

IMPACT OF HRM PRACTICES ON ORGANIZATIONAL COMMITMENT OF EMPLOYEES IN MANUFACTURING SECTOR

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Abstract : *This In modern era & competitive surroundings organizations in manufacturing sector are challenging tough to win the concentration of customers by providing them value added service and superiority revolutionary products to reside aggressive in the market. The objective of this study is to look into the collision of HR practices on Organizational loyalty of workforce in manufacturing sectors in India. The studies divulge that how HR practices propose a gain to workforce dedication for a business effort and also the efforts by individual employee in the international cutthroat market. This research identifies how employees are devoted towards the organizational aspiration through efficient HR practices. Studies ascertain that a HRM practice creates an impact on the Organizational Commitment of Employees which facilitates to vend superior and endowed personnel.*

IndexTerms - *Employees, Organizational Commitment, HR practices, Organizational goal, Compensation.*

I. INTRODUCTION

HUMAN RESOURCE MANAGEMENT PRACTICES

In 21st century organization, cutthroat market depends less on advantages associated with technology, copyright, but are more looking in terms of organizational human resources and elevated contribution of human resource put into practices accomplished in the organizations. An businesses always calls to be further precious & authoritative; organization should have an employee who holds talent and pioneering acquaintance to work and industry need to preserve these employees.

HR was measured foremost as an “administrative service”. HR roles are nurturing to be filled with people who did a marvelous job of administration. The business deal and managerial work of HR continues in the present day, it is done in a different way through outsourcing and expertise solutions. (Dave Ulrich) HR is considered as a Strategic Business Partner in today’s 21st century organization and in a gung ho globe. The universal economic crisis, globalization, technological modernizations in current years have challenged the prospect of HR.

In modern era of 21st century organization there are various HR applications where all industries mingle to administer its HR coordination. A company has to create organizational commitment from employees, for maintaining its standard, quality and brand so it has to always pursue “Best HR Practices” and it should be in fact implemented for the continued persistence and sustainability of the businesses. An organization has to create better employee’s competency & talent within an organization to assure with contemporary and upcoming confront to be accepted by any organization. Good HR practices turn on their workforce from all levels i.e. top level, middle and lower level management working in the organization. The dedication and inspiration are built through good HR practices and can marshal to hard work. The employees so constructed with best HR practices can help to outline a protract and long-lasting capability of the organization to deal with its brand name and will also deal with the external insecurity or a selling provisions of product.

“Good employees should have characteristics as high pleasure with their jobs, high commitment towards the organization, high inspiration to provide the public and strong intents to work for the organization willingly and devotedly. (Sangmook Kim, 2004).”

There are different HR Practices for every organization. HR put into practice that affix to the organization’s bottom line, such as recruitment, selection, training, development and performance appraisal which should be trustworthy, unified and strategically focused. Organization has to put up long-period loyalty to maintain their work force.

II. RESEARCH METHODOLOGY

The chief aim to write this paper is to study, investigate and observe the Impact of HRM Practices on Organizational Commitment of Employees. Researcher aims to finally find out how the various HR factors develop a better pledge among workforce of manufacturing firms. This paper will also states how important the HR practices are to retain better employee’s workforce. The source of data was secondary data which has been collected while studying various research paper and outcome will be explore with the help of literature reviews.

III. LITERATURE REVIEW

“Mohd H. R. Joarder et al (2012) studied intervening effects of Affective commitment on the relationship between certain human resource practices and turnover intention in the context of private university in Bangladesh and reveal that HRM Practices did have significant impact on affective commitment except job independence.”

Sentimental commitment reconciles the projected relationship between HRM practices. “HRM Practices mainly Job Security, Compensation, Job Autonomy, Working Condition, Training & Development, Supervisory Support were conducted and found that compensation, supervisory support and job security were highly significant and negatively related to turnover intention (Mohd H. R. Joarder in 2011).”

