

# ANALYSIS OF THE RELATIONSHIP BETWEEN HUMAN RESOURCE MANAGEMENT PRACTICES AND ORGANIZATIONAL COMMITMENT FROM A STRATEGIC PERSPECTIVE (THE CASE OF IRAN OIL INDUSTRY PENSION FUND)

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**Abstract:** The present research is aimed at analysis of the relationship between practices of human resource management and organizational commitment from a strategic point of view in retirement pension and funds organization of Oil industry. The study is an applied research and its data are collected through descriptive-survey methods and also in terms of data analysis, it is considered as a correlation study. The population of research includes the entire full-time employees of retirement pension and funds organization of Oil industry in Tehran and approximately 50 other cities in Iran. The research sample includes 248 employees of the aforementioned organization who were selected according to a simple random sampling method. Independent variables included eight practices of human resource management including selection, training, performance evaluation, promotion, performance based rewards, information sharing, job security and human resource management system. The dependent variable is also organizational commitment. In addition, the research data are collected through application of a researcher made questionnaire and a standard questionnaire. The aforementioned data have been subjected to analyses through application of the tests of structural equations and confirmatory factor analysis within the Software of SPSS and LISREL. Research results manifested that the entire variables have a significant positive effect on organizational commitment i.e. a significant statistical relation holds among them and organizational commitment.

**Keywords:** employee training, performance evaluation, human resource management (HRM) system, HRM practices, organizational commitment

## 1 Introduction

Mankind has continuously tried to establish and expand organizations synchronous to his era in order to be able to realize his needs and goals. Despite the massive recent advances in technology human is still remaining as key element in every organization and firm. In this regard it can be claimed that success of every organization towards realization of its goals is in debt to its attitude towards humans and the manner of exploitation of these humans.

The basic objective of HRM is creation of strategic capabilities through making sure of possession of committed, expert and motivated employees. Therefore the strategy of resource oriented human resources is considered as a competitive advantage only when the organization possesses expert human resources. In this way the organization is able to learn and effectively implement its acquisitions faster than competitors. Pare and Trembli (2007) mentioned the practices of HRM as recognition of employees and development of their competence and capabilities. Through organizational commitment the aforementioned components leave a positive significant effect on maintenance of expert employees of information technology units. Alnaqubi (2011) showed that when employees feel that the organization is paying adequate attention to them, they become more committed to their job and towards realization of organizational goals.

Organizational commitment is a type of attitude consisted of reflection of feelings such as attachment and loyalty towards goals. In fact its shortage results in absence of employees, transfer, creation of job expenses, job stealing and lack of job satisfaction (Cohen, 2005).

Existence of a committed human resource signifies the overall importance of the organization and provides the necessary contexts for growth and development of the organization. Therefore expert employees are consistent with values and goals of their organization, possess stronger motivations, are committed to maintenance of their organizational membership and considering all these factors, they are a crucial need for every firm and organization since each firm requires only those employees who undertake practices beyond their regular duties.

In other words, HRM practices which improve organizational commitment among employees can guarantee the long-term realization of organizational goals which requires adoption of a strategic attitude by HRM i.e. an attitude with a long-term outcome that is the development of human resources. For this purpose, the present study has tried to analyze the relationship between HRM practices and organizational commitment in retirement pension and funds organization of Oil industry from a strategic point of view. The former organization includes a total number of 700 employees and provides healthcare, welfare and retirement services for retired employees of Oil industry.

In addition, with regard to the operational definition of 8<sup>th</sup> aspect of HRM practices i.e. the system of HRM and organizational commitment; while making a strategic evaluation of these practices, instead of analyzing each element individually, all of them should be analyzed in a combined fashion and as a system for investigation of the relations and interactions between managers and employees. Furthermore the resultant HRM system gives a sign of high internal consistency in the sense that it practices independent actions that further connect to each other. Plus, it also bares signs of high external consistency in the sense that it forms a relationship with organization's strategy (Bamberger and Missoula, 2000).

As the current era undergoes significant changes and evolutions, organizations are also taking a step into the domain of knowledge-based economy. In this middle, human resources who are committed to organizations' values and objectives not only are considered as an advantage over other organizations, but also are considered as sustainable competitive advantages for their organizations.

According to researchers, the main sources of competitive advantage for an organization are employees' sacrifices, qualities, commitment and capability. In this sense, human resources consistent with organization's goals and values are willing to practice beyond their regulated duties. This also results in increased overall organizational efficiency (Roepki, 2000).

There are many reasons for increasing the level of commitment among employees (Esier, 2000). On the first hand, organizational commitment is a notion different from job attachment and job satisfaction. Organizational commitment is a suitable anticipator for willingness for keeping the job. Commitment and satisfaction are close to each other in terms of attitude in the sense that both of them affect important behaviors including transferring and absence. In addition commitment can have several positive outcomes. Committed employees have more discipline in their work and are more precise while doing their jobs. They also spend more time in their organizations and work more. Considering these content, managers should be able to improve their employees' commitment through different methods and ways. For this purpose managers should incorporate employees in decision makings and provide them with a desirable level of job security.

