CHAPTER 1

INTRODUCTION, METHODOLOGY AND DESIGN OF STUDY

1.1 Introduction

This chapter introduces the concepts, definitions, importance, need and justification for studying the Organizational Commitment of Employees towards the goals; brings out the nuances of textile industry scenario and its nature of work force involved; the methodology adopted for carrying out the present research and design of the study.

1.2 Indian HRM Scenario and Organizational Commitment

In the 50s, there was a strong belief that employees were recruited not to question “why” but only to do – and die”. In the 60s, terms like manpower, staff and personnel came to be used in the sense that instead of controlling the employees, it became more acceptable to manage personnel. The studies revealed that productivity of the workers could be improved if they were organized for the work. In late 70s people realized that beyond a point, productivity depended on people’s involvement. Also, workers started demanding whatever they expected from the employees over and above their salaries; ‘Personnel’ came to be called ‘Human Resources’. Sharing the global thinking, Indian managers and behavioural scientists accepted and introduced such theories, models and concepts as theory X, Y and Z, two factor theory of motivation, contingency model, social – comparison process, Porter Lawyer model, socio technical system, job enrichment managerial grid participative
management, empowerment, quality of work life, total quality management and Kaizen.

At the same time, experts observed that there were some strategic challenges of current times such as a accelerating rates of change in all aspects of business, increasing competition, globalization of business, technological change, changing work culture, resource constraints transition from industrial to information society, unstable market due to economic conditions, increasing demands by corporate stakeholders, and a complex psychological environment. We are now visualizing the possibility of a global village. But are we prepared for facing the ensuring challenges?

Hierarchy, status, authority, responsibility and accountability are structural concepts. But in the Indian context, emotions, feedings, empathetic perceptions, impressions and the affective components have influenced people more than anything else. In a work environment; people do not like being treated as puppets and blamed, belittled or bossed, on the other hand Managers feel that they only should ‘think’ and let workers ‘do’. The idea that boss is always right still persist. The boss subordinate relationship creates stressful situations, hampering the environment conductive to human resource management. The subordinates expect that the boss should have integrity, higher performance skill, commitment, guidance and leadership qualities, support and patronizing tendencies, accessibility, wider vision, series of empowerment and credibility; on the hand, the boss expects that his subordinates should have a commitment to job, integrity, competence, reliability, initiative, loyalty to the organization, self discipline and a good sense of accountability and job involvement. HRM basically refers to a balance interaction between these two sets
of expectations. A good HRM environment ensures harmony between the boss and the subordinates.

However, a healthy corporate philosophy ensuring uniform policies at all levels of an organization is necessary for good HRM so as to facilitate good organizational climate leading to commitment to the organization on the part of employees.

The Indian organizations are experiencing some transitions and changes. The workforces of the 50s and 60s have retired. The middle level is now at the top with the hangover of all possible middle – class values. The new generation of MBAs is pouring into industrial organizations. Young executives in their mid 30s are heading HRD / HRM divisions in big companies. Moreover, due to the unprecedented advancement of information technology, there is a growing need to understand and manage this transition, and give a direction to this change process. In order to achieve an effective HRM strategy, we have to integrate HRM with HRD, IR and Organization Development (OD). The HRM strategies in India in the 21st Century have its focus in better individual, organizational interface and greater emphasis on organizational effectiveness than on personal success. For managing people, human capital, climate, culture and to facilitate the employees’ commitment, the Human Resource Management is critical for any business success.

The basic concept of human resource management is to attract and retain the right person at right place in right time with right remuneration. In textile industry human resource department should appoint the skillful employee at the right, appropriate, correct place where he has to express his capabilities. If we place sensitive people at spinning and production then these people will face so many
problems. For textiles, it is compulsory that the company treat the employee as an asset of the company. A simple human resource should get transformed as an asset by selection of right person for right place and imparting the required training and providing adequate career development opportunity. Human resources play just like a bridge between management and employees.

The study of HRM, in its broadest sense is concerned with the selections that organizations make from the myriad policies, practices and structures for managing employees (Sisson, 1990; Boxall and Purcell, 2003). In its more strategic guise, HRM is conceptualized in terms of carefully designed combinations of such practices geared towards improving organisational effectiveness and hence better performance outcomes. Wright and McMahan (1992) define HRM as: ‘the planned HR deployments and activities intended to enable (an organization) to achieve its goals’

Organizational commitment in recent years has become an important concept in organizational research and in the understanding of employees’ behaviour in the workplace. It reflects the extent to which employees identify with an organization and are committed to its goals. Successful organizations are those that integrate efficient and effective management in internal and external dimensions through their HRM practices and enhancement of organizational commitment among its employees. It was found that employees who were more committed to their organizations had lower intention to leave than those with lower organizational commitment (Griffeth and Hom, 1995; Igharia and Greenhaus, 1992).

One of the “job attitudes” of Employees is their Organizational Commitment (OC). It is defined as ‘a state in which an employee identifies with a particular organization and its goals’. This makes him to continue with the organization. High
job involvement means identifying with high organizational commitment to the employer or organization.

There appears to be positive relationship between organizational commitment and job productivity, but the relationship is modest. The research evidence demonstrates negative relationships between organizational commitment and both absenteeism and turnover. Studies demonstrate that an individual level of organizational commitment is a better indicator of turnover. Organizational commitment is probably a better predictor because it is more global and enduring response to the organization as a whole than is job satisfaction. An employee may be dissatisfied with his or her particular job and consider it a temporary condition, yet not be dissatisfied with the organization as a whole. But when dissatisfaction spreads to the organization itself, individuals are more likely to consider resigning.

