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The relationship between human resource management practices and organizational commitment: A field study

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Abstract

To begin with, of the most important factors that affect the operational performance of the companies is the human resources. Therefore, the development of organizational commitment needs effective human resource management practices. In organizational behavior and industrial and organizational psychology, organizational commitment is the individual's psychological attachment to the organization. Organizational commitment predicts work variables such as turnover, organizational citizenship behavior, and job performance. The current study is intended to provide analysis of the relationships between HRM practices and organizational commitment in companies which operate in the province of Konya /Turkey. From various previous studies, 56 HRM practices items were adopted for this study. These include "manufacturing and human resources fit, behavior and attitude, team activities, interaction facilitation, incentives to meet objectives, training on job skills, training in multiple functions, communication of strategy, feedback on performance". In this study, Pfeffer (1998)'s scale of human resources management practices and Mowday & Steers (1979)'s organizational commitment scale, Ahmad, & Schroeder (2003) version were used. Data was analyzed using descriptive statistics to project the respondents' profiles as well as the general patterns of the variations in the HRM variables and organizational commitment. Correlations and multiple regression, statistic regression analysis were used to explore the relationship between the variables involved in the study. As a result of analysis of the findings from top, middle and, the first-tier managers (n=169) except for "training on job skills". It was found that there was a strong and statistically positive significant relationship between other HRM variables and organizational commitment. The findings of the study provide support for the variables concerned and are confirmed by the results of the previous studies.

Keywords: Human resource management practices; Organizational commitment.

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1. Introduction

Traditional competitive mechanism have become less effective as business life became complex. Because of this reason, companies need to search for newer sources of competitive advantage (Jayaram et al., 1999: 1). In today's world, human resources are considered the most important asset of an organization and human resources management has taken a lead role in organization's having competitive advantage. Several studies in the HR literature investigated the impact of HR practices on organizational performance. Over the years, researchers have suggested many HRM practices that have the potential to improve and sustain organizational performance (Ahmad & Schroeder, 2003: 20).

Although much of the previous research on the relationship between HRM practices and organizational performance has concentrated on a single HRM practice, within growing number of research it has been argued for instituting complementary bundles of HRM practices to enhance organizational performance. However, very few studies have examined the impact of HRM practices on operational performance measures (quality, cost, delivery etc) or intangible performance measures such as organizational commitment (Ahmad & Schroeder, 2003:21, 23, 25).

Organizational commitment is an indicator that testifies whether the HRM practices employed in an organization are able to foster psychological links between organizational and employee goals. This is an intangible outcome of a HRM system and is important in retaining employees and exploiting their potential to fullest extent over time (Ahmad & Schroeder, 2003: 26).

This paper is organized as follows. First, the organizational commitment and HRM literatures are reviewed to identify organizational commitment dimensions and human resource management practices. Propositions are introduced that focus on the relationship between individual HRM practices and organizational commitment. Relationships between individual HRM items and organizational commitment are explored using correlation analysis. Next we assess the impact of each of these practices on organizational commitment. Lastly, the results of the study have been discussed.

2. Literature review

Several researchers have examined relationships between human resource management practices and other organizational variables such as, whether there is a relationship between human resource management practices and organizational (unit level for example, manufacturing) performance, human resource management practices that enhance organizational performance, differences in human resource management practices depending on the sector and country, relationship of HR practices and organizational characteristics on organizational commitment.

The results obtained in context to these research works have been briefed below as follows: Some of these research work questions the presence of a correlation between human resources management practices and organizational commitments and HR practices which seem to have a greater correlation with organizational commitment has been tried to be identified:

- Delaney and Huselid (1996: 949) found positive associations between human resource management (HRM) practices, such as training and staffing selectivity, and perceptual firm performance measures (using the sample of = 590 for-profit and nonprofit firms)
- Pfeffer (1998: 96) has proposed seven HRM practices that are expected to enhance organizational performance: (1) employment security; (2) selective hiring of new personnel;

(3) self managed teams and decentralization of decision making as the basic principles of organizational design; (4) comparatively high compensation contingent on organizational performance; (5) extensive training; (6) reduced status distinctions and barriers, including dress, language, office arrangements, wage differences across levels; (7) extensive sharing of financial and performance information throughout the organization (Ahmad & Schroeder, 2003: 20).