Among the most important results of increased employees' commitment which are also effective on organization's overall performance it can be referred to the following points: increased innovation and creativity among employees, maintenance of employees, development of a feeling of attachment to organization among employees, increased job performance among employees, reduced desertion, occurrence of active social behaviors, reduced absence, empathy and helping co-workers, reduced job stress, organizational financial achievements and increased overall organizational effectiveness and efficiency. The entire aforementioned outcomes result in

realization of organizational objectives and results in benefaction of the community from efforts of the organization. Nowadays, it is clear that it's necessary to adopt a strategic point of view and to inspire employees in order to have a continuous movement towards realization of goals, creation of consistency between employees and organization's goals, implementation of new leadership styles and creation of maximum employee participation. Pioneer organizations provide motivations for employees and persuade them towards innovation and creativity and solution of organizational issues in groups and teams in order to empower the employees and guide them effectively and efficiently. One of the responsibilities of every social organ is obtaining goals that form the existence reason of that organ. Realization of organizational goals is in debt to cooperation and synchronization of the entire elements that signify the existence of an organization in case of having a systematic interaction with each other. In this regard, through the entire levels of an organization, it has been observed that the role of human resources is the most significant compared to other elements. On this basis, these intelligent elements of organizations are worthy of more attention due to having personal, materialistic, ethic and group needs.

In this regard, the present paper has tried to elaborate on the type of HRM practices that result in best outcomes for the retirement pension and funds organization of the Oil industry.

The retirement pension and funds organization of the Oil industry includes approximately 700 full-time employees and almost 70000 retired employees receive services from this organization. On this basis, this organ is one of the most important retirement pension and funds organizations of Iran.

Most important services that are provided by this organ include: payment of wages, providing healthcare services, providing bureaucratic services, retirement services and welfare services for employees. Other services include allocation of different loans, life insurance services, disability compensation and etc. for the present employees of the Oil industry and 160 subsidiary firms. With respect to the significant role of this organization in terms of providing different services for retired employees, it is considered as an industry effective on total national gross production. Therefore it seems that adoption of a strategic point of view by the HRM unit of this organization may result in increased commitment among the employees and it also may even play a more effective role in terms of realization of organizational goals. The present study tries to adopt an operational attitude to provide an answer for the following question:

How can the relationship between HRM practices and organizational commitment in retirement pension and funds organizations of the Oil industry be strategically analyzed?

The following section of the study is dedicated to the review of the literature of the subject matter. The third section is dedicated to research model and research variables. The fourth section is related to results and the fifth section provides a total conclusion.

## 2 Review of literature

Sanchez et al. (2015) carried out a study and investigated the effects of HRM on performance of knowledge management. In their study they have stated that HRM and knowledge management can have a mutual interaction. Based on this idea, a research model was developed in their study and the results of their study show that HRM is effective on knowledge management and increases the motivations for expansion of knowledge in an organization.

Aston et al. (2015) carried out a study and investigated the challenges and opportunities in HRM. This research has named several factors that affect and anticipate HRM. It has also been

stated that economic, organizational and technological changes are effective on HRM.

Aston et al. (2015) performed a study and elaborated on the effects of technology on future of HRM. In fact the authors tried to investigate the effects of development of information technology on human resource management. This study's population was consisted of American firms. In addition the research has made use of structural equations modeling method for analysis of collected data.

Alnaqubi (2011) carried out a study named as "relations between HRM practices and maintenance of employees in governmental organizations". In this research the author has tried to identify the effects of HRM practices and other factors including job satisfaction, job commitment and leadership on maintenance of employees. Results of this study have shown that these factors have a significant effect on maintenance of employees.

Freehan (2008) investigated the manner of perception of servicing leadership by both official and voluntary employees of the private basketball community of Hop fest in Washington D.C. and its relation with job commitment. The research concluded that reasons such as confidential relationship, creation of meaningful relations, spiritual participation readiness and commitment towards organizational success result in increased commitment towards organization among employees as well as increased staying intention among the former.

Miao (2008) investigated the structure of strategic operations of human resources among army nurses. It was concluded that nurses are provided with average training and they are recruited based on expert competences. However, they nurses themselves were not satisfied by their wages. It was also revealed that performance evaluations were performed irregularly and in general, the structure of strategic operations of human resources was in an average status.

Abeysekera (2007) carried out a study and investigated the effects of HRM practices on desertion among marketing managers of firms located in Sri Lanka. Results of this study manifested that analyses of employees, service compensation and variables of real job related information all have a negative significant effect on desertion tendency among marketing managers.

Aaron and Zock (2006) investigate the strategic operation of human resources in military bases from the perspective of military officials and pointed out the important role of recruitment of employees according to their knowledge and capability for development of organizational goals.

Bawa and Jantan (2005) carried out a study named as "HRM practices: determinants of desertion among employees". Their findings indicated that the processes of recruitment and monitoring are effective on reduction of voluntary desertion. In other words, other practices of HRM were not found to have a significant effect on desertion. In this sense the employees would continue deserting the organization irrespective of the practices of HRM.

Chew (2004) carried out a research named as "effects of HRM practices on maintenance of key employees in Australian firms. In this research it was revealed that there are eight key factors that affect the maintenance of aforementioned employees. In terms of the human resources aspect these factors included personal organizational consistency, rewards and recognition, training and development and challenging job opportunities. In addition in terms of organizational aspect they included leadership behavior, organizational culture and policies, relationships between working teams and a satisfactory working environment. Furthermore, the intervening variable in terms of the relation between the aforementioned eight factors and tendency for staying was organizational commitment.

