Human Resource Management

Relationships Between Human Resources Management Practices, And Job Satisfaction, And Organizational Commitment Among Employees In Kazakhstani Organizations

Senimgul Dossova
Senior lecturer, Kazakh National University
PhD student,
Kazakh-British Technical University

Abstract
The purpose of the study is to examine how HRM practices influence employees’ job satisfaction and organizational commitment in Kazakhstani Universities; whether perceived organizational support and company’s HRM policies and practices have relationship with organizational commitment.

Data were collected by the distribution of two questionnaires the Minnesota Satisfaction Questionnaire (MSQ) short form and the Organizational Commitment Questionnaire (OCQ) through a stratified random sampling method.

The Analysis of Moment Structures was used for an empirical testing of the model, and Maximum Likelihood Estimation (MLE) was applied to estimate numerical values for the components in the model. Confirmatory factor analysis was employed to test the validity of the scales in measuring specific constructs of the measurement model and Fornell and Larker’s guidelines were applied.

Almaty 2011
The Role Of Human Resources Management Practices In Creating Employees’ Job Satisfaction And Organizational Commitment. Case Of Kazakhstan.

Introduction
Kazakhstan, an emerging economy moving from a centralized command approach to global market participation, shares issues with other republics in the Commonwealth of Independent States. Competitive advantages that bode well for its successful transition include abundant oil reserves, a developing legal system, and a government that appears to have learned from the mistakes of other CIS nations. However, the Republic has serious problems of population decline, poor infrastructure, and workforce habits incompatible with a market economy (Prochaska, Nancy A, 2004). Economic stabilization, development of market institutions such as legal infrastructures, and
overcoming shortages of skilled labor are key problems shared by the CIS countries (Hoskisson, Eden, Lau & Wright, 2000). Although these republics had a common starting point for development of market economies, they have followed different paths and made different degrees of progress (EBRD, 1998).

Dana B. Minbaeva, Kate Hutchings, S. Bruce Thomson (2007) explored Human Resource Management (HRM) practices in foreign-owned subsidiaries in Kazakhstan and examined the development of HRM and the extent to which practices and policies are reflective of their countries of origin, older-style Soviet and post-Soviet practices, or an emerging Kazakhstan. The discussion was based on findings which utilized a questionnaire-based survey, secondary data and interviews with HR managers. The paper concludes that HRM and employee relations practices utilized are a hybrid of old-style Soviet and Western-based approaches (US and European), and also provided some implications for theory and managerial practice. The primary limitation of this study is that it explored HRM practices only in foreign-owned subsidiaries. It does not give us a clear understanding of HRM practices in the national companies.

The importance of this study is vital. Kazakhstan faces many challenges, but it has abundant natural resources, an educated population, and preliminary evidence indicates that new generations of citizens are quickly adapting to a new market psychology. Job satisfaction and commitment are critical to retaining and attracting well-qualified personnel. Employees who experience job satisfaction are more likely to be productive and stay on the job. Job dissatisfaction has been found to be a strong and consistent predictor of intention to leave as well as turnover. Employees’ commitment is a valuable asset in an organization. Research has shown that increased commitment improves employees’ job satisfaction, motivation, performance and creativeness, and reduces absenteeism and turnover (Morana C. 1987; Tett RP, Meyer JP 1993).

With the increasing importance of the ‘human factor’ in modern organizations, HR-issues have become more salient to organizations that believe that people are their most important asset in achieving organizational goals. Developing human resources is essential to achieve sustainable competitive advantage (Hoskisson et al., 2000; Soulsby & Clark 1996), so in this research we will make an attempt to investigate existing HRM practices in different organization of Kazakhstan, and how these practice influence employee’s job satisfaction and organizational commitment.

