

2. Measures

Qureshi, and Ramay (2006) scale comprised of 25 items, which contained questions on training, team work, performance appraisal, compensation, and employee participation used to measure HRM Practices. The reliability & validity of the instrument was found to be within acceptable norms. Meyer and Allen (1997) scale on organizational commitment was used in the study. There are 18 items in the scale, 6 each for affective, continuance and normative commitment.

PROCEDURE

The data was collected through a close ended questionnaire and the measures were administered on the selected respondents and they were asked to read the instructions given in the questionnaires and respond on five point likert scale. No time limit was given to fill the questionnaires but it was expected that respondents would fill the same within 20-25 minutes.

IV. RESULTS AND DISCUSSION

The data have been analyzed using Statistical Package in terms of means, S.D and correlations.

TABLE I: Showing Mean Values and SD of Human Resource Management Practices and Organizational Commitment.

	Mean	S.D
Training	2.19	0.68
Performance appraisal	2.86	0.79
Team Work	3.07	0.68
Employee Participation	2.12	0.65
Compensation	2.87	0.81
Total	14.31	2.60
Affective commitment	2.40	0.55
Continuance commitment	2.56	0.47
Normative commitment	3.07	0.59
Total	8.12	1.02

As data was collected through a close ended questionnaire on five point likert scale ranging from “Not at all =1” to “a very great extent= 5”. It revealed that the respondents are satisfied to small extent with the training practices and employee participation which means the employee working in self-financed educational institutes are not satisfied with initiative regarding faculty development programs or any other training modules for the skill developments. It is observed from mean value that employees are not satisfied with employee participation policies as private institutions are less focused on employee participation. Hence they are less involved in decision making process. Decisions are more imposed rather discussed. Respondents are satisfied, but to a moderate extent with the institution’s policies regarding HRM practices like performance appraisal, team work and compensation. Private institutions are good paymaster, focused on team work and following the fair and performance based performance appraisal systems. The study was focused on finding the level of HRM practices and it is observed from the data that private institutions are successfully implemented the HRM policies regarding the compensation, team work and performance appraisal system and at the same time employees are also satisfied to the moderate extent. HRM practices like training and employee participation, institutions need to put more effort to uplift the satisfaction level of employee. Other variable of the study was organizational commitment. The data was collected through Meyer and Allen scale ranging from Strongly Agree (1) to Strongly Disagree (5). Hence it is observed from the data that employee of self-financed institutions are agreed on the statement on affective commitment and responded an emotional attachment to the organization. Employee showed a moderate response on continuance commitment and normative commitment, which indicates that employee are not agree nor disagree with the costs of staying versus leaving the organization and a sense of moral obligation to stay with the organization. Employees are emotionally attached to the organization but at the same time a balanced statement comes out on the ground of moral obligation and cost of leaving the organization. Hence organizations need to put more efforts to improve the commitment level on continuance and normative commitment.

TABLE-II: Showing correlation between various dimensions of HRM practices and OC:

	Affective	Continuance	Normative	Total OC
Training	0.52	-0.02	-0.14	-0.58
Performance appraisal	0.27	-0.07	0.17	-0.08
Team Work	-0.33	-0.38	-0.53	-0.21
Employee Participation	-0.18	0.48	0	0.54
Compensation	-0.16	-0.1	0.49	0.18
Total	-0.06	-0.12	0.69	-0.23

It is clear from table II that training practices and performance appraisal show significant positive correlation with affective commitment, which means if organizations are spending on employee training and performance appraisal, employees are getting emotionally attached with the organizations. But overall all other HRM practices have negative correlation with affective commitment. Employee participation have positive significant correlation with continuance commitments, which means employee get involved in work and success of organization considering that the amount they are getting no other organization would pay the same. Normative commitment is significantly positive, with high positive correlation in compensation and performance appraisal. As employee feel moral obligation to be with organization as he gets good compensation and performance appraisal. But at the same time organization’s policies related to team work shows negative correlation with normative commitment.

V. CONCLUSION AND SUGGESTION

It is observed from the study that self-financed institutions are less focused on training and employee’s participation and succeed to satisfy the employees to a moderate extent on compensation, team work and performance appraisal policies. Resulting self-financed institutions are facing problems in term of continuance commitment and normative commitment. HRM policies build an emotional attachment with the organization in form of affective commitment.

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