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THE INFLUENCE OF HRD CLIMATE ON ORGANIZATIONAL COMMITMENT

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Abstract:

Now-a-days, business organizations are giving more importance to human resources as they are the sources of competitive advantage. To survive and excel in the competitive environment, human resources are of crucial importance. The effective performance of human resources to a greater extent depends upon HRD climate that prevails in the organization. Employees' expectations and demands are changing and the organisations have to respond to meet their expectations and provide elite experience to them by providing them good developmental environment. The main objective of the study is to determine the relationship between HRD climate and organizational commitment. The data was collected using a structured questionnaire based on Likert rating scale. The data was analyzed using statistical tools such as correlation and ANOVA. The results have shown that HRD climate has significant impact on organizational commitment.

KEYWORDS—

Developmental environment, HRD climate, Human Resources, Organizational commitment.

INTRODUCTION

In these days of cut-throat competition, organizations have realized that a firm can survive in stiff competition only through their valuable human resources. Human resources are significant strategic forces and sources of sustained competitive advantage. Competent employees are the greatest assets of any organization. Undoubtedly attracting the talented work force is a challenge but a greater challenge is their retention. In the recent times, employees' expectations and demands are changing and the organizations have to respond to meet their expectations and provide elite experience to them by providing them good developmental environment. This will help the individuals to exploit their potentials and achieve the goals of the organization, thereby ensuring optimization of human resources. HRD climate plays a pivotal role in the success of any organization because it directly or indirectly affects the performance of the employees. If HRD climate is favorable, employees' contribution will be the best towards the achievement of the organizational goals. Therefore, by providing a congenial climate, an organization can have sustainable development through committed work force.

CONCEPTUAL FRAMEWORK

A.HRD climate

The term HRD was initially introduced in the American Society for Training and Development

Conference in 1969 and it was confined only to individual training and development. Its scope gradually expanded during the 1970s and 1980s encompassing other subsystems like career development, OD etc. in addition to training and development. Later on different experts have expressed their views regarding the concept of HRD. Employees enable an organization to achieve its goals and the management and development of these resources is critical to an organization's success (Schuler, 1992). Desimone, et al., (2002) defined HRD as “a set of systematic and planned activities designed by an organization to provide its members with the opportunities to learn necessary skills to meet current and future job demands”.

B. Organizational commitment

Organizational commitment has been defined as “a psychological state that characterizes an employee's relationship with an organization and has implications for the decision to continue membership of the organization” (Meyer and Allen, 1991). Organizational commitment has 3 components – affective commitment, continuance commitment and normative commitment. Affective commitment refers to the identification of an employee with the organization, or strong emotional bonding and involvement in the organization. It represents employee's emotional attachment to organization and its goals and it results when there is synchronization between individual and organizational values and goals. The employees who have affective commitment would like to continue as members of the organization as they develop belongingness with the organization.

When the employees know the costs of leaving the organization they develop commitment because the costs of leaving organization outweigh the benefits. Such commitment is referred as Continuance commitment. When they leave the organization the employees may incur different costs such as losing a good pay, social network, other benefits, dislocation, etc. They would have made some investments which are non-transferable and this also may come in the way of leaving the organization. Another factor leading to a sense of continuance commitment may be the employees' perceived lack of better alternatives existing outside the organization.

Normative commitment reflects an obligation to continue with the organization and it has an ethical dimension associated with it. Employees feel that they ought to remain with an organization because they would have received many benefits from the organization and it is their moral responsibility to be with the organization. Commitment is a reciprocating concept in the sense that if the organization is committed to the employees, the employees will also be committed to their organization.

LITERATURE REVIEW

As the business environment becomes more tumultuous, “it becomes more pertinent to deliberately, consistently, strategically and innovatively develop, optimize and utilize their major value adding resource, i.e. human resource” (Benjamin, 2012). 'Human Resource Development' (HRD) signifies an effort aimed at "qualitative improvement of human beings in their specific role as assets of an organization". HRD essentially recognizes that 'people' are the important and valuable resources and that they need to be developed in terms of their knowledge, skill and attitude for achieving their personal as well as organizational goals (Salokhe, 2002). Harrison and Kessels (2004) defined HRD as an organizational process comprising “the skillful planning and facilitation of a variety of formal and informal learning and knowledge processes and experiences, primarily but not exclusively in the workplace, in order that organizational progress and individual potential can be enhanced through the competence, adaptability, collaboration and knowledge-creating activity of all who work for the organization.”

Solkhe and Chaudhary (2011) proved that there is significant relationship between Job Satisfaction and Human Resource Development Climate and any positive change in HRD Climate and its components will bring about positive changes in Job Satisfaction and in turn impact the Organizational Performance in a positive manner. An improvement in HRD Climate is essential for improving the level of job satisfaction of the managers, which in turn will bring positive changes in Organizational Performance of the company. The study conducted (Jain and et al., 1997) had shown encouraging results, that there exists a significant and positive relationship between HRD climate, organizational effectiveness and productivity. Rohmetra (1998) found out that there exists a positive relationship between developmental climate and the level of satisfaction of the employees. As per the study of Kumar and Patnaik (2002), HRD climate had a positive association with job satisfaction, attitude and role efficacy.

Saxena and Tiwari (2009) indicated that HRD climate plays a very important role in the success of any organization because directly or indirectly it affects the performance of the employees. If the HRD climate is good then the employees will contribute their maximum for the achievement of the organizational objectives. The results of the present study have shown that the HRD climate in the public

sector bank is average and there is lot of scope for improvement in the HRD climate. The results also shown that there is no difference in the perception of the employees on the basis of gender, qualification, designation but the perception of the employees differs on the basis of age. The management can improve the HRD climate by introducing the changes in HR policies and practices

Giauque and et al., (2010) stated that 'organizational support', 'procedural justice', as well as the perception of the organizational reputation seems to have strong relations to Affective organizational commitment. Employees are more likely to stay in their organization if they believe they are treated fairly, they are supported in their efforts, and they work for an organization benefiting of a good image and reputation.

