HUMAN RESOURCE MANAGEMENT PRACTICES AND ORGANIZATIONAL COMMITMENT AND INTENTION TO LEAVE: THE MEDIATING ROLE OF PERCEIVED ORGANIZATIONAL SUPPORT AND PSYCHOLOGICAL CONTRACTS

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by
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a candidate for the degree of master of science,

and hereby certify that, in their opinion, it is worthy of acceptance.

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CHAPTER 1

INTRODUCTION

1.1 Problem Statement

Employee turnover represents a critical problem to an organization in terms of loss of talent, additional recruitment and training costs (Loi, et al., 2006). According to the latest Bureau of Labor Statistics employee turnover rates for the year ending August 2006, overall U.S. voluntary turnover increased slightly to 23.4% annually, up from 22.7% the previous year. The highest turnover by far is still in the accommodation and food services sector (56.4%) and the leisure and hospitality sector at (52.2%). The two sectors also experienced the highest turnover increase from 2005 to 2006, 7% in accommodation and food services sector and 5.4% in leisure and hospitality industry (http://www.nobscot.com/survey/index.cfm). The cost of turnover adds hundreds of thousands of dollars to a company's expenses, including hiring and training costs and productivity loss. Industry experts often quote 25% of the average employee salary as a conservative estimate of the turnover costs (http://www.nobscot.com/library/retention.cfm).

Prior research suggests that employees' organizational commitment (OC) and intention to leave are two important antecedents of turnover (Griffeth & Hom, 1995). Maertz and Campion (1998) argued that an effective way to decrease actual turnover rate is to identify factors that influence turnover intentions. Researchers studying conceptual and empirical models of turnover have provided strong support for behavioral intentions (intention to leave) affecting actual behavior (turnover) (Igharia & Greenhaus, 1992).

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Organizational commitment has been considered as one of the most important predictors of turnover and intention to leave. It was found that employees who were more committed to their organizations had lower intention to leave than those with lower organizational commitment (Griffeth & Hom, 1995; Igharia & Greenhaus, 1992). Wong, et al., (1995) studied about a relationship between three attitudinal antecedents to turnover, OC, job satisfaction and turnover intention. Upon examination of their full model to determine the relationship between the attitudinal antecedents, they found that OC significantly predicted turnover intention whereas job satisfaction had no effect on turnover intention. The finding suggests that employees who are committed to an organization are less intended to leave their employers. In a study to determine a relationship of organizational commitment and job satisfaction with intention to leave among government doctors, Samad (2006) found that OC contributed the highest variance in intention to leave.

Scholars have extensively studied OC because of its significant impact on employees' intention to leave which consequently lower turnover (Meyer & Allen, 1984; 1987; Meyer et al., 1993; Udo, et al., 1997; Samad, 2006). This important effect of OC on turnover has drawn attention of organizational behavior and human resource scholars to possible antecedents of OC. The antecedents of OC have been investigated in the light of social exchange theory (Blau, 1964; Gouldner, 1960; Rousseau, 1990). Social exchange is defined as cooperation between two or more parties for mutual benefit (Robinson, et al., 1994). Researchers have increasingly adopted social exchange as a theoretical foundation for understanding employee-employer relationships (Coyle-Shapiro & Conway, 2005). According to Blau (1964), social exchanges involve

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unspecified obligations, in which an individual does another a favor for an expectation of some future return, although the time of occurrence of return and the form of return is often unclear. A social exchange is based on undeclared obligations and trust (Tansky & Cohen, 2001). Social exchanges may also involve reciprocity (Blau, 1964). Gouldner (1960) defined reciprocity as the norm which obligates the recipient of benefit to repay the donor in some way. Therefore, employee-employer relationship might be viewed as social exchange. An employer may acknowledge an employee's efforts by offering opportunities and benefits, and in return for these opportunities and benefits, employees may feel obligated to reciprocate and may become more committed to the organization (Tansky & Cohen, 2001). Eisenberger et al. (1986) used a social exchange framework to argue that employees who perceive high level of support from their organizations tend to feel obligated to the organization which in turn makes them more committed to their organizations.

According to organizational support theory employees form general beliefs about the extent to which the organization values their contributions and cares about their well-being (Eisenberger et al., 1986). Based on the norm of reciprocity, such perceived organizational support make employees feel obligated to care about the organization's welfare and to help the organization reach its objectives. One way that employees may approach to satisfy this indebtedness is through greater affective commitment to the organization and greater efforts to help the organization (Eisenberger et al., 1986).

To study the employee-employer exchange, two important frameworks have been increasingly, but not exclusively, adopted by scholars, namely perceived organizational support (POS) and psychological contracts (PCs). Both factors were found to have a

significant relationship with employees' commitment to organizations (Coyle-Shapiro & Kessler, 2000; Eisenberger et al., 1990). PC is defined as an employee's belief regarding terms and conditions of an exchange relationship with their organization (Rousseau, 1989) such as (1) wages based on time on job, rank or performance (Coyle-Shapiro & Conway, 2005), or (2) compensation, training etc in exchange for loyalty, performance etc. (Rousseau & Wade-Benzoni, 1994). Psychological contract constitutes of employment obligations, embedded in the context of social exchange (Rousseau, 1989). Obligations are the basic components of social exchange relationships and are defined as beliefs, held by an employee or employer, that each is bound by promise to an action in relation to the other party (Robinson, et al., 1994). According to the authors, PCs consist of sets of individual beliefs or perceptions regarding reciprocal obligations. The individual nature of psychological contracts is their defining attribute which makes them conceptually different from both a formal and implied contract, as it considers an individual's beliefs of the terms and conditions of an agreement between the individual and his/her employer (Lester & Kickul, 2001). Unlike formal employee-employer contracts, PC is inherently perceptual and therefore an individual's interpretations of the terms and conditions of the obligations within the contract may not be similar to the other individual (Kickul, et al., 2004). Employees' PCs specify contributions that they believe they owe to their employer and the inducements that they believe are owed in return (Robinson, et al., 1994). PCs are developed and executed through interactions between an employee and organizational agents such as recruiters, human resource personnel and direct superiors but in the employee's mind, the contract exists between him or her and the organization. In addition they tend to hold beliefs concerning what the organization is

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obliged to provide and how well the organization actually fulfilled those obligations (Robinson & Morrison, 1995). Thus, the content of PCs may include any item that might be exchanged between the organization and the employee (e.g., compensation, training, support, in exchange for loyalty, performance) (Coyle-Shapiro & Conway, 2005). PC research has explored the employer-employee exchange relationship by investigating consequences of perceived contract fulfilment or breach (the extent to which an employee believes that their employer has fulfilled or failed to fulfil one or more of its promised obligations) on employee attitudes and behavior (Coyle-Shapiro & Conway, 2005). Prior studies have reported a positive relationship between perceived contract fulfilment and employees' organizational commitment (Coyle-Shapiro, & Kessler, 2000; Pathak, et al., 2005) whereas a perceived contract breach resulted in reduced organizational commitment (Guzzo & Noonan, 1994).

Perceived organizational support (POS) refers to an individual's perception concerning the degree to which an organization values their contributions and cares about their well-being (i.e. the degree to which the organization is committed to its employees) (Eisenberger et al., 1986). Eisenberger et al. (1986) used a social exchange framework to argue that employees who perceive high level of support from their organizations tend to feel obligated to the organizations which in turn makes them more committed to their organization.

Based on the literature, POS and PC share some similarities. First, both concepts use social exchange (Blau, 1964) and norm of reciprocity (Gouldner, 1960) to explain their consequences on employee attitudes and behaviour. Second, both are the key means by which employees evaluate their employment relationships with their organization

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(Coyle-Shapiro & Conway, 2005). Third, both have been reported to have a positive relationship with employees' organizational commitment. Coyle-Shapiro and Kessler (2000) reported a positive relationship between perceived contract fulfilment and commitment, and Eisenberger et al. (1990) reported a positive relationship between POS and OC. However, three distinctive differences have also been reported between the two concepts. First, POS refers to employees' beliefs about whether an organization is committed to them (Wayne, et al., 1997), whereas PC is about employees' perceived mutual obligations and the extent to which they believe that their organizations have fulfilled the promised obligations (Robinson, et al., 1994). Second, POS is about an individual's perception of an organizational treatment irrespective of the fact that the treatment was promised or not, whereas for PC employees reciprocate when there is a difference between what was promised and what is fulfilled (Coyle-Shapiro & Conway, 2005). Third, relates to the interdependence of an employer and an employee to the exchange. POS focuses only on the employer's side of the exchange as perceived by the employees, whereas PC includes an employee and employer perspectives, as PC is about an employee's perception of the reciprocal obligations between that individual and the employer (Coyle-Shapiro & Conway, 2005).

Human resource management (HRM) practices have been considered as one of the critical factors affecting PC (Guzzo & Noonan, 1994; Rousseau & Greller, 1994; Rousseau & Wade-Benzoni, 1994; Sims, 1994) and POS (Chang, 2005; Kinicki, et al., 1992; Wayne, et al., 1997). Kinicki, et al. (1992) proposed that an organization's actual HRM programs affect employee perceptions of an organization's commitment to human resource efforts, which in turn affect employees' work attitude. According to Levinson

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(1965), employees view behavior and actions of organizational agents as actions of the organization itself. According to Eisenberger et al. (1990), when employees believed that an organization was committed to its HRM programs, they believed that the organization was committed to them. Therefore, employees developed positive attitudes towards the company. Thus HRM practices can be one of the critical factors to influence POS which in turn will contribute to the development of employee commitment to the organization.

An employee's relationship with an organization is shaped by HRM actions such as recruiting, appraising performance, training, and benefits administration through which employees come to understand the terms of their employment (Rousseau & Greller, 1994). How jobs are advertised ("great advancement potential," "opportunity for salary growth,"), the way an organization is portrayed during the recruitment interviews ("this organization provides plenty of training "), comments made in performance appraisal reviews ("keep up the good work and we will move you up"), compensation systems (wages based on time on the job, rank or performance), all send strong messages to individuals regarding what an organization expects of them and what they can expect in return. Hence HRM practices are seen to play an important role as message senders, shaping terms of the psychological contracts (Rousseau & Wade-Benzoni, 1994). Coyle-Shapiro and Kessler (2000) confirmed the positive effect of PC fulfilment on an employee's organizational commitment. A major function of HRM practices is to foster an appropriate PC (Rousseau & Greller, 1994), and employees' interpretation of their employer's HRM practices will affect their PC, and ultimately their perception of contract fulfillment or breach will affect their commitment to the organization.

1.2 Purpose of Study

The purpose of the study was to examine whether HRM practices influence employees' organizational commitment, perceived organizational support, and psychological contracts; whether perceived organizational support and psychological contracts have relationship with organizational commitment; and whether organizational commitment influence to lower intention to leave.

1. Describe subjects' sex, age, current job position, number of jobs quit in the last five years, tenure in current company, and education.

2. Describe human resource management (HRM) practices, organizational commitment (OC), perceived organizational support (POS), psychological contracts (PCs) and intention to leave of subjects.

3. Describe the relationship between HRM practices and OC.

4. Describe the relationship between POS and OC.

5. Describe the relationship between HRM practices and POS.

6. Describe the mediating effect of POS on the relationship between HRM practices and OC.

7. Describe the relationship between PCs and OC.

8. Describe the relationship between HRM practices and PCs.

9. Describe the mediating effect of PCs on the relationship between HRM practices and OC.

10. Describe the relationship between OC and employee's intention to leave.

1.3 Hypotheses

Eight hypotheses with sub-hypotheses were proposed. They are as follows.

Hypothesis 1: HRM practices will be positively related to OC.

> *Hypothesis 1a: Training will be positively related to OC*
>
> *Hypothesis 1b: Performance appraisal will be positively related to OC.*
>
> *Hypothesis 1c: Staffing will be positively related to OC.*
>
> *Hypothesis 1d: Rewards will be positively related to OC.*
>
> *Hypothesis 1e: Benefits will be positively related to OC.*
>
> *Hypothesis 1f: Working conditions will be positively related to OC.*
>
> *Hypothesis 1g: Equal employment opportunity will be positively related to OC.*
>
> *Hypothesis 1h: Information sharing will be positively related to OC.*

Hypothesis 2: POS will be positively related to OC.

Hypothesis 3: HRM practices will be positively related to POS.

> *Hypothesis 3a: Training will be positively related to POS.*
>
> *Hypothesis 3b: Performance appraisal will be positively related to POS.*
>
> *Hypothesis 3c: Staffing will be positively related to POS.*
>
> *Hypothesis 3d: Rewards will be positively related to POS.*
>
> *Hypothesis 3e: Benefits will be positively related to POS.*
>
> *Hypothesis 3f: Working conditions will be positively related to POS.*
>
> *Hypothesis 3g: Equal employment opportunity will be positively related to POS.*
>
> *Hypothesis 3h: Information sharing will be positively related to POS.*

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Hypothesis 4: POS will mediate the relationship between HRM practices and OC.

Hypothesis 5: PCs will be positively related to Organizational Commitment.

Hypothesis 6: HRM practices will be positively related to PCs.

Hypothesis 6a: Training will be positively related to PCs.

Hypothesis 6b: Performance appraisal will be positively related to PCs.

Hypothesis 6c: Staffing will be positively related to PCs.

Hypothesis 6d: Rewards will be positively related to PCs.

Hypothesis 6e: Benefits will be positively related to PCs.

Hypothesis 6f: Working conditions will be positively related to PCs.

Hypothesis 6g: Equal employment opportunity will be positively related to PCs.

Hypothesis 6h: Information sharing will be positively related to PCs.

Hypothesis 7: PCs will mediate the relationship between HRM practices and OC.

Hypothesis 8: OC will be negatively related to employee's intention to leave.

1.4 Significance of the Research

The uniqueness of this research is to study the influence of HRM practices as a critical tool to make the employees more committed to their organization, which in turn would affect employee intention to stay or leave the organization.

Firstly, mediating effects of POS on the relationship between HRM practices and OC would suggest that when employees believe that their organization intends to support them and expresses its commitment to its employees, through its HRM practices (training,

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rewards, equal employment opportunity, etc.), it makes the employees more committed to the organization. There has been very little empirical research examining this relationship. Most of the previous research has been conceptual. Few researchers studied the influence of HRM practices on POS, and the studies either used HRM practices as a whole to study the influence of HRM practices on POS or used only some of HRM practices (promotion and training and development). The uniqueness of our research is to study the influence of each HRM practice on POS. Eight HRM practices were included in this study to examine the relationship of each HRM practice with POS. This study will provide critical information about those HRM practices which influence employee perceptions that the organization supports them and cares about them and which in turn affects their commitment level, which in turn will affect their intention to leave the organization.

Although there has been numerous research studies on the relationship between (1) OC and intention to leave, (2) POS and OC, and there has also been little research on (3) HRM practices and POS, but none of these studies tried to study the influence of one relationship on the other, neither did any research try to study the mediating effect of POS on the relationship between HRM practices and OC. This study intends to examine the influence of HRM practices on POS, followed by the influence of POS on OC, and finally the influence of OC on intention to leave. Therefore, this study was designed to investigate (1) whether employees consider HRM practices as a support from the organization, (2) whether these employee beliefs, that the organization is committed to them through their HRM practices, influence their commitment level, and (3) whether commitment of employees influence their intention to leave.

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Secondly, despite the importance of the HRM practices, little research has been conducted on HRM practices and POS. All previous studies either used employees' overall perception of the organization's HRM practices (Chang, 2005), to study the influence of HRM practices on POS or studied the influence of certain HRM practices (promotion and training and development) on POS (Wayne, et al., 1997). Eight HRM practices were included in this study. This study examines the influence of each HRM practice on POS and the influence of a bundle of HRM practices on POS. The findings would be more important for academicians and practitioners because an organization practices several diverse HRM practices and not some specific HRM practice. The findings would give an opportunity to decide which practices work for a particular organization and which do not.

Thirdly, there has been little empirical research on the relationship between HRM practices and PCs, though HRM practices have been considered as one of the critical factors affecting PC (Guzzo & Noonan, 1994; Rousseau & Greller, 1994; Rousseau & Wade-Benzoni, 1994; Sims, 1994), but this research area lacks empirical work. The study will examine whether employees consider HRM practices as an important tool while developing psychological contracts.

Lastly, the study intends to examine the influence of HRM practices on PC fulfilment, followed by the influence of PC fulfilment on OC, and finally the influence of OC on intention to leave. Therefore, this study was designed to investigate (1) whether HRM practices will be a significant predictor of PC fulfilment, (2) whether PC fulfilment will make the employees more committed to their organization, and (3) whether higher commitment of employees result in lower intention to leave. Research in this area can

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help practitioners and academicians to find which HRM practices influence PC fulfilment more. All HRM practices do not work for all organizations, therefore, it is important for human resource managers to figure what HRM practices are working and what are not. Overall, this study provides scope for academicians and practitioners to find the best HRM practices that would work for a particular organization in lowering employees' intention to leave.

1.5 Outline of Subsequent chapters

This thesis includes five chapters. In Chapter 1 along with the explanation of the purpose of the study, information is provided on the basis of which the conceptual model would be developed for the study. In Chapter 2 a review is done of the available literature on HRM practices, POS, PC, OC and intention to leave. The literature review focuses on the above variables and the linkages between each variable. Hypotheses are developed based on previous findings and theories and based on the hypothesis the conceptual model is developed. Chapter 3 details the methodology issues. This section focuses on the measurement of each variable and validity and reliability issues of survey instruments are discussed. Discussion on data collection procedures and statistical analyses are presented in the section as well. Chapter 4 examines the model and the hypotheses and presents results of statistical analyses. In Chapter 5 a brief summary of the study is provided and implications for the human resource and organizational behaviour research area, HRM practices and OB issues in corporations as well as recommendations for future studies are discussed.

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Table 1. *Definitions of Variables in Study*

Variables	Description	Key Citations
Training	The process of systematically developing expertise in individuals for the purpose of improving performance.	Barrett & O'Connell (2001)
Performance Appraisal	The process of evaluating how well employees perform their jobs when compared to a set of standards, and then communicating that information to those employees.	Mathis & Jackson (2003)
Staffing	Includes human resources planning and forecasting, recruiting, and selecting employees. Human resources planning and forecasting is the process that a firm uses to ensure that it has the right amount and the right kind of people to deliver a particular level of output or services in the future. Recruiting is the process used to form a pool of job candidates for a particular job. Selection is the process of making a "hire" or "no hire" decision regarding each job applicant for a job.	Crowley (1999); Czaplewski et al. (2001)
Working Condition	Providing good and safe working conditions	
Benefits	Includes pensions, health insurance, supplemental unemployment insurance, wellness programs, child care etc. Employers use benefits to attract and retain productive workforce	Lucero & Allen (1994)
Equal Employment Opportunity	Prohibition of employment discrimination based on sex, race, national origin, age, religion, disabilities and health related issues.	
Information Sharing	Encouraging employees for opinions and acting on them through a successful suggestion system. Frequently communicating with employees and sharing information through organization news letter and informational group meetings. Also includes an effective complaint resolution process.	

Table 1. *Definitions of Variables in Study (cont.)*

Organizational Commitment	Employees who are committed to an organization tend to strongly believe and accept the organization's goals and values exert considerable effort on behalf of the organization and maintain membership in the organization.	Mowday et al. (1982)
Perceived Organizational Support	Employees develop global beliefs concerning the extent to which the organization values their contributions and cares about their well being	Eisenberger, et al. (1986)
Psychological Contracts	An individual's belief regarding the terms and conditions of an exchange relationship with another party	Rousseau (1989)
Psychological contract fulfilment	Employee beliefs that the other party has fulfilled one or more of its promised obligations	Coyle-Shapiro & Conway, (2005)
Intention to Leave	Intention to leave was conceived to be a conscious and deliberate wilfulness to leave the organization. Identification of factors that influence turnover intentions is considered important and to be effective in reducing actual turnover	Tett & Meyer (1993); Samad (2006)

CHAPTER 2

LITERATURE REVIEW

2.1 Introduction

This chapter reviews the literature on (organizational commitment) OC, perceived organizational support (POS), psychological contracts (PCs), human resource management (HRM) practices and intention to leave. The literature review focuses on six primary areas:

1. The relationship between HRM practices and OC.

2. The relationship between HRM practices and POS.

3. The relationship between POS and OC.

4. The relationship between HRM practices and PCs.

5. The relationship between PCs and OC.

6. The relationship between OC and intention to leave.

HRM practices have been reviewed on eight individual HRM practices. These HRM practices were obtained from various studies which showed significant effectiveness/anticipated significant effectiveness of these practices on OC, POS and PCs.

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2.2 Organizational Commitment

Scholars have given considerable attention to the study of OC, and many conceptualizations and measures have been proposed and tested (Meyer & Allen, 1991; Shore & Wayne, 1993). Commitment has been conceptualized in two general themes, affective commitment and continuance commitment (Meyer & Allen, 1984). Affective commitment is defined as "an affective or emotional attachment to the organization such that the strongly committed individual identifies with, is involved in, and enjoys membership in, the organization" (Allen & Meyer, 1990). Affective commitment approach was studied extensively (Mowday, et al., 1979) and organizational commitment was defined as " the relative strength of an individual's identification with and involvement in a particular organization" (Mowday et al., 1979, p.226). Therefore, a person who is affectively committed or emotionally attached to the organization, (1) believes in the goals and values of the organization, (2) works hard for the organization, and (3) intends to stay with the organization (Mowday et al., 1982).

