CHAPTER 3: LITERATURE REVIEW

3.1 ORGANIZATIONAL COMMITMENT

Porter et al (1974) defined organizational commitment as the strength of an individual’s identification with and involvement in a particular organization and commitment is characterized by three factors (a) a belief in and acceptance of goals and values, (b) a willingness to exert effort, and (c) a strong desire to maintain membership.

Meyer and Allen in 1990 studied three antecedents of Organizational Commitment. They are Affective, Continuous and Normative.

i) **Affective commitment** involves the employee's emotional attachment to, identification with, and involvement in the organization. Employees with a strong affective commitment continue employment with the organization because they ‘want to do so’.

ii) **Continuance commitment** involves commitment based on the costs that employee associates with leaving the organization. Employees who perceive the costs of leaving the organization are greater than the costs of staying because they ‘need to do so’.

iii) **Normative commitment** involves the employee's feelings of obligation to stay with the organization. Employees with a high level of normative commitment stay in the organization because they ‘ought to’.

Different components of commitment named as employee retention, attendance, organizational citizenship and job performance have certain consequences. Employee commitment is highly related to the attendance of workers and especially continuance commitment is related with the how often an employee was absent. Also those employees that have a good relationship with their immediate work group have higher levels of commitment.

Affective commitment varies significantly by country and is strongly related to dimensions of personality. AC is high in countries where the population is extravert and low in countries where the population is neurotic. AC is also found to be high in
countries where the population is happy. AC tends to be slightly higher in countries with low levels of unemployment and high economic activity rates but is unrelated to per capita national income. AC is negatively related to societal cynicism and positively to egalitarian commitment (Garry A et al, 2006). Wong Yui-Tim et al, 2002 studied the impact of affective organizational commitment of workers in Chinese joint ventures. Authors proposed mediation model that includes: distributive justice, procedural justice and perceived job security as the antecedents of affective commitment; trust in organization as the mediator; and turnover intention as the outcome variable. The results supported mediation model and it was found that trust in organization mediates the relationships between distributive justice, procedural justice, perceived job security and affective commitment. Also, perceived job security and affective commitment have significant impact on the turnover intention of workers.

Commitment level of employees in Pasze Cehave, a company produces animal feed and concentrates for boilers, pigs and cattle in Poland was discussed from all the employees of the organization and it was found that employee rate of commitment towards the organization is good except that of affective commitment, which is found to be satisfactory (Drenth J.C., 2009). Shapiro Jacqueline A-M Coyle et al, 2006 examined affective commitment to employing and client organizations among long-term contracted employees from employees working in four UK contracting organizations delivering a service on behalf of a government entity. The results suggest that perceived client organizational support and attractiveness of the client organization relate positively to employees affective commitment.

Performance of first-level managers in a large food service company and their relationship with affective commitment, continuance commitment and job satisfaction was examined by Meyer John P. et al in 1989. Survey from manager’s immediate supervisors says that affective commitment correlated positively and continuance commitment correlated negatively with all three measures of performance. Job satisfaction did not correlate significantly with performance ratings. McMahon Brian in 2007 studied the impact of Organizational Commitment and its association with attachment style and locus of control. In the study three components of organizational commitment were studied mainly affective, continuance and normative commitment.
Data was collected from working adults. It was found that locus of control is related to normative commitment and continuance commitment. The associations between age and organizational tenure and locus of control and organizational tenure further suggest the possibility that the longer a person works in an organization and the older they become, their feelings of responsibility for outcomes relevant to them also increases. Among high-tech employees, social-oriented values and assimilation were positively related to AC to the organization, and unrelated to CC (Dvir Taly et al, 2004).

Darden William R et al, 1989 studied retail salespersons career and organizational commitment. Retail salespeople are considered to belong from a traditional mid-western department store chain. The author has analyzed the model by using a linear-structural equation approach. Findings suggest that supervisory style is positively related to satisfaction and negatively related to self-reported job performance. A friendly-participatory approach decreases role stress and increases career commitment to retailing and organizational commitment to the firm. It also increases job satisfaction and is negatively related to self-reported performance of retail salespeople. In addition, findings suggest that perceived rewards have a strong impact on salesperson’s commitment to their careers and firms. The relationship of Chinese work values and organizational commitment of stress job values among Hong-Kong employees revealed that sources of pressure and self-rated job performance were negatively related. Furthermore, organizational commitment and Chinese work values are positively related to job performance.

Among expatriate managers developing and maintaining organizational commitment among a host country's employees is a major challenge. Commitment levels of Mexican employees in a U.S. firm located in Mexico indicated that job satisfaction, participative decision making and age were predictive of organizational commitment. Leader behaviors and tenure were found to be significantly correlated with commitment, whereas perceived organizational effectiveness tended to be correlated with commitment (Harrison J Kline et al, 1998). Personal antecedents and organizational commitment among white collar employees, which are subdivided into professionals and nonprofessionals and blue collar employees was studied by Cohen Aaron, 1993. They found that the relationship between OC and personal antecedents, representing the member model, is stronger for blue collar and nonprofessional white
collar employees in comparison to professional employees.

Among Dutch entrepreneurs, comparison of male and female entrepreneurs among HRM systems and ‘specific’ practices in female- and male-led businesses with respect to commitment-orientation was discussed and it was found that female led businesses are more control oriented and male led businesses are more commitment oriented. Female-led businesses are characterized by less employee participation, more centralization and direct, instead of indirect ways of controlling employees, as compared to male-led businesses. Thus, male and female led-business differs from each other with respect to commitment (Verheul Ingrid, 2003). Organizational commitment among Dutch university employees in two faculties with different academic identities (separatist versus hegemonist) was studied and findings indicate that the set of factors affecting the organizational commitment of employees differs between the separatist and hegemonist faculties. In the separatist faculty; decentralization, compensation, training/development, positional tenure and career mobility have significant effect on organizational commitment whereas age, organizational tenure, level of autonomy, working hours, social involvement and personal importance significantly affects the employees organizational commitment in the hegemonist faculty. Participation, social interactions and job level are factors that are important in both faculties (Smeenk S.G.A. et al, 2006). Age and Tenure also shows a great impact on Organizational commitment among employees. There is a strong relation between OC and age for the youngest subgroup and between OC and Tenure for the oldest subgroup (Cohen Aaron, 1993). Among Principals of high school in United States different variables like age, gender, organizational tenure, perceived organizational support, perceived fairness, and perceived autonomy were analyzed to study their impact on organizational commitment. Principals of 396 high schools suggests that different variables like perceived fairness, organizational tenure, perceived organizational support assess high organizational commitment as compared to age (Hawkins Wilbert D., 1998). Non instrumental procedural justice had a significant impact on organizational commitment of employees and age doesn’t act as a moderator between them (Rifai Harif Amali, 2005). Among Korean firms, employee’s position in the hierarchy, tenure in their current position and age all were significantly related to organizational commitment. Also, the size of the organization
plays a very important role in influencing organizational commitment of employees. Larger the size, less is the commitment level of employees (Sommer Steven M et al, 1996).

Brown Barbara B. et al, 2003 studied the relationship between employee’s perceptions of their immediate supervisors’ relations-oriented and task-oriented leadership behaviors and different types of organizational commitment. Meyer & Allen’s (1997) Organizational Commitment Questionnaire was used to measure organizational commitment among employees who worked for the city of Charlottesville, Virginia. These employees were located in eight departments that varied in the area of technical functioning, size and academic levels. Authors found that relations-oriented leadership behaviors explained the greatest amount of variance in affective commitment, somewhat less variance in normative commitment and no variance in continuance commitment. The results for task-oriented leadership behaviors revealed the same pattern of relationships with the different types of organizational commitment.