Del Rey and Dati (1996) determined seven key factors in strategic operations of HR including career development route, training, performance evaluation, rewarding, and employees' job security and enrichment of jobs with content and exploiting them for development of innovation.

### 3 Designing hypotheses and analysis methods

Organizational commitment is a manifestation of individuals' mental attachment to their employing organization. According to Allen and Meyer (1997) it can adopt different shapes. Porter and colleagues (1974) believe that organizational commitment is manifested in three main recognitions:

- Having strong faith in organization and acceptance of its values and goals
- Tendency for putting excessive effort for organization
- Having an absolute willingness for staying as a participant of the organization

Emotional commitment is defined as employees' emotional feeling for attachment to an organization, synchronization with the organization and being engaged with the organization (Allen and Meyer, 1997).

Normative commitment is defined as the set of internalized norms used for committing to an act that is righteous in the view of the individual. In terms of this aspect of commitment, the individual considers continuing doing his/her job as his/her duty. Those who are more committed to their organizations in terms of norms, are more prone to manifest behaviors including sacrificing and putting more efforts in order to work for the organization. They also consume a huge amount of their energy for pursuing the goals of organization (Meyer and Allen 1997; Pinder, 1998).

The views of calculative commitment (Morrow, 1993) and continued commitment (Meyer and Allen, 1997) consider the advantages of attending to work and expenses of desertion of job. In other words, it can be stated that by this type of commitment, the employee remains as an employee of the organization due to high expenses of desertion.

Considering the aforementioned content and by investigating the results of previous studies, a research model is proposed for investigation of relations that hold amongst organizational commitment and each individual component of organizational selection, employee training, human resource performance evaluation and promotion opportunities, performance based rewards, information sharing, job security and the system of HRM.

HRM is defined as perception of importance of human resources for an organization. These human resources in fact result in organization's overall advantage, consideration of costumers, entrepreneurship, quality and alike. On the other hand, growth and development of capabilities and also organization of human labor of an organization is essential for making progress towards the overall goals and objectives of the organization. This level of management is therefore essentially impactful on failure and success of the organization. In general it can be stated that HRM consists:

- Recruitment and employment
- Training and improvement
- Exploitation and assignment
- Maintenance of human resources towards realization of organizational objectives

These four processes are considered as the basic processes of HRM and the entire patterns, systems and methods should be developed with regard to them. The basic objective of HRM is obtaining desirable results from group efforts of employees of an organization. It can move the organization towards realization of its purposes and goals.

In addition, according to the definition proposed by Meyer and Allen, HRM practices include recruitment of employees, training, performance evaluation, job promotion, performance based rewards, information sharing and job security (Meyer & Allen, 1997).

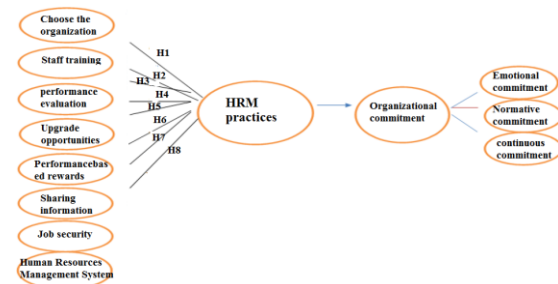


Figure 1: conceptual model of study

[Selection/ training/ performance evaluation/ promotion opportunity/ performance based rewards/information sharing/job security/ HRM system. HRM practices. Organizational-commitment. Emotional commitment/ continued commitment/ normative commitment.]

The hypotheses of this research are as follows:

1. There exists a positive relation between selection and organizational commitment.
2. There exists a positive relation between training and organizational commitment.
3. There exists a positive relation between performance evaluation and organizational commitment.
4. There exists a positive relation between promotion opportunity and organizational commitment.
5. There exists a positive relation between performance based rewards and organizational commitment.
6. There exists a positive relation between information sharing and organizational commitment.
7. There exists a positive relation between job security and organizational commitment.
8. There exists a positive relation between HRM system and organizational commitment.

In terms of type of data collection the present study is considered as a survey study and on this basis there is no way for manipulation of the independent variable for the researcher. On the other hand, in terms of data analysis methods the present study is considered as a correlative research. First we have tried to collect some research data through library studies and field methods. Data collection instruments in terms of our library studies included internet based searching for defining concepts, notions and indexes. On the other hand, in terms of field study, the applied instrument was questionnaire. Ultimately the collected data are subjected to statistical analysis and research hypotheses have been tested.

The method applied by this study for analysis of data is structural equations method. Structural equations modeling is a multivariate analysis technic that is extensively general and strong while belonging to the family of multivariate regressions. In more precise definitions, it is the expansion of the general linear modeling method. This method allows researchers to make a simultaneous investigation on several regression equations. Structural equations modeling is a general approach for testing hypotheses regarding relations between the observed variables and independent ones. It has also been occasionally termed as Covariance structural analysis, objective modeling and also sometimes LISREL. However, currently the dominant and the most frequently used phrase is structural equations modeling (SEM).