Continuance commitment is defined as "a tendency to engage in consistent lines of activity (Becker, 1960) based on an individual's recognition of the costs (or lost side bets) associated with discontinuing the activity" (Allen & Meyer, 1990). This construct was more appropriately defined by Kanter (1968) as "cognitive-continuance commitment as that which occurs when there is a profit associated with continued participation and a cost associated with leaving". Therefore, affective commitment is emotion-based view of organizational commitment while continuance commitment emphasizes more on the calculative aspect of a relationship between employees and an employer (Meyer & Allen, 1984). The calculative aspect of the employment relationship can be explained by

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individuals' intention to stay with their current employers based on perceived economic advantages accumulated in their current job, relative to alternate employment opportunities (Becker, 1960; Meyer & Allen, 1984). Allen and Meyer (1990) proposed that continuance commitment develops on the basis of two factors: (1) number of investments (side-bets) individuals make in their current organization and (2) perceived lack of alternatives. These investments can be anything that the individual considers valuable (e.g., development of organization-specific skills or status, use of organizational benefits such as reduced mortgages, contributions to nonvested pension plans, etc.) that would be lost by leaving the organization, which makes the employees perceive those investments as costs associated with leaving their current job, which in turn makes them stay with their current employers (Meyer & Allen, 1984). Similarly, lack of employment alternatives also increases the perceived costs associated with leaving the organization and therefore increases the continuance commitment of employees to the organization (Allen & Meyer, 1990). Meyer, et al., (1989) argued that an employee with a strong affective commitment remain with his or her organization longer because he or she wants while an employee with a strong continuance commitment stay with the organization because he or she needs the employment for economic reasons. Although there are several conceptualization and measures to OC research and there are several different definitions of OC, these various definitions and measures share the common theme of psychological attachment to an organization that means a psychological bond linking individuals and their organizations (O'Reilly & Chatman, 1986). According to Mowday et al., (1982), employees who are committed to an organization tend to strongly believe and accept the organization's goals and values, exert considerable effort on behalf of the

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organization and maintain membership in the organization. Thus, organizational commitment not only enhances employee intentions to exert effort on behalf of an organization but also influence employees' intentions to stay with the organization.

2.3 HRM practices and Organizational Commitment

An employee's commitment to an organization develops as a result of an exchange relationship (Gouldner, 1960; Shore & Tetrick, 1991). This exchange relationship has been investigated in the light of social exchange theory (Blau, 1964; Gouldner, 1960; Rousseau, 1990). According to Blau (1964), social exchanges entail unspecified obligations, in which an individual does another a favour and there is an expectation of some future return, though the time of occurrence and the form is often unclear. Social exchanges may also involve reciprocity (Blau, 1964) which has been defined as the norm which obligates the recipient of benefit to repay the donor in some way (Gouldner, 1960). Therefore, employee-employer relationship might be viewed as social exchange. The employer may acknowledge the employee's efforts by offering opportunities and benefits, and in return for these opportunities and benefits, employees may feel obligated to reciprocate and may become more committed to the organization (Tansky & Cohen, 2001). Eisenberger et al., (1986) suggested the importance of reciprocity for developing organizational commitment and argued that employees tend to commit to their organizations if they see that their efforts are acknowledged and reciprocated.

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HRM practices and policies have been suggested as influencing factors to increase OC among employees (Ogilvie, 1986; Meyer & Smith, 2000; Arthur, 1994). Based on social exchange theory, Ogilvie (1986) proposed that employee's perceptions of HRM practices reflect a sense of reciprocity and the level of organization's commitment to the employees when an employee feels that the organization cares about their welfare and recognizes their contributions. Consequently, it leads to the belief that the organization will provide a variety of symbolic and tangible rewards in exchange of their efforts and commitment. Hence HRM practices are proposed as a practical approach to develop employee commitment and found significant positive relationship between HRM practices and OC. Indeed OC was found to have a positive relationship with training (Bartlett, 2001; Tannenbaum, et al., 1991), salary levels (Ritzer & Trice, 1969), performance-reward contingencies (Lee, 1971; Rhodes & Steers, 1981), promotion (Kanter, 1977) and profit sharing (Coyle-Shapiro, et al., 2002).

Bartlett (2001) explored effects of training on organizational commitment and found that perceived access to training produced the highest correlations with OC. The results showed that employees perceived the availability of training as support from their employer, which made them more committed to their organization. A significant positive relationship was also reported between OC and perceived support for training from colleagues and management. The results implied that employee perceptions, that the management strongly supports training programs, influence employee attitude and their participation in training.

However, all the above studies and most of the research in this area have concentrated on individual HRM practices. Wilkinson, et al. (1996) argued that specific

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styles of HRM are not appropriate in all circumstances. Ogilvie (1986) suggested that commitment levels could not be changed by a single HRM practice such as a training program or a new benefit program. HRM practices can best influence commitment levels when they are a part of a systematic program. Some studies have focussed on specific configurations or systems of such practices (Arthur, 1994; Becker & Gerhart, 1996). HRM practices affect organization performance greater when they are integrated and implemented together (Pathak, et al., 2005). Huselid (1995) analyzed the firm level impact of HRM practices as a system, and found a strong relationship of high involvement HRM practices with organizational performance. A commitment HRM bundle includes diverse practices such as training, sharing information, employment security, performance based compensation, employee participation, and ensuring employees' well-being (Chang, 2005). Arthur (1994) reported that organizations with "commitment" human resource systems, emphasizing the development of employee commitment, had higher productivity measured with lower scrap rates and lower employee turnover than firms with "control" systems, emphasizing efficiency and the reduction of costs, when he collected data from 30 steel mills. Thus, previous studies have mostly reported the effect of HRM practices on firm performance and very few on employee attitudes (Arthur, 1994; Batt, 2002; Huselid, 1995). Chang (2005) argued that employee organizational commitment was increased because the commitment HRM practices send messages to employees about the organization's commitment to them, which in turn makes the employees more committed to their organizations.

Despite the strong impact of HRM practices on employee commitment, very few researchers studied the relationship of HRM practices and OC (Arthur, 1994; Chang

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2005; Meyer & Smith, 2000; Ogilvie, 1986). Rather most of the research has emphasized the effect of HRM practices on organizational performance and very few on individual behaviors. Based on the exchange theory approach to commitment, Ogilvie (1986) proposed the importance of perceptions of HRM practices by individual employees. Of the few studies, Chang (2005) examined HRM practices as a whole, measured at an organizational level and found significant positive relationship with employees' overall perception of the organizations' HRM practices measured at an individual level. Overall perception of employees about the organizations' HRM practices indicates an employee's overall perception of the organization's diverse HRM practices and it was considered an important factor in understanding employee behaviors at the workplace as they are exposed to diverse HRM practices rather than a single practice (Chang, 2005). Secondly, Chang (2005) also examined the effects of overall perception on organizational commitment.

Prior research studied the influence of individual HRM practices on OC: training and OC (Bartlett, 2001), salary levels and OC (Ritzer & Trice, 1969), performance-reward contingencies and OC (Lee, 1971; Rhodes & Steers, 1981), promotion and OC (Kanter, 1977) and profit sharing and OC (Coyle-Shapiro, et al., 2002). Arthur (1994) proposed that specific combinations of policies and practices are useful in predicting differences in performance and turnover. This suggests that, instead of studying the influence of single HRM practice on employees' OC, the influence of a combination of specific HRM practices on OC needs to be examined, as an organization uses diverse HRM practices and not a single HRM practice. Therefore, this study uses a combination of eight HRM practices.

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Moreover, in this study, instead of asking employees about their overall perception of the organizations' HRM practices effectiveness, employee perceptions about training, employee perceptions about performance appraisal, employee perceptions about rewards, employee perceptions about benefits, employee perceptions about working conditions, employee perceptions about equal employment opportunity, and employee perceptions about information sharing, was included in the study. Hence, in this study, a combination of eight HRM practices will be used to examine the influence on organizational commitment.

Eight HRM practices were obtained from other studies which showed significant effectiveness/anticipated significant effectiveness of these practices on OC, POS and PCs. Recruitment and selection, training and development, equal employment opportunities, and good and safe working conditions were included from Edgar and Geare's (2005) study of the influence of HRM practices on OC. It was found that all four HRM practices had a significant positive relationship with OC.

Performance appraisal effectiveness was included from Chang's (2005) study of the influence of employees' overall perception about the organization's HRM practices on OC. It was found that employees' beliefs that the HRM practices of the organization were effective, resulted in higher OC. Performance appraisal effectiveness was one of the factors included in the study along with training effectiveness, staffing, grievance system and suggestion system effectiveness.

Grievance system and suggestion system effectiveness were included in this study as information sharing. The effect of information sharing on OC got more support from a study by Kinicki, et al. (1992). The results showed that employee work attitudes (OC) are

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influenced by actual human resource programs. Building on their results, the authors proposed that along with using other HRM practices (training, staffing, etc.), when an organization shares information with its employees and asks for employee suggestions, employees tend to believe that the organization supports them and are committed to them (POS). In turn, this positive impression results in positive employee attitudes. Therefore, information sharing was included in this study as the literature provided support of its significant effectiveness on OC and POS.

Benefits was included from a study by Lucero and Allen (1994). The number of employee benefits provided by employers and costs associated with these benefits has increased over the years. However, in order to cut labor costs, organizations are decreasing their benefits packages. However, many employees have become dependent on employer-provided benefits to help satisfy basic security needs. This has lead to a conflict between worker expectations and employer practices and it has resulted in violation of employee psychological contracts. The study proposes ideas for resolution of this employee-employer conflict, and that would result in psychological contract fulfilment. One proposed idea was to lower the costs of employee benefits without eliminating them, e.g. trade-off unused benefits for pay, emphasis on wellness programs and preventive health care measures etc. Therefore, benefits was included in this study because of its anticipated significant effectiveness with psychological contract fulfilment.

Rewards was included from studies by Balkin and Gomez-Mejia (1990), and Chang & Chen (2002). A study by Landau and Hammer (1986) showed that employees who perceived opportunities of advancement in their organization were more committed to their organizations. Similarly, a study by Coyle-Shapiro, et al. (2002) showed the

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positive impact of profit sharing on OC. Arthur (1994) showed the impact of wages and bonus on organization performance. There is little research showing the impact of pay and bonus on OC, therefore the two factors were included in rewards as pay based on performance and bonus based on performance.

Hence, the following eight HRM practices were included in this study: training, performance appraisal, staffing, rewards, benefits, working condition, equal employment opportunity and information sharing.

Therefore, the following hypothesis is proposed:

Hypothesis 1: HRM practices will be positivily related to OC.

> *Hypothesis 1a: Training will be positively related to OC*
>
> *Hypothesis 1b: Performance appraisal will be positively related to OC.*
>
> *Hypothesis 1c: Staffing will be positively related to OC.*
>
> *Hypothesis 1d: Rewards will be positively related to OC.*
>
> *Hypothesis 1e: Benefits will be positively related to OC.*
>
> *Hypothesis 1f: Working conditions will be positively related to OC.*
>
> *Hypothesis 1g: Equal employment opportunity will be positively related to OC.*
>
> *Hypothesis 1h: Information sharing will be positively related to OC.*

2.4 Perceived Organizational Support and Organizational Commitment

Eisenberger et al. (1986) suggested that employees' perceptions of their organization's commitment to them are referred to as POS (Shore & Wayne, 1993). They proposed "*employees develop global beliefs concerning the extent to which the*

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organization values their contributions and cares about their well being" (Eisenberger et al., 1986, p.501). The authors used a social exchange framework to argue that employees who perceive a high level of support from the organization tend to feel obligated to the organization, and they not only return the favor in terms of affective commitment, but also by engaging in work related behavior that support organization goals (Eisenberger et al., 1990). The development of an employee's commitment as a result of an exchange relationship has been extensively studied by scholars (Gouldner, 1960; Rousseau, 1990) and most of the researches in this area have focussed on social exchange theory (Wayne et al., 1997). As described by Blau (1964) social exchanges involve unspecified obligations; when an individual does another a favor, there is an expectation of some future return. The future return is based on the individual trusting the other party to fulfil their obligations in the long run (Coyle-Shapiro & Conway, 2005). In relationships based on social exchange, "each party must offer something the other party sees as valuable and each party must see the exchange as reasonably equitable or fair" (Graen & Scandure, 1987, p. 182).

Based, on the social exchange framework, Eisenberger et al. (1990) suggested that perceived organizational support (POS) is an antecedent of organizational commitment. Thus employees tend to seek a balance in their exchange relationships with their organizations, by having their attitudes and behaviors based on their employer's commitment to them individually (Eisenberger et al., 1990). According to Wayne et al., (1997), employee perceptions of being valued and cared about by their employers also enhances employee's trust that the organization will fulfil its exchange obligations of recognising and rewarding desired employee attitudes and behavior. Thus Eisenberger et

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al. (1986) argued that these employee beliefs, based on employee perceptions of the organization's commitment to them, contribute to the employee's commitment to the organization. Therefore, the literature provides considerable support for the positive link between POS and OC (Eisenberger et al., 1986; 1990; Shore & Wayne, 1993). Therefore, the following hypothesis is proposed:

Hypothesis 2: Perceived organizational support will be positively related to organizational commitment.

2.5 HRM practices and Perceived Organizational Support and Organizational Commitment

Arthur (1994) suggested that traditional HRM practices focuses on reducing direct labor costs or improving efficiency whereas commitment HRM practices focuses on developing committed employees. MacDuffie (1995) argued that the bundle of commitment HRM practices would significantly enhance employees' perceptions of HRM practice effectiveness, because the overall perception indicates an employee's perception regarding diverse HRM practices instead of single HRM practice. According to Chang (2005), the overall perception of employees may be an important factor in understanding employee behaviors at the workplace because they are exposed to diverse HRM practices rather than exclusively to a single practice. Thus, an organization tends to enhance employment relationships through its commitment approach by including diverse HRM practices such as training, compensation, benefits, bonus, participation, advancement opportunities and job security (Arthur, 1994; Chang, 2005; Kinicki et al.,

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1992; Macduffie, 1995). An organization also expresses its commitment to the workforce through its HRM practices (Chang, 2005). Levinson (1965), argued that employees tend to view the behavior and actions of organizational agents as actions of the organization itself. Eisenbeger et al. (1990) found that, employees' beliefs that the organization was committed to its human resource programs made them more committed to their organization. Thus HRM practices are a way in which an organization displays commitment to its employees (Kinicki et al., 1992). Prior studies showed that organizational commitment is influenced not only by HRM practices but also by employee perceptions of these practices (Chang, 2005; Kinicki et al., 1992). Employees' perceptions of an organization's commitment to them are referred to as perceived organizational support (Eisenberger et al., 1986). Therefore, HRM practices may have a direct relationship with perceived organizational support. Recent empirical research has also established a positive relationship between HRM practices (training, developmental experiences and promotion) and POS (Wayne et al., 1997). The study was based on two key types of human resource practices. First was discretionary practices that imply an organization's investment in employees (e.g., time off for education). Wayne et al. (1997) considered training and development as a type of discretionary organizational investment and called it developmental experiences. Second was organizational recognition (e.g., salary increases). According to Wayne et al. (1997), employees perhaps considered promotion to a higher position associated with an increase in salary, as the best way by which an organization could recognize employees' accomplishments. Therefore, the literature provides considerable support for the positive link between HRM practices and POS (Chang, 2005; Kinicki et al., 1992; Wayne et al., 1997).

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In spite of this evidence of the significant impact of HRM practices on POS, this relationship has not been studied in detail. Along with developmental experiences and organizational recognition, influence of other HRM practices (staffing, information sharing, good and safe working conditions, equal employment opportunity, etc.) also needs to be examined.

Secondly, employees' overall perception of HRM practices effectiveness as a predictor of OC and POS may not be useful for the academicians and the industry, as it will be difficult to figure out which HRM practices are working for the organization and which are not. Therefore, use of a combination of HRM practices (HRM bundle) is recommended. Hence a combination of eight HRM practices was included in this study to examine the influence of HRM practices on POS and OC. More importantly, the extent of the impact of each HRM practice on POS and OC will be examined, to find the best HRM practices which will have greater impact than other HRM practices.

Thus the following hypotheses are proposed:

Hypothesis 3: HRM practices will be positively related to POS.

> *H-3a: Training will be positively related to POS.*

> *H-3b: Performance appraisal will be positively related to POS.*

> *H-3c: Staffing will be positively related to POS.*

> *H-3d: Rewards will be positively related to POS.*

> *H-3e: Benefits will be positively related to POS.*

> *H-3f: Working conditions will be positively related to POS.*

> *H-3g: Equal employment opportunity will be positively related to POS.*

> *H-3h: Information sharing will be positively related to POS.*

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Although, previous studies have suggested that HRM practices are related to OC, some scholars have found that these relations are not necessarily direct. Kinicki et al. (1992) found that the relationship between HRM practices and work attitudes were mediated by employee perceptions of an organization's commitment to its human resource practices that benefit employees. In a similar study, Koys (1988) found that employees' organizational commitment was related to their perceptions that the organization used their HRM practices to attract and retain good employees and to be fair in their treatment of employees. Based on these findings Meyer and Smith (2000) suggested that the assumption of a direct influence of the implementation of a particular HRM practice on employees' organizational commitment cannot be made. Instead, the implementation of a particular HRM practice may make employees think about the actual motive of the organization. Employee perceptions about the motive of the organization may have a direct influence on their commitment level. Hence, commitment might be influenced more by the message that HRM practices send to employees than by the HRM practices themselves (Guzzo & Noonan, 1994). Thus, according to the literature employee perception that the organization is committed to them through their HRM practices may result in an increase in POS. An increase in POS can make the employees feel obligated and they might return the favour in terms of higher organizational commitment, thus indicating that an increase in POS might result in an increase in OC. Therefore, the following hypothesis is proposed:

Hypothesis 4: POS will mediate the relationship between HRM practices and OC.

2.6 Psychological Contracts and Organizational Commitment

Psychological Contracts (PCs) are an individual's belief regarding the terms and conditions of an exchange relationship between the employee and the organization (Rousseau, 1989). The psychological contract is a form of employee-employer exchange which focuses on mutual obligations between an employee and his or her employer. "Contract" pertains to relations between labor unions and organizations employing union members whereas "PC" is another less formal contract that underlies the relationship between every employee and their organization (Sims, 1994). Unlike formal employee-employer contracts, the PC is inherently perceptual and therefore one individual's interpretations of the terms and conditions of the obligations within the contract may not be similar to the other individual (Kickul et al., 2004). Specific terms of the contract may vary depending on (1) individual's goals and (2) goals and challenges of organizations (Shore & Tetrick, 1994). PCs can be operationalized from the perspective of the employee, the employer or both (Hui et al., 2004). However, this study concentrates only on the employees' perspective. Researchers have increasingly adopted social exchange as a theoretical foundation for understanding employee-employer relationships (Coyle-Shapiro & Conway, 2005). According to Blau (1964), social exchanges entail unspecified obligations, in which an individual does another a favour and there is an expectation of some future return, though the time of occurrence and the form is often unclear. A social exchange is based on implicit obligations and trust (Tansky & Cohen, 2001). Social exchange has been defined as cooperation between two or more parties for mutual benefit (Robinson et al., 1994). An employer may acknowledge an employee's efforts by offering opportunities and benefits, and in return for these opportunities and benefits, the

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employee may feel obligated to reciprocate and may become more committed to the employer (Tansky & Cohen, 2001). Using this social exchange framework, PC research investigates "the consequences of perceived contract fulfilment or breach (i.e., the extent to which the employee believes the other party has fulfilled or failed to fulfil one or more of its promised obligations) on employee attitudes and behavior" (Coyle-Shapiro & Conway, 2005, p. 775). PCs have two forms, transactional and relational (Guzzo & Noonan, 1994). Transactional contract refers to a short-term exchange of specific benefits and contributions that are highly monetary or economic in focus, whereas relational contract refers to a long time arrangement without specific performance-reward contingencies with primary concern of a satisfying relationship between employees and employers (Guzzo & Noonan, 1994; Hui et al., 2004). PCs can be either transactional or relational, but Guzzo and Noonan (1994) argue that PCs include both the forms although they vary in proportion. Prior studies have reported a positive relationship between perceived contract fulfilment and employee's organizational commitment (Coyle-Shapiro, & Kessler, 2000; Pathak et al., 2005) whereas a perceived contract breach resulted in reduced organizational commitment (Guzzo & Noonan, 1994).

Hypothesis 5: PC fulfilment will be positively related to OC.

2.7 Human Resource Management practices and Psychological Contracts and Organizational Commitment

A PC is created when organizations and their representatives convey promises of future inducements (hiring, training, job security, promotion etc.) to the employees in

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exchange for some contribution from the employees (e.g., meeting goals, learning new skills, etc.) which help them understand terms of their employment (Rousseau & Greller, 1994). Thus, Rousseau and Greller (1994) proposed HRM practices as contract-shaping events.

Guzzo and Noonan (1994) considered HRM practices as a communication channel between employer and employees. The authors further argued that the communication may be interpreted differently by individual employees, and those judgements of the extent to which one's PC is being fulfilled can be expected to influence their commitment to the organization and their intentions to quit. The transactional-relational balance within the PC also depends on the HRM practices and benefits that the organization provides an employee (Guzzo & Noonan, 1994). Guzzo and Noonan (1994) argued that the practices which are limited to basic, work related needs concern the transactional portion of PC whereas practices that go beyond employees' basic needs and that are not in the employment agreement contribute to the relational portion of the PC. Therefore, it has been argued that HRM practices can send strong messages to individuals regarding what an organization expects of them and what they can expect in return, and hence HRM practices are seen to play an important role as message senders, shaping terms of the psychological contracts (Rousseau & Wade-Benzoni, 1994). Hence, a major function of HRM practices is to foster an appropriate PC (Rousseau & Greller, 1994), and employee interpretations of their employer's HRM practices may affect their psychological contract with their employer, and ultimately their perception of contract fulfilment or breach may affect their commitment to their employer. Therefore, the following hypotheses were proposed:

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Hypothesis 6: HRM practices will be positively related to PCs.

H-6a: Training will be positively related to PCs.

H-6b: Performance appraisal will be positively related to PCs.

H-6c: Staffing will be positively related to PCs.

H-6d: Rewards will be positively related to PCs.

H-6e: Benefits will be positively related to PCs.

H-6f: Working conditions will be positively related to PCs.

H-6g: Equal employment opportunity will be positively related to PCs.

H-6h: Information sharing will be positively related to PCs.

