



# Determining the Relationship between Human Resource Management (HRM) Practices and Employee Behavior & Commitment

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## Abstract

This study illustrated the relationship between HRM practices and employee behavior & commitment in different private organizations in Bangladesh. By employing convenience sampling technique and structured questionnaire, 189 employees from different private organizations across Bangladesh were interviewed. Inter-correlation matrix among different study variables showed correlations between all the variables relating to HRM practices, employee behavior & commitment were statistically significant except the correlation between discretionary behavior and recruitment & selection. Finally, hierarchical regression model was applied to measure whether there is any significant relationship between the dimensions of HRM practices with the dimensions of employee commitment and behavior. Organizational support had positive and significant impact in determining affective and normative commitment. Also, organizational support, performance appraisal and fair & performance based compensation had significant and positive relationship with employee attitude & behavior.

**Keywords:** Human resource management practices; significant; behavior; commitment; organizations.

## 1.0 Introduction

Employee is the most important asset of any organization and critical factor for acquiring competitive advantage. In comparison to managing technology and capital, managing human resources are more challenging and requires an effective human resource management (HRM) system. HRM can be defined as an involving of all management in the decisions making which can give impacts towards the relationship between employees and organization (Aguinis, 2009). Human resource system is governed by strong HRM practices. HRM practices can be including performance appraisal, job analysis, recruitment, compensation, training and development, labor relation and selection (Desler, 2003). Besides that, Huselid (1995) were used eleven HRM practices in his study which are recruitment and selection, attitude assessment, promotion, training, job design compensation, performance appraisal, information sharing, employee participation and job definition. There is an indication that when appropriately managed, employees' attitude can enhance the efficiency of HR practices. HRM practices refer to organizational functions concluded at managing the pool of human resources and ensuring that the resources are employed towards the blessing of the organizational objectives. Therefore, effectively managing these resources is important to all organization (Juhdi, Pa'wan and Hansaram, 2013)

Literature suggests that HR practices are associated with organizational outcomes through their influence on employee attitudes and behaviors (e.g., Huselid, 1995;), Bowen and Ostroff





(2004), suggested that employees' perceptions of HR practices are likely to pave the way for employee attitudes and behavior. HR practices, in order, to be effective and results desired employee behavior and attitude must have to be perceived and interpreted subjectively by employees in ways that will engender such attitudinal and behavioral reactions. But if, as we know from psychological research, people perceive reality differently (Fiske & Taylor, 1991), then we can expect that not all employees will interpret HR systems similarly. This suggests that the effect of HR practices is not likely to be automatic and always as expected; instead, their effect will reside in the meanings that employees attach to those practices.

The objectives of this study is to understand HRM practices namely, recruitment and selection, training and development, fair and performance based compensation, performance appraisal, effective team, organizational support in different private organization have any significant relationship with employee commitment and behavior namely, employee attitude and behavior, discretionary behavior, affective and normative commitment.

## **2.0 Literature Review**

Human Resource Management has been conceptualized by many researchers. According to Aguinis (2009), HRM can be defined as an involving of all management in the decisions making which can give impacts towards the relationship between employees and organization. While the HRM practices have a relation with the management of human resources, because the activities necessary for staffing in the organization are very helpful in increase the high employee performance (Mahmood, 2004).

HRM practices can be including performance appraisal, job analysis, recruitment, compensation, training and development, labor relation and selection (Desler, 2007). Besides that, Huselid (1995) were used eleven HRM practices in his study which are recruitment and selection, attitude assessment, promotion, training, job design compensation, performance appraisal, information sharing, employee participation and job definition. Numerous studies suggested that HR practices are associated with organizational outcomes through their influence on employee attitudes and behaviors (e.g., Huselid, 1995;). However, this study is limited to findings from few HR practices namely, recruitment and selection, training and development, fair and performance based compensation, performance appraisal, effective team, organizational support and organizational employee commitment and behavior namely, employee attitude and behavior, discretionary behavior, affective and normative commitment. Many organizations long to develop committed workforce (Yew, 2007) Tiwari and Saxena (2012), revealed that an organization's behavior can be developed in such areas as staff commitment, competency, and facility by managing the human resources available in that organization.

According to Fong and Choi (2009) human resource management (HRM) practices can impact on employee commitment and motivation. Staffing (recruitment and selection), training and development, performance appraisal, compensation and reward, teamwork, and maintenance are such HRM practices than can affect employee behavior.





In order for organization to be successful must recruitment the suitable employees and need to attract the right kind of people to apply for post in the organization. Various recruitment methods both internal and external are used to attract right kind of people De Cenzo and Robbins, 1991). three external methods namely, advertising, online recruitment, and employment agencies are used by the organization and it is found to be successful in recruiting talented employees (Armstrong, 2006; Lim & Ling, 2012).

