With the increasing technological advancements and economic liberalization all around the world, competitive standards have gone high not only for manufacturing but also the service industry as business organizations are confronting with fierce competition. In this era of competition, healthcare industry, precisely the corporate hospitals in India have made remarkable progress in recent years. On the other hand, a large number of studies have repeatedly confirmed that the way human resource in an organization is managed, is crucial to the performance of that organization (Wright, McMahan and McWilliams, 1994; Lado and Wilson, 1994; and Mueller, 1996). When scholars have broadly established it as a fact that the human resource is one of the leading contributors in the performance of any organization (Becker and Huselid, 1998; and Pfeffer, 1994), the practices and policies of corporate hospitals for attracting and retaining right people for the right job are of paramount importance and the relationship of the HRM practices with performance, if any and how, require specific attention of practitioners belonging to the corporate hospitals. Thus, a recent sizeable HRM research work has been focused in the current study for comprehending the linkage between HRM practices and organizational performance, then what factors cause favorable or unfavorable influence of these practices on the performance in business organizations.

Today, the central research topic that has emerged in the field of personnel/human resource management, if any, is the extent to which HRM practices influence on organizational performance (Guest, 1997; and Becker and Gerhart, 1996). Scholars claim positive relationship between the two, but suggest further conceptual and empirical research on the topic (Cardon and Stevens, 2004; Brewster, 2004; Givord and Maurin, 2004; and Zhu, 2004), and thus has fascinated the attention of researchers. Considering that performance of an organization involves extra focused effort and planned decision making, then to leave it on arbitrary and coincidental events, the present study undertakes to answer the fundamental research question, how do HRM practices influence the performance of organizations.

This chapter is devoted to worldwide reviews of relevant erstwhile studies done by scholars in the area of human resource management focusing on best HRM practices affecting the nature of organizational performance. This study is one the first of its kind in India for investigating the relationship of the ‘best’ HRM practices with job
satisfaction, organizational commitment and shared organizational values, and thereby with ‘subjective’ performance of corporate hospitals in India. The review presented below is projected to assist as a representative instead of comprehensive view at the most pertinent findings.

2.1 The Human Resource Management – Concept

HRM is not only a system or a philosophy, but are the policies and practices that include staffing, training, developing, compensation, performance appraisal, safety, industrial relations etc. which influence performance of individuals as well as the organizations. Generally, HRM as a concept has been acknowledged for the past many decades, however, earlier the field was known as ‘personnel management’. No distinction between personnel management and HRM was found by a number of researcher, except the second one as a contemporary extended form of conventional ‘personnel management’ because of the technological advancements in the work environment of organizations and the changing social values (Dessler, 1991). Some scholars distinguished describing ‘personnel management’ as HR oriented while HRM as resource-centered (Torrington and Hall, 1998). One scholar argues that the idea of HRM is not to substitute ‘personnel management’ rather to focus on some strategic issues such as employee commitment, flexibility, quality and integration (Guest, 1987). One more point of interest in HRM practices is that these practices influence workplace members’ levels of organizational commitment, intention to leave and also job satisfaction (Huang, 2000).

As no general acceptance could be settled on the concept of human resource management, countless definitions have been presented at different times by the scholars. Firstly, Bakke (1966) defined ‘human resource management’, explaining it as the common activity related to integration of the potential of human resource for achieving the organizational objectives. As the theory of HRM popularized in the earlier of 1980s, growing academic as well as research interest was seen of the scholars in the area. Later, a complete understanding was presented through the Michigan ‘matching model’ as depicted in a study by Fombrun et al. (1984) and the Harvard framework established by Beer et al (1984), unveiling the need to think of HRM beyond just attracting, selecting, retaining or compensation of employees to wide-range of issues claiming additional widespread and tactical angle to the human
resources in an organization (Boxall 1992). These initial models of HRM were basically theoretical and not established on ample empirical research for their validity (Guest, 1989; Fombrum, Tichy and Devanna, 1984; and Beer, Spector, Lawrence, Miles, and Walton, 1984). Storey (1995) also mentioned it as a typical method which pursue the objective of achieving competitive advantage by making arrangement of a highly committed and skilled human resource, adopting a group of practices. HRM has been considered as linking all management initiatives that influence the association between workforce and the organization (Beer et al., 1984). Armstrong, (2009) viewed the human resource as most valued assets of an organization who independently and in group help in achievement of the organizational objectives, and explained the management of this resource in a strategic and lucid manner as HRM. The present study has been grounded on recent explanations of HRM and do not try to sort out the issue by finding the term's history. However, a little success has been achieved in illustrating the meaning of HRM, its boundaries, or in differentiating it from other relevant disciplines.

### 2.2 The Importance of Human Resource Management for Competitive Advantage

Research studies during the recent times have continuously proving the significance of HRM as a source of competitive advantage. In order to take competitive advantage locally and/or globally, the initiatives on HRM such as recruitment, selection, development, training, compensation, incentives, promotion, employee participation, work design, communication, involvement, employment security, performance appraisal, etc. often characterized as the HR practices, must be taken up and applied by practitioners taking support of senior executives in these organizations to realize the ensuing results such as commitment and satisfaction of employees and in that way attaining the superior performance outcomes, that is why organizations necessitate effective and efficient use of human resources and their competencies.

Further, Wright and Boswell (2002) viewed HRM practices as a group of activities aiming at managing the human resource in organizations with an objective to achieve performance. While certain arrangement of the HRM practices has the capability to affect organization performance favorably, the other combinations of practices may inadvertently distract from performance (Wagar and Rondeau, 2006). Therefore, if
someone understands HRM simply as a service, any manager can deliver by recruiting, selecting, appraising, training, developing, compensating the employees, then for them the favorable influence of HRM practices on organizational performance take center stage for further debate.

The practices and systems of HRM influence the attitudes and behaviors of the employees and thereby the individuals and overall performance of an organization is affected. The best performance outcomes of organizations are attained when well managed numerous HR practices backing organization’s business strategy, for instance, job designing, HR planning, recruiting, selection, training and development, performance appraisal, compensation, and employee relations etc. are jointly implemented. The organizations using effective HRM practices have more satisfied employees as well as customers, and have grated productivity, more innovativeness and build for themselves a more promising status in the public (Noe et al., 2010).

How efficiently and effectively an organization has attained its objectives, decides its level of performance (Hamon, 2003), and is reflected through the indicators like innovation and quality of organization’s product or service, attraction and retention of employees, customer satisfaction, employee relations (Delaney and Huselid, 1996). Workforce of an organization is always assumed not only a valuable asset but a source of competitive advantage (Legge, 1995). Delery (1998) found that the approaches used to manage human resources in an organization can have a considerable influence on numerous organizational outcomes. In times of challenges like economy recession, organizations depend comprehensively on trained workforce who respond fast to alterations in the environment and build tactics for success. As the human resource possess certain abilities that make it valuable to the success of organizations, the study of HRM is critical to hold an advantage over the competitors for a sustained period of time Noe et al. (2010). Based on the discussion, it can be established that one of the most significant assets in any organizations is its human resource that the organizations require to contribute to organization’s progress and success, and also to take competitive advantage (Danish and Usman, 2010).
2.3 The Human Resource Management Practices and Organizational Performance – Linkage

Earlier, the scholars prime focus was on the evaluation of the influence of HRM practices on organizational performance and effectiveness of these practices were the most researchable subjects (Levin and Yeung, 1996), but almost evaluation techniques were incapable in supplying objective data to exhibit the influence of HR function or its contribution to organizational effectiveness (Phillips, 1999). Although literature on the association of HRM practices with organizational performance remains scant, there are continuously increasing empirical evidences on linking these practices with various criteria of measuring organizational performance (Venkataratnam, 1997; and Huselid et al., 1997). As per the study of Kamoche and Mueller (1998), on applying HRM Practices for attaining superior performance results organizations may “retain personnel, build their expertise into the organizational routines through learning processes, and establish mechanisms for the distribution of benefits arising from the utilization of this expertise”. To categorize the HRM Practices that on applying could benefit organizations in attaining their performance related results, an exhaustive evaluation of illustrative extant literature carried out by researchers from diverse research arenas (global HRM, global business, strategy, innovation, etc.) on the relationship of HRM Practices with different performance outcomes is crucial.

The aim is to decide what HRM Practices in organizations could work to improve their performance outcomes, or else known as performance-oriented HRM Practices. Consequently, the present study explored the extant literature for examining relationship between HRM Practices (Selective Hiring, Socialization, Training, Career development, Performance Appraisal, Job Security, Compensation, Job Design, Job Flexibility, Teamwork, Information Sharing, Employee Participation) and subjective organizational performance (Productivity Efficiency, Product Quality and overall observed performance in comparison to industry average).

A bulk of literature has reported evidences to establish that HRM practices such as selective hiring, compensation, training, performance appraisal etc. have strong impact on performance outcomes of an organization (McGrath, 1996; Gerhart and Trevor, 1996; Bartel, 1994; Huselid, 1995; McDonald and Smith, 1995; and Delaney
and Huselid, 1996). As these practices have evidently more influence than the traditional ones on performance, based on the abundant literature available, strong emphasis has been given by the researchers to assume them ‘best’ practices performance (Delaney and Huselid, 1996). The greater use of these best HRM practices like training and skill development, incentive pay, participation and empowerment, promotion from within the organization, and employment security result in exceeded performance outcomes in organizations (Pfeffer, 1995; and Osterman, 1994).


In modern times, the focus of research on HRM has shifted from study and relationship of individual HRM Practices on business performance to entire HRM system and its influence on Organizational Performance. The researchers have different views about this new paradigm. Some researchers claim that the system view of HRM is appropriate, but others contend “that to arbitrarily combine multiple dimensions into one measure creates unnecessary reliability problems” (Becker and Huselid, 1998). In addition, wide-ranging investigation of distinct HRM Practices highlights the noteworthy predictor of performance (Bjorkman and Budhwar, 2007). In other words, this line of research has been named best Practices and has been based mainly on the resource-based view (Barney, 1991). This perspective defends
the presence of a series of HRM Practices, which, irrespective of contingency factors, is characterized by its positive association with Organizational Performance. Moreover, and in line with the suppositions of the human resource based view, the exclusive use of just one HRM practice is not sufficient and a series of practices must be applied. That, and the complementariness of those HRM Practices, will maximize the positive effect of HRM (Becker and Gerhart, 1996).

As stated, HRM Practices are expected to have a stronger effect on the degree of performance when they are applied as a system of mutually reinforcing practices. There is a growing body of literatures that support the correlation between high performance as a result of HRM practice and various measures of Organizational Performance. Ahmed and Schroeder (2003) investigated effects of selective hiring, employment security, decentralization and use of teams, incentive and compensation, extensive training, status differences, and information sharing on Organizational Performance (quality, cost, flexibility, delivery and commitment). The study confirmed the positive and significant relationship of HRM Practices with firms’ operational performance. Researchers (Chiu et al., 2002; Terpstra and Rozell, 1993) have established that HRM Practices of extensive recruitment and selection, training and development, and compensation systems have positive association with firms’ performance.