The population of the present study is consisted of the entire full-time employees of retirement pension and funds organizations of Oil industry of Iran who exceed 700

individuals. Since it is not feasible to study the entire population, a simple random sampling method was made use of and a number of 248 individuals were selected as the sample of study. It is worth mentioning that the Cochran's formula was applied for calculation of the size of sample through the following formula:

$$n = \frac{\frac{z^2 \delta^2}{d^2}}{1 + \frac{1}{N} \left( \frac{z^2 \delta^2}{d^2} - 1 \right)} = \frac{\frac{1.96^2 \delta^2}{0.07^2}}{1 + \frac{1}{700} \left( \frac{1.96^2 \delta^2}{0.07^2} - 1 \right)}$$

#### 4 Results of data analyses

The index of reliability coefficient is used for determination and measurement of reliability. In other words, if the same test is administered to a same population in short time intervals; the results must be close to each other. Since the obtained value was plus 0.6 for the entire variables, it can be stated that the instrument under investigation is of a suitable reliability.

Table 1: Cronbach's alpha coefficients

Variables	Cronbach's alpha coefficient
Selection	0.82
Training	0.79
Performance evaluation	0.84
Promotion opportunity	0.73
Performance based rewards	0.87
Information sharing	0.80
Job security	0.81
HRM system	0.84

The prerequisite for execution of every parametric test is normality of statistical distribution of variables. In general it can be stated that parametric tests are generally based on average and standard deviation. If the distribution of the population was not normal, no precise inference can be made from results. For this stage, the K-S test is administered. The results are as follows:

Table 2: normality test results

Variables	K-S value	Sig.	Error	Result
HRM practices	0.643	0.803	0.05	Normal
Organizational commitment	1.201	0.112	0.05	Normal

In the above table, with regard to the value of K-S test and the value of Significance, it can be inferred that no significant difference exists between the expected distribution and actual distribution of variables among the population. Therefore, parametric tests should be used for hypothesis testing.

In this stage it is determined whether theoretical concepts are correctly measured by the observed variables or not. For this purpose, construct validity is tested. In addition for this purpose, two validity criteria of convergent validity and discriminant validity are made use of. Whenever one or more features are measured through two or more approaches, the correlation between these measurements provides the aforementioned important indexes of validity. If the value of this correlation was high, then it can be stated that the questionnaire has a convergent validity. This validity signifies that the test measures what it is ought to measure. On the other hand if the value of the aforementioned correlation was low, then the test can be claimed to have discriminant validity.

Table 3: results of estimation of correlation coefficient

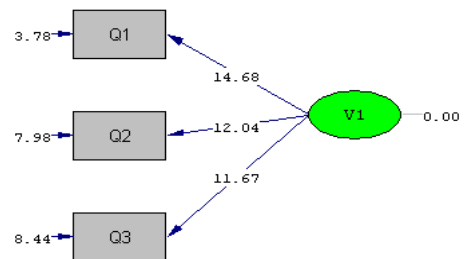
HRM practices	Organizational commitment		
	value	Sig.	Result
Selection	0.592	0.000	Relation with

			average intensity and forward direction
Training	0.650	0.000	Relation with average intensity and forward direction
Performance evaluation	0.645	0.000	Relation with average intensity and forward direction
Promotion opportunity	0.698	0.000	Relation with strong intensity and forward direction
Performance based rewards	0.686	0.000	Relation with strong intensity and forward direction
Information sharing	0.633	0.000	Relation with average intensity and forward direction
Job security	0.639	0.000	Relation with average intensity and forward direction
HRM system	0.645	0.000	Relation with average intensity and forward direction

With respect to the values, correlation is significant at Sig. <0.001. Therefore it can be concluded that at a two-fold relationship exists between HRM practices and organizational commitment. In terms of methodology of structural equations modeling method, first of all one may need to investigate the validity of the construct under study. In this regard it would be turned out whether the selected variables are of sufficient precision for measurement of their designated constructs or not. For this purpose, confirmatory factor analysis method is used. If value of t was higher than 1.96, it shows that the selected factor is confirmed for the designated construct. On the other hand the value of route coefficient is ranged between 0 and 1. If its value is smaller than 0.3 it is considered as weak, if it's between 0.3 and 0.6 then it is considered as acceptable and if its value was higher than 0.6, then it would be considered as highly desirable.

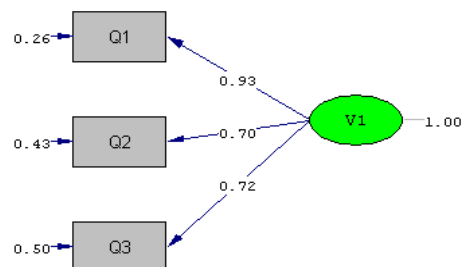
#### 4.1 Selection index

This index is consisted of three items.



Chi-Square=0.00, df=0, P-value=1.00000, RMSEA=0.000

Diagram 1: T value for investigation of significance of parameters of selection model



Chi-Square=0.00, df=0, P-value=1.00000, RMSEA=0.000

Diagram 2: selection measurement model

Table 4, results of organizational selection model

Research construct	Model factor	symbol	Route coefficient	t	p-value
selection	Item 1	Q1	0.93	14.68	1%
selection	Item 2	Q2	0.70	12.04	1%
selection	Item 3	Q3	0.72	11.67	1%

The calculated t values for each load factor of each components and its variable construct is higher than 1.96. Therefore it can be concluded that representatives are consistent for measurement of notions.

#### 4.2 Training index

This index is consisted of five items.

