Human Resources Management Practices and its Impact on Employee Commitment Mong Staffs of Road Transport Department, Perak, Malaysia

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Abstract

This paper intends to examine the impact of Human Resources Management (HRM) Practices on the employee commitment at Road Transport Department (RTD), State of Perak, Malaysia. There were about 500 employees in this department and a total of 220 questionnaires were distributed randomly through head of departments. The findings of the research revealed that there were positive relationships between HRM Practices and employee commitment. However, among four HRM practices dimensions (remunerations, recognitions, working environment, and training and development) that had been investigated, only working environment and training and development had significant relationship with employee commitment.

Keywords: HRM Practices; Employee Commitment; Road Transport Department; Public Sector Employees.

1 Introduction

The Malaysian government had emphasized the enhancement of human capital especially in the public sector so as to provide an efficient and effective public sector services to the people at large (30). According to Saari (2010), public institutions are facing myriad of issues in enhancing the performance and commitment of their employees. Among the issues were lack of commitment, absenteeism, rude behavior and inefficiency in performing tasks given to them. An officer responded as follows when asked to comment about people’s perceptions about civil service in Malaysia by a reporter… “If you go on social media you can read all the negative comments about civil servants. We need to change people’s perception of the public sector.” Public Service Department’s director-general Datuk Seri Zainal Rahim Seman said the civil service is focusing on improving the quality of the services it provides to improve its image. Civil servants simply need to do their jobs efficiently and effectively (7, 8, 12, 49).

Batau and Mohamed (2016) stated that the public sector’s performances were marred by the lackadasical attitude and lack of sense of responsibility among public sector employees. Batau and Mohamed (2016) had further highlighted that it was a popular assumption that inadequate reward, less work benefits, lack of opportunity for career advancement, non-conducive work environment, unattractive remuneration, lack of training and development and the absent of recognition provided by the public organization to their employees had led them to emotionally and mentally detached from the organization. Thus, the employees are not committed and hence resulted to dismal performance of the department (9).

Employees’ commitment towards the organization is vital in determining the development of the organization itself. It can be said that, employees’ commitment is very valuable and is an intangible asset that each organization should have in order to succeed. Thus, it is very important for the management in any organization to enhance the employees’ commitment because it is one of the factors that determine the success of any organization. According to Awamleh (1996), stronger and more generalized commitment may enhance organizational development, growth and survival. In addition, organization will never attain its competitiveness in term of quality; either it is product quality or service quality if the workers are not satisfied with the company (6, 55).

Herzberg (1996) highlighted that the presence or absence of many attributes, originating internally from within the organization, influences an individual’s attitude concerning their job and also their commitment towards organization (25). It means that, the attributes that can influence the employee’s attitude such as satisfaction or commitment towards his or her job are coming from the inside of the organization itself. Employee commitment has three dimension which are affective, normative and continuity commitment (5). The statement explained that the researchers can measure the employee commitment by categorized it into 3 dimensions with each one of it has difference in the level of the employee commitment towards their organization. The public sector employees’ commitment to the organization is of utmost important so as ensure the efficient and effective service rendered to the people. As such this study pertain to HRM Practices and its impact on Road Transport Department’s (RTD) employees’ commitment in Perak, Malaysia is needed.
2 Literature Review

2.1 Employee Commitment towards the Organization

There is various kind of definition of the phrase employee commitment but most researchers agreed that the best definition of commitment is multidimensional psychological connection of an individual to the organization (20). It means that commitment is psychologically connect the individual with the organization itself. Allen and Meyer (1990) stated that there are three different types of organizational commitment which are affective, continuance and normative.

The most familiar type of commitment is affective commitment. It is about close connection between the employee with the organization’s goals and objectives. Employee who has this type of commitment feels secure and satisfied with their roles in the organization thus the affective commitment towards the organization will be developed through that kind of feeling. Dordevic (2004), explained that there are two factors which influence the level of affective commitment namely i) individual-level factor such as personality, education, age, etc and ii) organizational factor including management support, belief that his or her role in the organization is well defined.

Another type of commitment according to Allen and Meyer (1990) is continuance commitment where the employee has cognitive attachment to the organization because of the risks level of leaving the organization is higher if compared to the risks of staying in the organization. Thus, rather than facing the high risk of leaving the organization, it is better to stay in the organization and give the full continuance commitment towards the organization. One of the factors known for the continuance organizational commitment is the investment that they had made in order to join the organization or to reach the level of current position. The other factor is the employee’s belief that there is lack of option or opportunities outside the company. Thus, it will increase the level of continuance commitment towards the organization.