Theoretical Background

The transformation of Kazakhstan to a market economy still faces many problems. Two of the most pressing problems are the creation of a more reliable labor market and developing a new standard of human resource management. Models for managing people have a long tradition in the West, and the majority of the models used in management research have U.S. ties or origins. However, Hofstede (1993) and Ardichvili (2001) are among those cautioning against the adoption of ethnocentric management models into other cultures. Ardichvili’s study is one of the few attempts to assess Western leadership models and their fit with cultures of selected countries in the CIS, and he found differences in applicability of some of the Western leadership models he tested. Nevertheless, Western models of economic development and human resource management can be starting points for understanding what is happening in Kazakhstan. Based on the human resource management experience of the United States and other Western countries, we can appreciate the complexity of creating an HRM system that meets the needs of the new economy and the changing workforce in Kazakhstan. A management system is dependent not only on economic reform but also on the psychological transformation of employers and employees in the country. The difficulty of breaking the psychological contract created under communism has been widely noted. The true difficulty of changing an economic system or a way of managing is the difficulty of changing the mental models people hold about the roles of the worker, the enterprise, and the government.

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.

Human resource management (HRM) practices have been considered as one of the critical factors affecting OC (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. In Wright and Nishii’s (2007) model, the effects of HR practices on employee attitudes and behaviors occur via employee perceptions of HR practices. Not the HR practices as intended, but rather how employees experience HR practices is supposed to have a strong effect on employee outcomes. These perceptions might also affect employee performance (Den Hartog et al., 2004). Although perceived HR practices are proposed to have a strong association with employee outcomes, not many researchers have actually tested this relationship. Instead, research has focused on the effects of actual HR practices or systems on attitudes and behaviors or on the role of perceptions of a single specific practice rather than a combination of practices. To take into account these differences in interpretations of HR practices, this study will focus on employee perceptions of a set of HR practices.

Many HRM scholars propose that HR practices will affect employee and firm performance through their impact on employee attitudes (e.g. Becker et al., 1997; Wright & Nishii, 2007). As mentioned before, ‘high commitment’ and ‘high performance’ work practices have been widely used in research in this area. As the role of HR practices is to influence employee attitudes and behaviors required by the organization (Truss, 2001), positive effects on attitudinal and behavioral outcomes are expected.

Many authors already outline the idea that sets of consistent HRM practices can reinforce employee attitudes and behaviour (e.g. Wright & McMahan, 1992; Ichniowski et al., 1996; Guest, 1997, Baron & Kreps, 1999; Ostroff & Bowen, 2000, Boselie, 2002) By HRM practices being internally consistent, employees know what is expected of them and what they can expect in turn. Academic research on the effects of multiple HRM practices often proclaims to study internal consistency by defining sets of congruent HRM practices as a system. More specifically, it is suggested that systems of ‘high commitment practices’ increase organizational effectiveness by creating conditions where employees become highly involved in the organization and work hard to accomplish the organization’s goals (Arthur, 1994; MacDuffie, 1995; Whitener, 2000). However, with the exception of Whitener (2000), researchers study the effects of high commitment HR systems on measures of organizational effectiveness without investigating the relationship between high commitment HRM practices and aspects of employee commitment.

Stated is that very little is known about how and through which processes HRM practices influences organizational performance (Guest, 1997; Becker, Huselid, Pickus & Spratt, 1997; Ostroff & Bowen, 2000). Intermediate processes that ultimately affect performance outcomes are referred to as the ‘black box’ of the HRM-outcome link (e.g. Wright & Gardner, 2003). Unlocking the ‘black box’ means identifying HR-objects that are relevant to employee performance. Ostroff & Bowen (2000) state that an HR system is believed to be a complex set of practices that is designed to influence employees’ attributes that are purported to be the mediating mechanism that links HRM practices and performance outcomes.

This study identifies the employee’s job satisfaction to be one of the general goals of HRM activities in creating employee commitment to the organization.

Wright & Gardner (2003) argue that regarding the level of analysis of HRM practices, most research has concentrated on identifying sets of HRM practices at the organizational level by using single respondent measures.
of sets of HRM practices. But the assumption that HRM practices are invariable across large groups of jobs within organizations is not feasible, as Lepak & Snell (2002) pointed out. This suggests that lowering the level of analysis could give a more accurate insight in the variation of sets of HRM practices within organizations and across job groups or (business) units. Additionally, gathering data by using single-responses of HR-managers on which HRM practices are in place, probably gives no accurate reflection of reality. Such single-respondent measures of sets of HRM practices are subject to, for instance, the respondent’s degree of accurate information. Therefore, Guest (1999) and Wright and Gardner (2003) have proposed to measure HRM practices through individual employee perceptions, since employees are the focal unit HRM practices aim at. As such, the research project will focus on the perception of employees on HRM practices.