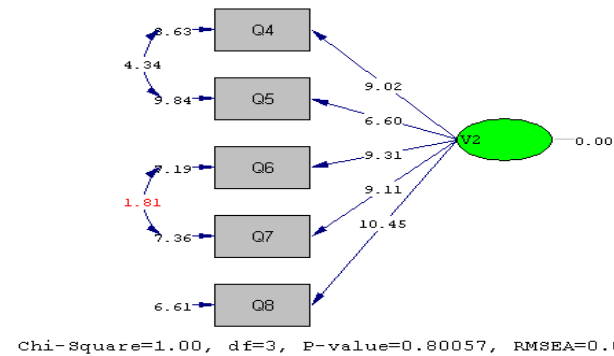


Diagram 3: T value for investigation of significance of parameters of training model

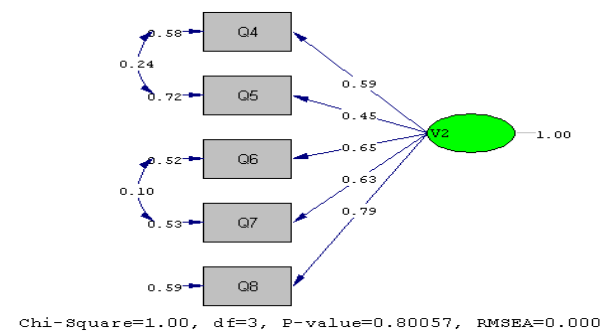


Diagram 4: training measurement model

Table 5, results of organizational training model

Research construct	Model factor	symbol	Route coefficient	t	p-value
training	Item 4	Q4	0.59	9.02	1%
	Item 5	Q5	0.45	6.60	1%
	Item 6	Q6	0.65	9.31	1%
	Item 7	Q7	0.63	9.11	1%
	Item 8	Q8	0.79	10.45	1%

The calculated t values for each load factor of each components and its variable construct is higher than 1.96. Therefore it can be concluded that representatives are consistent for measurement of notions.

#### 4.3 Performance evaluation index

This index is consisted of four items.

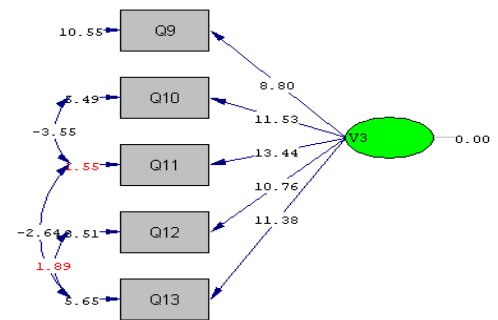


Diagram 5: T value for investigation of significance of parameters of performance evaluation model

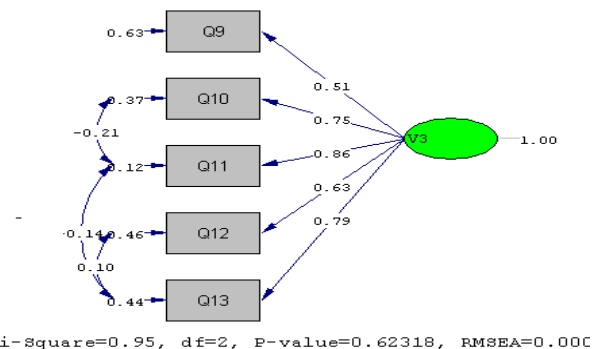


Diagram 6: Performance evaluation measurement model

Table 6: results of performance evaluation model

Research constructs	factor	symbol	Route coefficient	t	p-value
Performance evaluation	Item 9	Q9	0.51	8.80	1%
	Item 10	Q10	0.75	11.53	1%
	Item 11	Q11	0.86	13.44	1%
	Item 12	Q12	0.63	10.76	1%
	Item 13	Q13	0.79	11.38	1%

The calculated t values for each load factor of each components and its variable construct is higher than 1.96. Therefore it can be concluded that representatives are consistent for measurement of notions.

#### 4.4 Promotion opportunity index

This index is consisted of three items.

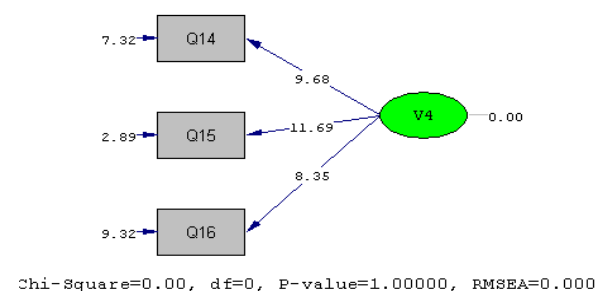
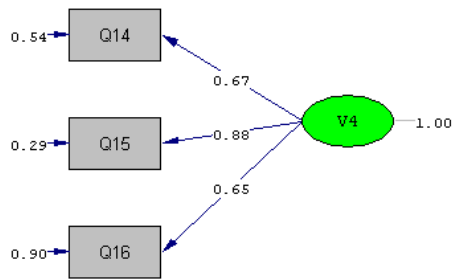


Diagram 7: T value for investigation of significance of parameters of promotion opportunity model



Chi-Square=0.00, df=0, P-value=1.00000, RMSEA=0.00

Diagram 8: Promotion opportunity evaluation measurement model

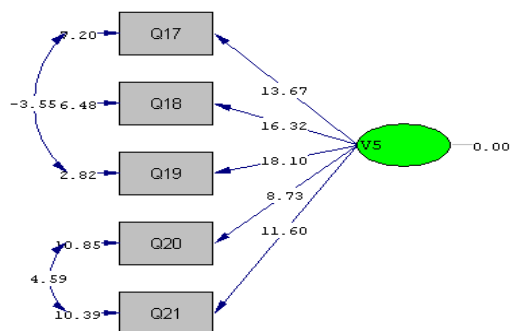
Table 7: results of performance evaluation model

Research constructs	factor	symbol	Route coefficient	t	p-value
Promotion opportunity	Item 14	Q14	0.67	9.68	1%
	Item 15	Q15	0.88	11.69	1%
	Item 16	Q16	0.65	8.35	1%

The calculated t values for each load factor of each components and its variable construct is higher than 1.96. Therefore it can be concluded that representatives are consistent for measurement of notions.

