Explaining The role of Human Resource Excellence on Staff Organizational Commitment: An Emphasis on Enabler Processes

By

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Abstract

The present study aimed to explain the role of human resource excellence on staff organizational commitment of SAIPA car manufacturing company. The methodology is survey correlational that using structure equation modeling (SEM). Using Cochrun formula and stratified sampling with proportional allocation, the sample size came 155 of staff. The process of human resource excellence questionnaire with reliability (0.95) and Allen and Mayer’s organizational commitment questionnaire with reliability (0.81) were used to collect data. The results of the study showed that the mean of human resource excellence processes were meaningfully lower than the expected mean and staff organizational commitment was higher than the expected mean. Human resource excellence processes had meaningful and positive relationship with staff organizational commitment (r=0.44). The results of stepwise regression showed that compensation of services and advantages and human resource planning predicted 19% of staff organizational commitment. Structure equation modeling showed that fitting index of Chi-square to degree of freedom ($\chi^2/df$), goodness fitting index (GFI), increasing fitting index (IFI), the root of mean square error approximation (RMSEA), normalized fitting index (NFI) and adaptive goodness fitting index (AGF) were verified and showed that human resource excellence processes are effect on organizational commitment with ($\gamma=0.54$) path coefficient.

Keywords: human resource excellence processes, organizational commitment, staff, SAIPA car manufacturing company.

1. Introduction

Now a day human resources is known as the first factor in development of the societies. Many countries living in under-development and poverty in spite of having reach natural sources and countries that are in the best development position in spite of the lack of natural resources verifies this claim. Human resources all entire abilities, capabilities and internal forces used by individuals or the society (mirKamali, 2004). In other words, human resources of an organization are all persons working at different levels of an organization (Saadat, 1996).

Organizational trends should help the most important capital of organizations to show their capabilities to perform the duties desirably well. The activities of companies and economic agents in today’s challenging and complex environment need excellent organization and committed work force (Rahmenay and Mahmoodzadeh, 2008). Katz and Kan (1978) stated that organizations that pay attention to staff commitment have less behaviors like financial delay and circulation. Also they stated that committed staff may get involved more probably in behaviors like creativity and innovation which often keep competitiveness of organization (Leow, 2009).

Also, those staff having high emotional commitment their organization perform their duties better rather than when they have low emotional commitment (Akroyd, 2009). Steers (1997) believed that more committed staff do more efforts to perform their duties (Steers, 1997).
Organizational commitment is a obligatory force with psychological stability binding the individuals with collection of activities related to organization goals (Thomas et al, 2006).

Jese and Zickar (2006) introduced organizational commitment as a psychological state specifying the kind of staff relationship with organization. This relationship carries some inferences for staff determining the continuity of staff membership in organization (Jese and Zickar, 2006). Based on mirkamali(2006), organizational commitment includes personal psychological and emotional entanglement with organization to accept the values and goals of organizations and rela endeavor to fulfill them and the tendency to gain identity and survival in organization. Neinger(2010) considered organizational commitment as participation, sense of belonging and staff identity with an organization.

One of the most important studies on dimensions of organizational commitment was done by Allen and Myer (1990). They presented their three-dimensional model based on the observation of similarities and differences existed in uni-dimensional concepts of organizational commitment. Their general discussion was that commitment binds the individuals with organization which will reduce leaving job. They differentiated three commitments. Emotional commitment refers to personal feeling dependence to organizations; continuous commitment refers to is related to the tendency to remain in organization due to the costs of leaving the organization and rewards of staying in it. Finally, normative commitment reflects the sense of duty to remain as a member of the organization. Based on what was said, organizational commitment and its elements are important concepts of organization and its related concepts and factors are being noticed more than before (Allen and Mayer, 1990).

Excellence means caring more than what is believed by others and achieving practical dream more than what is thought by others and satisfying the expectations more than what is considered by others (Courtney, 2005).

Allen and Robertz (1995) stated that excellence not only includes technical development in a job but also other areas like social communication, inter-personal relationships, management, ethic and other issues. Weston (2009) considered excellence as going beyond customer’s expectations and delighting them. Moullin (2009) considered excellence as satisfying the entire needs of stakeholders with the least organizational cost and the highest quality.

Human resource excellence is a standard designed accurately helping managers to improve their organization performance through excellency in human resource management (H.R.E, 2012).