- Jayaram et al. (1999: 1) examined relationships among dimensions of human resource management practices and manufacturing performance of first tier suppliers to the Big 3 in North America. The study found support for the proposed framework, suggesting that human resource management practices can be grouped into five distinct factors, four of which are associated with specific manufacturing competitive dimensions (quality, flexibility, cost and time).
- Several human resource management practices have been reported as key factors affecting both manufacturing performance and competitive advantage. Jayaram et al. (1999:3) conducted a study on top management commitment, communication of goals, employee training, cross functional teams, cross training, employee autonomy, employee impact, broad jobs, open organizations, effective labor management relations.
- Cho et al. (2006: 262) investigated the relationship between the use of 12 human resource management (HRM) practices and organizational performance measured by turnover rates for managerial and non-managerial employees, labor productivity, and return on assets. The results of regression analyses indicated that companies implementing HRM practices such as labor-management participation program, incentive plans, and pre-employment tests are more likely to experience lower turnover rates for non-managerial employees.

Among the research work that indicates the HRM practices varies based on countries and type of industries, Ahmad & Schroeder (2003) findings provide overall support for Pfeffer's 7 HRM practices and empirically validate an ideal-type HRM system for manufacturing plants. Their study show that the differences in HRM practices exist in plants operating in different countries and industries (particularly, the extent to which some HRM practices are used in plants operating in the machinery industry consistently lagged behind that found in plants operating in the automobile industry).

On the other hand, there is research work in the literature that evaluates HRM practices as a result of organizational commitment and questions the relationship between the two. Such studies can be briefed as:

- Meyer & Smith (2000: 319) reported that relations between employees' evaluations of HRM practices and their affective and normative commitment were largely mediated by perceptions of organizational support and procedural justice (using the sample of = 281).
- Conway (2003) study extends on the literature by examining whether stage of the career of an employee has a moderating influence on the HR-commitment relationship. The findings highlight the extent to which interaction effects are evident regarding attitudes towards HR practices and continuance and normative commitment, though not affective commitment.
- Paul & Anantharaman (2004: 77) indicated that HRM practices such as employee-friendly work environment, career development, development oriented appraisal, and comprehensive training show a significant positive relationship with organizational commitment.
- Shahnawaz & Juyal (2006) explored and compared various HRM practices and commitment degrees can be attributed to HRM practices in two different organizations-consultancy/research based organization and fashion industry. HRM practices were found significantly different in two organizations and mean scores on various HRM practices were found more in the fashion

organization. Regression result showed that various HRM practices were significantly predicting organizational commitment in two organizations and also when they were combined.

- Fiorito et al. (2007: 186) developed and tested hypotheses concerning the influences of human resource (HR) practices and organizational characteristics on organizational commitment. Results showed that grievance resolution mechanisms and employee involvement indicators are positively related to organizational commitment, and compensation cuts are negatively related to organizational commitment.
- Qiao et al. (2008) investigated the effect of HRM practices on organizational commitment using the sample of 610 IT employees in total. The hypotheses that information sharing, training and development, recruitment and selection, and compensation management had positive effect on IT employees' organizational commitment were partially supported by hierarchical regression analysis.
- Gellatly et al. (2009: 869) examined how employee perceptions of development-oriented, stability-oriented, and reward-oriented human resource management (HRM) practices affected the likelihood of affective and continuance commitment profile membership. They showed ways that organizations can use HRM practices strategically to help shape the nature of overall employee commitment (using the sample of = 317).
- Giauque et al. (2010: 185) assessed the impacts of HRM practices developed in Swiss SMEs upon the commitment of knowledge workers. Results show, for example, that organizational support, procedural justice and the reputation of the organization may clearly influence knowledge workers' commitment, whereas other HRM practices such as involvement in decision-making, skills management or even the degree of satisfaction with pay do not have any impact on knowledge workers' commitment (using the sample of = over 198).
- Hashim (2010: 785) examined the management of human resources from the Islamic perspective and its effects on organizational commitment among selected employees in Islamic organizations in Malaysia. The results of correlation and regression analysis showed that the Islamic approach in HRM was highly and significantly correlated to organizational commitment. About 45 per cent of the organizational commitment variance was explained by the Islamic approach in HRM.
- Gelade & Ivery (2003) examined relationships between human resource management (HRM), work climate, and organizational performance in the branch network of a retail bank. They found significant correlations between work climate, human resource practices, and business performance.
- Agarwala (2003) analyses showed that the perceived extent of introduction of innovative human resource practices by the organizations was the most significant predictor of organizational commitment.

