

Effectiveness of Human Resource Practices and its Impact on Organisational Commitment among Employees in Chennai City

P Jagadeesan¹, R Elavarasan²

¹Associate Professor & HOD, Department of Commerce, Vels University, Chennai, TamilNadu, India

²Assistant Professor, Department of Commerce, Vels University, Chennai, TamilNadu, India

ABSTRACT

Human resource management (HRM) is the strategic and coherent approach to the management of an organization's most valued assets -the people working in the organization, who individually and collectively contribute to the achievement of the objectives of the business. Organizational commitment is the individual's psychological attachment to the organization. In this study an attempt has been made to study the impact of human resource management practices on organisational commitment of the IT employees. The result reveals that Controlling Factor (CF), Procurement Factor (PF), Recruitment Factor (RF), Appreciation Factor (AF) are significantly influence the total organisational commitment of the IT employees in Chennai city. To conclude Organisation need to ensure job security, adequate pay, and better relationship with subordinates, good support and guidance to employees and effective utilization of resource through effective organizational climate and adoptable organisation culture will enrich employee commitment.

Keywords: *Human Resource Practices, Organisational Commitment, Controlling Factor (CF), Monetary Benefits Factor (MBF), Executive Development Factor (EDF), Recruitment Factor (RF), Job Enrichment Factor (JEF), Social Security Factor (SSF) and Appreciation Factor (AF).*

INTRODUCTION

Human resource management (HRM) is the strategic and coherent approach to the management of an organization's most valued assets -the people working in the organization, who in dividually and collectively contribute to the achievement of the objectives of the business. Organizational commitment is the individual's psychological attachment to the organization. The basis behind many of these studies was to find ways to improve how workers feel about their jobs so that these workers would become more committed to their organizations. Organizational commitment predicts work variables such as turnover, organizational citizenship behaviour, and job performance. Some of the factors such as role stress, empowerment, job insecurity and employability, and distribution of leadership have been shown to be connected to a worker's sense of organizational commitment.

Review of Literature

Organizational commitment can be contrasted with other work-related attitudes, such as job satisfaction, defined as an employee's feelings about their job, and organizational identification, defined as the degree to which an employee experiences a 'sense of oneness' with their organization. According to Porter *et.al* (1974)¹ noted that organizational commitment can be defined as relative strength of involvement of any individual with a particular organisation. Whereas, Kanter (1968)² is a view of that organizational commitment is the level to which an employee wishes to devote his energy and loyalty to a particular organisation.

Susmritisahu *& et.al* (2014)³ conducted a study to examine the moderating role of perceived organizational support on relationship between emotional intelligence and organizational commitment. The result reveals that, emotional intelligence has

positive and significant impact on organizational commitment of employees and perceived organizational support act as significant moderator of the relationship between emotional intelligence and organizational commitment.

Mehmet METE (2014)⁴ conducted an empirical study to identify the factors affecting organizational commitment and job satisfaction of financial analysts, specialists and assistant specialists working in banking sector together with service authorities. The primary data were collected with a help of structured questionnaire using convenient sampling and the data collected were subjected to analysis. The result reveals that, job satisfaction and organizational commitment of the bank personnel working in the corresponding sector affect the personnel who is in the same position and also the organizational commitment of the personnel who is not satisfied with his job is low or none. Finally they suggested revising the existing wage system.

Osman Alipour (2014)⁵ investigated the relationship among the organizational justice and organisational commitment of education staff. The research is descriptive and analytical in nature. The primary data were collected through the structured questionnaire. The results showed that meaningful and positive relationship among organizational justice and organizational commitment of education staff. Also, findings of the research showed meaningful and positive relationship among distributive, procedural, and interactional justice and organizational commitment of education staff.

Mohammed Mahmoudi Maymand & et.al (2014)⁶ says, when individuals and teams are committed to the values and goals of the organisation, they will have a higher spirit, less job-leaving rate and more satisfactions of the work and consequently they will become more useful for the organisation. The investigation has been made to know the relationship with organizational commitment and innovation. The result reveals, there is a positive and significant association between organizational commitment and innovation. The recommended the organisation to increase the employee's affective commitment through training the required skills and in-service trainings in order to heighten their innovation.

