

Effectiveness of HRD Practices on Organizational Commitment of Employees in Cement Industry

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Abstract

Organizational commitment of employees can also be increased by committing 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. All these practices highlight the attractive features of the job for the career development of employees, which is reciprocated by commitment. Organizationally committed employees will usually have good attendance records, demonstrate a willing adherence to company policies, and have a lower turnover rate which is directly related to employees' retention. This article dealt with organisational commitment of employees those who are working in cement industry which related to their HRD practices.

Organizational Commitment

Organizational commitment is the individual's psychological attachment to the organization. Higher is the rate of commitment, more is the attachment towards the organization. Commitment represents something beyond mere passive loyalty to an organization. It involves an active relationship with the organization, such that individuals are willing to give something of them in order to contribute to the organization's well-being. 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.)

Affective Commitment: AC is defined as the employee's positive emotional attachment of 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".

Continuance Commitment: The individual commits to the organization because he/she perceives high costs of losing organizational membership, including economic costs (such as pension accruals) and social costs (friendship ties with co-workers) that would be incurred. The employee remains a member of the organization because he/she "has to".

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.' It may also reflect an internalized norm, developed before the person joins the organization through family or other socialization processes, that one should be loyal to one's organization. The employee stays with the organization because he/she "ought to".

Review Literature of the Study

Birdi et al, (2008) examined the impact of human resource and operational management practices on company productivity and concluded that performance benefits from employee empowerment and extensive training. In contrast, none of the operational practices were directly related to productivity nor did they interact with other practices in ways fully consistent with the notions of integrated manufacturing or lean production.

Khan, (2010) evaluated the effects of human resource management practices on organizational performance in Oil and Gas Industry in Pakistan and found a significant association of HRM practices with organizational performance.

In another study, **Shahzad et al., (2008)** conducted a study among university teachers in Pakistan. The results of the study indicate a positive relationship between compensation and,

promotion practices and employee perceived performance while performance evaluations practices are not significantly correlated with perceived employee performance.

Collins et al., (2005) investigated the small businesses and found that effective HR practices impact employee outcomes significantly.

Guest, (2002) has argued that the Impact of HRM on performance depends upon worker’s response to HRM practices, so the impact will move in direction of the perception of HRM practices by the employee. If the perception is positive the impact will be positive and if the perception is negative the impact will be negative.

Wright et al., (2003) were of the view that an employee will exert discretionary effort if proper Performance management system is in place and is supported by compensation system linked with the performance management system.

Marwat et al., (2009) explored contribution of human resource management practices in telecom sector on perceived employee performance in telecom sector in Pakistan. Results highlighted that all the tested variables are positively correlated but correlation of compensation and training are highest respectively.

Analysis and interpretation

Table: 1 Relationship between Employee Development factors and Organizational Commitments factors

Factors	Correlation Value	Affective Commitment	Continuous Commitme	Normative Commitment
career Development	r	.457	.371	.413
	p	0.011**	0.000**	0.017**
Employee Empowerment	r	.554	.525	.510
	p	0.004**	0.000**	0.000**
Recognition Practices	r	.436	.516	.601
	p	0.000**	0.014**	0.000**
Training and Development	r	.629	.589	.608
	p	0.000**	0.000**	0.002**
Compensation	r	.588	.591	.557
	p	0.015**	0.002**	0.000**

Source: Primary Data **Significant at 1%

Above the table shows the correlation result among the employee development factors and organizational commitment factors. The total sample strength is 443, to test the below hypothesis.

H₀: There is no relationship among the employee development factors and organizational commitment factors.

Organizational commitment is the individual’s psychological attachment to the organization. Commitment represents something beyond loyalty to an organization. It involves an active relationship with the organization such that individuals are willing to give something of them in order to contribute to the organization’s well-being. Allen and Meyer (1990) identified and developed measures of three forms of commitment; affective, continuance and normative. Affective commitment reflects an emotional attachment and involvement in the organization. Continuance commitment is based on the perceived costs associated with discontinuing employment with the organization. Normative commitment reflects a sense of obligation on the part of the employee to maintain membership in the organization.

The factor called affective commitment shows the statistically significant and positive relationship of 0.629 is with the training and development; lowest relationship and statistically significant with positive relationship is found that 0.436 with the factor recognition practices. Regarding the factor called continuous commitments shows the statistically significant and positive relationship of 0.591 is with the factor compensation; lowest relationship but statistically significant of 0.371 is with the factor career development. Normative commitment shows the statistically significant and positive relationship of 0.608 is with the factor training and development; lowest relationship but statistically significant and positive relationship 0.413 values find with the factor career development. All the correlation values are significant at 1% level; hence there is a relationship among the employee development factors and organizational commitment factors.

Table 2: Relationship between General HR Function and Organizational Commitments factors

Factors	Correlation	Affective Commitments	Continuous Commitments	Normative Commitments
Recruitment	r	.420	.397	.441
	p	0.000**	0.000**	0.007**
Performance Appraisal	r	.487	.479	.452
	p	0.011**	0.000**	0.000**
Employee Relations	r	.462	.465	.377
	p	0.000**	0.000**	0.012**
Employee Productivity	r	.597	.520	.479
	p	0.012**	0.003**	0.000**
Work Life Polices	r	.561	.373	.380
	p	0.007**	0.005**	0.000**

Source: Primary Data **Significant at 1%

Above the table shows the correlation result among the HR function factors and organizational commitment factors. The total sample strength is 443, to test the below hypothesis.

H₀ - There is no relationship among the HR function factors and organizational commitment factors.

Affective commitment refers to the degree to which a person identifies with, is involved in and enjoys membership in an organization. Employees with affective commitment want to remain with an organization. Continuance commitment involves a person's bond to an organization based on what it would cost that person to leave the company. Employees with continuance commitment remain with an organization out of need or to avoid the perceived cost of leaving. Normative commitment involves a feeling of moral obligation to continue working for a particular organization.

The factor called affective commitment shows the statistically significant and positive relationship with the factor employee productivity factor the r value is .597; lowest relationship but statistically significant and positive relationship with the factor recruitment the r value is 0.420. Regarding the factor continuous commitments shows the statistically significant and positive relationship with the factor Employee Productivity, the r value is 0.520; the same as found lowest relationship with the factor Work Life Polices the r value is 0.373. Normative commitment shows the statistically significant and positive relationship with the factor with the factor Employee Productivity, r value is 0.479; and the same factor reflect the lowest relationship with the factor Employee Relations, the r value is 0.377. All the correlation values are significant at 1% level; hence there is a relationship among the general HR functional factors and organizational commitment factors.

Findings and Suggestions

1. From the above study we found that employee development factors are highly and positively impact organizational commitment.
2. From the above study we found that HR functional factors are highly and positively impact organizational commitment of employees.

Training and development was the highly related to all the HRD functions, so organisation that are related to cement industry should take to concentrate on more training program for their employee which will increase their affective commitment towards the industry.

Conclusion

There is not a single HR Practice which a company aspires to retain its employees. There are different HR Practices which a company combines to manage its HR system. A company should always combine "Number of Best HR Practices" which they should implement for the survival and sustainability of the organization. "Best practices" in HR are subjective and transitory. They enhance internal capabilities of an organization to deal with current or future challenges to be faced by an organization. Good HR practices also energize people working in the organization. The commitment and motivation built through good HR practices can lead to hard work. Organizational Commitment is a sort of strong magnetic force which binds employees with their willingness to remain attached to its organization. If employees are committed towards their organization they will perform their job well and the ultimately performance of the organization will be better.

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