The unwritten loyalty contract that existed 30 years ago between the employees and employers has been seriously damaged; and the notion of an employee staying with a single organization for most of his or her career has become increasingly obsolete. There is a changed circumstance in the expectations and income levels of employees. The needs are also to be fine tuned with growing levels of needs and income. Middle income group is growing and moving towards upper middle income group. In these circumstances, the management should have focused efforts to retain the staff with more commitment. This has to be done because; alternatives are available for employees to switch over from one employment to another or from one employer to another.
1.3 Employees’ Organizational Commitment and Employer’s Occupational Commitment

Measures of employee-firm attachment of commitment on long term basis are problematic for new employment relations. This suggests that organizational commitment is probably less important as a work related attitude than once it was. Occupational commitment at present is more relevant variable as it reflects current workforce.

Employees’ organizational commitment is largely influenced by organizational policies / practices and organization’s seriousness towards its employees. Employees’ commitment is an important goal of HRM. Therefore, how various HRM policies / practices influence the employees’ commitment in different organization is the research agenda of the present work.

Organizational commitment of employees’ is highly valuable both for organization and employees and studies have highlighted that commitment has a great impact on the successful performance of an organization. This is because a highly committed employee will identify with the goals and values of the organization, has a stronger desire to belong to the organization and is willing to display greater organizational citizenship behaviour i.e., a willingness to go over and beyond their required job duties. And if human resources are said to be an organization’s greatest assets, then committed human resources should be regarded as an organization’s competitive advantage.

As part of their research, Meyer and Allen (1991) developed a framework that was designed to measure the following three different types of employees’ organizational commitments:
a) Affective commitment refers to employees’ emotional attachment, identification with, and involvement in the organization. Employees with a strong affective commitment stay with the organization because they want to.

b) Continuance commitment refers to employees’ assessment of whether the costs of leaving the organization are greater than the costs of staying. Employees who perceive that the costs of leaving the organization are greater than the costs of staying and remaining because they need to, and

c) Normative commitment refers to employees’ feelings of obligation to the organization. Employees with high levels of normative commitment stay with the organization because they feel they ought to.

In arguing for their framework, Meyer and Allen (1991) contended that affective, continuance and normative commitment were components rather than types because employees could have varying degrees of all three. Secondly employee might enjoy working for the organization but also recognize that leaving would be very difficult from an economic standpoint. Finally, an employee might experience a considerable degree of desire, need, and obligation to remain with the current employer.

The concept of soliciting employees’ organizational commitment has attracted considerable attention over recent years and has not only become a central objective but also the principle of human resource management. As Guest (1987) indicated, HRM policies are designed to “maximize organisational integration, employee commitment, flexibility and quality of work”. For the research topic in question our focal interest refers to “commitment” which can be described as an attachment and
loyalty towards organization. Individuals can display this attachment and loyalty at a variety of levels: their job, profession, department, boss or organisation. Realistically then, commitment may therefore be diverse and divided between any of these. More specifically, organizational commitment has been defined by Mowday (1992) as consisting of three components: “Identification with the goal’s and values of the organisation, a desire to belong to the organisation and a willingness to display effort on behalf of the organisation”.

Organizational commitment of employees refers to the relative strength of an individual’s identification with, and involvement in an organization (Mowday, Porter, and Steers, 1982). It is characterized by a strong belief in, and acceptance of the organization’s goals and values, a willingness to exert considerable effort on behalf of the organization, and a strong desire to maintain membership in the organization (Porter, 1968). It involves active relationship with the organization in which individuals are willing to give something of them in order to help the organization succeed and prosper (Meyer and Allen, 1997). According to March and Simeon (1958), real commitment often evolves into an exchange relationship in which individuals attach themselves to the organization in return for certain rewards or outcomes. Employees’ commitment reduces turnover but increases performance (Angle and Perry, 1981), and employee can only be committed when their needs are met and fulfilled by their organizations (Maslow, 1954). Maslow’s (1954) human needs are arranged in a hierarchical order and once a need is satisfied, the individual moves to the next unsatisfied need which now forms the basis for his / her behaviour. These needs are the physiological needs (which include food, clothing, shelter, water, and sex), security needs (such as job security, protection of life and property), social needs (such as need for affection, friendship, and sense of belonging), esteem needs
(which include need for recognition, accomplishment, achievement, and self respect), and self-actualization needs (which is the need for an employee to reach his / her highest potential at workplace in conquering his/her environment). However, one of the basic conditions of employment to satisfy and fulfill these human needs at work organizations is monetary reward (that is, wages and salaries) which is pay.

Monetary rewards are something given or obtained in return for work done or service rendered. Vroom (1964) asserts that the expectation (reward) of employees on task performed motivates and encourages them to be committed. Thus, the higher the expectation of workers, the greater the commitment. On the other hand, the lesser the expectation of workers, the lower the commitment (Martin and Shawn, 1984). In their study of antecedents of employees’ commitment, Mowday, Porter and Steers (1982) found that more tenured employees are more committed than less tenured employees. They also found that women tend to be more committed as a group than men (1982), and that highly educated employees tend to be less committed than less educated employees (1982). Studies have shown that position; job tenure and organization tenure have a significant relation with employees’ development activity and commitment, and that tenure on the job and in the organization has positive relationship with employees’ commitment (Kozlowski and Farr, 1988; Luthan, McCaul and Dodd, 1985).

