

Performance Appraisal and Training and Development of Human Resource Management Practices (HRM) on Organizational Commitment and Turnover Intention

Ms. Pooja Verma¹, Dr. Vinod Yadav²

¹Ph.D. Scholar, ²Research Supervisor

^{1, 2}Malwanchal University, Indore

Introduction

Human Resource Management's (HRM) notion stresses upon the aspect that human capital employed in any particular organization must be considered as the organization's asset instead of cost. Organizations, in general, employ a diverse set of human HRM policies and procedures specifically related to recruitment, training, development, appraisal and organizational commitment in order to synchronize the HRM policies with the core business objectives of the organization.

The changing nature of work – especially technological, organizational, and competitive developments – has meant organizations will always struggle to attract and retain an adequate supply of qualified employees from the labor market. According to Barney and Wright (1998), strategic human resource management (SHRM) as a concept became increasingly important because in knowledge-based economies in the 21st century, the emphasis is on employees being considered as a primary component for attaining a competitive advantage. Other researchers also established that SHRM resulted in human capital with greater commitment and lower turnover.

One of the most critical HRM practices is performance appraisal. This is because the appraisal of an employee would either shape a satisfied frame of behavior after being appreciated or a frame of dissatisfaction after not being appreciated. In addition to performance appraisal, training and development of employees also shape their engagement and commitment towards the organizational development.

It is widely agreed that the impact of human resource management (HRM) practices can create comparative advantage for the organizational performance when organizational commitment matters. On the contrary, turnover has become a trend and it is at rise in the current working environment. The main intention of this study is to demonstrate a relationship between HRM practices and organizational commitment and its impact on turnover intention. Data of 75 employees from several different industries were collected throughout CISS Software solution. The outcome reflects a correlation among Performance Appraisal and Training and Development (HRM practices) with organizational commitment which in turn contributed an inverse relationship with employee turnover intention. The greater commitment developed among employees will improve the organizational effectiveness through

maintained skilled and experienced employees thus reducing turnover intentions. Therefore, this study dedicates to the knowledge on the impact of HRM practices on organizational commitment and turnover intention. The data results can serve as a reference or guideline when conducting relevant studies in the future.

Results and Discussions

An objective of this research finding was to assess the interrelationships between HRM practices consists of performance appraisal, training and development, and organizational commitment and turnover intention within the Indore, Madhya Pradesh. The strength of the relationships between variables will determine whether the hypotheses are accepted or null therefore, rejected. Table 1 presents the results of the intercorrelations that have performed on the variables. Based on the analysis, positively and highly correlated obtained between performance appraisal with organizational commitment ($r = .706$, $p < 0.01$). Both training and development and organizational commitment are positively and highly correlated ($r = .705$, $p < 0.01$). Furthermore, it was observed that organizational commitment and turnover intention was negatively correlated ($r = -0.702$, $p < 0.01$) and it indicated a great deal of independence of the two subscales whereby it moderately inter-correlated. Therefore, discriminant validity of the subscales established.

Table 2 presents the results of the regression models. To test the hypotheses, two regressions are carried individually for the two models. These analyses indicates that performance appraisal is significantly correlated by organizational commitment ($\beta = .487$, $p < .001$). In addition, training and development is positively influenced by organizational commitment ($\beta = .430$, $p < .001$).

Table 3 gives the value for Multiple R which, in the case of just one dependent variable, which is 0.759. The other statistics listed are R Square (the standard deviation of the residuals). The effect size estimated by R^2 is 0.576 (57.6%) and therefore a significant effect. According to Cohen (1988), when the effect size is more than 0.35 is categorized as large. Furthermore the adjusted R square (0.564) is very close to R square (0.576). This indicates the idea of how the model generalises.

Conclusion

The above study suggests that the HRM practices not only enhances the productivity and performance of the employees (Kuvaas, 2006), but well-designed HRM practices may also gain commitment of the employees and may positively affect their attitudes and behavior. It is further supported empirically that there is a significant relationship effect between HRM practices and organizational commitment and turnover intention. The implications involve significant impact for organizations in attaining competitive advantage. Organizational commitment and employees' turnover intention may result detrimental repercussions on the organizations due to Performance Appraisal and Training and Development. In a nutshell, implementation of effective HRM Practices is imperative for both employee and organization which can lead to better productivity and performance. Future studies should be relatively focused on the effects of performance appraisal and training and development on the aspects such as job satisfaction, retention and other suitable variables. Studies should also be conducted to further test the empirical evidence and the intrinsic relationship between the HRM practices and organizational commitment highlighted in this study and how the evaluative performance appraisal gets affected by the development procedures devised by an organization. Researchers can include other relevant variables such as

organizational rewards, support from supervisor, work-family support, and favourable condition of job and career development in examining the organizational commitment of employee

Reference

1. Forojalla S. B., (1993) Educational Planning For Development. London: Mac Millan Press Limited
2. Armstrong, M. (2006) A Handbook of Human Resource Management Practice. (10th Ed.) . London: Kogan Page Limited
3. Becker, B. E., and Huselid, M. A. (1998) High performance work systems and firm performance: A synthesis of research and managerial implications. *Research in Personnel and Human Resource Management*, 16: 53-101
4. Lengnick-hall C. A., and Lengnick-hall M. L., (1988) Strategic human resources management: A review of the literature and a proposed typology. *Academy of Management Review*, 13(3), 454-. 470
5. Werber J., and DeMarie S. (2005) Aligning Strategic HRM and Person Environment Fit. *Human Resource Review*.15: 247 -267
6. Armstrong M. (2008) Strategic Human Resource Management. 4th Edition. London: Kogan Page Limited .
7. Abassi, S. M., & Hollman, K. W. (2000). Turnover: the real bottom line. *Public Personnel Management*, 2(3),333-342. <http://dx.doi.org/10.1177/009102600002900303>
8. Abdali, F. (2011). Impact of Employee Turnover on Sustainable Growth of Organization in Computer Graphics Sector of Karachi, Pakistan (Vol. 2, No. 2.4). Retrieved from <http://onlineresearchjournals.com/aajoss/art/74.pdf>
9. Abdullah, A., Bilau, A. A., Enegbuna. W. I., Ajagbe, A. M., & Ali, K. N. (2011). Evaluation of Job Satisfaction and Performance of Employees in Small and Medium Sized Construction Firms in Nigeria. 2nd International Conference on Construction and Project Management, IPEDR, 15, 225-229.