

Influence of HR Practices on Employee Commitment in ITES Organisations in Chennai

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Abstract:

In today's competitive world, the biggest challenge which organizations face is to win the whole hearted commitment of its employees. Securing employee commitment is very important to achieve stability and improved organisational performance. Employee commitment influences the behaviour of employees resulting in motivation and supporting the cause of the organization. It is a known fact that an employee who is committed would remain aligned to the organisational goals of the organisations and would desire to be a part of the same in the years to come. The objectives of this study are to identify the HR Practices that affect employees' employee commitment in ITES organisation in Chennai., to investigate the relationship between HR Practices and employee commitment and to find out significant differences between demographic variables on employee commitment thereby leading to retention of employees. The study has shown positive influence of HR Practices on employee commitment.

Keywords: HR practices, employee commitment, work life integration, ITES.

1. INTRODUCTION

In today's business scenario knowledge-based employees are considered as a very vital resource for enabling an organisation in achieving its goals and objectives. With business processes becoming more and more complex and competitive there is a dire need to have human resources employed being a part of each and every organisation (Porter 2001). It is no doubt that the human asset is the most valuable and unique of all assets employed by an organisation. With the world becoming a global village it is now taken for granted that the commitment of employees is a must for an organisation to be successful in the long-run. With organisations facing a scarcity of committed and talented employees, clubbed with a never ending expectation on the part of such employees, management of human resources in an effective manner is becoming more and more difficult which in turn also could affect the commitment levels of such employees.

2. STATEMENT OF THE PROBLEM

In today's competitive world, the biggest challenge which organizations face is to win the whole hearted commitment of its employees. Securing employee commitment is very important to achieve stability and improved organisational performance. Employee commitment influences the behaviour of employees resulting in motivation and supporting the cause of the organization. It is a known fact that an employee who is committed would remain aligned to the organisational goals of the organisations and would desire to be a part of the same in the years to come. Thus employee commitment is recognized as a key construct in the employment relationship. It should also be noted that an employee commitment would lead to lesser rates of attrition

thereby giving stability to the organisations in achieving its goals with the efforts of the human resources it employs.

3. REVIEW OF LITERATURE

Paul & Anantharaman (2004) have shown how HR practices could have a positive impact on employee commitment. On the other hand, Shahnawaz and Juyal (2006) have conducted a study by comparing the effect of HR practices adopted by different types of industry and have conclude that the degree of employee commitment would depend to a great extent on the type of industry. Fiorito et al. (2007) study which relates to the influences of human resource practices and organizational characteristics on organizational commitment has shown that the mechanism adopted by organizations in resolving employee grievance together with level of employee involvement have a positively influence on employee commitment. The study conducted by Qiao et al. (2008) demonstrate the effect of HR practices on employee commitment Gellatly et al. (2009) study has explains how the perception of employee with respect to development, job stability and reward system affect employee commitment.

As early as the 1989 Karen Legge emphasized the need for human resource policies to be integrated with the overall business strategic plan in order to ensure appropriate if not at least endure a change in the inappropriate organizational culture so as to win the commitment of employees. He added that human resources are a valuable source of competitive advantage which may be tabbed most effectively by mutually consistent policies that promote commitment and which as a consequence foster a willingness in employees to act flexibly in the interest of the organisation

in its pursuit for excellence. With HR increasing recognizing the potential of human resources in providing competitive advantage, organisations have begun to consider employees as valuable 'assets or 'investments'. This though becomes very relevant in today's business environment which heavily depends on the skills and knowledge of the work force. Thus it should be noted that HR is today expected to move on from performing the usual monotonous administrative functions to being more reactive and proactive to challenges by aligning its functions with the overall business strategy.

4. OBJECTIVES OF THE STUDY

- To identify the HR Practices that affect employees' employee commitment in ITES organisation in Chennai.

- To investigate the relationship between HR Practices and employee commitment
- To find the significant differences between demographic variables on employee commitment

5. METHODOLOGY

The research design adopted for this study was descriptive research. The sample size is limited to 140 employees drawn from various ITES organisations operating in Chennai. The sampling technique used for the study was snow ball sampling method and the research tool was a structured, non-disguised questionnaire.

6. DATA ANALYSIS

The demographics of the sample chosen for the study is as given in Table 1 below.