Human resource excellence is a framework of basic values, criteria and superior indices in all dimensions of an organization’s human resources which help organizations to identify their strong points and improvement opportunities and program their improvement through constant evaluation of activities, trends, processes and human resource results. So, human resource excellence processes is a very effective framework which can lead human resource of organizations toward excellence. Regarding the pivotal role of human resources in information and communication era, the issue of human resource excellence has been noted more than ever as a strategic approach to management of the most valuable resource of organizations (Ghelichli, 2010).

Excellent organizations manage and develop their potential abilities in personal, team and organizational levels. They increase justice and fairness, participate and empower their human resources. They pay attention to their human resources, make relationship with them, reward and appreciate their services so that to motivate them for using their skills and knowledge for organization benefits and create commitment in them (Ghelichli, 2010).
Based on this, among the related factors with organizational commitment, human resource excellence processes like human resource development, compensation of human resource services, planning and providing human resources, work relations and staff can be noted as concepts for creating and promoting organizational commitment.

Processes are a part of organization human resource excellence empowerment supporting and integrating human resource areas of an organization including: 1) planning and providing human resources, 2) service compensation, 3) human resource development and 4) work and staff relation which are considered in the present study.

Human resource planning is the process of needs analysis, predicting and providing appropriate needed human force for present and future based on organization’s policies and goals and development plan through comparing with present resources (Mirkamali, 2004).

Excellent organizations program their human resources based on human resource strategies. They determine the number of human resource, the capabilities for jobs and the time of use and they attract and recruit those who have the needed abilities to become a member of organization (human resource management association, 2012).

Excellent organizations program and establish so systematic and effective service compensation systems (payment and salary, reward, welfare facilities, health) proportionate with their human resource strategies, proportionate with organizational culture for staff motivation, satisfaction and preservation of human resource (Safarzadeh, et al, 2011). It is believed that service compensation is a big concern of staff and employers which impact on staff commitment (Adnan et al, 2012).

Human resource development includes a framework for helping the staff in developing the skills, personal and organizational knowledge and abilities through presentation of educational opportunities, development of carriers, succession plan, performance management and development, training and organizational development to fulfill organizational goals (Mc Lean, 2006).

Relationship with staff includes activities like industrial relations, work process designing, jobs, duty and cultural management and also policies and operations related to disciplinary rules, obviation of conflicts and management relations and workers union (Bumberger and Shulem, 2000).

Lots of related and effective factors influence on organizational commitment. As stated in the studies, one of the related and necessary concepts with staff organizational commitment is human resource excellence and the affairs done by organization for human resource excellence.

In a study to determine the role of human resource management strategies on improvement of staff organizational commitment, Ansari et al (2010) found that workforce providing policy, reward and staff relationship caused and improved organizational commitment.

Imran and Ahmad (2012) in a study titled “investigation of impacts of communication training and development, service and benefits compensation and job development and organizational commitment found that there is a positive relationship between communication training and development service and benefits compensation and job development and organizational commitment.

Harriet et al. (2012) in a study investigating the relationship between job opportunities, staff participation, service and benefit compensation on with staff organizational commitment of Kenya industrial companies found that there is a positive relationship between the study variables.
Navab and Bahati (2011) investigating the effect of service and benefit compensation on staff organizational commitment showed that there is a meaningful relationship between service and benefit compensation and organizational commitment (emotional, normative and constant). Chew and Chan (2008) in a research studying the impacts of human resource practices and staff organizational commitment found that human resource management practices (attracting and recruiting, training, job opportunity development) are opportunities for staff organizational commitment and service reward and compensation had a positive relationship with organizational commitment. Wright and Kehoe, (2007) in a study human resource management practices and staff organizational commitment showed that human resource practices (reward, service compensation, promotion policies, job opportunities) had a positive and meaningful relationship with staff organizational commitment.

**Purpose of the study**
The purpose of the present study is explaining the role of human resource excellence in staff organizational commitment of SAIPA car manufacturing company.

2. Method
The method of present study is descriptive and correlational and Type of Structural equation model. The participants are all staff of human resource unit of SAIPA company (N=370).

Stratified random sampling with proportionate allocation was used to select the study sample. To determine the sample size, Cochran formula was used and sample size came 155 staff.

