

A Study on Impact of HRM Practices and Policies on Employee's Organisational Commitment in Textile Spinning Mills in Tamil Nadu, India

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Abstract

The Indian textile sector plays key role through its support to industrial output and export earnings to the country. The main objective of this paper is to determine an impact of Human Resource Management (HRM) practices and policies on employee's organizational commitment in textile spinning mills in Tamil Nadu, India. The present study uses descriptive and explanatory approach, the data collected through distribution of close-ended questionnaire among 100 employees working in five prominent textile spinning mills in Tamil Nadu, India. The data also collected from secondary sources like journals, newspaper, working papers, thesis, etc. The data collected was tested the frequency (descriptive analysis) and correlation and 't' test, to establish the causality between HRM practices and organizational commitment. As per the finding, out of five HRM practices, training and development, welfare activities and compensation & benefits have emerged as the best practices in impacting organizational commitment. Findings from the study recommend that in order to improve the organizational commitment, the compensation should be improved, promotions should be introduced, and the supervisors should encourage the participation of employee training programs.

Keywords: HRM Practices, Indian Textile Industry, Organizational Commitment

1. Introduction

1.1 Overview of the Study

According to ¹ "Commitment as a psychological link between organizations that makes it less likely that the employee will voluntarily leave the organization". According to ², there are three important practices linked with the employee's commitments: reward, recognition and work life balance. The definition implies that the employee

commitment will determine the work performance, retention and satisfaction in work atmosphere. In the Textile sector, Spinning is the third step in the process of textile industry value addition and key segments. Textile industry plays important role in industrial growth and provides job to rural people with spinning, handlooms etc., and Coimbatore District contributing 600 cotton mills for economic growth of Tamilnadu.³ The Effective HR practices and organizational commitment play a major role in the development to the Textile industry.

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1.2 HRM Practices Aiding Organizational Commitment

Human Resource Management plays a strategic role in managing and organizing people. Maintenance of healthy workplace culture and the environment, the strategies to deal with the issues related to compensation, performance management, employee's recruitment, selection and training are sought. Application of performance measures within the organizations help in developing benchmarks to compare ongoing results against their targeted objectives, which is overseen by the manager.⁴ In today's competitive world, success would be less dependent upon benefit associated with economies of scale, and innovation but they are more obtained from Human Resources Management and strategic human resource management practices which are aimed at improving organizational commitment among the employees.⁵

Organizational commitment is individual's psychological bond with their organization. Broadly speaking, employees who are committed to their organizations are able to understand the organizational goals and mission thus work accordingly. Organizational commitment is determined by couple of factors such as personal factors (age, organization tenure, internal attributions), organizational factors (organization rules and regulations, leadership style, relationship with co-workers) and social factors (availability of alternatives).^{6,7} According to In⁸ affective commitment is a component of organizational commitment which describes employees personal issues and identification with the organization resulting if employees are more satisfied of job satisfaction, then he or she would be more enthusiastic about the job then they tried to enhance the organization's goal and objectives.

The outcome of HR Practices, in three different ways, i.e. attitude towards job, attitude towards organization and behavioral intentions wherein the three outcomes are job satisfaction, organizational commitment and turnover intention respectively. However, the outcomes depend on several HR practices, such as training, compensation, rewards and recognition. HR practices and their impact on organizational commitment will respect to Textile industry which will be explored in this research study.

1.3 Need for this Study

The textile industry has a unique role in Indian economy. According to⁹ presently the textile industry in India is pegged at \$52 billion. Besides, the Indian textile industry comprises of 14 percent of industrial production which employs 35 million people and 12 percent share of the India's total export basket. In Tamil Nadu, textile sector contributes one fourth of the country's total textile manufacturing and it is one of the third largest state in India in terms of GDP contribution to Indian economy and occupies the second position in total employment generation with the share of 9.97 percent in India. In¹⁰ with economic importance, it is also important to determine the role of HR practices which ensured the commitment among employees within these textile mills. According to the research on literature, there are number of factors which have contribution towards organizational commitment, however, studies have not focused on Textile spinning mills in Tamil Nadu, therefore the study is undertaken to determine the importance of different factors so that practices can be improved.