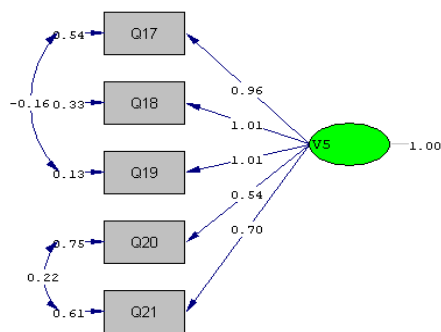
#### 4.5 Performance based rewards index

This index is consisted of four items.



Chi-Square=2.92, df=3, P-value=0.40354, RMSEA=0.0

Diagram 9: T value for investigation of significance of parameters of performance based rewards model



Chi-Square=2.92, df=3, P-value=0.40354, RMSEA=0.000

Diagram 10: Promotion opportunity evaluation measurement model

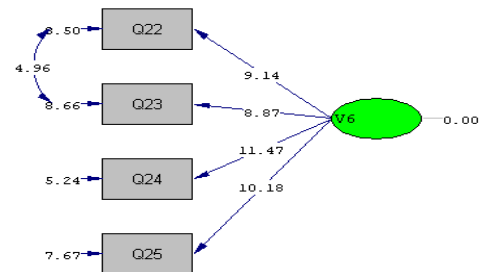
Table 8: results of performance based rewards model

Research constructs	factor	symbol	Route coefficient	t	p-value
Performance based rewards	Item 17	Q17	0.96	13.67	1%
	Item 18	Q18	1.01	16.32	1%
	Item 19	Q19	1.01	18.10	1%
	Item 20	Q20	0.54	8.73	1%
	Item 21	Q21	0.70	11.60	1%

The calculated t values for each load factor of each components and its variable construct is higher than 1.96. Therefore it can be concluded that representatives are consistent for measurement of notions

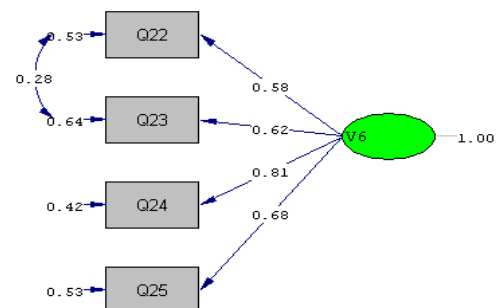
#### 4.6 Information sharing index

This index is consisted of four items.



Chi-Square=0.00, df=1, P-value=0.97725, RMSEA=0.000

Diagram 11: T value for investigation of significance of parameters of information sharing model



Chi-Square=0.00, df=1, P-value=0.97725, RMSEA=0.000

Diagram 12: information sharing measurement model

Table 9: results of information sharing model

Research constructs	factor	symbol	Route coefficient	t	p-value
Information sharing	Item 22	Q22	0.58	9.14	1%
	Item 23	Q23	0.62	8.87	1%
	Item 24	Q24	0.81	11.47	1%
	Item 25	Q25	0.68	10.18	1%
	Item 26	Q26	0.53	7.67	1%

The calculated t values for each load factor of each components and its variable construct is higher than 1.96. Therefore it can be concluded that representatives are consistent for measurement of notions.

#### 4.7 Job Security index

This index is consisted of four items.

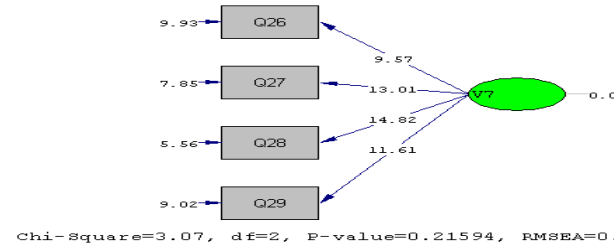


Diagram 13: T value for investigation of significance of parameters of job security model

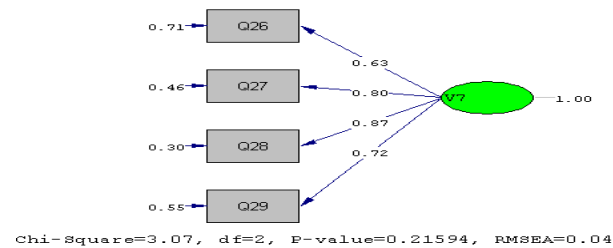


Diagram 14: job security measurement model

Table 10: results of job security model

Research constructs	factor	symbol	Route coefficient	t	p-value
Job security	Item 26	Q26	0.63	9.57	1%
	Item 27	Q27	0.80	13.01	1%
	Item 28	Q28	0.87	14.82	1%
	Item 29	Q29	0.72	11.61	1%

The calculated t values for each load factor of each components and its variable construct is higher than 1.96. Therefore it can be concluded that representatives are consistent for measurement of notions.