Oloko (1972) found that Nigerian workers are committed and motivated to work in organizations managed by fellow Nigerians in which they foresee their opportunity for promotion and advancement as limitless more than organizations that are managed by foreigners where advancement is difficult to achieve.
The management of people at work is an integral part of the management process. To understand the critical importance of people in the organization is to recognize that the human element and the organization are synonymous. A well-managed organization usually sees an average worker as the root source of quality and productivity gains. Such organizations do not look to capital investment, but to employees, as the fundamental source of improvement. An organization is effective to the degree to which it achieves its goals. An effective organization will make sure that there is a spirit of cooperation and sense of commitment and satisfaction within the sphere of its influence. In order to make employees satisfied and committed to their jobs in academic and research libraries, there is need for strong and effective motivation at the various levels, departments, and sections.

Specific employee attitudes relating to job satisfaction and organizational commitment are of major interest to the field of organizational behaviour and the practice of human resources management. Attitude has direct impact on job satisfaction. Organizational commitment on the other hand, focuses on their attitudes towards the entire organization. Although a strong relationship between satisfaction and commitment has been found and many of the recent researcher give more support to the idea that commitment causes satisfaction. However, most studies treat satisfaction and commitment differently, especially in light of things like downsizing that are part of modern organizations.

1.4 Indian Textile Industry and its Work Force

The textile industry is the largest industry of modern India. It accounts for over 20 per cent of industrial production and is closely linked with the agricultural and rural economy. It is the single largest employer in the industrial sector
employing about 38 million people. If employments in allied sectors of textile industry like ginning, agriculture, pressing, cotton trade, jute, etc. are added then the total employment is estimated at 93 million. The net foreign exchange earnings in this sector are one of the highest and, together with carpet and handicrafts, account for over 37 per cent of total export earnings at over US $10 billion. Textiles, alone, account for about 25 per cent of India’s total FOREX earnings. India’s textile industry since its beginning continues to be predominantly cotton based with about 65 per cent of fabric consumption in the country being accounted for by cotton. The industry is highly localized in Ahmadabad and Bombay in the Western part of the country though other centers exist including Kanpur, Calcutta, Indore, Coimbatore, and Sholapur.

The structure of the textile industry is extremely complex with the modern, sophisticated and highly mechanized mill sector on the one hand and the hand spinning and hand weaving (handloom) sector on the other. Between these two falls, the small-scale power loom sector. The latter two hand spinning and hand weaving (handloom) are together known as the decentralized sector. Over the years, the government has granted a whole range of concessions to the non-mill sector as a result of which the share of the decentralized sector has increased considerably in the total production. Of the two sub-sectors of the decentralized sector, the power loom sector has shown the faster rate of growth. In the production of fabrics, the decentralized sector accounts for roughly 94 per cent while the mill sector has a share of only six per cent. Being an agro-based industry the production of raw material availability varies from year to year depending on weather and rainfall conditions.
The Indian textile industry, until the economic liberalization of Indian economy was predominantly an unorganized industry. The economic liberalization of Indian economy in the early 1990s led to stupendous growth of this Indian industry. Now Textile industry is the most prominent industry in India as it supplies cloth to the populations. It also assists for the survival of other small scale industries. Textile industry has shown its major growth in the post quota regime under the World Trade Organization agreement. Textile accounts for 14 per cent of the total industrial production and contributes nearly 30 per cent of the total exports. Textile is a key contributor to GDP to the order of four per cent. The intense global competition in textiles has stimulated cost-cutting measures and new investments that have significantly increased the efficiency of transforming cotton fiber into yarn. Continuous improvement in production, waste reduction and productivity would automatically lead of success of the enterprise.

1.5 Origin and Growth of Textile Industries

The textile and clothing trade is governed by the Multi-Fibre Agreement (MFA) which came into force on January 1, 1974 replacing short-term and long-term arrangements of the 1960’s which protected the US textile producers from booming Japanese textiles exports. Later, it was extended to other developing countries like India, Korea, Hong Kong, etc., which had acquired a comparative advantage in textiles. Currently, India has bilateral arrangements under MFA with the USA, Canada, Australia, countries of the European Commission, etc., Under MFA, foreign trade is subject to relatively high tariffs and export quotas restricting India’s penetration into these markets. India was interested in the early phasing out of these quotas in the Uruguay Round of Negotiations but this did not happen due to the
reluctance of the developed countries like the US and EC to open up their textile markets to Third World imports because of high labour costs. With the removal of quotas, exports of textiles have now to cope with new challenges in the form of growing non-tariff / non-trade barriers such as growing regionalization of trade between blocks of nations, child labour, anti-dumping duties, etc.,

Nevertheless, it must be realized that the picture is not all rosy. It is now being admitted universally and even officially that the year 2005 AD is likely to present more of a challenge than opportunity. If the industry does not pay attention to the very vital needs of modernization, quality control, technology upgradation, etc. it is likely to be left behind. Already, its comparative advantage of cheap labour is being nullified by the use of outmoded machinery. With the dismantling of the MFA (Multi Fibre Agreement), it becomes imperative for the textile industry to take on competitors like China, Pakistan, etc., which enjoy lower labour costs. In fact the seriousness of the situation becomes even more apparent when it is realized that the non-quota exports have not really risen dramatically over the past few years. The continued dominance of yarn in exports of cotton, synthetics and blends is another cause for worry while an export of fabrics is not growing. The lack of value added products in textile exports do not augur well for India in a non-MFA world.