“Komal Khalid Bhatti et al (2011) has shown that direct participation has effect on Organization commitment has significant and positive impact among Banking Sector Employees of U.S.A and Pakistan. Furthermore, research on the Impact of Human Resource Management Practices on Organizational Commitment in the Banking Sector was conducted across permanent, full-time, and part-time employees (managers

and non-managers) of five large private banks in Kuwait.” “The HRM practices were measured on a scale for recognition, competence development, reasonable rewards, and information sharing and study showed that competence development, fair rewards has impact of HRM practices on Organizational commitment and other factors doesn’t show an impact on organizational commitment (Nicole Renee Baptiste, 2008).”

Collision of HR applications in organizational commitment among manufacturing industries where professionals in India has discovered that HR practices such as employee-friendly work environment, career development, development oriented appraisal, and comprehensive training has developed a best culture which shows a momentous positive relationship with organizational commitment. It has also helped in retention of employees.

“Employees Job satisfaction and commitment can enhance the voluntary turnover, motivation and job performance towards Organization except supervisors' ratings of job performance among managerial employees. (T A DeCotiis, 1987).”

The correlation between employees' justice perceptions, perceived organizational support, organizational commitment and intention to leave conducted on practicing solicitors in Law firms in Hong Kong. “And found that procedural and distributive justice contributed to the development of organizational commitment and affect the intention to leave while organizational commitment negatively related to intention to leave. (Raymond Loi et al, 2006).”

“Christopher M Lowery et al, 2002 found that Blue collar workers in United States were more concerned on satisfaction with coworkers, satisfaction with supervision, and satisfaction with pay, but less concerned about satisfaction with opportunities for advancement, satisfaction with the work itself and organizational commitment.”

“Steven M Sommer in 1996 initiate that as the organization size increased, commitment level decreased but the commitment level in Korean firms. Among Mexican Employees in U.S. firms, job satisfaction, participative decision-making, and age were the factors towards achieving organizational commitment (J Kline Harrison, 1998)”

The aim of the research paper was to conclude the scope, and impact of HRM practices on Organizational commitment by counting the diverse elements of HR practices which are explained by differences in Training & development, Compensation and Welfare HRM Practices. Basically this study has helped manufacturing industries for creating better work culture through which employees are satisfied and gives better outcome to the organization through better commitment.

It is found out that HRM practices such as Compensation, Training & development and Employee participation, Compensation, Job security and Job performance has noteworthy magnitude on sentimental commitment which plays a major role on Organization Commitment in manufacturing and service sector. HRM policies such as job satisfaction and pay structure has important goal in achieving organizational commitment specifically for manufacturing industries.

The researcher has undertaken following areas of Human Resource Practices in the study:

General HR Practices

1. Recruitment & Selection
2. Training
3. Development
4. Compensation and Benefits/Perks
5. Promotion and Transfers
6. Welfare Amenities

A. RECRUITMENT AND SELECTION

“It is the method of penetrating for potential employees and inspiring and cheering them to apply for jobs in an organization (Edwin B. Flippo, 1980)”. There are different sources of recruitment namely internal resource like opening, transfers, promotions, retired and retrenched employees, and relatives of deceased and disabled employees or it can be external sources like education and training institutions, search engines, employment exchanges etc. Selection is the process of selecting the most appropriate persons out of all applicants. It is the process of matching the qualifications of applicants with job requirements. Referrals of applicant are verified for forecasting their behavior and concert. “Recruitment sources are closely associated to the organizational tricks like performance of employees, employee turnover, employee satisfaction, employee expectation and the commitment of the organization (Burack, 1980)”. Selection is the process of selecting the appropriate candidate which matches the candidate skills and the job requirements (Bhattacharyya, 2010). “Selection process will be lengthy for large organizations and will be wider for manufacturing organizations and it differs from one industry to other (Venkatesh, 2008)”. Recruitment plays a crucial role in functioning of the organization by gratifying its objectives. Recruitment acts as a strategic potency and is eventually coupled to all other succeeding human resource actions.