The last type of commitment as per Allen and Meyer (1990) is normative commitment which represents the obligatory reasons of staying with the organization. Dordevic (2004) highlighted that obligatory reasons means that the employee perhaps had received scholarship, training investments, and etc from the organization. That is why they feel obliged towards giving the commitment to the organization because they think that it is morally correct to do so. There are only a few factors that affect the level of normative commitment which are education, age, socialization, and etc. Perhaps the level of normative commitment towards the organization will decrease as the age of the employee is increased.

2.2 Human Resource Management (HRM) Practices

HRM practices is a system implemented by an organization to attract, develop, motivates, and retains employees with the objective to ensure the efficiency and effectiveness in achieving organizational goal (52). HRM practices is also conceptualized as a set of internally consistent practices and policies delineated and administered so as to warrant that a firm’s human capital contribute to the organizational objectives (57). There are myriads of dimensions pertain to HRM practices that had been highlighted by Zanelli and Bastos (as cited in 51) as per following Table 1.

<table>
<thead>
<tr>
<th>Dimension</th>
<th>Practice</th>
</tr>
</thead>
<tbody>
<tr>
<td>Work Relations</td>
<td>Conflict Regulation, Labor Relations,</td>
</tr>
<tr>
<td></td>
<td>Management Model, Work Organization</td>
</tr>
<tr>
<td>People Management</td>
<td>Analysis of Labor, Recruitment and</td>
</tr>
<tr>
<td></td>
<td>selection, Career Planning, Movement of</td>
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<td></td>
<td>Personnel, Benefits and Compensation</td>
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<tr>
<td>Qualification and</td>
<td>Training, Performance Evaluation,</td>
</tr>
<tr>
<td>Development</td>
<td>Career Development, Team Management</td>
</tr>
<tr>
<td>Organizational Behavior</td>
<td>Performance and Productivity,</td>
</tr>
<tr>
<td></td>
<td>Leadership, Motivation, Satisfaction,</td>
</tr>
<tr>
<td></td>
<td>Commitment, Organizational Culture</td>
</tr>
<tr>
<td>Working Conditions and</td>
<td>Safety, Accident Prevention, Ergonomics,</td>
</tr>
<tr>
<td>Hygiene</td>
<td>Occupational Health, Stress Management,</td>
</tr>
<tr>
<td></td>
<td>Psychosocial Assistance</td>
</tr>
<tr>
<td>Organizational Change</td>
<td>Organizational Development, Quality</td>
</tr>
<tr>
<td></td>
<td>of Life at Work, Total Quality</td>
</tr>
</tbody>
</table>

Source: Scheible and Bastos (2013)

2.3 Remuneration

Employee remuneration refers to the reward or compensation given to the employees for their work performances. Remuneration provides basic attraction for an employee to feel committed to perform job efficiently and effectively. There is a significant relationship between financial compensation (salaries, bonuses, and merit pays) with organizational commitment (28, 29, 31). Ramay (2011) found that pay satisfaction had a significant positive relationship with organizational commitment. Gorton (1994) stated that merit-based pay is important in ensuring high job satisfaction, better commitment, and good job performance among employees. In addition, employee also learnt that they will be rewarded for good performance. Thus, when the employees feel that way, they will give full commitment towards their job in the organization (22).

Alamelu, Surulivel, Motha, Amudha and Selvabaskar (2015) posit that when an employee is satisfied with remuneration their commitment may increase or maintained (3). According to Ooi and Arumugam (2006), remuneration is one of the four motivators which can contribute to employee commitment when it is present. It means that, most employees will be motivated by financial incentives and will give greater effort to be more productive if the remuneration given to them makes them worthwhile to do so. Other than that, compensation benefic not only involves monetary benefits but it also consists of employee assistance programs, subsidized cafeteria, travel discounts etc. It is therefore, if the remuneration is executed properly, it will make employees feel appraisal, and reward and incentives. Delery and Gupta (2016) studied HRM practices also with five dimensions which are staffing, training, appraisal, compensation, and participation (18, 19, 32). Chew and Chan (2008) studied HRM practices with four dimensions consist of person-organizational fit, remuneration and recognition, opportunity to work challenging assignments, and access to training and career development. These are example of few different studies pertain to HRM practices which focusing on myriads of dimensions and practices (15). This study focuses on remuneration, recognition, working environment, and training and development as dimensions of HRM practices and its impact on employee commitment at Road Transport Department in Perak, Malaysia.
secure with their job and at the same time make their job more enjoyable thus will create the commitment of the employee within the organization.