Table 1 : Demographics of the Sample Included for the Study

Demographic constructs	Frequency	Percentage
Gender		
Male	80	57.1
Female	60	42.9
Age		
Below 25	29	21.0
25-30	88	62.9
31-35	13	9.3
Above 35	10	6.9
Marital Status		
Married	117	83.8
Unmarried	23	16.2
Educational Qualification		
Diploma	34	24.0
UG	98	70.0
PG	8	6.0
Monthly Salary		
Below Rs. 10,000	22	15.7
Rs. 10,000 - 20,000	75	53.6
Rs. 20,001 - 30,000	32	22.6
Above Rs. 30,000	11	8.0
Experience in Present Organisation		
Below 2	29	20.7
2-4	96	68.5
Above 4	15	10.7
Total Experience		
Below 5	29	20.7
5-8	68	48.6
8-10	32	22.9
Above 10	11	7.9
Designation		
Junior Level	80	57.2
Middle Level	23	16.4
Senior Level	37	26.4

The above table makes it evident that employees chosen for the study were more males than females because this is a more male dominated industry. Likewise the age groups is mostly below 30 years as this is considered to be an industry involving working even through nights which may not really

suit men and women who are married with children and other family commitments. However most of the employees covered by the study are married and have mostly completed their graduation. The monthly salary drawn by most of them ranges from Rs. 10,000 – Rs. 20,000 per month. Majority of

them have a work experience which ranges from 2 to 4 years in their present organisations, with total experience ranging from 5 to 8 years in the present industry. This perhaps could be due to lack of scope for migrating to other sectors which could require specialized knowledge. However another point

to be noted is that majority of them are instill employed only in the junior level and only 22.6% are in the middle management level and 8.1% alone are in the Senior management level.

Table 2 : Mean and SD of Constructs Influencing Employee Commitment

Constructs	Mean	SD
Job Description	23.49	4.99
Working Conditions	20.23	3.88
Interpersonal Relations	25.34	6.38
Compensation and other Benefits	20.20	5.47
Performance Appraisal	19.90	5.34
Career Management	22.53	5.30
Work Life Integration	25.75	5.83
Employee Commitment	37.22	8.75

To understand more deeply, the finer nuances of the impact of the various employee commitment constructs on talent retention, respondents were asked to give their level of agreement on the constructs influencing employee commitment. Work life integration is ranked the highest with

a mean score of 25.75, followed by interpersonal relations (means core 25.34), job description (mean score 23.49), career management (mean score 22.53), working conditions (mean score 20.23), compensation and other benefits (mean score 20.20) and performance appraisals (mean score 19.90).

Table 3 : t test for Significant Difference in Opinion based on Gender with respect to the constructs influencing employee commitment

Constructs	Gender		Significance
	t value	P value	
Job Description	3.246	<0.001**	Significant
Working Conditions	0.711	0.477	Not Significant
Interpersonal Relations	4.527	<0.001**	Significant
Compensation Benefits	2.200	0.028*	Significant
Performance Appraisal	0.923	0.357	Not Significant
Career Management	0.130	0.897	Not Significant
Work Life Integration	1.132	0.258	Not Significant
Employee Commitment	2.163	0.031*	Significant

There is a significant difference in the opinion irrespective of gender only with regard to constructs such as job description and interpersonal relations, compensation benefits and employee commitment. It is to be noted that

there is no significant difference in the opinion with respect to constructs such as performance appraisal and work life integration with respect to gender of the employees.

Table 4: t test for Significant Difference in Opinion based on Marital Status with respect to the constructs influencing employee commitment

Constructs	Marital Status		Significance
	t value	P value	
Job Description	1.918	0.056	Not Significant
Working Conditions	2.200	0.028*	Significant
Interpersonal Relations	3.102	0.002**	Significant
Compensation Benefits	3.174	.002**	Significant
Performance Appraisal	0.451	0.652	Not Significant
Career Management	2.165	0.031*	Significant
Work Life Integration	0.136	0.892	Not Significant
Employee Commitment	3.908	<0.001**	Significant

With respect to marital status there is a significant difference in the opinion with respect to constructs such as working conditions, interpersonal relations, compensation benefits, career management and employee commitment. It

is to be noted that there is no significant difference in the opinion with respect to constructs such as performance appraisal and work life integration with respect to marital status of the employees.

