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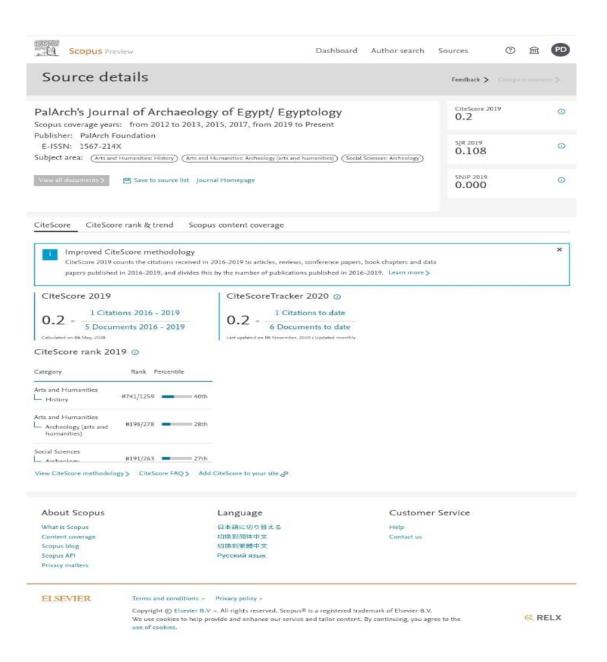
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Employee Performance and Their Organizational Commitment In Relation To HRM Practices: A Literature Review

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Abstract: In today's competitive and rapidly changing business world, organizations especially in the service industry need to ensure maximum utilization of their resources to their own advantage; a necessity for organizational survival. This has increased the need for organizations to not only improve the way they deliver services but also to examine their practices, organization mission and goals, performance objectives and performance measures. Human resource management practices has the ability to create organizations that are more intelligent, flexible and competent than their rivals through the application of policies and practices that concentrate on recruiting, selecting, training skilled employees and directing their best efforts to cooperate within the resource bundle of the organization. The paper examines previous literature through secondary sources in different organizations.

Keywords: - Human Resource Management Practices, Organizational Commitment, Employee Performance, Organizations.

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I. Introduction

Human Resource Management Practices can be defined as a set of organizational activities that aims at managing a pool of human capital and ensuring that this capital is employed towards the achievement of organizational objectives (Wright and Boswell, 2002). The adoption of certain bundles of human resource management practices has the ability to positively influence organization performance by creating powerful connections or to detract from performance when certain combinations of practices are inadvertently placed in the mix (Wagar and Rondeau, 2006). Organizational commitment is generally viewed as the level of attachment felt by an employee towards the organization in which he is employed (Bartlett, 2001). Later, Meyer and Allen (1991) defined organizational commitment as 'a psychological state that characterizes the employee's relationship with the organization and has implications for the decision to continue or discontinue membership in the organization. HRM practices and policies have been suggested as influencing factors to increase OC (Organizational commitment) among employees (Ogilvie, 1986; Meyer & Smith, 2000; Arthur, 1994). Based on social exchange theory, Ogilvie (1986) proposed that employee's perceptions of HRM practices reflect a sense of reciprocity and the level of organization's commitment to the employees when an employee feels that the organization cares about their welfare and recognizes their contributions. Consequently, it leads to the belief that the organization will provide a variety of symbolic and tangible rewards in exchange of their efforts and commitment. Hence HRM practices are proposed as a practical approach to develop employee commitment and found significant positive relationship between HRM practices and OC.

II. Objectives of the Study

The present study aims in reviewing the available literature in context of Human Resource Management Practices and Organizational Commitment in different organizations.

III. Methodology

Present study is based on use of secondary data from published sources. The secondary data sources include articles published in journals, magazines, books, doctoral thesis etc.

IV. Review of Literature

Extensive literatures are available on the study of Human Resource Management Practices and Organizational Commitment. A review of the available literature is conducted to identify the development in the

field of HRM practices and Organizational Commitment. The literature review on HRM practices is extensive and includes practices such as recruitment, selection, training, performance appraisal, compensation, career management, employee engagement, work-life balance, supervisory support, job design, rewards and recognition and many more that are still structured and controlled by human resource department. This paper discuss about various studies conducted on Human Resource Management practices and organizational commitment in various organizations.