O’Driscoll and Randal (1999) study a sample of 350 daily workers in Ireland and New Zealand found that any appropriate rewards given by the organization have very powerful impacts on the employees’ commitment. Thus, the employer needs to be a smart thinker in order to choose the best compensation to be given to the employee so that the employee will achieve the level of satisfaction and give their fullest commitment and engagement to the organization and consequently increase the performance of the organization. Based on the above discussions, the following hypothesis is proposed (37):

Hypothesis 1: There is a significant relationship between remuneration and employee commitment.

2.4 Recognition

Recognition is defined as giving praise and showing appreciation to others for excellent performance and significant contribution by an employee to an organization (61). Employee who are recognized by their employer seems to be more committed and attain the level of job satisfaction because they are happy the skills and ability owned are being given the opportunity to be exposed (5, 45, 46). According to Mohamad Nor (2011), there are two types of recognition which are formal and informal. Formal recognition include performance-based award, new employees recognition and etc whereas the informal recognition refers to the simple gestures by employer or just saying a thank you to show gratitude and acknowledgement for a job that had been done well by the employee. Other study showed that, employees with higher job status generally shown higher level of commitment if compared to when they are being put in lower job position (17, 48). Thus, it is clear that employee will give the best commitment to the organization when their skills, ability and also achievement being recognized by employer.

Employees that constantly received praise and recognition found to have improvement in their productivity, increase engagement with their job (higher commitment) and more likely to stay with their organization. However the absence of recognition and appreciation will normally lead to lack of employee’s commitment and turnover (53, 56). Reward in term of recognition from the superior has been found to have a significant relationship with employee commitment (34). Park, Erwin and Knapp (1997) stated that praise, appreciation, and positive feedback from supervisors and colleagues for a job well done are crucial in generating job satisfaction and commitment among employees. Agarwal and Ferrat (1999) assert that recognition is considered as the main contributor to the employee’s feeling of high involvement and being an important element of the organization. Pare and Tremblay (2007) found that recognition is positively associated with continuance and affective commitment. Based on the above discussions, the following hypothesis is proposed (2, 41, 42):

Hypothesis 2: There is a significant relationship between recognition and employee commitment.

2.5 Working environment

Shruti (2012) stated that working environment is about a condition and atmosphere of a workplace where the task or the job is completed. It includes the physical and geographical location and also surroundings of the workplace such as a construction site or office building. A place of employment with certain safety level, the quality of air, noise level, and additional perks and benefits such as the availability of free child care or pantry facility that allow staffs to make refreshments for themselves, adequate parking and etc that can influence the comfort condition of the workplace itself. In order to gain the commitment from the employee, the employer needs to create a conducive and comfortable workplace to the employee so that they can work comfortably and be committed to the organization (54).

According to Beiz (2001) work environment involves the physical and geographical locations as well as their immediate surroundings of the work place which is associated with factors such as level of security, and the availability of additional perks and employments benefits (10). Ushie, Agba, and Okorie (2015) highlighted that the availability of good work environment will lead to higher employee commitment and hence contributed to success of an organization. Onuka (2012) stressed that a fortified work environment is essential in ensuring employee commitment and consequently result to better firm’s performance. Therefore based on prior discussions the following hypothesis is proposed (38, 58):

Hypothesis 3: There is significant relationship between working environment and employee commitment.

2.6 Training and Development

Training and development are actually the process of providing the employees with sufficient or additional skills and at the same time will help them in improving their performance level in the organization (39). In addition, according to them, when employee able to obtain something from the training and development program provided for them, then it will also increase the sense of ownership which will increase the level of commitment of the employee towards the organization. Robinson, Perryman and Hayday (2004) found that there is link between training and development opportunities for employees with the levels of commitment shown by them after they have received training and development from the organization. Cherrington (1995) said that a successful training and development program would create and develop more favorable attitudes in employees thus it will help to increase their commitment towards the organization. In addition, Cherrington (1995) also added that the learning situation is fundamentally reinforcing because commitment towards organization is associated with the acquiring new knowledge or skill (14).

Roehl and Swerdlow (1999) stated that training and development contributed to the success of the organization as it has positive relationship with employee’s morale, perception of supervisors’ quality, awareness of rules, and most importantly employee’s commitment towards the organization. Young and Lundberg (1996) found that successful training and development program to be related positively to employee’s commitment, job satisfaction, performance, and intention to stay. On the same notes Nkowi (2015) posited that training had a significant effect on employee’s commitment, retention and performance enhancement among his respondents of a local municipality staff in South Africa. Likewise, many other studies revealed that training and development had significantly impacted the employee’s commitment (26, 35, 39, 47, 50, 40, 60). Based on the above discussions the following hypothesis is proposed:

Hypothesis 4: There is a significant relationship between training and development and employee commitment.