It is in the interest of an organization to retain employees and minimize turnover. However, many managers have little understanding of how to satisfy their employees and how these employees' satisfaction levels influence their intent to leave their positions. In fact, because of this limited understanding, managers’ efforts towards employee satisfaction can sometimes create more dissonance than cohesion between employees and management, leading to excessive employee turnover. One significant reason that the cost of turnover is high is due to the high cost of training new employees. One way to address the issue of turnover is to understand the commitment employees have to their operation and to determine what affects these levels of commitment. To do this, we must have a clear definition of organizational commitment and identify variables that might influence it.

Organizational commitment has been described as consisting of two constructs –affective and continuance (Allen & Meyer, 1990). As defined by Mowday, Porter, and Steers(1982, p.27), affective organizational commitment is “a strong belief in and acceptance of the organization’s goals and values; a willingness to exert considerable effort on behalf of the organization; and a strong desire to maintain membership in the organization.” The counterpart to affective organizational commitment is continuance organizational commitment, which considers the idea that individuals do not leave a company for fear of losing their benefits, taking a pay cut, and not being able to find another job (Murray, Gregoire, & Downey, 1991).

Job satisfaction has been recognized as a component of organizational commitment (Kovach, 1977). It is suggested that job satisfaction is a state of pleasure gained from applying one’s values to a job (Locke, 1969). Spector (1997, p.2) believes that job satisfaction “can be considered as a global feeling about the job or as a related constellation of attitudes about various aspects or facets of the job.” Researchers have found that job satisfaction is correlated with turnover but not to the extent that a predictive model can be created. (Kraut, 1975; Mobley, 1982; Mobley Griffeth, Hand, & Meglino, 1979). The negative consequences of turnover include: an increase in recruiting, hiring, adaptation, and training; and the disruption of communication, productivity, and satisfaction among employees who stay (Dalton & Todor, 1982; Mobley, 1982).

The scope of this research focuses upon job satisfaction and its relationship with organizational commitment. Similar studies were sought in reviewing the literature with few found by the researchers. However, one significant article was identified. LaLopa (1997) effectively used the Organizational Commitment Questionnaire to evaluate 300 non-supervisory resort employees’ levels of commitment. Further, LaLopa developed a “Resort Job Satisfaction” scale by adopting items from previous studies. Findings provide further evidence that job satisfaction is a significant predictor of organizational commitment.

Research Questions

The purpose of the study is to examine how HRM practices influence Kazakh National University employees’ job satisfaction and organizational commitment; whether perceived organizational support and company’s HRM policies and practices have relationship with organizational commitment; and whether organizational commitment influence to lower intention to leave.

Research questions were created to analyze relationship between company’s HRM practices with job satisfaction and organizational commitment among employees.
Human Resource Management

These questions are:
1. Is there any link between HRM practices and employee’s job satisfaction?
2. Do employees’ levels of job satisfaction significantly affect their organizational commitment?

HR practices are major mechanisms through which employees come to understand the terms of their employment (Rousseau & Greller, 1994). HR practices shape a person’s experience in an organization, based on personal interpretations and social constructions (Rousseau & Greller, 1994). In other words, employees who have positive experiences with HR practices are more likely to have a positive perception about their fit with the organization and their jobs.

Multiple HR practices, including selection, development and training, as well as appraisal and reward systems, may affect employee’s job satisfaction.

Hypotheses 1: there is positive relationship between perceived HR practices and employee’s job satisfaction.

Hypotheses 2: there is positive relationship between perceived HR practices and employee’s organizational commitment.

Hypotheses 3: there is positive relationship between employee’s job satisfaction and employee’s organizational commitment.

To evaluate the relationship between job satisfaction and organizational commitment, two widely-used and validated instruments that assess these phenomena were identified – the Minnesota Satisfaction Questionnaire (MSQ) short form (Weiss, Dawis, England, & Lofquist, 1967; Dawis & Lofquist, 1984) and the Organizational Commitment Questionnaire (OCQ) (Mowday, Steers, & Porter, 1979; Mowday, Porter, & Steers, 1982; Rose, 1991)

The target population for this study consist of employees of Kazakh National University, largest University of Kazakhstan. The participants of this study were employees from different departments and represented academic and non-academic staff.