Yanqing et al. (2017) made a study to empirically examine the direct relationship between human resource management (HRM) practices and small and medium-sized enterprise (SME) performance in the United Kingdom, as well as the potential moderating effect of organizational commitment/job satisfaction on the HRM-performance linkage. They find a positive and direct relationship between the use of certain formalized human resource (HR) practices and SME performance, measured by financial performance and labor productivity. Rao & Singh (2017) conducted a study which aims to examine the role of human resource (HR) practices and learning-oriented culture to influence organizational human capital through knowledge management (KM) processes. Their study discusses the role of HR practices and learning-oriented culture to affect KM process and shows that the proposed relationship has the potential to positively influence organizational human capital. Mengyuan et al. (2017) developed and tested a multi-level model of the impact of high-commitment human resource (HR) practices on PCSP in the hospitality industry to explore the organizational antecedents of proactive customer service performance (PCSP). By adopting and effectively implementing high-commitment HR practices, service employees would become confident in performing their tasks, perceive high levels of support from the organization, and feel passionate in doing their tasks, which in turn leads to high levels of PCSP. Hence, to improve service employees' PCSP, hotel managers should consider adopting and effectively implementing high- commitment HR practices. Mohammad et al. (2017) examined the roles of emerging human resource management (HRM) plays in enhancing employee commitment to the organization from the perspective of social exchange theory (SET). Using structural equation analysis, the results indicated a significant and positive influence of the roles of emerging HRM, namely, procedural justice, organizational communication, empowerment, employee development and participation as determinants of employee commitment to the organization. Their findings shows that organizations and their top management should have interest in, and nourish, a supportive HRM environment, and must provide a strong priority to HRM through which they will demonstrate their commitment to open communication, empowerment, participation, investment in employee development and a just environment to get employee commitment in a long-lasting, high quality commitment-focused relationship. Delery & Gupta (2016) conducted a research study in a large sample of US Motors carriers to test alternative conceptualization of the relationship between system of Human Resource Management practices and Organizational Effectiveness. The HRM practices include Staffing, Training, Appraisal, Compensation and Participation. The Workforce Characteristics include Ability, Motivation and Opportunity where as Performance include Productivity, Quality and Effectiveness. Their study shows that components of HRM system interact in a complex manner to predict financial performance. Their results suggest competitive advantage can be obtained through investments in human capital or through other strategies. Wahidha et al. (2016) conducted a study to examine the impact of HRM practices on job satisfaction and organizational performance in BPO organizations in Tiruchirappalli. The findings of the research show that there is a positive relationship between HRM practices and, job satisfaction and organization performance. Sunitha & Arunadevi (2016) conducted a study which aims to measure the perception of school teachers on HRD Climate and Organizational Effectiveness in Coimbatore city. 233 Teachers working in corporation and private matriculation higher secondary schools were the target respondents. The findings showed that there is no significant difference in the perception of corporation and private school teachers on HRD Climate and organizational effectiveness with varying educational background, different years of experience and various income levels. Khatri & Gupta (2015) conducted research on human resource practices and organizational commitment. The variables of the study include hiring and selection, career management, learning and development, performance evaluation, management policies, grievance handling and organizational commitment. According to them HR practices have a positive impact on the organizational commitment of employees in the retail sector. Bruno et al. (2015) throw a light on to increase the understanding of the influence of high performance work systems upon job satisfaction organizational commitment and intention to quit. They concluded in their study that Organizations wishing to retain their skilled employees have strong incentives to implement practices related to the skills enhancing dimension. Mufeed & Gulzar (2015) made a study which aims at exploring the impact of human resource management practices on organizational performance in Jammu and Kashmir on State Bank of India. They concluded that the results of the study confirm positive relationship HRM practices that indicate the level of satisfaction of employees towards HRM

practices as hypothesized with varying degree of correlation. Trehan and Setia (2014) in their research entitled Human Resource Management Practices and Organizational Performance: An Indian Perspectivel give a better

specifically in the Indian context. They found highly positive relationship between human resource practices and organizational performance.

