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## HR PRACTICES AND THEIR COLLISION ON EMPLOYEES JOB SATISFACTION AND ORGANIZATIONAL COMMITMENT

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**Abstract:** *People in the organization have been increasingly recognized as a key source for value creation. This paper proposes and recognizes the impact of how good human resource practices may enable to retain not only ordinary employees but also top performers through their positive impact on organization commitment which is a strong predictor of employee turnover. It also ponders on the basic concept of organization commitment, its development, components and importance.*

**Keywords:** *HR, Organization Commitment*

### INTRODUCTION

Recognizing the impact of the retention of the top performers on organizational performance, human resource management literature has recently agreed that it is necessary to understand: how human resource practices influence the retention of high performing valuable employees besides addressing their effects on organizational commitment and overall retention.

We can conceptualize Human Resource Practices in various ways, labelling a different combination of human resource practices as high commitment, high performance or high involvement human resource practices. Organizational commitment refers to “a strong belief in and acceptance of the organization’s goals and values, a willingness to exert considerable effort on behalf of the organization and a definite desire to maintain organizational membership” (porter et al. 1974. p.604).

This paper analysis that how human resource practices may help organization to retain not only top performers whose cooperation is indispensable for an organizational success in knowledge - based economy. This provides a fresh insight for the strategic human resource management literature by suggesting that human resource practices may influence organizational performance by reducing dysfunctional turnover and overall workforce



turnover. Organization need to adopt good human resource practices which allows organizations to develop skilful, motivated and committed employees, who can ultimately create superior value for organization. In particular, the positive impact of good human resource practices on employee organizational commitment and turnover has been a central premise in empirical studies in HRM literature. Good human resource practices generally constitute the following common practices.

- a. HR Planning
- b. Recruitment & Selection
- c. Induction
- d. Training & Development
- e. Performance Appraisal
- f. Career Planning
- g. Fringe Benefits
- h. Reward & Recognition
- i. Welfare Activities as per Statutory Requirement
- j. Welfare Activities beyond Statutory Requirement
- k. Safety, Health and Environment Policy
- l. Suggestions Scheme
- m. Promotion & Transfers
- n. Exit Policy

Building upon social exchange theory it is argued that employee tend to regard an organization as a person and form a global belief regarding how this personified organization recognizes their contribution and cares for their well-being.

If employee perceives that their organization is supportive, they tend to reciprocate supportiveness with increased organization commitment. This organization support is strongly influenced by organization practices and policies such as pay, job enrichment and participation, which signal the degree to which organization value and commitment to their employees.

The review of literature emanates the fact that HR practices have undergone a tremendous change over a period of time. Having gone through various studies, it is evident that HR practices have strong bearing upon the workforce in Pharmaceutical industry. These HR practices vary in range from HR Planning to Recruitment and Selection, Training and



Development, Welfare Activities, Exit Interviews and so on. In this competitive age, these HR practices can help in building core competence in the employees, which enables them to give efficient and effective output. To cater to the challenging day-to-day demands of the organizations and the employees, these HR practices are made accustomed for given situations. The Pharmaceutical units are exploring various alternative HR Practices for efficiency and flexibility of the employees at their workplace. It is suggested that human resources of organization are valuable where they enable an industry to enact strategies that improve efficiencies and effectiveness, exploit market opportunities and/or neutralize potential traits.

Both job satisfaction and organizational commitment are positively related with job performance. According to Greene (1972) many researchers have found out the relationship between job satisfaction and job performance low or unrelated, on the other hand it has been stated by Angle and Perry (1981), that there is a positive and significant relationship between organizational commitment and job performance. When the value of these two correlations is compared it is seen that organizational commitment is a better predictor of job performance rather than job satisfaction.

As a result, organizational commitment and job performance are inversely related with turnover. The relation that exists between them is a positive one and it goes as follows: As organizational commitment increases, job turnover decreases which means that the average times span that an employee stays on the job increases. Hence, the employees become accustomed to the organizational culture, customers, suppliers and, in general, the way.