Clifford J. Mottaz, 1987 tried to find the relationship between individual characteristics, work rewards, work satisfaction and organizational commitment among workers. It was found by authors that work rewards and work satisfaction has a greater impact on Commitment level of workers. Among Pakistani male and female workforce relationship between work motivation, job satisfaction and organizational commitment was analyzed by Smeenk et al, 2006. The study analyses that the general behavior of the private sector employees towards work motivation and job satisfaction may build higher levels of organizational commitment. In Downtown hotel, survey of employees revealed that there is a relatively strong correlation between job satisfaction and organizational commitment (Cote S., et al, 2003). Camp Scott D. in 1993 examined the effects of two types of subjective measurement of the work environment, job satisfaction and organizational commitment which are often thought to be related to turnover. The data for the study was collected from subsample of 1991 Prison Social Climate Survey administered annually since 1988 to employees of the Federal Bureau of Prisons. The analysis confirms that the measures of organizational commitment exert an inverse relationship with turnover. The effects of the measures of organizational commitment are also greater than that of job satisfaction which
actually turns out to be non-significant. Among Iranian employees, survey has been conducted by Eslami Javad et al in 2012 to study the impact of job satisfaction on organizational commitment of employees. Through regression analysis, it was found that all the three factors of Job satisfaction (Promotions, Personal relationships, and Favorable conditions of work) have positive and significant effects on Organizational commitments. Lok Peter et al (2007) investigated the relationships between employees’ commitment and its various antecedents, including employees’ perceptions of organizational culture, subculture, leadership style and job satisfaction from the nurses of seven large hospitals located in the Sydney metropolitan region. Authors found that subculture had a greater influence on commitment than organizational culture. Also, task oriented leadership has a greater impact on Commitment. Results also confirm positive relationship between job satisfaction and commitment. Among managerial employees, perceived organizational structure, process, climate and job satisfaction were found to be the predictors of commitment (De Cotis T A, 1987). Among hospital food service supervisory and non-supervisory employees, influence of job characteristics and organizational commitment on job satisfaction suggests that for supervisors, job characteristics are related positively to organizational commitment and job satisfaction. The commitment score was also found higher among older employees (Sneed J. et al, 1990). Degree of distributed leadership in secondary schools among teachers and teacher leaders on job satisfaction and organizational commitment differs as it is found to be less for job satisfaction and more for organizational commitment (Hulpia Hester et al, 2009). Walumbwa Fred O et al, 2005 explored the nature of the relationship between transformational leadership and two work-related attitudes namely organizational commitment and job satisfaction, by comparing Kenya and the United States and found that transformational leadership has a strong and positive effect on organizational commitment and job satisfaction in both the cultures. Relationship between job involvement, job satisfaction and organizational commitment of nurses was studied by Knoop R. (1995) and found that involvement was not related to overall satisfaction but only to two specific facets; satisfaction with work and promotion opportunities. It was also found by the authors that the degree of relationship between overall and various facets of satisfaction and commitment and
also between involvement and commitment was moderately high. Humborstad Sut I Wong et al, 2011 examined the relationships between joint work commitments, job satisfaction and job performance of lawyers employed by private law firms in Israel. Based on Morrow's, concept of 5 universal forms of commitment, their interrelationship was tested with respect to the commitment model of Randall and Cote. Results of the study showed that the commitment model of Randall and Cote was almost fully supported, except for the relationship between job involvement and continuance commitment. Also, Job satisfaction has a mediating role in the relationship between joint work commitment and job performance.

Loi Raymond et al, 2006 examined the relationship among employees' justice perceptions, perceived organizational support (POS), organizational commitment and intention to leave among practicing solicitors in Hong Kong. Results showed that both procedural and distributive justice contributed to the development of POS and POS mediated their effects on organizational commitment and intention to leave. It was also found that organizational commitment was negatively related to intention to leave. Also working in a team, maintaining team social relations, effectiveness, opportunities to participate and team structure are generally associated with an outcome of organizational commitment and turnover intentions, however, these effects are fully or partially mediated through perceptions of personal mastery, work overload, and job satisfaction (Greenberg Edward S. et al, 2012).

In Tanzania, effects of transactional and transformational leadership were studied on teacher’s job satisfaction, organizational commitment and organizational citizenship behavior. The study was conducted among primary school teachers and it was found that transformational leadership dimensions have strong effects on teachers' job satisfaction, organizational commitment, and organizational citizenship behavior. Job satisfaction appears to be a mediator of the effects of transformational leadership on teachers' organizational commitment and organizational citizenship behavior (Nguni Samuel, et al, 2006). Organizational citizenship behavior of school teachers and principals can be increased by trust, job satisfaction and organizational commitment (Zeinabadi Hassanreza, et al, 2011). Moorman Robert H et al, 1993 conducted a study to measure the relative contribution of perceptions of procedural justice toward predicting organizational citizenship behavior (OCB) controlling for the effects of job
satisfaction and organizational commitment. Data was collected from a national cable television company. Results indicated support for relationships between procedural justice and commitment, satisfaction and OCB. Relationship between OCB, Job satisfaction and Organizational commitment among blue-collar workers employed by a clothing manufacturer in the southeastern United States shows that citizenship behavior of blue collar workers are related to satisfaction with coworkers, satisfaction with supervision, and satisfaction with pay, but not satisfaction with opportunities for advancement, satisfaction with the work itself and also with organizational commitment (Lowery Christopher M et al, 2002). Commitment based HRM Practices have a positive impact on Organizational Commitment of Korean employees (Lee Ki Yeong et al, 2010). In Nepal, OCB and its impact on Organizational Commitment showed a positive relation between OCB and affective and normative commitment. Continuance commitment was negatively related to compliance and unrelated to altruism in Nepalese organizations (Thaneswor Gautam et al, 2005).

Khan Muhammad Riaz in 2007 investigated the relationship between organizational commitment and employee’s job performance in the oil and gas sector of Pakistan. The Meyer and Allen (1997) scale was used. Employees of OGDCL, OMV and SNGPL based in Islamabad were assessed. The tool used for measuring job performance has been developed by Williams & Anderson. The results revealed a positive relationship between organizational commitment and employee’s job performance. In the comparative analysis of three dimensions of organizational commitment, normative commitment has a positive and significant correlation with employee’s job performance in regard to other dimensions. Also male employees perform better than female employees.

Organizational Commitment of managers in Singaporean Small Entrepreneurial Business helps in the future growth and development of the Business. Among Meyer’s and Allen three scales of Commitment, continuance commitment is largely seen as negative factor for organizations performance. There is a strong relationship between the emotional intelligence of the leader and employees’ affective commitment among HR Professionals due to their unique position within the organization, interfacing between leadership and employees (Brent William Stephens, 2007). Indian employees are also committed to their Organizations because majority
of employee’s shows moderately high level of commitment, the second majority of them shows a high level of commitment, while a very small number of them believed that they had only low level of commitment to their organizations goal (Tilaye Kassahun, 2005). Among the Senior Engineers and the Trainee Engineers group in BHEL, the impact of leadership behaviors among the transformational and transactional leadership styles shows that respondents had some significant impact on leadership style perception and organizational commitment but salary did not seem to make a difference among the sample respondents on their commitment level (Senthamil Raja A.et al, 2004).