Mallick et al. (2014) conducted study on organizational citizenship behavior, job performance and HR practices: a relation approach. The study concluded that the interaction effect of OCB and HR practices found to have an inverse effect on the relationship between OCB job performance which implies that the increase in HR practices will weaken the relationship between OCB and job performance and vice versa. Sheehan (2014) examines human resource management (HRM) practices in small and medium-sized enterprises (SMEs). Her study show that investment in the selected human resource practices has significant positive effects on performance. Since these relationships were maintained over time, human resource investment appears to be a key input for sustained competitive advantage in SMEs. Maina (2014) study to investigate the effects of HRM practice that influence employee retention in Kenyatta University, Kenya. Their study also found that employees training influence employees retention at Kenyatta University to a great extent. Training has a direct relationship with employee retention. The study also concludes that employee's recruitment and employees' retention at Kenyatta University correlate positively.

Su et al. (2013) found that both training and pay for performance had no significant relationship with employee affective commitment in the Australian public sector. Ang et al. (2013) found that Employee perceived high-performance work systems had a positive significant impact on affective commitment. Furthermore, both job satisfaction and employee engagement partially mediated this relationship.

Paul et al. (2013) revealed the use of HRM practices by multinational companies (MNCs) reflect their national origins or are practices similar regardless of context. Results suggest that MNCs configure their HRM practices in response to all three forces rather than to some uniform global best practices or to their national institutional contexts. Rafael et al. (2013) examine the moderator role of hierarchical distance (HD) in the relationship between human resources management (HRM) practices and organizational performance (OP, perceived/financial). The findings of their study suggest that there is no one unique and universal HRM system. In this sense, HRM practices should be connected and related to the business strategy in a coherent manner in order to achieve better business results. In a study of employees and managers in a regional Australian hospital. Ang et al. (2013) found that high-performance work systems had a significant positive relationship with job satisfaction. García-Chas et al. (2013) found that high-performance work systems had a significant positive relationship with the job satisfaction of engineers in Spain. In a study of local government workers in the UK, Gould-Williams et al. (2013) found that high commitment HR practices were positively associated with job satisfaction. Narang & Singh (2012) examine the role of perceived organizational support as a mediator in the relationship between human resources practices and organizational trust which indicates that perceived organizational support significantly but partially mediates the relationship between human resource practices and trust in the organization. They concluded that their study also contributes to the general theme of HRM firm performance because POS and organizational trust are possibly significant intermediate variables. Mukhtar et al. (2012) found that training and development, empowerment and recognition had significant positive relationships with the organizational commitment of employees of non-government organizations in Pakistan.

Gardner et al. (2011) found in their study of employees in the United States that formal performance evaluations, merit pay, bonuses, promotion opportunities, complaint processes, cross-department and company communication, and formal participation programs had a significant positive relationship with employee affective commitment.

In the study conducted by Nayaab et al (2011), it has been found that HRM practices contribute to the enhanced banks performance. Further, the result indicated that HRM practices like training, employee participation in decision making was found significantly related with banks performance. Soomro et al. (2011), it has been found that HRM practices (training, selection, career planning, employee participation, job definition, compensation, performance appraisal) were correlated positively with the employee performance. Messersmith et al. (2011) found in their study of Welsh public sector employees that high-performance HR practices had a significant positive relationship with employee organizational commitment. They also found that organizational commitment mediated the relationship between high performance HR practices and OCBs. Mendelson et al. (2011) examined the effects of high involvement work systems on the attitudes of employees in Canada. Using structural equation modelling, they found that high involvement work systems had significant positive effects on job satisfaction.

Narang & Singh (2010) conducted study on Human Resource Practices in Indian organizations which makes an attempt towards the adoption of selected HR practices in the selected Indian organizations. Their study is also focusing on the establishment of relationship between perception of employees and adoption of HR practices. The results of the study shows that HR practices like Selection and Staffing, Training and Development and Performance Appraisal has to be paid higher attention for improving employee competencies. Boselie (2010) examined the impact of high-performance work practices on the commitment of 157 employees in a Dutch general hospital. Using regression analyses, he found that skills training, general training, and