Training and development, another important HRM practices also impacts on employees' productivity and commitment (Vlachos, 2009). according to (De Cenzo and Robbins, 1991) HRM practices like Performance appraisals serve three important purposes: i) providing two-way feedback between employees and supervisors ii) developing employees and improving their performance iii) documenting employees' performance for legal reasons.

Reward systems usually serve several purposes which include attracting, retaining, and motivating employees. (Zhou, Zhang and Montoro-Sánchez, 2011) In addition, researchers such as (Yap, Bove and Beverland, 2009) found that reward systems have a positive impact on employee performance.

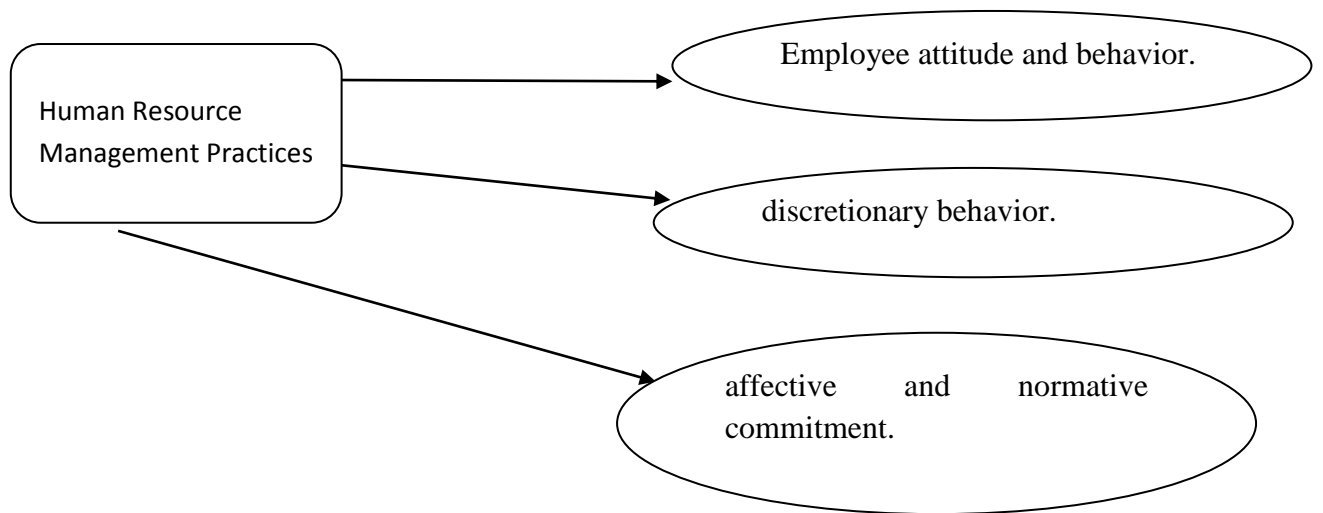
The idea of equity theory in compensation explains that pay structure greatly matters to employee performance as well as to employers' interest. Employers tend to measure up their payment levels with what their colleagues receive within an organization and also with what members of competing organizations are paid. The breach of equity in pay determination significantly affects the attitude and performance of workers (Heneman and Judge, 2000). Huselid M (1995) suggested to use an integrated and coherent 'bundle' of mutually reinforcing HR practices over separate ones.

### **3.0 Theoretical Framework**

In this research HRM practices have been constructed so that HRM practices can directly or indirectly invade other variables such as employee's attitude, behavior, commitment. On the basis of the literature reviewed, a normative framework has been developed that shows how HRM practices are associated with employee attitude and behavior, affective and normative commitment, discretionary behavior and three hypotheses are drawn out of the literature.

Studies showed that there is a linkage between HRM practices leading to enhance organizational performance through enhanced employee outcomes. This paper tries to focus on the impact of human resource management practices on employee selected outcomes within the organizations. Our research consists of total six variables and six are independent such staffing, training, and development, performance appraisals, compensation and rewards, motivation and maintenance they have influence or effect on three dependent variables of employee attitudes and behavior, affective and normative commitment and discretionary behavior. From the above discussion, it can be stated that





#### 4.0 Research hypotheses:

- H1: The dimensions of HRM practices (recruitment and selection, training and development, fair and performance based compensation, performance appraisal, effective team, organizational support) have significant relationship with employee attitude and behavior.
- H2: The dimensions of HRM practices (recruitment and selection, training and development, fair and performance based compensation, performance appraisal, effective team, organizational support) have significant relationship with discretionary behavior.
- H3: The dimensions of HRM practices (recruitment and selection, training and development, fair and performance based compensation, performance appraisal, effective team, organizational support) have significant relationship with affective and normative commitment.