Hypothesis 7: PCs will mediate the relationship between HRM practices and OC.
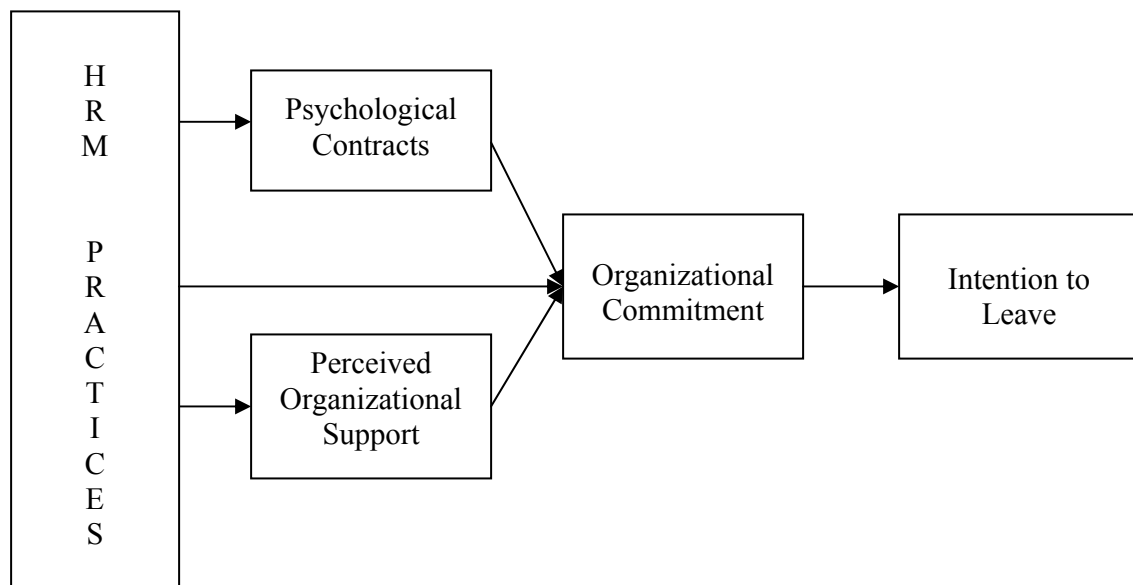
2.8 Organizational Commitment and Intention to Leave

Turnover models have been extensively studied, and scholars have provided strong support for the proposition that behavioral intentions (intention to leave) are the most immediate determinant of actual behavior (turnover) (Igharia & Greenhaus, 1992; Lee & Mowday, 1987). Scholars have recommended using intent to leave attitudes rather than actual staying or leaving behavior because it is relatively less expensive to collect data on turnover intentions than actual turnover (Udo etal., 1997). Prior research also have reported a positive relationship between intention to leave and actual turnover (Igharia & Greenhaus, 1992; Udo et al., 1997).

As discussed in the early section, organizational commitment has been extensively studied by scholars (Meyer & Allen, 1984; 1987; 1991) and it has been

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conceptualized and measured in various ways, but common to all the conceptualizations of commitment is a link with turnover that employees who are strongly committed are those who are least likely to leave the organization (Allen & Meyer, 1990; Tett & Meyer, 1993). There has been several studies confirming the important role of OC in influencing turnover intentions (Udo et al., 1997) and that OC is negatively related to turnover intentions (Igharia & Greenhaus, 1992; Loi et al., 2006; Meyer & Allen, 1997; Meyer et al., 1993). Therefore, the following hypothesis was proposed:

Hypothesis 8: OC will be negatively related to employee's intention to leave.

In an effort to study the relationships, based on the hypothesis developed in the literature review, a conceptual model was developed as shown in Fig. 1.

Figure 1. Conceptual Model

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2.9 Summary

This chapter presented the literature review on organizational commitment, human resource management practices, perceived organizational support, psychological contracts and intention to leave. The literature review focused on six primary areas:

1. The relationship between HRM practices and OC.

2. The relationship between HRM practices and POS.

3. The relationship between POS and OC.

4. The relationship between HRM practices and PCs.

5. The relationship between PCs and OC.

6. The relationship between OC and intention to leave.

HRM practices have been reviewed on eight individual HRM practices. Eight HRM practices were included to study the influence of each HRM practice on POS and PC fulfilment, instead of using HRM practices as a whole or using some specific HRM practices as used in previous studies: training, performance appraisal, staffing, benefits, rewards, working condition, equal employment opportunity and information sharing. The HRM practices were included based on thorough literature review, and based on their impact on organizational commitment, intention to leave, POS and PCs. A total of eight hypotheses were developed in this study. Finally, based on the literature review, a conceptual model was developed.

CHAPTER 3

METHODOLOGY

3.1 Introduction

This chapter addresses the methodology used to examine the hypotheses developed in the preceding chapter. The first section of this chapter restates the purpose of the study. The second section of this chapter presents the research design. In the third and forth section subject selection and sampling procedures are presented. The fifth section presents the instrumentation description for the survey. The sixth section of this chapter presents the reliability scores of all variables used in this study, number of items used to measure each variable, and the scale of measurement of each variable. The seventh section presents the validity procedures. The eighth section of this chapter presents the reliability procedures. The results of the pilot study are presented. The ninth section presents the data collection procedures. Finally, the tenth section presents data analysis procedures.

3.2 Purpose of Study

The purposes of this study are as follows:

1.   Describe subjects' sex, age, current job position, number of jobs quit in the last five years, tenure in current company, and education.

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2.   Describe human resource management (HRM) practices, organizational commitment (OC), perceived organizational support (POS), psychological contracts (PCs) and intention to leave of subjects.

3.   Describe the relationship between HRM practices and OC.

4.   Describe the relationship between POS and OC.

5.   Describe the relationship between HRM practices and POS.

6.   Describe the mediating effect of POS on the relationship between HRM practices and OC.

7.   Describe the relationship between PCs and OC.

8.   Describe the relationship between HRM practices and PCs.

9.   Describe the mediating effect of PCs on the relationship between HRM practices and OC.

10.   Describe the relationship between OC and employee's intention to leave.

3.3 Research Design

This study utilized a relational research design in an effort to examine the mediating effects of psychological contracts (PC) and perceived organizational support (POS) on the relationship between human resource management (HRM) practices and organizational commitment (OC) which in turn affects intention to leave of employees working in a hospitality organization in India. According to Ary et al. (2002) correlational research is useful in a wide variety of studies. Major applications of

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correlation are classified as (1) determining relationships, (2) assessing consistency, and (3) prediction. Correlational research methods are used to determine relationships and patterns of relationships among variables in a single group of subjects. In correlation studies, a researcher may be able to state a hypothesis about an expected relationship (ex. there is a positive relationship between first-grade children's perceptions of themselves and their achievement in reading). If two variables are correlated, then one variable can be used to predict the other.

Eight HRM practices included as independent variables in this study were, training, performance appraisal, staffing, rewards, benefits, working conditions, equal employment opportunity and information sharing. Two mediators were included in this study, perceived organizational support and psychological contracts. Organizational commitment and intention to leave were the two dependent variables included in this study.

3.4 Population and Sample

Today, India is one of the most exciting emerging markets in the world. Skilled managerial and technical manpower that match the best available in the world and an educated middle class whose size exceeds the population of the USA or the European Union, provide India with a distinct cutting edge in global competition. In today's competitive market environment, it is widely known that organizations compete head-to-head with rival firms for control of customers, market share and revenue to achieve a leadership position in their chosen mode of operations. With the Indian industry all set

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for the next big leap, the gaps in workforce demand and supply are beginning to show. Companies are trying hard to retain their priced talent. The Indian hospitality industry is no exception and is also witnessing high turnover (http://www.hvs.com/StaticContent/Library/102405/).

The target population for this study consist of employees in hospitality industry in India. The sample frame for this study consisted of employees in a hospitality company in India. The participants of this study were in the customer service unit of the organization. The primary responsibilities included answering customer inquiries, responding to customers' problems, and selling and recommending services over the phone. However, all the respondents in the study were not customer service representatives. All the employees working in the organization were asked to participate in the survey that included staff, team leaders, supervisors, programmers, project leaders, business analysts, managers, assistant managers, finance consultants etc.

In order to obtain a comprehensive relationship of HRM practices, POS, PCs, OC and their intention to leave, a convenience sampling was used. Selection error occurs when the chance of being chosen is greater, and it was controlled by crossing out list of duplication. It was thoroughly checked that all 183 email addresses were different and that there was no repetition. Frame error occurs when the list is not up to date. In this study, an updated list of employees was obtained from the HR manager.

Internet survey questionnaires was distributed to 183 employees working in the hospitality organization in India. A total of 131 employees submitted the questionnaires, attaining a response rate of 71.60%, out of which 91 were complete, attaining a usable response rate of 50%.

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This further implies that results of this study will not be inferred, or generalized to a greater population so sampling error was not controlled in this study as it occurs when an attempt is made to generalize to a larger population in spite of using non-representative and non-probabilistic sampling.

3.5 Sample Size

The sample size has a direct impact on the power of statistical analysis and the generalizability of results (Hair et al., 1998). A small sample size increases Type II error, or beta (β), thus lowering statistical power. *Power* is "the probability that statistical significance will be indicated if it is present" (Hair et al., 1998, p. 11), and statistical power is computed by subtracting Type II error from 1. *Type II error* is "the probability of failing to reject the null hypothesis when it is actually false" (Hair et al., 1998, p. 11). With small samples, greater R^2 is required to be significant for multiple regression analysis. On the other hand, a very large sample size is overly sensitive in that it detects almost any relationship that is statistically significant. Sample size also has direct impact on generalizability of findings. The recommended ratio of observations to independent variables is greater than 5 to 1. Hair et al. (1998) stated that the ratio should never fall below 5 to 1. They noted that a ratio below 5 to 1 results in a lack of generalizability of findings, because the results are too specific to the sample of the population. Although the minimum ratio is 5 to 1, the desired level is between 15 to 20 observations for each independent variable. The total number of variables in this study was 18 (eight HRM practices, POS, PCs, OC, intention to leave and six demographic variables). The sample

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size of 131 in this study met the minimum requirement. Although, the sample size in this study meets the minimum requirement, the sample may not be representative of the population. Therefore, the findings of this study may not be generalized to the population. Therefore, it is recommended to apply the small sample size when results are interpreted.

3.6 Nonresponse Bias

Nonresponse bias is a concern when a mail survey is conducted (Smith et al., 2003). Nonresponse bias occurs when nonrespondents of the population have substantially different opinions about measurement items. The most commonly recommended rectification for nonresponse bias is to increase the response rate (Armstrong & Overton, 1977). Armstrong and Overton (1977) stated that nonresponse bias is under control when response rate is higher than 70%. However, a response rate of 70% is difficult to attain from mail surveys. Therefore, it is the researcher's responsibility to estimate if there is a nonresponse bias. There are three methods to estimate nonresponse bias: comparisons with known values for the population, subjective estimates, and extrapolation (Armstrong & Overton, 1977). Comparisons with known values for the population can be used when a researcher knows values of some measures (e.g., age, income, gender). The values of the population and values from the sample of the population are compared, and any significant differences between the population and the sample indicate a nonresponse bias. Subject estimates of nonresponse bias compare differences between measures of responses and nonresponses. Examples of the measures include age, income, gender, and so on. Subject estimates can only be used when a

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researcher has data on nonrespondents. Extrapolation methods can be used when a researcher does not know some of the values of the population or nonrespondents. Extrapolation methods assume that "subjects who respond less readily are more like nonrespondents. Less readily has been defined as answering later"(Armstrong & Overton, 1977, p. 397). Extrapolation methods compare early respondents with later respondents. Armstrong and Overton (1977) stated that later respondents are almost similar to nonrespondents. Therefore, extrapolation method was conducted to estimate nonresponse bias in this study, using the first 30 respondents and last thirty respondents for the demographic questions. An independent two-sample t test and chi-square test was conducted to determine a nonresponse bias. The results of the independent two-sample t test and the chi-square tests are presented in Appendix F. The results showed that two out of six demographic variables had significant differences at the 0.05 level, between the first and the last respondent groups. The variables were age and sex. Although a significant difference in age and sex were found at 0.05 level, no attempt was made to correct the problem, and remains as one of the limitations of the study.

3.7 Instrumentation

3.7.1 Description

A self-administered questionnaire was developed for this particular study consisting of two components. The first component of the instrument comprised of several Likert-type scale items. These questions sought to assess HRM practices, POS, PCs, OC, and intention to leave. The second part of the instrument identified employees'

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demographic data, such as age, gender, education level, current job position, tenure with the current job, and job quit rate (Appendix A).

All instruments were subject to measurement error. In order to ensure the trustworthiness of the data collected, both validity and reliability issues were addressed.

3.8 Validity Procedures

According to Ary et al. (2002), validity is defined as "the extent to which a measure actually taps the underlying concept that it purports to measure". The instrument used in this study was evaluated for face and content validity by a panel of experts. The panel comprised of ten individuals with considerable experience with study content, instrumentation and statistics. It included four faculty members and six graduate students of the department of Hotel and Restaurant Management (Appendix G). The members of the panel were asked to individually critique the instrument's content, clarity, format/length, wording and overall appearance.

The members were asked to check whether the items included in the questionnaire actually measured the construct, and whether they were understandable. Based on their suggestions, some of the questions were simplified to make it more clear and understandable, and the double barrelled questions were split into two separate questions. Even though the items included in the questionnaire were from developed studies with established reliability score, the members suggested conducting a reliability test. Finally, the members also compared the items included in the questionnaire with the research objectives.

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3.9 Reliability Procedures

3.9.1 Data Collection

Reliability is defined as "the extent to which a measure yields consistent results; the extent to which scores are free of random error" (Ary et al., 2002, p. 566). Although the measures of the instrument in this study were adopted from previously developed studies, the reliability of each construct was examined with Cronbach's alpha through a pilot-test conducted with 70 hotel and restaurant management undergraduate students. The pilot test was conducted in March 2007, in a management class in the hotel and restaurant management program at University of Missouri, Columbia. The test was conducted during regular class hours. A brief explanation about the research and instructions to fill the questionnaire was given to the students before the distribution of the questionnaire. The respondents were asked to answer the questions based on their most recent job experience. The students who volunteered to complete the survey were awarded ten bonus points in the management class. A paper and pencil based questionnaire along with a cover letter was distributed to the entire class of 70 students and 63 students completed the survey questionnaires (Appendix A).

3.9.2 Results of the Pilot Test

Of the 63 students it was found that the majority was male (n = 40; 62.5%). It was found that the average age was 22.1 years, and the average of duration of work for the current company was 22 months. Majority of the respondents were employed in the

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hospitality industry which included hotels, restaurants, food, catering, entertainment etc. Majority of the respondents worked as servers, bartenders, managers, cooks, etc.

Table 2. *Reliability of the Construct in the Pilot Test*

Construct	# of items included in the scale	Reliability
OC	17	.61
POS	7	.94
HRM		
Staffing	5	.69
Training	5	.82
Performance appraisal	4	.79
Benefits	6	.71
Working conditions	5	.75
Equal employment opportunity	5	.78
Information sharing	6	.86
Rewards	3	.40
PC fulfilment	12	.90
Intention to leave	3	.66

As Table 2 shows, the Cronbach's alpha level for the constructs ranged from .40 (rewards) to .94 (POS). Organizational commitment was measured with 17 items and the reliability was .61. Organizational commitment included two factors: affective commitment and continuance commitment. As the reliability for the continuance commitment scale ($\alpha = .57$) was low for this pilot test, Allen and Meyer's (1990) scale for the continuance commitment was adopted in actual survey ($\alpha = .75$). The reliability of the organizational commitment scale increased to .71, in the actual survey, after the inclusion of the new scale. A new scale of intention to leave was adopted from Wayne et al., (1997) scale due to the low reliability score ($\alpha = .66$) in the pilot test. The reliability of rewards ($\alpha = .40$) was low for this pilot test so a new scale was adopted from studies by Balkin and Gomez-Mejia (1990), and Chang and Chen (2002). The rewards

measurement consisted of three sub-constructs, pay-for-performance (α = .90), incentives (α = .89) and performance appraisal (α = .79) (Table 2).

3.10 Measures

Intention to leave was measured with eight items. Five items were adapted from Wayne et al. (1997) intention to quit scale and the reliability was .89. A sample item is "I am actively looking for a job outside this company". Three items were also included from Lum et al., (1998) intention toward turnover scale. A sample item is "Taking everything into consideration, there is likelihood that I will make a serious effort to find a new job within the next year". Responses were on a 7-point Likert scale, "1= *strongly disagree*" to "7= *strongly agree*".

Organizational commitment was measured with 17 items. A 16-item measurement developed by Allen and Meyer (1990) was adopted. The reliability score in their study was .87. One of the eight items in the original OC measurements was a double barrelled question. Hence, it was split into two separate items to reduce measurement error. Therefore 17-items were used to measure OC in this study. A sample item is "I would be very happy to spend the rest of my career with this organization". Responses were on seven-point Likert scale, "1=*strongly disagree* to 7=*strongly agree*".

Psychological contract was measured with 12 items adapted from Coyle-Shapiro & Conway's study (2005). Coyle-Shapiro and Kessler (2000) measured fulfillment of PCs in two ways: (1) the first measure accesses the difference between what is obligated and what is provided and (2) the second measure directly accesses the extent of the

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fulfillment of the obligation. Scholars have argued that a limitation of the second method is the lack of indication of the extent to which an obligation was perceived by an employee.

In this study, the first approach was adopted to measure psychological contract fulfilment or breach and involves separately measuring obligations and the degree to which they are fulfilled. This approach has been preferred (Coyle-Shapiro & Conway, 2005; Coyle-Shapiro & Kessler, 2000; Robinson, 1996) for that this approach measures both perceived breach and perceived fulfilment and thus captures a broader range of degrees of breach and fulfilment for all the items of the psychological contracts (Robinson, 1996). Using the same set of twelve items used by Coyle-Shapiro and Conway (2005), respondents were asked to indicate (1) the extent to which they believed their employer was obliged to provide a list of twelve items and (2) the extent to which the item had actually been provided. Responses were on a 7-point scale, "1=*not at all*, 7=*very great extent*". The measure of psychological contract fulfilment was obtained by subtracting the degree to which each item was provided from the degree to which it was perceived to be obligated (Coyle-Shapiro & Kessler, 2000).

POS was measured with seven items from the scale developed by Eisenberger et al. (1986). A sample item is "My employer cares about my well being". Respondents were asked to indicate their agreement on a 7-point Likert scale, "1=*strongly disagree*, 7=*strongly agree*".

HRM practices were measured with a 42-item scale consisting of statements about eight HRM practices. Eight HRM practices were included in the study. These HRM practices were obtained from other studies which showed significant

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effectiveness/anticipated significant effectiveness of these practices on OC, POS and PCs. The HRM practices included were staffing (Edgar & Geare, 2005), training and development (Edgar & Geare, 2005), performance appraisal effectiveness (Chang, 2005), information sharing (Kinicki et al., 1992), equal employment opportunities, good and safe working conditions (Edgar & Geare, 2005) benefits (Lucero & Allen, 1994) and rewards (Balkin & Gomez-Mejia, 1990; Chang & Chen, 2002). Each human resource practice was measured by several items using a seven point Likert scale, "1=*strongly disagree*, 7=*strongly agree*).

Edgar and Geare's (2005) scale to measure strength of HRM practice was adopted to measure staffing (5 items), training and development (5 items), equal employment opportunity (5 items) and working conditions (5 items). The Cronbach's alpha coefficients for the five item measures relating to each HRM practices were reported to range between .83 to .88.

Three items for performance appraisal were obtained from Chang's (2005) which reported a reliability of 0.68. Information sharing was measured with six items obtained from Kinicki et al. (1992) study and the reliability of the items was 0.91. Rewards were measured with seven items, six items were adopted from Balkin and Gomez-Mejia's (1990) study and one item of performance factor scale developed by Chang and Chen (2002). The rewards measurement consisted of three sub-constructs, pay-for-performance (α = .90), incentives (α = .89) and performance appraisal (α = .79). For Benefits, five items were obtained from Lucero and Allen's (1994) examples of conflict-reducing alternatives that are built around the shared interests of the employee and the employer.

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Lucero and Allen (1994) proposed the items but they were not statistically tested so Cronbach's alpha was not available from their study.

3.11 Data Collection

3.11.1 Procedures

Data were collected through an internet survey. FreeOnlineSurveys.com was used for data collection. According to Ary et al. (2002), Internet surveys offer such advantages to researchers as large number of subjects as well as subjects in more diverse locations can be surveyed, lower costs, increased accessibility to certain populations and guaranteeing confidentiality and/or anonymity. According to Dillman (2007) online surveys have the advantages of prompter returns, lower item non-response and more complete answers to open-ended questions. In effort to take advantage of these factors, this study utilized an internet survey data collection method.

One drawback of using questionnaires for primary communication might be that some respondents may misinterpret the questions. To resolve this problem simple and easy to understand questions were included in the questionnaire. Another important limitation of questionnaires is the low return rate. To resolve this problem, a convenience sampling was selected. The HR manager of the hospitality organization was first contacted through emails, in an effort to convince to participate in the research by explaining the significance of the research and how the results can be beneficial for the organization.

An internet survey questionnaire was developed and e-mailed to the HR manager for the final approval in April, 2007. The HR manager provided the email addresses of

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183 employees working in the organization along with the approval letter. Along with the questionnaire a detailed cover letter, which included the purpose, source, confidentiality and return date, was e-mailed to all 183 employees (Appendix A). During the first week, 51 employees responded; of the 51, 33 completed the questionnaire. At the beginning of the second week, the survey questionnaire along with the cover letter was emailed again to all 183 employees. Employees, who had already submitted the survey questionnaire once, were asked to ignore the email. During the second week, 41 responded; of the 41, 30 respondents completed the survey questionnaire. A second reminder was sent to the all employees in the third week and encouraged to respond to the survey. During the third week, 39 employees were responded, and of 39, 28 respondents completed the survey questionnaire. A total of 131 employees responded, yielding 72% of response rate. Of the 131, 91 respondents were completed which generated a usable response rate of 50%.

3.12 Analysis

Figure 2 shows the conceptual model developed to test the eight hypotheses. Before conducting an analysis to test the hypotheses, the data were examined for its linearity, normality, and outliers. Multicollinearity in regression models occurs due to unacceptably high level of intercorrelation among the independent variables. Multicollinearity among variables was examined before conducting multiple regression analysis using tolerance levels.