3. Methodology

3.1. The aim of research, extent and method

The purpose of this study was to investigate the relationship between HRM practices and organizational commitment in companies which operate in the province of Konya /Turkey, in the context of "manufacturing and human resources fit, behavior and attitude, team activities, interaction facilitation, incentives to meet objectives, training on job skills, training in multiple functions, communication of strategy, feedback on performance". In this study, scales were selected from the existing literature, Pfeffer (1998)'s scale of human resources management practices and Mowday & Steers (1979)'s organizational commitment scale, Ahmad, & Schroeder (2003) version were used. This instrument was subsequently

translated into Turkish by an English Language & Literature scholar. The foreign language version was translated back into English and compared for accuracy. Also it was re-revised by two faculty members from field of Management and Organization. In order to prevent possible problems, the pilot study was carried out at 10 companies. After the necessary corrections according to managers' recommendations and companies' data, final questionnaire survey was used to conduct study with the first, middle and upper level managers from companies operating in the province of Konya.

The population of the study is 2815 companies which are registered in Konya Chambers of Industry (the fifth industrialized city in Turkey). This is a multiple-industry study and the sample 250 was randomly selected from 4 major sectors (machinery, electrical and electronics, automotive and food sectors) of Konya. These industries were selected because the literature suggests that they have been implementing various world class manufacturing approaches, such as total quality management, just-in time, employee involvement (Ahmad & Schroeder, 2003: 22). After interviews with the managers of companies, 169 questionnaire forms returned. This number is statistically significant (with 99% confidence level, 2815 the size of the universe, an acceptable error + / - 10%, the necessary number of firms = 157).

In this study, 56 questions about “manufacturing and human resources fit (6), behavior and attitude (5), team activities (5), interaction facilitation (3), incentives to meet objectives (6), training on job skills (5), training in multiple functions (6), communication of strategy (4), feedback on performance (7) and organizational commitment (9)” were asked. Degrees of participation have been identified with the statements in the survey. A set of Likert scales was used to measure pertinent constructs. Each item of a construct was answered using the following five-point scale: strongly agree (5), agree (4), neutral (3), disagree (2), strongly disagree (1).

SPSS 15 release program was used to evaluate the answers. Reliability of the scale variables were measured by Cronbach's Alpha test. A value of Cronbach's Alpha of 0.70 or more was used as a criterion for a reliable scale. Because of these values greater than 0.70, it can be said that all of test measurements are reliable: “manufacturing and human resources fit (0.947), behavior and attitude (0.936), team activities (0.917), interaction facilitation (0.940), incentives to meet objectives (0.831), training on job skills (0.712), training in multiple functions (0.828), communication of strategy (0.877), feedback on performance (0.831) organizational commitment (0.939)”.

3.2. Limitations of the study

Although Konya is one of the most developed cities in industry sector, the most important limitation of this study is conducting study within only Konya city. If it was possible to add other industrialized cities, it (would add a further depth) could be a comparison chance between industrialized cities of Turkey about their HRM practices and organizational commitment. But study was limited with budget, time etc. Also managers' unwillingness and lack of support on these kinds of studies by industry prevented to collect more questionnaires from companies.

4. Analysis and results

In this part of paper, we first present the descriptive statistics. Next, we conduct statistical analysis to determine if there are relationships between HRM practices and organizational commitment in these industries.