Textile exports alone earn almost 25 per cent of foreign exchange for India, yet its share in global trade is dismal, having declined from 10.9 per cent in 1955 to 3.23 per cent in 1996. More significantly, the share of China in world trade in textiles, in 1994, was 13.24 per cent, up from 4.36 per cent in 1980. Hong Kong, too, improved its share from 7.06 per cent to 12.65 per cent over the same period. Growth rate, in US $ terms, of exports of textiles, including apparel, was over 17 per cent between
It declined to 10.5 per cent in 1996-97 and to five per cent in 1997-98. Another disconcerting aspect that reflects the declining international competitiveness of Indian textile industry is the surge in imports in the last two years. Imports grew by 12 per cent in dollar terms in 1997-98, against an average of 5.8 per cent for all imports into India. Imports from China went up by 50 per cent while those from Hong Kong jumped by 23 per cent.

The textile industry in India is totally an integrated textile conglomerate involved in ginning, spinning, manufacturing denim, terry products, weaving, knitting and ready-made garments with own facility. The industry manufactures yarn and fabrics for the Domestic and International markets, maintaining high standards of quality also. There are numerous industries in case of both small scale as well as large scale sectors. As per this study, the quality of work life has six factors that give meaning to work: the purpose of work, its moral correctness, autonomy, pleasure at work, recognition and positive relationships. When employees perceive these characteristics in their job, they tend to experience psychological wellbeing and effective commitment to the organization.

The Indian Textile Industry is the second largest in the world, next to Chinese and is one of the largest foreign exchange earners for the country. Textile is a key contributor to GDP to the order of four per cent. The textile sector employs over 20 million people and is the second largest employment generator. Textile businesses are also affected by the global melt down. The industry in India is experiencing an increase in the collaboration between national and international companies. International apparel companies like Hugo Boss, Liz Claiborne, Diesel, Ahlstrom,
Kanz, Baird McNutt, etc., have already started their operations in India and these companies are trying to increase it to a considerable level.

1.6 Composition of India’s Textile Industry

The textile sector in India is one of the world’s largest. The textile industry today is divided into three segments:

1. Cotton Textiles
2. Synthetic Textiles
3. Others like Wool, Jute, Silk etc.,

All segments have their own place but even today cotton textiles continue to dominate with 73 per cent share. The structure of cotton textile industry is very complex with co-existence of oldest technologies of hand spinning and hand weaving with the most sophisticated automatic spindles and loom. The structure of the textile industry is extremely complex with the modern, sophisticated and highly mechanized mill sector on the one hand and hand spinning and hand weaving (handloom sector) on the other. In between falls the decentralized small scale power loom sector. Unlike other major textile-producing countries, India’s textile industry is comprised mostly of small-scale, nonintegrated spinning, weaving, finishing, and apparel-making enterprises. This unique industry structure is primarily a legacy of government policies that have promoted labor-intensive, small-scale operations and discriminated against larger scale firms:

Composite Mills

Relatively large-scale mills that integrate spinning, weaving and sometimes fabric finishing are common in other major textile-producing countries. In India,
however, these types of mills now account for about only 3 per cent of output in the textile sector. About 276 composite mills are now operating in India, most owned by the public sector and many deemed financially sick. In 2003-2004 composite mills that produced 1,434 million sq.mt. of cloth. Most of these mills are located in Gujarat and Maharashtra.

**Spinning Mills**

Spinning is the process of converting cotton or manmade fibre into yarn to be used for weaving and knitting. This mills chiefly located in North India. Spinning sector is technology intensive and productivity is affected by the quality of cotton and the cleaning process used during ginning. Largely due to deregulation beginning in the mid-1980s, spinning is the most consolidated and technically efficient sector in India’s textile industry. Average plant size remains small; however technology is outdated, relative to other major producers. In 2002-03, India’s spinning sector consisted of about 1,146 small-scale independent firms and 1,599 larger scale independent units.

**Weaving and Knitting Mills**

The weaving and knits sector lies at the heart of the industry. In 2004-05, of the total production from the weaving sector, about 46 per cent was cotton cloth, 41 per cent was 100% non-cotton including khadi, wool and silk and 13 per cent was blended cloth. Three distinctive technologies are used in the sector handlooms, power looms and knitting machines. Weaving and knitting converts cotton, manmade, or blended yarns into woven or knitted fabrics. India’s weaving and knitting sector remains highly fragmented, small-scale, and labour-intensive. This sector consists of about 3.9 million handlooms, 3,80,000 power loom enterprises that
operate about 1.7 million looms, and just 1,37,000 looms in the various composite mills. Power looms are small firms, with an average loom capacity of four to five owned by independent entrepreneurs or weavers. Modern shuttleless looms account for less than one per cent of loom capacity.

**Fabric Finishing Units**

Fabric finishing (also referred to as processing), which includes dyeing, printing, and other cloth preparation prior to the manufacture of clothing, is also dominated by a large number of independent, small-scale enterprises. Overall, about 2,300 processors are operating in India, including about 2,100 independent units and 200 units that are integrated with spinning, weaving, or knitting units.

**Clothing / Apparel Manufacturing Units**

Apparel is produced by about 77,000 small-scale units classified as domestic manufacturers, exporters and fabricators (subcontractors).