To test the mediating effect of POS on the relationship between HRM practices and OC, a summated scale of HRM practices was used. All eight HRM practices were

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combined into one single variable, HRM. As the purpose of the test was to examine whether POS mediated the influence of employee perceptions of the organization's HRM practices, on employees' commitment level.

The general test for mediation is to examine the relation between the predictor and the criterion variables, the relation between the predictor and the mediator variables, and the relation between the mediator and the criterion variables. All of these correlations should be significant. The relation between predictor and criterion should be reduced after controlling the relation between the mediator and criterion variables (Baron & Kenny, 1986). The mediating effect of POS on the relationship between HRM practices and OC was examined with four stages as suggested by Baron and Kenny (1986).

Figure 2. Conceptual Model

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Research objective one sought to describe the employees of a hospitality organization in India, by sex, age, current job position, number of jobs quit in the last five years, job tenure with their current company and education level. Descriptive statistics were conducted to describe the demographic characteristics of the respondents.

Research objective two was developed to describe all the variables included in the study. Descriptive statistics were conducted to describe HRM practices, OC, POS, PCs, and intention to leave.

Research objective three sought to describe the relationship between HRM practices and OC of employees of a hospitality organization in India. A hierarchical multiple linear regression analysis will be conducted to address research objective seven and to examine hypothesis 1.

Research objective four sought to describe the relationship between POS and OC of employees of a hospitality organization in India. A hierarchical multiple linear regression analysis will be used to address research objective eight and to test hypothesis 2.

Research objective five was developed to describe the relationship between HRM practices and POS of employees of a hospitality organization in India. A hierarchical multiple linear regression analysis will be used to address research objective nine and to examine the hypothesis 3.

Research objective six sought to describe the mediating effect of POS on the relationship between HRM practices and OC of employees of a hospitality organization in India. A hierarchical linear regression analysis will be conducted to address research objective eight and to test hypothesis 4.

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Research objective seven and hypothesis 5 sought to describe the relationship between PC and OC of employees of a hospitality organization in India. Using a hierarchical multiple linear regression analysis, research objective seven and hypothesis 5 will be examined.

Research objective eight sought to describe the relationship between HRM practices and psychological contract fulfilment of employees of a hospitality organization in India. A hierarchical multiple linear regression analysis will be used to address research objective eight and hypothesis 6.

Research objective nine and hypothesis 7 sought to describe the mediating effect of PC fulfilment on the relationship between HRM practices and OC of employees of a hospitality organization in India. A hierarchical multiple linear regression analysis will be conducted to address research objective nine and hypothesis 7.

Research objective ten sought to describe the relationship between OC and intention to leave of employees of a hospitality organization in India. A hierarchical multiple linear regression analysis will be conducted to address research objective ten and to test hypothesis 8.

3.13 Examining the Data

Table 3 *Skewness and Kurtosis of the Constructs*

Variables	n	Skewness	Kurtosis
Training	98	-.42	-0.59
Performance Appraisal	98	-.49	-0.32
Staffing	98	-.05	-0.60
Rewards	98	-.09	-0.77
Benefits	98	-.35	0.31
Working Condition	98	-.62	0.34
Equal Employment Opportunity	98	-.50	-0.14
Information Sharing	98	-.44	-0.32
OC	131	-.23	-0.10
POS	131	-.69	-0.12
PC	92	-.91	1.84
Intention to leave	91	-.12	-0.93

The data collected for testing the hypotheses was examined for normality. Multivariate normality was examined by normal probability plots, skewness and kurtosis. A descriptive analysis of variables was employed to estimate kurtosis and skewness. A critical value of ±1.96 corresponding to a .05 error level was used in this study. Any $Z_{skewness}$ or $Z_{kurtosis}$ value exceeding the critical value indicates the rejection of the assumption about the normality of the distribution at the .05 probability level (Hair, et al., 1998). The skewness for all variables ranged from -.91 to -.05, and kurtosis for all variables ranged from -.93 to 1.84 (Table 3).

$$Z_{skewness} = \frac{skewness}{\sqrt{6/N}}$$

It was found that $Z_{skewness}$ values of working conditions, equal employment opportunity, POS and PCs were above the critical value, but they were slightly above the critical value, therefore, the variables were not excluded from the study.

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$$Z_{kurtosis} = \frac{kurtosis}{\sqrt{24/N}}$$

It was found that $Z_{kurtosis}$ values of intention to leave and PCs were above the critical value, but they were slightly above the critical value, therefore, the variables were not excluded from the study.

Normal probability plots were examined to evaluate multivariate normality of the variables. The normal probability plots are presented in Appendix C. The plots indicated acceptable normal distributions among the variables.

All the relationships in this study were examined for linearity. Linearity was assessed by examining the scatter plots of the variables. Almost all the scatter plots follow a linear pattern. The scatter plots are presented in Appendix D.

The study examined multicollinearity by tolerance values. Tolerance is the amount of variability of the selected independent variable not explained by other independent variables. Thus very small tolerance values denote high collinearity. If the tolerance value is less than some cut off value, usually .10, the independent variable should be dropped from the analysis due to multicollinearity (Hair et al., 1998). As Table 4 shows, it was found that none of the tolerance values was below the cut off value, therefore, none of the independent variables were dropped from analysis.

Table 4. *Tolerance Levels of Variables*

Variables	Tolerance level with dependent variables		
	OC	POS	PC
Training	.31	.31	.31
Performance Appraisal	.24	.24	.22
Staffing	.31	.31	.29
Rewards	.31	.31	.26
Benefits	.34	.34	.32
Working Condition	.24	.24	.25
Equal Employment Opportunity	.22	.22	.22
Information Sharing	.24	.24	.24
POS	.45		
PC	.83		

3.14 Summary

This chapter presented the research methodology that is used to examine the proposed hypotheses. The first section of this chapter presented the reliability scores of all variables used in this study, number of items used to measure each variable, and the scale of measurement of each variable. The second section of this chapter presented the research design. In the third and forth section subject selection and sampling procedures were presented. The fifth section presented the instrumentation description for the survey. The sixth section presented the validity procedures. The seventh section of this chapter presented the reliability procedures, which included the results of the pilot study. The eighth section presented the data collection procedures. The ninth section presented the data analysis procedures, which included the statistical methods used to examine the hypotheses. Finally the data was examined for normality, linearity and multicollinearity.

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CHAPTER 4

ANALYSIS AND RESULTS

4.1 Introduction

The first section of this chapter discusses the demographic characteristics of the respondents. The second section presents the reliability estimates and a descriptive summary of variables. The descriptive summary includes means, standard deviations, and response range of all variables used in this survey. In the third section of this chapter, results of hypothesis testing, based on the objectives of this survey, are presented.

4.2 Demographic Characteristics of Subjects

Research objective one sought to describe the employees of a hospitality organization in India, by sex, age, current job position, number of jobs quit in five years, job tenure with their current company and education level. As Table 5 shows, of the 91 employees who completed the demographic section, it was found that the majority were male (n = 53; 58.25%). The average age of the subjects was 28.71 years with median of 28 years and the mode of 26 years.

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Table 5. *Demographic Characteristics of Subjects*

Characteristics	*n*	%	Mean	Median	Mode	*S.D*	Range
Sex					Male		
Male	53	58.2					
Female	38	41.8					
Position					Other		
Staff	17	18.7					
Supervisor	15	16.5					
Manager	13	14.3					
Trainee	3	3.3					
General Manager	0	0.0					
Other	43	47.2					
Number of jobs quit					Never		
Never	38	41.8					
Once	17	18.7					
Twice	16	17.6					
Thrice	14	15.4					
Four	4	4.4					
More than four	2	2.2					
Tenure					1-2 years		
< 6 months	12	13.2					
6 months-1year	19	20.9					
1- 2 years	22	24.2					
2- 3 years	13	14.3					
3- 4 years	4	4.4					
> 4 years	21	23.1					
Education level					Bachelor's		
Bachelor's	47	51.6					
Bachelor's pursuing	2	2.2					
Master's	26	28.6					
Master's pursuing	6	6.6					
College experience	3	3.3					
High school	1	1.1					
Age			28.71	28.00	26[a]	6.37	22-69

[a]Multiple modes exist. The smallest value is shown

With regards to the subjects' current position in the organization, it was found that the majority of the employees self reported to be staff (n = 17; 18.7%), followed by supervisor (n = 15; 16.5%), manager (n = 13; 14.3%), trainee (n = 3; 3.3%), none of the employees self reported to be general managers, and other (n n = 43; 47.2%) such as team leader, project leader, senior executive, business analyst, assistant manager, junior assistant manager, finance consultant etc, and the modal category being staff. With regards to the number of job quits in the last five years, it was found that the majority of the employees self reported to have never changed their jobs in the last five years (n = 38; 41.8%), followed by employees who self reported to have changed their jobs, once in the last five years (n = 17; 18.7%), twice in the last five years (n = 16; 17.6%), thrice in the last five years (n = 14; 15.4%), four times in the last five years (n = 4; 4.4%), and the smallest number of employees reported to have changed their jobs more than four times (n = 2; 2.2%) and the modal category was found to be of employee group who never changed jobs in the last five years. For tenure with the current employer, most respondents indicated that they had worked for one-two years (n = 22; 24.2%), followed by more than four years (n = 21; 23.1%), followed by six months-one year (n = 19; 20.9%), two-three years (n = 13; 14.3%), less than six months (n = 12; 13.2%) and the smallest number of employees self reported to have been working in the organization for three-four years (n = 4; 4.4%). Of the respondents, majority of the employees self reported to have a Bachelor's degree (n = 47; 51.6%), followed by a Master's degree (n = 26; 28.6%).

4.3 Descriptive Statistics and Reliability of Variables

As Table 6 shows, the reliability of the variables ranged from .69 (staffing) to .94 (POS), which satisfied the required minimum level of reliability. Psychological contract fulfilment was measured by calculating differences between PC obligation and PC provided. PC was measured with twelve items; using the same set of twelve items respondents were asked to indicate (1) the extent to which they believed their employer was obliged to provide a list of twelve items (PCO) and its reliability was 0.89 and (2) the extent to which the item had actually been provided (PCP) and the reliability was 0.89. Then, the measure of psychological contract fulfilment (PCful) was obtained by subtracting the degree to which each item was provided from the degree to which it was perceived to be obligated (PCP-PCO) and the reliability was .90.

Table 6. *Mean, Standard Deviations, and Reliabilities of Variables*

Variables	*n*	*M*	*S.D*	Reliability
Training	98	4.90	1.45	.82
Performance Appraisal	98	4.70	1.51	.79
Staffing	98	4.17	1.43	.69
Rewards	98	4.02	1.50	.91
Benefits	98	4.13	1.25	.71
Working Condition	98	5.01	1.26	.75
Equal Employment opportunity	98	4.92	1.32	.78
Information Sharing	98	4.63	1.39	.86
OC	131	4.19	0.81	.70
POS	131	4.90	1.32	.94
PCFul[*]	92	-0.37	1.22	.90
Intention to leave	91	4.01	1.47	.93

Note: All variables were measured on a 7-point scale, 1= strongly disagree, 7 = strongly agree.
[*]PCFul was measured with a difference between PCO (Psychological contract obligated) and PCP (Psychological contract provided).

Research objective two sought to describe the HRM practices, OC, POS, PCs, intention to leave as perceived by employees of a hospitality organization in India.

As Table 6 presents, it was found that training had an average score of 4.90 with a standard deviation of 1.45; performance appraisal had an average score of 4.70 with a standard deviation of 1.51; staffing had an average score of 4.17 with a standard deviation of 1.43; rewards had an average score of 4.02 with a standard deviation of 1.50; benefits had an average score of 4.13 with a standard deviation of 1.25; working condition had an average score of 5.01 with a standard deviation of 1.26; equal employment opportunity had an average score of 4.92 with a standard deviation of 1.32; information sharing had an average score of 4.63 with a standard deviation of 1.39. The results showed that OC had an average score of 4.19 and a standard deviation of 0.81, POS had an average score of 4.90 and a standard deviation of 1.32. The measure of psychological contract fulfilment (PCful) was obtained by subtracting the degree to which each item was provided from the degree to which it was perceived to be obligated (PCP-PCO). Both PCP and PCO were measured on 7-point scales. It was found that PC fulfilment had an average score of -0.37 with a range of -6 to +6 and a standard deviation of 1.22. Finally, it was found that intention to leave had an average score of 4.01 with a standard deviation of 1.47.

Table 7. *Correlation Matrix*

	T	PA	S	R	B	WC	EE	IS	OC	POS	PC	IL
T	1.00											
PA	.78*	1.00										
S	.67*	.74*	1.00									
R	.57*	.71*	.76*	1.00								
B	.55*	.67*	.69*	.75*	1.00							
WC	.65*	.66*	.66*	.59*	.67*	1.00						
EE	.68*	.69*	.67*	.62*	.67*	.86*	1.00					
IS	.78*	.81*	.73*	.68*	.68*	.69*	.75*	1.00				
OC	.41*	.51*	.45*	.33*	.32*	.39*	.39*	.49*	1.00			
POS	.66*	.61*	.62*	.48*	.46*	.60*	.56*	.68*	.47*	1.00		
PC	.21*	.27*	.34*	.32*	.32*	.13	.15	.28*	.24*	.28*	1.00	
IL	-.41*	-.36*	-.34*	-.28*	-.22*	-.49*	-.39*	-.32*	-.31*	-.44*	-.21*	1.00

Note: T = Training; PA= Performance Appraisal; S = Staffing; R = Rewards; B = Benefits; WC = Working Conditions; EE = Equal Employment Opportunity; IS = Information Sharing; OC = Organizational Commitment; POS = Perceived Organizational Support; PCs = Psychological Contract Fulfilment; IL = Intention to Leave.
All variables were measured on a 7-point scale, 1= strongly disagree, 7 = strongly agree.
*$p < .05$

4.4 Hypotheses Testing

Research objective three sought to describe the relationship between HRM practices and OC of employees of a hospitality organization in India

Table 8. *Results of Simultaneous Regression Analysis of HRM practices on OC*

Variable	b	t	p-value
Constant	2.76	8.89	.01[*]
HRM practices			
Training	-0.07	-0.76	.45
Performance Appraisal	0.23	2.31	.02[*]
Staffing	0.13	1.40	.16
Rewards	-0.09	-1.05	.29
Benefits	-0.08	-0.85	.40
Working condition	0.04	0.36	.72
Equal employment opportunity	-0.01	-0.04	.97
Information sharing	0.14	1.35	.18

$R = .56$
$R^2 = .31$
Adjusted $R^2 = .25$
$F = 4.95^{*}$

Note: All variables were measured on a 7-point scale, 1= strongly disagree, 7 = strongly agree.
[*]$p \le .05$

A simultaneous multiple linear regression analysis was conducted to examine the hypothesis 1. As Table 8 shows, the model included eight HRM practices. The linear combination of the HRM practices explained about 25% of the variance in OC, $F_{(8, 97)} = 4.95$; $p < .05$. The correlation matrix indicates a positive relationship between all HRM practices and OC (Table 7). Therefore, hypothesis 1 was supported. However, of eight HRM practices, only performance appraisal was found to be significant (b = .23, t = 2.31;

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$p < .05$). Therefore, performance appraisal emerged as a significant predictor of organizational commitment, supporting the hypothesis 1b.

Research objective four sought to describe the relationship between POS and OC of employees of a hospitality organization in India. A simultaneous linear regression analysis was used to address research objective four and to test hypothesis 2. The result of this test is shown in Table 9.

Table 9. *Results of Simultaneous Regression Analysis of POS on OC*

Variable	b	t	p-value
Constant	2.80	11.71	.01[*]
POS	0.28	5.97	.01[*]

R = .47
$R^2 = .22$
Adjusted $R^2 = .21$
F = 35.71[*]

Note: All variables were measured on a 7-point scale, 1= strongly disagree, 7 = strongly agree.
[*]$p \leq .05$

POS explained approximately 21% of the variance in OC ($F_{(1, 130)} = 35.71$; $p < .05$), and it was found that the regression coefficient of POS was significant (b = .28, t = 5.97; $p < .05$). The correlation matrix indicated a positive relationship between POS and OC (Table 7).Thus, hypothesis 2 was supported, which states that POS will be positively related to OC.

Table 10. *Results of Simultaneous Regression Analysis of HRM practices on POS*

Variable	b	t	p-value
Constant	1.24	3.01	.01[*]
HRM practices			
Training	0.21	1.78	.07
Performance Appraisal	0.02	0.15	.88
Staffing	0.22	1.79	.07
Rewards	-0.05	-0.42	.67
Benefits	-0.16	-1.18	.24
Working condition	0.33	2.12	.03[*]
Equal employment opportunity	-0.16	-1.02	.30
Information sharing	0.34	2.41	.01[*]

R = .74
R^2 = .55
Adjusted R^2 = .51
F = 13.52[*]

Note: All variables were measured on a 7-point scale, 1= strongly disagree, 7 = strongly agree
[*] $p \leq .05$

Research objective five was developed to describe the relationship between HRM practices and POS of employees of a hospitality organization in India. A simultaneous multiple linear regression analysis was used to address research objective five and to examine the hypothesis 3. The results of this test are shown in Table 10. The linear combination of HRM practices explained approximately 51% of the variance in POS, $F_{(8, 97)}$ = 13.52; $p < .05$, and correlation matrix indicated a positive relationship between all HRM practices and POS (Table 7). Therefore, hypothesis 3 was supported. Of eight HRM practices, information sharing (b = .34, t = 2.41; $p < .05$), and working condition (b = .33, t = 2.12; $p < .05$) were found to significantly predict employees' POS.

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Research objective six sought to describe the mediating effect of POS on the relationship between HRM practices and OC of employees of a hospitality organization in India.

To test the mediating effect of POS on the relationship between HRM practices and OC, a summated scale of HRM practices was used. All eight HRM practices were combined into one single variable, HRM. As the purpose of the test was to examine whether POS mediated the influence of employee perceptions of the organization's HRM practices, on employees' commitment level.

The general test for mediation is to examine the relation between the predictor and the criterion variables, the relation between the predictor and the mediator variables, and the relation between the mediator and the criterion variables. All of these correlations should be significant. The relation between predictor and criterion should be reduced after controlling the relation between the mediator and criterion variables (Baron & Kenny, 1986). The mediating effect of POS on the relationship between HRM practices and OC was examined with four stages as suggested by Baron and Kenny (1986).

The results of the mediating analysis are presented in Table 11. First, to examine the relationship between the predictor (HRM practices) and the criterion (OC) variables, a simultaneous linear regression analysis was conducted. It was found that 22% of the variance in OC was predicted by HRM practices, and the regression coefficient of HRM practices was significant (b = .33, t = 5.30; $p < .05$). Second, using a simultaneous linear regression analysis to examine the relationship between predictor (HRM practices) and mediator variables (POS), it was found that 46% of the variance in POS was predicted by HRM practices and HRM practices significantly predicted POS (b = .77, t = 9.05; p

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< .05). Third, to examine the relationship between the mediator (POS) and the criterion variables (OC), another simultaneous linear regression analysis was conducted. It was found that 22% of the variance in OC was predicted by POS, and the regression coefficient of POS was significant (b = .28, t = 5.97; p < .05). As suggested by Baron and Kenny (1986) all the relationships were significant. Forth, to examine the relationship between the predictor (HRM practices) and the criterion variables (OC), after controlling the relation between the mediator (POS) and the criterion variables (OC), a hierarchical linear regression analysis was conducted. It was found that HRM practices became insignificant, after POS was controlled (b = .13, t = 1.64; p > .05). The results indicated that POS had a significant complete mediating effect on the relationship between HRM practices and OC. Therefore, hypothesis 4 was supported, which states that POS will mediate the relationship between HRM practices and OC.

Table 11. *Results of Regression Analysis of the Mediating Effect of POS on HRM practices and OC*

Variables	Stage 1 OC		Stage 2 POS		Stage 3 OC		Stage 4 OC	
	b	t	b	t	b	t	b	t
Constant	2.68[*]	9.23	1.39[*]	3.50	2.80[*]	11.71	2.32[*]	8.01
HRM practices	0.33[*]	5.30	0.77[*]	9.05			0.13	1.64
POS					0.28[*]	5.97	0.25[*]	3.67

Note: All variables were measured on a 7-point scale, 1= strongly disagree, 7 = strongly agree.
[*] $p \leq .05$

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Research objective seven and hypothesis 5 sought to describe the relationship between PC fulfilment and OC of employees of a hospitality organization in India. Using a simultaneous multiple linear regression analysis, research objective seven and hypothesis 5 were examined. Table 12 shows the results of this analysis.

Table 12. *Results of Simultaneous Regression Analysis of PC fulfilment on OC*

Variable	b	t	p-value
Constant	4.18	48.96	.01[*]
PC Fulfilment	0.15	2.27	.02[*]

R = .23
R^2 = .06
Adjusted R^2 = .05
F = 5.16[*]

Note: All variables were measured on a 7-point scale, 1= strongly disagree, 7 = strongly agree.
[*] $p \leq .05$

The results indicated that 5% of the variance in OC was explained by PC fulfilment, $F_{(1, 91)}$ = 5.16; $p < .05$, and the regression coefficient of PC fulfilment was found to be significant (b = 0.15, t = 2.27; $p < .05$). Therefore, hypothesis 5 was supported which states that PC fulfilment will be positively related to OC.

Research objective eight sought to describe the relationship between HRM practices and psychological contract fulfilment of employees of a hospitality organization in India. A simultaneous multiple linear regression analysis was used to address research objective eight and hypothesis 6, which proposed to describe the relationship between HRM practices and PC fulfilment of employees of a hospitality organization in India. As

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Table 13 presents, approximately 10% of the variance in PC fulfilment was explained by

HRM practices, $F_{(8, 91)} = 2.19$, $p < .05$.