Recently, business researchers have identified the role of HRM Practices in the organizational learning as one subject of inquiry. For instance, Lane and Lubatkin (1998) look at the similarities and differences between the firms in their study on relative absorptive capacity and inter-organizational learning. Among other factors, the researchers consider compensation practices and find that a firm’s ability to learn from another firm depends on the relative similarities of compensation policies in these firms. Lyles and Salk (1996), and Lane et al. (2001) find training programs to be an important knowledge acquisition mechanism. They claim that properly organized, training programs are also important vehicles for establishing contacts between local and parent companies’ employees. In Minbaeva et al. (2003) an effort is made to integrate HRM-practices more closely with the HRM-performance literature. The results of the study indicate that investments in the development of employees through the extensive use of training, performance appraisal, performance-
based compensation and internal communication contribute to enhanced organizational performance.

Similar deliberations have been commenced in innovation research works. Laursen and Foss (2003) examine the relationship of new HRM Practices with innovation performance, arguing that HRM Practices are “most conducive to innovation performance when adopted, not in isolation, but as a system of mutually reinforcing practices”. Applying principal component analysis, they identified two HRM systems that influence innovation performance. The first consists of HRM Practices, which affect employees’ ability to innovate. They are interdisciplinary workgroups, quality circles, systems for the collection of employee proposals, planned job rotation, delegation of responsibility, integration of functions, and performance-related pay. The second system is dominated by internal and external training. The overall conclusion is that “while the adoption of individual HRM Practices may be expected to influence innovation performance positively, the adoption of a package of complementary HRM Practices could be expected to affect innovation performance much more strongly” (Laursen and Foss, 2003).

The results of a study by De Zhang (1988) show that there is no direct link between HRM strategy and corporate strategy, it is obvious though that from resource-based approach, unique HR capabilities, development of a core competence will create competitive advantage for firms, hence could contribute to profits and growth.” Dunphy and Stace (1992) appear to repeat De Zhang in relating business strategy with human performance and argue that people themselves and their skills are the key to added value, the management of people becomes the critical factor in achieving organizational excellence, and hence HRM should be included in setting up firms’ business strategy. HRM Practices of staffing, training and promotion, involvement of employees, incentives, and safety and health have positive relationship with firms’ performance (Katou and Budhwar, 2006). Sang (2005) concluded that workforce planning; staffing; compensation, and incentives; teamwork; training, and employee security had a positive and significant influence on non-financial and financial dimensions of organizational performance. The study validated the positive effects on operational dimensions of performance, namely, production flexibility, product cost, product quality, and product delivery. Wong et al. (1997) looked at management training and displayed the subtle impact of management training and development on
the organization, and performance of small and medium enterprises. Other study (Storey, 1995) demonstrated that a firm’s drive to improve performance and pursue ‘excellence’ leads to the greater emphasis on HRM. These studies have indicated that HRM Policies and Practices contribute to business success. Hence there is a linkage of HRM with organizational performance.

A number of studies have confirmed training as a positive influencer to organizational performance. Bartel (1994) for example, has demonstrated that investments in training programs made by low productivity companies resulted in productivity growth large enough to reach the labor productivity levels of comparable businesses. Russell, Terborg and Powers (1985) “have shown a strong positive relation between percentage of trained employees and performance. In their study of retail stores, the percentage of trained employees had a significant positive relation with two measures of store performance: volume per employee and store image. Pfeffer (1998) also considers training to be one of the characteristic dimensions of organizations that produce profits through people, not only because it is a way of developing skills but also because of the positive attitude it elicits in individual employees, of being part of the company, “playing in the game” (Pfeffer, 1998). It should therefore be expected that financial investment in training activities as well as amount of training received is positively associated with organizational performance.

According to Huselid (1995), the effectiveness of even highly skilled employees will be limited if they are not motivated to perform. HRM Practices may influence individual performance by providing incentives that elicit appropriate behaviors. Such incentive systems may include performance-based compensation and the use of internal promotion systems that focus on employee merit and help employees to overcome invisible barriers to their career growth (Huselid, 1995). Indeed, while from an expectancy theory point of view it is the existence of a clear linkage between individual effort and reward that matters, from an equity theory (and organizational justice) perspective the main question is whether employees perceive that they receive the rewards that they are entitled to, based on their contribution to the organization. Both perspectives would lead to expect a positive relationship between performance-based compensation systems and employee effort. Promoting employees from within the firm is likely to provide a strong motivation for employees to work harder in order
to be promoted (Pfeffer, 1994; Lepak and Snell, 1999). In addition, a philosophy of internal promotion indicates that a firm has decided to invest in its employees and is thus committed to them. In sum, staffing, training, promotion, compensation and appraisal are expected to enhance organizational performance through their effect on ability and motivation of employees.

Numerous empirical researches have established that positive links between incentive compensation and organizational performance, through productivity increases (Gupta and Shaw, 1998; and Gerhart and Milkovich, 1992), lower employment variability (Gerhart and Trevor, 1996) and the reinforcement of corporate strategy (Gomez-Mejia, 1992). It is this kind of research that suggests that there seems to be an increasing link being forged between pay and performance among both American and European organizations (Sparrow and Hiltrop, 1994).

Similarly, the use of more valid and accurate performance appraisal systems can also contribute to employee motivation, through feedback, the identification of training and development needs, and goal setting practices. Multi-source feedback, or 360° feedback, has gained increased popularity in the literature, precisely because of the value of the feedback employees may receive from sources not covered in more traditional performance appraisal systems” (London and Smither, 1995).

Considering that accurate feedback and contingent rewards are the essence of performance management, and that these must be closely aligned with corporate strategy, it has been shown that this combination has a significant impact on the organizational financial and productivity measures (McDonald and Smith, 1995). Pay for performance and accurate feedback (particularly of the 360° type) constitute a powerful tool for managing organizational performance.

Tsai (2006), in a study in Taiwan, found a positive relationship of employees’ empowerment and firms’ performance. In a study of HRM Practices in Chinese small and medium enterprises, participatory decision-making, performance-based pay, free market selection and performance appraisal, employees’ commitment emerged as the most essential outcome for improving performance (Zheng et al., 2006).

There is widespread evidence that investment in employees’ training enhances the human capital of the organization, which later results in a positive relationship
between employee training and organizational performance (Delaney and Huselid, 1996; Koch and McGrath, 1996). In addition, performance appraisal systems provide employees with feedbacks on their performance and competencies, and give directions for enhancing their competencies to meet the needs of the organization. In a study in Taiwanese high technology firms, Chang and Chen (2002) established that HRM Practices of workforce planning, training and development, benefits, teamwork, and performance appraisal significantly affected productivity. The study also found the negative relationship between human resource planning and employees’ turnover. Ngo et al., (1998), in a study in Hong Kong companies, found that HRM Practices of training and compensation increased firms’ performance. Tessema and Soeters (2006) investigated influence of HR Practices in Eritrea. The study found that efficient implementation of these practices enhanced the performance at individual and organization level. Huselid, Jackson, and Schuler (1997) quote that initiatives such as employee empowerment, team-based job designs, compensation systems, quality improvement practices, flexible workforces, and planned development of the HRM are needed to accomplish operational goals and take competitive advantage.

Further, Ichniowski et al. (1997) argue that jointly HRM practices put much greater impact on organizational performance than when practices are explored individually. In fact, MacDuffie (1995) claims that the suitable unit of examination for exploring the relationship between various HRM practices and performance does not include individual initiatives but the correlated and internally consistent practices in group as these practices jointly create such reinforcing conditions that support employee motivation.

Combined HRM practices in the extant literature that are generally established to be appropriate are: recruitment, training and incentive pay (Black et al., 2003; Galia, 2006; Gooderham et al., 2008; Huselid, 1995; Ichinowski et al., 1997; Katou, 2008; Stavrou and Brewster, 2005). Evaluation systems, both aimed at rewarding performance and or training monitoring (Galia, 2006; Gooderham et al., 2008; Huselid, 1995; MacDuffie, 1995; Stavrou and Brewster, 2005); team-working (Galia, 2006; MacDuffie, 1995); as well as management-workforce cooperation, shared values, communication and other features that should improve attitudes and behaviors of workers to the organization (Huselid, 1995; Katou, 2008; MacDuffie, 1995).
Actually, Ahmad and Schroeder (2003) reported a positive impact of HRM practices, namely, information sharing, extensive training, selective hiring, compensation and incentives, status differences, employment security, and decentralization and use of teams on organizational performance outcomes such as quality, cost reduction, flexibility, deliverability and commitment. In continuance of this claim, Sang (2005) also noticed a positive influence of HRM practices which include human resource planning, staffing, incentives, appraisal, training, team work, employee participation, status difference, and employment security on organization performance.

A significant body of preceding research has demonstrated favorable relationships of HRM practices with performance in organizations. These studies focus on the impact of several specific HRM practices, such as compensation (Gerhart and Trevor, 1996; Gomez-Mejia, 1992), training (Bartel, 1994) or performance management systems (McDonald and Smith, 1995). Other studies report the positive impact of HRM practices on organizational performance (Arthur, 1994; Becker and Huselid, 1998; Berg, 1999; Berg, Appelbaum, Bailey and Kalleberg, 1996; Delaney and Huselid, 1996; Delery and Doty, 1996; Fey, Bjorkman and Pavlovskaya, 2000; Huselid, 1995; Huselid and Becker, 1996; Ichniowski et al., 1997; Ichniowski and Shaw, 1999; Jayaram, Droge and Vickery, 1999; Khatri, 2000; MacDuffie, 1995; Paul and Anantharaman, 2003; Ramsay, Scholarios and Harley, 2000; Wood and de Menezes, 1998; and Youndt, Snell, Dean and Lepak, 1996).

Overall, the extant literature provides strong evidences around diverse HRM Practices and their influences on enhanced performance in organizations. Scholars found a positive relationship between effective recruitment and selection practices and performance (Harel and Tzafrir, 1996; Delaney and Huselid, 1996); training and development (Bartel, 1994; Fey et al., 2000); compensation and reward (Batt, 2002); performance appraisal (Boselie et al., 2005, Bjorkman and Xiucheng, 2002); employee relations (Kuo, 2004).

2.4 Approaches in Studying Human Resource Management Practices

In contrast to examining empirically the influence of individual HRM practice on organizational performance, the relationship between integrated HRM practices and the organizational performance has become the subject of prime attention for researchers. Jackson and Schuler (1987) investigated the influences of HRM systems
on financial performance of organizations using a behavioral approach. The study revealed that the HR systems are indispensible for the survival of organizations and to make them enough competent to attract, develop and retain workforce for improved organizational effectiveness.

While elucidating the importance of human resources to organizational performance, the bulk of literature in human resource management has approved the resource-oriented view of the organization (Barney, 1991, Delery, 1998) which assumes that an organization achieve competitive advantage from the human resources it owns. Nevertheless, the organization does not essentially achieve competitive advantage from the HRM policies as such but from the attracted and retained human resources (Delery, 1998). These speculative arguments focus on the prospective performance of a universal approach. On the other hand, despite the speculative arguments, there were also empirical confirmations justifying a favorable relationship between universal approach to HRM practices and organizational performance. The universal approach is the simplest form available in the literature that seeks for ‘best practices’. Researchers assume that some HRM practices are all the time superior than others and that these practices should be adopted by all organizations.