## **EMPLOYEE COMMITMENT**

The concept of employment commitment lies at the heart of any analysis of Human Resource Management. Indeed, the rationale for introducing Human resource Management policies is to increase levels of commitment so positive outcomes can ensue. Such is the importance of this construct. The literature defines commitment as an employee's level of attachment to some aspect of work. Various authors have been instrumental in identifying types of employee commitment as critical constructs in understanding the attitudes and behaviours of employees in an organization. Though this study specifically addresses commitment to the organization, or organizational commitment, it also considers work and career commitment towards clarifying the conceptual meaning. Organizational



Commitment: These are an employee's loyalty towards the organization and an employee's intention to stay with the organization. Loyalty is an effective response to, and identification with, an organization, based on a sense of duty and responsibility.

One may use Herscovitch and Meyer's definition: „the degree to which an employee identifies with the goals and values of the organization and is willing to exert effort to help it succeed“. Loyalty is argued to be an important intervening variable between the structural conditions of work, and the values, and expectations, of employees, and their decision to stay, or leave.

Positive and rewarding features of work are expected to increase loyalty, which, in turn, will reduce the likelihood of leaving. Loyalty becomes stabilized with tenure, which partly explains the negative relationship typically found between tenure and turnover. This form of commitment as the employee's expected likelihood of remaining employed in the same organization. As with loyalty, intent to stay stabilizes with tenure, and helps explain the negative tenure and turnover relationship. Theoretically, it is viewed as an intervening response to structural conditions of work, as well as conditions of work elsewhere, or to not working at all.

### **CAREER COMMITMENT**

Career commitment refers to identification with, and involvement in, one's occupation. Much literature refers to similar or related concepts: occupational commitment, professional commitment, career salience, the cosmopolitan/local distinction and professionalism. Common to all these is the critical notion of being committed to one's career, or occupation, rather than to the organization which employs one.

### **WORK COMMITMENT**

Work commitment refers neither to the organization nor to one's career, but to employment itself persons committed to work hard a strong sense of duty towards their work, and place intrinsic value on work as a central life interest. This form of commitment relates terms like work motivation, job involvement, work as a central life interest and work involvement. Although work commitment is expected to be related to organizational commitment and career commitment, literature shows it to be empirically distinct from these two forms of commitment. The issue of organizational commitment within the private sector, has, generally, received significant research focus over the past 25 years. This review



further describes the past development of organizational commitment, and its relevance in the future.

Development of Organizational Commitment: Two major theoretical approaches emerge from previous research on commitment:

Firstly, commitment is viewed as an attitude of attachment to the organization, which leads to particular job-related behaviours. The committed employee, for example, is less often absent, and is less likely to leave the organization voluntarily, than are less committed employees. Secondly, one line of research in organizations focuses on the implications of certain types of behaviours on subsequent attitudes. A typical finding is that employees who freely choose to behave in a certain way, and who find their decision difficult to change, become committed to the chosen behaviour and develop attitudes consistent with their choice.

One approach emphasizes the influence of commitment attitudes on behaviours, whereas the other emphasizes. Although the „commitment attitude behaviour“ and „committing behaviour attitude“ approaches emerge from different theoretical orientations, and have generated separate research traditions, understanding the commitment process is facilitated by viewing these two approaches as, inherently, inter-related.

It is equally reasonable to assume that

- (a) Commitment attitudes lead to committing behaviours that subsequently reinforce and strengthen attitudes;
- b) Committing behaviours lead to commitment attitudes and subsequent committing behaviours.

The important issue is not whether the commitment process begins with either attitude or behaviour. Rather, it is important to recognize the development of commitment may involve the subtle interplay of attitudes and behaviours over a period of time. The process through which commitment is developed may involve self-reinforcing cycles of attitudes and behaviours that evolve on the job, and over time, strengthen employee commitment to the organization.

## **COMPONENTS OF COMMITMENT**

**1. Affective Commitment:** The individual's affective or emotional attachment to the organization. (i.e. individuals stay with organization because they want to.).



**2. Continuance Commitment:** The perceived costs associated with leaving the organization (i.e. the individual stays with the organization because they need to)

**3. Normative Commitment:** An individual's felt obligation to remain with the organization (i.e., the individual stays with the organization because they feel they caught to do so).