Table 13. *Results of Regression Analysis of HRM practices on PC Fulfillment*

Variable	b	t	p-value
Constant	-1.26	-2.44	.01[*]
HRM practices			
Training	0.01	0.10	.92
Performance Appraisal	-0.02	-0.10	.91
Staffing	0.23	1.47	.14
Rewards	0.07	0.48	.63
Benefits	0.21	1.25	.21
Working condition	-0.19	- 0.98	.32
Equal employment opportunity	-0.17	-0.87	.38
Information sharing	0.12	0.67	.50

R = .42
R^2 = .18
Adjusted R^2 = .10
F = 2.19[*]

Note: All variables were measured on a 7-point scale, 1= strongly disagree, 7 = strongly agree.
[*] $p \le .05$

Therefore, hypothesis 6 was supported. However, of the eight HRM practices

included in this study, none of the HRM practices significantly predicted PC fulfilment,

rejecting hypothesis 6a through 6h.

Research objective nine and hypothesis 7 sought to describe the mediating effect

of PC fulfilment on the relationship between HRM practices and OC of employees of a

hospitality organization in India. To test the mediating effect of PC fulfilment on the

relationship between HRM practices and OC, a summated scale of HRM practices was

used.

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Table 14. *Results of Regression Analysis of the Mediating Effect of PC Fulfilment on HRM practices and OC*

Variables	Stage 1 OC		Stage 2 PC Ful		Stage 3 OC		Stage 4 OC	
	b	t	b	t	b	t	b	t
Constant	2.68*	9.23	-1.71*	-3.62	4.18*	48.96	2.80*	9.20
HRM practices	0.33*	5.30	0.29*	2.94			0.29*	4.68
PC Ful					0.15*	2.27	0.06	1.02

Note: All variables were measured on a 7-point scale, 1= strongly disagree, 7 = strongly agree.
*$p \leq .05$

     The mediating effect of PC fulfilment on the relationship between HRM practices and OC was examined with four stages as suggested by Baron and Kenny (1986). The results of this analysis are presented in Table 14. First, to examine the relationship between the predictor (HRM practices) and the criterion (OC) variables, a simultaneous linear regression analysis was conducted. It was found that HRM practices significantly predicted OC (b = .33, t = 5.30; $p < .05$). Second, using a simultaneous linear regression analysis to examine the relationship between predictor (HRM practices) and mediator variables (PC fulfilment), it was found that HRM practices significantly predicted PC fulfilment (b = .29, t = 2.94; $p < .05$). Third to examine the relationship between the mediator (PC fulfilment) and the criterion variables (OC), a simultaneous linear regression analysis was conducted. It was found that PC Fulfilment significantly predicted OC (b = .15, t = 2.27; $p < .05$). As suggested by Baron and Kenny (1986) all the relationships were significant. Forth, to examine the relationship between the predictor (HRM practices) and the criterion variables (OC), after controlling the relation between the mediator (PC fulfillment) and the criterion variables (OC), a hierarchical

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linear regression analysis was conducted. It was found that HRM practices significantly predicted OC even when PC fulfilment was controlled (b = .29, t = 1.02; $p < .05$). The results indicated that PC fulfilment had no significant mediating effect on the relationship between HRM practices and OC. Therefore, hypothesis 7 was not supported.

Research objective ten sought to describe the relationship between OC and intention to leave of employees of a hospitality organization in India.

Table 15. *Results of Regression Analysis of OC on Intention to Leave*

Variable	b	t	p-value
Constant	6.34	8.08	.01[*]
OC	-0.56	-3.02	.01[*]

R = .31
R^2 = .09
Adjusted R^2 = .08
F = 9.16[*]

Note: All variables were measured on a 7-point scale, 1= strongly disagree, 7 = strongly agree.
[*] $p \leq .05$

A simultaneous multiple linear regression analysis was conducted to address research objective ten and to test hypothesis 8. Table 15 presents the results of this analysis. The results indicated that OC explained approximately 8% of the variance in intention to leave, $F_{(1, 90)} = 9.16$; $p < .05$, and the regression coefficient of OC was found to be significant (b = -0.56, t = -3.02; $p < .05$). The correlation matrix indicated a negative relationship between OC and intention to leave (Table 7). Therefore, hypothesis 8 was supported which states that OC will have a negative relationship with intention to leave.

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4.5 Summary

The first section of this chapter presented the reliability estimates of all the variables included in the study. The second section of this chapter discussed the demographic characteristics of the subjects followed by a summary of descriptive analysis. In the third section of this chapter, results of hypothesis testing, based on the objectives of this survey, were presented.

The implications of the results are presented in Chapter 5.

CHAPTER 5

DISCUSSION AND CONCLUSIONS

5.1 Introduction

This chapter summarizes and discusses the findings of this study. The first section presents the summary of the study. The second section summarizes the results of each hypothesis. The third section of this chapter presents the general implications suggested by the findings of the study. The fourth section addresses the limitations of the study. Finally, the last section of this study presents a number of recommendations for future study.

5.2 Summary of the Study

This study investigated the impact of human resource management (HRM) practices on employees' organizational commitment (OC), and the effects of employees' commitment level on their intention to leave. The fundamental objective of this research was to study the impact of HRM practices as a critical tool to make employees of an organization more committed to the organization, which in turn would decrease employee intention to leave the organization. The contribution of this study was to examine the mediating effects of perceived organizational support (POS) and psychological contracts (PCs) on the relationship between HRM practices and OC.

There were four main goals in this study. The first goal was to examine the influence of HRM practices on POS to find whether employees consider HRM practices

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as support from the organization and whether they believe that their employers express their commitment to them through its HRM practices.

The second goal was to examine the mediating effect of POS on the relationship between HRM practices and OC to find that when employees believe that the organization intends to support them and expresses its commitment to its employees through its HRM practices, whether these employee beliefs makes the employees more committed to the organization. Most of the previous researches in this area have been conceptual. There has been very little empirical work in this area. Few researches studied the influence of HRM practices on POS, and the studies either used overall employee perceptions about HRM practices effectiveness of organizations to study the influence of HRM practices on POS or used only some of HRM practices such as promotion, training or development. First, a company uses a set of diverse HRM practices, and not a single HRM practice, and hence HRM practices in organizations tend to be related, particularly when they are apart of a coordinated system (Huselid, 1995). Therefore, it is more important to study the influence of several HRM practices together on POS rather than individually as has been the case in most previous studies. Second, using overall employee perceptions about HRM practices effectiveness of organizations to study the influence of HRM practices on POS, will not be effective. These studies can only indicate the influence of overall employee perceptions about the HRM practices in their organization on POS, but cannot examine the influence of the specific HRM practices included in the bundle on POS. Therefore, using this method, (1) significant predictors of POS cannot be found, (2) which HRM practices are working for the organization and which are not, cannot be predicted, (3) HRM practices which the employees consider

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important and which make the employees believe that the organization is supporting them, cannot be predicted. All HRM practices do not work for an organization, therefore this study rectified the issues by including a set of diverse HRM practices. Eight HRM practices were included in this study to examine the relationship of each HRM practice with POS.

The third goal was to examine the influence of HRM practices on psychological contracts in order to find whether employees consider HRM practices as an important tool in building their psychological contracts. Guzzo and Noonan (1994) considered HRM practices as a communication channel between employer and employees. Scholars have argued that HRM practices can send strong messages to individuals regarding what an organization expects of them and what they can expect in return, and hence HRM practices are seen to play an important role as message senders, shaping terms of the psychological contracts (Rousseau & Wade-Benzoni, 1994). Therefore, several studies proposed HRM practices as critical influencing factors on PCs but this research area lacks empirical work.

The fourth goal was to examine the mediating effect of PCs on the relationship between HRM practices and OC, to find that when employees believe that their employers have fulfilled all its promised obligations and the psychological contract is fulfilled, whether it makes the employees more committed to the organization. Employees develop psychological contracts based on the contributions they believe they owe to the organization and the inducements they believe are owed in return (Rousseau, 1989). HRM practices play an important role as message senders, shaping terms of the psychological contracts (Rousseau & Wade-Benzoni, 1994). Based on their PCs,

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employees tend to hold beliefs regarding the inducements the organization is obligated to provide and to what extent the organization has actually fulfilled their obligations (Robinson et al., 1994). When employees believe that the organization has fulfilled their obligations, they become more committed to the organization (Coyle-Shapiro & Kessler, 2000). Therefore, based on propositions made in prior studies, there is evidence of PCs mediation on HRM practices and OC. Therefore, PCs may mediate the relationship between HRM practices and OC. There has been no empirical research considering PCs to mediate the relationship between HRM practices and OC.

Eight HRM practices were included to study the influence of each HRM practice on POS and PC fulfilment, instead of using HRM practices as a whole or using some specific HRM practices as used in previous studies: training, performance appraisal, staffing, benefits, rewards, working condition, equal employment opportunity and information sharing. The HRM practices were included based on thorough literature review, and based on their impact on organizational commitment, intention to leave, POS and PCs. Staffing, training, equal employment opportunities, and good and safe working conditions were included from Edgar and Geare's (2005) study of the influence of HRM practices on OC. It was found that all four HRM practices had a significant positive relationship with OC. Performance appraisal effectiveness was included from Chang's (2005) study of the influence of employees' overall perception about the organization's HRM practices on OC. Information sharing was included because a study by Kinicki et al. (1992) proposed the influence of information sharing on POS. Benefits was included because a conceptual study by Lucero and Allen (1994) proposed benefits as influencing factors reducing employee-employer conflicts. Rewards was included in this study based

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on the support from prior studies, which proposed that performance rewards like promotion, profit sharing, benefits and opportunities results in positive attitudes and behaviour (Landau & Hammer, 1986; Coyle-Shapiro et al., 2002). A total of eight hypotheses were developed in this study. Hierarchical linear regression analysis was employed to test the hypotheses. As shown in Table 14, the summaries of findings from testing the hypotheses are presented in the following section.

Table 16. *Summary of the Results of Testing the Hypothesis*

Hypotheses		Supported
H1	HRM practices will be positively related to OC.	Yes
H1a	Training will be positively related to OC	No
H1b	Performance appraisal will be positively related to OC	Yes
H1c	Staffing will be positively related to OC	No
H1d	Rewards will be positively related to OC	No
H1e	Benefits will be positively related to OC	No
H1f	Working condition will be positively related to OC	No
H1g	Equal employment opportunity will be positively related to OC	No
H1h	Information sharing will be positively related to OC	No
H2	POS will be positively related to OC	Yes
H3	HRM practices will be positively related to POS	Yes
H3a	Training will be positively related to POS	No
H3b	Performance appraisal will be positively related to POS	No
H3c	Staffing will be positively related to POS	No
H3d	Rewards will be positively related to POS	No
H3e	Benefits will be positively related to POS	No
H3f	Working condition will be positively related to POS	Yes
H3g	Equal employment opportunity will be positively related to POS	No
H3h	Information sharing will be positively related to POS	Yes
H4	POS will mediate the relationship between HRM practices and OC	Yes
H5	PC fulfilment will be positively related to OC	Yes
H6	HRM practices will be positively related to PCs	Yes
H6a	Training will be positively related to PCs	No

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Table 16. *Summary of the Results of Testing the Hypothesis (cont)*

H6b	Performance appraisal will be positively related to PCs	No
H6c	Staffing will be positively related to PCs	No
H6d	Rewards will be positively related to PCs	No
H6e	Benefits will be positively related to PCs	No
H6f	Working condition will be positively related to PCs	No
H6g	Equal employment opportunity will be positively related to PCs	No
H6h	Information sharing will be positively related to PCs	No
H7	PCs will mediate the relationship between HRM practices and OC	No
H8	OC will be negatively related to employee's IL	Yes

Note: HRM = Human Resource Management; OC = Organizational Commitment; POS = Perceived Organizational Support; PCs = Psychological Contracts; IL = Intention to Leave.

5.3 Discussion of Findings of the Study

Hypothesis 1: HRM practices will be positively related to OC.

The hypothesis was supported by the current data. A significant link was found between HRM practices and organizational commitment. The findings suggest that greater use of HRM practices would make the employees more committed to the organization. The finding is consistent with a study by Edgar and Geare (2005) which found significant effect of four HRM practices on OC.

The interesting finding of this study is the significant direct effect of HRM practices on OC, but out of eight HRM practices only performance appraisal emerged as a significant predictor of OC. The effect of HRM practices in a bundle is important because an organization uses several HRM practices and not a single HRM practice. These findings suggest that HRM practices are important determinants of OC. The findings are consistent with a study by Edgar and Geare (2005) which suggests that it is

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the quality of practice that counts and not the quantity. As suggested by Edgar and Geare (2005) HR managers need to conduct regular attitudinal surveys to assess employee reactions to current HRM practices and try to find out what is working and what is not.

Hypothesis 1a: Training will be positively related to OC.

The hypothesis was not supported by the current data. Therefore, no direct relationship between training and OC was found in this study. Employees perceive training as a support from the organization, and this belief makes them more committed to the organization (Bartlett, 2001). A significant positive relationship between training and OC was reported by Bartlett (2001) and the findings suggested that greater use of training will make employees more committed to the organization. However, the result of this study was not consistent with the findings in the study by Bartlett (2001). One reason may be that unlike Bartlett's study which examined only the influence of training on commitment, this study examined the influence of several HRM practices together. Because so many variables were included in the analysis, training did not emerge as a significant predictor. Moreover, one of the limitations in this study is the low tolerance values indicating collinearity. Therefore, this gives scope for future studies to re-examine training with other HRM practices, independent of multicollinearity.

Hypothesis 1b: Performance Appraisal will be positively related to OC.

The hypothesis was supported by the current data. Therefore, a direct relationship between performance appraisal and organizational commitment was found in this study. The finding could not be compared with other studies as there is little research studying this relationship. However, Chang (2005), found a significant influence of company's commitment HRM bundle on employees' overall perception of HR effectiveness and a

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significant influence of employees' overall perception on their organizational commitment. Chang (2005) included performance appraisal as one of the HRM practices in the commitment HRM bundle and the findings suggested that greater use of HRM practices would make the employees more committed to the organization. However, individual influence of performance appraisal on OC was not examined in his study. Thus this study adds to Chang's (2005) study finding a significant influence of performance appraisal on employees' commitment level, indicating that greater use of performance appraisal can make employees more committed to the organization.

Hypothesis 1c: Staffing will be positively related to OC.

A direct effect of staffing on organizational commitment was not found in this study. This result does not support the findings in a study by Edgar and Geare (2005) which found a significant positive relationship between recruitment and selection (staffing) and organizational commitment, indicating that greater use of staffing would lead to a higher employee commitment level. One reason may be high multicollinearity among the HRM practices.

Hypothesis 1d: Rewards will be positively related to OC.

The hypothesis was not supported by the current data. Therefore, a direct relationship between rewards and organizational commitment was not found in this study. The finding could not be compared with other studies, as there is little empirical research studying the relationship between HRM practices (rewards) and employee attitudes (organizational commitment). Therefore, the assumption, that greater use of rewards would make the employees more committed to the organization, was not supported in this study.

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<u>Hypothesis 1e: Benefits will be positively related to OC.</u>

This hypothesis was not supported in this study, as a direct effect of benefits on OC was not found in this study. The finding could not be compared with other studies due to the lack of empirical research of the effect of the employees' perception of benefits practices of the organization on employee attitudes (organizational commitment). The assumption, that there will be an increase in commitment level of employees with more benefits practices by employers, was not supported in this study.

<u>Hypothesis 1f: Working Conditions will be positively related to OC.</u>

The hypothesis was not supported by the hierarchical regression analysis. Therefore, a direct relationship between working conditions and organizational commitment was not found in this study. The finding does not support a study by Edgar and Geare (2005), which found a significant positive relationship between good and safe working conditions (working conditions) and organizational commitment, indicating that good and safe working conditions lead to higher organizational commitment among employees. Small sample size ($n = 91$) compared to the large number of variables (18) in the study, high collinearity among the eight HRM practices which are the independent variables in the study (Table 4) may be the reasons that working conditions did not emerge as a significant predictor of OC. Therefore, it is recommended to re-examine the hypothesis with a larger sample size, and variables independent of multicollinearity (higher tolerance values).

<u>Hypothesis 1g: Equal employment opportunity will be positively related to OC.</u>

The hypothesis was not supported by the current data. A significant relationship between equal employment opportunity and organizational commitment was not found in

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this study. Edgar and Geare (2005) found a significant positive relationship between equal employment opportunity and organizational commitment suggesting that greater use of equal employment opportunities would make the employees more committed to the organization. However, the finding was not supported in this study. As recommended earlier, re-examination of the hypothesis with a larger sample size, and variables independent of multicollinearity (higher tolerance values) needs to be done in the future studies.

Hypothesis 1h: Information sharing will be positively related to OC.

The hypothesis was not supported by the multiple regression analysis. Therefore, no direct relationship between information sharing and organizational commitment was found in this study. The finding is not consistent with a study by Kinicki et al. (1992), which suggested that if company's management supports the HRM department in asking for employee suggestions (information sharing) along with providing training and developmental opportunities, recruiting and hiring qualified personnel and other HRM practices, employees tend to perceive this as a support from the organization and results in positive employee attitudes. The findings in their study suggested that a greater use of information sharing would make the employees more committed to the organization but the individual influence of information sharing on commitment was not empirically tested. This study failed to support the propositions by Kinicki et al. (1992). Therefore, no empirical work exists to compare the findings of this study.

<u>Hypothesis 2: POS will be positively related to OC.</u>

The hypothesis was supported by the current data. A direct effect of POS on OC was found in this study. The finding is consistent with the results of studies by Eisenberger et al. (1986; 1990), and Shore and Wayne (1993). The studies found a significant positive relationship between POS and OC. Employees' perceptions of the organization's commitment to them (POS) contribute to the employees' commitment to the organization (Eisenberger et al., 1986). Employees who perceive that their organization cares about them, reciprocate with positive work attitudes (organizational commitment), reduced absenteeism, increased performance and innovation (Eisenberger et al. (1990). Therefore, the finding suggests that higher POS make employees more committed to their organization.

<u>Hypothesis 3: HRM practices will be positively related to POS.</u>

The hypothesis was supported by the current data. Therefore, a direct relationship between HRM practices and POS was found in this study. The finding indicates that a greater use of HRM practices will lead to higher POS. There has been very little empirical research studying the relationship between HRM practices and POS. Wayne et al. (1997) reported a significant positive relationship between HRM practices and POS. The two HRM practices included in the study was developmental experiences (formal and informal training) and organizational recognition (promotion). In another study by Chang (2005), a positive relationship was reported between employees' overall perceptions of an organizations' HRM practices and POS. It was found that out of eight HRM practices included in the study, information sharing and working condition emerged as significant predictors of POS, and information sharing emerged as the most

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significant predictor. The results of this study are consistent with the results of previous studies. Therefore, the results indicate that employees consider HRM practices as support from the organization and believe that HRM practices are a way in which an organization displays its commitment to its employees.

Hypothesis 3a: Training will be positively related to POS.

The hypothesis was not supported in this study, as a direct effect of training on POS was not found in this study. The result was inconsistent with the findings in a study by Wayne et al. (1997), which investigated the impact of training (developmental experiences) on POS and found a significant link between training and POS. The finding indicated that a greater use of training would lead to higher POS.

Hypothesis 3b: Performance appraisal will be positively related to POS.

The hypothesis was not supported by the current data. A significant relationship between performance appraisal and POS was not found in this study. It is difficult to compare the results of this finding with other studies as there is no empirical research on the direct effect of performance appraisal on POS.

Hypothesis 3c: Staffing will be positively related to POS.

The hypothesis was not supported by the multiple regression analysis. A direct link between staffing and POS was not found in this study. The finding indicates that a greater use of staffing practices will not affect POS either positively or negatively.

Hypothesis 3d: Rewards will be positively related to POS.

The hypothesis was not supported in this study as a direct relationship between rewards and POS was not found. A study by Wayne et al. (1997) showed that employees who received more promotions showed higher levels of POS. According to the study,

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employees consider promotion as the most important reward for their performance. However, the result of this study does not support Wayne et al's (1997) finding.

Hypothesis 3e: Benefits will be positively related to POS.

The hypothesis was not supported by the current data, as a direct effect of benefits on POS was not found in this study. The finding indicates that a greater use of benefits would not have any influence on POS.

Hypothesis 3f: Working conditions will be positively related to POS.

The hypothesis was supported by the current data. Therefore, a direct relationship between working conditions and POS was found in this study. The result shows that good and safe working conditions will lead to higher POS, indicating that employees consider good and safe working conditions as support from the organization. The finding is significant as a direct effect of working conditions on POS has not been studied previously. The finding of this study indicates that when employers provide good and safe working conditions employees tend to believe that the company cares about them and supports them by providing good and safe working conditions, and hence leads to higher POS.

Hypothesis 3g: Equal employment opportunity will be positively related to POS.

The hypothesis was not supported in this study as a direct relationship between equal employment opportunities and POS was not found. The finding indicates that a greater use of equal employment opportunity would not affect POS either positively or negatively.

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Hypothesis 3h: Information sharing will be positively related to POS.

The hypothesis was supported by the current data. Thus, a direct relationship between information sharing and POS was found in this study. The finding indicates that a greater use of information sharing would lead to higher POS. The finding is consistent with a study by Kinicki et al. (1992) which found that employee work attitudes are influenced by actual human resource programs, and based on their results they proposed that when an organization shares information with its employees and asks for employee suggestions, employees tend to believe that the organization supports them and are committed to them.

Hypothesis 4: POS will mediate the relationship between HRM practices and OC

The hypothesis was supported by the current data. It was found that POS mediated the relationship between HRM practices and OC. The finding indicates that when employees believe that the organization is displaying their commitment to its employees through its HRM practices, they tend to be more committed to the organization. The finding of this study is consistent with a study by Meyer and Smith (2000), which suggested that the assumption of a direct influence of the implementation of a particular HRM practice on employees' organizational commitment cannot be made. Instead, the implementation of a particular HRM practice may make employees think about the actual motive of the organization. Employee perceptions about the motive of the organization may have a direct influence on their commitment level. Hence, commitment might be influenced more by the message that HRM practices send to employees than by the HRM practices themselves (Guzzo & Noonan, 1994). Based on their propositions, Meyer and Smith (2000) found the mediating effect of POS on the

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relationship between HRM practices and OC. The finding of this study supports Meyer and Smith's (2000) study. This finding will be a significant contribution to research in this area and further investigation would be very useful for academia and practitioners, as this study indicates that (1) employees consider HRM practices as support from the organization; employees consider HRM practices as a way by which employers can display their commitment to their employees, (2) HRM practices provided by employers do not have a direct influence on employees organizational commitment, but it makes employees think about the motive of the organization, (3) when employees believe that the organization is using its HRM practices for the employees' benefits; to enhance employees' performance; to reward employees' performance; to display its commitment and support its employees etc, (4) these positive employee beliefs, make employees more committed to their organizations.