Huselid (1995) research work depicted the universal approach to HRM. The researcher posits certain ‘best’ practices contributing to improved financial performance irrespective of the tactical objectives of organizations. Another study on universal approach assumes that HRM practices improve the employee motivation and in so doing increase the productivity as well as better the efficiency (Ichniowski, Kochan, Levine, Olson and Strauss, 1996). Although many scholars agreed with these assumptions (Osterman, 1994; Pfeffer, 1994), varied studies have applied various perspectives of these practices. There have been very few studies providing a complete account as to which HRM practices should be included in a ‘best’ practice system for attainment of the organizational performance.

Bulk of growing empirical research has been explored to examine the influence of certain HRM practices on organizational performance so as to prepare an extensive list of best HRM practices that influence the organizational performance either individually or jointly, however, it is very tedious process to interpret the outcomes. With the aim of determining, if any influences of best HRM practices on
organizational performance, the present study considered a number of practices as best to examine and make assumptions concerning the linkage of these practices and organizational performance.

2.5 Elements of Human Resource Management Practices

Numerous studies by various scholars over the time have recognized HRM practices with various names. Scholars have differently suggested certain groups of HRM practices as ‘sophisticated’ (Hornsby and Kuratko, 1990; Golhar and Deshpande, 1997; Wagner, 1998; and Goss et al., 1994), ‘professional’ (Matlay, 1999; and Gnan and Songini, 2003), ‘best practices’ or as ‘high performance’ (Huselid, 1995). The most suitable term was suggested as the ‘best’ HRM practices (Pfeffer, 1998).

In HRM research, one of the enduring investigations is to find out if any single set of practices prevailing among the organizations and that represent a commonly better approach to HRM (Chandler and McEvoy, 2000). Conceptually, many researchers have recommended that certain HRM practices either independently or in group produce better organizational performance, for instance, Guest (1999) identified a group of list that included Communication, Job design, Selection, Training, and employee involvement and participation. Redman and Mathews (1998) write another list of main practices in which careful performance appraisal, training and learning, extensive remuneration system, recruitment and selection, flexible job design, employee involvement, and team working in services organizations were included with links to contingent reward system.

Saxena and Tiwari (2009) drew up list of HRM practices included that training and development, employer-employee relations, compensation and benefits, recognition through rewards, and career development as important HRM practices. Delery and Doty (1996) have confirmed HRM practices that relate with overall organizational performance and named as employment security, formal training systems, performance-based compensation, use of internal career ladders, results-oriented appraisal, employee voice and broadly defined jobs. In all practices, most important and the most preferable HRM practices were of Pfeffer (1998) named as employment security, sharing information, selective hiring, extensive training, self-managed teams, reduction in status differences, and high compensation contingent on performance.
Overall, the researcher developed twelve analytically HRM Practices from the extant literature, namely, Selective Hiring, Socialization, Training, Career development, Performance Appraisal, Job Security, Compensation, Job Design, Job Flexibility, Teamwork, Information Sharing, and Employee Participation. All practices have been used in the present study to assess the impact of these practices on Organizational Performance.

### 2.5.1 Selective Hiring

Predominantly, it put emphasis on attracting exceedingly capable candidates in bulk then picking the best capable applicants for attaining goals of the organization (Bratton and Gold, 2007). In simple words, this practice selects right persons having the necessary knowledge and skills, at the right place, to be conveniently adjusted in the working environment of the organization. In addition, identifying the right workforce would decline the cost incurred in employees’ learning and development. One of the study has established if there is person-job fit in the organization then sustainable results are most expected (Jyothi and Venkatesh, 2006). Selective hiring plays a pivotal role in determining the effectiveness and performance of an organization, if acquired able workers, already possessing appropriate knowledge, skills and abilities. Performance enhancement is not only an outcome of smooth working of system but also rest on effective recruitment and maintaining a motivated staff (Al-Ahmadi, 2009).

The process of selective hiring has turned into more significant activity as organizations gradually have started to acknowledge their manpower to attaining the competitive advantage. Ballantyne (2009) claimed that selection process in organizations is not merely to substitute the leaving employees or increase number in workforce rather to choose those employees who achieve the organizational goals with fully dedications.

A study conducted by Huseldid (1995) concluded that attracting and choosing the right kind of people in organizations enhance the individuals’ productivity, increase organizational consequences, and reduce employee rate of turnover. Selective hiring has a positive relationship with organizational performance (Delaney and Huselid, 1996). Michie and Quinn (2001) shows that there also exists a relation between selective hiring and organizational performance that make the internal links strong.
between the organization management and staff and enhance the productivity and performance of the organization.

2.5.2 Socialization

Socializing is very important to know their employee behavior and their attitude in the organization. (Van Maanen and Schein, 1979; Fisher, 1986; and Wanous and Reichers, 2000). Ostroff and Koslowski Bauer et al. (1992) advocated that the socialization process will lessen early nervousness and bring more empathy with the organization, thus enabling organizational adjustment. The extant literature ascertains wide-ranging socialization activities for fresh employees as part of the HR practices (Delery and Doty, 1996; and Arthur, 1994).

A very restricted and fragmentary empirical research is available on socialization process (Ostroff and Koslowski, 1992 Morrison, 1993;). In spite of this, findings of earlier researches show that the previous experience of employees help their behavior in appositive manner to work in future with the organization. (Buchanan, 1974 Pierce and Dunham, 1987; Meyer et al, 1998; Taormina, 1999; and Ashforth and Saks, 1996). Socialization gives a high degree of performance and shows a positively behaviour of employee as compared to other organization (Ashforth and Saks, 1996; and Allen and Meyer, 1990), also after information is applied as regard to the progression and timing of advancement in the organization (Jones, 1986; Ostroff and Koslowski, 1992). Furthermore, if socializing attempt in organization employee behavior more positively employee behavior is more favorable if socialization approaches are planned and highlight sympathy with the organization (Chatman, 1991). Many research studies conducted time to time have depicted that inadequate socialization processes are lead to role ambiguity and job stress, low level of performance, negativity in their work attitudes and boredom, and high employee turnover (Feldman, 1981; Ashforth and Saks, 1996; Nelson, 1987, Van Maanen and Schein, 1979; and Louis et al, 1983). Based on the above discussion, it can be affirmed, favorable attitude towards socialization practice may increase the commitment level and lower the rate of employee turnover.
2.5.3 Training

Training may be defined as change in working behavior due to the learning which arouse from the outcomes of education, information, development and planned experience (Armstrong, 2001). Training produce tangible results such as enhanced productivity, improved features of products and services, and optimum utilization of resources optimization and also generate intangible outcomes like improved self-esteem, increased level of morale, increased abilities and high level of satisfaction of workers because of receiving extra knowledge and skills. In simple words, training is any effort to increase present or upcoming worker by growing his or her competence to act by learning, commonly by changing the perspective as well as increasing the knowledge and skills of the employees. A study of Pool and Pool (2007), shows that effective training programmes positively affect identification of an individual and their participation in a particular organization. Therefore, training is always a significant construct to improve employee performance. Training has also reflected a substantial encouraging influence on task involvement, work satisfaction, and organizational Commitment (Karia and Asaari, 2006). On the contrary, because of insufficient job training there is a poor performance evaluation which ultimately results in dissatisfaction and disputes between employees.

A study conducted by Kundu (2001) emphasize on the view that many organizations make a heavy investment on the training programmes for the employees that helps in implementation of customer emphasized strategy. Due to changing scenario of business environment, learning organizations must have conducted the training programmes for the employees to improve organization ability that positively respond to the changing environment (Jarventaus, 2007). It is linked to organizational performance in numerous ways. Initially, programmes conducted for training rise the workers’ skill in an organization, which in order, enhance workers’ productivity and job satisfaction that fallouts in lower rate of workers turnover (Huselid, 1995). Then, training programmes minimizes the cost and risk associated with attracting and retaining the talents, which again upsurge the employee productivity.

2.5.4 Career development

In the stream of psychology training means the procedure of disseminating particular skills and knowledge whereas development provides golden opportunities for learning that help workers in their growing. Green Haus (1987), argue that it is necessary for
the organizations to proceed a participative approach to enhance the career related objectives of workers, build adequate plans, apply and evaluate those plans whether they are effective or not, for attaining the workers career objectives. Organizations may also help their workers in developing a career plan. Doyle, (1997), suggested that organization must encourage their employees to take more accountability for their self-development, which includes the skills of development that plays an important part in the organization. Another study made a comparison of fast growing and slow growing entities where the results shows that the knowledge, skill and abilities of the employees play a significant role in fast-growth entities rather than slow-growth entities to uphold their performance plans (Barringer et al., 2005). Therefore, it can be stated that the investigators established a positive relation among career development and organization performance (Kalleberg and Moody, 1994; Russel et al., 1985). Finally, in finding the relations among HR practices and firm performance, the suggestion that programmes conducted for the career development reveal a proper attention of a firm for the development of its employees, which in order, arouses commitment, and successively enhances employees’ productivity and accordingly favorable organizational performance outcome (Paul and Anantharaman, 2003).

2.5.5 Performance Appraisal

Performance appraisal is one of the oldest and extensively used systematic HRM practice for appraisal of employee performance and opportunities for further development within a specified duration of time by manager or top authorities who are enlightened with their act. More precisely, it is based on manifested attainment of works objectives generating in a specific work in a specific period of time. This process play very significant role in affecting workers’ attitude regarding their personal goals and organizational goals. So, Performance appraisal is very important for any organization because it helpful in providing very important information for taking any decision relating to affairs for instance promotion, training and development etc. performance appraisal is very useful not only relating to above issues but it also helpful in enhanced employee commitment and satisfaction from work. (Wiese and Buckley, 1998).

Moreover, increasing understanding is more significant to target on designing, plan and manage performance than simply assessing performance (Pareek and Rao, 2006).
According to Nayab (2011), today in competitive age and fast changing competitive environment, organizations are forced to change from reactive performance appraisal to proactive performance appraisal in order to increase their productivity and enhance the performance of the organization. Prasad (2005) concluded that performance appraisal is the procedure of planned performance criteria, appraised employee work, give comment for their work and informed workers or their group for better performance in future. Armstrong (2006) describes that performance appraisal as standardized procedure for enhancing performance in organizations by improving work of individual and their groups. Performance appraisal is vital parts in the field of Human Resource Management seemingly induced into visibility late 1980’s as outcome of the increasing importance of TQM.

2.5.6 Job Security

Job security is one of the HRM activity to development an environment of trust and reliability for employees so that they may have faith in their organization. It necessitates some amount of reciprocity: initially, a vibrant communication from organizations for workforce that their jobs are secured, get trust of employee that this is factual, sense self-assured and behave favorable to put extra energy for the organization’s advantage; lastly, an organization that provide the security in job have high performance level (Pfeffer, 1998).