### 1.7 Background of the Present Research Unit (Sambandam Spinning Mill Limited (SSML))

The unit for the current study is Sambandam Spinning Mills Ltd (SSML), a Public Ltd. Private sector Textile mill. It was incorporated in the year 1973 as a private limited company and was converted into a public limited company in 1994. It is mainly concentrating into manufacturing of cotton yarn with higher counts and value-additions catering to the premium yarn market. SSML was promoted by Mr.S.P. Ratnam (Chairman of the company till May 2008), the late Mr.S.P. Sambandam, and Mr.S.P. Rajendran, all of whom belong to a family who were traditionally yarn merchants.
The Company has three units situated at Kamaraj Nagar colony, Ayeepalayam and Kavarakalpatty in Salem district of Tamil Nadu. The Unit at Salem (Unit I) was started in 1974 and is now having a spindleage of 45,000 spindles. The unit commenced its commercial production in May, 1974 with an installed capacity of 3,300 spindles. The spindleage was gradually expanded in stages to 15,000 between the years 1974 and 1980.

The expansion was financed by the way of Term Loans from Financial Institutions to the tune of ₹39.00 lakh, deferred Payment Guarantees of ₹257.24 lakh from Tamil Nadu Industrial Investment Corporation (TIIC) and State Bank of India (SBI). Further expansion programmes were undertaken between 1980 and 1988 to increase the spindleage from 15,000 to 25,220. The capacity increase was financed by way of term loans from SIPCOT, and also internal accruals.

SSML started with an initial installed capacity of 2,940 spindles. As on March 31, 2009, the group capacity was 1,00,000 spindles spread between three units located in Salem district. The company also has 17 wind energy converters for a total capacity of 12.80 MW in Tirunelveli and Coimbatore districts of Tamil Nadu. SSML has contingent of 1482 employees as on 01.10.2008 altogether in three units comprising of 18 Top level employees (General Manager, Senior Manager, Assistant manager etc..), 164 middle level employees (Floor supervisors, Technical and Administrative staff etc..) and 1300 Operational level employees (Employees at the Production area).

**Spinning : The Main Area of Activity in SSML**

The Spinning Industry in India is on set to hit the global market with other fabrics as well like the cotton textiles with its enthusiasm and consistency in work. It
has already reached a phenomenal status in India by beating the obstacles that caused a downfall since past few years and is now on its way to cover a wider area in the spinning sector.

National and the international companies that are involved in collaborations include Rajasthan Spinning and Weaving Mills, Armani, Raymond, Levi Strauss, De Witte Lietaer, Barbara, Jockey, Vardhman Group, Gokaldas, Vincenzo Zucchi, Arvind brands, Benetton, Esprit, Marzotto, Welspun, etc. Therefore, it is the right time to concentrate on operational cost to compete with the global leaders by concentrating on the world class quality products. In textile, a major issue is the wages and salary with time (promotional) and hence human resources department should take care about that and make structure in such a way that it satisfies both worker and management. The quality of work life has six factors that give meaning to work; the purpose of work, its moral correctness, autonomy, pleasure at work, recognition and positive relationships. When employees perceive these characteristics in their job, they tend to experience psychological wellbeing and effective commitment to the organization.

**Operations of SSML**

SSML manufactures cotton yarn of various counts that range between 30s (medium) to 100s (finer) which caters to manufacturers of knitted and woven garments, home furnishing fabrics, medical / surgical fabrics and industrial fabrics in both domestic and global market.

The company also produces specialty yarn like ring doubled, two-for-one (TFO), reverse-twist yarns, gassed-pima yarn, compact-organic yarn etc for niche market segments and commands a premium over yarns in a similar count category.
Over the last two years, the share of medium count yarn in total production has increased, mainly because of fall in demand and sharp reduction in prices of fine and superfine yarn counts. This apart, SSML has a quality testing lab, accredited by National Accreditation Board for Testing and Calibration.

1.8 Significance of the Study from Practical and Academic Perspective

Top management commitment and employees empowerment is one of the most important and vital principle in Total Quality Management (TQM), because it is often assumed to have a strong relationship with customer satisfaction. In TQM implementation, top management commitment in creating an organizational climate that empowers employees is very imperative. Thus, this can be achieved with top management commitment in training employees and giving employees opportunities to be responsible for the quality of their work. TQM strategy brings about a turnaround in corporate culture as compared to the old traditional system of management in which the top management simply gives orders and the employees merely obey them.

Encouraging employees to work and be committed to organization towards achieving organizational goals and objectives is one of the most significant challenges for any management team (Floyd and Wooldridge, 1994; Guth and Macmillan, 1986). The continuous survival of any work organization requires the cooperation of labour with the other factors of production such as land and capital.

HRM policies and practices in BPO / Call Centre, IT / ITes, hospitality industry, fashion industry etc., would be very different from that of traditional organization and would differently affect organizational commitment. The textile
industrial activity is riddled with lot of not only production and marketing problems but also with labour intensive and HR management issues to manage and leverage the labour containment. The major workforce in textile industry is involved in more of labouring and production oriented activities. When there is no labour problem, then only textile manufacturers could survive and withstand the domestic and global market competition. Hence it becomes very essential that textile industry management finds out ways and means to infuse total involvement and commitment on the part of their workers. Not much research has been done in this area and hence the present study assumes greater importance in the present context, particularly in a textile private sector in view of the fact that some of the public sector mills are sick and some others are lingering. The present study results in a private sector textile mill will definitely pave way both to private and public sector mills in India.

1.9 Statement of the Problem and Research Question

The shift toward recognizing the importance of human capital in industrial age has led companies to change their paradigms about people management. Most companies whose primary function is to provide goods and services but no longer see employees as a resource. Instead employees are seen as critical to the capability of the organizations. Companies recognize that motivated and responsive employees translate themselves to be happy and loyal customers.