**Instrument:** the data were collected by two questionnaires.

- **a) Human resource excellence processes questionnaire:** this questionnaire was made based on Iran human resource excellence model (2012) and Najmi (2012) questionnaire measuring four processes of human resource excellence. Cronbach alpha reliability came (0.95). Also alpha coefficient of planning and providing human resource was 0.86, human resource development (0.87), service and benefit compensation (0.81), staff and work relations (0.89). To consider the validity of the questionnaire, regarding the number of components and sample size, in spite of content analysis, confirmatory factor analysis was also used showing the construct validity of the questionnaire.

<table>
<thead>
<tr>
<th>Fitindex</th>
<th>χ²/df</th>
<th>RMSEA</th>
<th>NFI</th>
<th>NNFI</th>
<th>NFI</th>
<th>IFI</th>
<th>RFI</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acceptance Range</td>
<td>1-5</td>
<td>&gt;0.08</td>
<td>&gt;0.9</td>
<td>&gt;0.9</td>
<td>&lt;0.09</td>
<td>0.5</td>
<td>&gt;0.9</td>
</tr>
<tr>
<td>Calculated</td>
<td>1/81</td>
<td>0/073</td>
<td>0/94</td>
<td>0/97</td>
<td>0/097</td>
<td>0/97</td>
<td>0/97</td>
</tr>
</tbody>
</table>

- **b) Organizational commitment questionnaire:** this questionnaire was designed and compiled by famous researchers Allen and Mayer used by Imran and Ahmad (2012), Navab and Bahatti (2012), Anvari et al (2010), Wang et al (2010) and Talei (2010). In the present study this questionnaire was used to investigate organizational commitment and its triple dimensions (emotional, continuous and normative commitments). Cronbach alpha reliability came (0.81) Alpha coefficient for emotional commitment came (0.60), continuous commitment (0.82) and normative commitment came (0.75) Content and construct validity was used to consider its validity showing construct validity of the questionnaire.

<table>
<thead>
<tr>
<th>Fitindex</th>
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<th>NFI</th>
<th>NNFI</th>
<th>NFI</th>
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<td>0/97</td>
<td>0/097</td>
<td>0/97</td>
<td>0/97</td>
</tr>
</tbody>
</table>
3. Result

The findings of the study were considered based on the research questions. First descriptive statistics are explained.

Gender information of participants showed that 19 (12.3%) were women and 136 (87.7%) were men. Regarding the age, 25-30, 31, 35, 36-40, 41-45 and 46-50 years old age groups allocated 11%, 32.3%, 27.1%, 18.1% and 8.4% of participants. The results also showed that 19 (12.3%) of participants had diploma, 23 (14.8%) had senior diploma, 78 (50.3%) had bachelor and 35 (22.6%) had master and higher degrees.

Work experience showed that less than 5 years, 6-10 years, 11-15 years, 16-20 years, 21-25 years and more than 25 years allocated 3.2%, 36.8%, 32.3%, 9.7%, 3.9% and 1.9%. Also, 19 participants (12.3%) didn’t specify their work experience.

Kolmogorov-Smirnov test for human resource excellence with 1.080 and 0.193 significant level, organizational commitment with 0.791 and 0.559 significant level rejected the null hypothesis on normal distribution of variables showing that the variables possess a normal distribution. Supposing that variables are in interval scale, parametric tests can be done.

Table 3: Kolmogorov-Smirnov test Research variables

<table>
<thead>
<tr>
<th>variable</th>
<th>N</th>
<th>Mean</th>
<th>Std. deviation</th>
<th>Kolmogorov-Smirnov</th>
<th>Sig (2-tailed)</th>
</tr>
</thead>
<tbody>
<tr>
<td>HRE Processes</td>
<td>155</td>
<td>75/62</td>
<td>16/65</td>
<td>1/080</td>
<td>0/193</td>
</tr>
<tr>
<td>Organizational Commitment</td>
<td>155</td>
<td>74/47</td>
<td>13/59</td>
<td>0/791</td>
<td>0/559</td>
</tr>
</tbody>
</table>

To investigate human resource excellence status from staff perspective and its components, single-sample t-test with test value of 3 was used. Since the gained scores are between 1 and 5, number 3 was used as median (50% of scores) to determine the status of variables.

The results showed that human resource excellence with (-4.01), 154 degrees of freedom and 0.000 significant level was meaningfully lower than the mean level. Human resource planning and human resource development were in this status but service and benefit compensation was higher than the mean level meaningfully and in a good status.