A study conducted by Probst (2002) concluded that a theoretical prototype of the descents and results of securing employees’ job. Descents comprise quality of employee, quality of work, changes in working environment and work technology change. Whereas results include mantel strength, physically healthiness, organizational retirements, unionization activity, organizational responsibility and work load, participation in work, our whims, and procedural consideration security in job, perceptions and attitudes. One study expressed the relationship in between less security of job, job satisfaction and workers’ commitment towards organization. This Study concluded small but important relationships in between less security of job and minor job satisfaction and less security of job and worker’s commitment towards organization. Job satisfaction was also found to moderate the relationship between less security of job and workers’ commitment towards organization (Buitendach and Witte, 2005).
So, presently all business organizations in this competitive environment are away from securing jobs of their workers. Such as a study conducted by Givord and Maurin (2004) in which the scholars studied about an examination of unintentional job loss, and concluded, technical changes are helpful in retaining the workers for short periods of time, thus growing lack of security in job. The companies capable in providing job security to their employee that are able to produce batter and positive impact on work performance. Studies project that the effect of job security leads to batter operation in organization that depends on commitment of organization (Ahmad and Schroeder, 2003; and Pfessier, 1998). A study of Delery and Doty (1996) expressed some facts for favorable relationship between worker security and organizational performance level. Subsequently, another study proved that HR practices ultimately enhance productivity of organizations (Fey et al., 2000). The outcomes show that, there was a direct favorable relationship between job security and performance for non-managers is not only a single part, but job security was the vital part of HR results for non-managerial employees. outcomes also explained an undeviating favorable association between promotion of manager based on their work ability and performance.

A study conducted by Michie and Quinn (2001) projected job security as unfavorably interrelated with performance level of organization. Simply, outcomes exhibited more committed organizations have favorable relationship with high level of performance in organizations. The succeeding study by Kraimera et al. (2005) established that psychosomatic commitment and common cognizance theories to discover the role of permanent employees' assumed job security in clarifying their responses to the use of part-time workers. Outcomes demonstrated that workers getting security in job negatively relate with their attitude that for the time being pose a fear of job loss. At one time there is high security of job for the employees and a favorable association between positive perception and performance, however, less security of job for the employees, to establish a negative association between threat perception and performance.

2.5.7 Compensation

Compensation process are relied on philosophies and strategies of compensation that is confined to the policies and practices, guiding philosophies, arrangements and processes that are administered to yield appropriate type of pay, welfares and
supplementary kinds of payment. It contains every kind of financial revenues and associated facilities imparted to the workers (Milkovich and Newman, 1999). It establishes determining the planning and sustaining pay structure, work values, ability and expertise, paying for performance and yielding workers benefit. However, compensation management is not only associated with the financial benefits but also associated with the non-monetary benefits that yield motivation in employees intrinsically or extrinsically (Bob, 2011).

The efficient mechanism of compensation distribution acts a productive role in capturing the finest talents, furnish workers, consequences of employee’s behavior and performance, and more retention of employees. Compensation enhance the motivation level of employees and an organization who have a compensation arrangement wherein the workers who perform superior to the ordinary performing workers are paid more for the purpose of increasing performance of organization (Hewitt, 2009). The emergent identification and consent by which compensation boost productivity is matching with the early research of Peter Drucker (1956) which explains “happy workers are productive workers.” Bernardin and Russel (1993) suggested that “compensation and reward planning is an important construct of effective HRM policies.” Jyothi and Venkatesh (2006) explained that proficiency-based pay and benefits enhances the attributes of products and services, enhances workers’ behavior, and minimize accidents rates, in this manner providing high contribution towards the performance in the organization. Collins and Clark (2003) describe that the dominant HR practice for compensation used in organizations use to evaluate and reward employees’ efforts is performance-based compensation. Some other studies also exhibit that performance-based compensation is positively associated with workers and performance (Cardon and Stevens, 2004; and Brown et al. 2003). Numerous researchers found in their research study, a positive relationship exist among performance-based pay and organization performance, but the recent increasing research work proposes that not only the pay that influence, but the structure of pay also (Singh 2005; and Wimbush, 2005).

To be effective, Compensation plans and practices should be linked with organizational objectives to be efficient. While performance-oriented pay and rewards motivate manpower, sometimes workers assume the system as an administrative system to regulate employee behavior (Lawler and Rhode, 1976). In this type of
situation, the loyalty and commitment of workers is diminished and the expected performance of the organization is reduced even if the compensation system is good (Rodriguez and Ventura, 2003; Ahmad and Schroeder, 2003). The retention strategies of the organizations are much affected resulting in decreasing performance, particularly in service organizations (Baron and Hannan, 2002). Being a hard fact that the almost tacit knowledge is inherited by the workers, substantial attrition rate of employees shows a risk to organization performance, even its upcoming development probability.

2.5.8 Job Design


One study conducted by Mottaz (1988) depicted that fundamental task rewards that is significance and involvement, and autonomy, are the supreme noteworthy precursor of commitment, trailed by external social rewards, and lastly, the extrinsic organizational rewards. Mottaz (1985) suggested that inherent rewards are apprehensive to be extra noteworthy as compared to the extrinsic rewards.

2.5.9 Job Flexibility

Late 1980s, having more stress on organizational performance due to the increasing competition and enhancing new technologies in organizations establish to many flexible working approaches in job design. These approaches of 'responsible autonomy' and 'flexible specialization' became helpful in worker responsibility and their attitude within HRM (Piore and Sable, 1984). In these approaches writer suggested that organizations pursuance for workers to hold not only the suitable knowledge, abilities, and aptitude but also the behaviors that are supportive of job flexibility (Wickens, 1987; and Yeandle and Clark, 1989).
In other words, a more flexibility in functions (Womack et al, 1990; Wood, 1996; and Ichnowski et al, 1997) is enlarged (Ichnowski et al, 1997; Arthur, 1994; Walton, 1985; Wood, 1996; and MacDuffie, 1995) with the growth of manifold skills to permit the placement of workers amid many of the function to be performed and activities to be performed (Pfeffer, 1994).

2.5.10 Teamwork

Many of the studies reveal that employee workload is continuously increasing in almost organizations (Fernie and Metcalf, 1995; Cooper, 1998; McLean Parks and Kidder, 1994; and Guest et al, 1996) which support the statement that many of the employees believe in managing their work at their own (Moynagh and Worsley, 2001). Therefore, maximum employees essentially have to perform in groups, take collective decisions, then carry out shared activities with the purpose of accomplishment of the aims of their group and organization. For these reasons, the influence of larger projects on the work related attitudes of employees is a significant concern.

Teamwork, mainly the self-managed teams are those where the workforce relishes more rights and controls for their job and that may exceed commitment and creativity of the employees. Basically teamwork is a plan that has potential to increase the independent as well as collective performance of the organization (Ingram and Desombre, 1999), however requires to be cherished time to time. Self-managed teams influence the organizational performance in two ways, “Initially, an excess of junior managers in a firm may create and support dynamics of firm growth. The growth stage is perhaps the most dynamic stage of a firm’s life cycle. As the business expands, new levels of management are added. Decision-making becomes more decentralized, middle managers gain authority and self-managed teams proliferate as the firm adds more and more projects and customers” (Miller and Friesen, 1984; and Flamholtz and Randle, 2000). Then, “teamwork and decentralization of decision making promotes employee commitment participation and create a sense of attachment, thus indirectly affecting firm performance” (Tata and Prasad, 2004).

Numerous researches recognized self-managed teams as vital HRM practices (Wagner, 1994; Pfeffer, 1998; Singer and Duvall, 2000; and Yeatts and Hyten, 1998). Jayaram et al. (1999) established that self-managed teams have favorable
influence on the two magnitudes of the performance, flexibility and time. Collins and Clark (2003) noted that “top management team social networks (practices such as mentoring, incentives, etc.) mediated the relationship between HR practices and firm performance.” Halebian and Finkelstein (1993) also found the “effects of top management team size and chief executive officer (CEO) dominance on firm performance in different environments. Results showed that firms with large teams performed better and firms with dominant CEOs performed worse in a turbulent environment than in a stable one.” Batt (2004) noticed that “participation in self-managed teams is associated with significantly higher levels of employment security, and satisfaction for workers and the opposite for supervisors.” Black et al. (2004) investigated the influence of administrative change on employees and noticed the indication about self-managed teams that these are related to more employment cutbacks.

2.5.11 Information Sharing

Information sharing a big tool that helps organization in two ways: Initially, it conveys the all information to employee in right meaning which lead to trust on organization. Next, to take more informative decisions, personnel should have reach on all perilous information. Sharing performance data regularly all over the year support workers to develop and grow their ability to take decision. Employees apparently want to be good at their jobs, but if they were not able to obtain any performance view, have to assume that performance has satisfactorily which may be not (Chow et al., 1999). Additionally, which organization share all information to their employee and use transparency in their work leads to reduce employees’ attrition (Ahmad and Schroeder, 2003) as well as design collective functioning connection amongst workforces (Nonaka, 1994).

Being not a comprehensive HR practice as someone might have expected Information sharing to be, but a number of organizations are exposed to share perilous and secret information with staff because they argued that to share all information to employee leads lose control of them because employee become more powerful through knowing all information’s (Pfeffer, 1998). Even sharing more information to employee continually encompasses the menace of dripping significant information to rivals (Rondeau and Wagar, 2001). It has been claimed that “positive effect of information
sharing with productivity and profitability, and a negative one with labor cost” (Morishima, 1991). Constant et al. (1994) established that “decision about information sharing depend on the form of the information.” Burgess (2005) founded that through sharing information employees get motivated and transfer their knowledge beyond their work premise and it was observed that “employees who are getting greater organizational rewards for sharing spent more hours sharing knowledge beyond their immediate work group. So it is noticed that, a significant percentage of employees perceived knowledge as a means of achieving upward organizational mobility.” Thus, workers pursued information more frequently than to share. Roberts (1995) declared that sharing of information bring out more success. Nevertheless, Ichniowski and Shaw (1999) observed that participation among employees simply for information sharing may not provide higher enhancement in productivity. Lawler et al. (1995) noticed information sharing to interrelate with organization performance. Consequently, information sharing is favorably associated with organizational outcomes and exceed performance of the organizations in future.

2.5.12 Employee Participation

Employee participation in management is very helpful to fulfill the mission and to achieve their objectives by implementing self-ideas, knowledge and abilities for explaining solutions to the problems and taking decisions, what is acknowledged as involvement of employee. Many studies have proven that the organization that give chance to their employees to participate in decision making are reasonably stronger and more aggressive than those which do not take participation. Organizations will certainly not comprehend the complete intrinsic ability of workforce if employees are considered as robots. Long run effect of nonparticipation of employee is inefficiencies to stand in antagonism, except the management viewpoint deviates, they will vanish (Apostolou, 2000). Therefore a number of studies have depicted that employee participation in management leads to batter results, reduce cost through elimination of the wastage, reduce product cycle time and improve the decision making capability (Apostolou, 2000), upgraded attitude about job (Leana, Alhbrnad, and Murrel, 1992), job satisfaction, empowerment, commitment, motivation and creativity as well the intention to be in the organization (Light, 2002; and Apostolou, 2000), augmented productivity across businesses.
2.6 The ‘Black Box’ between Human Resource Management Practices and Organizational Performance

As human resource has been ratified as a potential resource capable of providing the organizations competitive advantage (Huselid et al., 1997), researchers gave attention towards the investigation of relationship between human resource management practices and organizational performance outcomes (Arthur, 1994; Youndt et al., 1995; Huselid, 1995). Interestingly, while examining the relationship it is not clear to some extent, how the performance outcomes improve due to the human resource management practices of an organization (Marchington and Grugulis, 2000). And, is generally mentioned as ‘black box’, an intervening association between ‘soft’, developmental humanist approach adopting ‘best-practice’ model of human resource management and the subsequent organizational performance outcomes, that so far has not been evidently proven (Hope-Hailey et al., 2005; Ferris et al., 2004; Ferris et al., 1999). The real mechanisms of the ‘black box’ are still to an extent enigmatic and indefinable (Boseli et al., 2005).