Affective Commitment refers to the employee's emotional attachment to, identification with, and involvement in, the organization [based on positive feelings, or emotions, toward the organization]. The antecedents for affective commitment include perceived job characteristics [task autonomy, task significance, task identity, skill variety and supervisory feedback], organizational dependability [extent to which employees feel the organization can be counted on to look after their interests], and perceived participatory management [extent to which employees feel they can influence decisions on the work environment and other issues of concern to them].

In addition, age and organizational tenure are considered to be positively associated with affective commitment. It is hypothesized that employees with low affective commitment will choose to leave an organization, while employees with a high affective commitment will stay for longer periods, as they believe in the organization and its mission.

Continuance commitment refers to commitment based on the costs that the employee associates with leaving the organization [due to the high cost of leaving]. Potential antecedents of continuance commitment include age, tenure, career satisfaction and intent to leave. Age and tenure can function as predictors of continuance commitment, primarily because of their roles as surrogate measures of investment in the organization.

Tenure can be indicative of non-transferable investments [close working relationship with co-workers, retirement investments, career investments and skills unique to the particular organization]. Age can also be negatively related to the number of available alternative job opportunities. Career satisfaction provides a more direct measure of career-related investments, which could be at risk if the individual leaves the organization. In general, whatever employees perceive as sunk cost, resulting from leaving the organization, are the antecedents of continuance commitment.

Normative commitment refers to an employee's feeling of obligation to remain with the organization [based on the employee having internalized the values and goals of the organization]. The potential antecedents for normative commitment include co-worker commitment [including affective and normative dimensions, as well as commitment



behaviours]; organizational dependability and perceived participatory management are expected to instil a sense of moral obligation to reciprocate to the organization.

## **IMPORTANCE OF ORGANIZATION COMMITMENT**

Organizational Commitment is an attitudinal or emotive dimension of work motivation, manifesting its form in members' behaviour. Organizational Commitment is a subset of employee commitment, which is comprised of work Commitment, Career Commitment & Organizational Commitment. There Components of organizational commitment have been identified in the literatures which are affective Continuance & normative commitment. As a combination of both attitudinal & behavioural approaches, organizational commitment is defined as employee's acceptances, involvement & dedication towards achieving organizations goals.

Organizational Commitment is highly valuable. Organizational commitment is vital for productivity, quality & good performance of an organization. Numerous empirical evidence regarding job commitment & its relationship with job satisfaction has been offered. These findings reveal that the level of job commitment can also be influenced by various factors such as demography, pay, co-workers, work supervision, company's background & employee's job-satisfaction level.

In the last decade there has been a steady interest in studying organizational commitment of employees. Organizational commitment refers to "The relative strength of an individual's identification with and involvement in a particular Organization. "(Mowday Etal 1979, P. 226.) Strongly committed employees are more likely to remain with the organization than are those with weak commitment. Commitment may even be better predictor of turnover than job satisfaction because it is influenced less by day to day happenings than is job satisfaction (Porter et al – 1974)

## **CONCLUSION**

Our understanding of human resource practices and organizational commitment has increased both conceptually, and, more practically, in terms of the positive consequences for organizations of having committed employees. Finding the relationship between human resource management practices, employee commitment and the financial performance of firms has important implications for improved integration of research across several business school disciplines.



Evidence clarifies that investment in employees can have positive financial consequences for firms and their shareholders, and may help broaden their narrow view of the world. From the literature review on organizational commitment, it has been identified that employee perception is the foundation of employee motivation, leading to higher organization commitment, and that employee perception forms the antecedent of organizational commitment.

Organization need to adopt good human resource practices which allows organizations to develop skilful, motivated and committed employees, who can ultimately create superior value for organization. In particular, the positive impact of good human resource practices on employee organizational commitment and turnover has been a central premise in empirical studies in HRM literature.

Positive employee perception leads to improved employee motivation, which in turn, leads to higher organizational commitment. As upbringing, race and religion are key factors influencing employee perception, a clear understanding of the meaning of organizational commitment among all persons concerned, such as researchers, respondents, practitioners and academicians is vital.

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