PERCEIVED HRM PRACTICES AS A POTENTIAL ANTECEDENT TO ORGANIZATIONAL COMMITMENT

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Abstract: Organizational Commitment (OC) has been widely researched for over five decades now as it is popularly considered as a potential variable that can impact the outcomes both at the personal and organizational level. An attempt would be made in this paper to review and investigate perceived HRM practices as a potential antecedent to OC. It also examines Person-Organization Fit (P-O Fit) as a mediating variable in the HRM Practices and OC link. The moderating role of age in the direct relationship between perceived HRM practices and commitment is also reviewed. For this piece of research, as a preliminary, all the essential empirical and theoretical literature that may have a bearing on and relevant to the main constructs as identified by the researchers is thoroughly gleaned. This exercise is performed with an intention to build a generic conceptual framework that would be of immense use for designing and analyzing any potential research work centering on perceived HRM Practices and OC and the mediating role of P-O Fit that may be taken up and carried out by researchers of any country in future with reference any industry or sector of an economy.

Key Words: Organizational Commitment; Perceived HRM Practices; Person-Organization Fit; Age; and Conceptual Framework. (5)

I. INTRODUCTION

In the fields of Organizational Psychology, Industrial Psychology, and Organizational Behavior, the concept and construct of ‘Organizational Commitment’ continues to be an important focus of research (Greguras & Diefendorff, 2009). Attention has been given to the study of Organizational Commitment to address turnover and retention (Lambert, Hogan, & Jiang, 2008; Mathieu & Zajac, 1990). Emerging empirical research has suggested that Organizational Commitment has considerable implications for positive and negative employee-level outcomes. Researchers have tried to define commitment in numerous ways notwithstanding the fact that Organizational Commitment is a multi-dimensional construct that certainly includes an affective component (Fields, 2002).

Of the several dimensions of commitment, the earliest one was given by Gouldner (1960) who distinguished commitment as (i) ‘commitment to specific values of the organization and as (ii) ‘commitment to organization as a whole’. Further, he studied other forms of commitment such as cosmopolitan integration—the degree to which the individual is active in and feels himself a part of the varying levels of the particular organization, and is active in the organization as well. The other is organizational introjection—the degree to which individual’s ideal self-image includes a number of organizationally approved qualities and values. Among the early researchers on Organizational Commitment were Mowday and Steers (1982) who characterized it as 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 strong desire to maintain membership in an organization. Reichers (1985) has put forward his view of multiple foci to Organizational Commitment.

According to this view, commitment is a process of identification with the goals of the organization’s multiple constituencies such as top management, customers, unions, and public at large. Ogilvie (1986) gave a simplistic definition of commitment by suggesting that commitment is a positive attitude that people have for the organization as a whole. Later on, Meyer and Allen (1991) proposed a three component model of commitment. They posit that commitment, as a psychological state, has three separate components reflecting (i) a desire (affective commitment), (ii) a need (continuance commitment), and (iii) an obligation (normative commitment) to maintain employment in the organization. They argue that each component will have their own antecedent and have different implications on the job behavior. Bar-Hayim and Berman (1992) added a new dimension to commitment by classifying it as active and passive commitment. Passive commitment refers to loyalty to current organization whereas active commitment denotes identification with the organization and a readiness to exert effort on its behalf. In their meta-analytic studies, Meyer, Stanley, Herscovitch, and Topolnytsky (2002), found that that all the three forms of commitment, namely, affective, normative, and continuance commitment are related yet distinguishable from one another as well as from other similar constructs such as job satisfaction, job involvement, and occupational commitment. All three forms of commitment are related negatively to withdrawal cognition and turnover, and affective commitment had strongest correlations with organizational relevant behaviors such as attendance, performance, and Organizational Citizenship Behavior.

Steers (1977) identified personal characteristics, job characteristics, and work experiences as antecedents to Organizational Commitment. Personal characteristics included need for achievement, age, and education. Job characteristics included task identity, optional interaction, and feedback. Work experiences include group attitudes, organizational dependability, and personal import. Fu and Deshpande (2011) found that both caring and independence climate types and job...
satisfaction had significant impact on Organizational Commitment. Myriad literature on Organizational Commitment suggests that it is a research amenable construct as it is used as an antecedent, dependent, mediating (Tabouli, Habtoor, & Nashief, 2016), and a moderating variable (Franke, & Felce, 2011). However, for the purpose of this study, researchers intend to examine the Organizational Commitment as a dependent variable.