HRM practices and policies have been suggested as influencing factors to increase Organizational Commitment (OC) among employees (Ogilvie, 1986; Meyer and Smith, 2000; Arthur, 1994). Based on social exchange theory, Ogilvie (1986) proposed that employee’s perceptions of HRM practices reflect a sense of reciprocity and the level of organization’s commitment to the employees when an employee feels
that the organization cares about their welfare and recognizes their contributions. Consequently, it leads to the belief that the organization will provide a variety of symbolic and tangible rewards in exchange of their efforts and commitment. Hence HRM practices are proposed as a practical approach to develop “employee commitment” towards organization and found to have significant and positive relationship between HRM practices and OC.

Prior researchers studied the influence of individual HRM practices on OC and they are,

a) Training and OC (Bartlett, 2001),
b) Salary levels and OC (Ritzer and Trice, 1969),
c) Performance-reward contingencies and OC (Lee, 1971; Rhodes and Steers, 1981),
d) Promotion and OC (Kanter, 1977)
e) Profit sharing and OC (Coyle-Shapiro, et al., 2002).

Arthur (1994) proposed that specific combinations of policies and practices are useful in predicting differences in performance and turnover. This suggests that, instead of studying the influence of single HRM practice on employees’ OC, the influence of a combination of specific HRM practices on OC needs to be examined, as an organization uses diverse HRM practices and not a single HRM practice.

HRM practices affect organizational performance to a greater extent when they are integrated and implemented together (Pathak, et al., 2005). Huselid (1995) analyzed the firm level impact of HRM practices as a system, and found a strong relationship of high involvement HRM practices with organizational performance. Therefore, this study uses a combination of eight HRM practices viz., 1) Staffing,

Based on the research questions framed in terms of demonstrating the use of Employees’ organizational commitment as an alternative outcome to help and justify the investment that organizations make in HRM practices, the following are the “Expected Outcomes” from the present research,

1) The first goal was to examine the influence of HRM practices so as to find whether employees consider HRM practices as support from the organization and whether they believe that their employers express their commitment to them through HRM practices, then by increasing the employees organizational commitment,

2) To find that when employees believe that the organization intends to support them and expresses its commitment to its employees through its HRM practices, whether these employee beliefs makes the employees more committed to the organization,

3) Scholars have argued that HRM practices can send strong messages to individuals regarding what an organization expects of them and what they can expect in return, and hence to what extent HRM practices are seen to play an important role as message senders, shaping terms of the psychological contracts (Rousseau and Wade-Benzi, 1994) and
4) To find that when employees believe that their employers have fulfilled all their promised obligations and whether these HRM practices make the employees more committed to the organization?

1.10 Methodology

The present study is mainly explorative and analytical in nature with the use of both primary data and secondary data. The data collected from staff and workers, through questionnaire survey constitute primary data and the information gathered through books, journals, magazines, reports, dailies, websites and records of SSML consist of secondary data.

The primary data were collected for the study by means of a well-framed questionnaire cum interview schedule using items taken from Allen and Meyer’s (1990) instrument. The questionnaire consists of two parts. The first part of the questionnaire was framed to obtain the responses with regard to organizational commitment and eight HRM practices of SSML viz., Training and development, Staffing, Performance Feedback, Rewards System, Motivation, Welfare measures, Organizational Communication, Employees’ Participation in Management. Second part deals with demographics and general information of the respondents. The questionnaire was handed over personally to each and every respondent and they were requested to return the filled-in questionnaire and the same was received from the respondents for further processing.

1.11 Need for the Study

Organizational commitment of employees is needed by any organization that wants to be dynamic and growth-oriented or to succeed in a fast-changing
environment. Organizations can become dynamic and grow only through the efforts and competencies of their human resources. Personnel policies can keep the morale and motivation of employees high, but these efforts are not enough to make the organization dynamic and take it in new directions. Employee capabilities must continuously be acquired, sharpened and used. For this purpose, an ‘enabling’ organizational commitment of employees’ is essential. When employees use their initiative, take risks, experiment, innovate, and make things happen, the organization may be said to have an ‘enabling’ culture for the organizational commitment.

Even an organization that has reached its limit in terms of growth needs has to adapt to the changing environment. So organizational commitment is needed to improve the effectiveness of employees in the organization.

1.12 Objectives of the Study

For determining the effect/influence of various aspects of HRM practices on organizational commitment of employees in Sambandam Spinning Mills Ltd. (SSML), following objectives were framed

1) to study the existing HRM system in SSML.
2) to study the relationship of demographics of employees on their OC.
3) to evaluate the effectiveness of the existing HRM practices.
4) to determine the effect of Staffing on OC of employees.
5) to determine the effect of Training and development on OC of employees.
6) to determine the effect of Performance feedback on OC of employees.
7) to determine the effect of Rewards system on OC of employees.
8) to determine the effect of Motivation on OC of employees.
9) to determine the effect of Welfare measures and quality of work life on OC of employees.

10) to determine the effect of Organizational Communication on OC of employees.

11) to determine the effect of Employee Participation Management on OC of employees, and

12) to analyze and suggest the strategies for implementing the effective HRM Systems of the study unit so as to improve the OC of employees.

1.13 Size of the Sample Respondents

The sample chosen for the study covers staff and workers of SSML in different units / segments of the company in Salem district during the period from 2008 to 2011. Totally 500 staff and workers in different categories were selected on convenience and purposive sampling method from different units (3) of SSML in Salem district and 6 responses containing errors and ambiguities were discarded. Hence, the exact sample of the study is 494 out of total 1482 employees of SSML.