#### 5.0 Research Methodology

A structured questionnaire containing questions regarding the HRM practices and employee outcomes was employed to collect the data. 200 questionnaires had been randomly dispatched via face to face and email for the participants. Among all those questionnaires, 189 were filled up and back for the purpose of this research. Non probability sampling technique named as convenience sampling was applied to select the sample as the sampling frame was not available. The first section of the questionnaire focused on the employees' demographic, personal, academic and professional information. The next part of the questionnaire contained questions regarding HRM practice which comprised of 36 items that included recruitment and selection (3 items), training and development (6 items), fair and performance based compensation (10 items), performance appraisal (6 items), effective team (4 items), organizational support (7 items). The last part included questions regarding employee commitment and behavior which was made up of 23 items that contained employee



attitude and behavior (6 items), discretionary behavior (7 items) and affective and normative commitment (10 items). A five point Likert scale was used for the questions regarding HRM practices and employee commitment and behavior ranging from 1=strongly agree to 5=strongly disagree.

All the statistical analyses have been performed in SPSS 16.0. At first, the demographic, academic, personal and professional features of the employees were shown in the table. Then, Cronbach's Alpha was used to measure the internal consistency of the variables. After that, inter-correlation matrix was used to measure the degree of relationship among the variables. Finally, hierarchical regression was utilized to know whether HRM practice has any significant relationship with employee commitment and behavior.

## 5.1 Statistical Analyses and Findings

### Descriptive Statistics

**Table 1: Demographic, academic, personal and professional characteristics of the employee**

Variables with categories	Number of respondents	Percent
<b>Gender</b>		
Male	138	73
Female	51	27
<b>Marital Status</b>		
Single	80	42.3
Married	109	57.7
<b>Level</b>		
Entry Level	71	37.6
Mid-Level	95	50.3
Top level	23	12.2
<b>Age</b>		
21-30	96	50.8
31-40	69	36.5
41-50	22	11.6
Above 50	2	1.1
<b>Education</b>		
School Certificate	7	3.7
Undergraduate Degree	23	12.2
Postgraduate Degree	109	57.7
Professional and other Qualifications	50	26.5
<b>Professional Experience</b>		
1-5 years	115	60.8
6-9 years	50	26.5
10 years and above	24	12.7



From table 1, it can be observed that, 73% employees were female and rest of them are male. About 57.7% were married and 42.4% are unmarried. The majority of the interviewed employees (50.3%) worked in mid-Level and 12.2% in top level. About 50.8% respondents aged between 21-30. It can also be seen that the maximum number of employees had postgraduate degree. About 60.8% employees had 1-5 years, 26.5% had 6-9 years and 12.7% had 10 years and above professional experience.

### 5.2 Reliability:

The reliability and internal consistency among variables were measured by using Cronbach's Alpha Coefficient (Cronbach, 1951)

**Table 2: values of Cronbach's Alpha**

Variables	No. of items	Cronbach's Alpha
Recruitment and Selection	3	.705
Training and Development	6	.722
Fair and performance based compensation	10	.768
Performance appraisal	6	.733
Effective team	4	.623
Organizational support	7	.760
Employee attitude and behavior	6	.676
Discretionary behavior	7	.542
Affective and Normative commitment	10	.762

The values of Cronbach's Alpha for most of the variables are greater than 0.70 but not less than 0.5. That means the internal consistency are acceptable as suggested by Pallant (Pallant, 2013).

**Table 3: Inter-correlation matrix**

	RS	TD	PC	PA	ET	OS	EA	DB	AN
RS	1								
TD	.671**	1							
PC	.518**	.608**	1						
PA	.597**	.651**	.612**	1					
ET	.365**	.560**	.578**	.543**	1				
OS	.439**	.556**	.604**	.593**	.522**	1			
EA	.600**	.524**	.332**	.624**	.403**	.600**	1		
DB	.123	.199**	.275**	.334**	.241**	.399**	.354**	1	
AN	.293**	.471**	.461**	.442**	.368**	.544**	.546**	.446**	1

\*\*Correlation is significant at 0.01 level

Note: RS denotes Recruitment and Selection, TD denotes Training and Development, PC denotes Fair and performance based compensation, PA denotes Performance appraisal, ET denotes Effective team, OS denotes





Organizational support, EA denotes Employee attitude and behavior, DB denotes Discretionary behavior, AN denotes Affective and Normative commitment.