It may be mentioned here that in the Nepali context, researches on Organizational Commitment have been carried out by taking Organizational Commitment as the dependent variable. Gautam, Dick and Wagner (2001) found that all three dimensions of commitment viz., affective, normative, and continuance commitment were found in the study of Nepali Bank, Food Corporation, Telecommunication, and Airlines. These researchers further explored the distinction between organizational identification and Organizational Commitment in the Nepali context where they found that affective, normative, continuance, and attitudinal commitment existed in Nepal (Gautam, Dick, & Wagner, 2004).

**PERCEIVED HRM PRACTICES**

When, we call resource, it is not the person as a physical being that is the real resource, but the knowledge and expertise the person possesses. Hence, the use of the term “Human Resource” suggests that employees are part of the company’s stock that can be drawn on and developed for organizational ends (Inkson, 2008). HRM is also referred to as a set of policies that are developed with the aim of maximizing organizational integration, employees’ commitment, flexibility, and quality (Tabouli, Habtoor, & Nashief S., 2016). Within that domain, current interest is focused on HRM Systems emphasizing all or most of the following practices: sophisticated selection methods, appraisal, training, teamwork, communications, empowerment, performance-related pay, and employment security (Wall, & Wood, 2005). The concept of HRM has received widespread attention for more than four decades now.

One of the early contributors to the domain of HRM, Guest (1987), believed that the term HRM has been loosely defined despite being used for a long time. He presented HRM as a new approach to Personnel Management. Additionally, he cited factors that led to growing interest in HRM such as search for competitive advantage, failure of Personnel management, decline in trade union pressure, changes in the workforce and nature of work, and availability of new models derived from Organizational Behavior discipline. Till this date, there appears to be no consensus with respect to the constituent parts of HRM, the “best practice” versus the “best fit” approach, the different fits, coverage of different employee groups, and the need to consider how HR practices are perceived (Pauwe, & Boselie, 2005). Hence, there is no single agreed or fixed, list of HR practices or systems of practices that are used to define or measure Human Resource Management (Pauwe, 2008).

Also, there is no consensus on what constitutes HRM practices across the globe till date. The notion of HRM originated in the US and this view though widely accepted has also been equally criticized (Brewster, 2007). Authors have described different combinations of HRM practices. Absar, Nimalathasan, and Mahmood (2012) mention about different models like Michigan/Columbia Model, the Harvard Model, the Guest Model, and the Warwick Model. Boselie, Brewster, and Pauwe (2009) suggest that the Harvard model is also known as the soft HRM model, which in contrast to the Michigan approach (called as hard HRM). They state that the soft model is geared towards employee development and the hard model is built on employee incentive towards optimal performance. Truss, Gratton, Hope-Hailey, McGovern, and Stiles (1997) reappraised the soft and hard models of HRM which were originally discussed by Guest in 1987. They differentiated between soft and hard models in terms of two criteria, namely, (i) underlying perceptions of human nature and (ii) managerial control strategies. They assert that the soft perspective is characterized by a developmental-humanist stance and the hard perspective by an instrumental-utilitarian stance. In simpler terms, the soft perspective implies that individuals are viewed as a resource worthy of training and development, whereas the hard perspective implies that individuals are a cost to be minimized. Work Systems have been characterized as high commitment, high-involvement, and high performance practices (Snape, & Redman, 2010). They state that information sharing is the key characteristic of high involvement practices.

In contrast, high commitment signifies a work system that aims to encourage employees to identify with the goals of the organization and motivate them to achieve those goals. They also bring forth the idea that High Performance Work System (HPWS) approach has begun to dominate HRM research. Way (2002) conceptualized high performance work systems as specific HRM practices linked to selecting, developing, retaining, and/or motivating (gaining access) to workforce that produce superior employee output. Guthrie (2001) emphasize on the fact that the extensive use of high-involvement work practices represent significant investment in human capital and firms are likely to utilize high-involvement work practices when employees are deemed critical. Thus, high involvement HRM strategy starts with management philosophies and core values that emphasizes on the significance of employees as a source of competitive advantage (Bae & Lawler, 2000).

Another concept of HRM practices is strategic concept of HRM which emphasizes on four generic human resource activities of all organizations, namely, (1) selection/promotion/ placement process, (2) reward process, (3) developmental process, and (4) appraisal process (Tichy, et al, 1984 as cited in Edgar, & Geare, 2005). Yet another construct similar to HRM practices, especially high performance practices is the HPWS, which constitutes a claim that there exists a system of work practices that leads, in some way, to superior organizational performance (Boxall, & Macky, 2009). They state that HPWS includes three concepts, namely, performance, work practices, and systematic effects. Systemic effects is the notion that combination of practices as a bundle, rather than as individual practices, which shapes the pattern of interactions between and among managers and employees. Several authors have taken different measures of HRM practices and there is no universally defined set of best practices of HRM. Marchington and Grugulis (2000) argue that best practice seems to be problematic as different set of practices may be important in different organizations and that employees’ perception of work are the ones that really matter.