Hypothesis 5: PC fulfilment will be positively related to OC.

The hypothesis was supported by the current data. A direct effect of PC fulfilment on OC was found in this study. The result of this study, supports the findings in a study by Coyle-Shapiro and Kessler (2000) which found a significant positive relationship between PC fulfilment and OC. A PC is created based on employee beliefs concerning what the organization is obligated to provide and the extent to which an employee believes that the organization has fulfilled the promised obligations (Robinson & Morrison, 1995). When employees believe that their employers have fulfilled their promised obligations, it results in PC fulfilment (Coyle-Shapiro & Conway, 2005). Therefore, the finding of this study indicates that when employees believe that the

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psychological contract is fulfilled, it can make the employees more committed to the organization.

Hypothesis 6: HRM practices will be positively related to PC Fulfilment.

The hypothesis was supported in this study. A direct relationship between HRM practices and PC Fulfilment was found in this study. Rousseau and Greller (1994) proposed that HRM practices make employees understand the terms of their employment, and hence act as message senders shaping the terms of the psychological contracts, therefore, the finding suggest that greater use of HRM practices would lead to the fulfilment of employee psychological contracts. The finding of this study provides empirical support to Rousseau and Greller's (1994) propositions. Thus, HRM practices emerge as a significant predictor of PC fulfilment. The finding would be a significant contribution to the literature as there is little empirical research done in this area. As there is little empirical research in this area, it is difficult to compare the results of this study with the findings of other studies.

Hypothesis 6a: Training will be positively related to PC Fulfilment.

The hypothesis was not supported by the current data as a direct relationship between training and PC Fulfilment was not found in this study. A study by Rousseau and Greller (1994) proposed that training shapes the terms of the psychological contracts, and greater use of training would lead to the fulfilment of employee psychological contracts. However, there is a lack of empirical support for this proposition, and hence it is difficult to compare the results of this finding with other studies.

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Hypothesis 6b: Performance appraisal will be positively related to PC Fulfilment.

The hypothesis was not supported by the multiple regression analysis. A direct effect of performance appraisal on PC Fulfilment was not found in this study. A study by Rousseau & Wade-Benzoni (1994) which proposed that performance appraisal plays an important role as message senders, as it shapes the terms of the psychological contracts, therefore, the finding suggest that greater use of performance appraisal would lead to the fulfilment of employee psychological contracts. However, the results in this study did not support the proposition.

Hypothesis 6c: Staffing will be positively related to PC Fulfilment.

A direct effect of staffing on PC fulfilment was not found in this study. Therefore, the hypothesis was not supported. A study by Rousseau and Greller (1994) proposed that staffing, along with other HRM practices, make employees understand the terms of their employment, and hence act as message senders shaping the terms of the psychological contracts. Therefore, Rousseau and Greller (1994) proposed that greater use of staffing would lead to the fulfilment of employee psychological contracts. However, the proposition lacks empirical support.

Hypothesis 6d: Rewards will be positively related to PC Fulfilment.

The hypothesis was not supported by the current data. Therefore, a direct relationship between rewards and PC fulfilment was not found in this study. Rousseau and Greller (1994) proposed that rewards, along with other HRM practices send strong messages to employees regarding what an organization expects from them and what they can expect in return, and hence plays an important role in shaping the terms of the psychological contracts. Therefore, Rousseau and Greller (1994) suggested that greater

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use of rewards would lead to the fulfilment of employee psychological contracts. However, the result of this study does not support the proposition.

<u>Hypothesis 6e: Benefits will be positively related to PC Fulfilment.</u>

The hypothesis was not supported by the multiple regression analysis. A direct link between benefits and PC Fulfilment was not found in this study. Lucero and Allen (1994) proposed ways of reducing conflict between worker expectations and employer practices and proposed benefits as the critical factor that would lead to the fulfilment of employee psychological contracts. However, the result of this study does not support the proposition.

<u>Hypothesis 6f: Working conditions will be positively related to PC Fulfilment.</u>

The hypothesis was not supported by the current data. Therefore, a significant direct relationship between working conditions and PC fulfilment was not found in this study. The findings suggest that there was no evidence that good and safe working conditions contribute in the fulfilment of employee psychological contracts.

<u>Hypothesis 6g: Equal employment opportunity will be positively related to PC Fulfilment.</u>

The hypothesis was not supported in this study, as no direct link was found between equal employment opportunity and PC fulfilment. The findings suggest that there is no substantial evidence that equal employment opportunity contribute in the fulfilment of employee psychological contracts. It is difficult to compare the results of this finding with other studies as there is no empirical research on the direct effect of equal employment opportunity and PC fulfilment.

Hypothesis 6h: Information sharing will be positively related to PC Fulfillment.

The hypothesis was not supported by the current data. Therefore, a direct relationship between information sharing and PC fulfillment was not found in this study. Robinson et al. (1994) suggested that PCs are developed and executed through interactions between an employee and organizational agents, such as recruiters, human resource personnel and direct superiors, and any form of interaction results in information sharing, therefore, information sharing shapes the terms of the psychological contracts, and that greater use of information sharing would lead to the fulfillment of employee psychological contracts. However, the results in this study did not support Robinson et al. (1994) propositions.

Hypothesis 7: PC fulfillment will mediate the relationship between HRM practices and OC

The hypothesis was not supported by the current data. The finding suggests that there is no evidence that PC fulfillment mediates the relationship between HRM practices and OC. It was anticipated that greater use of HRM practices will lead to the fulfillment of employee psychological contracts and when employees believe that the psychological contract is fulfilled, it will make the employees more committed to the organization. Because there is little research that investigates this relationship, it is difficult to compare the results with other studies. PC fulfillment was measured by subtracting employee perceptions about inducements which were actually provided by the organization, with employee perceptions about inducements which the organization is obligated to provide, (PCP-PCO).

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Hypothesis 8: OC will be negatively related to employee's intention to leave.

The hypothesis was supported by the current data. A direct negative effect of OC on intention to leave was found in this study. This result supports the findings in studies by Samad (2006), Allen and Meyer (1990) which found a significant negative relationship between OC and employees' intention to leave. The finding of this study indicates that employees who are strongly committed to the organization would be less intended to leave the organization.

5.4 General Implications Arising from the Study

The main purpose of the study was to develop a model, illustrating relationships between HRM practices, OC and intention to leave. The second purpose was to examine the mediating effect of POS on the relationship between HRM practices and OC. The third purpose was to examine the mediating effect of PC fulfilment on the relationship between HRM practices and OC.

First, there have been numerous researches studying the relationship between (1) OC and intention to leave, (2) POS and OC; there has also been a few research on (3) HRM practices and POS. However, none of these studies has investigated the influence of one relationship on the other. Very few researches studied the mediating effect of POS on the relationship between HRM practices and OC. The uniqueness of this research was to (1) examine the influence of a bundle of HRM practices on OC, and POS, and (2) the mediating effect of POS on the relationship between HRM practices and OC. The findings indicate that HRM practices would have an influence on OC, but this effect is

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not direct, it is mediated by POS. Thus, the finding indicates that employer provided HRM practices do not directly result in high employee commitment, employer provide HRM practices make employees think about the motive of the organization. When employees believe that the organization is displaying its commitment to them and is using the HRM practices for employees' benefits, then the employees perceive the HRM practices as support from the organization, and these employee perceptions make them more committed to their organization, which in turn will lower their intention to leave the organization.

Second, there has been little research on the relationship between HRM practices and POS. All previous studies either used employees' overall perception of the organization's HRM practices effectiveness (Chang, 2005), to study the influence of HRM practices on POS or included only certain types of HRM practices such as promotion and training and development on POS (Wayne et al., 1997). This study made an attempt to find the impact of eight HRM practice on POS. An attempt was also made to study the influence of a bundle of HRM practices on POS. The findings would be more important for academicians and practitioners because an organization practices several diverse HRM practices and not some specific HRM practice. The findings would give an opportunity to decide which practices work for an organization and which do not. Studying the influence of employees' overall perception of the organization's HRM practices on POS does not seem to be effective as it will not be possible to detect which HRM practices are effectively working for the organization and which are not.

Two HRM practices, information sharing and working conditions, emerged as significant predictors of POS, OC and intention to leave. The findings indicate that when

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a company provides good and safe working conditions and practices information sharing, employees believe that the organization cares about them and are committed to them. When employees believe that the organization supports them by providing them good and safe working conditions and sharing information with them, they reciprocate by being more committed to the organization. More commitment from the employees lowers their intentions to leave the organization. This finding is important for the industry and practitioners and they need to focus more on these two significant HRM practices.

Third, there has been little empirical research on the relationship between HRM practices and PCs, though HRM practices have been considered as one of the critical factors affecting PC (Guzzo & Noonan, 1994; Rousseau & Greller, 1994; Rousseau & Wade-Benzoni, 1994; Sims, 1994), but this research area lacked empirical work. One of the important findings of this study is the significant direct effect of HRM practices on PC fulfilment. However, out of eight HRM practices used in the study, none of the HRM practices emerged as significant predictors of PC fulfilment. This gives an opportunity for future studies, to study HRM practices as a significant predictor of PC fulfilment, in greater detail.

Fourth, the mediating effect of PC fulfillment on the relationship between HRM practices and OC was not found in this study. However, a significant positive relationship was found between HRM practices and OC, and a significant positive relationship was found between PC fulfillment and OC. A significant negative relationship was also found between OC and intention to leave. It was anticipated that HRM practices would have a significant influence on PC fulfillment, which will have a significant influence on OC and which in turn will have a significant influence on intention to leave. However, the

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anticipation was not supported in this study. This gives scope for future studies to study this relationship in greater detail to examine that when employees believe that the employers have fulfilled their promised obligations through their HRM practices, the employees consider their psychological contracts fulfilled and the fulfilment of employees' psychological contracts will make them more committed to their organization which in turn will lower their intention to leave the organization.

Further research in this area can help practitioners and academicians to find which HRM practices influence PC fulfillment more. All HRM practices do not work for all organizations, therefore, it is important for HR managers to figure what HRM practices are working and what are not. This study provides scope for future studies, with different HRM practices, with different industry and a different population. Overall, this study provides scope for academicians and practitioners to find the best HRM practices that would work for a particular organization.

5.5 Key Limitations of the Study and Suggestions for Future Study

Although this study made several contributions to HRM research and the hospitality industry, it has several limitations. First, survey questionnaires were distributed to 183 respondents, 131 respondents returned the survey questionnaires but 91 respondents completed the survey questionnaires. Of 131, 40 respondents submitted incomplete questionnaires. Although, the sample size in this study meets the minimum requirement for regression analysis, the sample size may not be representative of the population. Therefore, a small sample size is one of the major limitations of this study.

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Data was collected from 183 employees working in a hospitality organization in India. Therefore, it is necessary to re-examine the conceptual model developed in this study with a larger sample size for future study so that the outcomes can be generalized to a larger population.

Second, data was collected only from one hospitality organization in India. A convenience sampling was adopted. Therefore, the findings of this study were not generalizable to the population. The findings were limited to the sample studied. This gives scope for future studies to conduct random sampling and conduct the tests with a larger sample size, so that the findings could be generalized to the population.

Third, the main objective of this study was to examine two relationships. First, the study intended to examine the influence of HRM practices on POS, followed by the influence of POS on OC, and finally the influence of OC on intention to leave. Second, the study intended to examine the influence of HRM practices on PC fulfillment, followed by the influence of PC fulfillment on OC, and finally the influence of OC on intention to leave. Therefore, SEM would have been a better tool to test the hypothesis.

The study examined multicollinearity by tolerance values. Although the tolerance values were over the cut off value but most of the tolerance values were in the range of .2 to .3 which is low, and it indicates that multicollinearity exists (Table 2). This gives scope for future studies to examine whether the tolerance values increases by excluding some independent variables. An increase in tolerance values would indicate independence from multicollinearity.

APPENDIX A

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Questionnaire for the Pilot Test

Section I: **Organizational Commitment**: Please indicate the extent of your **agreement** with the following statements on a 7-point scale. (Please circle your answer)

1	2	3	4	5	6	7
▼	▼	▼	▼	▼	▼	▼
Strongly Disagree	Moderately Disagree	Slightly Disagree	Neither disagree nor agree	Slightly Agree	Moderately Agree	**Strongly Agree**

1. I would be very happy to spend the rest of my career with this company	1	2	3	4	5	6	7
2. I really feel as if this company's problems are my own	1	2	3	4	5	6	7
3. I do not feel a strong sense of "belonging" to my company	1	2	3	4	5	6	7
4. I do not feel "emotionally attached" to this company	1	2	3	4	5	6	7
5. I do not feel like "part of the family" at my company	1	2	3	4	5	6	7
6. This company has a great deal of personal meaning for me	1	2	3	4	5	6	7
7. I enjoy discussing my organization with people outside it	1	2	3	4	5	6	7
8. I think that I could easily become as attached to another organization as I am to this one (R)	1	2	3	4	5	6	7
9. Too much in my life would be disrupted if I decided I wanted to leave my organization now.	1	2	3	4	5	6	7
10. Right now staying with my organization is a matter of necessity as much as desire	1	2	3	4	5	6	7
11. One of the major reasons I continue to work for this organization is that leaving would require considerable personal sacrifice	1	2	3	4	5	6	7
12. One of the major reasons I continue to work for this organization is that another organization may not match the overall benefits I have here	1	2	3	4	5	6	7
13. I think that people these days move from company to company too often.	1	2	3	4	5	6	7
14. I do not believe that a person must always be loyal to his or her organization (R)	1	2	3	4	5	6	7
15. Jumping from organization to organization does not seem at all unethical to me (R)	1	2	3	4	5	6	7
16. If a got another offer for a better job elsewhere I would not feel it was right to leave my organization	1	2	3	4	5	6	7
17. I do not think that wanting to be a 'company man' or 'company woman' is sensible anymore (R)	1	2	3	4	5	6	7

Section II: **Perceived Organizational Support**. Please indicate the extent of your **agreement** with the following statement on a 7-point scale. (Please circle your answer)

1.	My employer cares about my well-being	1	2	3	4	5	6	7
2.	My employer values my contributions to its well being	1	2	3	4	5	6	7
3.	My employer cares about my opinions	1	2	3	4	5	6	7
4.	My employer considers my goals and values	1	2	3	4	5	6	7
5.	My employer cares about my general satisfaction at work	1	2	3	4	5	6	7
6.	My employer is willing to help me when I need a special favor	1	2	3	4	5	6	7
7.	My employer shows very little concern for me	1	2	3	4	5	6	7

Section III: **Human Resource Management Practices.** Please indicate the extent of your **agreement** with the following statement on a 7-point scale. (Please circle your answer)

1	2	3	4	5	6	7
▼	▼	▼	▼	▼	▼	▼
Strongly Disagree	Moderately Disagree	Slightly Disagree	Neither agree nor disagree	Slightly Agree	Moderately Agree	**Strongly Agree**

1.	My employer encourages me to extend my abilities	1	2	3	4	5	6	7
2.	This organization has provided me with training opportunities enabling me to extend my range of skills and abilities	1	2	3	4	5	6	7
3.	I get the opportunity to discuss my training requirements with my employer	1	2	3	4	5	6	7
4.	My work pays for any work-related training I want to undertake	1	2	3	4	5	6	7
5.	This organization is committed to the training of its employees	1	2	3	4	5	6	7
6.	The company makes a genuine effort to keep people employed even under adverse business conditions	1	2	3	4	5	6	7
7.	Performance appraisals are based on objectives	1	2	3	4	5	6	7
8.	Performance appraisals are based on quantifiable results	1	2	3	4	5	6	7
9.	The company has provided enough information regarding specific methods of the performance evaluation system	1	2	3	4	5	6	7
10.	Employees are allowed to formally communicate with supervisors regarding the appraisal results	1	2	3	4	5	6	7
11.	The staffing processes in this organization are impartial	1	2	3	4	5	6	7
12.	Favoritism is not evident in any of the recruitment decisions made here	1	2	3	4	5	6	7
13.	Interview panels are used during the staffing process in this organization	1	2	3	4	5	6	7
14.	All appointments in this organization are based on merit (i.e. the best person for the job is selected regardless of their personal characteristics)	1	2	3	4	5	6	7
15.	This organization does not need to pay more attention to the way it recruits people.	1	2	3	4	5	6	7

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16. The company provides fair pay based on performance	1	2	3	4	5	6	7
17. The company provides advancement opportunities	1	2	3	4	5	6	7
18. The company provides monetary rewards based on profits	1	2	3	4	5	6	7
19. Emphasis on the maintenance of core benefits	1	2	3	4	5	6	7
20. Emphasis on wellness programs.	1	2	3	4	5	6	7
21. Trade-off unused benefits for pay	1	2	3	4	5	6	7
22. Substitution of policies for benefits (e.g., work at home)	1	2	3	4	5	6	7
23. Employee participation in benefits decision making	1	2	3	4	5	6	7
24. My working conditions here are good	1	2	3	4	5	6	7
25. My health has not suffered as a result of working for this organization.	1	2	3	4	5	6	7
26. I always feel safe working here in these conditions	1	2	3	4	5	6	7
27. This organization ensures the wellbeing of its employees	1	2	3	4	5	6	7
28. This organization spends enough money on health-related matters	1	2	3	4	5	6	7
29. The company spends enough money and time on equal employment opportunity awareness	1	2	3	4	5	6	7

Section III (continued): **Human Resource Management Practices.** Please indicate the extent of your **agreement** with the following statement on a 7-point scale. (Please circle your answer)

1	2	3	4	5	6	7
▼	▼	▼	▼	▼	▼	▼
Strongly Disagree	Moderately Disagree	Slightly Disagree	Neither agree nor disagree	Slightly Agree	Moderately Agree	**Strongly Agree**

30. My employees support employees with the balancing of work and family responsibilities	1	2	3	4	5	6	7
31. Management is supportive of cultural difference in this organization	1	2	3	4	5	6	7
32. Men and women have the same employment opportunities in this organization	1	2	3	4	5	6	7
33. Equal Employment Opportunity is promoted within this organization	1	2	3	4	5	6	7
34. Management encourage employee suggestions	1	2	3	4	5	6	7
35. Management acts on employee suggestions	1	2	3	4	5	6	7
36. My employer asks my opinions about how I can improve my job	1	2	3	4	5	6	7
37. My employer asks my opinions about making the company successful	1	2	3	4	5	6	7
38. My employer communicates with me about HR programs and policies	1	2	3	4	5	6	7

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39. My employer help new employees learn about their job and the company	1	2	3	4	5	6	7

Section IV: **Psychological Contracts**. Please indicate the extent to which you believe your company **is obligated to provide** and **had actually been provided** the following items and on a 7-point scale. (Please circle your answer)

1	**2**	**3**	**4**	**5**	**6**	**7**
▼	▼	▼	▼	▼	▼	▼
Not at All	Not so Extent	Somewhat not extent	Neutral	Somewhat extent	Great extent	**Very great extent**

	Is obligated to provide			**Had actually been provided**		
1. Up to date training and development	1 2 3 4 5 6 7			1 2 3 4 5 6 7		
2. The necessary training to do my job well	1 2 3 4 5 6 7			1 2 3 4 5 6 7		
3. Support when I want to learn new skills	1 2 3 4 5 6 7			1 2 3 4 5 6 7		
4. Freedom to do my job well	1 2 3 4 5 6 7			1 2 3 4 5 6 7		
5. Opportunity to be involved in decisions that affect me	1 2 3 4 5 6 7			1 2 3 4 5 6 7		
6. Interesting work	1 2 3 4 5 6 7			1 2 3 4 5 6 7		
7. Good career prospects	1 2 3 4 5 6 7			1 2 3 4 5 6 7		
8. Fair pay for responsibilities in job	1 2 3 4 5 6 7			1 2 3 4 5 6 7		
9. Fair pay compared to staff doing similar work in other organizations	1 2 3 4 5 6 7			1 2 3 4 5 6 7		
10. Pay increases to maintain my standard of living	1 2 3 4 5 6 7			1 2 3 4 5 6 7		
11. Fringe benefits that are fair compared to what staff doing similar work in other organizations	1 2 3 4 5 6 7			1 2 3 4 5 6 7		
12. Long term job security	1 2 3 4 5 6 7			1 2 3 4 5 6 7		

Section V: **Intention to Leave**. Please indicate the extent of your **agreement** with the following statement on a 7-point scale. (Please circle your answer)

1	**2**	**3**	**4**	**5**	**6**	**7**
▼	▼	▼	▼	▼	▼	▼
Strongly Disagree	Moderately Disagree	Slightly Disagree	Neither agree nor disagree	Slightly Agree	Moderately Agree	**Strongly Agree**

	1	2	3	4	5	6	7
1. In the last few months I have thought seriously about looking for another job in the same industry.	1	2	3	4	5	6	7

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2. In the last few months I have thought seriously about looking for a job in another industry.	**1**	**2**	**3**	**4**	**5**	**6**	**7**
3. Taking everything into consideration, there is likelihood that I will make a serious effort to find a new job within the next year	**1**	**2**	**3**	**4**	**5**	**6**	**7**

Section VI: **General Information**

1. Please indicate your gender.	☐ Female	☐ Male

2. What is your current age? _____ Years
3. What is your current position in your company? _____

4. Your previous work experiences   Job 1.   Job 2.   Job 3.
    Industry   _____   _____   _____
    Position   _____   _____   _____

5. How long have you been working for the current company? _____Years _____ Months
6. Please indicate your highest level of education attained:

	☐ High school ☐ Some college experience ☐ Associate's degree - ☐ Currently pursuing	☐ Bachelor's degree - ☐ Currently pursuing ☐ Master's degree - ☐ Currently pursuing

Thank You!!

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Human Resource Management Practices and Organizational Commitment and Intention to Leave: The mediating role of Perceived Organizational Support and Psychological Contracts

(A survey to examine how a company can develop employee-employer relationship through its human resource management practices).