To investigate staff organizational commitment and its components single-sample t-test with test value of 3 was used. The results showed that organizational commitment with 4.89 value, 154 degrees of freedom and 0.000 significant level was meaningfully higher than the mean level and in a good status. Emotional and continuous commitments were so, but the mean difference of normative commitment with the expected was not meaningful and it was in comparative status (mean).

Pearson product moment correlation was used to investigate the relationship between variables. The results showed that human resource excellence processes with (r=0.44) had a positive and meaningful relationship with organizational commitment. Also, human resource excellence processes had the strongest relationship with continuous commitment (r=0.47).
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**Table 4: Correlation Coefficients of HR Excellence Processes and OC**

<table>
<thead>
<tr>
<th>variable</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
<th>8</th>
<th>9</th>
</tr>
</thead>
<tbody>
<tr>
<td>HRE process</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Human Resource planning</td>
<td>0/88**</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Human Resource development</td>
<td>0/91**</td>
<td>0/81**</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Compensation and Benefits</td>
<td>0/83**</td>
<td>0/60**</td>
<td>0/66**</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Labor and Employee Relations</td>
<td>0/86**</td>
<td>0/66**</td>
<td>0/70**</td>
<td>0/65**</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Organizational Commitment</td>
<td>0/44**</td>
<td>0/37**</td>
<td>0/38**</td>
<td>0/41**</td>
<td>0/38**</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Emotional Commitment</td>
<td>0/13</td>
<td>0/35**</td>
<td>0/36**</td>
<td>0/37**</td>
<td>0/37**</td>
<td>0/83**</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Continuous Commitment</td>
<td>0/47**</td>
<td>0/10</td>
<td>0/38**</td>
<td>0/42**</td>
<td>0/44**</td>
<td>0/81**</td>
<td>0/65**</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Normative Commitment</td>
<td>0/42**</td>
<td>0/41**</td>
<td>0/13</td>
<td>0/15*</td>
<td>0/07</td>
<td>0/63**</td>
<td>0/19*</td>
<td>0/25**</td>
<td>1</td>
</tr>
</tbody>
</table>

**p<0.05**

The results of stepwise regression showed that among human resource excellence processes, service and benefit compensation, planning and providing human resources had various meaningful relationships. Regarding R² value, it can be said that two components predict 19% of staff organizational commitment.

**Table 5: Results of Stepwise Regression of HR Processes and Organizational Commitment**

<table>
<thead>
<tr>
<th>statistical indicator</th>
<th>R</th>
<th>R²</th>
<th>R²</th>
<th>Regression Coefficients</th>
</tr>
</thead>
<tbody>
<tr>
<td>Comp. and Benefits</td>
<td>0/41</td>
<td>0/17</td>
<td>0/16</td>
<td>B= 0/41</td>
</tr>
<tr>
<td>Comp. and Benefits</td>
<td>0/44</td>
<td>0/19</td>
<td>0/18</td>
<td>B= 0/29</td>
</tr>
</tbody>
</table>

In Structural equation model After deleting co-variance error, consideration of fitting indices like Chi-square to degree of freedom (χ²/df), goodness fitting index (GFI), increasing fitting index (IFI), the root of mean square error approximation (RMSEA), normalized fitting index (NFI) and adaptive goodness fitting index (AGFI) showed that the model possessed a relatively good fitting (table 6. Graph1). Human resource excellence processes with (γ=0.54) path coefficient are effective on organizational commitment.

**Table 6: Index of HR Processes Excellence Model and OC**

<table>
<thead>
<tr>
<th>Fit index</th>
<th>χ²/ df</th>
<th>SRMR</th>
<th>AGFI</th>
<th>GFI</th>
<th>RMSEA</th>
<th>NFI</th>
<th>NNFI</th>
<th>IFI</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acceptance range</td>
<td>1- 5</td>
<td>&gt;0.05</td>
<td>&gt;0.9</td>
<td>&gt;0.9</td>
<td>&lt;0.08</td>
<td>&gt;0.9</td>
<td>&gt;0.9</td>
<td>0 - 1</td>
</tr>
<tr>
<td>Calculated</td>
<td>1/19</td>
<td>0/034</td>
<td>0/94</td>
<td>0/98</td>
<td>0/034</td>
<td>0/99</td>
<td>1</td>
<td></td>
</tr>
</tbody>
</table>

Graph1: Structural equation model (path)
t-test was used to probe the meaningful relationship between variables. Since significant level was 0.05, if t observed value is less than +1.96, the relationship is not meaningful. Observed t value of human resource excellence processes and organizational commitment was 2.95 which is meaningful at 0.05 level. Other t values are shown in table 8.