2.7 Theory

Organizations are now fully aware that committed employees will drive down turnover, absenteeism and improving job related attitudes and performance (23). Podskoff and MacKenzie (1997) assert that there is growing recognition pertaining to the importance of employee’s positive work attitudes and discretionary behavior towards
organizational performance. Wayne, Shore, and Liden (1997) propound that positive employees’attitudes contingent to their perceptions of how good their employer in safeguarding the interest of the workers. This view is in tandem with social exchange theory which stated that “the voluntary actions of individuals are motivated by the return they are expected to bring from others...” (11, 43, 44, 59). If the employees viewed management’s actions positively, they would reciprocate with attitude and behaviors desired by the organization. This is invariable with the findings of prior researches in which HRM practices signal management’s commitment to and trust in their employees (24). The framework for this research is as per following figure 1:

![Research Framework](image)

**Figure 1: Research Framework**

### 3 Methodology and Materials

The sample was drawn from a population of about 500 employees at Road Transport Department (RTD), State of Perak, Malaysia. 220 questionnaires were distributed as per sample size table proposed by Krejcie and Morgan (1970). Stratified random sampling was adopted whereby questionnaires were handed over to each head of department for onward distribution to their charge. This study used five point Likert scale for HRM practices adapted from Absar, Azim, Balasundram & Akhter (2010) and employee commitment adapted from Mowday, Steers and Porter (1979). Out of 220 questionnaires distributed 180 were usable. 40 questionnaires were discarded due to incompleteness and outliers. Data was analyzed using SPSS version 19 (1, 27, 33).

### 4 Results and Discussion

#### 4.1 Hypotheses Testing

**a) Hypothesis 1:** There is a significant relationship between remuneration and employee commitment.

![Table 2](image)

<table>
<thead>
<tr>
<th>Variable</th>
<th>Pearson (r)</th>
<th>Employee Commitment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Remuneration</td>
<td>0.383**</td>
<td></td>
</tr>
<tr>
<td>Significant</td>
<td>0.000</td>
<td></td>
</tr>
<tr>
<td>N</td>
<td>180</td>
<td></td>
</tr>
</tbody>
</table>

The above table 2 shows that there is a positive value of the correlation between the remuneration and employee commitment among employees at RTD Perak. It indicates the $r = 0.383**$, $p<0.05$. This reflects that there is a mild positive significant relationship between the remuneration and employee commitment. This can be concluded that the employee does not rely on the remuneration that they earned in their commitment to their workplace. The hypothesis for this objective is being accepted albeit the relationship is only a mild positive relationship.

**b) Hypothesis 2:** There is a significant relationship between recognition and employee commitment.

From the table 3 above, we can see a weak relationship between recognition and the employee commitment. The value $r = 0.477**$, $p<0.05$ reflected that there is a weak relationship between the recognition and employee commitment. The second hypothesis is accepted. However, the influence of recognition on employee commitment is not that strong. Recognition can affect the employee commitment in a great manner but it depends on the circumstances.

**c) Hypothesis 3:** There is significant relationship between working environment and employee commitment.

![Table 3](image)

<table>
<thead>
<tr>
<th>Variable</th>
<th>Pearson (r)</th>
<th>Employee Commitment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recognition</td>
<td>0.477**</td>
<td></td>
</tr>
<tr>
<td>Significant</td>
<td>0.000</td>
<td></td>
</tr>
<tr>
<td>N</td>
<td>180</td>
<td></td>
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</tbody>
</table>

Based on table 4 above, it shows that there is a strong relationship between working environment and employee commitment. The value derived from the table above shows that $r = 0.507**$, $p<0.05$. This reflects that the value is in the range of strong positive relationship. As such it can be concluded that there is a strong significant positive relationship between the workplace environment and employee commitment. Therefore, hypothesis 3 is accepted. Workplace environment has a high intensity in influencing the employee commitment at the workplace.

**d) Hypothesis 4:** There is a significant relationship between training and development and employee commitment.

![Table 4](image)

<table>
<thead>
<tr>
<th>Variable</th>
<th>Pearson (r)</th>
<th>Employee Commitment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Working Environ</td>
<td>0.507**</td>
<td></td>
</tr>
<tr>
<td>Significant</td>
<td>0.000</td>
<td></td>
</tr>
<tr>
<td>N</td>
<td>180</td>
<td></td>
</tr>
</tbody>
</table>

From the table 5 above, it can be seen that there is a weak relationship between training and development and employee commitment. The value shows that $r = 0.279**$, $p<0.05$. Hence, it can be concluded that there is a weak relationship between training and development and employee commitment. Therefore, the hypothesis 4 is accepted albeit it falls under weak relationship. The intensity that employee commitment would be influence by this factor is low.

