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Role of HRM practices in employee commitment in the Indian tourism industry

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Abstract

In today's technological-driven era, often referred to as the Industrial Revolution, industries are going through substantial changes. This shift has sparked intense competition among businesses. Retaining dedicated and skilled employees is now a tough challenge, especially with younger workers who regularly explore new job opportunities and work environments. The growing emphasis on finding a balance between work and personal life also plays a role in shaping the connection employees feel with their organizations. This article delves into how the practices of Human Resource Management (HRM) influence the commitment of employees in the Indian tourism and hospitality sector amidst these changes. The researchers examined past studies to identify factors affecting organizational commitment in India. They found that specific HRM practices, such as training, performance evaluations, compensation, job security, work environment, and organizational support, significantly enhance employee commitment. The article also suggests some ways companies can enhance organizational commitment..

Keywords: Organizational commitment, Human Resource Management, Factors affecting, Tourism, Hospitality.

Introduction

In the ongoing Fourth Industrial Revolution, marked by transformative technological advancements in various industries, competition among businesses has reached new heights. Retaining dedicated and skilled employees has become a formidable challenge, particularly with younger workers who actively explore fresh job opportunities and different work environments. The increasing emphasis on striking a balance between work and personal life has significantly influenced the sense of connection employees have with their organizations. Concurrently, businesses are channelling substantial investments into strategies aimed at attracting and retaining top-tier talent, contributing to a decline in traditional employee loyalty. To maintain a steadfast workforce, companies must consistently prioritize their employees through compassionate and sustainable human resource policies. The travel and tourism sector have played a pivotal role in contributing approximately \$178 billion to the country's GDP. This industry is anticipated to exhibit consistent growth, with an annual increase of 6.7%, aiming to reach 9.2% of the GDP, totalling \$488 billion. To provide context, in 2020, the industry contributed \$121.9 billion to the GDP, a notable decrease from the higher figure of \$212.8 billion in 2019. As per the WTTC's Economic Impact 2022 report, India's contribution to the Travel and tourism GDP witnessed a 5.8% increase, ranking it sixth globally. The leading contributors to global travel and tourism GDP include countries such as the US, China, Germany, Japan, and Italy. It's worth highlighting that tourism holds the position of being the third-largest foreign exchange earner for India, underlining its economic significance. The employees play a crucial role in India's tourism and hospitality sector. In the fiscal year 2023, the tourism sector contributed to the employment of approximately 38 million individuals, reflecting a growth rate of 4.4% compared to the preceding year (2022). Recently, many organizations have been focusing their efforts on strategies to enhance the commitment of individuals to the overall success of the organization. Several authors have delved into the connections between different aspects of Human Resources Management practices and their influence on employee effectiveness.

Review of Literature

A considerable amount of research on organizational commitment has been conducted globally, with a focus on various aspects. Some key areas of investigation include organizational commitment as a factor influencing employees' mobility, the relationship between mentoring and organizational commitment, the sources of support, and the targets of commitment (Lin *et al.*, 2005; Payne and Huffman, 2005; Stinglhamber and Vandenberghe, 2003) ^[23, 35, 45]. Recent studies have expanded their scope to explore the interconnectedness of job satisfaction and organizational commitment. Researchers have also delved into the relationships between values, performance management, job satisfaction, and organizational commitment (Rayton, 2006; Rosete, 2006) ^[40, 42]. Additionally, there has been an exploration into the impact of culture and organizational commitment on performance (Rashid *et al.*, 2005; Riketta, 2002) ^[39, 41]. Cross-cultural dimensions have been investigated, such as the relationship between organizational commitment and human values, as well as the cross-cultural effects of leadership style, organizational culture, and commitment (Glazer *et al.*, 2004; Lok and Crawford, 2004) ^[13, 24].

Further research literature has examined linkages between vision and organizational commitment (Dvir *et al.*, 2004) ^[9], the relationship between Human Resource Management (HRM) practices and organizational commitment in not-for-profit organizations (Alatrasta and Arrowsmith, 2004) ^[2], and the association between empowerment and organizational commitment (Laschinger *et al.*, 2004) ^[22]. This diverse body of research contributes to a comprehensive understanding of the multifaceted factors influencing organizational commitment in various contexts.

Organizational commitment is essentially the intention of individuals to engage with an organization for the long term. This commitment is not just about the individual; it forms a crucial link in the chain of collective efforts aimed at achieving organizational goals. Over time, researchers have offered various views on defining employee commitment to an organization. According to Porter *et al.* (1974) ^[37], commitment to an organization involves a strong belief in and acceptance of its goals, a willingness to give one's best for the organization, and a desire to remain a member of the organization. It encompasses the willingness to stay with the organization, exert effort for its success, and align with the company's goals and values (Dubin *et al.*, 1975) ^[8].