Table (8): t-value Calculated from the Structural, HRE Processes Model and OC

<table>
<thead>
<tr>
<th>path</th>
<th>HR Excellence Processes</th>
<th>paths</th>
<th>Organizational Commitment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Human Resource Planning</td>
<td>13/04</td>
<td>Normative Commitment</td>
<td>3/19</td>
</tr>
<tr>
<td>Human Resource Development</td>
<td>14/07</td>
<td>Emotional Commitment</td>
<td>3/22</td>
</tr>
<tr>
<td>Compensation and Benefits</td>
<td>9/99</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Labor and Employee Relations</td>
<td>10/63</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

4. Discussion and Conclusion

The present study was done aiming at explaining the role of human resource excellence processes on staff organizational commitment. The results are in line with studies of Talei (2010), Ansari et al (2010), Ehsani (2010) and Anvari et al, (2011); Weng et al, (2010); Navab and Bahatti, (2011); Adnan et al, (2011); Harriet et al, (2012); Imran and Ahmad, (2012); Chew and Chan, (2008); Wright and Kehoe, (2007).

The result of single-sample t-test showed that the mean of human resource excellence processes was meaningfully lower than the mean level and human resource planning and human resource development had the same condition, but service and benefit compensation was meaningfully higher than the mean level and in a desirable condition. The difference between work and staff relationship was not meaningful with the expected mean, so it was in a comparative (mean) condition. Since human resource planning and human resource development had an undesirable status, noticing and focusing on them is necessary. In Ehsani’s study (2010) human resource excellence processes were in a relatively good condition. Also organizational commitment was meaningfully higher than the mean level and in a good condition. Emotional and continuous commitments were in the same condition and normative commitment was in the relative status (mean). So, among three dimensions of organizational commitment, normative commitment needs more attention and focus. These results are in line with Navad & Bahatti, (2011) and Adnan et al, (2011).

The results of multiple correlation showed that human resource excellence processes had positive and meaningful relationship with staff commitment. Stepwise regression showed that service and benefit compensation and human resource planning predicted 19% of staff commitment. Structure equation modelling also showed that human resource excellence processes with 0.54 path correlation were effective on staff organizational commitment.

Imran and Ahmad (2012) showed that communication training and development, service compensation job development opportunities and empowerment had a positive relationship with staff organizational commitment. Navab and Bahatti (2011) investigating the effect of service and benefit compensation on staff organizational commitment showed that there is a meaningful relationship between service and benefit compensation and organizational commitment (emotional, normative and constant).

Chew and Chan (2008) in a research studying the impacts of human resource practices and staff organizational commitment found that human resource management practices (attracting and recruiting, training, job opportunity development) are opportunities for staff organizational commitment and service
reward and compensation had a positive relationship with organizational commitment. Wright and Kehoe, (2007) in a study human resource management practices and staff organizational commitment showed that human resource practices (reward, service compensation, promotion policies, job opportunities) had a positive and meaningful relationship with staff organizational commitment. So, it can be said that practices like promoting human resource planning, human resource development, work and staff relationships and service and benefit compensation will promote staff organizational commitment. Since human resource planning and human resource development were not in a good status in the present study, focusing on them is necessary. Human resource planning is an instrument which can directly connect organizational goals and strategies with goals and planning of human resource. So, considering human resource excellence in planning and providing human resource will provide the conditions for considering the necessities and moving toward excellence. Using different and various selection and recruitment methods to ensure the organization’s job proportionate with job levels through capable forces, job and employed proportion, using different methods for newly recruited staff socialization, planning and performing training programs immediately after employment, designing and using fair, clear and proper indices for staff promotion and advancement and finally planning job opportunities like job enrichment, job development, promotion, job circulation for different staff levels with managers’ participation (Safarzadeh, 2011) are among important points in planning and providing human resource toward excellence. SAIPA company can promote its condition using these tips.

Human resource development in organizations should be considered as a kind of commitment and reciprocal expectation, right and two-sided duty between persons and organization. The most important right of persons in this reciprocal commitment is their use of constant knowledge development opportunity, work skills and completion of their different personality aspects. Supporting this outlook, the company can provide the conditions for staff development and commitment. Development practices such as planning and performance of training and learning programs, managers’ prosperity and manager succession development programs and key elements of organizations will promote human resource development (human resource management association, 2012).

References


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