Table 5 :ANOVA for Significant Difference based on Age with respect to the constructs influencing employee commitment

Constructs	Age in years		Significance
	F value	P value	
Job Description	28.435	<0.001**	Significant
Working Conditions	26.135	<0.001**	Significant
Interpersonal Relations	14.121	<0.001**	Significant
Compensation Benefits	28.124	<0.001**	Significant
Performance Appraisal	10.026	<0.001**	Significant
Career Management	22.895	<0.001**	Significant
Work Life Integration	17.937	<0.001**	Significant
Employee Commitment	30.405	<0.001**	Significant

There is a significant difference in the opinion irrespective of age with respect to all the constructs influencing employee commitment.

Table 6 :ANOVA for Significant Difference based on Educational Qualification with respect to the constructs influencing employee commitment

Constructs	Educational Qualification		Significance
	F value	P value	
Job Description	1.946	0.144	Not Significant
Working Conditions	0.598	0.551	Not Significant
Interpersonal Relations	3.381	0.035	Significant
Compensation Benefits	8.661	<0.001**	Significant
Performance Appraisal	0.299	0.742	Not Significant
Career Management	1.859	0.157	Not Significant
Work Life Integration	1.199	0.303	Not Significant
Employee Commitment	1.125	0.325	Not Significant

With respect to educational qualification of employees it can be seen that there is a significant difference in the opinion with respect to constructs such as interpersonal relations and compensation. It is to be noted that there is no significant difference in the opinion based on educational

qualification with respect to constructs such as job description, working conditions performance appraisal, career management, work life integration and employee commitment.

Table 7 : ANOVA for Significant Difference based on Monthly Salary with respect to the constructs influencing employee commitment

Constructs	Monthly Salary (in Rs.)		Significance
	F value	P value	
Job Description	14.177	<0.001**	Significant
Working Conditions	17.952	<0.001**	Significant
Interpersonal Relations	10.555	<0.001**	Significant
Compensation Benefits	27.738	<0.001**	Significant
Performance Appraisal	10.732	<0.001**	Significant
Career Management	10.732	<0.001**	Significant
Work Life Integration	17.425	<0.001**	Significant
Employee Commitment	33.552	<0.001**	Significant

There is a significant difference in the opinion irrespective of the monthly salary of employees with respect to all the constructs influencing employee commitment.

Table 8 :ANOVA for Significant Difference based on Experience in Present Organisation with respect to the constructs influencing employee commitment

Constructs	Experience in Present Organisation		Significance
	F value	P value	
Job Description	40.739	<0.001**	Significant
Working Conditions	34.205	<0.001**	Significant
Interpersonal Relations	10.710	<0.001**	Significant
Compensation Benefits	41.865	<0.001**	Significant

Performance Appraisal	14.481	<0.001**	Significant
Career Management	23.212	<0.001**	Significant
Work Life Integration	23.363	<0.001**	Significant
Employee Commitment	34.688	<0.001**	Significant

With respect to experience in present organisation of employees it can be seen that there is a significant difference in the opinion irrespective of the experience in present organisation.

Table 9 :ANOVA for Significant Difference based on Total Experience with respect to the constructs influencing employee commitment

Constructs	Total experience		Significance
	F value	P value	
Job Description	24.993	<0.001**	Significant
Working Conditions	15.926	<0.001**	Significant
Interpersonal Relations	5.924	0<.001**	Significant
Compensation Benefits	30.289	<0.001**	Significant
Performance Appraisal	11.023	<0.001**	Significant
Career Management	18.660	<0.001**	Significant
Work Life Integration	17.997	<0.001**	Significant
Employee Commitment	29.048	<0.001**	Significant

With respect to total experience of employees it can be seen that there is a significant difference in the opinion irrespective of the total experience of employees.

Table 10 :ANOVA for Significant Difference based on Designation with respect to the constructs influencing employee commitment

Constructs	Designation		Significance
	F value	P value	
Job Description	2.063	0.128	Not Significant
Working Conditions	0.998	0.369	Not Significant
Interpersonal Relations	10.698	<0.001**	Significant
Compensation Benefits	0.190	0.827	Not Significant
Performance Appraisal	12.749	<0.001**	Significant
Career Management	2.452	0.087	Not Significant
Work Life Integration	14.164	<0.001**	Significant
Employee Commitment	29.048	<0.001**	Significant

With respect to designation it can be seen that there is a significant difference in the opinion of employees based on designation with respect to constructs such as interpersonal relations, performance appraisal, work life integration and employee commitment. However there is not significant

different in the opinion of employees based on designation with respect to job description, working conditions, compensation benefits and career management.