Meyer’s and Allen’s approach of Organizational Commitment with three dimensions: Affective commitment, continuance commitment and normative commitment among IT Professionals in Turkey was studied by Dr. Kırmızı Abdulkadir et al in 2009. Survey was conducted among IT Professionals working in Turkish private banks. Authors have found that affective commitment is higher among IT professionals in comparison to other types of commitment. Normative commitment is at the lowest level. In retail banks, where dealing with customers require services from employee’s shows that out of three different types of Employee Commitment namely Internalized, Identification and Compliance Commitment, that findings were worrying because employees show unexpected low level of internalized commitment (Durkin Mark et al, 2009). Shore Harry McFarlane et al in 1989 studied the associations that job satisfaction and organizational commitments have with the job performance and turnover intentions among sample of bank tellers and hospital professionals. It was found that organizational commitment was more strongly associated with turnover intentions than job satisfaction for the tellers, but the results were not same for the hospital professionals. Job satisfaction was related more strongly than organizational commitment with supervisory ratings of performance in both the samples. Emery Charles R et al, 2007 examined the effect of transactional and transformational leadership on the organizational commitment and job satisfaction with a sample of customer contact personnel in banking and food store organizations. The results indicate that the transformational factors of charisma, intellectual stimulation and individual consideration are highly correlated with job satisfaction and organizational commitment than the transactional factors of contingency reward. In the banks of
Greece, organizational commitment of frontline employees plays a mediating role on work motivation and job performance (Trivellas Panagiotis, 2011)

3.2 HRM PRACTICES AND OTHER VARIABLES

There are various changes occurring in the field of Human Resource Management. Today’s competitive business climate presents the HRM function with a number of important challenges and opportunities, these include dramatic advances in technology, changes in human resource practices like recruitment, selection, training, appraisals, rewards and other. The success of an organization depends to a large extent on the existence of a favorable HRD climate which includes combination of various factors such as openness, team spirit, trust, autonomy, cooperation, integrity, recognition, participation, recruitment and selection, training, fair compensation, counseling, problem solving, valuing the assets and respect for the individual (Ramesh T, 2005). Job content is also declared as the most significant determinant of Organizational Commitment and Work Motivation (Sharma R. Radha et al, 2003). Socially responsible HRM Practices should be reconciled to increase the performance of organization and also commitment of employees (Simmons John, 2003).

The organizations which implement innovative HRM practices with dedication, remains ahead of their competitors because such practices affects other related variables such as competitive advantage, job satisfaction, financial performance, employee turnover, service quality, employee commitment etc. in a positive manner and leads to overall corporate performance (Tiwari Pankaj, et al, 2009). Cabrales Alvaro Lopez et al (2009) found in a similar study that innovative HRM Practices are directly associated with employees' knowledge in Spanish Industries.

HRM practices also acts as a mediator between organizational culture and transformational leadership whose outcomes are hypothesized as lower levels of individual employee’s intention to quit the organization and shows higher level of performance (Soumendu Biswas, 2009)

Good HRM Practices reduces the turnover intention of employees as well. Abeysekera Ruwan in (2007) conducted a study to analyze the impact of HRM Practices on Turnover of Marketing Executives of Sri lankan Leasing Companies. The study evaluated mainly six HRM Practices: realistic job information, job analysis,
work family balance, career development, compensation and supervisors support. The sample consisted of hundred marketing executives working for 10 different leasing companies in Sri Lanka. The results of the study indicated job analysis, career development, compensation, realistic job information variables were negatively correlated with Marketing Executives Intention to leave, whereas work family balance was not negatively correlated with Marketing Executives Intention to Leave. Results of regression shows that the HR practices namely compensation and job analysis are strong predictors of Marketing Executives Turnover. Haines Victor Y. et al in (2010) tested the influence of thirteen human resource management practices on voluntary turnover rates. Analysis of data from 4,160 workplace representative of Canadian industries found that training is associated with higher turnover, whereas internal labor markets and formal dispute resolution procedures are associated with lower turnover.

High commitment human resource practices show a supporting evidence for organizational performance as well. These linkages are explored with the help of model by David E. Guest, 1997. There are number of HR practices that could be tested in connection with different variables. Khurram Shahzad et al , (2008) studied the impact of HRM Practices on Performance of University employees in Pakistan. Variables such as Compensation, promotion, performance evaluation were taken with perceived employee performance. Results indicate positive relationship between compensation and promotion practices with employee perceived performance while performance evaluation practices are not significantly correlated with perceived employee performance. Training Practices affect the Performance of the Organization and market performance is perceived to be affected by Selection Process of HRM Practices. Paul A.K. et al, (2003) studied the impact of HRM Practices on Organizational Performance among Software employees by testing a causal model. Research suggested that not only single HRM Practice affect the organizational performance but has been found that each and every HRM practice under study has an indirect influence on the operational and financial performance of the organization. HRM practices mainly training, job design, compensation and incentives directly affect the parameters of operational performance. HRM Practices has set a new trend with its linkage with business strategy and organizational performance. There is
significant difference among HRM Practices in Software companies in India, based on Miles and Snow’s strategic types viz prospectors, defenders, analyzers and reactors. With regard to performance analysis, prospectors have a comparative advantage. Incentives and stock options of compensation system have a greater impact on performance parameters (Paul A.K et al, 2004). In IT sector there are issues on Human Resources mainly issues of redundancy and retraining due to changing technologies, issues related to employees gaining and loosing relative importance. Also, there are issues of rapid fire hiring in different departments, which creates a negative culture in the organization (Shantaram M.R., 2005). Erdil Oya et al, 2006 investigates the relationship between HR practices, firm strategy fit with the firm performance of 63 small and medium sized manufacturing and service firms located around Kocaeli and Gebze from both theoretical and empirical perspective. The results provide support for the assertion that HR Practices, firm strategy fit can significantly assist a firm in improving performance. Abu Tayeh Noor S., 2010 studied HRM practices such as job planning, recruitment, motivation and training of personnel at the Public Academic Libraries located in Jordan, and their role of determining the effectiveness of the Personnel in peculiar Al- Hussein Bin Talal University Library. Authors in their research found that there is a strong relationship between practicing personnel administration functions effectively and improving their performance, leading to a higher level of productivity and creativity. HRM Practices like job analysis are also positively linked to the Performance of employees in Pakistan public sector regulatory authorities mainly telecommunication, oil and gas, power, media, security exchange and also in banking sector (Rehman Safdar et al 2010). Marwat Zubair Aslam et al in 2007 studied the impact of HRM Practices on Employees Performance from 60 Executives of Telecom Companies. Human resource management practices including selection, training, career planning, compensation, performance appraisal, job definition and employee participation were taken in the study. Authors found that all the tested variables are positively correlated but correlation of compensation and training are highest in respect to others.

In Greek manufacturing sector, HRM Practices play an important role in increasing organizational performance mediated by HRM output (Katou Anastasia A., 2010). In Ghana, a study was conducted in Graphic Communications Group Limited by
Boohene Rosemond, et al in 2011 to assess whether GCGL’s human resource management practices, particularly recruitment and selection, performance appraisal, remuneration, training and development practices influence its performance. Responses from employees reveal that there exists a positive relationship between effective recruitment and selection practices, effective performance appraisal practices with GCGL’s corporate performance. In Canadian Nursing homes, Rondeau Kent V. et al in 2001 conducted a research to study the impact of HRM Practices on the Performance of their organizations in Canada. Authors found that simply introducing HRM practices or programmes, in the absence of an appropriately supportive workplace climate, will be insufficient to attain optimal organizational performance. Nursing homes taken by the author in the sample implemented more 'progressive' HRM practices and reported that workplace climate that strongly values employee participation, empowerment and accountability tended to perceive with better performance.

HRM Practices not only increases the cooperative behaviour of employees but it also increases the financial performance of companies, the result is an analysis done from 10 organizations by Lambooij Mattijs et al (2007). Fortune 500 companies mainly Hospitality Companies, including food-service firm, hotel chains and grocery and health care organizations are showing their increased performance due to the introduction of innovative and flexible HRM Practices by emphasizing the value of people, scheduling flexibility, creative staffing practices, people-oriented training programs, transparent, performance management policies and compensation policies (Hunkin Timothy R et al, 2010).

