

## **HUMAN RESOURCE MANAGEMENT PRACTICES AND EMPLOYEE NORMATIVE COMMITMENT IN ORGANISATION**

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### **ABSTRACT**

*The study examined the relationship between HRM practices and employee normative commitment in organisation. The paper revealed that there is a relationship between HRM practices and normative commitment in money deposit banks, Rivers State, Nigeria. The study concluded that compensation constitutes significant determinant of employee normative commitment in organisation. The research recommended amongst others that management should build an organizational culture that accommodates employee-friendly practices such as high compensation, regular training/development and employee voice in order to ignite and sustain employee commitment.*

***Keywords: Human Resource Management Practices, Normative, Organisation***

### **INTRODUCTION**

Organizational commitment is a behavioural intention or reaction, determined by the individual's perception of the normative pressure. It is an individual's psychological bond to the organization, including a sense of job involvement, loyalty and belief in the values of the organization.

Mowday, et al. (1979) define commitment as: "the relative strength of an individual's identification with and involvement in a particular organization characterized by strong acceptance or a belief in an organization's goals and values; willingness to exert effort on behalf of the organization; and a strong desire to maintain membership of the organization." Compensation is one of the most complex and dynamic issues in the field of human resource management. For an organization to achieve its stated objectives, there is the need to effectively manage the human resources aspect of the organization, taken into cognizance one of the core aspect of resource management known as compensation. The ability of a manager to achieve its stated objectives to a large extent depends on the effective implementation.

Compensation plays a crucial and functional role because it is the heart beat of human resource management. It is also vital to both employees and the employer. This is because employees typically depend on wages and salaries, and must be equivalent to the work done. However, to managers, compensation decisions influence the cost of doing business and thus, their ability to sell at a competitive price in the product market (Barry et al, 1995)It is an obvious fact that effective implementation of favorable compensation will not only aid in stabilizing and retaining employees but also helps in reducing labour turnover within the organization.

Messner (2013) described NC as the work behavior of individuals, guided by a sense of duty, obligation, and loyalty toward the organization. Organizational members remain committed based on moral reasons (Iverson & Buttigieg, 1999; Singh & Gupta, 2015). The normative committed employee stays in an organization because it is perceived by him or

her as morally right to do so, regardless of how much status or satisfaction the organization provides over the years (Messner, 2013). NC is a form of commitment discussed by Allen and Meyer (1990) as part of their three dimensions of organizational commitment, along with affective and continuance components.

However, most of the past studies on employee commitment were not related to Nigerian business environment. Some of the findings of these studies may not be applicable to Nigeria. As such, it is pertinent to examine the role of employee commitment in achieving organizational performance in the context of Nigeria.

### **Concept of Human Resource Management Practices**

There have been many attempts to define what exactly human resource management practices might be and indeed, Henry and Noon (2018) recognize that it is a subject of considerable academic analysis and that, ultimately, there is no common agreement on what HRMP means. Clearly what the above statement points to is that HRMP means many things to many people, depending on whether you are a manager, an employee or an academic and there is no one definition that will adequately capture the potential complexity of the topic.

That said, for the purposes of this work HRMP is seen as being broadly about how organizations seek to manage their employees in the pursuit of organizational success. Reflecting this point this study utilizes the concise definition offered by Storey (2016). Thus, HRMP 'are distinctive approaches to employment management which seeks to achieve competitive advantage through the strategic development of a highly committed and capable workforce, using an integrated array of cultural, structural and personnel techniques'. The challenge of HRMP then would seem to be how to recruit, deploy, develop, reward and motivate staff, leading to them being a source of competitive advantage.

In the view of Armstrong (2009), human resource management practices (HRMP) are strategies of incorporating approaches to employment, development of those employees and working for well being of people in an organization. The five broader categories of Human resource management practices are people staffing, learning and development, compensation management, performance appraisal and employee relations. But for the purpose of this study, the dimensions of human resource practices are limited to recruitment/selection, training/development and promotion practices.

### **HR and the Professional Bodies**

It is important to recognize that the HR profession can play a key role in pressures for and against change in organizations. Institutional theorists, such as Di-Maggio (1988) argue that changes across and between institutions that occur through a process of 'isomorphism'. These include pressures to change through imitation (such as benchmarking), norming (to conform or remain legitimate) and professionalization (as with HR). DiMaggio and Powell (1983) provide two examples of professional isomorphism. One is the legitimization of a cognitive base produced by university specialists; the second is the growth and elaboration of professional networks that span organizations and across which new models diffuse rapidly. Universities and professional training institutions are therefore important centres for the development of organizational norms and of the professional manager cadre. The institutional mechanisms create a pool of almost interchangeable individuals, who occupy similar positions across a range of organizations. DiMaggio and Powell (1983) argue that it is these institutional drivers that lead organizations to become more and more

homogeneous beyond that which can be explained by competition. In the present context, professional bodies and organizations in HR (where they exist) clearly set out an ethical component of the role. In Wiley's (2000) analysis of ethical codes for HR professionals it is clear that there are standards by which the professional will be judged, preferred character traits to control how the profession is practiced by individuals and that professional codes are designed to support and encourage the professional to act in the wider public interest. The USA-based Society for Human Resource Management (SHRM) set out a code of ethics for its members that requires individuals 'to set the standard and be an example for others and to earn individual respect and increase our credibility with those we serve' (www.shrm.org). SHRM goes on to refer to 'serving all stakeholders in the most morally responsible manner and leading individual organizations to conduct business in a responsible manner, as well as exhibiting individual leadership as a role model for maintaining the highest standards of ethical conduct.' In the UK, the Chartered Institute for Personnel and Development (CIPD) has articulated ethical requirements for members within its professional codes since its early days. In the 1970s for example resignation by members who encountered ethical dilemmas was identified as a possible response (IPM, 1979). It also required members to exercise integrity, honesty, diligence, behave appropriately and act within the law. Yet in later years, as the Institute embraced the shift to more managerialist strategies, the visibility of wider concerns, particularly in the professional educational standards, diminished. CIPD's inclusion in its most recent (2009) standards of two new requirements for members is particularly interesting. The first is described as the 'courage to challenge', defined as when individuals 'show courage and confidence to speak up, challenge others even when confronted with resistance or unfamiliar circumstances'. For example, ensuring that employees who have concerns are supported and protected and that as individuals, HR professionals raise ethical and responsibility issues. The second is that of 'role model', defined as 'consistently leads by example; acts with integrity, impartiality and independence; applying sound personal judgment in all interactions (CIPD, 2009).

