



**A STUDY ON ROLE OF HR PRACTICES IN BUILDING ORGANIZATIONAL COMMITMENT TOWARDS SOFTWARE ENABLE SERVICES**

**Mrs.V.Gayathri\***      **Miss.R. Vidhya Lakshmi\*\***

*\*Assistant Professor, Easwari Engineering College, Department of Management studies, Ramapuram, Chennai.*

*\*\*Student, Easwari Engineering College, Department of Management studies, Ramapuram, Chennai.*

**Abstract**

*In the environment of competitive scenario, Organizations are striving hard to retain the efficient employees to achieve their goal. One of the retention strategies would be to build up the commitment in the minds of the individuals towards the organization. There is not a single HR Practice which a company aspires to retain its employees. Organization should always show Best HR Practices were they implement for the survival and sustainability of the organization. The human resource development (HR) practices have the ability to influence individual's attitudes and behaviors for increased individual and organizational efficiency. To examine whether the HR practices makes an impact on the individual's commitment towards the organization, the present study was carried out. Following are the objectives of the study: To examine the nature of relationship that exists between human resource development activities and the organizational commitment in the organization. and to identify the impact that the individual HR practices would have on the commitment level. About 95 employees of software enable services are selected for the study. Questionnaires were used to elicit the responses relating to the effectiveness of human resource development practices in the organization and the individual's organizational commitment. The statistical analysis revealed that, there exists a good positive association between HR practices and organizational commitment. Further it is notable that all the HR practices considered in the present study found associating with the commitment level. More specifically, based on the regression analysis results, role analysis and potential appraisal were found to the more significant influence of organizational commitment. The necessary implications were discussed and thus, the present work supports the fact that the HR practices mould the individual for increased organizational membership.*

**Key Words:** *HR Practices, Organizational Commitment, Career Development, Training & Development & Work life Policies.*

**1.1 Introduction**

Human resource practices contribute to the economic success of an organization by enhancing the employee commitment and satisfaction. They have a strong sense of positive relationship between them. In other words, the satisfaction of the employees with the human resource practices elicits the commitment of the individuals towards the organization. The perception of the employees on HRM practices such as fairness of promotion practices, accuracy of merit system, supervisory behavior influences organization commitment. The availability and adequacy of training provided to the individuals in the organization in a more systematic way makes a concrete effect on their satisfaction and commitment. Performance appraisal, benefits and compensation act as an important ingredient to the development of commitment. The formulation of career plan provides the opportunity to an individual to develop their full potential and this increases the commitment towards the organization. Taking interest on the employee's career development or advancement creates a sense of compulsion among the employees to stay in their organization. Career development practices were the best predictor of affective and normative commitment.

**What is Organizational commitment?**



**Components of Organizational commitment**

**1.2 Problem Statement**

In general terms, organizational commitment is a strong belief in and acceptance of the organizational goals and values; a willingness to exert considerable effort on behalf of the organization, and a definite desire to maintain organizational



membership. Also, it is seen as the identification with one's employer that includes the willingness to work on behalf of the organization and the intention to remain on the organization for an extended period of time. Organizational commitment also refers to a psychological link between the employee and the organization that makes it less likely that the employee will voluntarily leave the organization. To establish such a link effective HRD practices are needed and are to be monitored.

### 1.3 Need and Scope of the Study

#### Need of Study

There are different HRD Practices for the organization to adopt. HRD practices contribute to the organization's bottom line, areas such as recruitment, selection, training, development and performance appraisal which should be consistent, integrated and strategically focused. Firms need to build long-term commitment to retain their work force. Therefore the role of the HR practices held by the organization plays a vital power in building organizational commitment among the employees.

#### Scope of the Study

- As most of the company's overall performance and organizational commitment depends on its employee's performance which depends largely on the HRD PRACTICES of the organization.
- The survey has been undertaken from employees of Take solutions Pvt Ltd., Chennai.
- So the project has wide scope to help the company to perform well in today's global competition.

### 1.4 Objectives of Study

1. To examine the nature of relationship that exists between human resource development activities and the organizational commitment in the organization.
2. To identify the impact that the individual HR practices would have on the commitment level.

### 1.5 Research Methodology

#### 1.5.1 Research Design

**Descriptive Research:** Descriptive research is concerned with describing the characteristics of a particular individual or group.