Abdullah Zaini et al in 2009 studied the impact of HRM practices on Malaysian private companies performance. Response from managers suggests that training and development, team work, compensation/incentives, HR planning, performance appraisal, and employees security have positive and significant influence on business performance with the exception for compensation/incentives and employees security. During the financial crisis period of 2008-09 in Malaysia, HRM Practices show significant impact on Financial Performance of Companies. The individual HRM practices that are significantly related to business performance are result-oriented performance appraisals, job descriptions, profit sharing and consistency of practices.
It was also found that immediately after the period of financial crisis, HRM Practices like training, result-oriented performance appraisal and job descriptions indicated significant relationship with business performance.

To increase the performance of Enterprise in Chinese SMEs, they should focus more on Employee Training and Performance Appraisal (Zheng Connie S M, 1999). HRM Practices in North-West England improves performance of employees working in Public sector and also shows significant impact on employee well-being (Baptiste Nicole Renee, 2008). Sample from Securities and Exchange Commission including holding companies, business unit firms and public held divisions suggest that high performance work practices are internally consistent or aligned with firm competitive strategy and have a greater impact on firms performance (Huselid Mark A, 1995). In Australian public and private call centre, HRM Practices like job content, working hours and managerial supervisory style were studied. It was found by the authors that Govt. sector emerges as a weak call-centre in all three measures as compared to private call centre (Dr Connell Julia, et al, 2006). HR Managers from a sample of 20 hotels, in Mauritian Hotel Industry suggests that HRM practices such as recruitment and selection, training and development, performance management and reward systems have been identified as significant towards customer service excellence and service quality in International chains of hotel and also in small individual hotels.

HRM Practices namely Human Resources Planning, Job analysis, Recruitment, Selection, Training, Compensation and Welfare, Performance appraisal, Orientation, Industrial relations, Discipline shows the relationship on Productivity of labours. The data collected from selected manufacturing firms located at eight large industrial estates representing three provinces in Sri Lanka and it was analyzed by the authors that HRM Practices were significantly correlated with the labor productivity (Navaratne N. N. J et al, 2009). Tremblay Michel et al in 2010 analyzed whether procedural justice, organizational support and trust, as relational exchange mechanisms mediate the relationship between HRM practices and performance among Canadian employees working in Hospitals. It was found that HRM practices although innovative does not suffice to improve behavioral performance. UK-based small and medium-sized enterprises adopt HRM Practices by which small firms face product market competition. Also, group culture is a key factor to which HRM
practices are adopted and helped in increasing labor productivity (Patel Pankaj C et al, 2010).

HRM Practices and their impact on firms performance which is mediated by cultural orientations was studied by Dimba Beatrice et al in 2009 in 50 Kenya foreign MNC’s. Response from HR managers, financial managers, production managers and non-management employees says that except recruitment and hiring all other HRM Practices were positively and significantly correlated with performance but relationship between SHRM practices and firm motivation did not depend on employee cultural orientations in the case where cultural beliefs were considered, but depended on employee cultural orientations when cultural values were considered. Minbaeva Dana, (2001) represents theoretical framework for future empirical study on organizational knowledge transfer from Danish-based MNCs’ HQs to their subsidiaries. The study has been built on four theoretical streams namely knowledge-based perspective, SHRM, theory of MNCs and organizational learning perspective. It was identified by the authors that HRM practices are mechanisms of organizational knowledge transfer and means for building supportive learning environment for the transfer. Hermans Michel et al in (2009) consider stakeholder perspective to SHRM and purposes that the extent to which stakeholder interests are considered in the design and deployment of HRM practices is positively related to the contribution for building required organizational capabilities. Sample of 201 business units from five geographic areas defines that (a) consideration of individual stakeholder groups enhances HRM practices, and also (b) consideration of internal stakeholders, as compared to external stakeholders is a stronger predictor of enhanced HRM practices. Moreover, HRM processes are positively associated to organizational effectiveness.

Stassen Marjorie Armstrong (2008) conducted a research in 25 countries to analyze whether employers had strategies in place to retain their mature or aged employees. Authors as well as The Conference Board of Canada noted that a great deal has been written about what employers should do to deal with workforce aging, but evidence documenting what Canadian employers are actually doing is rare.

HRM practices are expected to impact on employees’ abilities, motivation and opportunity to engage in Knowledge management. Data collected from Spanish
HRM Practices also have a positive impact on job satisfaction of employees in Bangladesh. Analyses from 20 manufacturing companies suggests that, human resource planning, and training and development were found to have positive impact on job satisfaction and among them training has the greatest impact on Job satisfaction (Nurul Absar Mir Mohammed, et al 2010). Employees in Private Sector Industrial Organizations in Bangladesh are more satisfied than in Public sector Industrial Organizations (Nurul Absar Mir Mohammed et al, 2010).

Organizational citizenship behavior can also be enhanced by HRM Practices. HRM Practices like performance management and reward systems; communications; empowerment, team working; and training and development in network companies have a positive impact on employee’s organizational citizenship behavior (Oikarinen Tuija et al, 2007). In North East England HRM practices shows a positive impact on organizational citizenship behavior, through an effect on perceived job influence (Redman Tom, 2006). Employees working in North-East England suggest that there is a positive impact of HRM practices on organizational citizenship behaviour, through an effect on perceived job influence (Snape E et al, 2010).

Not only in variables like Performance, Satisfaction and OCB, HRM Practices also play a pivotal role on the retention of employees. HRM practices like career development opportunities, supervisor support, working environment, rewards and work-life policies in Islamia University and Banks in Bahawalpur show positive relation with employee’s retention (Oikarinen Tuija et al, 2007). In Sri Lankan leasing companies, the impact of HRM Practices mainly realistic job information, job analysis, work family balance, career development, compensation and supervisor support on Employees intention to leave was studied among Marketing Executives. Result from about 10 different leasing companies was analyzed and found that job analysis, career development, compensation, realistic job information variables were
negatively and significantly correlated with Employees intention to leave. The work family balance was not negatively correlated with Intention to Leave. Results showed that compensation and job analysis are strong predictors of marketing executive’s intention to leave (Abeysekera Ruwan, 2007). Employees' organizational citizenship behavior (OCB) mediates the relationships among perceived human resource management practices on the employees' intention to leave their jobs. Sample of 152 respondents from a Sino-Japanese joint venture located in China, suggests that retention-oriented compensation and formalized training are positively related to the engagement of OCB, while they are negatively associated with intention to leave the organization (Lam Wing et al, 2009).

Vanhala Mika et al in (2011) examined the effects of various HRM practices on the impersonal dimensions of organizational trust among the employees working in ICT and Forest industry in Finland. By structural equation modeling, authors analyzed that employee trust in the whole organization is connected to perceptions of the fairness and functioning of HRM practices. Such practices can therefore be used in order to build the impersonal dimension of organizational trust.