Takeuchi, and Takeuchi (2013) developed HRM Practice Measure covering four major dimensions of HRM functions, namely, appropriate staffing and recruitment, a fair performance appraisal system, comprehensive training and development, and competitive compensation due to lack of a well-established HRM practice items to be surveyed for employees.

Absar, Nimalathasan, and Mahmood (2012) used HRM practices comprising of recruitment and selection, training and development, performance appraisal, compensation, and perceived market performance in the Bangladeshi context. These items were adapted from previous studies (Bae, & Lawler, 2000) used in Korean studies. Meyer and Smith (2000) used HRM practices pertaining to performance appraisal, benefits, training, career development, and incentive pay. Akhtar, Ding, and Ge (2008) used strategic HRM practices comprising of the following dimensions, namely, training, participation, employment security, job
descriptions, result-oriented appraisal, internal career opportunities, and stock/profit sharing. Pare and Tremblay (2007) used high involvement HR practices consisting of recognition, empowerment, fair organizational rewards, competence development, and information sharing practices. Guohui, and Cho (2010) examined the bundle of eight human resource management practices such as training, performance appraisal, staffing, rewards, benefits, working conditions, equal employment opportunities, and information sharing. Individual’s perceptions of reality are likely to influence their evaluation of their organizations practices (Meyer, & Allen, 1997). Therefore, many researchers, (Gould-Williams, 2004; Boon, Hartog, Boselie, & Pauwe, 2011; Alfes, Shantz, Truss, & Soane, 2013; Takeuchi, & Takeuchi, 2013), these days have started collecting individual perception of HRM practices. And this present research also takes into account employees’ perception of HRM practices.

**PERSON-ORGANIZATION FIT (P-O FIT)**

Interaction between a human and his/her work environment is still a very popular stream of research in psychology (Merecz, & Andysz, 2012). Person-Organization Fit represents a specific facet of Person-environment Fit (P-E Fit) and is generally studied within the P-E Fit paradigm (Merecz-Kot, & Andysz, 2017). Different types of fit are discussed in the fit literature such as person organization fit, person job fit, person group fit, person-supervisor fit (Kristof-Brown, Zimmerman, & Johnson, 2005). Among different types of fit, the most common are Person-Organization Fit and Person-Job Fit (Carless, 2005). Researchers often studying about P-O Fit discuss that, over the years, as they mature, (i) organizations become increasingly occupied by similar people (Cooman et al., 2008) and (ii) organization’s members tend to be similar in terms of personality, values, and interests. Cooman et al. (2008) used the socialization and attraction—selection—attrition (ASA) framework and examined the relationship between employees’ work values and organization’s values (Person-Organization Fit).

They argue that among many aspects of organization and people, one enduring and a fundamental characteristic is values. O’Reilly III, Chatman, and Caldwell (1991) validated the organizational Culture Profile (OCP) which examines the extent to which certain values characterize a target organization and an individual’s preference for that particular configuration of values. With this validation, value congruence became the most widely accepted ‘Operationalization’ of P-O Fit (Kristof, 1996). Kristof (1996) presented a comprehensive definition and conceptual model of P-O Fit that incorporated supplementary and complementary perspectives on fit. He also offered second perspective on P-O Fit, known as “needs-supplies and demands-abilities”. From the need-supplies perspective, P-O Fit occurs when an organization satisfies an individual’s needs, desires, and preferences. In contrast, the demand-abilities perspective suggests that the fit occurs when an individual has the abilities required to meet organizational demands.

Person-Organization Fit addresses the “compatibility between people and entire organizations” (Kristof-Brown, Zimmerman, & Johnson, 2005, p.285). Chatman (1989) prescribes model of Person-Organization Fit whereby they consider the impact that organizational membership has on people and the impact that people have on organizations. He defines P-O Fit as the congruence between the norms and values of the organizations and the values of the persons. In similar lines, Chan (1996) defines P-O Fit as the degree of congruence or compatibility between the attributes of an organization member and those of the organization. For individuals, these attributes may include personality traits, beliefs, values, and interests. For the organization, these characteristics traditionally include the culture, climate, values, goals and norms. P-O Fit can be defined as an individual’s goal congruence with organizational leaders and peers (Vancouver & Schmitt, 1991). Chan (1996) also developed and proposed cognitive misfit as one viable facet of Person-Organization Fit. Cognitive misfit refers to the degree of mismatch between an individual’s cognitive style of problem solving and style demands of the work context. P-O Fit has been found to work as an independent, dependent, mediating, and moderating variable. P-O Fit has been found to mediate the relationship between leader-member exchange and employee affective commitment (Tremblay, Hill, & Aube, 2017). Ruiz-Palomino and Martinez-Canas (2014) found that P-O Fit moderated the relationship between ethical climate and ethical intent, and mediated the relationship between ethical climate and Organizational Citizenship Behaviors.

