Extracting the Mediation Model of Perceived Organizational Support in the Relationship between HRM Practices and Organizational Commitment of Bankers in Khyber Pakhtunkhwa (Pakistan): A Review Paper

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Abstract

Human resource management is one of the necessary tools of today’s modern organizations. Businesses without a trained and skillful human resource (HR) are far left behind in competition and market share. The fundamental role of HR and human resource systems are to hunt, hire and train professionals for different business structures and sections. Without proper and professional team of human resource, organizations simply become machines and thus do not survive in the long run. This paper has been designed to review the existing literature available on HRM practices, organizational commitment, perceived organizational support and demographic attributes to extract the mediation model.

Key Words: HRM Practices, Organizational Commitment, Perceived Organizational Support, Demographic.

Introduction

Previously, personnel departments have just regulated the business, removed organizational staff and completed wage strategies and had control over the welfare designs of organizations (Dessler, 2001). With the rising significance of labor force, organization starts to confront the part of human resource management inside an organization and grow its business range to recruitment, settlement, training and development. Indeed, even today, the part of human resource management has been transforming from the assessment of learners to the creating of aggressive methodologies; they collaborate in the focused system of the organization and end up one of the imperative elements to enhance organization performance (Wang et al., 2006). According to Aldamoe, Yazam and Ahmid (2012) HRM plays a significant role and hold vital position in the organization. Good performance of the organization through its employees is one of the key qualities of HRM. The competitive prospect is continually being changed and has been requesting new models of intensity which in turn require organizational abilities that will empower the organizations to better serve their clients and recognize them from their challengers (Ulrich, Halbrook, Meder, Stuchlik & Thorpe, 1991).

HRM Practices (HRMP)

According to Tiwari and Saxena (2012), HRM practices may be described as all the activities which are performed in the organization directed at managing the pool of human resource and ensuring that all the resources are effectively utilized to achieve organizational goals. There are many HRM practices that organization effectively utilize. It starts from the bottom such as recruitment and selection, training and development and performance appraisal which may be consistent, unified and consciously engaged. According to Barney (1991), effective HRM practices are necessary for the organization in order to survive in the market. Therefore, organization must use human resource effectively to achieve their objectives within specific time to get maximum profit. For the present study, only five HRM practices (recruitment and selection, training and development, performance appraisal,
career planning, and compensation) were chosen. The reason for selecting these particular practices was based on their relevance to the Pakistani public/private banks and having a very specific link with organizational commitment.

**Recruitment and Selection**

The basic purpose of recruitment is to select qualified employees for the organization to meet the satisfaction level of human resource of the organization (Fong et al., 2011). According to Soliman and Spooner (2000), recruitment is necessary and holds a key position in any Human Resource Management and its failure leads towards organizational performance and negative effect on the organizational success and levels of employees’ skills. There are different types of recruitment procedures such as employees’ referrals, advertisement for jobs in newspapers, asking direct applications and walk in interview etc. (Rynes, 1991). To become a successful organization, they require to select best people for the organization through core recruitment activities (Darrag et al., 2010). One of the main objective of systematic recruitment procedure is to identify or select the right person with required competencies to perform the job effectively for accomplishing organizational goals (Pfeffer, 1994). The reason of poor performance of any organization is the poor recruitment procedure. On the other hand, systematic and transparent selection procedure identifies the better and fit person for the job in the organization (Fernandez, 1992).

**Training and Development**

The purpose of the training of the employees working in the organization is to enhance their skills and competences so that they perform their work effectively to achieve organizational objectives (Fong et al., 2011). Training is the main source of employee’s development to improve their skills in the organization (Nordhaug, 1989; Gritz, 1993). Every employee in the organization need training to perform effectively particularly the managerial positions (Baldwin & Padgett, 1994). Additionally, research confirmed that training can enhance the competencies of the employees and increase their commitment which improves the performance of the organization (Vlachos, 2009). Previous study done by Chughtai and Zafar (2006) found that training and development have imperative correlation with organizational commitment. This suggests that the more training programs provided by organization to their employees, the more it helps to enhance the employee commitment level.

**Performance Appraisal**

Performance Appraisal is one of the important components that evaluate the employees’ performance and organizational productivity in relationship to pre-determined objectives of the organization (Manasa & Reddy, 2009). According to Shahnawaz and Juyal (2006) performance appraisal helps to enhance the commitment level of employee. When employees are evaluated properly and fairly against their work they feel satisfied and it enhances their commitment level. Similarly, another study by Jehad and Farzana (2011) also showed that performance appraisal plays significant part in increasing employee commitment. It is concluded that when employees are not dealt fairly, it affects the commitment level of the employee toward the organization. Additionally, many studies favored that performance appraisal is positively correlated to the commitment of employees in the organization (Getnet et al., 2014).