On the other hand, Meyer and Allen (1997) ^[29] argue that organizational commitment includes staying with the organization, actively participating in daily work, working diligently, protecting assets, and believing in the organization's goals. Cohen (2007) ^[6] emphasizes loyalty, the willingness to strive for the organization's goals and values, and the desire to be a member of the organization as integral aspects of commitment. Macey and Schneider (2008) ^[25] define commitment as actively working for the organization, taking pride in being a member, and forming a strong attachment to the organization.

In essence, employee commitment to the organization is a psychological state that reflects an individual's engagement with their work and career. It signifies loyalty and enthusiasm in their efforts for the organization, as well as a willingness to prioritize the organization's benefits over personal interests. Individuals with higher levels of commitment to the organization tend to experience greater job satisfaction, think

less about leaving, and exhibit a stronger dedication to their work. Various scales have been employed to measure organizational commitment, with Meyer and Allen (1997) ^[29] proposing three components: Affective commitment, reflecting sentimental commitment and a deep bond with the organization; Continuance commitment, where employees recognize the high costs associated with leaving the organization; and Normative commitment, reflecting commitment based on employees' sense of obligation to the organization. This framework is widely accepted and commonly used in current studies.

Recruitment and hiring: It is a process of attracting suitable candidates to apply for jobs in the organization, internally or externally (Greenidge, 2006) ^[14]. According to researchers, poor recruitment results failure of an organization to hire the right candidate (Hashim, 2010). Therefore, it is a high financial loss and may result in job dissatisfaction among new employees (Hui, 2011) ^[17].

Training and Development: According to researchers, training and development are the factors which can keep employees motivated (Kottke, and Sharafinski, 1988) ^[20]. The study by Ahmad and Bakar (2003) ^[1] revealed a significant and positive association between training, support for training, and motivation to learn with overall commitment. This encompassed both affective commitment, which involves emotional attachment, and normative commitment, related to a sense of obligation. Additionally, the research conducted by Kyndt, Dochy, Michielsens, and Moeyaert (2009) ^[21] found that training plays a transformative role in altering employees' turnover considerations and dissatisfaction, thereby influencing their intention to leave the organization.

Working Environment: The working environment within an organization comprises both material and psychological aspects (Islam *et al.*, 2016) ^[18]. The material environment includes factors such as workplace location, working space, and working conditions. A comfortable and suitable material environment creates favourable conditions for employees, leading to a higher commitment to the organization. The psychological environment, which includes aspects like working pressure and atmosphere, is equally important. A friendly and positive psychological environment boosts employee confidence, stimulates creativity, and strengthens their connection with the organization. Armstrong and Taylor (2017) ^[4] emphasize that a great working environment contributes to a continuous rise in employee commitment.

Supervisor Support: It is a general observation of employees to which supervisors give value and support their well-being (O'Neill, 2012) ^[33]. Positive feedback from supervisors enhances employee morale and motivation (Otken, and Erben, 2010) ^[34]. The supervisor acts as an agent of the organization and employees view their supervisors' positive or negative perceptions towards them (Perry, 2011) ^[36].

Compensation and benefit: It refers to all the rewards that employees receive for their services in the organization. It includes direct pay such as salary and wages, and indirect pay as a benefits program. The compensation system is very important in this modern time. In both public and private sectors, these are the main tools for employees' motivation (Madan, and. Bajwa, 2016) ^[26]. The role of compensation is very important in expanding organizational obligation (Manzoor, 2011) ^[27]. Therefore, many organizations are very conscious about establishing and maintaining the best possible compensation systems (Maroudas, 2008) ^[28].

Employee Empowerment: Researchers stated that Empowerment describes working arrangements which engage the empowered at an emotional level. It is also distinguished between concepts of empowerment which are relational and motivational (Farah, Sze, and Fakhrul, 2014) ^[10].

Methodology

The present research uses an experimental research design. Secondary data was used from company websites, journals, e-books, and literature on HR practices and Organizational Commitment. This research paper will meet the following objectives:

1. Evaluate the concept of Organizational Commitment.
2. Explore the role of HRM functions in organizational commitment.

Findings

The research model presented in this article is built upon the foundation of previous studies, incorporating components from various works. The elements of human resource management are drawn and selected from studies by Geringer, Frayne, and Milliman (2002) ^[11], Bisharat *et al.* (2017) ^[5], and Nassar (2017) ^[32]. When it comes to employee commitment, the model inherits insights from the research conducted by Allen and Meyer (1990) ^[3], which includes three key components: emotional commitment, commitment to long-term goals, and commitment to professional ethics. However, it's worth noting that, according to Wang, Indridason, and Saunders (2010) ^[48], there is a significant relationship between ethical commitment, occupational commitment, and emotional commitment. This indicates that these three dimensions are closely intertwined and have interrelated influences on employee commitment. The incorporation of such nuanced perspectives from various studies enriches and refines the research model, providing a more comprehensive understanding of the dynamics involved in human resource management and employee commitment. According to researchers, human resource practices are the primary means by which firms can influence and shape the skills, attitudes, and behaviour of individuals to do their work and thus achieve organizational goals. However, hiring is a process of selection or no selection decision about each individual for the job. Therefore, the selection process must choose the right candidate who meets the requirements and reduces the organization's expenses (Katou, 2007) ^[19]. Proper motivation makes feel a sense of belonging of employees towards the organization, which in turn increases the level of employee motivation and benefit for the organization. Training and development is the planned effort of the company to facilitate employees and learning of job-related abilities. This is one of the major strategies used by the organization. It is understood as the most common practice of human resources. Training normally includes skills and knowledge needed to accomplish a specific task. In contrast, development focuses on the future work responsibilities of employees. However, in the modern age, there is a need to shift from traditional way to future-oriented training and development. Providing training and promotion opportunities, as noted by Giao, Vuong, and Tung (2020) ^[12], is another way organizations can enhance employee commitment. When employees feel that the organization values and invests in them, it positively influences their commitment.

According to Armstrong and Taylor (2017) ^[4], income represents the compensation for a job and can take various forms, including basic wages, additional cash payments like shift and overtime payments, and benefits. Dessler (2019) ^[7] adds that income encompasses both financial and non-financial payments that employers provide to acknowledge employees' time, skills, and efforts in fulfilling their job responsibilities and contributing to organizational goals. Satisfied with their income, employees are more likely to demonstrate increased commitment and dedication to the organization.

Evaluation is an official process of employee monitoring. It is directly controlled by the management to improve the performance and productivity of employees. Evaluation is a method of observing and evaluating employee performance effectively (Micu, 2016) ^[30]. In the study previous study, organizations didn't follow any procedure for promotion schemes (Najeeb, 2013) ^[31]. Moreover, compensation is directly associated with the performance of employees. Therefore an appropriate evaluation program should be pursued by organizations to satisfy employees.

The job of the supervisor is to directly interact with the staff. Therefore, they have the core job of monitoring the subordinates and evaluating their performance. Researchers revealed that the supportive behaviour of a supervisor encourages the employee and supports his creativity generally results in motivated employees (Rao, 2016) ^[38]. The relationship between employees and their direct managers is crucial, (Dessler, 2019) ^[7]. Armstrong and Taylor (2017) ^[4] argue that the direct manager plays a pivotal role in fostering employee commitment. Talukder (2019) ^[47] sees the direct manager as the pathway to employee commitment, emphasizing the importance of a positive relationship.

As a relational concept empowerment is concerned with issues to do with management style and employee participation. As a motivational construct empowerment is individual and personal, it is about discretion, autonomy, power and control. Employee empowerment helps firms to enthuse and enable employees to take responsibility for the service encounter. However Empowering employees to increase their satisfaction and the organization's performance will require a greater amount of communication than ever thought possible (Salisu, Chinyio, and Suresh, 2016) ^[43]. This will require management to invest in increased amounts of time communicating with employees and allowing for feedback (Salleh, Zahari, Said, and Ali, 2016) ^[44]. In addition, it will require that management honestly evaluate the communication styles and methods that are being used in the institution to ensure the most efficient processes possible.

Research by Hanaysha (2016) ^[15] highlights the relationship between the working environment and employee commitment. Employees value a good working environment for personal convenience and as a factor that aids in task fulfilment. Suma and Lesha (2013) ^[46] found a connection between relationships with coworkers and employee commitment. A positive and supportive environment among coworkers increases employee happiness and commitment to the organization.

Conclusion

The study considered several significant elements, including the work environment, fairness in selection, training and development, career development opportunities, reward and recognition, and the experience of mentoring and coaching.

Through in-depth work analysis and job design aligned with organizational objectives, Human Resource Management (HRM) can ensure the recruitment and hiring of individuals with the necessary skills. Comprehensive training and development programs further equip employees with the competencies required for effective job performance and future roles. Performance management processes play a crucial role in assessing employee performance, identifying areas for improvement, and recognizing high performers. Reward systems are implemented to motivate employees and reinforce desired behaviours. Additionally, fostering a positive workplace culture contributes to employee satisfaction, engagement, and overall organizational success. These elements collectively form a holistic approach to human resource management, emphasizing the importance of creating a conducive work environment and providing opportunities for employee growth and recognition. The purpose of the study was to examine the relationships between human resource practices (recruitment and hiring, training and development, benefit and compensation, and evaluation, perceived supervisor support and employee commitment. According to the research findings, there were few positive relationships between all the variables of this study. The results revealed that the human resource practices dimension concerning the dimension of recruitment and hiring, training and development, benefit and compensation, and evaluation were significantly and positively related to employee commitment. Findings also revealed that supervisor support had a significant relationship with employee commitment. These practices encompass a range of strategies, including offering comprehensive training programs, facilitating the development of multiple skills among employees, designing flexible job roles, implementing structured staffing procedures, and promoting open and comprehensive communication.

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