**PERCEIVED HRM PRACTICES AND ORGANIZATIONAL COMMITMENT**

Multiple studies have found positive relationship between HRM practices and Organizational Commitment (Nassar, 2017; Tablool, Habtoor, & Nashief, 2016; Chaubey, Bisht, & Kothari, 2016; Cantasala & Padmakumar, 2013; Rahman, Uddin, & Mia, 2012; Marescoor, Winne, Sels, 2012; Agarwala, 2010; Guohui & Cho, 2010; Williams-G & Davies, 2007; Green, Wu, Whitten, & Medlin, 2006; Shahnawaz, & Juyal, 2006; Wright & Kehoe, 2006; Paul & Anantharaman, 2004; Williams-G, 2004; Williams-G, 2003; Ogilvie, 1986). Meyer and Smith (2000) posited that employee perceptions of HRM practices predicted affective and normative commitment. Paul and Anantharaman (2004) found HRM practices such as employee-friendly work environment, career development, development oriented appraisal, and comprehensive training significantly impacted on Organizational Commitment. In similar lines, employee perceptions of HRM were related to affective commitment (Sander, Dorenbosch, & Reuver, 2008). Edgar and Geare (2005) found that HRM practices predicted Organizational Commitment but only when employee reports of strength of HRM practices were used to measure HRM. Similarly, Agarwala (2003) found that only innovative HRM practices significantly predicted Organizational Commitment. HRM practices (P-O fit, remuneration and recognition) significantly impacted on Organizational Commitment whereas surprisingly training and career development was not related to Organizational Commitment (Chew, & Chan, 2008). Herrbach, Mignonac, Vandenbergh, and Negrini (2009) found that among other HRM practices, provision of training opportunities was most significantly related to affective commitment.

**MEDIATING ROLE OF P-O FIT IN THE RELATIONSHIP BETWEEN PERCEIVED HRM PRACTICES AND ORGANIZATIONAL COMMITMENT**

Person-Organization Fit (P-O Fit) partially mediated the relationship between HRM practices and Organizational Commitment (Boon, et.al, 2011). They contend that one of the goals of HR is to ensure a fit between individuals and organizations, and those organizations which perceive a fit between them and their organization demonstrate positive work attitudes. Luthans, Baack, and Taylor (1987) established P-O Fit as an antecedent to Organizational Commitment. Turek and Wojtczuk-T (2015) found that P-O fit partially mediated the relationship between HRM practices and Organizational Citizenship Behavior.
between employees’ perceived investment in employee development and Organizational Commitment. Previous research has pointed out positive relationships between HRM practices and P-O Fit (Mostafa, & Gould-Williams, 2014; Lee, & Bang, 2012; Boon, Hartog, Boselie, & Pauwwe, 2011). This shows that P-O Fit can act as a potential mediator between HRM practices and employee level outcomes because for mediation to exist there has to be significant relationship between independent and dependent variable and also between independent and mediating variable. Here, both of the relationship has been tested in the previous literatures. Hence, building on this logic, this study proposes that P-O Fit mediates the relationship between perceived HRM practices and Organizational Commitment.

MODERATING ROLE OF AGE IN THE RELATIONSHIP BETWEEN PERCEIVED HRM PRACTICES AND ORGANIZATIONAL COMMITMENT

Age was found to moderate the relationship between maintenance and developmental HR practices and affective commitment such that the relationship between maintenance HR practices and affective commitment strengthens with age and the relationship between developmental HR practices and affective commitment weakens with age (Kooij, Jansen, Dikkers, & Lange, 2010).

Finally, the desired Conceptual Framework can be shown as given at Figure-1 below in the next page.

SUMMARY THOUGHT

Based on the various pieces of literature both empirical and conceptual and as examined in the current study, it can now be safely argued that the relationship between perceived HRM practices and Organizational Commitment is not direct. Research studies can be taken up further to study the mediating impact of P-O Fit in the relationship between perceived HRM practices and Organizational Commitment as hypothesized and tested in the earlier pieces of literature. Additionally, attempts may also be made to test the moderating impact of age in the relationship between perceived HRM practices and Organizational Commitment.

A SUGGESTED GENERIC CONCEPTUAL FRAMEWORK

REFERENCES