There are differences between professional HRM practices between family and non-family owned and managed firms in Dutch small and medium-sized enterprises. Recruitment, Selection, Training and Compensation are the main practices with which model was drafted. Authors found that family firms are less likely to use professional HRM practices (Kok Jan de et al, 2003). In Palestine also family business are far away from applying HRM practices whereas only some family firms apply it partially (Al-Jabari Mohammad Mohammad Hafiz, 2011)

Okpara John O. et al in 2008 examined the extent to which organizations in Nigeria use various human resource management practices and the perceived challenges and prospects of these practices. Authors have collected the data from 253 managers in various sectors like Banks, Construction, Manufacturing, Oil, and Transportation. HRM practices such as recruitment, selection, performance appraisal and training and development were studied in all the above mentioned sectors. The findings of the study reveal that HRM practices mainly training, recruitment, compensation, performance appraisal and reward systems are followed in a planned manner.
However, issues of tribalism, AIDS and corruption are some of the challenges identified by the authors that need to be addressed. There is an urgent need to employ the services of HR professionals, consultants and researchers to help shape and develop new directional focus that will ensure an efficient and effective human resource practice in Nigeria. Both the management and the Nigerian government should strive to make coherent HR policies that fit closely with overall business strategy. It was found that most organizations in Nigeria are highly unionized; especially the public sector organizations and employees unite to protect and promote their interest, so also do the employers. While in the private organizations, there is not high employees’ involvement in union activities (Fajana Sola et al, 2011). Stephanie Lluis, (2011) explored the relationship between the presence of employee involvement workplace practices and wage dispersion within U.S. firms. Samples of U.S. establishments from the National Employer Survey conducted in 1994 and 1997 were taken. Findings of the study suggest that compared to establishments not using any of the involvement practices, firms that adopt a partial system or full system of practices, includes regular problem-solving meetings and/or self-managed team and/or job rotation, have significantly greater wage dispersion.

There are differences in HRM Practices adopted by International and Domestic companies (Hiltrop, 2002). Socio-cultural environment affects internal work culture, which in turn affects HRM Practices. A model of culture-fit comparing Indian and Canadian managers and employees has been discussed. In assessing socio-cultural environment and internal work culture, the “participant” technique was used in Study 1 (the respondents indicated their own beliefs and assumptions) and the “observant” technique was used in Study 2 (the respondents indicated beliefs and assumptions of the majority of individuals in society). In both studies, India scored higher than Canada on paternalism, power distance, uncertainty avoidance, loyalty towards community, reactivity and futuristic orientation (Zeynep Aycan et al, 1999).

HRM Practices like structural training and development, retention oriented compensation are related to firm’s performance where country’s origin plays an important role. Author has conducted the study in firms based on United States, Great Britain, Japan and Hong Kong firms. It was found that relationships of structural training and development and retention-oriented compensation were stronger for Hong Kong firms (Yue Ngo Hang et al, 1998).
HRM Practices strongly affect Organizational capability in Anglo countries as compared to Asian countries (Bowen et al, 2002). Budhwar Pawan S. et al (2001) found cross cultural difference in HRM Practices between Britain and India. Authors analyzed that there are significant differences in recruitment, compensation, training and development and employee communication practices in manufacturing sector of India and Britain, as these are influenced by contingent variables like age, size, nature and life cycle of organization, presence of unions. Similarly, there are significant differences in HRM Practices especially job satisfaction and fairness issues in American and Chinese companies in Taiwan. The result is due to more open climate in American companies than in Chinese companies (Hsin-yi Chen, 1995). HRM Practices mainly Job analysis and design, recruitment and selection, orientation and employee training, performance appraisal, career planning and development, human resource planning, compensation management and incentives, managing employee health and safety in Turkish Private sector, who are the members of either the Personnel Managers Association or the Quality Association in Turkey suggests that personnel selection, employee recruitment, training and development, compensation management, and employee orientation are the main areas which are practiced in Turkey. In US, results demonstrate that recruiting via internet is practiced frequently in the companies. Study also revealed that personnel selection methods such as interviews were popular among surveyed organizations and organizations in Eastern European countries, England and the US (Sozer Seray, 2004). Also, transfer of HRM Practices constitutes a greater barrier to diffusion than cultural differences between multinational parent and host countries. Transferring of human resource management practices and customer service practices to China by Japanese multinational retail firms is also done (Gamble Jos, 2008). Randa Frida in (2002) examined the international human resource management practices in Swedish born global subsidiaries based in the California. The finding of the study suggests that international human resource management practices in Swedish born global subsidiaries based in California are inefficient, decided upon in a random manner and are not clearly integrated into the business strategy. Authors have suggested that Swedish born global companies that are planning to establish a subsidiary in California should hire or consult with a specialist in international human resource
management, decide on the language to be used from the start and make sure that all
documents and manuals are written in this language and give the expatriates cross-
cultural competence and extensive training in international human resource
management. Schmitt Matthia, (2003) compared the cost minimization approach
through HRM Practices and IR Practices of US and British subsidiaries operating in
Germany with those of native German firms. Authors found that the existence of
decentralization costs is associated with country-of-origin effects in various areas of
personnel management, such as the use of variable compensation, employee
ownership and initial vocational training. In contrast, in the field of industrial relations
(co-determination, compliance with collective bargaining) there are strong pressures
to adapt to local norms, leading to host-country effects. Also, HRM Practices mainly
Selection process differs in Host countries as compared to subsidiaries of MNC’s
operating in United States, Russia and Finland (Bjorkman Ingmar et al, 2007).

Sumelius Jennie et al, (2008) studied the influence of internal and external social
networks on HRM capabilities in MNC subsidiaries in China. Authors distinguish
between technical and strategic HRM capabilities and focus on the capabilities of the
HR department relating to four HRM practices - recruitment and selection, training
and development, compensation and performance appraisal and collected the data
from dual respondents, general managers and HR managers from 66 European MNC
subsidiaries located in China. Authors found that contact with other MNCs in China
regarding HRM issues is positively associated with both technical and strategic HRM
capabilities whereas contact with local Chinese companies does not have any
significant influence on either strategic or technical HRM capabilities.

Kundu Subhash C et al in (2008) intended to assess the HR Practices in insurance
companies which includes two multinational with 7 branches and two Indian with 7
branches and the survey was conducted in the study. Data collected from employees
suggests that training and benefits were highly practiced in the insurance companies.
Performance appraisal, selection and socialization of employees and HR planning and
recruitment were moderately practiced. It was also found by the authors that there are
significant differences in extent to follow HRM Practices in Indian and Multinational
companies as Indian companies did not practice workforce diversity. Compensation
practices were found more competitive or performance based in Multinational
insurance companies than in Indian ones. Managers need to give fair and specific compensation to commissioned sales employees and at the same time should promote team work among them (Shipley Christopher J., et al, 2005)

A survey of HRM Practices operated in 32 units of 28 companies in India was conducted among National, International and Global Companies. Although, these HRM Practices were different among the industries of information technology (IT), manufacturing and services but Companies operating in India appear to be creating strong human resource climates based on structured HR practices in performance management, professional development and normalized performance ratings (Stumpf S. A. et al, 2010). Performance appraisal practices and management values differ in India by firm ownership viz. Indian private investor corporations, public sector enterprises, foreign/joint ventures and private family businesses. It was found that MNC’s/joint ventures discuss performance appraisal practice more likely with their employees and others (Amba Rao Sita C. et al, 2000). Kothiyal Nivedita, (2005) developed a model investigating human resource management practices as antecedents of perceived organizational support in Indian Pharmaceutical Organization. In the study, realistic job preview, fairness of performance appraisal, career development, training and satisfaction with benefits were measured. It was found that fairness of performance appraisal and career development are highly significant predictors of Perceived organizational support. Apart from this, realistic job preview and satisfaction with benefits are also significant predictors of POS but training has no significant explanatory influence on POS. There is a significant relationship between contingent variables and national factors in Indian manufacturing sector. Contingent variables mainly age, size, ownership, life cycle stage and HRM strategies of an organization, type of industry and union membership has a significant correlation with HRM functions of recruitment and selection, training and development, compensation and employee communication. National culture, institutions, dynamic business environment and business sector are four other national factors which may influence Indian HRM policies and practices (Budhwar Pawan S.,2000). Outsourcing of Recruitment and Selection process in IT industry is cost effective but is not much effective because contractors lack firm specific knowledge and engage in opportunistic behavior (Padmaja Palekar, 2006). HRM
Practices and Organization culture are the strong predictors of the managerial effectiveness of the public sector organizations in India (Singh Anil Kumar, 2010). In Indian medium and small sized manufacturing firms of Iron and Steel industry, Ray Sarbapriya et al, in (2011) analyzed the impact of HRM Practices on Job Satisfaction level of employees and it was found that factors like performance appraisal, participation in decision making, training and development, empowerment, compensation influencing human resource management practices have significant association with job satisfaction. It was found by the authors that performance appraisals, participation in decision making are found to have high positive impact on job satisfaction but other elements like training and development, empowerment, compensation have substantial impact on employee’s job satisfaction. But, job rotation, self-directed work teams, recruitment and selection have very negligible impact on job satisfaction. HRM shows different concepts in recent days as compared to earlier days. Newer and newer ways of attracting, recruiting and managing talent in the companies has started. Indian Government must allow the Industry to meet international competition and desired environment in respect of Labor Laws and Financial rules must be liberalized for the Indian pharmaceutical Industry as well (Ritapure Ishwarprasad S et al, 2012).