Methodology

Survey and sample characteristics

A questionnaires were distributed for collecting data of variables that can empirically lead to employees’ satisfaction and organizational commitment. A survey was conducted among employees of Kazakh national University during October-November 2010 in total 248 respondents completed the questionnaires. 87 percent of respondents were female and 13 percent male. Of these respondents 15 percent aged 20-29, 38 Percent aged 30-39, 22 percent aged 40 -49, and 25 percent above 50 years old. About 8 percent of these respondents have diploma degree, 45 percent have master degree, 35 percent candidate of science, and 12 percent have PhD. 27 percent of respondent work at their present job more than15 years, another 29 percent work in KazNU 10 years, 11 percent work 5 years and 33 percent work less than 5 years.

To conduct this study we’ve used Minnesota Satisfaction Questionnaire (MSQ) short version. MSQ short version consists of 20 items. Each item refers to a reinforcer in the work environment. The respondent indicates how satisfied he or she is with the reinforcer on his her present job. Five response alternatives are presented for each item: “Very satisfied; Satisfied; Neither; Dissatisfied; Very Dissatisfied”. This questionnaire employs questions with all of their responses measured at the interval scaled. A scaled-response form used in this study is the semantic differential scale, which is a modified Likert scale.

Measurement scales.

According to the Herzberg’s theory of motivation there are two groups of factors, motivation and hygiene, that affect employees’ satisfaction. To measure employees’ satisfaction this study uses three items: employees’ overall
Human Resource Management

satisfaction with their job that range from “very dissatisfy” – 1, to “very satisfy” – 5; extrinsic and intrinsic factors that affect job satisfaction with their range from “very dissatisfy” – 1, to “very satisfy” – 5.

The list of perceived HRM items was checked for coverage of the mostly used high commitment/high performance work practices using a review of HRM and performance studies by Boselie et al (2005). Participants were asked to indicate for each item the extent to which they perceive that the organization offers them the HR practice (“The organization offers me…”) on a 5-point Likert scale ranging from 1 (not at all) to 5 (very great extent) and included a wide range of practices, such as selection, training, participation, performance appraisal, and rewards. Sample items are “Work that gives me the opportunity to express myself”, and “The possibility for my team to take the responsibility for our results”.

Factor Analysis and reliability test

A conceptual model was developed to visualize the interrelationships of the variables. The model contains motivators (intrinsic): recognition, work itself, opportunity for advancement, professional growth opportunity, responsibility, good feelings about organization; hygiene factors (extrinsic): effective senior management, effective supervisor, good relationship with co-workers, salary, job security, status, and job satisfaction. The model visualizes the influence of perceived HRM practices on Job Satisfaction and Organizational Commitment.

Figure 1. Hypothesized relationship between job satisfaction, organizational commitment and HRM.

The dependent variable in the model is job satisfaction.

Factor analysis with varimax rotation procedure was employed to identify underlying dimensions of motivation, job satisfaction factors. Then, the reliability test was used to test the internal consistency for extracted constructs. Scale refinement was done by examining item-to-total correlation to improve the reliability. This led to the retention of four items ( alpha = 0.817, standardized item alpha = 0.819) for “HRM practices factor”, 3 items ( alpha = 0.7414, standardized item alpha = 0.7385) for “Internal Motivation” factor and 2 items for “External Motivation” factor ( alpha = 0.5724, standardized item alpha = 0.5753).
Measurement and structural model.

The Analysis of Moment Structures (AMOS: Arbuckle, 1994) was used for an empirical testing of the model, and Maximum Likelihood Estimation (MLE) was applied to estimate numerical values for the components in the model. Confirmatory factor analysis was employed to test the validity of the scales in measuring specific constructs of the measurement model and Fornell and Larker’s (1981) guidelines were applied.