Further, it is not possible for organizations to attain maximum value from their workforces since the employees are not giving their fullest potential. However, through the influences of best HRM practices organizations can enhance the knowledge, skills, and abilities of the employees to maximum (Barney, 1991). On the other hand, organizations require support from the employees for the implementation of a competitive strategy whereas the employees are motivated employing best HRM practices to show favorable attitudes and behaviors towards implementation of business strategy (Hiltrop, 1996). With this understanding, the researcher further investigated the extant literature to explore the mysterious gap due to the intermediary relationship of work related attitudinal and behavioral responses of employees resulting from best HRM practices on organizational performance.

2.6.1 Work related Attitudes and Behavior

In management literature work related attitudes have been studied extensively and have drawn attention of academicians and researchers due to various grounds, including experimental analysis implying that there are significant organizational results arising out of these attitudes (Blau, 1989; McNeily and Goldsmith, 1991; and Somers and Birnbaum, 1998). Mathieu and Martineau (1997) suggested that varied
job situations are affected by different attitudes. Studies have acknowledged that both, the job satisfaction and organizational commitment, are linked to an individual’s motive of quitting from a job (Rahim and Magner, 1995; Morrison, 1997) and also affect the performance of an organization. Essentially, various studies on work related attitude confirms that positive attitude develops an inclination to connect or contribute sought-after inputs to one’s work role, instead of withholding them.

In addition, it has observed that a noteworthy interrelationship exists between employees’ organizational commitment, job satisfaction and outcomes of performance (Sahinidis and Bouris, 2008). Furthermore, when there is a higher level of correlation between job satisfaction and organizational commitment then higher level of employees’ satisfaction is observed and also higher commitment that results in favorable employee behavior and improved organizational performance. So the two specific terms ‘job satisfaction’ and ‘organizational commitment’ need further literature exploration.

2.6.2 Job Satisfaction

Generally, job satisfaction is acknowledged as a comprehensive construct which inculcates the feelings of employees towards a mixture of intrinsic and extrinsic job elements both. Job satisfaction is the perception of an employee towards the organization as well as the job to be performed by him or her. It incorporates particular features of satisfaction associated with to salary, perks, promotion, working environment, administration, organizational practices and association with co-employees (Misener, Haddock, Gleaton and Ajamieh, 1996).

Job satisfaction of employees is also correlated with received recognition, kind of task, job security, leadership style of managers, and demographic qualities for example gender, marital status, level of educational, age, tenure and number of children (Mosadeghrad and Yarmohammadian, 2006; Jackson, Furnham, Forde and Cotter, 2000; Wittig, Tilton-Weaver, Patry, and Mateer, 2003). The importance of job satisfaction is crucial in the service industry in the same way as in other business sectors. Likewise, the encouragement of inspecting job satisfaction among hospital employees in healthcare industry is alike to the curiosity of studies related to job satisfaction in industrial settings (McBride, 2002). The importance of studying research in the field of job satisfaction can be understood as it is interrelated to
improved performance at job, positive values at work, higher employee morale and a
decrease in the rate of malingering, turnover and occupational stress (Begley and
Czajka, 1993).

In the words of McCormick and Ilgen (1985), Job satisfaction is a correlation of
attitudes possessed by the members of an organization. The manner in which all
employees react to their job is an implication of the commitment to their job
providers. In the opinion of numerous employees, the strategies like downsizing;
rightsizing and reengineering support the job providers with an opportunity to discard
the employees who pose mere a liability to the organization.

Job satisfaction in service industry has been connected to numerous aspects in the
similar way as in other occupations, and practitioners further state that job satisfaction
of employees is also linked to attrition (Bobbitt, Leich, Whitener and Lynch, 1994;
Russ, Chiang, Rylance and Bongers, 2001); various factors responsible for job
satisfaction have been raised by the researchers. These include: demographic
variables including education, age and gender (Peterson and Custer, 1994; Castillo,
Conklin and Cano, 1999; Eichinger, 2000); variables related to HRM practices such
as pay, opportunities for progression, management, acknowledgment, customer
behavior, working conditions and sense of independence (Prelip, 2001). Darling-
Hammond (1995) maintains that inflexible, authoritatively managed organizations
were not able to succeed in implementation of alterations in their policies. On the
other hand, the organizations which have succeeded they used united or collaborative
strategies for solving the problem on the basis of an underlying sense of commitment.
Senge (1990) propounded that in the absence of commitment even a nominal change
in scenario becomes a problem. Subsequently, job satisfaction can be perceived as a
facet of commitment.

Generally, the employees feeling of contentment toward his or her job is termed as
job satisfaction. It happens when the demands of the employee are matched with the
qualities of the job and the employee feels happy about it (Akınçi, 2002). It is
perceived as an attitudinal variable that measures the level of liking of job and its
related aspects by an employee. The concept of job satisfaction is usually described as
a pleasant feeling that emerges from one’s place of work (Locke, 1976). A
relationship has been shown between job satisfaction and job performance, turnover
and life satisfaction (Tait et al., 1989). The most contentious work in job satisfaction
is perhaps its relationship with job performance. According to a study there is a strong relationship of job satisfaction and performance whereas other studies stated a feeble relationship among the two (Iaffaldano and Muchinsky, 1985). The disparity raised by the studies in conclusions leads to the study of assessment of job performance and satisfaction (Fisher, 1980). Regardless, this is a subject which will be debated continuously in the future and not determined here.

Though job satisfaction is associated with a lot of aspects in the organization, a number of research works have been conducted on its varying facets. The aspect being utilized in the assessment of job satisfaction were exhibited by Locke (1976). These aspects include: the job itself, salaries, promotion, working environment, benefits of the work, co-workers, personal values, employee-employer relationship. Additionally, some more variables which have an impact on job satisfaction can be recorded as a feeling of achievement, relations with the management as well as employees, job security, higher responsibility, acknowledgement, high pay, promotion opportunity, clarity of roles, involvement in decisions, autonomy, good coordinated work, be deficient in stability, transfer, performance, life satisfaction and trade unions (Bakan and Büyükbeşe, 2004). The apparent stress associated with work and workplace is too advocated as an aspect impacting job satisfaction (Norbeck, 1985).

2.7 HRM Practices and Job Satisfaction

The thought of job satisfaction is highly complex (McCormick and Ilgen, 1985). Locke (1976) demonstrated an outline of job proportions which have been recognized to add on considerably to job satisfaction of employees. The particular aspects signify qualities interrelated with job satisfaction. These aspects are job itself, salary, promotions, recognition, working environment, perks, supervision and co-workers. This is posited to affect viewpoint of employees on how fascinating they feel the job and its routine will be, how good they are performing and, on the whole, how much they enjoy doing it (McCormick and Ilgen, 1985).

Compensation and income are subjectively complicated and multifaceted variables in job satisfaction. As per Luthans (1998), salaries not just help individuals in achieving their essential requirements, but on the other hand are instrumental in fulfilling the needs of individuals at higher levels. Past research (Voydanoff, 1980) has
demonstrated that financial remuneration is a standout amongst the hugest factors in clarifying job satisfaction. Boone and Kuntz (1992) stated that the prime objective of any remuneration system ought to be providing employees fair and equitable compensation that leads to the better inputs by the employee to the organization. Various types of perks to be included in the remuneration system are suggested as medical aid schemes, pension schemes, bonuses, paid leave and travel allowances.

It was analyzed by Lambert, Hogan, Barton and Lubbock, (2001) that the monetary rewards pose a noteworthy influence on job satisfaction. These conclusions are mostly constant with the thought that most socialization of employees takes place in a culture where wealth, allowances and safety are usually looked as to gauge the status, importance or the value of an individual. Hence, higher the monetary compensation, lesser the anxiety among employees for their financial state, thus appreciating their feeling of their self-worth to the organization. A conflicting evidence to present the relationship between pay and job satisfaction is provided by Groot and Maassen van den Brink (1999; 2000). In one of their initial studies any evidence proving relationship between compensation and job satisfaction could not be discovered, however, the opposite was revealed their following research. On the other hand, Hamermesh (2001) analyzed that variations in remuneration (increases or decreases) have simultaneous impact on the level of job satisfaction of employees.

Many researchers advocated that job satisfaction of employees cannot be raised by providing them higher salaries but rather, by developing the trust of fairness (Aamodt, 1999; Landy, 1989; Robbins, 1998). As per Robbins, Odendaal and Roodt (2003), employees wish to have a pay system which is thought to be as just, explicit and matches the expectations of employees. When the compensation system is professed as unbiased, is corresponds to the demands of job, skill level of individual and pay standards prevailing community, it ultimately leads to result in satisfaction of employees. Gunter and Furnham (1996) stated that a better predictor of job satisfaction can be employee perceptions towards the fairness using which the organization compensates its employees than is the case with gender, age, or actual salary. In similar ways, Miceli, Jung, Near and Greenberger (1991) cited in Hendrix, Robbins, Miller and Summers, (1998), ascertained an underlying path that lead from equity of the compensation structure to enhanced job satisfaction. Sousa-Poza’s (2000) indicated in their study that the third largest factor impacting the job
satisfaction of male employees was the anticipated earnings, be it high income or not as considered by the respondents.

The prospects for career development are also expected to put forth an impact on an employee’s job satisfaction (Larwood, 1984; Moorhead and Griffen, 1992). Various opportunities are provided by career development for one’s personal development, increased responsibility and an increase in social stature (Robbins, 1998). Drafke and Kossen (2002) hypothesize that most of the people feel satisfied when the future prospects seem better and secured to them. This may transform into opportunities for development and prosperity in their present role and workplace, or develop the prospect for finding an alternative occupation or employment. The duo also observed that when people do not find adequate opportunities for career growth in their existing job and workplace, their satisfaction towards the job may fade. As per McCormick and Ilgen (1985), career development opportunities influence employees’ satisfaction through numerous aspects, together with the probability of employees’ promotion and also the ground and the equity for these promotions.

The standards of an individual for promotion are dependent on personal and career ambitions (Visser, 1990). Moreover, all the employees do not wish to be promoted. The reason for this is that the employees believe that after promotion they have to bear greater responsibilities and duties of a more complex nature, for which the individuals may presume that they are not prepared. If employees observe the career development policy as inequitable, they still may feel satisfied as they themselves do not want to get promoted. However, prospects for career development seem to possess a substantial affirmative connection with job satisfaction (Tolbert and Moen, 1998). Jayaratne and Chess (1984) cited in Staudt, (1997), in their study conducted on job satisfaction in child welfare, community mental health, and family services agencies analyzed that the prospects for career development were found to be the best predictor of the subject. Furthermore, Luthans (1992) stated that a variety of different forms may be involved in promotions and are in general escorted by diverse rewards. Therefore, opportunities for promotions carry diverse impacts on job satisfaction and it becomes significant to give importance to the cases of promotion policies which are expected to enhance employee satisfaction.