Prabhajot Kaur Mahal (2012)⁷ had conducted research on "Organizational Commitment and Employee Retention" and concluded that globalization has not only helped the organizations to look for proficient employees, but also to retain the expert, talented and accomplished employees. Consequently, the role of Human Resource (HR) practices in fostering employees' engagement, organizational practices in retaining employees and employees' commitment is paramount. The main objective of the study is to examine, evaluate and interpret the relation between organizational HR practices and employee commitment, and to see whether these are positively or negatively correlated, as there are not many studies which examine whether there is a positive and negative relation between HR practices and employee retention in the Indian economy.

OBJECTIVES OF THE STUDY

1. To study the personal profiles of the IT employees in Chennai City.
2. To identify the underlying dominant dimensions of Human resource practices among respondents.
3. To explore the underlying dominant dimensions of Organisational Commitment among the respondents.
4. To find out the influence of personal profiles of the respondents and Human Resource Practice factors (HRPF) on Organisational Commitment (OC).

RESEARCH METHODOLOGY

Primary data were collected with the help of a well-designed structured Questionnaire, from 300 respondents residing in Chennai using convenient sampling method. The Human Resource Practices variables and Organisational Commitment variables were measured using 5 point Likert scale. To check the reliability of scale, Cronbach's Alpha reliability coefficient was used. The value being 0.875 and 0.823, scale is more consistent and highly reliable.

Questionnaire Design

The Questionnaire has been divided into 3 sections.

Section I: Deals with personal profiles such as gender, age, educational qualification, total number of work

experience, experience in current organisation, level of employment, monthly family income.

Section II: Deals with 30 variables on Human Resource Practices among respondents.

Section III: Deals with 8 variables on Organisational Commitment variables among respondents.

Statistical Tools Used

The data collected were subjected to Percentage analysis, Factor analysis and Multiple Regression Analysis using SPSS Version 17.

Personal Profiles of the Respondents

Majority of the respondents are Male (60.3%). Sizeable portion of the respondents are Graduates (48.3%), having total experience of minimum one year to five years (38.7%) and same experience in current organisation (43.0%). Sizeable portion of the respondents working in middle level designations (44.7%) and earning Monthly Family Income between Rs.20,001 to Rs.50,000(46.7%).

Factorisation of Human Resource Management Practices (HRMP) Variables

Human Resource Management Practices (HRMP) Variables with their communality values and MSA ranging from 0.428 to 0.683 and 0.843 to 0.937 have goodness of fit for factorization. KMO-MSA value of 0.795 and chi-square value of 2765.187 with df of 465 and P-value of 0.000 reveal that factor analysis can be applied for factorization of 30 HRMP variables. Nine independent factors have been extracted out of 30 HRMP variables of which Procurement Factor (PF) is the most dominant one, followed by Controlling Factor (CF), Monetary Benefits Factor (MBF), Executive Development Factor (EDF), Recruitment Factor (RF), Job Enrichment Factor (JEF), Social Security Factor (SSF), Appreciation Factor (AF) and Counseling Factor (CF) in the order of dominance and all the factors together explaining 58.362% of variance.

Factorisation of Organisational Commitment (OC) variables

The Table 4 reveals that OC variables have communalities ranging from 0.462 to 0.738 and MSA values ranging from 0.773 to 0.906. Therefore, those OC

variables are fit for factorization. KMO – MSA value of 0.828 and Bartlett's Test of Sphericity Chi-Square value of 634.489 with df of 28 and P-Value of 0.000 indicate that the factor analysis can be applied to 8OC Variables. Two independent factors have been extracted out of 10OC variables of which the Recognition factor (RF) is the most dominant one, followed by Engagement factor (EF) and all the factors together explaining 57.147% of variance.

The Multiple Regression Analysis has been applied to study the significance of influence of personal profiles of the respondents and human resource management practice factors on Organisational Commitment.