#### 1.5.2 Sampling Design

##### 1.5.2.1 Population

The population of the study consisted of employees from various organizations.

##### 1.5.2.2 Target respondents

The target respondents of this study are the employees who are in middle level management.

##### 1.5.2.3 Sampling method

The probability sampling used in this study is **Simple Random Sampling**. In this technique, each member of the population has an equal chance of being selected as subject.

**1.5.2.4 Sampling Size:** Sample size taken for the study is 95.

#### 1.5.3 Questionnaire design

The questionnaire was prepared with both open-ended and open-ended questions.

#### 1.5.4 Variables used to construct questionnaire

- *Planning*
- *Recruitment & Selection*
- *Training and development*
- *Career development*
- *Performance appraisal*
- *Rewards & Benefits*
- 

#### 1.5.5 Reliability and Validity of the questionnaire (Pilot study)

Pilot study is defined as a study, which is done in the initial stage of the project in order to find the reliability of the questionnaire and to restructure the questionnaire on the respondent suggestions.



**Table 1.1 Cronbach Alpha Score**

S.NO	Questionnaire	No. of items	No. of cases	Cronbach alpha score
1	Role of HRD practices in building organizational commitment	20	25	<b>0.636</b>

The pilot study was performed with 25 samples initially to assess the suitability of the questionnaire design. Based on the response entertained by them and analysis of the same questionnaire was found to be suitable for the study. The Alpha value found using **Reliability Calculator by Del Siegel** was **0.636**. Hence Reliability of the questionnaire is acceptable.

## 2. Review of Literature

### 2.1conceptual Review

*Armstrong's Essential Human Resource Management by Michael Armstrong.*

**Table2.1 Areas that HR practices impact**

HR practice area	How it impacts
<b>Attract, develop and retain high-quality people</b>	Match people to the strategic and operational needs of the organization. Provide for the acquisition, development and retention of talented employees, who can deliver superior performance, productivity, flexibility, innovation, and high levels of personal customer service, and who 'fit' the culture and the strategic requirements of the organization.
<b>Talent Management</b>	Ensure that the talented and well-motivated people required by the organization are available to meet present and future needs.
<b>Job and work design</b>	Provide individuals with stimulating and interesting work, and give them the autonomy and flexibility to perform these jobs well. Enhance job satisfaction and flexibility to encourage high performance and productivity.
<b>Learning and development</b>	Enlarge the skill base and develops the levels of competence required in the workforce. Encourage discretionary learning which happens when individuals actively seek to acquire the knowledge and skills that promote the organization's objectives. Develop a climate of learning - a growth medium in which self-managed learning as well as coaching, mentoring and training flourish.
<b>Manage knowledge and intellectual capital</b>	Focus on organizational as well as individual learning, and provide learning opportunities and opportunities to share knowledge in a systematic way. Ensure that vital stocks of knowledge are retained and improve the flow of knowledge, information and learning within the organization.
<b>Increase engagement, commitment and motivation</b>	Encourage productive discretionary effort by ensuring that people are positive and interested in their jobs, that they are proud to work for the organization and want to go on working there, and that they take action to achieve organizational and individual goals.
<b>Psychological contract</b>	Develop a positive and balanced psychological contract which provides for a continuing, harmonious relationship between the employee and the organization.
<b>High-performance management</b>	Develop a performance culture which encourages high performance in such areas as productivity, quality, levels of customer service, growth, profits, and ultimately the delivery of increased shareholder value. Empower employees to exhibit the discretionary behaviours most closely associated with higher business
<b>Reward management</b>	Develop motivation and job engagement by valuing people in accordance with their contribution.



## 2.2 Research Review

(Source: Ilias P. Vlachos, (2009), *The Effects Of Human Resource Practices On Firm Growth Int. Journal Of Business Science And Applied Management, Volume 4, Issue 2*) This study aims to assess the extent, if any, to which, specific HR practices may contribute to firm growth. We review a rich literature on the links between firm performance and the following HR practices: (1) job security (2) selective hiring, (3) self-managed teams (4) compensation policy, (5) extensive training, and (6) information sharing. In terms of the empirical research, posted 372 questionnaires and got 71 questionnaires, most of them answered by HR Managers (95%). We chose to include both HR and MD responses in the sample size although we recognize that there would be different perceptions about HR practices and organizational performance. The findings of the study lead to a number of interesting implications for HRM theorists and practitioners. The first (and rather obvious) implication can be derived from the evidence found that all HR practices are related to firm growth, a finding consistent with a variety of extant theories and studies.