4.1. Findings related to demographic characteristics of employees and business data

The gender split between the respondents was 91.7 % males and, 8.3 % females. With regard to the marital status the distribution was 67.5 % married, 32.5 % single. With regard to their education levels the distribution was 14.2 % primary school, 30.2 % high school, 35.5 % associate degree, 17.1 % graduate, 3 % postgraduate. With regard to their managerial position the distribution was 2.4 % upper level, 25.4 % middle, 72.2 % first level manager). With regard to their sectoral distribution the distribution was 55 % machinery, 23.1 % food, 17.2 % automotive, 4.7 % electrical and electronics.

In addition, the employee's age, number of employees, working time and operational details related to the age statistics are summarized in table 1 below.

Parameters	Min	Max	Mean ± SD	Median
Personnel Age	18	50	31.4 ± 6.2	30
Personnel Number	20	500	128.1± 124.7	90
Working Time	1	20	4.9 ± 4.0	4
Company Age	2	60	24.4 ± 14.2	22

4.2. Evaluation of statistical results obtained related to the hypothesis

Table 2 shows hypothesis, test of hypothesis and evaluation of statistical results.

No	Hypothesis	Test	p value	Result
1	There is a correlation between manufacturing/human resources fit and organizational commitment.	$\chi^2= 25.484$	0.001	Accepted
2	There is a correlation between behavior/attitude and organizational commitment.	$\chi^2= 18.971$	0.001	Accepted
3	There is a correlation between team activities and organizational commitment.	$\chi^2= 15.780$	0.001	Accepted
4	There is a correlation between interaction facilitation and organizational commitment.	$\chi^2= 9.937$	0.002	Accepted
5	There is a correlation between incentives to meet objectives and organizational commitment.	$\chi^2= 27.588$	0.001	Accepted
6	There is a correlation between training on job skills and organizational commitment.	$\chi^2= 5.182$	0.023	Accepted
7	There is a correlation between training in multiple functions and organizational commitment.	$\chi^2= 12.669$	0.001	Accepted
8	There is a correlation between communication of strategy and organizational commitment.	$\chi^2= 19.053$	0.001	Accepted
9	There is a correlation between feedback on performance and organizational commitment.	$\chi^2= 9.106$	0.003	Accepted

p<0.05 Accepted

On analyzing the correlation of management positions with organizational commitment, 100% of top tier management, 65.1% with mid tier management was found to have a high correlation with organizational commitment. On the other hand, 79.5% of first tier management was found to have a low correlation with organizational commitment. The difference was found to be statistically significant. ($\chi^2= 6.693$, $p= 0.035$). Moreover, in human resources management practices, “training in multiple functions” participation was found to have a significant correlation with gender ($\chi^2=5.322$, $p= 0.021$), however the correlation was no significant with other parameters ($p>0.05$).

Education, marital status, gender, period of employment, age of the business institution, age of employees were found to have no correlation with organizational commitment ($p>0.05$). On the other hand, 73.3% of businesses with employee numbers of 90 or more had high correlation with organizational commitment, whereas only 39.8% of businesses with employee number less than 90, had this relationship and the difference between the two were found to be statistically significant ($\chi^2=19.314$, $p= 0.001$). Businesses with employee number of 90 or more having high correlation with organizational commitment was 4.5 times more than the ones with employees number less than 90, having the same correlation. [OR= 4.150, % 95 CI (2.169–7.9423)]. In this context, it may be therefore concluded that, as the number of employees increases in a business, and the business institutionalizes, its correlation with organizational commitment affects in a positive manner.

The scores of human resource management practices and organizational commitment minimum, maximum, mean \pm SD, median and cut-off values are shown in the following table 3.