<table>
<thead>
<tr>
<th>Employees Cadre</th>
<th>Unit I</th>
<th>Unit II</th>
<th>Unit III</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Top Level</td>
<td>03 (10)</td>
<td>02 (05)</td>
<td>01 (03)</td>
<td>06 (18)</td>
</tr>
<tr>
<td>Middle Level</td>
<td>33 (100)</td>
<td>13 (40)</td>
<td>08 (24)</td>
<td>55 (164)</td>
</tr>
<tr>
<td>Operational Level</td>
<td>267 (800)</td>
<td>100 (300)</td>
<td>67 (200)</td>
<td>433 (1300)</td>
</tr>
<tr>
<td>Total</td>
<td>303 (910)</td>
<td>115 (345)</td>
<td>76 (227)</td>
<td>494* (1482)</td>
</tr>
</tbody>
</table>

*6 Interview Schedules were discarded due to errors. Source: Personal inquiry with the HR Department of SSML, Salem; Note: Figures in the parenthesis refer to the employee population as on 01-10-08 in SSML, Salem; Top Level Includes Senior managers, Assistant managers and junior managers of SSML; Middle Level includes Floor Supervisors, Technical and Administrative staff of SSML; Operational Level includes Employees at the Production of SSML.
1.14 Hypotheses

The following hypotheses are to be tested in the present study.

$H_{01}$ There is no association between the gender and OC among the Respondents.

$H_{02}$ There is no association between the gender and level of Training and Development among the Respondents.

$H_{03}$ There is no association between the gender and Staffing among the Respondents.

$H_{04}$ There is no association between the gender and level of Performance feedback among the Respondents.

$H_{05}$ There is no association between the gender and level of rewards among the Respondents.

$H_{06}$ There is no association between the gender and level of Motivation among the Respondents.

$H_{07}$ There is no association between the gender and level of Welfare Measures among the Respondents.

$H_{08}$ There is no association between the gender and organizational communication among the Respondents.

$H_{09}$ There is no association between the gender and level of Employee participation among the Respondents.

$H_{10}$ There is no association between the age and level of Organisational commitment among the Respondents.

$H_{11}$ There is no association between the age and level of job agreeability among the Respondents.
H_{12} \quad \text{There is no association between the age and level of staffing among the Respondents.}

H_{13} \quad \text{There is no association between the age and level of Performance Feedback among the Respondents.}

H_{14} \quad \text{There is no association between the age and level of Rewards among the Respondents.}

H_{15} \quad \text{There is no association between the age and level of Motivation among the Respondents.}

H_{16} \quad \text{There is no association between the age and level of Welfare Measures among the Respondents.}

H_{17} \quad \text{There is no association between the age and level of Organisational Communication among the Respondents.}

H_{18} \quad \text{There is no association between the age and level of Employees Participation among the Respondents.}

H_{19} \quad \text{There is no association between the experience and level of organizational commitment among the Respondents.}

H_{20} \quad \text{There is no association between the experience and level of training and development among the Respondents.}

H_{21} \quad \text{There is no association between the experience and level of Staffing among the Respondents.}

H_{22} \quad \text{There is no association between the experience and level of Performance Feedback among the Respondents.}

H_{23} \quad \text{There is no association between the experience and level of Rewards among the Respondents.}

H_{24} \quad \text{There is no association between the experience and level of Motivation among the Respondents.}
There is no association between the experience and level of Welfare Measures among the Respondents.

There is no association between the experience and level of Organisational Communication among the Respondents.

There is no association between the experience and level of Employees Participation among the Respondents.

There is no significant difference in the mean agreeability scores on OC among the Respondents.

There is no significant difference in the mean agreeability scores on Training and Development among the Respondents.

There is no significant difference in the mean agreeability scores on Staffing among the Respondents.

There is no significant difference in the mean agreeability scores on Performance Feedback among the Respondents.

There is no significant difference in the mean agreeability scores on Rewards System among the Respondents.

There is no significant difference in the mean agreeability scores on Motivation among the Respondents.

There is no significant difference in the mean agreeability scores on Welfare Measures among the Respondents.

There is no significant difference in the mean agreeability scores on Organizational Communication among the Respondents.

There is no significant difference in the mean agreeability scores on Employees Participation in Management among the Respondents.

There is no significant difference in the mean agreeability scores on OC among the Respondents.
H_{38}  There is no significant difference in the mean agreeability scores on Training and Development among the Respondents.

H_{39}  There is no significant difference in the mean agreeability scores on Staffing among the Respondents.

H_{40}  There is no significant difference in the mean agreeability scores on Performance Feedback among the Respondents.

H_{41}  There is no significant difference in the mean agreeability scores on Rewards System among the Respondents.

H_{42}  There is no significant difference in the mean agreeability scores on Motivation among the Respondents.

H_{43}  There is no significant difference in the mean agreeability scores on Welfare Measures among the Respondents.

H_{44}  There is no significant difference in the mean agreeability scores on Organizational Communication among the Respondents.

H_{45}  There is no significant difference in the mean agreeability scores on Employees Participation in Management among the Respondents.

H_{46}  There is no significant difference in the mean agreeability scores on OC among the Respondents.

H_{47}  There is no significant difference in the mean agreeability scores on Training and Development among the Respondents.

H_{48}  There is no significant difference in the mean agreeability scores on Staffing among the Respondents.

H_{49}  There is no significant difference in the mean agreeability scores on Performance Feedback among the Respondents.

H_{50}  There is no significant difference in the mean agreeability scores on Rewards System among the Respondents.
$H_{51}$ There is no significant difference in the mean agreeability scores on Motivation among the Respondents.