(Source: Shamsudin, Faridahwatimohd, Subramaniam, Chandrakantan, Alshuaibi, Ahmad Said, (2010), *The Effect Of Hr Practices, Leadership Style On Cyberdeviance: The Mediating Role Of Organizational Commitment, Journal Of Marketing & Management. May2012, P22-48.*) The purpose of this paper is to revisit the management literature and establish a link between HR practices, leadership style and cyber deviance. In this manner the paper will propose a research model and develop propositions to be later tested empirically. A random selection of 10 universities presented in this paper. A random sample of 206 members from faculties of various universities was selected. The sample included respondents from both genders of different age / experience categories working at various designations. The sample therefore can be declared as representative of the population. The results are strongly supported by the fact that due to poor economical conditions and closely knit family impact of performance evaluation and promotion practices system, foremost preference of a majority of Pakistani on organizational commitment.

(Source: Prabhjotkaurmahal, (2012), *Hr Practices As Determinants Of Organizational Commitment And Employee Retention, Journal Of Management Research. Oct 2012, Vol. 11 Issue 4, P37-53.*) The main objective of the study is to examine, evaluate and interpret the relation between organizational HR practices and employee commitments 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. About 100 employees from the Indian economy are considered. This study is based on a sample of managers from a private organization. At the time of selection of company, it was a profit-making organization. The results of the study reveal that employees who are selected according to the job requirement have more organizational commitment, ultimately helping in employee retention.

(Source: Jørgensen, Frances, Becker, Karen, (2010), *Balancing Organizational And Professional Commitments In Professional Service Firms: The Hr Practices That Matter, International Journal Of Human Resource Management. Jan2015, Vol. 26 Issue 1, P23-41.*) This paper examines how HR practices influence professionals' commitment to their organization, to their profession or to both organization and profession, in a qualitative study of three Danish financial investment firms. Implementing flexible work schedules, providing employees with telecommuting options and training supervisors to spot signs of workplace stress suggests the organizational culture supports employees achieving work-life balance. Findings suggest that in professional service firms, HR practices encourage high levels of organizational commitment primarily and most often through their influence on professional commitment and that HR practices related to flexible work design are essential in creating balance between an employee's commitment to organization and commitment to their profession.

## 3. Inferential Analysis

### Chi-Square

To find the significance difference between whether the employees stick to their aims and goals and their experience in the organization.

**H0:** There is no significance difference between whether the employees stick to their aims and goals and their experience in the organization.

**H1:** There is significance difference between whether the employees stick to their aims and goals and their experience in the organization.



EXPERI

	OBSERVED N	EXPECTED N	RESIDUAL
1-2	11	19.0	-8.0
3-5	50	19.0	31.0
6-10	20	19.0	1.0
MORE	10	19.0	-9.0
5.00	2	19.0	-17.0
Total	95		

GOAL

	OBSERVED N	EXPECTED N	RESIDUAL
HI AC	28	31.7	-3.7
AC	45	31.7	13.3
NEUT	22	31.7	-9.7
Total	95		

Test Statistics

	EXPERI	GOAL
Chi-Square <sup>a</sup>	72.000	8.989
df	4	2
Asymp. Sig.	.000	.011

- a. 0 cells (.0%) have expected frequencies less than 5. The minimum expected cell frequency is 19.0.  
b. 0 cells (.0%) have expected frequencies less than 1.  
c. The minimum expected cell frequency is 31.7.

**Inference:** Since the calculated value is greater than the table value. Null hypothesis is rejected.

**Bivariate Correlation:** To find out the relationship between HR practices variables and organizational commitment components.