2. Aim and Objectives

The main objective of this study is to determine an impact of HRM practices and policies on employee's organizational commitment in textile spinning mills of Tamil Nadu. It has the following objectives

- To determine the importance of HRM practice within the organizational context
- To identify the impact of HRM practices and policies among the textile spinning mills industry employees in Tamil Nadu

2.1 Empirical Review of HRM Practices and Impact on the Performance

Most of the studies within Textile industry in India until last five years were focused only on different HRM practices and their impact on employee performance and the organizational commitment. In¹¹ conducted a research

study to examine the importance of human resource practice in a public sector silk factory. The data was collected through the questionnaire among the sample of 200 employees who are working in public sector silk industry in Kashmir, India. As per finding of the study, providing a safe and happy workplace, the performance based bonus to employees improves factory's profit and productivity. The study further reflects that improved quality of work provided by the employees enables the organization in achieving organization's aims and objectives.

Similarly,¹² conducted a research study whose main objective was to identify the relationship between the HR practices and higher productivity. The study adopted random sampling approach was to collect the data of women employees (N=90) who were working in six garments companies in Bangalore. As per finding of the study, companies which adopted human resource practices such as training and development, safety and clear work environment, showed positive relationship with increase in productivity and the improved social status of the workforce. Further, ¹³ conducted a study with an objective to identify the link between HRM practices and employees' performance. The data was collected through survey among 37 manufacturers belonging to Delhi-NCR. Questionnaire was filled by the concerned executive or the person who controlled HR function in the company. The study used correlation analysis to determine the HRM practice on the employee performance and found a positive correlation between training and employee performance, the negative correlation between compensation and employee turnover.

In¹⁴ in their research, emphasized on the importance of HR function on higher productivity, enhanced quality, lowered cost of production, improved customer service and good industrial relations within spinning mills. However, the effectiveness is dependent on HR practices which ensure employee engagement within the organizations. Like previous studies, this research study was also focused on employee engagement aspect, however was not focused on its outcome. It reveals that the researchers emphasized on the importance of organizational commitment, with increase in turnover rate in textile mills across

the different states where the industry is operational. In ¹⁵ conducted a research study to examine the impact of HRM on organization commitment in Textile industry. The main objective of this study is to find out how much of commitment would be attributed to human resources management practices. The data was collected through questionnaire among the sample of 100 employees who are working in Textile industry in Punjab. A study analysed data by 't' test and multiple regression. As per finding of the study, HRM practices are strongly associated with the organisational commitment of managerial employees in textile industry.

In¹⁶ conducted a study with an objective to identify the impact of human resource practices on the organizational commitment and job satisfaction on manufacturing industry. The study adopted survey research strategy to collect data through distribution of questionnaire among 211 employees from the six textile industries in Punjab, India. The data was analysed through correlation and analysis of variance and regression. The results of the study indicate that human resource practices positively impact on the organizational commitment and job satisfaction of employees.

A similar study conducted by ¹⁷ whose main objective was to identify the relationship between human resource management practices and organizational commitment of employees. The data collected through survey among the sample of 60 employees who are working in textile industry, Pakistan. The study used Pearson correlation and regression to examine the relationship between HRM practices and the organizational commitment. The study found that HRM practices like compensation, training and development and performance appraisal have positive impact on the organizational commitment of employees.

In¹⁸ conducted a study with an objective to identify the impact of Human resource management practices like Training and Development, Staffing, Performance Feedback, Rewards System, Motivation and Welfare measures have impact on the organizational commitment in textile industry. This study adopted exploratory research and the data collected through distribution of structured survey among the sample of people working at textile

industry in Tamil Nadu, India. As per finding of the results, the impact of HRM practices on organizational commitment is positive at textile industry in Tamil Nadu, India.

1. To accomplish the objectives of the study, the research question framed.
2. To find out the importance and relationship between HRM practices and the organizational commitment at spinning mills in Tamilnadu.

3. Conceptual Framework

Following the empirical investigation carried out on the studies conducted on HR practices in textile industries of India and its impact of the employee job performance, certain key variables was identified which forms significant HR practices. Taking practice, a conceptual framework was developed to understand their significance in ensuring organizational commitment of the employees through the primary investigation. The overall proposed conceptual framework is illustrated in the Figure 1.

Null Hypothesis: HRM practices do not have any impact on organizational commitment.