B. TRAINING

According to the Michel Armstrong, “Training is systematic development of the knowledge, skills and attitudes required by an individual to perform adequately a given task or job”. (Source: A Handbook of Human Resource Management Practice, Kogan Page, 8th Ed., 2001) According to the Edwin B Flippo, “Training is the act of increasing knowledge and skills of an employee for doing a particular job.” (Source: Personnel Management, McGraw Hill; 6th Edition, 1984) The term ‘training’ specifies the procedure those are involved in developing and improving the talent. Training is the process of escalating the acquaintance and skills for doing a particular job. The rationale behind training is essentially to bridge the gap between job requirements and current capability of an employee. Training is intended for improving the behavior and performance of individuals working in an organization for giving better productivity and enhancing career growth. There are different types of training programs like on the job and off the job which includes orientation training, job training, safety training, promotional training, refresher training, remedial training etc. to enhance the skills of employees. In this competitive world, training plays an important role in the professional and exigent plan of business. Training is the life blood of every employee and organization that fulfills the requirements of every business house. Training helps to carry the effortless and even functioning of work which facilitates in pleasing the quality of work life of employees and organizational development too.

Executive development is a logical process of learning and development by which managerial personnel grow and pertain their knowledge, skills, attitudes and approaches to administer the work in their organizations competently and successfully. It is vital for the managerial persons to execute with the size and complexity of organization, technological changes and to implement training to the employees.

C. DEVELOPMENT

Development refers to the overall growth of an employee in all respects, it is career centered in nature. Employee Development Programs are intended to meet up certain objectives, & these objectives contribute to both employee and organizational efficacy and success. It holds reviewing organizational objectives, evaluating the organization's current management resources, determining individual needs, designing and implementing development programs and evaluating the effectiveness of these programs and quantifies the collision of training on employee's quality of work life. In simple way, it can be symbolize as per the following formula. Worker Progress = Worker Education + Worker Talent + Training Efficiency + Worker Quality of work life

D. COMPENSATION

Wage, Salaries & incentives of employee's are major components of compensation which is very large part of operating costs. Organization can only magnetize and preserve qualified and motivated employees if it pays them fair-haired compensation. Compensation consists of direct or indirect payments to employees, such as wages, bonus, and benefits. Ehrenberg and Milkovich (1987) have defined pay level as the "average compensation paid by a firm relative to that paid by its competitors". Employee compensation can be classified into two categories- Basic or Primary compensation and Supplementary compensation. Basic pay refers the payment in the form of wages and salaries. It is permanent and non-incentive payment. Supplementary compensation consists of incentive and variable payments for encouraging employees for giving maximum that is, based on either individual output or group output.

E. PROMOTIONS AND TRANSFERS

Promotion is defined as offering elevated position to the employee, which carries high status. Promotion is development and advancement of employee in terms of pay and status and also overall improvement in his working conditions, where employee has to be more responsible and accountable for the task assigned.

"Transfers engross the shifting of an employee from one job to another without changing the responsibilities or compensation".

It helps to identify an employee's performance and commitment. It helps to enhance the morale and also help to build up a competitive strength among employees to gain advanced knowledge and skill. Different purposes of transfers are to meet both organizational and employee need, to make employees more multifaceted, to adjust workforce, to provide respite etc. "Transfer of knowledge has also been associated by individual performance and some researchers have found a link between transfer and performance improvement" (Noe & Schmitt, 1986). However, the importance given to transfer is an upshot measure that does not look as if to render it into the practice.

F. WELFARE AMENITIES

Welfare means anything done for logical, physical, moral and economic goodness of employees by employers, Govt. or other agencies. It is very difficult for every employee to sustain in the industry without welfare amenities. According to Factory Act 1948; in India it is mandatory to provide Welfare facilities.

According to **Arthur James Todd**: "Labour welfare means anything done for the comfort and improvement, intellectual and social, of the employees over and above the wages paid which is not a necessity of the Industry."

According to **International Labour Organization (ILO)**

"Labour welfare may be understood and including such services facilities and amenities which may be established in vicinity of undertaking to perform their work in healthy and congenial environment and to avail of facilities which improve their health and bring high morale."

These welfare services may be classified into Intramural and Extramural. In Intramural services are provided within establishment and in Extramural services are provided outside the organization extramural welfare amenities are not mandatory. Welfare helps to increase employee's productivity, morale, industrial relation, goodwill of the organization among the employees etc.