$H_{52}$ There is no significant difference in the mean agreeability scores on Welfare Measures among the Respondents.

$H_{53}$ There is no significant difference in the mean agreeability scores on Organizational Communication among the Respondents.

$H_{54}$ There is no significant difference in the mean agreeability scores on Employees Participation in Management among the Respondents.

$H_{55}$ There is no significant difference in the mean agreeability scores on OC among the Respondents.

$H_{56}$ There is no significant difference in the mean agreeability scores on Training and Development among the Respondents.

$H_{57}$ There is no significant difference in the mean agreeability scores on Staffing among the Respondents.

$H_{58}$ There is no significant difference in the mean agreeability scores on Performance Feedback among the Respondents.

$H_{59}$ There is no significant difference in the mean agreeability scores on Rewards System among the Respondents.

$H_{60}$ There is no significant difference in the mean agreeability scores on Motivation among the Respondents.

$H_{61}$ There is no significant difference in the mean agreeability scores on Welfare Measures among the Respondents.

$H_{62}$ There is no significant difference in the mean agreeability scores on Organizational Communication among the Respondents.

$H_{63}$ There is no significant difference in the mean agreeability scores on Employees Participation in Management among the Respondents.
H₆₄  There is no significant difference in the mean agreeability scores on OC among the Respondents.

H₆₅  There is no significant difference in the mean agreeability scores on Training and Development among the Respondents.

H₆₆  There is no significant difference in the mean agreeability scores on Staffing among the Respondents.

H₆₇  There is no significant difference in the mean agreeability scores on Performance Feedback among the Respondents.

H₆₈  There is no significant difference in the mean agreeability scores on Rewards System among the Respondents.

H₆₉  There is no significant difference in the mean agreeability scores on Motivation among the Respondents.

H₇₀  There is no significant difference in the mean agreeability scores on Welfare Measures among the Respondents.

H₇₁  There is no significant difference in the mean agreeability scores on Organizational Communication among the Respondents.

H₇₂  There is no significant difference in the mean agreeability scores on Employees Participation in Management among the Respondents.

H₇₃  There is no significant difference in the mean agreeability scores on Organizational Commitment among the respondents.

H₇₄  There is no significant difference in the mean agreeability scores on Training and Development among the respondents.

H₇₅  There is no significant difference in the mean agreeability scores on Staffing among the respondents.

H₇₆  There is no significant difference in the mean agreeability scores on Performance Feedback among the respondents.
H_{77} \quad \text{There is no significant difference in the mean agreeability scores on Rewards System among the respondents}

H_{78} \quad \text{There is no significant difference in the mean agreeability scores on Motivation among the respondents}

H_{79} \quad \text{There is no significant difference in the mean agreeability scores on Welfare Measures among the respondents}

H_{80} \quad \text{There is no significant difference in the mean agreeability scores on Organizational Communication among the respondents}

H_{81} \quad \text{There is no significant difference in the mean agreeability scores on Employee Participation in Management among the respondents}

1.15 Framework of analysis

The data collected from primary and secondary sources were scrutinized, edited and tabulated. The data were analyzed using SPSS V-15 (statistical package for social sciences) computer packages. The data were screened in order to obtain the impact of HRM practices on organizational commitment of employees. The tools used are analysis of variance, Weighted Average, Karl Pearson’s co-efficient of correlation, Chi square, Path analysis, Multiple Regression, Factor analysis and Discriminant function analysis were carried out.

1.16 Time Frame of Research

The collection of background information and review of literature for the study were undertaken during the period from March, 2008 to April, 2009. On completion of defining the research work title, the secondary data collection and the primary data collection were carried out between May, 2009 and December, 2010. On completion of the data collection analysis and report writing work was taken up
and concluded. The entire research has been taken up between March 2008 and March 2011.

1.17 Limitations

The study suffers from the following limitations.

1) The survey was conducted only in the SSML, Salem. Hence, the results arrived from the study may or may not be applicable to other mills in the Salem district and other areas. Further, the survey method that was adopted for collecting the data in this study has its own limitations like intentional deception, poor memory, or misunderstanding of the question and all these can all contribute to inaccuracies in the data.

2) Out of the total population, only 494 respondents were finally selected out of 500 after eliciting information and six questionnaires containing erroneous and ambiguous responses were discarded.

3) The findings are based on the use of self-reported survey data, which may be affected by response biases.

4) As the questionnaire included only objective type of questions, it was difficult to reflect the actual reason for certain patterns. Since the organizational commitment of employees is a study of their job attitudes, the accuracy of the answers remains doubtful to some extent.

5) Since the human resource management is a recent and complicated subject consisting of number of activities, the most common practices that are implemented in this organization only are considered in this study.
1.18 Design of the Study

Chapter 1 deals with Introduction, Methodology and Design of the study and contains the explanations for the purpose of the study, textile industry and research background information on the basis of which the conceptual study model was designed for the present study.

Chapter 2 contains the Review of Literature available on HRM practices and OC and OCE. The literature review focuses on the HRM practice variables and the linkages between each variable. This chapter also deals with the empirical studies of various authors and identification of research gap enabling the present research.

Chapter 3 outlines Profiles of the industry, SSML and HR practices profile and functions of HRD department of SSML.

Chapter 4 examines the Statistical Analyses followed by Results and Discussion.

Chapter 5 includes brief Research Summary, Findings, conclusion and suggestions for improving HRM practices and OC and OCE issues in SSML as well as recommendations for future studies.