Parameters	Min.	Max.	Mean\pm SD	Median	Cut off point
1. Manufacturing and human resources fit	6	30	19.2 \pm 5.6	18	≥ 18
2. Behavior and attitude	5	25	16.7 \pm 4.6	16	≥ 16
3. Team activities	6	25	15.2 \pm 4.2	14	≥ 14
4. Interaction facilitation	3	15	8.4 \pm 3.1	8	≥ 8
5. Incentives to meet objectives	6	30	18.1 \pm 4.4	18	≥ 18
6. Training on job skills	5	25	14.6 \pm 3.6	14	≥ 14
7. Training in multiple functions	7	30	18.1 \pm 4.3	17	≥ 17
8. Communication of strategy	4	20	11.6 \pm 3.3	12	≥ 12
9. Feedback on performance	11	35	21.3 \pm 4.9	21	≥ 21
10. Organizational commitment	9	45	31.2 \pm 7.6	31	≥ 31

The following table 4 includes the correlations between human resources management practices and organizational commitment.

Param.	1	2	3	4	5	6	7	8	9
1									
2	.727**								
3	.646**	.700**							
4	.551**	.636**	.766**						
5	.593**	.616**	.705**	.679**					
6	.386**	.225**	.421**	.392**	.472**				
7	.459**	.417**	.574**	.537**	.590**	.472**			
8	.476**	.460**	.647**	.682**	.565**	.547**	.547**		
9	.423**	.330**	.481**	.494**	.534**	.485**	.465**	.525**	
10	.611**	.571**	.511**	.532**	.501**	.266**	.403**	.471**	.416**

1. Manufacturing and human resources fit, 2. Behavior and attitude, 3. Team activities, 4. Interaction facilitation, 5. Incentives to meet objectives, 6. Training on job skills, 7. Training in multiple functions, 8. Communication of strategy, 9. Feedback on performance, 10. *Organizational commitment*.

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

In human resources management practices, other than “training on job skills” ($r=0.266$), other parameters were generally found to have a strong and positive relation which is statistically significant.

The following table 5 shows the results of the adjusted regression analysis between human resource management practices and organizational commitment.

Parameters	Adjusted R ²	F value
1. Manufacturing and human resources fit	0.373	99.341
2. Behavior and attitude	0.326	80.716
3. Team activities	0.264	60.056
4. Interaction facilitation	0.283	66.054
5. Incentives to meet objectives	0.251	55.881
6. Training on job skills	0.071	12.747
7. Training in multiple functions	0.163	32.409
8. Communication of strategy	0.222	47.625
9. Feedback on performance	0.173	34.855

The extent to which the difference between corrected indicative R² values with dependent variable, that can be accounted for, by independent variable, has been shown in table 5. For example, a 37.3 % rise in the points of organizational commitment, a dependent variable, tests its fitness for suitability with independent variables, manufacturing and human resources management practices.

5. Conclusions

The primary purpose of the present study was to evaluate the effect of HR practices in the 4 major sectors (machinery, electrical and electronics, automotive and food sectors) of Konya. Positive correlations among different HRM practices show that when a company or plant increases its efforts in one of the HRM practices, it is also more likely to increase efforts in other practices (Ahmad & Schroeder, 2003: 27).

In our research, we have applied questionnaires and included 169 participants who are top tier management staff working for firms belonging to major sectors like mechanical, electric-electronic, automotive and food, who are registered at Konya Chamber of Industries. In this research, correlation between human resources management practices and organizational commitment was analyzed. In context to this correlation, χ^2 tests were applied to nine hypotheses, the results were found to be significant $p < 0.05$ and therefore each of the hypotheses were accepted.

On analyzing the correlation of management positions with organizational commitment, 100% of top tier management, 65.1% with mid tier management was found to have a high correlation with organizational commitment. On the other hand, 79.5% of first tier management was found to have a low correlation with organizational commitment. The difference was found to be statistically significant. ($\chi^2 = 6.693$, $p = 0.035$).

On analyzing the correlation between human resources management practices and organizational commitment, other than “training on job skills” ($r = 0.266$), other parameters were generally found to have a strong and positive relation which is statistically significant. Besides, 73.3% of businesses with employee numbers of 90 or more had high correlation with organizational commitment, whereas only 39.8% of businesses with employee number less than 90, had this relationship and the difference between the two were found to be statistically significant ($\chi^2 = 19.314$, $p = 0.001$). In this context, it may be therefore concluded that, as the number of employees increases in a business, and the business institutionalizes, its correlation with organizational commitment affects in a positive manner.

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