OLS Model has a goodness of fit for multiple regression analysis and the linear combination of Controlling Factor (CF), Procurement Factor (PF), Recruitment Factor (RF), Appreciation Factor (AF) and Educational Qualification was significantly related to Organisational Commitment, { $F = 30.165, p < 0.001$ }. The multiple correlation coefficient is 0.582, indicating that 34% of the variance of the respondents' Organisational Commitment can be accounted for by linear combination of Controlling Factor (CF), Procurement Factor (PF), Recruitment Factor (RF), Appreciation Factor (AF) and Educational Qualification. From all these it could be said that Controlling Factor (CF), Procurement Factor (PF), Recruitment Factor (RF), Recognition Factor (RCF) are significantly and positively influence Organisational Commitment of the respondents, and Educational Qualification is also significantly influencing in the order of their influence whereas Gender, Age, Number of years of experience, Experience in Current organisation, Level of Employment, Monthly Family Income, Monetary Benefits Factor (MBF), Executive Development Factor (EDF), Job Enrichment Factor (JEF), Social Security Factor (SSF) and Counseling Factor (CF) have no significant influence Organisational Commitment of the respondents.

Major Findings of the Study

1. Majority of the respondents are Male. Sizeable portion of the respondents are Graduates, having total experience of minimum one year to five years and same experience in current organisation. Sizeable portion of the respondents working in middle level designations and earning Monthly Family Income between Rs.20,001 to Rs.50,000.

2. The underlying dominant dimensions of the human resource management practices are Procurement Factor (PF) is the most dominant one, followed by Controlling Factor (CF), Monetary Benefits Factor (MBF), Executive Development Factor (EDF), Recruitment Factor (RF), Job Enrichment Factor (JEF), Social Security Factor (SSF), Appreciation Factor (AF) and Counseling Factor (CF) in the order of dominance and the underlying latent dominant dimensions of organisational commitment is Recognition factor (RF) and Engagement factor (EF).
3. Controlling Factor (CF), Procurement Factor (PF), Recruitment Factor (RF), Recognition Factor (RCF) are significantly and positively influence Organisational Commitment of the respondents, and Educational Qualification is also significantly influencing in the order of their influence.

Suggestions and Conclusion:

1. Organisation is needed to adopt effective recruitment and procurement policies to create larger application pool with larger potential employees.
2. Management should link organisation development with individual needs for better engagement and executive development of employees.
3. Organisation should encourage the workers participation in decision-making and innovation and creativity effective organizational commitment and better job satisfaction.

This study examined the human resource practices dimensions and its impact on organisational commitment among the IT employees in Chennai City. The result reveals that procurement factors, controlling factor, monetary benefits factor, executive benefits factor, recruitment factor, job enrichment factor, social security factor, appreciation factor and counseling factor are the underlying dominant dimensions of human resource practices effectiveness among IT employees. Recognition factor (RF) and Engagement factor (EF) are dominant dimensions of organisational commitment among IT employees. To conclude Organisation need to ensure job security, adequate pay, and better relationship with subordinates, good support and

guidance to employees and effective utilization of resource through effective organizational climate and adoptable organisation culture will enrich employee commitment.

Ethical Clearance: Yes

Source of Funding: Self

Conflict of Interest: Nil

REFERENCES

1. Porter et.al (1974) staff burnout, Journal of social issues, 30, PP.159-167.
2. Kanter (1968) assessing the relationship between workplace emotional intelligence, job satisfaction and organizational commitment.
3. Susmritisahu& et.al, (2014) titled, moderating role of perceived organizational support on the relationship between emotional intelligence and organizational commitment in Asian journal of management 5(2) with ISSN (0976-495*& 5(2) in online www.anupubliation.org.
4. Mehmet mete (2014) titled, study on job satisfaction and organizational commitment in terms of certain demographical variable a research for bank managers in international journal of management, IT and engineering volume 4, Issue 5 with ISSN:2249-0558 p.p. no 311-327.
5. Alipour& et.al (2014) titled, relationship among the organizational justice and organizational commitment of education staff of sanandaj in Iran in Asian journal of research in business economics and management vol 4,no.3, pp.265-273 with ISSN 2249-7307.
6. Mohammed MahmoudiMaymand& et.al (2014) titled, studying of relationship between organizational commitment and innovation (case study: shiraz industrial city) in international journal of research in organizational behavior and human resource management vol 2, no.1 pp.353-360 with ISSN: 2320-8724.
7. Prabhajot Kaur Mahal (2012) titled, assessment of relationship between emotional intelligence and organizational commitment of employed, KheyrollahSarboland, university of Iran.