There are different methods of Selection process such as interviews, references, assessment centers, tests and biodata. Daskopoulou Anna et al (2005) examined Selection methods opted in Greek Banking Sector. Authors found that Selection process in banks is Centralized and they adopt "classic trio" of the selection methods which is composed of cognitive tests, interviews and application forms or submission of curriculum vitae.

In local saving banks of Norway, Bard Kuvaas (2008) examined how the quality of the employee-organization relationship (EOR) that influences the relationship between employee perception of developmental human resource (HR) practices and employee outcomes. Analyses of the study showed that four indicators of the EOR (perceived organizational support, affective organizational commitment and procedural and interactional justice) moderated the relationship between perception of developmental HR practices and individual work performance. Also, there is a strong and direct negative relationship between perception of developmental HR practices
and turnover intention but perceived procedural and interactional justice moderated this linkage.

Das Kallol et al in (2009) explored the association between deployment of customer relationship management (CRM) best practices and loyalty of profitable customers in Indian retail banking sector. Scheduled commercial banks in Surat city were taken in the study. Response from bank managers namely branch managers/ senior managers/ chief managers were analyzed and found that there is no perfect bank which has deployed all the 29 CRM best practices to the fullest extent. The results indicate no strong association between deployment of CRM best practices but loyalty levels of both high and medium relationship, values the retail customers in scheduled commercial banks.

Impact of Training was studied by Karthikeyan K et al (2010) in Indian Banking sector in Tiruchirappalli District of South India. Authors have taken both the public and private sector banks in the study. It was found that Training Practices differ slightly in Public and Private banks of South India, although employees are satisfied with practices in both the sector and effectiveness of training can be assessed through employee’s attitude towards training inputs, quality of training programmes and its application to actual job. Khera Shikha N (2010) attempted to investigate the extent to which Commercial Banks of India differ in respect to human resource management practices and the key Human Resource Practices contributing to employee productivity from three commercial banks of India. Author through Duncan mean test and correlation found that in private sector bank, grievance redressal has come as highly significant contributor to the employee productivity, in the foreign sector bank motivation along with training and development and employee participation and in public sector quality of work life has come as highly significant contributor to the employee productivity. It is also found that more HR practices are in place, the more the bank employee are competent, satisfied with the existing HR practices, the more the employees will have sufficient role clarity in their job and have no intention to leave the organization. Insights of HRM Practices in Ghanaian were studied by Adorkor Rachel Claudia, (2007). Author has taken Ghana Commercial Bank (GCB) and Barclays Bank of Ghana Limited (BBGL) in the study. GCB has initiated a Culture Change Programme aimed at empowering employees with the requisite skills
and motivation for work. BBGL has also implemented an individual award system which is contrary to the collective system of awards found in Ghana. Organizations in Ghana do reflect the current economic conditions in Ghana but doesn’t limit their choice of practices. Findings suggest that there is a need of research call for a reassessment of HR Practices in Ghana Banks. In Philippine banking industry, HRM Practices like recruitment, selection, performance management, training, compensation and employee relations shows significant positive relation with firm’s financial performance (Racelis Aliza D., 2007). Dhruba Gautam K. et al (2007) studied the nature of human resource management in publicly listed finance sector companies in Nepal. Commercial banks and Insurance Companies in Nepal were taken in the study. Authors found that the degree of integration of HR practice appears to be increasing within this sector, but the same is dependent on the maturity of the organizations. The devolvement of responsibility to line managers is at best partial and in the case of the insurance companies, it is more out of necessity due to the absence of strong central HRM practices of banks. Gelade Garry A et al in (2003) conducted research in UK retail banks to examine the relationship between HRM and work climate on Organizational performance and a mediating model has been introduced to find the relationship. It was found that the effects of HRM practices on business performance are partially mediated by work climate. In Kenya commercial banks also, strategic HRM Practices such as recruitment and selection, training, performance appraisal and compensation are mainly linked to key performance areas. Number of HRM Practices such as strategic weapons for organization to remain competitive and poor communication between management and labour, poor planning and poor job orientation are the main challenges in adoption of strategic HRM Practices in Kenya commercial banks (Omondi George O. et al, 2011). Banking Practices mainly performance appraisal, compensation system, selection and recruitment in Islamic banking practices in Pakistan proved a successful experience in growth and expansion of the banking sector esp. from Central bank to nationalized bank (Ahmad Ashfaq et al, 2010). Quresh Tahir Masood et al in 2010, studied the relationship between HRM Practices and the Financial Performance of 46 Scheduled Banks. Authors found that HRM Practices mainly selection, training, performance appraisal system, and compensation system and employee participation have a
positive relation and impact on financial performance of banks but the major contributory practices are selection, training, compensation and employee participation. Mangaleswaran T et al, 2008 compared the HRM Practices in Srilankan and Indian Public sector Banks. The key area of analysis includes staffing, training, compensation, performance appraisal, and employee relations. The result of the study revealed that Public Sector Banks in both countries practice HRM but the extent of practices vary from one another. It was also found that HRM practices in Indian Public Sector Banks except compensation are more rationale and structured than in Srilankan Public Sector Banks. Compensation is more rational in Srilankan Banks than in Indian Banks.

HRM Practices such as recruitment and selection systems, compensation package, job security, career growth, training and development, management style, job design and responsibilities, reward and motivation and working environment followed in Private banks of Bangladesh states that employees are not satisfied from compensation package followed by reward and motivation, career growth, training and development, management style and job design and responsibilities (Majumder Md. Tofael Hossain, 2012). Salary benefits must be taken into consideration in Bangladesh Banks as per their Business strategy (Sarker Md. Atiqur Rahman, 2012).

For achieving competitive advantage it is necessary that employees who are good performers and exhibit potential for even better performance will be assets to the firm. To maintain this attitude it is necessary for the firms to devise means and ways to keep the employees satisfied and committed. So, they should follow the good HRM Practices in their companies (Dr. Sharma Archana et al, 2012).

3.3 ORGANIZATIONAL COMMITMENT AND HUMAN RESOURCE MANAGEMENT PRACTICES

Innovative HRM Practices are the significant predictors of Organizational Commitment. There are three dimensions of innovative HRM Practices i.e. the extent of introduction, their importance for organizational goal achievement and satisfaction. It was found that ‘introduction’ of innovative HR Practices by organization was the most significant predictor of Organizational Commitment (Agarwala Tanuja, 2003).