“The quality of the supervisor-subordinate relationship carries a significant, affirmative effect on the employee’s overall level of job satisfaction”, as stated by
numerous researches (Aamodt, 1999; Kinicki and Vecchio, 1994; Luthans, 1992; Moorhead and Griffen, 1992; Robbins, 1998). Studies seem to be ambiguous as most research demonstrate that the job satisfaction level of those individuals is expected to be higher who received support and co-operation from their superiors in completing their tasks (Ting, 1997). Billingsley and Cross (1992) as well as Cramer (1993) also published the similar results in their research. In general, these studies embrace that discontent with management supervision plays a crucial role in prediction of job dissatisfaction. The aforementioned analysis is validated by Staudt’s (1997) study based on social workers where it was analyzed that higher the happiness with the supervisor, more the satisfaction with job.

Regarding the importance of supervision practitioners (Knoll, 1987; Rettig, 2000) have recorded comprehensively. They indicated that the actions of supervisors promote motivation, inspiration and trust and hence assist in improving the individual’s performance. Research also highlights that managers play a vigorous role in taking care for the personal welfare and emotional support of employees. The managers who exhibited brilliant human relations skills heightened employees’ loyalty and improved individual satisfaction whereas a deficit in participatory management, lack of sensitivity to organization, problems associated with work and lack of support was constantly linked with occupational stress (Huselid, Jackson, and Schuler, 1997).

Morris (2004) assumes that the environment at workplace and strong leadership also affects the job satisfaction. Validating this, Nelson (1980) maintained that leadership styles of managers are interconnected to job satisfaction. He upholds that the relationship quality of employee-manager relationship results in enhanced job satisfaction and also increased participation of employee in decision making process contributes to job satisfaction (Mohrman, Cooke and Mohrman, 1978). Contrary to it, deficit of involvement in decision making is considered to be the greatest cause of employee dissatisfaction (Holdaway, 1978).

Abbey and Esposito (1985) advocated that lower level of stress was reported by the employees who received greater social support from their managers than their counterparts who did not receive any social support. A system of shared decision-making processes allows employees to participate in organizational processes in spite
of employees to feel subordinate to their managers and coerced into participating in organization and job responsibilities (Brown, 2003).

Working conditions is also a major factor which plays a significant role on the employee’s job satisfaction (Luthans, 1992; Moorhead and Griffen, 1992). As per Luthans (1998), people feel good to go and work in that workplace where they find a clean and friendly environment. On the contrary if it is not so they find it tough to complete the assigned job.

According to Vorster (1992) the working conditions can have a significant impact on job satisfaction only in extreme conditions i.e. either extremely good or extremely poor. In addition, employee complaints regarding conditions of workplace are commonly associated with indication of fundamental problems (Luthans, 1992; Visser, 1990; Vorster, 1992). Workload, changes in the system and indiscipline may be few of the reasons due to which employees leaves their profession. The attitude and the behavior of the employees for their job can be demonstrated through their working environment (Bishay, 1996).

According to the research, enhancement in employee motivation has a positive impact on employee and work, both (Bishay, 1996). Furthermore, different styles of working prevail in any organisation as per the past allocations of resources the organisation. In under privileged organizations working conditions are generally not favorable for effective working (Mwamwenda, 1995; Steyn and van Wyk, 1999).

One of the important antecedents of job satisfaction is the relations with co-workers and research provides empirical evidences for it. It is suggested by research (Mowday and Sutton, 1993), that job satisfaction is connected to opportunities available with employees for interaction with co-employees on the job. The level of job satisfaction of a person might be a function of characteristics of an individual and the group, both, to which the employee belongs. The employees’ attitude and behavior may also be impacted by social context of work significantly (Marks, 1994). Interaction with co-workers and supervisors both are crucial. Some studies have revealed that better relationships result in the greater level of job satisfaction (Wharton and Baron, 1991). In the words of Hodson (1997), these societal connections represent an imperative component of the “social climate” prevailing at the workplace and offer a structure in which employees can experience meaning and
individuality. Luthans (1998) assumes that work groups possessing the qualities of co-operation and understanding amid their members have a tendency to influence the degree of job satisfaction or dissatisfaction. When unity is apparent inside a work group it progresses towards increased efficacy within the group and the makes the job and workplace more enjoyable. Contrary to it, when it becomes difficult to work with colleagues, it leads to negative impact on job satisfaction.

Markiewicz, Devine and Kausilas, (2000) maintained that the quality of close friendships was correlated with both, career success and job satisfaction of employees. Riordan and Griffeth (1995) analyzed the outcomes influenced by friendship at workplace; the results of the study specify that friendship opportunities at work place resulted in increased job satisfaction, job involvement and organizational commitment with a noteworthy decrease in intention of leaving the organisation. Luthans (1992), opposes that satisfactory relations amid co-workers are not necessary to job satisfaction, however, in the presence of extremely strained relationships, there are more chances for job satisfaction to be suffered. All the same, the development in the literature of the subject indicates that the aspect of relations with co-worker is becoming more crucial, not just in the territory of productivity, but also in determining the experience of work (Hodson, 1997). Hillebrand (1989) advocated that the greatest requirements of educators remained around interpersonal needs. He states that healthy relationships with colleagues and school principals increase educational concerns and goal attainment. These conclusions support the argument that organizations ought to employ in the incorporation of employees with the purpose of creating group cohesion among employees and departments within the organization (Lambert et al., 2001).

The nature of the work executed by employees too plays an important role in deciding their job satisfaction level (Landy, 1989; Larwood, 1984; Luthans, 1992; Moorhead and Griffen, 1992). The employee satisfaction can be driven by assigning them interesting and challenging tasks as employees perceive these types of tasks provide them social status Luthans (1992). Landy (1989) contains if the work to be performed is of personal interest of employees then it is expected to have positive contribution in employees’ job satisfaction. Likewise, it is further suggested in research that variations in tasks may assist job satisfaction (Freeman, Rush and Lance, 1999). On the basis of the perception that skill set has strong impact on job satisfaction, it can be
concluded that greater the application of varied skills for job execution, higher is the level of satisfaction (Ting, 1997). Sharma and Bhaskar (1991) propose that the sole most important impacting factor of job satisfaction is his experience that the employee gains from the type of work assigned to him/her by the organization. They implied if the characteristics like variety of tasks, challenge, discretion and scope for using one’s own capabilities and skills are entailed in a job and while performing his duty employee feels his capabilities are being used is likely to experience job satisfaction. Khaleque and Choudhary (1984) in their study of Indian managers advocated two most prominent factors of job satisfaction: the nature of work for top managers and job security for managers at the bottom.

In the same way, Liden and Maslyn (1998) in their study maintained that employees’ job satisfaction enhances when they have sought-after job characteristics. Blau (1985) analyzed that increase in job responsibilities is connected to overall job satisfaction. Likewise, Culpin and Wright (2002) stated in their research of job satisfaction that broadening of job responsibilities was appreciated by managers. The job satisfaction of the managers was enhanced when they observed significant influence of their job on their workforces. Reskin and Padavic (1994) asserted that job satisfaction also got increased when the employees were given authority as per their interest. Aamodt (1999) theorizes that job satisfaction is prejudiced by opportunities for challenge and development and also by the opportunity to agree to responsibility. The tasks in which mental challenge are involved and the individuals have the capability to successfully accomplish them, makes the employees to feel satisfied with their job. In addition, employees value most those jobs which offer them the opportunities to use their skills and abilities and provide a diversity in tasks, freedom and feedback regarding performance (Larwood, 1984; Luthans, 1992; Robbins, 1998). Similarly, Robbins (1998) maintains that under conditions of reasonable challenges, most of the employees’ experience pleasure and satisfaction.

Analyzing the antecedents of job satisfaction remains at the forefront of empirical research. These benefits are a very important part of compensation package of an employee. The employees expect a considerable growth in these perks with the growth in their position in organizational hierarchy. If it does not happen so, the employee feels degraded and his degree of job satisfaction lowers down and ultimately employee loses his interest in the organization. The attributes of job
satisfaction such as fringe benefits should enhance it. The impact of fringe benefits on job satisfaction can be viewed in several ways. Firstly, these benefits support as an important component of employee compensation. The National Compensation Survey conducted by the Bureau of Labor Statistics estimated that these benefits made up 30 per cent of total compensation for all US civilian workers in 2006. Certain benefits like Social Security and Medicare, the elderly pensions and these benefits are generally not the subject of taxation and are, consequently, cheaper to get from an employer than from the market (Alpert, 1987). Therefore, cheaper benefits should increase employees job satisfaction. Also, the fringe benefits can act as valuable substitutes for pay. If the employees have strong preferences for fringe benefits, employers may decide to present these benefits thus creating happiness among employees by fulfilling their demands and as a result decreasing the prevalence of turnover (Dale-Olsen, 2006). In addition, Baughman, DiNardi and Holtz-Eakin (2003) analyzed survey data of employers and observed that they had to increase the benefits of employees after reducing their wages in order to attain satisfied and committed employees. Woodbury (1983) advocated that employees preview benefits and wages as substitutes, and they be ready to exchange wages for more benefits. If the worker’s marginal income tax rate decreases after giving up wages for fringe benefits, this substitution can increase job satisfaction. Carraher, Hart, Buckley and Sawyer (1992) found negative correlations of that of attitudes towards benefits and with attitudes towards absenteeism, intention to quit, and intention to search for a new job. However, no correlation with turnover was observed in this context. Lane (1993) who closely studied the service based organizations reported significant relationships between a measures of benefit satisfaction and organizational commitment, trust in management, turnover intention, and job stress. These results support organizational investments in benefits by showing a return on investment in form of higher commitment levels, higher trust in management, and lower turnover intentions (Himanshu, 2014).

Harris and Fink (1994) found benefits package was significantly related to turnover rate and suggested that, since benefits represent a reward associated with a job well done and a signal of the organization’s care and concern for employee’s wellbeing, which may trigger organizational support. (Himanshu, 2014) justifies that by offering employee benefits, organizations hope to increase organizational commitment and
thus reduce turnover and improve customer service. Further Boyd and West (1993) conducted a study with the intention of measuring the effect of fringe benefit offerings on the turnover of hourly housekeeping employees in hospitality industry and ascertained that properties offering benefits packages related to retirement and insurance reported lower turnover percentages. Other benefits offerings were statistically incapable of discriminating between hotels with high and low turnover.

It was also advocated that the exchange of wages and benefits can also lead to job dissatisfaction if the workers feel they must sacrifice wages and accept provision of a fringe benefit they do not necessarily desire. For example, the spouse of the worker might be receiving a particular fringe benefit and an additional provision for same benefit may not be required. Hence the employee may presume this benefit as a waste and this can lead to job dissatisfaction. Especially in the case when the wages are already at a lower level. Conversely employees may consider a particular fringe benefit essential also even if both the partners are getting similar benefit. Hence, the expected impact of fringe benefits on job satisfaction is unclear, it is not surprising that past research is inconclusive. When included in typical estimates, the impact of fringe benefits on job satisfaction is rarely significant. Higher levels of worker job satisfaction, potentially resulting from fringe benefit provisions, have been linked to important productivity measures such as lower quit rates and absenteeism.

The key of organizational accomplishment is effective communication. Various studies have demonstrated that effective communication is related to job satisfaction (Ehlers, 2003; Goris, Vaught and Pettit, 2000; Goldhaber, Porter, Yates and Lesniak, 1978; Marrett, Hage and Aiken, 1975). The goals established by the organization for its success are achieved through the stimulation and motivation of employees using organizational communication (Clampitt and Downs, 1993). Satisfaction of employee regarding organizational communication is important due to its crucial role to be played in organizational effectiveness. In contrast, if organizational communication is insufficient it results in decreased organizational commitment, more absenteeism, greater employee turnover and more less productivity.