Table 11 :Correlation Coefficient between the various Construct of Employee Commitment

Constructs	1	2	3	4	5	6	7
Job Description	1.000	.609**	.613**	.582**	.541**	.556**	.628**
Working Conditions			.675**	.647**	.672**	.605**	.680**
Interpersonal Relations				.592**	.689**	.640**	.804**
Compensation Benefits					.689**	.610**	.723**
Performance Appraisal						.677**	.817**
Career Management							.736**
Work Life Integration							1.000

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

The correlation coefficient between job description and work life integration is seen to be highest with 62.8% positive relationship, followed by 61.3% between job description and interpersonal relations, and 60.9% between job description and working conditions. The table shows the least relationship between job description and performance appraisal with 54.1 % positive relationship.

The correlation coefficient between working conditions and work life integration is seen to be highest with 68.0% positive relationship, followed by 67.5% positive relationship between working conditions and interpersonal relations and 67.2% positive relationship between working conditions and performance appraisal. The table shows the least relationship between working conditions and career management.

The correlation coefficient between interpersonal relations and work life integration is seen to be highest with 80.4% positive relationship, followed by 68.5% positive relationship between interpersonal relations and performance appraisal. The table shows the least relationship between interpersonal relations and compensation benefits and career management.

The correlation coefficient between compensation benefits and work life integration is seen to be highest with 72.3% positive correlation and is the least in case of compensation benefits and career management with 61.0% correlation. The correlation coefficient between performance appraisal and work life integration is highest with 81.7% positive correlation and is the least in case of performance appraisal and career management with 67.7% correlation. The correlation coefficient between career management and work life integration is seen to be 73.6% positive correlation.

Table 12 :Correlation Coefficient between the various Construct of Employee Commitment

Constructs	Employee Commitment
Job Description	.561**
Working Conditions	.622**
Interpersonal Relations	.623**
Compensation and other Benefits	.614**
Performance Appraisal	.729**
Career Management	.627**
Work Life Integration	.700**

** Correlation is significant at the 0.01 level

The correlation coefficient between performance appraisal and employee commitment is seen to be the highest with 72.9% positive correlation, followed by work life integration and employee commitments with 70.0% positive correlation. The least correlation is seen to exist between job description and employee commitment with 56.1% positive correlation.

Findings of the Study

Migration of employees to other sectors seems less probable. Work life integration is ranked the highest with a mean score of 25.75, followed by interpersonal relations (mean score 25.34), job description (mean score 23.49), career management (mean score 22.53), working conditions (mean score 20.23), compensation and other benefits (mean score 20.20) and performance appraisals (mean score 19.90).

There is a significant difference in the opinion irrespective of gender only with regard to constructs such as job description and interpersonal relations, compensation benefits and employee commitment. With respect to marital status there is a significant difference in the opinion with respect to constructs such as working conditions, interpersonal relations, compensation benefits, career management and employee commitment.

There is a significant difference in the opinion irrespective of age, monthly salary, experience in present organisations and total experience of employees with respect

to all the constructs influencing employee commitment. With respect to educational qualification of employees it can be seen that there is a significant difference in the opinion with respect to constructs such as interpersonal relations and compensation. With respect to designation it can be seen that there is a significant difference in the opinion of employees based on designation with respect to constructs such as interpersonal relations, performance appraisal, work life integration and employee commitment.

Suggestions and Conclusion

This study has been conducted with the primary objective of analyzing the influence of HR practices on employee commitment in the ITES sector in Chennai. The study has shown a positive impact of HR practices on employee commitment. This study has however brought out one concern and that is performance appraisal. Perhaps management should focus more attention on working closely with their employees in working out a more systematic and realistic performance appraisal system.

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AUTHORS PROFILE



Prof. Dr. A. Shameem has more than 35 years of experience and have served in various capacities including Head of the Department, Dean and Placement Coordinator. Dr.A.Shameem has done B.Com, MBA, PG Diploma in Management Research, Ph.D. She is a Certified Resource Person by SEBI and has conducted many Programs on behalf of SEBI on Financial Planning for different stakeholder groups which has been highly appreciated. She has worked with leading B Schools in India. Currently employed as Professor in AMET Business School, Chennai.



Prof. Dr. J. Rengamani has got more than 24 years of teaching and research experience in the field of management studies. The author has published more than 75 research articles in Scopus indexed journals, UGC approved journals and other high impact factor journals. He has authored 5 books and guiding 7 PhD scholars. He has presented articles in many conferences and seminars. He has received 4 awards. He was nominated as the member of Board of Management of AMET University. Presently, he is working as the Professor of AMET Business School, Chennai.