Alternative Hypothesis: HRM practices have an impact on organizational commitment

4. Research Methodology

4.1 Research Design

The present study is based on descriptive analysis as it describes HR practices undertaken by Textile Spinning Mills of Tamil Nadu. The researcher identified research question after literature review to attain the objectives of the study. The researcher evaluated the employee perception and examines a causal relationship between different HR practices (as described in conceptual framework) and the organizational commitment thereby measuring the impact of the former on the latter. The proposed study collected data through both the primary and secondary data and utilized quantitative approach for primary data collection using survey strategy. While the target population for



Figure 1. Proposed Conceptual Framework

Source: Research Scholar.

primary data collection including the entire workforce distribution of the five prominent textile mills of Tamil Nadu, sampled population consisted of 100 employees working at varying positions engaged with the five textile mills. A probability random stratified sampling plan was utilized to approach the respondents, where employees from both the junior and middle management strata were selected for the study. The data collection instrument consisted of a close-ended and structured questionnaire, segregated into two major portions– demographic profile & general background which were based on nominal scales. Hence, it can be quantified and the role of HR practices was based on ordinal scales i.e. 5-point Likert scales reflecting degree of agreement. The latter questions were aimed to understand the impact of HR practices on the organizational commitment, segregating the total 21 statements into five major HR practices. The data was collected by following the informed consent of the respondents and prior permission from the respective HR departments.

The validity was established through pilot testing on the 10 respondents, based on whose suggestions, changes were made in the questionnaire so as to gain the desired results. Internal consistency of the data was maintained by ensuring reliability, examining the statements through Cronbach's Alpha and gaining the values greater than 60. Table 1 shows the reliability testing values for the collected data in the study.

The survey data collected was tested using SPSS software (v 21.0) through frequency (for descriptive analysis) and Correlation & 't' Test, to establish the causality between HR practices and the organizational commitment, followed by the impact of the former on the latter. As part of ethical considerations, the respondents' privacy, anonymity and data confidentiality were maintained in order to safeguard them from personal and professional harm. Use either SI (MKS) or CGS as primary units. (SI units are encouraged.) English units may be used as secondary units (in parentheses). An exception would be the use of English units as identifiers in trade, such as "3.5-inch disk drive."

5. Findings and Discussions

Descriptive analysis used through the frequency tool reflected that majority of the employees working in the textile spinning industries in Tamil Nadu are the age of below 40 years (60 percent approx.) having vocational degree (70 percent approx). This clearly reflects that younger population is now not interested in working for spinning mills. Further, 62percent of the employees working in textile mills were males and rest females. It is noted that 43 percent of the employees have a work experience of 20 years and 20 percent indicates that they have an experience of less than 15 years. According to survey, 48 percent of employees reflected a monthly salary of Rs.

Table 1. Reliability testing

| Cronbach's Alpha | Cronbach's Alpha | No. of Items |
|------------------|------------------|--------------|
| .942 | .953 | 19 |

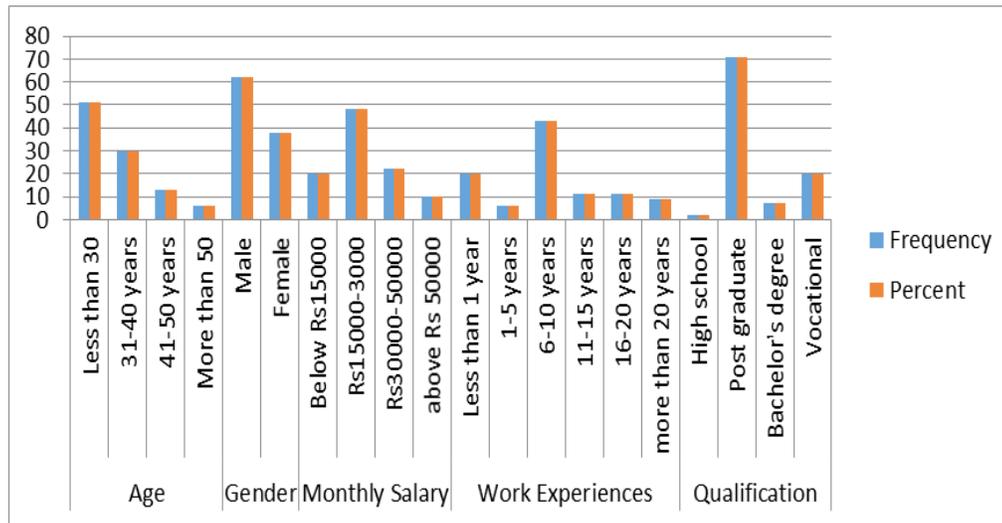


Figure 2. Demographic Profile of the Respondents.