HRM Practices influence Commitment level of Organizational Performance, be that
positive or negative (Patrick Wright M et al, 2008). Ahmad Sohel et al in 2003 studied seven HRM Practices namely Employment insecurity, Selective hiring, Use of teams and decentralization, Compensation, Extensive training, Status differences, Sharing information in four different countries of the world i.e. Germany, Italy, Japan, and the USA in manufacturing industry especially automobile, electronics, and machinery. Authors found that employment insecurity and status difference seem to hinder development of other HRM practices and thereby influence the work environment and minimize the potential of HRM practices as a whole but other HRM Practices shows a positive impact on operational performance mediated by organizational commitment. Among Belgian employees, HRM Practices shows a positive impact on their work outcomes or performance. In the study, different HRM Practices mainly direct employee participation, developmental appraisal, training, career planning, mentoring were taken and it was found that these HRM practices satisfy the three basic needs for autonomy, relatedness and competence which positively influences affective organizational commitment and work engagement that subsequently lowers turnover intention (Marescaux Elise et al, 2010)

Savaneviciene Asta et al (2011) studied the linkage of HRM Practices on organizational commitment and job satisfaction. The approach of impact in the study was based on AMO (employee’s abilities, motivation and opportunity) framework, which discloses the importance of employee’s abilities, motivation and opportunity to participate. Research shows that skill-enhancing, motivation-enhancing and engagement-enhancing HRM practices have positive relation with affective human resource reactions namely organizational commitment and job satisfaction. Among organizations, employee’s normative commitment level is the poorest of the three dimensions of commitment and intrinsic job satisfaction is higher than extrinsic job satisfaction. The results suggest that skill-enhancing HRM practices mostly stimulate organizational commitment, motivation-enhancing HRM practices, while engagement-enhancing HRM practices stimulates job satisfaction. Affective commitment among employees can be improved by increasing HRM practices that enhance opportunity to participate and motivate.

It is the responsibility of HRD Practitioners to develop commitment oriented HRM Practices. HRM practices such as employee-friendly work environment, career development, development oriented appraisal and comprehensive training shows a
significant positive relationship with organizational commitment among software professionals in India (Paul A.K. et al, 2004). Shahnawaz M.G., et al., 2006 conducted a study in consultancy/research based organization and fashion industry to study HRM Practices and their impact on Organizational Commitment. Authors have compared various HRM Practices in two organizations. In the survey, HRM practices were measured by Geringer, Frayne and Milliman scale, while organizational commitment was measured by Meyer and Allen scale. HRM practices were found significantly different in two organizations and scores of HRM practices were found more in the fashion organization in comparison to consultancy organizations. It was found that Performance appraisal and attitude towards HRM Department are the significant HRM Practices which act as predictors of Organizational Commitment in Consultancy and Fashion Industry. Among public service blue-collar employees, perceptions of extrinsic and intrinsic factors related to their jobs affects organizational commitment level of employees. Promotion satisfaction, job characteristics, communication, leadership satisfaction, job satisfaction, extrinsic exchange, intrinsic exchange, extrinsic rewards and intrinsic rewards are positively and significantly related to their jobs. Contrary to expectations, pay satisfaction did not correlate significantly with commitment (Young Brian S et al, 1998)

Guchait Priyanko et al, 2010 investigated the impact of eight HRM Practices on employee’s intention to leave the organization in Service Sector by examining the mediating effect of organizational commitment. Multiple linear regression and Hierarchical linear regression shows that HRM practices lower employee intentions to leave and also the relationship is partially mediated by organizational commitment. Janet Chew et al, 1980 examined the impacts of key human resource practices on permanent employees' organizational commitment and intention to stay in nine Australian Organizations. Practices included in the study were facilitating of person-organization fit (P-O fit), designing effective remuneration and recognition, creating sufficiently challenging assignments, and implementing training and career development. Authors have collected the data from experts and managers in Australian Organizations. It was found that Organizational commitment was positively affected by P-O fit, remuneration, recognition, and an opportunity to undertake challenging employment assignments. Intention to stay was significantly
related to P-O fit, remuneration, recognition, training and career development. Surprisingly, training and career development were not significantly related to organizational commitment. Roya Anvari et al, 2010 studied the mediating role of Psychological contract on Strategic training practices, organizational commitment and turnover intention among University employees of medicine sciences in Iran. From the survey conducted, authors analyzed that Psychological contract is a partial mediator between strategic training practices and affective organizational commitment. Sanne G.A. et al. in 2005, conducted a study among Dutch university employees to examine the effects of Human Resource Management practices and antecedents (personal variables, job and role characteristics, and work experiences) on organizational commitment. Analysis done by web survey data revealed that decentralization, participation, social interactions and laissez-faire management are important HRM practices for affecting academics' organizational commitment. The main antecedents like age, educational level, organizational tenure, household size, career mobility, job challenge, job level, working hours, organizational climate and social involvement all have significant influences on either affective, continuance or normative organizational commitment of University employees. Amonphaisal Korravee Chai et al, 2008 examined the role of organizational justice and affective commitment as a mediator in the relationships between human resource practices and job performance by using organizational climate as a moderator, in the context of Thai firms. Data from ISI accredited companies was collected and it was found that HRM Practices including training opportunities, performance appraisal and career development has a significant effect on organizational justice. Human resource practices positively and significantly influences affective commitment. It was also found that organizational justice also positively affects affective commitment which in turn had a strong, significant influence on job performance. Effect of HRM Practices on knowledge transfer within 92 subsidiaries of 11 Danish MNC’s suggests that HRM practices mainly staffing, training, promotion, compensation and appraisal positively and substantially affect the degree of knowledge transfer (Minbaeva Dana B, 2005). Also research has been conducted by David Giauque et al, 2010 to assess the impacts of HRM Practices developed in Swiss SMEs upon the commitment of knowledgeable workers. It was found that organizational support, procedural justices
in HRM Practices and reputation of organization clearly influence the commitment level of knowledgeable workers. In Canadian based organizations there is a positive relation between employee’s perception of development-oriented, stability-oriented and reward-oriented human resource management practices on affective and continuance commitment profile membership (Gellatly Ian R et al, 2009). Kun Qiao Kun Qiao, et al, 2008 analyzed the relationship between HRM Practices and Organizational Commitment among IT Employees from Chinese Private-Owned Enterprises. Results of the study indicated that there are 4 dimensions, labeled information sharing, training and development, recruitment and selection, and compensation management, that reflect perceived HRM practices of private-owned IT enterprises that partially show positive impact on Organizational Commitment.

Junaidah Hashim, 2010 examined the management of human resources from the Islamic perspective and its effects on organizational commitment among employees in eight Islamic organizations in Malaysia. Authors found that the selected organizations frequently practice Islamic approach in all its human resource management functions. And this Islamic approach in HRM was highly and significantly correlated to organizational commitment among Employees. In manufacturing firms of Malaysia, HRM practices mainly performance appraisal, training and development positively affect organizational commitment of employees.

In Canadian based organizations there is a relationship between HRM Practices and Organizational Commitment. Employees perception of development oriented, reward oriented HR Practices affected the likelihood of Affective and Continuance commitment. Thus, organizations can use HRM Practices strategically to shape the nature of overall Employee Commitment (Gellatly Ian R. et al, 2009).

Shapiro Jacqueline et al, 2006, assessed how perception of profit sharing (capacity for individual contribution and organizational reciprocity) alter organizational commitment and trust in management using longitudinal data provided by engineering employees. Favorable perceptions of profit sharing served to increase organizational commitment while only organizational reciprocity predicted trust in management. Whitener Ellen M. in, 2001, examined the relationships among human resource practices, trust-in-management and organizational commitment. Individual-level
analyses from a sample of employees from credit unions indicate that trust-in-management partially mediates the relationship between perceived organizational support and organizational commitment. Cross-level analyses using hierarchical linear modeling indicate that human resource practices affect the relationship between perceived organizational support or organizational commitment and also trust-in-management.