coaching had significant positive effects on employee commitment levels. Katou & Budhwar (2010) found in their study of 178 manufacturing organizations in Greece that job evaluation, compensation, promotion, incentives, and benefits had significant positive effects on employee commitment. Gould & Gatenby (2010) found that performance related reward schemes, training and development, and performance appraisals had significant positive effects on the commitment and job satisfaction of local government workers in the UK. Singh. et al. (2008) conducted a study to examine the impact of Human resource policies and practices on organizational performance. This study reveals that empowering people through extensive information sharing, job rotation, and multi-tasking and decentralizing decision making powers is more likely to help improve the various dimensions of performance, and thus organization can take initiative to introduce best human resource practices for enhancing organizational performance. Empowerment and Meritocracy also emerged as significant predictors of overall performance. Chew & Chan (2008) made an attempt to examine the impact of key Human Resource Practices on Organizational Commitment and Intention to stay. The results of the study shows that organizational commitment and intention to stay are significantly related to Person-organization fit. And also there is a relationship of remuneration and recognition with organization commitment and intention to stay. Ileana & Simmons (2008) found in their study of UK workers that job autonomy, employee involvement, training and learning, and supervision had significant relationships with job satisfaction.

Macky & Boxall (2007) examined the relationship between high-performance work system practices and the attitudes of employees in New Zealand. They found that high-performance work system practices had significant positive relationships with job satisfaction. Schmidt (2007) found a significant positive relationship between training satisfaction and overall job satisfaction of 301 customer and technical service employees in the United States and Canada.

Smeenk et al. (2006) examined the effects of HRM practices on the commitment of Dutch university employees. They found that HRM practices had significant effects on organizational commitment and that different configurations of HRM practices are appropriate for organizations with dissimilar identities. According to Karia & Asaari, (2006) training and education have a significant positive effect on job involvement, job satisfaction, and organizational commitment. Chang (2005) argued that employee organizational commitment was increased because the commitment HRM practices send messages to employees about the organization's commitment to them, which in turn makes the employees more committed to their

Kinnie et al. (2005) found in their study of UK employees that employee satisfaction with different combinations of HRM practices had significant relationships with employee commitment levels. Maheshwari et al. (2005) conducted a study to find out the commitment of health officials and its implications for HR practices in Maharashtra. The study also suggests that investing in development of multiple strategies for the growth and career development of health professionals in required.

Gould-Williams (2004) examined the impact of high commitment HRM practices on the attitudes of 206 local government employees in the UK. He found that training, team working, involvement in decision making, interpersonal relationships between peers, and interpersonal relationships between workers and supervisors had significant positive effects on worker commitment. He also found that reduced status and communication had significant negative effects on commitment. Paul and Anantharaman (2004) studied the effect of HRM practices on organizational commitment of 370 software engineers in India. Using regression analyses, they found that employee-friendly work environment, career development, development-oriented appraisal, and comprehensive training had significant positive effects on organizational commitment.

Rondeau & Wager (2001) examined the relationship between HRM practices, workplace climate and perceptions of organizational performance, in a large sample of Canadian nursing homes and found that nursing homes, which had implemented more 'progressive' HRM practices and which reported a workplace climate that strongly valued employee participation, empowerment and accountability tended to be perceived to generally perform better on a number of valued organizational outcomes. It is important to note that career development practices were found to be the best predictor of affective and normative commitment (Meyer & Smith, 2000). HR practices have significantly impacted on employee commitment to their organizations

Huselid (1995) conducted a study to evaluate the link between systems of High Performance work practices and firm performance and found that these practices have a statistically significant impact on intermediate employee outcomes (turnover and productivity) and short and long term measures of corporate financial performance.

Arthur (1994) reported that organizations with "commitment" human resource systems, emphasizing the development of employee commitment, had higher productivity measured with lower scrap rates and lower employee turnover than firms with "control" systems, emphasizing efficiency and the reduction of costs, when he collected data from 30 steel mills.

Eisenberger et al., (1986) suggested the importance of reciprocity for developing organizational commitment and argued that employees tend to commit to their organizations if they see that their efforts are

acknowledged and reciprocated. Ogilvie (1986) suggested that commitment levels could not be changed by a single HRM practice such as a training program or a new benefit program. HRM practices can best influence commitment levels when they are a part of a systematic program.