Commitment is a necessary variable that drives individual action (Hakim and Viswesvaran, 2005). Employee commitment is aimed at developing organizational productivity and efficiency by implementing working conditions that promote employees' ability to identify with the organizational objectives. The practices generally associated with this second strategy include the evaluation of development, fair, competitive salaries and skills management together with continuing education (Whitener, 2001). Gvaramadze (2008) has observed that, in these increasingly flexible conditions, human resource development (HRD) managers try to retain workers by developing strategies that empower individual employees.

The role of HR for effective facilitation of organizational commitment by providing learning capabilities and by psychologically empowering managers becomes an imperative. It is an antecedent of citizenship behavior and intention to stay with or leave organizations (Podasakoff, 2000).

OBJECTIVES OF THE STUDY

To study employees' perception of Human resource development (HRD) climate of the organization.
To explore the relationship between HRD climate and organizational commitment.

HYPOTHESIS

There is no significant relationship between organizational commitment and HRD climate and Organizational commitment is independent of HRD climate.

METHODOLOGY

The employees working in an IT organization constitute universe for the present study. The sample size is 226 and is drawn using simple random sampling method. Primary data was collected from respondents through a structured questionnaire designed with 30 closed end questions using a Likert scale ranging from 1-5. The first part of the questionnaire consists of demographic details of the respondents. The second part of the questionnaire includes questions addressing both HRD climate and organizational commitment - 22 questions on HRD dimensions and 8 questions on organizational commitment. The inputs for questions on HRD dimensions are taken from the questionnaire on HRD climate developed by Rao and Abraham (1985). The questions on organizational commitment are based on the scale developed by Meyer and et al., 1993.

RESULTS

The satisfaction of the employees with overall HRD climate is studied. Seven HRD Dimensions - Performance management system, training, reward system, career development, counselling, quality of work life, communication are identified for the present study.

TABLE I
OVERALL HRD CLIMATE

Satisfaction level	Frequency	Percent
Low	11	4.87
Medium	28	12.39
High	187	82.74
Total	226	100

Table I clearly state that majority (82.74) of the respondents are highly satisfied with the developmental climate and only few are less satisfied. It implies that development climate is good and HRD practices adopted by the organization are appealing to the employees. In order to study the relationship between commitment and overall HRD climate, correlation is calculated.

TABLE II
CORRELATION BETWEEN OVERALL HRD CLIMATE AND OVERALL ORGANIZATIONAL COMMITMENT

		Overall HRD Score	Overall Org Commitment
Overall HRD Score	Pearson Correlation	1	.781**
	Sig. (2-tailed)		.000
	N	226	226
Overall Org Commitment	Pearson Correlation	.781**	1
	Sig. (2-tailed)	.000	
	N	226	226
** Correlation is significant at the 0.01 level (2-tailed).			

The correlation between HRD climate and organizational commitment is very positive with a score of 0.781 and is highly significant. This implies that, if the employees' perception of HRD climate is favourable, their organizational commitment will be high.

TABLE III
CORRELATION BETWEEN HRD DIMENSIONS AND ORGANIZATIONAL COMMITMENT

		Over all org commitment
Performance management system score	Pearson Correlation	.596**
	Sig. (2-tailed)	.000
	N	226
Reward system score	Pearson Correlation	.544**
	Sig. (2-tailed)	.000
	N	226
Training Score	Pearson Correlation	.725**
	Sig. (2-tailed)	.000
	N	226
Career development score	Pearson Correlation	.435**
	Sig. (2-tailed)	.000
	N	226
Counselling score	Pearson Correlation	.480**
	Sig. (2-tailed)	.000
	N	226
Quality of work life score	Pearson Correlation	.469**
	Sig. (2-tailed)	.000
	N	226
Communication score	Pearson Correlation	.410**
	Sig. (2-tailed)	.000
	N	226
Overall org commitment	Pearson Correlation	1
	Sig. (2-tailed)	
	N	226

There is a positive correlation between all HRD dimensions and Commitment. Individually all dimensions have positive relationship with commitment at 0.01 significance level. Of all the HRD Dimensions, Training has high positive correlation (0.725) with Commitment.

ANOVA is calculated to study the impact of changes in dependent variable i.e organizational commitment due to changes in independent variable i.e. HRD climate.

TABLE IV
RELATIONSHIP BETWEEN HRD CLIMATE AND ORGANIZATIONAL COMMITMENT

	Sum of Squares	Df	Mean Square	F	Sig
Between Groups	105.222	4	26.305	88.697	.000
Within Groups	65.544	221	.297		
Total	170.765	225			

ANOVA analysis explains that the changes in organizational commitment are explained by the changes in HRD climate. It is reflected by F value which is highly significant. Hence the null hypothesis that organizational commitment is independent of HRD climate is rejected. The empirical study also reveals that there exists strong relation between commitment and HRD dimensions.

CONCLUSION

It is well established today that it is not just financial and technological capital that provide companies with the competitive edge, but people, or human capital give the edge for the companies.

Without attracting and retaining the right people, in the right jobs, with the right skills, an organization cannot perform well. It is critical to sharpen the competencies of people to meet the challenges posed by the constant change in internal and external factors affecting the ability of an organization to successfully achieve its goals. The success of an organization requires competent and committed people. To improve the competence and organizational commitment of the employees, congenial HRD climate is imperative.

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