Gnanakkan Samson Sam in, 2010, conducted a study to test the influence of HRM Practices on turnover intentions mediated by organizational commitment on Information and Communication technology. The results of the study partially support that HRM practices mainly compensation and training, has a significant direct effect on Turnover Intention and the Organizational commitment contribute to Turnover Intention when combined with HR practices in the model. Moynihan Lisa M. et al, in 2000, examined the influence of job satisfaction and three dimensions of organizational commitment (i.e., affective, continuance, and normative) on the intention to leave, job search activity, performance and leadership effectiveness of executives. Authors analysed that both affective and continuance commitment showed an incremental effect in the presence of job satisfaction. Job satisfaction is associated positively with performance, though not with leadership but Continuance commitment is negatively associated with both performance and leadership. Pare Guy et al, 2007, investigates the relationship with HRM Practices and turnover intentions of highly skilled employees. It was analysed by the authors that nonmonetary recognition and competency development and to a lesser extent, fair rewards and information-sharing practices are negatively and directly related to turnover intentions. Variables such as procedural justice, affective and continuance commitment and citizenship behaviors partially mediate the effects of high-involvement HR practices on the turnover intentions of highly skilled professionals. Tek-Yew Lew, 2011, tested the structural model that explains the relationships between career development opportunities, perceived organizational support, felt obligation, affective organizational commitment and turnover intention of academics working for one of the foreign offshore campuses of Australian universities in Malaysia. The study was driven theoretically by the social exchange theory and the organizational support theory. The study provide empirical support for organizational support theory’s, that practices such as career
development opportunities signals the organization’s commitment of academics. Study conducted in nine organizations of Australia proved that HRM Practices shows a positive impact on organizational commitment of academicians and practitioners that positively relates to retention of employees (Chew Janet in 2005).

Joarder Mohd H. R. et al, 2012, examined the intervening effects of affective commitment on the relationship between certain human resource practices and turnover intention in the context of private university in Bangladesh. Results revealed by the authors suggest that all the human resource practices and affective commitment were significantly and negatively related to turnover intention. The study also found that affective commitment fully and partially mediated the proposed relationship between human resource practices and turnover intention except job autonomy practice.

Hsu Hsiu-Yen in 2009 investigated the relationship between organizational learning culture and job-related behaviors of job satisfaction, organizational commitment and turnover intention among R&D Professionals in Taiwan. R&D professionals in the high-tech industry in Taiwan participated in completing the survey. Confirmatory factor analysis (CFA) was used by the authors to verify the construct validity of the instrument, while Cronbach’s alphas confirmed its reliability. The data analyses used correlational analysis and structural equation modeling (SEM) to examine the research hypotheses. The results of the study indicated that R&D professionals perceptions of a high level of organizational learning culture has a positive effect on job satisfaction and organizational commitment and job satisfaction has a negative effect on turnover intention and positive effect on organizational commitment. However, the results showed no significant relationship between organizational learning culture and turnover intention, or between organizational commitment and turnover intention. Also, there is an indirect impact of organizational learning culture and turnover intention when job satisfaction or organizational commitment is considered as a mediator. It can be concluded that organizations with a higher level of organizational-learning culture will lead R&D professionals to a lower level of turnover intention through the effect of job satisfaction and organizational commitment.

Across India, from 28 companies in different industries it was found that HRM
Practices namely performance management, professional development and manager support has a large impact on Organizational commitment of employees (Haid Michael, 2008). Anvari Roya, et al, 2010 determined the relationships among psychological contracts, affective organizational commitment and three dimensions of personal needs assessment in strategic training. The study sample comprised of employees from universities of medical sciences in Iran. The results further demonstrated that psychological contract is a partial mediator between strategic training practices and affective organizational commitment. Ugboro Isaiah O. (2006) determined the relationship between job redesign, employee empowerment and intent to quit measured along with affective organizational commitment among survivors of organizations. Authors focused on middle level managers and employees in supervisory positions of operating buses and rails because survivors of this group are often called upon to assume expanded roles, functions and responsibilities in a post restructuring and downsizing environment. The results show statistically significant positive relationships between job redesign, empowerment and affective commitment. A research has been done to investigate the relationship between HRM practices, organizational commitment and voluntary early retirement by Herrbach Olivier et al in 2009 among French late-career managers. It was found by the authors that the provision of training opportunities was associated with the most favorable outcomes. Also, it is related to higher affective and high-sacrifice commitment and reduced voluntary early retirement. Also, flexible working conditions and the assignment of older workers to new roles did not have the expected positive effects. In Sino-German joint-venture and state-owned enterprise in China, there are differences in effects of HRM Practices on Organizational commitment of employees. Employees in the joint venture were found to be significantly more satisfied with their organization’s HRM practices than were employees in the state-owned enterprise. In turn, employee satisfaction with HRM practices was found to have a more significant influence on affective commitment in the joint venture than in the state-owned enterprise (Yu B B, 2005).

Monks Kathy et al, in 2002, assess the importance of Multi-Dimensional Commitment to International HRM from the employees of three multinational firms in the Irish Financial Services Industry. The paper extends both HRM and
commitment research perspectives by examining employee experiences of HR practices and linking these experiences to multiple dimensions of commitment. The findings show that while attitudes towards some HR practices impact considerably on affective commitment, their impact on the continuance or normative dimensions is considerably weaker.

Effective HRM Practices considerably affect Organizational commitment of employees especially in developing countries. Organizational Commitment of clerical and managerial staff in Indian Northern Banks is high in mid-career stage and less in early stages of their career (Sandhu H.S. et al, 2010). In Srilankan Public Sector banks also employees reveal that HRM Practices impact their commitment level for their existing organization (Vijay P., 2009). Hunter Larry W., in 1995, studied the relationship between strategic HRM Practices and Organizational Commitment in seven U.S. retail banking divisions. Data for the study was collected from 10 consumer financial services dealing with executives, top, middle and supervisory level managers and also non-managerial workers. The survey includes factors regarding strategy, performance, human resource management, technology, and design of service processes. It was found that Strategic HRM affects Organizational Commitment of Employees in U.S. retail banking divisions.

In Srilankan Public sector banks, the impact of HRM Practices on Human Resource Management outcomes such as employee satisfaction, commitment and retention was studied by Rathnaweerage Raigama et al in 2008. Sample of employees working in different departments were taken. Through Multiple Regression, Cronbach alpha, Pearson correlation coefficient and descriptive statistics it was revealed that Human Resource Management practices mainly training and performance evaluation are significant predictors of employee satisfaction, commitment and retention as compared to grievance handling. In Commercial banks of Pakistan and USA, direct participation plays a very important role on the commitment level of employees. In both countries, types of employee participation are gaining popularity day by day, but unlike in U.S.A., direct participation has a more significant and positive relationship in Pakistan. Bhatti Komal Khalid et al, 2011, concluded that investment in employee participation in an organization showed better results, high employees’ commitment and productivity, development of desired knowledge, skills, attitudes and other
behaviors results in higher job satisfaction and organizational performance. Relationship between career opportunities, work life policies, job characteristics and organizational commitment of information technology (IT) professionals working in public and private sector organizations including banks in Pakistan was studied by Bashir Sajid et al, in 2008. The results show that career opportunities and work life policies in IT professional’s esp. software developers, network administrators and system engineers are significantly correlated with organizational commitment, while job characteristics do not determine their organizational commitment. In Nigerian Banking sector, various changes have taken place like merger and acquisitions, private placement, reengineering process, right sizing and so on. Good salary and job security were the strong determinants of employee perception of change and are the important factors responsible for the commitment level of employees in the organization (Shehu Abba Abubakar et al, 2010).

Thus, from the literature review, it can be easily justified that different sectors were explored independently on HRM Practices or Organizational Commitment but very rare studies were found in Banking Sector of India with comparative analysis by considering both the variables i.e. HRM Practices and Organizational Commitment.