#### 4.8 HRM system index

This index is consisted of five items.

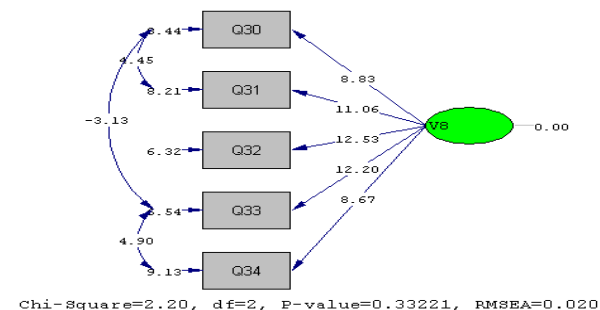


Diagram 15: T value for investigation of significance of parameters of HRM system model

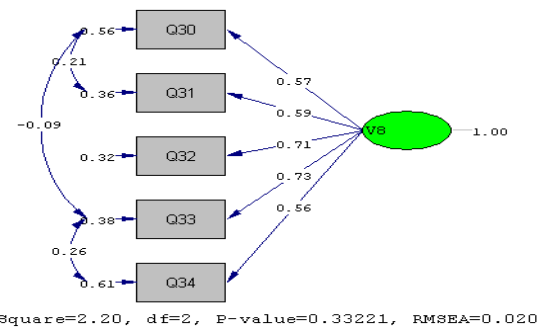


Diagram 16: HRM system measurement model

Table 11: results of HRM system model

Research constructs	factor	symbol	Route coefficient	t	p-value
HRM system	Item 30	Q30	*	*	1%
	Item 31	Q31	*	*	1%
	Item 32	Q32	*	*	1%
	Item 33	Q33	*	*	1%
	Item 34	Q34	*	*	1%

The calculated t values for each load factor of each components and its variable construct is higher than 1.96. Therefore it can be concluded that representatives are consistent for measurement of notions.

#### 4.9 Organizational commitment index

This index is consisted of three items.

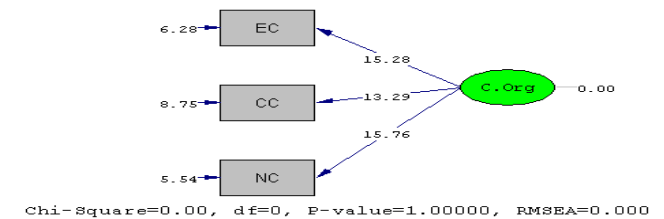


Diagram 17: T value for investigation of significance of parameters of organizational commitment model

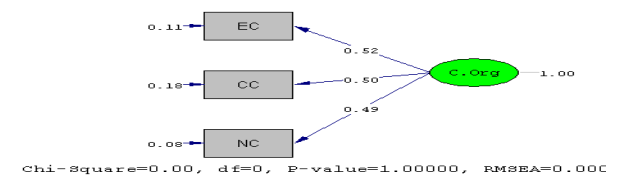


Diagram 18: organizational commitment model

Table 12: results of organizational commitment model

Research constructs	factor	symbol	Route coefficient	t	p-value
organizational commitment	Emotional commitment	ECC	0.50	15.28	1%
	Continued commitment	CC	0.52	13.29	1%
	Normative commitment	NC	0.49	15.76	1%



The calculated t values for each load factor of each components and its variable construct is higher than 1.96. Therefore it can be concluded that representatives are consistent for measurement of notions.

Table 13: fit indexes of the overall model

index	Desirable range	selection	training	Performance evaluation	Promotion opportunity	reward	Information sharing	Job security	HRM system	Organizational commitment
RMR	$\geq 0.1$	0.009	0.027	0.025	0.016	0.016	0.022	0.031	0.042	0.007
SRMR	$\leq 0.1$	0.001	0.021	0.027	0.016	0.022	0.021	0.035	0.060	0.01
GFI	$\geq 0.9$	1	0.98	0.98	1	0.99	1	0.98	0.97	1
NFI	$\geq 0.9$	1	0.98	0.99	0.99	0.99	1	0.98	0.97	1
NNFI	$\geq 0.9$	1	0.99	0.99	1	0.99	1	0.99	0.99	1
IFI	$\geq 0.9$	1	0.91	0.91	1	0.9	1	0.9	0.9	1
CFI	$\geq 0.9$	1	0.95	0.95	1	0.95	1	0.95	0.94	1
RMSEA	$\leq 0.1$	0.000	0.000	0.000	0.000	0.000	0.000	0.046	0.020	0.000

As it can be seen, the data of the present research are of a suitable fitness with factor structure and theoretical foundations of the study. In other words, the construct is of a high validity. After passing the previous sections, now the final model is determined and also the final structural model is produced. For this purpose the proposed model is implemented in LISREL software. Since the value of RMSEA is reported as smaller than 0.1, therefore there is no need for any reformations on research hypotheses for making a precise estimation of route coefficients. Therefore we have:

