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LINKING HUMAN RESOURCE (HR) PRACTICES TO ORGANIZATIONAL COMMITMENT AMONG EMPLOYEES IN HIGHER LEARNING INSTITUTION

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Abstract: *Employee is the main asset in organization. It is because the biggest cost of doing a business goes to labor which costs can account for more than 50 percent of total costs. In some industries, such as financial or professional services and in education and government, this figure is even higher. Previous studies mostly highlighted the association between human resource practices and organizational commitment in the industries such as oil and gas, information technology, manufacturing, telecommunication, hospitality and SMEs. However, it was found that there were gaps in education sector where only few of previous studies focusing on the higher learning institutions. Thus, the major concern of this study is to identify whether human resource practices and organizational commitment are significantly linked in Malaysian higher learning education sector. This study aimed to analyse the relationship between human resource practices and organizational commitment. 300 questionnaires were distributed. The results found that all studied variables were found to have positive relationship with organizational commitment.*

Keywords: Organizational commitment, training, compensation, performance appraisal, career development, employment security, human resource, human resource practices.

1. Introduction

Major changes are happening in the higher education system such as internationalization, introduction of new communication and information technology, advanced knowledge society, professional networks, socio-cultural and demographical trends, marketization including the changing roles of government (Abdulkareem, 2011). Thus, it is important for organizations especially in higher education sector to come out with strategies in order to sustain in the tight competition among the institution. O'Malley (2000) mentioned that an organization's success depends on having a constant and skillful workforce who can be self-motivated and bring quality and employee commitment as an added value to the organization. Hence, it must continually strive to implement an effective human resource management.

2. Literature Review

According to the past literatures, the relationship between human resource practices and organizational commitment remains unclear. Earlier studies from numerous industry sectors had found different results on this relationship. Abdullah (2001) showed that there is a significant relationship between organizational commitment and all the five human resource management practices surveyed, namely leadership, training, empowerment, motivation and compensation. However, compensation did not have strong influence on the organizational commitment among staffs. Another study among managers and first line employees demonstrated that compensation and career planning has positive and statistically significant impact on employees' commitment and it also recommended that the organization can foster their employees' commitment and effectiveness by fine-tuning HRM practices (Razzaq, Aslam, Bagh, & Saddique, 2017).

Other than that, Chew and Chan (2008) found that person-organization fit, remuneration, recognition and opportunity to undertake challenging employment assignments were positively affected organizational commitment. Unexpectedly, training and career development were not significantly related to organizational commitment. Further, in a study in various industries in Klang Valley, career management, person-job fit, compensation and performance appraisal were found significantly related to organizational commitment and negatively related to turnover intention.

2.1 Problem Statement

Study on human resource management and organizational commitment is not new, as there were growing attention in the field of behavioral sciences indicating that there is a relationship between human resource practices and the organizational commitment. Previous studies mostly highlighted the association between human resource practices and organizational commitment in the industries such as oil and gas, information technology, manufacturing, telecommunication, hospitality and SMEs. However, it was found that there were gaps in education sector where only few of previous studies focusing on the higher learning institutions.

Thus, the major concern of this study is to identify whether human resource practices and organizational commitment are significantly linked in Malaysian higher education sector.

2.2 Theoretical Framework

The research framework derived from the literature review is as follows:

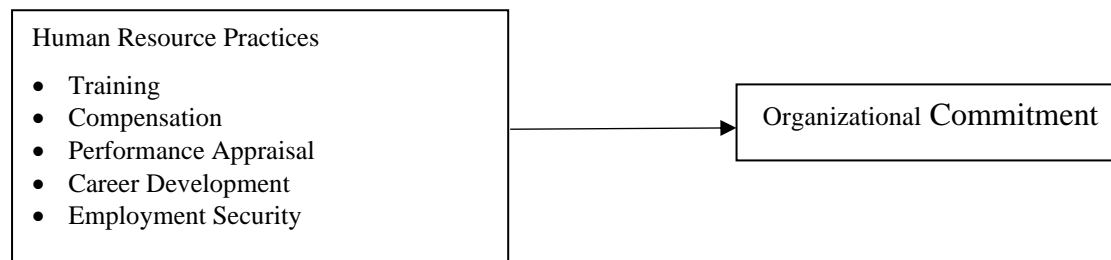


Figure 1: Theoretical Framework

This study employed human resource practices, namely training, compensation, performance appraisal, career development and employment security as independent variables, organizational commitment as dependent variable.

2.3 Hypotheses Statements

- H1: There is positive relationship between human resource practices and organizational commitment.
- H2: There is positive relationship between training practices and organizational commitment.
- H3: There is positive relationship between compensation practices and organizational commitment.
- H4: There is positive relationship between performance appraisal practices and organizational commitment.
- H5: There is positive relationship between career development and organizational commitment.
- H6: There is positive relationship between employment security and organizational commitment.

3. Method

The sample data for the study is the employees of one of the higher learning institutions in Kuala Lumpur. A sample of 300 were asked to participate in the study to collect the information regarding the concerned area, and only 160 respondents returned the questionnaires.