V. Conclusion

The commitment of any organizations and firms is to achieve the higher productivity whereby the employees as functioning organizational system. The idea that motivated and committed workers are the essential condition for accomplishing the organizational goal. The human resource management practices have to be addressed in this position, in order to examine the behavior and performance of the employees. This literature review focusing that the certain human resource management practices create the favorable approach towards the job satisfaction and employee performance which will be explicated reversely on the organizational commitment. Strong evidence exists in literature about different HRM practices and organizational commitment. Researcher found positive relationship between HRM practices namely effective recruitment and selection, training and development, compensation and reward, performance appraisal, employee relation with firm performance. Review of literature indicated that essential HR practices heavily researched as career management, training and development, recruitment and selection, performance appraisal, compensation, supervisory control, employee participation, rewards and recognition, job design and employee engagement. This paper will guide the researcher and practitioner in formulating new practices for organizations and will open a new way towards development and implementation of human resource management practices in various organizations.

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CORRELATES OF HRM PRACTICES, EMPLOYEE PERFORMANCE AND ORGANIZATIONAL COMMITMENT IN PUBLIC AND PRIVATE SECTOR BANKS IN INDIA

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ABSTRACT

The idea of the study is to discover the association among HRM practices, employee performance and organizational commitment in public and private sector banks in India. The data was collected from 400 respondents (200 managerial and 200 non-managerial) working in selected public and private sector banks through modified standard scale adopted by various authors. Pearson correlation method was used to investigate the relationship between the independent variables and dependent variables used in the present study. The results of the study show that the dimensions under HRM practices (CP, TD, RC, PA, EP, and WLB), employee performance and organizational commitment are positively and significantly correlated.

Keywords: HRM practices, employee performance, organizational commitment, public and private sector banks.

INTRODUCTION

Today each and every organization is working in a extremely cutthroat surroundings. The development of persistent competitive benefit results in management of limited and precious resources (Barley, 1991). The most important element for the progress of any organization is the human resources. In service sector organizations the effectiveness of HRM practices and the organizational commitment of the employees are very significant. The good source of competencies could be the human asset system for ensuring sustainable competitive advantage (Pfeffer, 1994). Great eminence of human resource management practices help to create a foundation of wellspring improvement for organizations (Huselid, 1995). Therefore, institutions must generate an extremely superior kind of human resource expertise to sustain well in a competing edge (Khandekar & Sharma, 2005). Maximizing the human competencies in the organization largely depends on the proper implementation of the human resources management practices, consequently organizations have to give additional concentration towards their employees (Saleem and Khurshid, 2014). Hence the success, growth and survival of any organization whether it is

small, medium or large depends on the challenging ability and commitment of the human capital. The main purpose of this study is to determine the relationship between human resource management practices, Employee performance and organizational commitment in selected public and private sector banks in India.

LITERATURE REVIEW

Several organizations focus on HRM practices to conquer the confrontation and expand the outfoxing improvement in the global market which is always unstable and continuously changing. The human resource management utilizes the skills, knowledge, techniques and outcomes of the human resources in such a way which can be enhanced the performance of the organization with the utilization of proper human resources management practices. Large numbers of studies reveal that there is a positive and significant relationship between HRM practices and performance of employees which carried out in different fields and diverse countries (Tabiu & Nura, 2013). Many empirical studies are conducted to inspect the association among HRM practices and performance of employee in diverse territories (Shakeel & Lodhi, 2015). The link between human resource management practices and performance has been developed by many empirical studies that provides the rich literature (Haddock-Millar et al., 2016). According to a study conducted by Faizia et al., (2019) there is a positive and significant outcome of HRM practices on employee performance. Organization is significantly exaggerated by commitment and satisfaction of employees (Elrehail et al., 2019).

OBJECTIVES AND HYPOTHESIS OF THE STUDY

The objective of the present study is to examine the relationship between HRM practices including career planning (CP), rewards and compensation (RC), training and development (TD), performance appraisal (PA), work life balance (WLB), and employee participation (EP), employee performance (EPR) and organizational commitment (OC). Based on the objectives following hypothesis is drawn:

H1: HRM practices are positively and significantly related with employee performance and organizational commitment.

RESEARCH METHODOLOGY

The present study used the exploratory and descriptive research design to fulfill its objectives. Data is perceptible and cross-sectional. Correlation and descriptive statistical techniques were employed in the study by the help of SPSS software. Purposive sampling technique was employed for data collection from selective respondents. Data were collected from a total of 400 employees (managerial and non-managerial) of both public sector and private sector banks. The survey instruments are adopted from previous studies, the instruments consist of three parts: HRM practices, organizational commitment, and employee performance. HRM practices include career planning scale adopted from Judith R. Gorden, 1986, training and development scale adopted

fromGoldstein,1996;Wright,2009, performance appraisal scale adopted from Griffin,1999, Mansor,2011, Rewards and compensation scale adopted from Devenna,1984 and Dessler, 2002, Work life balance adopted from Fisher McAuley, et al., 2003, Employee participation scale adopted from Locke and Schweigner 1979, Organizational commitment scale adopted from Allen and Meyer,1990.these adopted scale were modified in order to suit the requirements of the study. Clustering method was employed in the study to collect the data from four public sector and four private sector banks from five districts, each from state of Chhattisgarh and Madhya Pradesh.