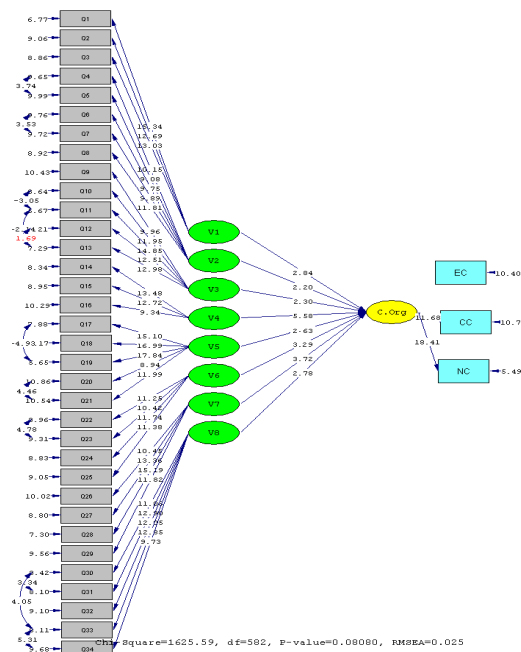


Diagram 19: T value for investigation of the structural model

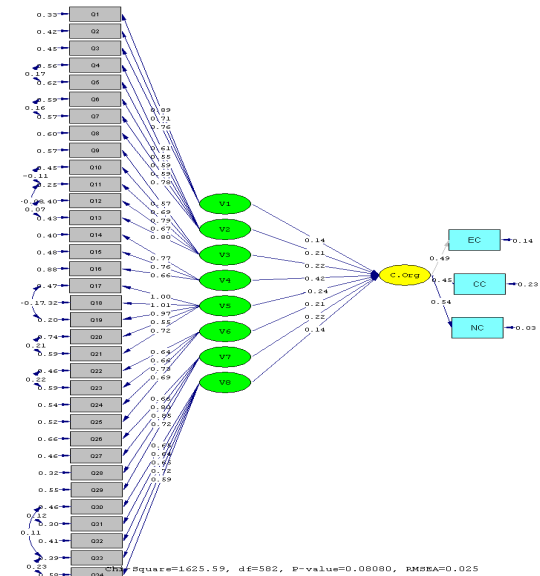


Diagram 20: coefficients of the structural model

Table 15: route coefficients for effects of constructs

Independent construct	Dependent construct	Route coefficient	R <sup>2</sup>	T	P. value	result
Selection	Organizational commitment	0.14	0.019	2.84	0.000	Hypothesis accepted
Training	Organizational commitment	0.21	0.044	2.20	0.000	Hypothesis accepted
Performance evaluation	Organizational commitment	0.22	0.048	2.30	0.000	Hypothesis accepted
Promotion	Organizational commitment	0.42	0.176	5.58	0.000	Hypothesis accepted
Rewards	Organizational commitment	0.24	0.057	2.63	0.000	Hypothesis accepted
Information sharing	Organizational commitment	0.21	0.044	3.29	0.000	Hypothesis accepted
Job security	Organizational commitment	0.22	0.048	3.72	0.000	Hypothesis accepted
HRM system	Organizational commitment	0.14	0.019	2.78	0.000	Hypothesis accepted

Table 16: considering for priorities

promotion	Dependent construct	Route coefficient	R <sup>2</sup>	T	P. value	result
rewards	Organizational commitment	0.42	0.176	5.58	0.000	Hypothesis accepted
Evaluation of performance	Organizational commitment	0.24	0.057	2.63	0.000	Hypothesis accepted
Job security	Organizational commitment	0.22	0.048	2.30	0.000	Hypothesis accepted
training	Organizational commitment	0.22	0.048	3.72	0.000	Hypothesis accepted
Information sharing	Organizational commitment	0.21	0.044	2.20	0.000	Hypothesis accepted
Information sharing selection	Organizational commitment	0.21	0.044	3.29	0.000	Hypothesis accepted
	Organizational commitment	0.14	0.019	2.84	0.000	Hypothesis accepted
HRM system	Organizational commitment	0.14	0.019	2.78	0.000	Hypothesis accepted

With respect to research questions and hypotheses it can be concluded that the entire variables of HRM practices in addition to having a direct and positive effect on organizational commitment, also have a significant relation with it.

## 5 Conclusions

Results of this research manifested that the HRM unit can take effective actions in order to improve organizational commitment among the employees. In this regard, long term realization of organizational goals is assured. Strategic management of human resources is a macro perspective which allows us to elaborate on employees' main issues in order to make the organization benefit from expert, committed and motivated employees who put efforts towards obtaining a sustainable competitive advantage. On the other hand, organizational commitment is also defined as engagement of an individual employee with his/her recruiting company. In fact this subject has recently attracted several attentions. Since none of the proposed 8



hypotheses were denied in this study, it can be concluded that the proposed structural model is of a high validity and fitness.

Findings indicated that there exists a two-fold relation between HRM practices and organizational commitment. In addition the entire relations have a forward and straight direction. In addition the highest of all correlations was attributed to opportunities for promotion and organizational commitment. In general, the entire variables of HRM practices have a significant effect on organizational commitment. On this basis it can be claimed that strategic HRM is able to provide employees with opportunities for promotion through application of the integrated system of this type of management and through selecting suitable labor force and providing them with adequate training. In addition rewards could be considered for sharing information or obtaining higher scores in performance evaluation tests. These rewards may result in increased job security.

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**Primary Paper Section:** A

**Secondary Paper Section:** AE, AF