3.1 Measurement

The survey instrument contained three sections. Section A includes the questions regarding human resource practices where five items of training scale were adopted from Noe and Wilk (1993). Five items from Malhotra, Budhwar & Prowse (2007) have been used to measure compensation scale and five items from Dulebohn and Ferris (1999) have been used to measure performance appraisal. This study also adopted three items from Weng and Hu (2009) to measure career development scale and four items from Hellgren, Sverke and Issakson (1999) to measure employment status scale. Meanwhile, Section B includes nine questions of organizational commitment scale by Meyer and Allen (1991) and Section C focused on the respondent's profile such as gender, age, education level, monthly income, marital status, job grade and organizational tenure.

4. Results and Discussion

The data were analysed based on the analysis of descriptive, reliability, correlations and regression.

Table 1: Reliability Coefficients for The Variables

Variables	Number of items	Cronbach's alpha
Training	4	.810
Compensation	5	.885
Performance Appraisal	5	.830
Career Development	3	.730
Employment Security	3	.816
Organizational Commitment	9	.791

Table 1 showed the reliability for scales used in the study. According to Sekaran and Bougie (2009), the reliability coefficient for scale should fall in the range from 0.60 or higher in order to be reliable. In this study, the findings showed that compensation variable indicated the highest coefficient of reliability which is 0.885 based on the five items used in this scale. Meanwhile, training, performance appraisal, career development variable indicated the reliability coefficient of 0.810, 0.830, 0.730 and 0.816 respectively. Lastly, dependent variable, which is organizational commitment placed reliability coefficient of 0.791. Therefore, all six variables in this study were considered as excellent and high reliability because all the reliability is higher than the value of 0.60.

In this study, the correlations and directions of the studied variables were tested by computing the Pearson's correlation coefficients (r). It indicated the coefficient estimate of linear associations based on the sampling data.

Table 2: Pearson's Correlation Matrix for Studied Variables

		Correlations						
		Training	Compensation	Appraisal	Career	Security	HR Practices	OC
Training	Pearson	1						
	Correlation							
	Sig. (2-tailed)							
Compensation	N	160						
	Pearson	.690**	1					
	Correlation							
Appraisal	Sig. (2-tailed)	.000						
	N	160	160					
	Pearson	.569**	.621**	1				
Career	Correlation							
	Sig. (2-tailed)	.000	.000	.000				
	N	160	160	160				
Security	Pearson	.519**	.479**	.583**	1			
	Correlation							
	Sig. (2-tailed)	.000	.000	.000	.000			
HR Practices	N	160	160	160	160			
	Pearson	.454**	.373**	.570**	.485**	1		
	Correlation							
OC	Sig. (2-tailed)	.000	.000	.000	.000	.000		
	N	160	160	160	160	160		
	Pearson	.809**	.816**	.836**	.785**	.710**	1	
	Correlation							

OC	Sig. (2-tailed)	.000	.000	.000	.000	.000		
	N	160	160	160	160	160	160	
	Pearson							
	Correlation	.593**	.504**	.587**	.485**	.694**	.714**	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	
	N	160	160	160	160	160	160	160

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

As shown in Table 2, out of five correlations, all were significant. Correlation between training and organizational commitment was found to have significant positive relationship, $r = 0.593$ ($p < 0.01$). Meanwhile, compensation and performance appraisal also were found to have significant positive relationship, $r = 0.504$ ($p < 0.01$) and $r = 0.587$ ($p < 0.01$). Career development and employment security also were found to have significant positive relationship with organizational commitment, $r = 0.485$ ($p < 0.01$) and $r = 0.694$ ($p < 0.01$). HR practices placed the highest correlation with organizational commitment. As a conclusion of the correlation analysis, it was proved that all variables of HR practices were positively correlated with organizational commitment.

Table 3: The Relationship Between Training, Compensation, Performance Appraisal, Career Development, Employment Security, HR Practices and Organizational Commitment

Model	Standardized Coefficients (Beta)	Sig
1 (Constant)		.245
Training	.198	.089
Compensation	.071	.362
Performance Appraisal	.062	.582
Career Development	.044	.670
Employment Security	.423	.000
HR Practices	.236	.362
R ²	.771	
ΔR ²	.594	
Sig. F Change	.000	

Lastly the regression analysis was conducted. Table 3 showed the results of the regression analysis between all HR practices variables and organizational commitment. All variables are found to be statistically significant at 10 percent level. The R² showed that 77.1 percent of the independent variables explain the dependent variable of organizational commitment. Training was found to significantly linked to organizational commitment ($\beta = 0.198$). The relationship was positive, indicating that the better the training practices implemented on employees, the higher organizational commitment placed by them. Meanwhile, the relationship between compensation and organizational commitment was positive and it was significant. This showed that employees' organizational commitment will be high if they are satisfied with compensation offered by the company. The finding also indicated that there was significant positive relationship between performance appraisal and organizational commitment which is $\beta = 0.062$. This proved that good implementation of performance appraisal influenced employees' organizational commitment where employees will be more committed if they were evaluated fairly. Career development and employment security were also found to have significantly positive relationship with organizational commitment where $\beta = 0.044$ and $\beta = 0.423$. Overall, HR practices also found to have significant positive relationship with organizational commitment ($\beta = 0.236$). It indicated that employees will be greatly committed towards company if they were treated with good policy and practices. Hence, all hypotheses were supported.

5. Conclusion

The results showed that all variables of human resource practices linked to organizational commitment among employees, specifically in higher learning institution. The organization should be more creative in offering rewards to employees and also when it comes to policy implementation. This may enhance employees' commitment and thus improve employees' performance and increase employees' loyalty.

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