15000 to Rs. 30000 and only 10 percent employees have salary more than Rs. 50000, thereby exhibit the large presence of moderate income group employees in the survey. From the Figure 2, it observes that the demographic

profile of the respondents is plotted for the age, gender, salary, work experience and qualification.

In Textile industries majority of the employees believe that HRM practices are very effective tools specially for

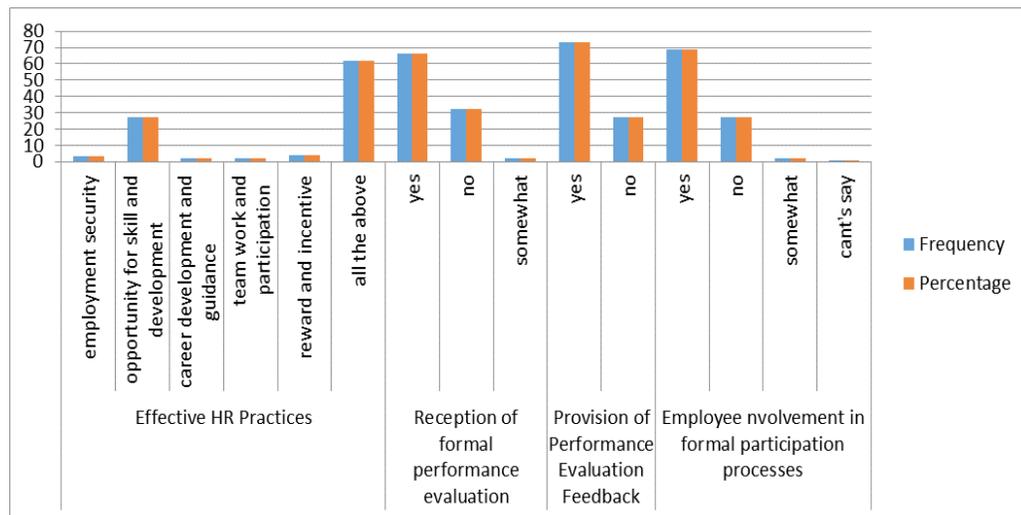


Figure 3. Awareness on HR Practices within the Case Textile Mills.

training and development for the organization. 66 percent of the employees in the mills regularly receive formal evaluation of their performance in a year. Interestingly, 69 percent of the employees are involved in formal participation such as problem solving and decision making. From the Figure 3, it observes that the awareness on HR practices within the case textile mills.

5.1 Hypotheses Testing

Among the different HR practices identified during the empirical research, the researcher developed a concoction of variables which contribute towards the Organizational Commitment.

5.1.1 Recruitment and Selection

It can be seen in the results of correlation analysis, the vacancies are filled by friends and family members of current employees (RS2) and applicants undergo structured interviews (job related questions) before being hired (RS3) they reflect significant correlation values with Pearson Correlation coefficient value of (.333, sig: .000) for RS2 i.e. in cases when the vacancies are filled by friends and family members and (.464, sig: .000) for RS3 i.e. presence of structured interview during recruitment process. This clearly indicates that the culture within the Textile industry is informal, with many employees referring their friends and relatives for jobs in the industry. Further, it

was found that there was no correlation with respect to test undertaken for recruitment, pointing towards informal recruitment and selection system. Thus, it indicates that information of recruitment and selection process impacts on the organizational commitment of employees. Table 2 shows the recruitment and selection in organizational commitment on the study.

5.1.2 Training and Development

With respect to training and development, three variables i.e. I have training opportunities to learn and grow (TD1) (.371, .000), I get the training from the mill on regular basis to enhance my skills (TD3) (.369, .000) and Training and development procedures ensure my career development (TD4) (.312, .002) reflected significant correlations. The results indicate high correlation which is significant at 0.01 confidence interval. The only factor which does not reflect significant correlation was supervisor's encouragement towards employee participation in training program which reflects that supervisors were more concerned about tasks and the deadlines. However, training and development practices may not help the workers to a very high extent. Thus, it concludes with the presence of training and development procedures for growth and career development impacts on the organizational commitment. Table 3 shows the training and development in organizational commitment on the study.