Correlations

		RECRUIT	GOAL	LTNEW	PA	CAREER	PLANG	TRANEED	REWARDS	BENEFIT	EXTRAROL	
Spearman's rho	RECRUIT	Correlation Coefficient	1.000	.040	.104	.079	.079	.008	1.000**	.155	.040	.017
		Sig. (2-tailed)		.702	.314	.440	.440	.938	.133	.792	.897	
		N	95	95	95	95	95	95	95	95	95	
GOAL	Correlation Coefficient	-.010	1.000	.251*	-.072	-.072	.012	-.010	.157	1.000**	-.035	
	Sig. (2-tailed)	.719		.011	.487	.487	.901	.719	.130	.352		
	N	95	95	95	95	95	95	95	95	95		
LTNEW	Correlation Coefficient	.104	.251**	1.000	.087	.087	-.104	.104	-.002	.251*	.138	
	Sig. (2-tailed)	.314	.011		.400	.400	.317	.314	.982	.011	.057	
	N	95	95	95	95	95	95	95	95	95		
PA	Correlation Coefficient	.079	-.072	.087	1.000	1.000**	.180	.079	.059	-.072	-.019	
	Sig. (2-tailed)	.448	.487	.400			.081	.448	.577	.417	.855	
	N	95	95	95	95	95	95	95	95	95		
CAREER	Correlation Coefficient	.079	-.072	.087	1.000**	1.000	.180	.079	.059	-.072	-.019	
	Sig. (2-tailed)	.448	.487	.400			.081	.448	.572	.487	.855	
	N	95	95	95	95	95	95	95	95	95		
PLANG	Correlation Coefficient	-.008	.012	-.104	.180	.180	1.000	-.008	-.099	.012	-.034	
	Sig. (2-tailed)	.938	.903	.317	.081	.081		.938	.340	.908	.342	
	N	95	95	95	95	95	95	95	95	95		
TRANEED	Correlation Coefficient	1.000**	-.040	.104	-.079	.079	-.008	1.000	-.155	-.010	-.017	
	Sig. (2-tailed)		.702	.314	.440	.440	.938		.133	.792	.897	
	N	95	95	95	95	95	95	95	95	95		
REWARDS	Correlation Coefficient	-.155	.157	-.009	.059	.059	-.099	-.155	1.000	.157	-.039	
	Sig. (2-tailed)	.133	.130	.982	.672	.572	.340	.133		.130	.339	
	N	95	95	95	95	95	95	95	95	95		
BENEFIT	Correlation Coefficient	.040	1.000**	.251*	.072	.072	.012	.040	.157	1.000	.035	
	Sig. (2-tailed)	.792		.011	.487	.487	.908	.792	.130		.352	
	N	95	95	95	95	95	95	95	95	95		
EXTRAROL	Correlation Coefficient	-.017	-.065	.138	-.019	.019	-.089	-.017	-.099	-.096	1.000	
	Sig. (2-tailed)	.857	.387	.057	.855	.855	.347	.857	.389	.352		
	N	95	95	95	95	95	95	95	95	95		

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

\* Correlation is significant at the 0.05 level (2-tailed).



**Inference:** There is a positive correlation between training, performance appraisal and career progression with organizational commitment components.

### 3. Findings

- It was inferred that out of 95 respondents, 62% of the respondents are from lower level, 35% from middle level and the remaining 3% are from upper level management respectively and 41% of the respondents are >1-2 experienced, 28% of the respondents are 2-5 years experienced, 24% are 5-10 years experienced and the remaining 2% are 10 or more years experienced in the organization.
- Out of 95 respondents, 27% of the respondents are Company-oriented, 30% of the respondents are profession-oriented and the remaining 43% are career growth oriented.
- Most of the employees had clearly established career path in the company and get the training to perform well.
- Majority are the employees are satisfied with the benefits, monetary rewards and incentives provided by the company.
- Based on Tools applied: There is a positive correlation between training, performance appraisal and career progression with organizational commitment components. & there is significance difference between whether the employees stick to their aims and goals and their experience in the organization.

### 4. Conclusion

We would conclude from the research that the statistical analysis revealed that, there exists a good positive association between HR practices and organizational commitment. Further it is notable that all the HR practices considered in the present study found associating with the commitment level. More specifically, based on the regression analysis results, role analysis and potential appraisal were found to the more significant influence of organizational commitment. The necessary implications were discussed and thus, the present work supports the fact that the HR practices mould the individual for increased organizational membership. HR practitioners need to pay more attention on these interventions. HR researchers can conduct similar studies in different organizational settings to test the nature of linkage. Human resource professionals can adopt this linkage to lock-in their appreciating assets and retain the core value of the organization.

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