You are requested to assist in a study that seeks to provide a better understanding of **how your company (<u>employer</u>) can support YOU at work**. This questionnaire is designed to access your perception of your organization's commitment to you through their human resource practices and the extent to which it affects your attitude and behavior at work.

Please take a few minutes to fill out this questionnaire based <u>on your current job</u> or <u>most recent job experience</u>. Completing this questionnaire is entirely voluntary. However your time and cooperation regarding this survey will be greatly appreciated and will provide valuable information to human resource and organizational behavior education and research area. The results of this study can help your employers revise and enhance their HR practices and policies to build a better employee-employer relationship.

Individual responses to this survey will be kept **confidential** and will **NOT** be disclosed. The company will **NOT** have access to the information you have provided us**.** Your employment status will not be affected. **NO** reference will be made in written or oral materials that could link you to this study**.** Only grouped data will be reported in the results.

We will provide your company with aggregated results so the company can revise or develop a better employee supporting system.

Thank you in advance for taking the time to complete this survey. Please complete the survey and return it by **Thursday**, **March 22**.

Should you wish to contact us, you may reach us by phone or by e-mail.

Sincerely,

Seonghee Cho, Ph.D.	Priyanko Guchait,
Assistant professor	Master's student
Hotel & Restaurant Management Program	Research Assistant
University of Missouri, Columbia	Hotel & Restaurant Management Program
573.882.0563	573-289-5830
choseo@missouri.edu	pggwb@mizzou.edu

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Questionnaire for Final Survey

Section I: **Organizational Commitment**: Please indicate the extent of your **agreement** with the following statements on a 7-point scale. (Please circle your answer)

1	2	3	4	5	6	7
▼	▼	▼	▼	▼	▼	▼
Strongly Disagree	Moderately Disagree	Slightly Disagree	Neither disagree nor agree	Slightly Agree	Moderately Agree	**Strongly Agree**

1. I would be very happy to spend the rest of my career with this company.	1	2	3	4	5	6	7
2. I really feel as if this company's problems are my own.	1	2	3	4	5	6	7
3. I do not feel a strong sense of "belonging" to my company.	1	2	3	4	5	6	7
4. I do not feel "emotionally attached" to this company.	1	2	3	4	5	6	7
5. I do not feel like "part of the family" at my company.	1	2	3	4	5	6	7
6. This company has a great deal of personal meaning for me.	1	2	3	4	5	6	7
7. I enjoy discussing my organization with people outside it.	1	2	3	4	5	6	7
8. I think that I could easily become as attached to another organization as I am to this one.	1	2	3	4	5	6	7
9. Too much in my life would be disrupted if I decided I wanted to leave my organization now.	1	2	3	4	5	6	7
10. Right now, staying with my organization is a matter of necessity as much as desire.	1	2	3	4	5	6	7
11. One of the major reasons I continue to work for this organization is that leaving would require considerable personal sacrifice.	1	2	3	4	5	6	7
12. One of the major reasons I continue to work for this organization is that another organization may not match the overall benefits I have here.	1	2	3	4	5	6	7
13. I am not afraid of what might happen if I quit my job without having another one lined up.	1	2	3	4	5	6	7
14. It would be very hard for me to leave my organization right now, even if I wanted to.	1	2	3	4	5	6	7
15. It would not be too costly for me to leave my organization now.	1	2	3	4	5	6	7
16. I feel that I have too few options to consider leaving this organization.	1	2	3	4	5	6	7
17. One of the few serious consequences of leaving this organization would be the scarcity of available alternatives.	1	2	3	4	5	6	7

Section II: **Perceived Organizational Support**. Please indicate the extent of your **agreement** with the following statement on a 7-point scale. (Please circle your answer)

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1. My employer cares about my well-being.	**1**	**2**	**3**	**4**	**5**	**6**	**7**
2. My employer values my contributions to its well being.	**1**	**2**	**3**	**4**	**5**	**6**	**7**
3. My employer cares about my opinions.	**1**	**2**	**3**	**4**	**5**	**6**	**7**
4. My employer considers my goals and values.	**1**	**2**	**3**	**4**	**5**	**6**	**7**
5. My employer cares about my general satisfaction at work.	**1**	**2**	**3**	**4**	**5**	**6**	**7**
6. My employer is willing to help me when I need a special favor.	**1**	**2**	**3**	**4**	**5**	**6**	**7**
7. My employer shows very little concern for me.	**1**	**2**	**3**	**4**	**5**	**6**	**7**

Section III: **Human Resource Management Practices.** Please indicate the extent of your **agreement** with the following statement on a 7-point scale. (Please circle your answer)

1	**2**	**3**	**4**	**5**	**6**	**7**
▼	▼	▼	▼	▼	▼	▼
Strongly Disagree	Moderately Disagree	Slightly Disagree	Neither agree nor disagree	Slightly Agree	Moderately Agree	**Strongly Agree**

1. My employer encourages me to extend my abilities.	**1**	**2**	**3**	**4**	**5**	**6**	**7**
2. This organization has provided me with training opportunities enabling me to extend my range of skills and abilities.	**1**	**2**	**3**	**4**	**5**	**6**	**7**
3. I get the opportunity to discuss my training requirements with my employer.	**1**	**2**	**3**	**4**	**5**	**6**	**7**
4. My work pays for any work-related training I want to undertake.	**1**	**2**	**3**	**4**	**5**	**6**	**7**
5. This organization is committed to the training of its employees.	**1**	**2**	**3**	**4**	**5**	**6**	**7**
6. Performance appraisals are based on objectives.	**1**	**2**	**3**	**4**	**5**	**6**	**7**
7. Performance appraisals are based on quantifiable results.	**1**	**2**	**3**	**4**	**5**	**6**	**7**
8. The company has provided enough information regarding specific methods of the performance evaluation system.	**1**	**2**	**3**	**4**	**5**	**6**	**7**
9. Employees are allowed to formally communicate with supervisors regarding the appraisal results.	**1**	**2**	**3**	**4**	**5**	**6**	**7**
10. The staffing processes in this organization are impartial.	**1**	**2**	**3**	**4**	**5**	**6**	**7**
11. Favoritism is not evident in any of the recruitment decisions made here.	**1**	**2**	**3**	**4**	**5**	**6**	**7**
12. Interview panels are used during the staffing process in this organization.	**1**	**2**	**3**	**4**	**5**	**6**	**7**
13. All appointments in this organization are based on merit (i.e. the best person for the job is selected regardless of their personal characteristics).	**1**	**2**	**3**	**4**	**5**	**6**	**7**
14. This organization does not need to pay more attention to the way it recruits people.	**1**	**2**	**3**	**4**	**5**	**6**	**7**
15. My company is committed to a merit pay system.	**1**	**2**	**3**	**4**	**5**	**6**	**7**

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16. In my company, pay raises are determined mainly by an employees' job performance.	1	2	3	4	5	6	7
17. An employees' seniority does not enter into pay decisions.	1	2	3	4	5	6	7
18. Pay incentives such as bonus is an important part of the compensation strategy in this company.	1	2	3	4	5	6	7
19. Pay incentives such as profit sharing is an important part of the compensation strategy in this company.	1	2	3	4	5	6	7
20. Pay incentives are designed to provide a significant amount of an employees' total earnings in this company	1	2	3	4	5	6	7
21. In my company, promotion is based primarily on merit	1	2	3	4	5	6	7
22. Emphasis is given on the maintenance of core benefits.	1	2	3	4	5	6	7
23. Emphasis is given on wellness programs.	1	2	3	4	5	6	7
24. Trade-off unused benefits for pay.	1	2	3	4	5	6	7
25. Substitution of policies for benefits (e.g., work at home).	1	2	3	4	5	6	7
26. My employer encourages employee participation in benefits decision making.	1	2	3	4	5	6	7
27. My working conditions here are good.	1	2	3	4	5	6	7
28. My health has not suffered as a result of working for this organization.	1	2	3	4	5	6	7
29. I always feel safe working here in these conditions.	1	2	3	4	5	6	7
30. This organization ensures the wellbeing of its employees.	1	2	3	4	5	6	7

Section III (continued): **Human Resource Management Practices.** Please indicate the extent of your **agreement** with the following statement on a 7-point scale. (Please circle your answer)

1	2	3	4	5	6	7
▼	▼	▼	▼	▼	▼	▼
Strongly Disagree	Moderately Disagree	Slightly Disagree	Neither agree nor disagree	Slightly Agree	Moderately Agree	**Strongly Agree**

31. Management is supportive of cultural difference in this organization.	1	2	3	4	5	6	7
32. Men and women have the same employment opportunities in this organization.	1	2	3	4	5	6	7
33. Equal employment opportunity is promoted within this organization.	1	2	3	4	5	6	7
34. Management encourages employee suggestions.	1	2	3	4	5	6	7
35. Management acts on employee suggestions.	1	2	3	4	5	6	7
36. My employer asks my opinions about how I can improve my job.	1	2	3	4	5	6	7
37. My employer asks my opinions about making the company successful.	1	2	3	4	5	6	7
38. My employer communicates with me about HR programs and	1	2	3	4	5	6	7

policies.							
39. My employer helps new employees learn about their job and the company.	1	2	3	4	5	6	7
40. This organization spends enough money on health-related matters.	1	2	3	4	5	6	7
41. The company spends enough money and time on equal employment opportunity awareness.	1	2	3	4	5	6	7
42. My employer supports employees with the balancing of work and family responsibilities.	1	2	3	4	5	6	7

Section IV: **Psychological Contracts**. Please indicate the extent to which you believe your company **is obligated to provide** and **had actually been provided** the following items and on a 7-point scale. (Please circle your answer)

1	2	3	4	5	6	7
▼	▼	▼	▼	▼	▼	▼
Not at all	Not so extent	Somewhat not extent	Neutral	Somewhat extent	Great extent	**Very great extent**

	Is obligated to provide								Has actually been provided						
1. Up to date training and development.	1	2	3	4	5	6	7		1	2	3	4	5	6	7
2. The necessary training to do my job well.	1	2	3	4	5	6	7		1	2	3	4	5	6	7
3. Support when I want to learn new skills.	1	2	3	4	5	6	7		1	2	3	4	5	6	7
4. Freedom to do my job well.	1	2	3	4	5	6	7		1	2	3	4	5	6	7
5. Opportunity to be involved in decisions that affect me.	1	2	3	4	5	6	7		1	2	3	4	5	6	7
6. Interesting work.	1	2	3	4	5	6	7		1	2	3	4	5	6	7
7. Good career prospects.	1	2	3	4	5	6	7		1	2	3	4	5	6	7
8. Fair pay for responsibilities in job.	1	2	3	4	5	6	7		1	2	3	4	5	6	7
9. Fair pay compared to staff doing similar work in other organizations.	1	2	3	4	5	6	7		1	2	3	4	5	6	7
10. Pay increases to maintain my standard of living.	1	2	3	4	5	6	7		1	2	3	4	5	6	7
11. Fringe benefits that are fair compared to what staff doing similar work in other organizations.	1	2	3	4	5	6	7		1	2	3	4	5	6	7
12. Long term job security.	1	2	3	4	5	6	7		1	2	3	4	5	6	7

Section V: **Intention to Leave**. Please indicate the extent of your **agreement** with the following statement on a 7-point scale. (Please circle your answer)

1	2	3	4	5	6	7
▼	▼	▼	▼	▼	▼	▼
Strongly Disagree	Moderately Disagree	Slightly Disagree	Neither agree nor	Slightly Agree	Moderately Agree	**Strongly Agree**

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	disagree						
1. I am actively looking for a job outside this company.	1	2	3	4	5	6	7
2. As soon as I can find a better job, I will leave this company.	1	2	3	4	5	6	7
3. I am seriously thinking about quitting my job.	1	2	3	4	5	6	7
4. I often think about quitting my job in this company.	1	2	3	4	5	6	7
5. I think I will be working in this company for five years from now.	1	2	3	4	5	6	7
6. In the last few months I have thought seriously about looking for another job in the same industry.	1	2	3	4	5	6	7
7. In the last few months I have thought seriously about looking for a job in another industry.	1	2	3	4	5	6	7
8. Taking everything into consideration, there is likelihood that I will make a serious effort to find a new job within the next year	1	2	3	4	5	6	7

Section VI: **General Information**

1. Please indicate your gender.	☐ Female	☐ Male
2. What is your current age? _____ Years		
3. What is your current position in your company? _____		
4. How many times have you quit your job in the last 5 years? _____		
5. How long have you been working for the current company? _____Years _____ Months		
6. Please indicate your highest level of education attained:		
	☐ High school ☐ Some college experience ☐ Associate's degree - ☐ Currently pursuing	☐ Bachelor's degree - ☐ Currently pursuing ☐ Master's degree - ☐ Currently pursuing

Thank You!!

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Human Resource Management Practices and Organizational Commitment and Intention to Leave: The mediating role of Perceived Organizational Support and Psychological Contracts

(A survey to examine how a company can develop employee-employer relationship through its human resource management practices).

You are requested to assist in a study that seeks to provide a better understanding of how your company can support YOU at work. This questionnaire is designed to access your perception of your organization's commitment to you through their Human Resource practices and the extent to which it affects your attitude and behavior at work.

Please take a few minutes to fill out this questionnaire. Completing this questionnaire is entirely voluntary. However your time and cooperation regarding this survey will be greatly appreciated and will provide valuable information to human resource and organizational behavior education and research area. The results of this study can help your employers revise and enhance their HR practices and policies to build a better employee-employer relationship.

Individual responses to this survey will be kept **confidential** and will **NOT** be disclosed. The company will **NOT** have access to the information you have provided us**.** Your employment status will not be affected. **NO** reference will be made in written or oral materials that could link you to this study**.** Only grouped data will be reported in the results.

All data collected will be stored in a locked drawer in my (investigator's) office at University of Missouri for at most 3 years after completion of the research project. After the storage time, the information gathered will be destroyed. For questions regarding the rights of research subjects, any complaints or comments regarding the manner in which the study is being conducted you may contact the MU Office for the Protection of Research Subjects at 573-882-9585.

We will provide your company with aggregated results so the company can revise or develop a better employee supporting system.

Thank you in advance for taking the time to complete this survey. Please complete the survey and return it by **Monday**, **April 30**.

Should you wish to contact us, you may reach us by phone or by e-mail.
Sincerely,

|	
Seonghee Cho, Ph.D.	Priyanko Guchait,
Assistant professor	Master's student
Hotel & Restaurant Management Program	Research Assistant
University of Missouri, Columbia	Hotel & Restaurant Management Program
573.882.0563	573-289-5830
choseo@missouri.edu	pggwb@mizzou.edu

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APPENDIX B

NORMAL PROBABILITY PLOTS

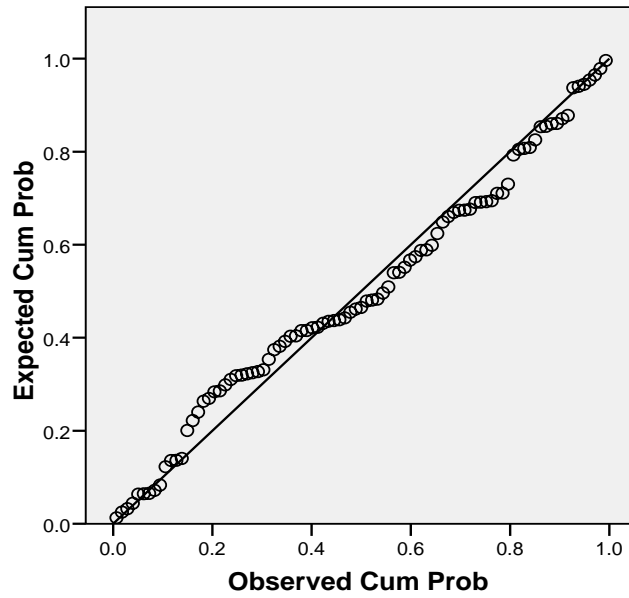**Normal P-P Plot of Regression Standardized Residual**

Dependent Variable: Organizational Commitment

HRM vs OC

112
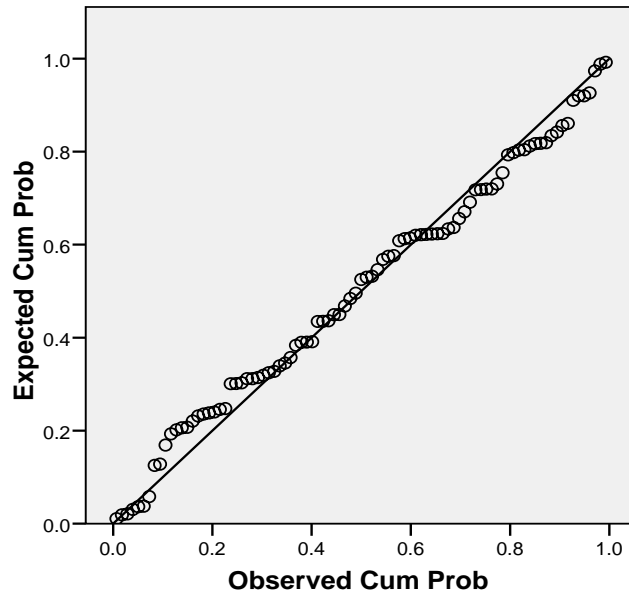
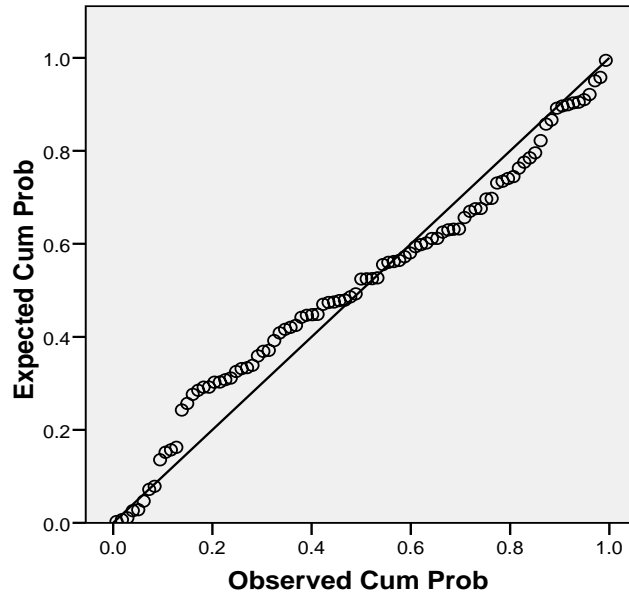**Normal P-P Plot of Regression Standardized Residual**

Dependent Variable: Perceived Organizational Support

HRM vs POS

113

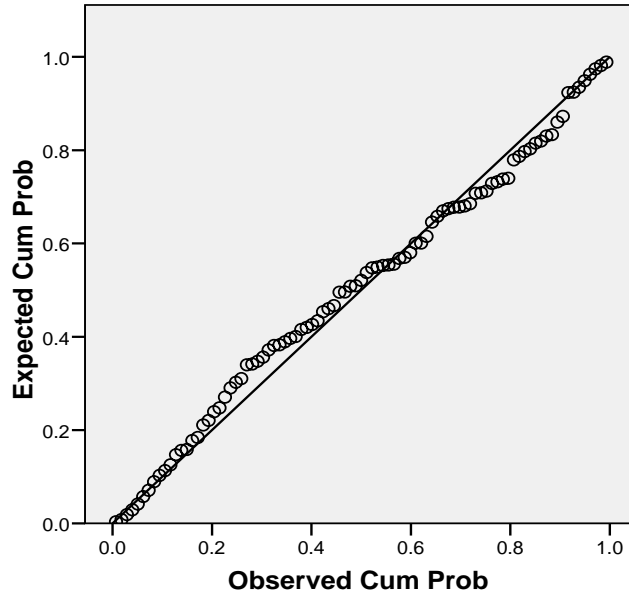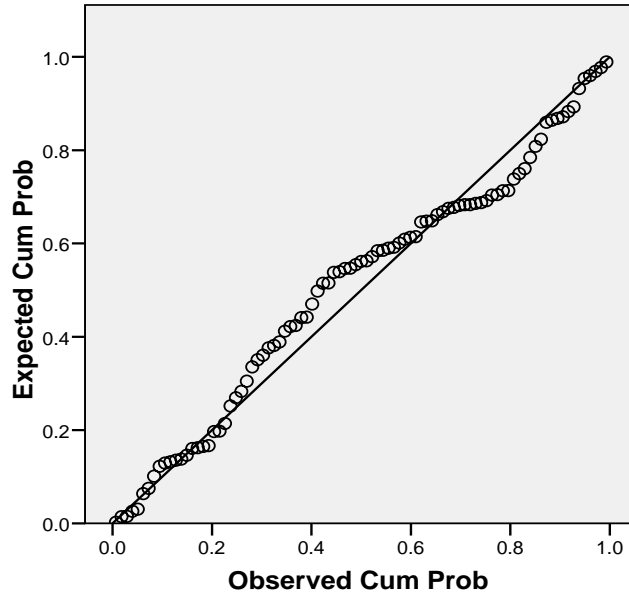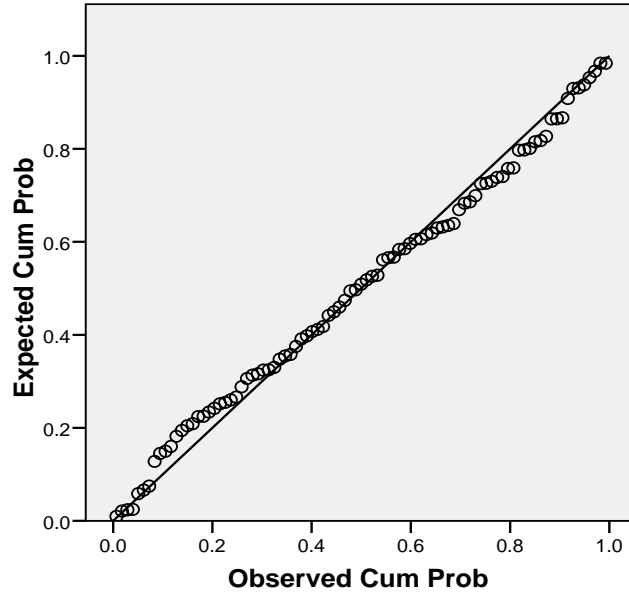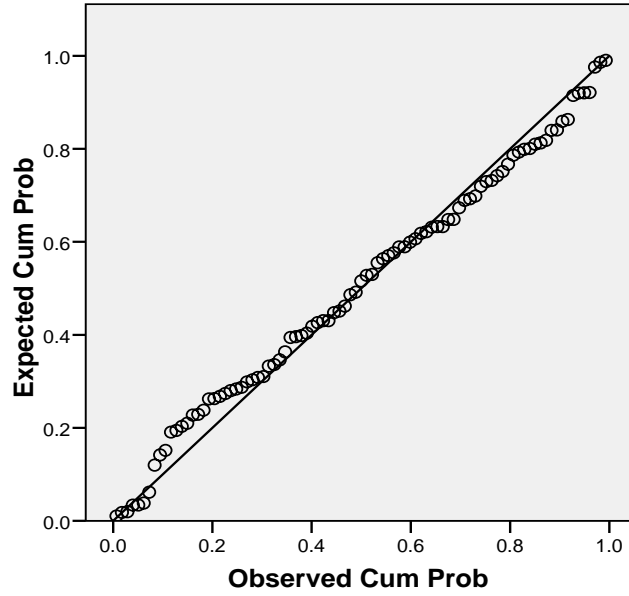**Normal P-P Plot of Regression Standardized Residual**