Muchinsky (1977) analyzed that certain aspects of organizational communication were affirmatively linked to job satisfaction among 695 employees of a large public utility. Results of the research demonstrated that satisfaction with management
supervision and promotion potential were highly associated with job satisfaction. Furthermore, the study suggested that a considerable affirmative linkage exists among communication and job satisfaction. Using a modified version of the Communication Satisfaction Questionnaire (CSQ) developed by Downs and Hazen (1977), Pincus (1986) investigated the relationship between communication and job satisfaction in a study of 327 nurses. The findings of the study demonstrated a strong positive correlation amid communication and job satisfaction. Results also indicated that by maintaining a culture that supports two-way communication with employees having a measure of control promotes happiness and job satisfaction.

The employers expect from the frontline employees to be smiling and positive in the face of any situation. This is also applicable in hospitality industry. In order to achieve sincerely happy, cheerful, and positive employees it is require that owners, managers and supervisors communicate effectively with the employees and develop an environment full of positivity, (Kelleher and Miller, 2006), because it will lead to the enhancement of job satisfaction of employees and ultimately, these are only the satisfied employees who take the organisation to its bottom line – organizational success (Miller, 2006).

2.8 Organizational Commitment

From the beginning, organizational commitment has been an area of research interest to organizational practitioners (Meyer, Allen and Smith, 1993; Meyer and Allen, 1991, 1984; Mowday, Porter and Steers, 1982). The organizations’ attempt to achieve and uphold competitive advantage through teams of committed employees is one of the major reason of popularity of the subject. A number of practitioners analyzed that the success of organization is driven, partly, with higher level of organizational commitment (Brooks, 2002; McElroy, 2001). The subject has attracted substantial consideration in theory and research due to its endeavor to recognize and elucidate the strength and steadiness of employee commitment to work organizations (Eisenberger, Fasolo and Davis-Lamastro, 1990). Thus organizational commitment has developed as a significant area in organizational research due to its correlation with work-related factors such as malingering, turnover, job satisfaction, job-participation and senior-subordinate relations (Arnolds and Boshoff, 2004; Bagraim, 2003; Mathieu and Zajac, 1990). As per literature of research organizational commitment can be described as a subordinate’s recognition with the mission, goals,
and vision of the organization. In the views of Eisenberg, Monge and Miller (1983), a variety of ways has been used to explain organizational commitment. According to Mowday, Porter and Steers (1982), committed employees are likely to stay longer in an organization and work for the achievement of organization’s goals. Steers (1975), analyses that organizational commitment is a constructive tool to determine effectiveness of an organization. A multifaceted variable on the basis of which various outcomes such as performance, turnover, absenteeism, tenure and organizational goals can be predicted is organizational commitment (Morrow, 1993). However, levels of commitment, be it higher or lower, have been considered to be a foremost motive for employees to stay with or leave an organization (Shaw, Delery, Jenkins and Gupta, 1998).

Organizational commitment presents the emotional attachment of an employee to the organization. The three-component model has been administered to the greatest experimental study and has debatably acknowledged the biggest support (Allen and Meyer, 1990; 1996; Meyer and Allen, 1997; Meyer, Stanley, Herscovitch and Topolnytsky, 2002).

2.8.1 Affective Commitment

It is generally referred to as psychological attachment to organization. It is the emotional belongingness of an employee to the organization and its goals (Meyer et al., 2002). It involves an acknowledgment and disguise of the other party's objectives and qualities, a readiness to apply exertion for their benefit and a compelling enthusiastic connection to them (Allen and Meyer, 1990; Mowday, Steers and Porter, 1979). The employees attached affectively to the organization will presumably keep performing for organization since they like to (Meyer and Allen, 1991).

Affective organizational commitment has also been conceptualized as a persons’ state of mind towards the organization. Bagaim (2003) proposes that affective commitment can be raised when employees believe they are capable of fulfilling their potential and requirements within the organization. Affective commitment makes the employees to stay with the organization for longer duration because the employees themselves wish to, and in general, these employees will put the best of their efforts for the betterment of the organization and are less inclined to leave the organization. Eisenberger, Huntington, Hutchinson and Sowa (1986) concluded that people will put
various levels of efforts and uphold varying emotional responses to an organization which are subject to perceived commitment towards an employee by an organization. As a result, it can be said that the employees exhibit their organizational commitment in response to support and rewards preferred to them by the organization. Allen and Meyer (1997) stated that employees themselves wish to be the part of the organization and try to increase their productivity.

2.8.2 Continuance Commitment

It is commonly referred to as costs related with quitting the organization. Continuance commitment, on the other hand, demonstrates subjective connection amid an employee and his or her organization because of the outlay connected with quitting from the organization (Meyer et al., 2002). Continuance commitment refers to employees’ evaluation of expenses of parting from the organization are higher than the expenses of remaining with the organization. If an employee perceives the costs of moving from the organization are higher than the costs of being with the organization, will stay with the organization. In comparison to the rest of the two elements of organizational commitment, continuance commitment is not related with emotions. It is typically related with expenses the employees incur in an organization such as job exertion, time and growth with work fellowship, abilities and political deals (Jaros, Jermier, Koehler, and Sincich, 1993). Allen and Meyer (1990) specified the notion of continuance commitment as a type of emotional belongingness to an occupying organization that presents the level to which a person encounters a feeling of being secured as a result of high cost of taking off.

Continuance commitment includes assessment of person’s accession coupled with current employment and the opportunities available for further employment (Meyer and Allen, 1984). Continuance commitment “refers to the awareness of the costs associated with leaving the organization” (Meyer and Allen, 1991). People, whose level of continuance commitment is higher stay with the organizations since employees observe that the costs of quitting to be too great. Commitment of this type also shows that employees be with a specific organization due to too much time investment (Meyer and Allen, 1991).

The opinion of continuance commitment can be defined as the inclination of employees to consider dedicated to their organization on the basis of the assumptions
of the costs related with leaving the organization, Buitendach and de Witte (2005). Meyer and Allen (1984) continue that continuance commitment can be used to indicate to something of value that a person may have “invested (e.g. time, effort, money) that would be lost to be deemed worthless at some perceived cost to the individual if he or she were to leave the organization. Such investments might include contributions to non-vested pension plans, development of organization specific skills or status, use of organizational benefits such as reduced mortgage rates and so on. The perceived cost of leaving may be exacerbated by a perceived lack of alternatives to replace or make up for the foregone investments.”

2.8.3 Normative Commitment

It is commonly referred to as perceived obligation to remain with the organization. Lastly, normative commitment represents the typical feelings of obligation for an organization (Meyer et al., 2002). It includes perceived obligations to preserve employment, memberships and associations. The social practices of morality and value-driven principles compel the employees to reciprocate with loyalty and commitment in exchange for employment, based on reciprocity norms (Meyer and Herscovitch, 2001).

Normative commitment has also been visualised as the conviction that employees ought an obligation to their organization (Bagraim, 2003). Bagraim (2003), further stated that because of their internal feeling that it is their duty to do so, employees experience normative commitment. Sparrow and Cooper (2003) suggest that on the basis of feeling of loyalty and obligation employees experience normative commitment and it comprises an employee’sfelt obligation and responsibility to an organization. Higher the level of normative commitment, more the obligation employees be with the organization (Meyer and Allen, 1991).

2.8.4 Organizational Commitment – The Implications

An increasing support is witnessed for the three-component model proposed by Meyer and Allen (1991). All the three elements of the model have an association with the ongoing contribution of the individual in the organization.

Meyer and Allen (1991) stated that varying implications for behavior of employees compelled them to distinguish the forms of organizational commitment. However, the motive behind all the elements is to develop attachment amongst employees towards
the organization and as a result lesser inclination to leave and have relations with other kinds of work behavior in a varied manner (Meyer et al., 2002).

Meyer and Allen (1991) further advocated that affective, continuance, and normative commitment were the elements of the model and not the types because employees possess different level for all these. They explained the difference in all three by examples like: a strong belongingness to the organization and a sense of accountability to stay both may be felt by one employee while the second employee might take pleasure in putting efforts for the organization but may also feel that quitting would be very tough from an economic perspective. Finally, a third employee may experience a significant level of aspiration, requirement and responsibility to stay with the existing job provider (Allen and Meyer, 1997).

The differentiation among all the elements of commitment model can be understood as the employees having higher affective commitment stay with the organization since they wish to, people with greater continuance commitment as they require and those with strong normative commitment because they believe they ought to (Schappe and Doran, 1997). Meyer and Allen (1997) discriminate affective, continuance and normative commitment. It is only affective commitment that is measured an emotional reward and prime motive for being together. Affective commitment is also required during the implementation of essential changes which lead to change in attitudes and values, as only continuance and normative commitment are not sufficient. Research provides a confirmation of the fact that social participation helps in anticipating organizational commitment, where more is the involvement of an individual, higher is the degree of commitment (Decotiis and Summers, 1987). The additional researches demonstrate that organizational commitment is linked to an employees’ intent to quit and turnover (Tett and Meyer, 1993) as well as theoretically to job performance (Mowday et al., 1974). In essence, committed employees are likely to extend higher efforts on the job, having a straight influence on job performance.

2.8.5 Organizational Commitment and Personal Influences

The relation of gender and organizational commitment remains vague. A number of studies have not found any explanation for elucidating the affiliation in gender and organizational commitment (Billingsley and Cross, 1992). Male, as a grouping be
likely to be less committed to their employing organization than their women counterparts (Cramer, 1993; Mathieu and Zajac, 1990; Mowday et al., 1982). Loscocco (1990) analyzed that female employees were more probable to state their proud feeling to put efforts for their organization and that they were ready to accept almost every job presented to them with the intention of being with their present employer. Abundant interpretations have been presented to explain the greater commitment of women employees. Mowday et al. (1982) said that the women need to conquer more barriers in the society and within the organization as well to accomplish their positions.

Organizational commitment is a crucial area of research in the subject of organizational behavior and in accordance numerous studies have found the linkage amidst organizational commitment, attitudes and behaviors in the organization (Koch and Steers, 1978; Angle and Perry, 1981). Usually, a converse correlation among organizational commitment and an individual’s level of education has been indicated by the literature; though the outcome are not apparent (Luthans, Baack and Taylor, 1987; Mowday et al., 1982). It is maintained that the education level leads to the lower level of organizational commitment (Luthans et al., 1987; Mathieu and Zajac, 1990; Mowday et al., 1982). This may be the result of the fact that the expectations of the employees increase with their level of education and the organizations may not be able to fulfill all of them. Although, the given fact may not be consistently implacable (Meyer and Allen, 1997). The commitment of the highly educated employees may be even higher than those of less educated.

However, Billingsley and Cross (1992) could also not get evidences to prove a correlation amid education and commitment. Practitioners observed that a there is an affirmative association among organizational commitment and level of experience (Larkey and Morrill; 1995; Meyer and Allen, 1997; Mowday, et al., 1982). Cohen and Gattiker (1994) established that nature of job level was a considerable analyst of organizational commitment where managers demonstrated greater levels of commitment and satisfaction towards salary than those of people at non-managerial positions due to their high income levels. However, Mowday et al. (1982), did not raise any considerable variation in the levels of commitment beyond type of position.