RESULTS AND FINDINGS

Table 1 Mean score of public and private banks on various study

Variables	Total Score	Public	Private	
Career Planning	19.0425	19.4800	18.6050	
Training and Development	32.9850	33.5850	32.3850	
Reward and Compensation	37.3100	37.7650	36.8550	
Performance Appraisal	28.1325	28.2300	28.0350	
Employee Participation	30.6350	30.5850	30.6850	
Work life balance	20.6675	20.7250	20.6100	
Employee Performance	27.2550	27.4850	27.0250	
Organizational Commitment	38.9500	39.0350	38.8650	

Table No.1 indicates the descriptive statistics obtained from the present study about the relation between the HRM practices, performance of employees and organizational commitment that represents the mean for the Public and Private sector bank employees. The total mean score of the study for Public and Private sector bank employee's representatives ranges from 19.04 to 38.95. From the table it is evident that the mean score of the dimensions of career planning, training and development, rewards and compensation, performance appraisal, work life balance, Employee Performance and organizational commitment are higher in public sector bank as compared to the means of the private sector bank.

Table 2	Pearson Correlation	ns among Hl	RM prac	ctices, EF	R and O	C		,,,,	,,
		CP	TD	RC	PA	EPART	WLB	EPERFOR	OC
СР	Pearson Correlation	1							
20.00 mm L	1000	The second state of							
TD	Pearson	.296**	1						

	Correlation								
		0							
RC	Pearson Correlation	.772**	.378**	1					
		0	0						
PA	Pearson Correlation	.171**	.391**	.333**	1				
		0.001	0	0					
EP	Pearson Correlation	.265**	.387**	.347**	.295**	1			
		0	0	0	0				
WLB	Pearson Correlation	.104*	.234**	.158**	.192**	.661**	1		
		0.038	0	0.002	0	0		68	
EPR	Pearson Correlation	.267**	.416**	.484**	.379**	.617**	.520**	1	
		0	0	0	0	0	0		
OC	Pearson Correlation	.242**	.445**	.265**	.262**	.652**	.432**	.510**	1
		0	0	0	0	0	0	0	
** p < 0.	01 level (2 tailed)								-
	5 level (2-tailed)	Source:	Own ana	lysis fron	ı primarv	data sour	ces.		

The association between all the dimensions applied in the investigation has been depicted in table 2. To investigate the interrelationship among various HRM practices, employee performance and organizational commitment, Pearson correlation test were employed. The correlation coefficient between career planning and employee performance was r = .267, p<0.01 and organizational commitment was r = .242, p<0.01 which shows affirmative and considerable correlation among them. Correspondingly, the association among TD and EPR (r=.416, P<0.01) and OC (r=.445, p<0.01) was absolute and considerable Rewards and compensation were positively correlated with employee performance (r=.484, P<0.01) and organizational commitment (r=.265, p<0.01). PA was completely and axiomatically associated among employee performance (r=.379, p<0.01) and organizational commitment. Similarly, employee participation is positively and significantly associated with employee performance (r=.617, p<0.01) and organizational commitment (r=.652, p<0.01). Work life balance is positively and significantly with employee performance (r=.520, P<0.01) and organizational commitment (r=.432, p<0.01). The association among employee performance and organizational commitment was also found to be conclusive and significant (r=.510, p<0.01).

DISCUSSION AND CONCLUSION

The findings of the study concluded with positive and significant relationship among all the variables. Human resource management practices including the dimensions CP, TD, RC, PA, EP and WLB are positively and significant associated with performance of employee and organizational commitment as the p value is less than 0.01. The study supports and concludes that if public and private sector banks are having effective human resource management practices, employee will experience satisfaction with their jobs which in turn results in improved employee performance and organizational commitment.

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