Table 2. Recruitment and selection in organizational commitment

| Recruitment and Selection | Pearson Correlation | Significance (2-tailed) |
|---------------------------|---------------------|-------------------------|
| RS1 | .059 | .563 |
| RS2 | .333** | .001 |
| RS3 | .464** | .000 |
| RS4 | -.011 | .915 |

Table 3. Training and development in organizational commitment

| Training and Development | Pearson Correlation | Significance (2-tailed) |
|--------------------------|---------------------|-------------------------|
| TD1 | .371** | .000 |
| TD2 | .003 | .975 |
| TD3 | .369** | .000 |
| TD4 | .312** | .002 |

5.1.3 Compensation and Benefits

In terms of compensation and Benefits, it is reported that significant correlations were found with respect to CB2 and CB3 wherein CB2 (.350, .000) reflects provision of bonus and incentives on time and CB3 (.239, .016) is availability of compensation in case of accidents. This indicates that HR practices are focused towards bonus and compensation whenever the employees are in need for it. Further, no significant correlations were formed

with respect to pay raise and fair salary structure (CB1) reflecting that salaries were not prioritized in the present HR practices. Further, it has been reported in the literature, the workers work, long hours to accommodate the requirements of delivery and thus, flexible working hours were not defined to have an impact on the organizational commitment. Table 4 shows the compensation and benefits in organizational commitment on the study.

Table 4. Compensation and benefits in organizational commitment

| Compensation and Benefits | Pearson Correlation | Significance (2-tailed) |
|---------------------------|---------------------|-------------------------|
| CB1 | -.101 | .317 |
| CB2 | .350** | .000 |
| CB3 | .239* | .016 |
| CB4 | .026 | .797 |

5.1.4 Promotion and Transfers

Although it has been reported in the literature that the textile industry unlike any other industry does not focus on promotions with most of the labor being unskilled, however it should be noted that promotions and transfers are the important aspects of HR practices and thus, it is important to review the importance of the organizational commitment. With respect to Promotion and Transfer, Table 5 indicates that Job promotions are fair and equitable (PT2) and Transfers within the organization are based on performance (PT4) indicates high correlations corresponding to fairness of promotion and the transfers

based on promotions respectively contributing towards the organizational commitment. Further, unavailability of written promotion and transfer policy and lack of employee merit based promotions indicate lack of correlation with the organizational commitment.

5.1.5 Welfare Activities

In terms of welfare practices, all the variables i.e. Senior management is available to handle my work-related issues(WA1) (.234, .019), there is a formal procedure for resolving disputes/grievances between employees and their supervisors or co-workers (WA2) (.241, .016) and

Table 5. Promotion and transfer and organizational commitment

| Promotion and Transfers | Pearson Correlation | Significance (2-tailed) |
|-------------------------|---------------------|-------------------------|
| PT1 | -.024 | .816 |
| PT2 | .338** | .001 |
| PT3 | .167 | .096 |
| PT4 | .198* | .048 |

Table 6. Welfare activities in organizational commitment

| Welfare Activities | Pearson Correlation | Significance (2-tailed) |
|--------------------|---------------------|-------------------------|
| WA1 | .234* | .019 |
| WA2 | .241* | .016 |
| WA3 | .167 | .096 |
| WA4 | .393** | .000 |

Initiatives are taken by supervisor to ensure my wellbeing (WA3) (.393, .000) indicates significant correlations, the presence of formal grievance in redressal system, availability of senior management in resolving issues and initiatives undertaken by supervisor were some of the factors which contribute towards the organizational commitment. Table 6 indicates the welfare activities in organizational commitment on the study.

Based on the findings of correlation analysis, the null hypothesis is rejected and alternative hypothesis is accepted i.e. HRM practices have an impact on the organizational commitment.

6. Conclusion

The research paper discusses the concept of Human Resources Management Practices in the context of spinning textile industries in Tamil Nadu. In this study, five HRM practices were tested to identify impact on the organization commitment. As per the finding of result, out of five HRM practices, all the factors have different sub-variables impacting the organizational commitment of the employees within textile industries. Among all the variables, training and development, compensation and benefits and welfare activities have best impact on the organizational commitment. The study is novel in terms of studying the impact of different HR practices on the organizational commitment and thus, it gives insights to the textile industries in Tamil Nadu to improve their HR practices with respect to different variables. Based on the findings of the study, the spinning textile industries of Tamil Nadu can gain from providing training and development opportunities for their workers, raising their compensation levels and benefits by providing access to better welfare activities like childcare and maternity leave.

Although, the study provides all information regarding the impact of HRM practices on the organization commitment, there is a scope for future research. Further, research can be conducted across different states to study the difference in HR practices and to determine the need of workers in different states.

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