#### 4.2 Multiple Regression Analysis

Based on the following table 6, we can see the score value of beta coefficient for each independent variable namely remuneration, recognition, workplace environment, and also training and development were 0.125, 0.301, -0.034, and 0.347 respectively. It shows that the beta value for the training and development has the highest score i.e. 0.347 above all the other three variables. The next highest value is recognition with beta value of 0.301 followed by remuneration with beta value of 0.125 and the least human resources management practice that affects the employee’s commitment based on the value is
workplace environment with beta value of -0.034. As has been mentioned earlier, training and development has the highest beta value that may affect the employee commitment. When the employee received a good and sufficient training and development program, it can actually boost the employee commitment at the workplace. It is because the more the employee received training and development program, such employee will actually gain more conscience on how they would do for their organization in helping it achieve its success. This is in congruent with extant literatures that supported the notion that training and development had been positively impacted employee’s commitment towards the organization (8, 16, 13, 46, 39).

<table>
<thead>
<tr>
<th>Variables</th>
<th>Beta</th>
<th>Coefficient</th>
<th>t</th>
<th>Sig</th>
</tr>
</thead>
<tbody>
<tr>
<td>Remuneration</td>
<td>0.125</td>
<td>1.863</td>
<td>0.064</td>
<td></td>
</tr>
<tr>
<td>Recognition</td>
<td>0.301</td>
<td>4.544</td>
<td>0.000</td>
<td></td>
</tr>
<tr>
<td>Working Environment</td>
<td>-0.034</td>
<td>5.055</td>
<td>0.617</td>
<td></td>
</tr>
<tr>
<td>Training and</td>
<td>0.347</td>
<td>-.501</td>
<td>0.000</td>
<td></td>
</tr>
<tr>
<td>Development</td>
<td></td>
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</tbody>
</table>

Dependent Variable; Employee Commitment
R²: 35.8%
F: 27.219, P < 0.05

5 Conclusion
HRM practice is an essential element for every business. Nowadays, competitive market advantages not only related with economies of scale, patent and technology but with committed employees (21). According to Obeidat, and Abdallah (2014) Human resource management practices have significant positive relationship with organizational commitment. This means that, when HRM practices for employees are good, it will amplify employees’ commitment towards the organization. The findings from this study are very crucial for the management of public sector such as Road Transport Department (RTD) to understand their employees’ organizational commitment. This study explored how RTD employees perceive HRM practices namely remuneration, recognition, workplace environment, and training and development that give impact on organizational commitment (36).

Findings of the research showed that HRM practice dimensions under study namely remuneration, recognition, working environment, and also the training and development did influence the RTD Perak employees’ commitment to their organization. Training and development is the most that influence employees’ commitment, followed by recognition, remuneration and lastly workplace environment. Many people would think that remuneration would be the top influencer for employees’ commitment but it was only at the third spot out of four. Instead, employees of RTD Perak value training and development as the top instigator for their commitment. This seems to be the scenario in the Malaysia’s public sector as the monetary remuneration is a hard bargain whereby the last salary increment was in 2012. Thus the civil servants in Malaysia would look into training and development as a mean in upgrading knowledge and skills hence getting promotion and in turn will receive higher monthly salary and allowances. The department should pay more attention in formulating and offering more training and development program to their employees.

Other than this, amazing results have also revealed where Pearson correlation analysis on workplace environment showed a significant reading of t-value 5.055 but the multiple regression analysis showed the negative beta value of -0.034. This means that, workplace environment does not impact the employees’ organizational commitment. Even if the workplace environment was not good, the employees still committed to their organization. The reason for this may be due to other available factors such as good leadership or high degree of loyalty among employees that moderate the relationship between workplace environment and commitment. Future research should look further into this possibility. Besides, the employer should also be more concerned with other aspects of HRM practices albeit their relationship with employees’ commitment was weak. As we can see from R² value equal to 35.8%, other elements of HRM practices that had not been studied here would explain another 64.2% of variant to employees’ commitment. We would propose that future research should consider other dimensions of HRM practices, the possible mediating and or moderating variables as well as other population segments so that to enrich the body of knowledge pertaining to relationship between HRM practices and employees’ commitment.

References
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