



Do commitment based human resource practices influence job embeddedness and intention to quit?

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Abstract This empirical paper provides evidence that commitment based human resource practices (CBHRP) influence employees' turnover intentions by embedding newcomers more extensively into organisations. The study was conducted with 501 managers in 19 financial service organisations in India. Results reveal that CBHRP enable organisations to actively embed employees. The results also indicate that on-the-job embeddedness (on-the-JE) is negatively related to turnover intentions and mediates relationships between CBHRP and employees' intention to quit.

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Introduction

An emerging body of studies has sought to specify the link between high performing human resource management (HRM) practices and both, individual and firm, performance (Huselid, 1995). This strategic HRM (SHRM) literature has found that organisations practising SHRM not only increase performance but also decrease employee turnover (Arthur, 1994; Guchait & Cho, 2010; Wheeler, Harries, & Harvey, 2010).

Arthur (1994) outlines differences between SHRM perspectives, finding that commitment driven HR practices, which are oriented towards "committing" the human resource towards the organisation as against "controlling" them, show

superior results in organisational performance. However, our understanding of the mechanism by which commitment based human resource practices (CBHRP) influence employee retention is limited (Arthur, 1994; Evans & Davis, 2005; Guchait & Cho, 2010; Sun, Aryee, & Law, 2007; Williams & Mohamed, 2010). Commitment based human resource practices focus on mutual, long term exchange relationships (Collins & Smith, 2006) and, as a system of human resources practices, enhance employees' level of skill, motivation, information, and empowerment (Guthrie, 2001). Commitment based human resource practices are typically studied at the organisational level (Arthur, 1994; Batt, 2002; Collins & Smith, 2006; Sun et al., 2007), but several researchers such as Williams & Mohamed, 2010, Guchait & Cho, 2010, Berg, 1999 and Guthrie, 2001 concluded that the mechanism by which CBHRP influences employee retention at the individual level warrants greater attention. These researchers further argue that CBHRP build up desired employee behaviours and attitudes by forging psychological links between organisational and employee goals.

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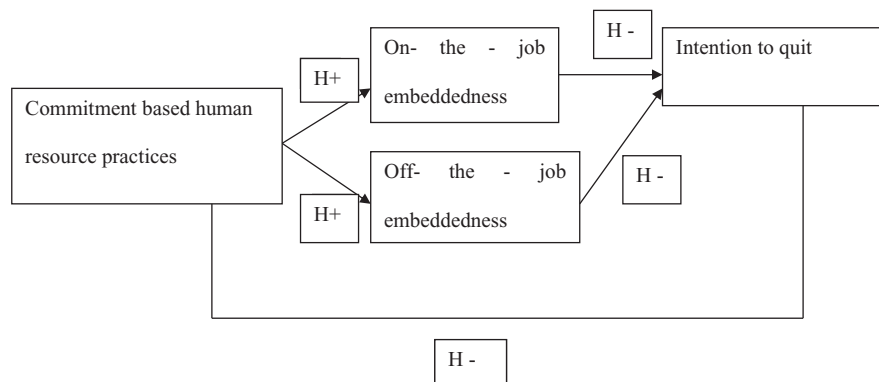


Figure 1 Model linking commitment based HR practices to intention to quit.

It is focussed on developing committed employees who can be trusted to use their discretion to carry out job tasks consistent with organisational goals (Arthur, 1994). Therefore, it becomes increasingly important to understand how CBHRP effectiveness increasingly enhances the critical psychological links between employees and organisations.

Drawing from the recent advances in employee retention theory that stress the importance of employee embeddedness in understanding an employee's intention to quit (Mitchell, Holtom, Lee, Sablinski, & Erez, 2001), we propose that one mechanism by which CBHRP influences intentions to quit at the individual level is job embeddedness. Job embeddedness provides a comprehensive view of the employer and employee relationship by explaining how employees become psychologically and socially embedded more extensively within the organisation and the community in which the organisation operates (Holtom & O'Neill, 2004; Wheeler et al., 2010).

To date, and to the best of our knowledge, only two studies have investigated the relationship between HRM and job embeddedness. The first study, by Bergiel, Nguyen, Clenney, and Taylor (2009), found that the individual human resource (HR) practices (which have been accepted to be less effective than bundle of HR practices, Williams & Mohamed, 2010), of growth opportunity, compensation, and supervisory support positively impacted on-the-job embeddedness (off-the-job embeddedness was not included in the study) which in turn reduces employee's intention to quit, and they failed to find the mediating impact on the fourth HR practice, training. In another study, Wheeler et al. (2010) investigated the effects of general HRM practices on job embeddedness and intention to quit but did not include any specific combination of HR practices.

Human resources management scholars have yet to determine how SHRM effectiveness can build employee job embeddedness as a means to develop the critical psychological links between employees and organisations (Giosan, Holtom, & Watson, 2005; Holtom, Mitchell, Lee, & Tidd, 2006, and Bergiel et al., 2009; Wheeler et al., 2010). Finally, literature in the area of SHRM is framed primarily by the study of manufacturing organisations (Bowen & Schneider, 1988; Sun et al., 2007). Owing to the differences between the manufacturing sector and the service sector (such as differences in demography, occupational groups, technologies, work processes, the level of technically required interdependence

among workers, and difference in the role of customers in the production process), there is a limitation to which findings in the former sector can be applied to the latter sector (Batt, 2002). Further, Combs, Liu, Hall, and Ketchen (2006) have stated that the study of specific bundles of CBHRP practices that would be suitable for the service sector has received less research attention.

Responding to these research gaps this study explains the relationship between employee perceptions of CBHRP, on-the-job embeddedness and off-the-job embeddedness, and employee turnover intentions. Testable hypotheses are first developed, relying on a theoretical framework of job embeddedness, SHRM, and social exchange theory; and a model of these hypotheses is presented in Fig. 1. As this figure indicates, it is predicted that both on-the-job embeddedness and off-the-job embeddedness mediate the relationship between CBHRP and employee turnover intentions. To test these hypotheses, data collected from a large scale field survey are analysed.

Literature review

Commitment based human resource practices (CBHRP)

The literature on SHRM can be traced to Barney's resource-based view (Barney, 1991), according to which HR practices can contribute to competitive advantage by creating inimitable, valuable resources and by providing behavioural perspectives. Strategic HRM characterised by CBHRP signals a long-term investment in employees and suggests a relational view of the employment relationship. Such a relationship obligates employees to reciprocate the organisation's inducements with discretionary role behaviours or contributions that benefit the organisation (Sun et al., 2007), leading to lower employee turnover (Arthur, 1994; Batt, 2002; Guchait & Cho, 2010; Huselid, 1995).

There has been much debate on the choice of HRM functions that should go to constitute CBHRP practices (Collins & Smith, 2006; Sun et al., 2007). Several scholars have adopted different measures of CBHRP across different studies, including recruitment and selection, job description, training, compensation, employee security, participation, communication, incentive pay, internal career opportunities, and team work

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