Employee's set of recital is based upon these prime factors: Capability, Joint effort, Organizational Commitment and Consumer Path. Individual performance and organizational effectiveness cannot be achieved without organizational commitment, i.e. readiness to exert considerable effort on behalf of the organization (Becker, 1960; Porter et al., 1974; Mowday et al., 1979; Allen and Meyer, 1996; Mowday, 1998; Beck and Wilson, 2000).

"Best HRM Practices lead to high organizational commitment and different researches in USA and now Britain justify them." (Mick Marchington and Adrian Wilkinson, 2005). Though research explains that organizational commitment of workforce plays an important task to boost competence of people and organization.

In an individual-level analysis, Paul and Anantharaman's (2004) "study of software professionals showed that HRM practices had a significant positive relationship with organizational commitment." Current research has originated that an employee's career loyalty is a referee connecting the acuity of company policies and practices and organizational commitment. (Fred Luthans, 2002)

ORGANIZATIONAL COMMITMENT

Organizational commitment is the person's emotional affection to the organization. Higher is the rapidity of commitment; more is the attachment towards the organization. Dedication, commitment signifies, rather clear of simple dutiful loyalty to an organization. It's an involvement of vigorous affiliation with the organization; every individual are keen to give extraordinary of them to an organization in order to put in to the organization's goodness.

It can be 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 (Porter et al.). Commitment is a sort of bond between employee and the organization. The Organizational Commitment attitude is determined by a number of personal (age, tenure in the organization, and dispositions such as positive or negative affectivity, or internal or external control attributions) and organizational (the job design and the leadership style of one's supervisor) variables. Even non-organizational factors, such as the availability of alternatives after making the initial choice to join an organization, will affect subsequent commitment (Fred Luthans, 2002). Becker et al. (1997) similarly argued that HRM practices operate most directly through employee skills, motivation, and work design, resulting in behavioral outcomes such as creativity, productivity, and discretionary effort, which are expected to work through operational and eventually through financial market outcomes.

Model of Commitment

For According to Meyer and Allen's (1990) three-component model of commitment, previous research indicated that there are three "mind sets" which can characterize an employee's commitment to the organization:

1. **Affective Commitment:** AC is defined as the employee's positive emotional attachment to the organization. An employee who is affectively committed strongly identifies with the goals of the organization and desires to remain a part of the organization. This employee commits to the organization because he/she "wants to".
2. **Continuance Commitment:** The individual commits to the organization because employees perceives high costs of losing organizational membership, including economic cost and social costs that would be incurred. The employee remains a member of the organization because employees "have to".
3. **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.' That one should be loyal to one's organization.

Organizational commitment of employees can also be increased by binding 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).Every employee specifically looks after his career development and betterment of his future that is jointly done through organization and employee by committing each other. Employees who are committed to the organization will have good and sound records of good behavior, attendance, punctuality, quality and will always respect the policies of the organization. These factors will in turn help to retain better quality workforce.

"Cohen's four component commitment model previously mentioned critique has led to development of newer models." Cohen's four component commitment model is one of these (Cohen 2007). Regardless of similarities in the name with previously introduced Allen and Meyer's model, this one sees commitment in a different way. One of the biggest differences is that this model includes timeframe. It makes distinction between organizational commitment that develops before entering the organization and commitment developed after the entry. The other two dimensions are bases of commitment, whether it is instrumental or psychological attachment. (Cohen 2007, 337.) When comparing these two, instrumental commitment is based on more tangible exchange relationship, like rewards and salary while psychological attachment is perceptions of justice, perceptions of organizational support and transformational leadership (Cohen 2007, 343, 349).

CONCLUSION

The conclusion is based on previous research shows that HRM practices such as Training & development, compensation and welfare activities creates the better collision on the Organizational commitment and employees gives the better performance and productivity to the organization. The outcome of employees satisfaction, results in customer satisfaction which lastly increases the cost-effectiveness and generosity of the firm. The study concludes that HR practices have significant impact on Organizational commitment and which is further related to Retention of knowledgeable and skilled Employees. Employees committed to the organization will always give an enhanced output and better results for growth of organization as well as committed employee himself.

IV. ACKNOWLEDGMENT

I would like to acknowledge this research work to.....complete it in your own words.

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