**Career Planning**

Career planning refers to describing the career objectives and to find ways to achieve them. It is the process of arranging the work of the individual. It is a tool used to motivate employees to the work for the success of the organization (Wright & Snell, 1998). The Career planning focuses on motivating employees towards the accomplishment employees desired matched between employee objective and organizational objectives. In other words, career planning is process of developing HR in order to improve the organizational performance (Leibowitz et al., 1986). It is helpful to recognize the aptitude and experience of the employees and then allocating them a job accordingly. People want to start their jobs in those organization where they have enough
opportunities to follow their professional objectives (Gardner et al., 2011). Its act as a tool to motivate employees towards work and the accomplishment of organizational objectives. It is a cognitive process for allowing opportunities to employees in order to improve their skills and to achieve both professional and organization objectives (Snell, 1992).

**Compensation**

Compensation is a critical sub framework in HRM. No other issue is more significant and urgent to any worker than his or her monetary compensation. In developing countries of the world, money is viewed as an inspiration and a motivation to building devoted, faithful and committed workforce (Adeniji & Osibanjo, 2012). Many organizations reward their employees according to performance (Collins & Clark, 2003). In other words, Performance-based compensation has positive effect on the performance of the employees (Brown et al., 2003). A successful HRM technique is to incorporate performance and compensation system that increase worker's will to work adequately and effectively (Wright, 2003). Compensation can best be explained as including immediate and circuitous pay people get in an organization in addition to different parts of the lovely workplace that fill in as passage their sense of pride and regard e.g. arrangement of auto stopping offices, sound approaches, able supervision, open to working conditions, adaptable time, work sharing, cafeteria and so forth (Adeniji & Osibanjo, 2012). Furthermore, study conducted by Yaseen (2013) also showed that there is significant influence of compensation on job satisfaction and organizational commitment. When employee feels that they are receiving sufficient compensation, they stay longer in the organization.

**Organizational Commitment (OC)**

The term organizational commitment refers to the individual affiliation towards work and organization. It is the belief of readiness towards work in the interest of organization (Miller & Lee, 2001). According to Cohen (2003), commitment is employees’ feeling which energies individual towards the accomplishment of objectives. Arnold (2005) viewed organizational commitment level of employee participation and affiliation to the organization. Miller (2003) describes that individual dedicate his efforts to the work and to accomplishment of organizational objectives.

There are many studies that have been conducted regarding organizational commitment in different ways. According to Mathieu and Zajac (1990), organizational commitment comprised of two elements which included attitudinal and behavioral elements. The term affective commitment comprises of values and beliefs which are related to the organization whereas behavioral commitment comprises of individual affiliation to the organization no matter what the consequences. Additionally, there are three elements that comprise the organizational commitment which involve belief of individual, value acceptance and organization objectives. Though, in one of the most important study conducted by Allen and Meyer (1990), they identified that there are three (3) main components of organizational commitment which include: 1) Affective commitment 2) Continuance commitment 3) Normative commitment.

**Affective Commitment**

The term affective commitment may be defined as emotional attachment of an individual because individual desired to stay in the organization (Cho & Huang, 2012). Those employees who are committed to their organization have also played an effective contribution in the organization and active member of particular organization. Emotionally committed employees feel happier in the organization because they want to continue their services for the organization. They will mostly like to continue their work for the organization when they have the same outlook as the organizational goals (Choong, Wong & Lau, 2012).

**Continuance Commitment**

The term ‘continuance commitment’ may be defined that employees knows about the advantages and disadvantages of leaving the organization and resultantly desire to stay in the organization (Suma & Lesha, 2013). Though, if workers have experienced the cost of leaving an organization but are unaware, then no continuance commitment exist (Jaros, 2007). Continuance commitment is the result of the notion of benefit, connected by
means of remaining in and the notion of cost allied by leaving an organization. If an employee differentiates that the cost of leaving is much more than the benefits of continuation in the organization, then the individual will plan to stay rather than to resign. Continuance commitment is the substantial benefits gained from being with the organization (Akintayo, 2010).

Normative Commitment
Normative commitment is acknowledged when workers think that they have to work for organization on the basis of ethics and the thoughts of deserting the organization does not appeal to them (Saygan, 2011). Normative commitment refers to the sense of responsibility to stay in the organization. The workers in the organization work with the sense of responsibility. They focus on and stay with an organization because of feelings of commitment. For instance, the organization may have financed capital in readiness of a worker who at that point feels an obligation to advance and use vitality in the work and stretch out with the organization to reward the commitment. It shows the sign of an individual inward standard which creates in the start of a worker activity in an organization in the course of a group of other course of socialize activity that one might be honest to his organization (Saifuddin & Nawaz, 2012).