Numerous researches propounded that job satisfaction is a significant determinant of organizational commitment (Mottaz, 1987; Knoop, 1995; Testa, 2001).
Organizational commitment that is emotional in nature was advocated to be more impactful in relation to intrinsic and extrinsic job satisfaction levels. This coincides with other researches of the behavioral outcomes of commitment (Markovits et al., 2007).

2.8.6 The Relationship between Job Satisfaction and Organizational Commitment

In recent years, an expansion in the researches relating to job attitudes, more precisely, organizational commitment and job satisfaction between a range of occupational groups. Proof to verify this is the availability of enormous collection of research associated with determinants and outcomes of organizational commitment and job satisfaction, both (Bagraim, 2003). Job satisfaction and organizational commitment have both been advocated as conversely linked to such leaving behaviors as tardiness, absenteeism and turnover (Yousef, 2000). Additionally, a connection is established in improved productivity and organizational efficiency (Buitendach and de Witte, 2005). This is also posited to have a persuasion on whether employees will have a likelihood to stay with the organization and to perform at higher levels.

A considerable relation has been analyzed among organizational commitment and job satisfaction with the basic suggestion that job satisfaction is a precedent of organizational commitment because commitment is developed a long time and only when one feels satisfied with the job (Mowday et al., 1982). While the fundamental constituent of commitment in a variety of descriptions refers to the willingness of employees to stay with the organizations or to the reluctance to shift from organizations for restrained personal benefits, higher job satisfaction is predicted to proceed to stronger organizational commitment. It continues with Porter et al.’s (1974) proposition that organizational commitment is not much unambiguous and highly constant than job satisfaction and thus the former is expected to be affected by the latter.

In the same way, Steers (1977) suggested that when the requests of an employee are taken care by the organization, in return, he/she would be expected to be more committed. It is shown in earlier research that job satisfaction is a determinant of organizational commitment (MacKenzie et al., 1998; Mannheim et al., 1997). Howell and Dorfman (1986) have identified employees’ organizational commitment and
general job satisfaction as imperative for understanding the organizational behavior of employees.

Job satisfaction amid front office employees in hospitality industry is a multidimensional construct that is crucial to employee attrition and has been revealed to be an important antecedent of employee commitment, and in exchange, a supporter to organizational effectiveness. However, studies announce a wide range of variations in aspects that furnishes job satisfaction and grouping diversity as per demographic factors (Shan, 1998). Further these aspects like front office employees' low pay and low class, developing customer sizes and advancements in the hospitality setting, all have collectively added to the reasons of what has been interpreted as prevalent dissatisfaction contained by the line of work. As per the studies of Duke (1988), tendency towards job dissatisfaction in hospitality business organizations is worldwide. Although, Steyn and van Wyk (1999), Theunissen and Calitz (1994), and van Wyk (2000) argue that divergent to anticipated outcomes, front office employees practice higher level of job satisfaction than that of supposed formerly.

2.9 Shared Organizational Values

Some of the studies made efforts in exploring relationship, including the intervening ones, between HRM practices and organizational performance whereas the intervening relationship includes the outcomes of motivation, satisfaction, involvement, retention, social climate, trust and loyalty (Becker et al., 1997; and Paauwe and Richardson, 1997). Nonetheless, the list is not complete, for instance, Hope-Hailey et al. (2005) suggest that the primary issue for research in this area is which factors should be incorporated to attain performance centered on the HRM practices.

A very restricted focus of the scholars has been observed in exploring the relationships, and the intermediary effects of key variables in the relationship (Boselie et al., 2005). And so it may be fairly justifiable that incorporation of some additional item may warrant the performance of organizations. Purcell et al. (2006) recognized a strong organization culture as an extraordinary item for inclusion in the list. A culture that originates from its mission, sturdily rooted within the organization and all its stakeholders and, furthermost notably encompasses a set of organization values that are together shared by all workplace members as an important factor manifested
in organizations with high performance. A shortage of ‘consistent and widely shared values’, conversely, is quoted as a feature shared by ‘less successful organizations’ (Ulrich, 1984).

One likely description for why shared values enhance organizational performance is that organizations involve separate departments or geographic location and individuals and/or groups of workforce require union so that dysfunctional outcomes arising from incongruence behavior are avoided (Kepes and Delery, 2006). A jointly held value system, in contrast, is perceived as the adhesive that fixes diverse cluster of workforce within the workplace together (Schneider, 1988). To intricate, Kepes and Delery (2006) indicate that if each worker shares the same attitudes of the organizational objectives and the suitability of the HRM practices to attain them, feelings of discrimination and dysfunctional behavior related with them are less probable to rise, as an alternative, a positive organizational environment is reinforced and organizational effectiveness enhanced. This creates a robust state or cultism, which directs the behaviors of employees.

A subsequent justification about the inclusion of shared organizational values is that an apparent need to have the values of the organization communicated through exercise of commonly helpful HRM practices may provide the exclusivity of the HRM system in the situation. Incidentally, Purcell et al. (2006) also describes that effective organizations thus associate in exclusive manner, values, routines and practice which affect both individuals and the collective attempt. It is this “communal intricacy” which is so difficult to copy.

A jointly held value system is a position whereby workplace members view they share, and work at their own in relation to accomplishment of the organizational objectives. It is significantly linked to organizational empathy which is describe as a state where the goals of the organization and those of the individual become increasingly integrated or congruent (Hall et al., 1970), and also with the attitudinal dimension of organizational commitment (Mowday et al., 1979). In line with the research findings on organizational empathy and organizational commitment, a strong sense of shared values amongst workplace members is assumed responsible to bring the growth of a combined, motivated and committed workforce (Ulrich, 1984).
The development of the shared organizational value in individuals as well as the organization is supposed to be significantly correlated to HRM practice, and can be seen as both a precursor and a result. Shared values are used to decide on its HRM practices and which in turn offer appropriate behaviors among the employees, on the other end, as an outcome, these practices provide a stage whereby stable and consensual communications are referred to the employees which underpin a certain value system.

Clearly, extra efforts are needed to explain the relationships. The present study made an attempt to explore the significance of ‘shared organizational values’, and the more commonly established attitudinal outcomes of satisfaction and commitment, as potential items.

2.10 Relationship of Human Resource Management Practices with Organizational Performance in terms of Service Quality

Whether the perceived service meets, exceeds, or fails to satisfy customer’s needs is generally referred to as quality of the service (Oliver, 1993; Zeithaml, Berry and Parasuraman, 1993; and Cronin and Taylor, 1992). The customer’s perception on how good a service can meet or go beyond the customer’s expectation on the service, usually is noted as the critical requirement and competitiveness driver to build and retain satisfying relationship with customers. Awareness on service quality makes an organization unlike other organizations and achieves sustainable competitive advantages (Boshoff and Gray, 2004). The quality of service can be evaluated from the perception, expectation, satisfaction, and attitude of the customer (Sachdev and Verma, 2004). The evaluation of the quality of service brings satisfaction among the consumers (Ekinci, 2003).

Human resource management emphasizes that to improve organization’s service quality, it should be given attention on the training and development, selection, and compensation (Lovelock, 1985; Schneider, 1994; and Chand, Mohinder and Katou, 2007). The HRM perspectives significantly influence customer’s perception on service quality (Schneider, 1994). It is also confirmed that in service industry, there is positive role of HR perspective and HRM practice on service quality effectiveness evaluation (Gilbert, 1991; Tornow and Wiley, 1991; Hoque 2000; and Hung, 2006).
Therefore, based on the description, the study postulate that HRM practices directly and significantly influences service quality.

Morre (1987) demonstrated that service quality was able to improve organization’s competitive advantage for long term benefit. Service quality is perceived as the crucial indicator to obtain organization’s competitive advantage for retaining long-term relationship with customers (Zeithmal, Parasuraman, and Malhotra, 2000). Ahmad et al. (2011) exhibited that there was positive relationship between service quality and organizational performance, though the relationship is not quite strong. They recommended that to achieve better performance in the future, the organization management executives should improve their service quality by integrating traditional facility and modern technology to meet the customer expectation. Based on this description, this research posits that service quality significantly influences organizational performance.

The effort to improve service quality should be focused on training, development, selection, and compensation (Lovelock, 1985; Schneider, 1994; Chand, Mohinder, and Katou, 2007). Next, Ulrich, Halbrook, Meder, Stucchlik, and Thorpe (1991) mention that selection, recruitment, appraisal, promotion, reward and administration practice can be utilized to improve shared mind-set among employees and customers that is directed to the organization in attracting customers as well as enhancing competitiveness. It means that when the employees are well-served by strategic human resource management practices, they can devote their energy and resource to effectively deliver the service in retaining customers. Service quality is the core sustainability of a service organization.

Quality revolution movement through integrated quality management approach becomes a requirement that cannot be ignored when a service organization wants to survive and develop. A service organization always cares for its customers by delivering excellent service. Customers will search for product and service that can deliver best service to them (Assauri, 2003). Service quality is perceived as crucial indicator of organizational performance that can helps to obtain organization’s competitive advantage in retaining long term relationship with customers (Zeithmal et al., 2000) To conclude, in revealing cross-functional reviews that positive relationship of each variable has significant role on the overall growth and development of an
organization. Therefore, it needs to confirm the relationship among variables such as strategic human resource management practice, service quality, and organizational performance. To provide further empirical evidence, then it leads to the following assumption, HRM practices mediated by service quality significantly affects organizational performance.

2.11 Barriers to Implementation of HRM Practices

Earlier studies have argued that HRM lead to better organizational effectiveness either it was theoretical or empirical studies. Number of organization still fail to recognize the effectiveness of HRM practices even when the outcomes are positive and analytically available in literature. Concisely, all the HRM practices either ‘soft’ or ‘hard’ are compressed in the researches at the conceptual level, and with an exception of a few of ‘lead’, ‘exemplar’ or ‘excellent’ organizations, it seems organizations have not applied HRM in real sense (Gilbertson and Fogelberg, 1991; Storey, 1995; Jain and Murray, 1984; Guest, 1990, 1992; and Legge, 1995).

While reviewing the extant literature about the main barriers to effective application of HRM practices mainly a study of Kane, Crawford and Grant (1999), explained the broad range of issues working as barriers to the implementation of HRM. The most referred barriers that inhibit HRM initiatives were classified in three perspectives, the first perspective is that the top management has low priority or give attention to short term HRM initiatives whereas more focus on ascertaining power and control on employees and in organizational activities, secondly, the amount of information and abilities possessed by the practitioners needed to take up HRM practices within an organization, decides the effectiveness of that initiative (Collins, 1985; Dyer and Holder, 1988; Miller, 1991; Schuler, 1990). Whereas, the third perspective is that the deficit of upheld information about the long-term impact of HRM initiatives and very less efforts of the practitioners in taking up these initiatives have restrained the effective HRM in organizations (Huselid, 1998; Storey, 1995; Legge, 1995; and Guest and Peccei, 1994). As a result, the workplace members may be doubtful of the value of most significant HRM practices. This doubt may be held by either senior or middle management or both (Kane, Crawford and Grant, 1999), and are not capable to deliver quantifiable encouraging performance results correlated to HRM and play a
significant role as business partner. So it may be negative aspect observed by the organization administration.