### **HRM Practices (Employee Compensation)**

In the age of global competition, it is very essential to identify and retain the efficient, competent and knowledgeable employees in organization by developing and maintaining an effective compensation program for getting the best job performance from the employee (Akter & Moazzam, 2016). Employees are the organization's key resource and the success or failure of organizations center on the ability of the employers to attract, retain, and reward appropriately talented and competent employees. Employees' willingness to stay on the job largely depends on compensation packages of the organization (Armstrong, 2003). In an attempt to ensure employees optimal performance and retention, organizations need to consider a variety of appropriate ways to reward the employees to get the desired results (Falola et al., 2014). It has been argued that the degree to which employees are satisfied with their job and their readiness to remain in an organization is a function of compensation packages and reward system of the Organization (Fadugba, 2012). Employees' compensation can be seen as all forms of financial returns and tangible benefits that employees receive as part of an employment relationship. It can be referred to as the totality of the financial and non-financial rewards an employee receives in return for his/her labor or services.. Compensation refers to the process of establishing the structure of wages level for the various positions designing incentive systems, setting individual wages and

incentives within the established structures. It is an integral part of human resources management that affects the performance of employees because it establishes the degree of relationship between employer and the employee. The manufacturing sector is one of the sectors responsible for the food and beverage industry. It is one of the sub-sectors of the manufacturing sector but responsible for the manufacturing of daily products, beverages, seasoning, convenience foods confectionaries and staple foods.

### **Normative Commitment**

Allen and Meyer noted that NC, while the less common of the dimensions, is an equally viable look at commitment. Distinctive from AC (emotionally motivated) and CC (profit motivated), NC (obligatorily motivated) has been found to share many antecedents and consequences as with its counterparts, particularly in its correlations with AC (Meyer et al., 2002). The strength of NC is determined by the rules an individual accepts and the reciprocal relationship between the organization and its employees (Abreu et al., 2013).

The concept of reciprocity is based upon social exchange theory, which suggests that a person receiving a benefit is under a strong normative obligation or rule to repay the benefit in some way (McDonald & Makin, 2000; Singh & Gupta, 2015). This implies that individuals remain committed to an organization from a perceived obligation to repay the organization for investing in them, for example, through training and development (Singh & Gupta, 2015). In a subsequent study, Bhat and Maheshwari (2005) further defined OC as an employee's willingness to do more than simply comply with a basic job description. Bhat and Maheshwari (2005) examined the commitment of health officials in Chhattisgarh, India. They aimed to determine the status of professional commitment, defined by the authors as "a person's loyalty to the profession and willingness to exert himself to uphold its values and goals. A professional such as a doctor may just as well provide health care out of his concern for the profession alone", and OC, along with the characteristics of HR management practices, in the health sector and to discover how these management practices link to OC. Using a mixture of quantitative and qualitative methodologies, a focus group discussion was conducted using six district health officials and four officers in the state directorate to participate in the exploratory study (Bhat & Maheshwari, 2005). Based on the group discussions and additional interviews with the participants, a questionnaire was prepared and distributed to 75 district and state officials, with the objective of assessing relevant issues facing management (Bhat & Maheshwari, 2005). Of the 75 distributed questionnaires, 70 were returned, representing an overall view of senior officials throughout the district (Bhat & Maheshwari, 2005).

The final of the three dimensions proposed by Meyer and Allen (1991) reflects an employee's sense of commitment due to a feeling of obligation. This is less a personal commitment, but rather a perceived societal expectation, in which one remains loyal to the employer who provides compensation for services rendered (Singh & Gupta, 2015).

Messner (2013) described NC as the work behavior of individuals, guided by a sense of duty, obligation, and loyalty toward the organization. Organizational members remain committed based on moral reasons (Iverson & Buttigieg, 1999; Singh & Gupta, 2015). The normative committed employee stays in an organization because it is perceived by him or her as morally right to do so, regardless of how much status or satisfaction the organization provides over the years (Messner, 2013). NC is a form of commitment discussed by Allen

and Meyer (1990) as part of their three dimensions of organizational commitment, along with affective and continuance components.

## **CONCLUSION**

Effective execution of compensation practices in organizations is the main foundation in order to create a unique edge, and it has positive relationship with the company. Compensation practices that considers their employees as investment and appreciate employee contributions indicates that the organization is supporting its employees and also showed commitment to its employees. Committed employees who are highly motivated to contribute their time and energy to the pursuit of organizational goals are increasingly acknowledged to be the primary asset available to an organization.

## **RECOMMENDATIONS**

- 1.** The organization's human resource management should improve the employee working environment by providing a safe and healthy working environment with modern office facilities and equipment.
- 2.** Various employee benefits such as medical, travelling, holiday, scholarship and pension benefits should be provided.
- 3.** To improve employee motivation level, organizations' human resource department should provide open communication, offer employee reward programs, offer recreation facilities as well as various gifts to enhance commitment level.

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