Dependent Variable: Psychological Contract Fulfilled

HRM vs PC Fulfilment

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Normal P-P Plot of Regression Standardized Residual

Dependent Variable: Organizational Commitment

POS vs OC

Normal P-P Plot of Regression Standardized Residual

Dependent Variable: Organizational Commitment

PC Fulfilment vs OC

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Normal P-P Plot of Regression Standardized Residual

Dependent Variable: Organizational Commitment

POS mediating the relationship between HRM practices and OC

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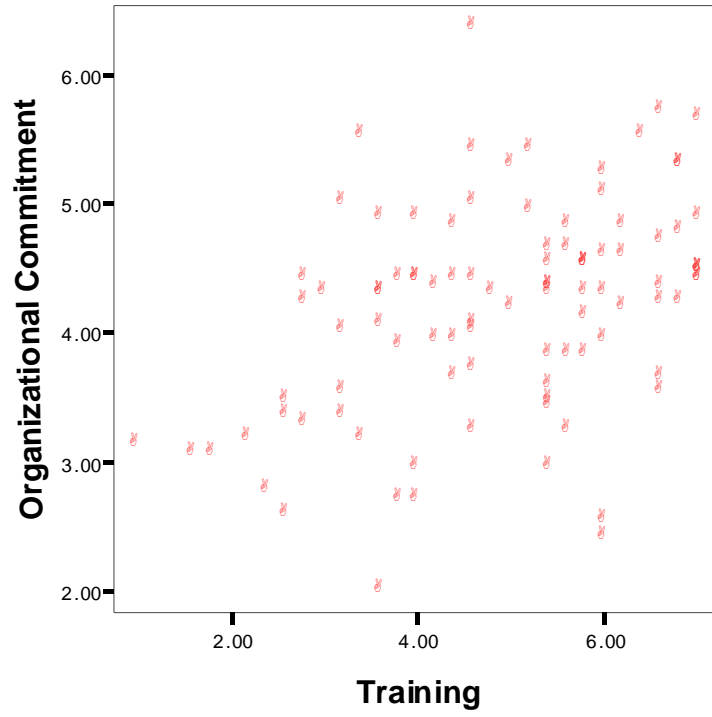**Normal P-P Plot of Regression Standardized Residual**

Dependent Variable: Organizational Commitment

PC Fulfilment mediating the relationship between HRM practices and OC

Normal P-P Plot of Regression Standardized Residual
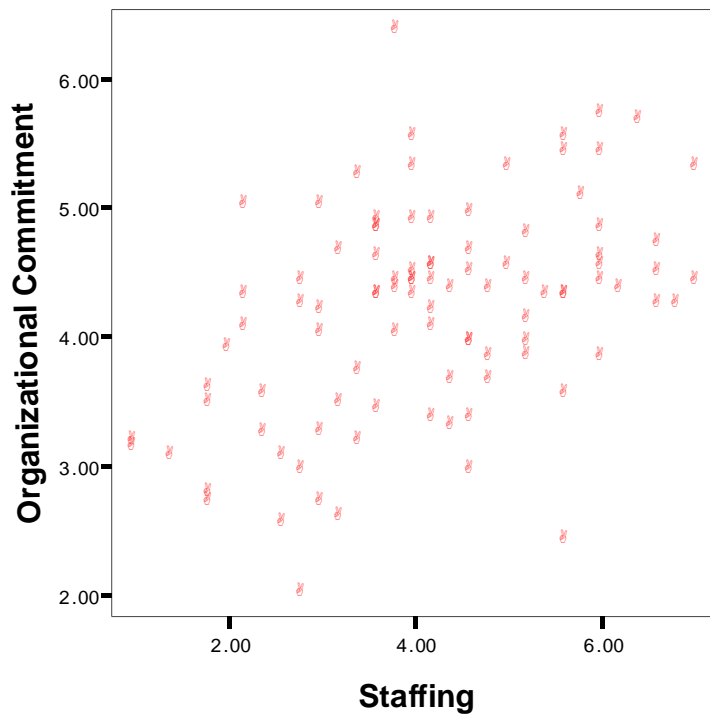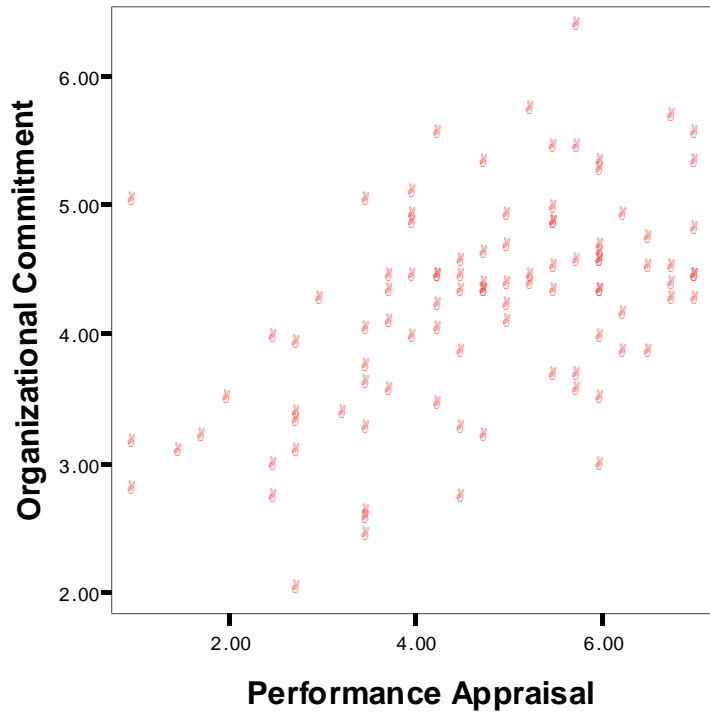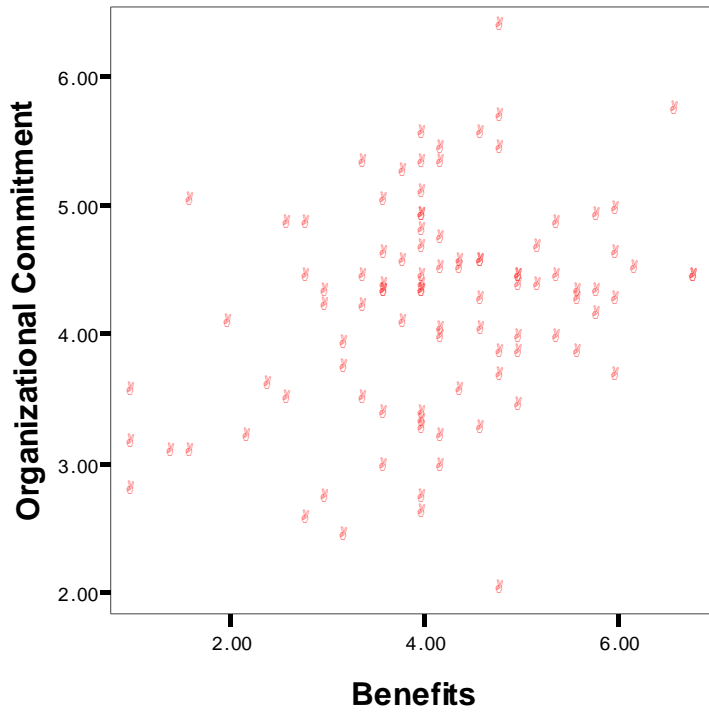
Dependent Variable: Intention to Leave
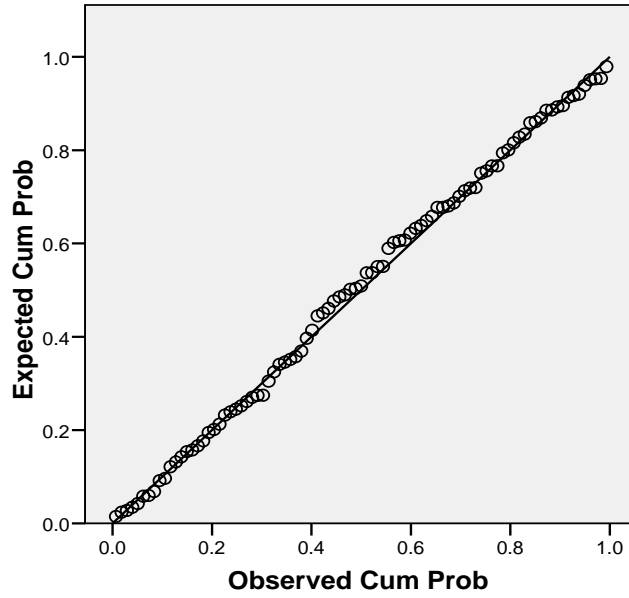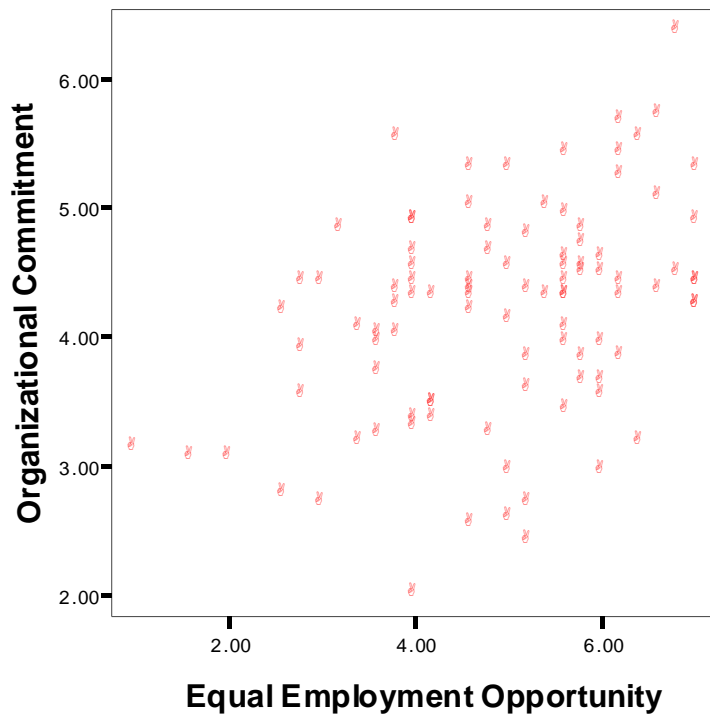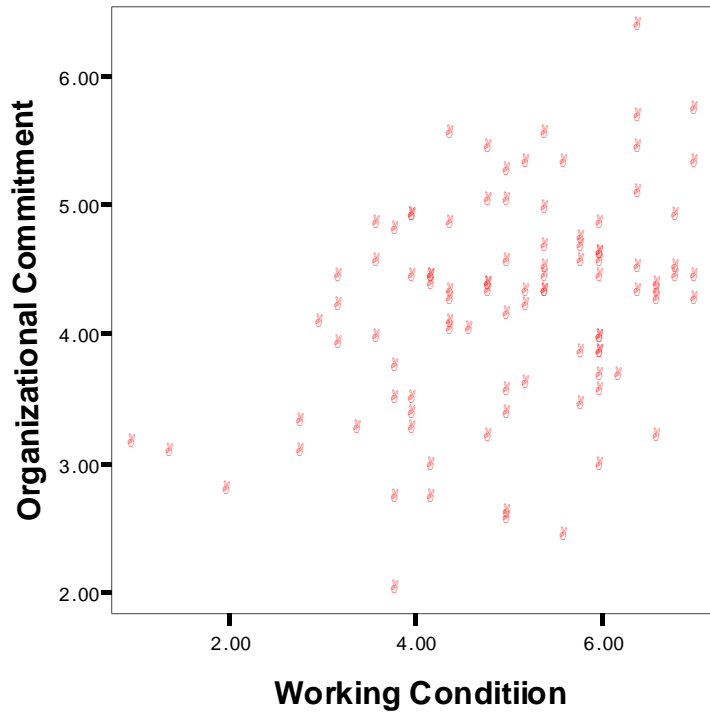

OC vs Intention to Leave

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APPENDIX C

SCATTER PLOTS

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Working Conditiion

Equal Employment Opportunity

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Information Sharing

Perceived Organizational Support

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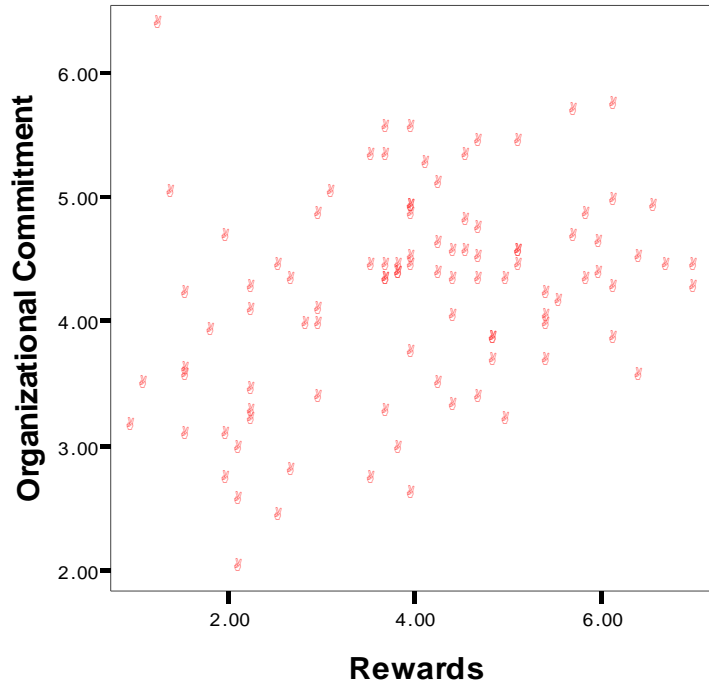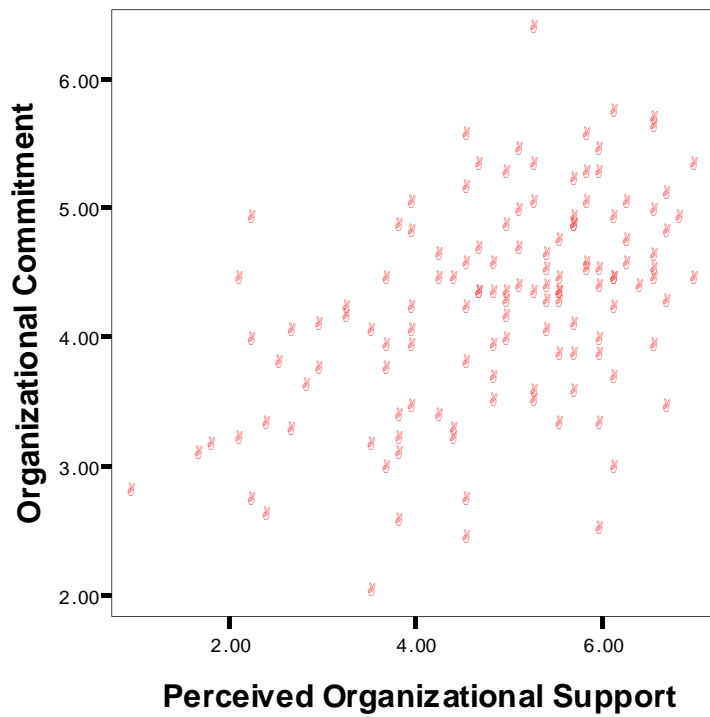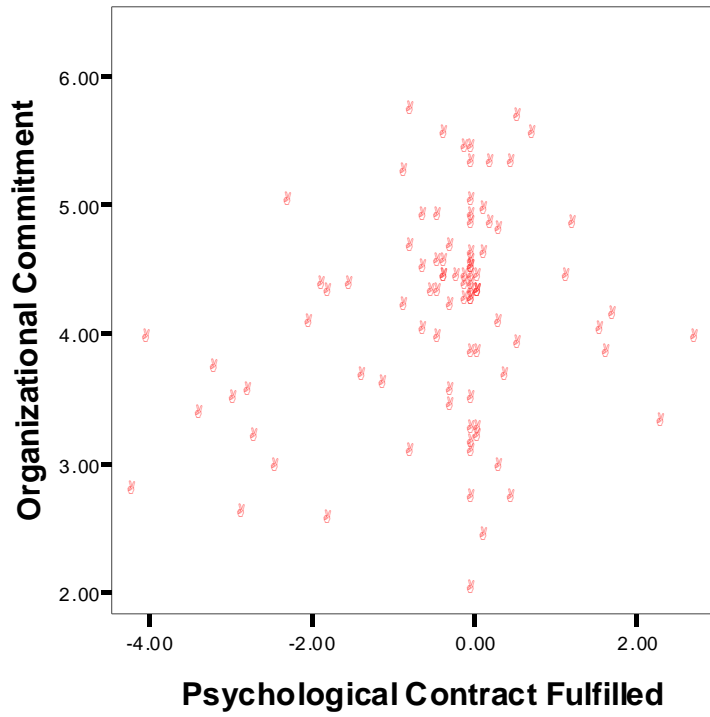
Independent Two Sample t-test and Chi-square test for Non-response Bias

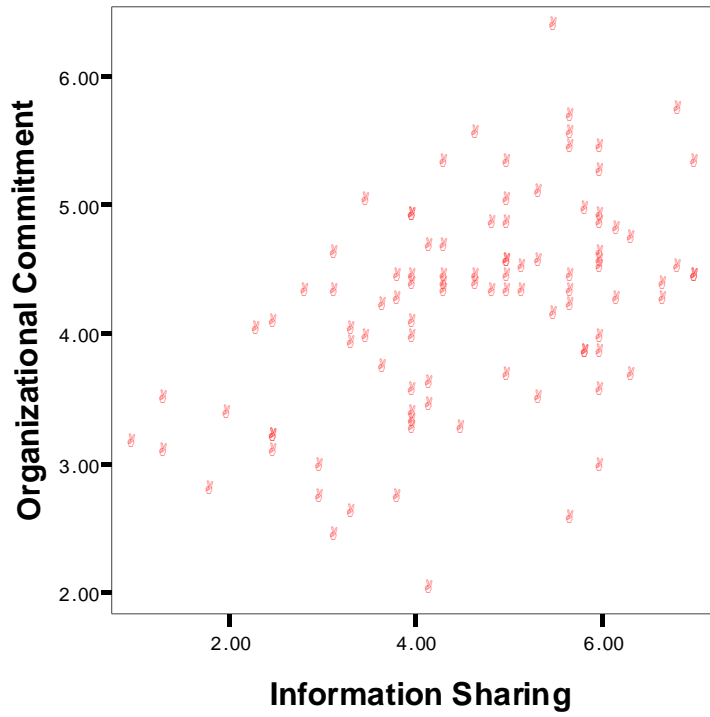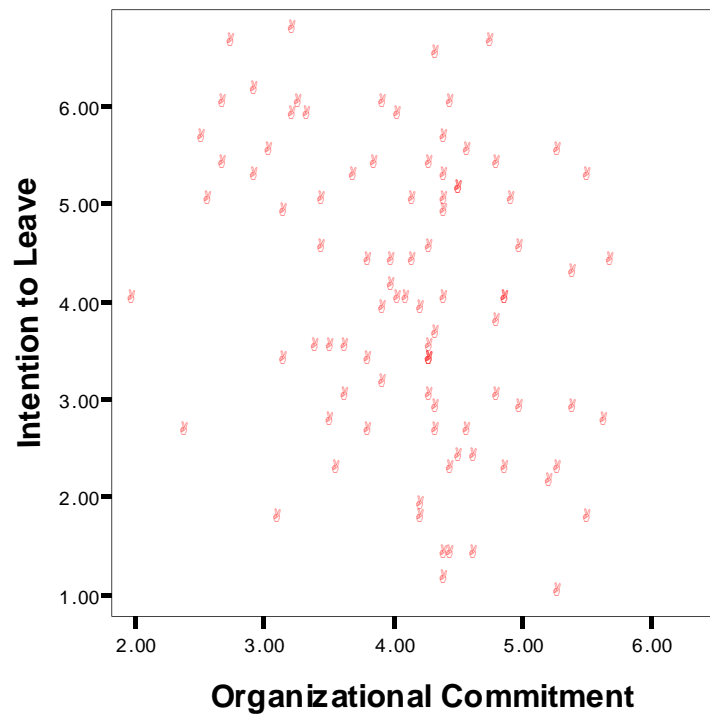| Variable	Group	Mean	SD	χ^2	t	df	p-value
Age	1	26.22	3.04		-2.39	45	.02[*]
	2	29.48	5.82				
Sex	1			11.66		1	.01[*]
	2						
Jobs Quit	1			2.29		5	.80
	2						
Position	1			2.31		4	.68
	2						
Tenure	1			4.59		5	.47
	2						
Education	1			5.85		6	.44
	2						

Note: Group 1 = Early Respondents; Group 2= Late Respondents

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