To diagnose possible identification problems, the degree of freedom with large standard error variance (Bollen & Joreskog, 1985) was used and an identification problem was remedied according to Hayduk’s (1987) study. To evaluate the overall goodness of fit of proposed model, the criteria suggested by Bollen (1989) were used and measures were selectively assessed as of the following: Chi-square statistics (CMIN), degree of freedom (DF), CMIN divided by DF (CMIN/DF), goodness of fit index (GFI), adjusted goodness of fit index (AGFI), root mean square residual (RMR), normed fit index (NFI), Parsimony ratio (PRATIO), and root mean square of approximation (RMSEA).

Results of Data Analysis and Hypothesis Test.

The results of the data analysis generally did not achieved acceptable goodness-of-fit, in particular, the indices of GFI (0.660), AGFI (0.521,) and NFI (0.592). The GFI of 0.660 describes that the goodness of fit of the model indicates about 66 percent fit. The NFI of 0.592 describes that the fit of the proposed model is about 60 percent closer to the fit of the saturated model. The values of the GFI and AGFI can vary from 0 to 1, with values above 0.90 considered as good and values from 0.80 to 0.90 considerate as moderate. For NFI, the closer its values to
1, the better are the fitness of the hypothesized model over the null model.

### Table 1

**Outputs of structural equation model (SEM) estimates**

<table>
<thead>
<tr>
<th>Path diagram</th>
<th>proposed model</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1 Perceived HR practices and employee’s job satisfaction.</td>
<td>0.071 (0.033) ***</td>
</tr>
<tr>
<td>H2: Perceived HR practices and employee’s organizational commitment.</td>
<td>0.015 (0.050) ***</td>
</tr>
<tr>
<td>H3: Employee’s job satisfaction and employee’s organizational commitment.</td>
<td>0.018 (0.054) ***</td>
</tr>
</tbody>
</table>

***p<0.001 statistically significant at a=0.05 with 95 % confidence interval

Fitness measure: Chi-square= 435,921, df= 41, RMR= 0.150, RMSEA=0.268, GFI=0.690, AGFI=0.501, NFI=0.595.

### Discussion

This study investigated the impact of human resource management (HRM) practices on employees’ organizational commitment, and employees’ job satisfaction. 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. The contribution of this study was to examine the mediating effects of job satisfaction on the relationship between HRM practices and OC.

There were two main goals in this study. The first goal was to examine the influence of HRM practices on employees’ job satisfaction. Second was to examine how job satisfaction affects employees’ organizational commitment.

**Null Hypotheses 1:** “There is no relationship between Perceived HR practices and employee’s job satisfaction” was empirically tested. The results show that causality relationship between Job Satisfaction and Company HR practices is statistically significant (p, 0.001). This suggests that the Job Satisfaction factors cause certain impact on the perception of Company’s HR practices.

**Null Hypotheses 2:** “There is no relationship between Perceived HR practices and employee’s organizational commitment.” was empirically tested. The results of data analysis show that certain causal relationship between Company’s HR practices and Organizational Commitment is statistically significant (p,0.001). This suggests that the Company’s HR practices factors cause certain impact on the Organizational Commitment.

**Null Hypotheses 3:** “There is no relationship between Employee’s job satisfaction and employee’s organizational commitment.” was empirically tested. The results of data analysis show that certain causal relationship between Organizational Commitment and Job satisfaction is statistically significant (p,0.001). This suggests that the Job Satisfaction factors cause certain impact on the Organizational Commitment.

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 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 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.
Human Resource Management

Summary.

The main purpose of the study was to develop a model, illustrating relationships between HRM practices, OC and Job Satisfaction. The second purpose was to examine the mediating effect of Job Satisfaction on the relationship between HRM practices and OC. There have been numerous researches studying the relationship between (1) OC and intention to leave, (2) JS and OC. However, none of these studies has investigated Kazakhstani organizations. The uniqueness of this research was to (1) examine the influence of a bundle of HRM practices on OC, and JS, and (2) the mediating effect of JS on the relationship between HRM practices and OC in Kazakhstani organizations. The findings indicate that HRM practices would have an influence on OC, but this effect is not direct, it is mediated by JS. 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.

Limitations of the Study

Although this study made several contributions to HRM research and the hospitality industry, it has several limitations. In this study, employees’ participation was voluntary and was conducted at one university. So, the findings should be interpreted with caution. 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. Second, data was collected only from one organization in Kazakhstan. 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.

References