Perceived Organizational Support (POS)
Perceived organizational support has developed an interest among scholars in the fields of psychology and management (Rhodes & Eisenberger, 2002). POS is described that organization supports and cares the employees about their well-being (Eisenberger et al., 1986). It is also defined as the degree to which an organization gives values to employees’ effort and care of their welfare (Allen et al., 2008). The major aim of the POS is to provide supportive environment and constructive outlook in order to enhance the employees’ commitment to the organization. It is the system of reward, supervisory care and positive work environment and shows the strong relationship to the perceived organizational support (Rhoades & Eisenberger, 2002). Additionally, strong perceived organizational support leads towards the maximum success in the achievement of the objectives. In the view point of organizational support theory, with the high level of organizational support, employees show their effort to assist their organization to achieve its objectives because organizational support has great effect on the job satisfaction and organizational commitment (Eisenberger et al., 1986).

Demographic
Designation
Designation is a position hold by the employee in the organization. There are different designation in the organization which mean higher designation refer higher position with huge salary and facilities and particularly control over the human and non-human resources (Eliason, 2006). It is a fact as well that the folks on high positions demonstrate more obligations to their organization instead of those who are serving in low ranks. The organizations must communicate such strategies towards their low rank workers which may enhance them in many respects to improve their organizational commitment (Nawaz & Kundi, 2010).

Qualification
A worth or achievement that makes an individual fit for a specific job or task is called qualifications. The literature indicates that highly qualified people are considered more dedicated as compared to those who are low qualified (Akintayo, 2010). If a worker thinks that his profession matches his qualification, and skills then definitely he is satisfied. Therefore, organization may appoint employees according to their required qualification and skills so organizational objectives could easily be achieved (Bajpai & Srivastava, 2004).

Experience
It is generally understood that senior workers are more satisfied than the younger ones because of the reason that senior workers get developed as far as adjust with the work and workplaces (Sokoya, 2000). The evidence depicts that experience and age are valued for the promotion, benefits and rewards in the organization. In Pakistan,
promotion, benefits and rewards and upper wages are directly proportional to the seniority. This proportionality can be linked with the employee satisfaction by applying this behavior in the practical field (Tirmizi et al., 2008).

**Gender**

One of the most widely and frequent demographic variable used in social research is gender. Numerous studies examined the effects of gender on the organizational commitment, job contentment, efficiency, absenteeism and plan to quit the job (Balay & Ipek, 2010). As conventional organizations are man oriented, women serving in the organizations are considered to be less dedicated. Alternatively if female and male work together in the organizations, the level of performance and production are boosted. Similarly, the graph of organizational commitment also outshines. Some of the reasons behind it, are the sense of competition, high feedback due to higher attendance and better proficiency (Kargar, 2012).

**Marital Status**

The state of being married or unmarried refers to the marital status of both sexes. Married people are more faithful to their organization than bachelors. Married people have more family responsibilities and need more determination and security about their works. Hence, they are likely to be more faithful to their organization they are working in, as compared to their bachelor colleagues (Ahmed et al., 2010).

**Emergent Conceptual Framework**

In this study, conceptual framework is extracted from the existing literature regarding mediating variable and perceived organizational support in the relationship between independent variable, HRM practices and dependent variable organizational commitment. Five HRM practices have been studied in the current study namely recruitment and selection, training and development, performance appraisal, career planning and compensation. Designation, Qualification, Experience, Gender and Marital Status also act as demographic variable in the current study.

![Figure 1. Conceptual Framework of the present study](image-url)
Conclusion

The human resource management is a developed and advanced concept. It has great relevance to public service sector such as banks. The human asset is one of the major input in banking sector which plays a significant role in the performance of banks. The level of efficiency of this input leads towards the quality of service provided by the banks to its customers which is the ultimate goal of the banking sector. Banking is a public service industry to deliver its services across the country. The whole business in the banking sector is dependent upon it. Thus, maintaining long lasting services with the customers is a core element in banking sector. Nevertheless the level of technology, banking sector is highly labor intensive job, therefore it is obligatory for banks to give prime attention to human resource management for the survival in the market because technology only assists human in their work (Mangaleswaran & Srinivasan, 2015). The review reveals that good HRM practices is to attract talented people towards organization and to motivate them. Appropriate management of human resources plays an important role in the development of employee commitment through perceived organizational support which helps in achieving the organizational objectives.
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