Table 3 represents the inter-correlation among the study variables. It can be seen that at 1% level of significance the correlations out of 36 variables 35 variables concerning HRM practices, employee commitment and behavior were statistically significant ranging from  $r=0.199$  to  $0.671$ . In addition, correlation between Discretionary behavior and Recruitment & Selection was significant at 1% level of significance with a very low degree of relationship  $r=0.123$ . Correlations between discretionary behavior and all other study variables were quite low, ranging from  $r=0.123$  to  $0.399$ . Besides, Correlations between affective and normative commitment and recruitment and selection ( $r=0.293$ ), affective and normative commitment and effective team ( $r=0.368$ ), employee attitude and behavior and Fair and performance based compensation ( $r=0.332$ ), effective team and recruitment and selection ( $r=0.365$ ) were observed to be low.

**Table 4: Result of hierarchical regression**

Variables	Affective and Normative Commitment		Discretionary behavior		Employee attitude and behavior	
	Model 1 Std. $\beta$	Model 2 Std. $\beta$	Model 1 Std. $\beta$	Model 2 Std. $\beta$	Model 1 Std. $\beta$	Model 2 Std. $\beta$
Step 1: Control variables						
Recruitment and Selection	.063	-.104	-.075	-.108	.227	.086
Organizational support	.449	.325*	.69	.329*	.433	.424*
Effective Team	.128	.005	.387	.026	.129	.100
Step 2:						
Training and development		.166		-.171		.171
Performance Appraisal		.153		.252*		.355*
Fair and Performance Based Compensation		.121		.067		.348*
$R^2$	.310	.351	.158	.192	.420	.532
Adjusted $R^2$	.296	.234	.142	.160	.409	.513
F-value	21.193	12.89**	9.536	5.916**	35.763	27.501**
▲F-value	21.193	2.979**	9.536	2.090**	35.763	11.574**

Note: \*\* $p < .01$ , \* $p < .05$

For affective and normative commitment, the control variables recruitment and selection, organizational support and effective team had a value of  $R^2 = 0.310$ . After adding the variables named training and development, performance appraisal and fair & performance





based compensation, the  $R^2$  increased to 0.351 indicating that this three variables contributed an additional 4.1% to the variance in affective and normative commitment. Similarly, by adding these three variables increased the value of  $R^2=.158$  to .192 showing a 3.4% to the variance in discretionary behavior. Likewise, with the addition of these three variables showed a sharp rise in the value of  $R^2$  from .420 to .532 exhibiting that these variables contributed an additional 11.2% to the variance in employee attitude and behavior. The F-change of affective and normative commitment (2.979), discretionary behavior (2.090) and employee attitude and behavior (11.574) were significant at level 0.01 which means Model 2 explained a significant amount of variance in the variables. Out of the six dimensions of HRM practices, only organizational support seen to be positively and significantly related to affective and normative commitment. Organizational support and performance appraisal were found to be positively and significantly related to discretionary behavior. It can also be seen that organizational support, performance appraisal and fair & performance based compensation were positively and significantly related to employee attitude & behavior. Thus the results from hierarchical regression analysis gave partial support for the hypotheses H1, H2 and H3.

## 6.0 Discussion & Conclusion

From the research finding it can be seen that employees feel committed when employers or organizational support is given. Commitment is an internalized employee belief, often associated with soft HRM and a high-trust organizational culture (Mathews and Shepherd, 2002). It is concerned with feelings of attachment to the goals and values of the organization, one's role in relation to this, and attachment to the organization for its own sake rather than for its strictly instrumental value. This suggest that employers support to employees, employees feel strong belongingness towards the organization and a sense of responsibility towards the organization.

The study also reveals that organizational support and performance appraisal have an impact on employee discretionary behavior. Discretionary behavior refers to the employee behavior that is not directly or explicitly recognized by the formal reward system, and in the aggregate promotes the efficient and effective functioning of the organization (Organ, Podsakoff, & MacKenzie, 2006; Van Dyne, Cummings, & McLean Parks, 1995). Employee discretionary behaviors contribute to maintenance and enhancement of the social and psychological organizational context which supports task performance and organizational effectiveness (McBain, 2004). Thus, it can be said that if employers support and a fair performance appraisal are ensured within the organization employee will demonstrate discretionary behaviors that may go beyond their formally identified job descriptions to carry out the current expectations and comprehensive and complex tasks.

As earlier discuss, employees' attitude and behavior is altered to a positive direction if a fair compensation system can be implemented. The equity theory in pay determination supports the finding in this study. Nonetheless, if employer can ensure an environment where





organizational support and performance appraisal is well executed than employees' behavior can be controlled.

In addition, it can be seen that HRM practices must be analyzed in integrated and coherent 'bundle' of mutually reinforcing HR practices over separate ones. The study takes into account of this and it showed that in all outcomes namely, employee behavior, discretionary behavior and affective and normative HRM practices has significant impact.

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