

CHAPTER 5: CONCLUSION AND RECOMMENDATIONS

The purpose of this chapter is to discuss the overview of the study, to summarize the research study, to review the research study objectives and hypothesis. Furthermore, several productive suggestions were given to enhance the research within the same field in the future.

5.1 Overview of the Study

The purpose of this study was to examine (1) the influence of a bundle of HRM practices namely Performance Appraisal, Training and Development on the Organizational Commitment, and (2) the relationship between Organizational Commitment and intention to leave.

5.2 Summary of the Research Study

HRM practices emerged as a positive influence on Organizational Commitment. The study also found that OC is negatively influence Turnover Intention.

This unique HRM–OC–intention to leave relationship suggested that employees' belief that an organization intends to support them through its HRM practices (training, rewards, etc.) can make them more committed to the organization, which in turn can lower their turnover intention. Moreover, HRM practices actually make the employees more committed to the organization, and this enhanced commitment level lowers their turnover intention. This suggests the possibility that HRM practices may be used by organizations to display its commitment to its employees or to demonstrate their support, concern, and caring for their employees, and in turn to oblige the employees to reciprocate by being more committed to the organization (Eisenberger, Huntington, Hutchinson and Sowa 1986).

The findings also suggest that organizations can use HR practices as tools to communicate with their employees to build strong employee-employer relationship (Guzzo and Noonan 1994).

Prior studies have examined the impact of individual HRM practices or combination of selective HRM practices, such as performance appraisal, training and development, and career advancement (Hemdi and Nasurdin 2006).

5.2.1. Review of Research Objectives

This study objective is to examine the relationship between two HRM practice areas (Performance Appraisal, Training and Development) from a bundle of HR practices and Organizational Commitment and Turnover Intention. Managers can use the findings of this study to enhance the positive attitudes of their employees, as this study proposes that positive attitudes of employees can be enhanced when their organization commits resources to human resource activities and programs (Agarwala 2003). It is implied that if a company's management supports the human resource department in continuously using innovative HR practices to develop their employees, then employees are likely to perceive a high degree of commitment and support from the organization (Agarwala 2003; Kinicki et al. 1992). Moreover, this positive impression should engender more positive employee attitudes, which in turn would have an impact on employee behavior (Agarwala 2003).

5.2.2. Review of Research Hypothesis

The results are very encouraging insofar as they support the notion that satisfaction with HRM practices namely performance appraisal and training and development does have significant relationships with organizational commitment which lower the turnover intention in the organizational context as a whole.

Furthermore, the findings reported may have some interesting implications for managers. First, the positive findings regarding commitment and turnover intention only describe that employees who

are satisfied with how performance appraisal and training and development is conducted are indulge in higher commitment and have lower turnover intentions. Thus, in order to obtain such positive outcomes, organization should provide a performance appraisal and training and development platform where employees must report satisfaction with HRM practices. Li and Butler (2004) noted that this can be achieved by having performance appraisal process which is characterized by autonomy support, in which employees are provided with reasons and choices for doing tasks. Moreover, participation or self-reported performance process may increase employees' satisfaction with the process (Cawley, Keeping & Levy, 1998).

The high number of respondents who reported their performance as above average, provides a strong indication that a better management of expectations is required for the system to be successful. This can be achieved by increasing interactional justice, giving people greater involvement in the performance management process and training all participants, not just managers, to use feedback more effectively.

In sum, the present findings contribute to our understanding of the effects of HRM practices namely performance appraisal and training and development process on organizational commitment and turnover intention, as well as having implications for human resource managers.

5.3 Suggestion for Future Research

The results of the present study indicate that employees believe that system of HRM practices is important for organizational effectiveness. According to Warech and Tracey (2004), not all HRM practices are equally effective; some may be the source of competitive advantage while others may be less effective.

This study also provides HR researchers with valuable data for future research. It supports that HRM practices make employees more committed and employees' increased commitment level actually lowers intention to leave. Therefore, academicians and practitioners can now focus on making

workforce more committed by testing sets of various HRM practices that produce the best results in lowering turnover.

Although this study made several contributions to HRM research, it has several limitations. First, it is limited by the sample used, which provides a group of employees, mainly from the Klang Valley. Such a sample profile has its benefits but also limits the generalizability of the findings.

Second, this study was conducted across a large number of organizations, making it impossible to control for the actual content of the HRM practices namely Performance Appraisal, Training and Development used in the organizations. Therefore, the measure used in the study may not represent all aspects of HRM practices namely Performance Appraisal, Training and Development. For example, informal coaching was not discussed, yet coaching is a form of employee control and appraisal (Pettijohn et al., 2000, 2001).

Third, the data reported in this study were gathered at one point in time, making it impossible to draw inferences of causality or rule out the possibility of reverse causality.

Fourth, the variables were assessed based on employees' self-reports, which potentially can introduce distortion through self-serving bias. Future research is needed that assesses influence tactics from independent sources such as peers. Since the findings are based on self-report measures, it means that common method variance may be a problem (Podsakoff & Organ, 1986).

There has not been much of a research done in Malaysia, specifically in the area of HRM practices namely Performance Appraisal, Training and Development and to find the relationship with the Organizational Commitment.

Therefore, the research was developed based on prior researches which were conducted elsewhere which could not represent the Malaysian context appropriately.

This study contributes to this research by providing additional empirical support to the opinion that performance appraisal and training and development may enhance employees' commitment thus reducing turnover intention.

This study revealed that there exist a relatively moderate and strong relationship with organizational commitment ($\beta = .518, p < .001$) and turnover intention ($\beta = -.703, p < .001$) respectively. Thus, whereas the ultimate goal of HRM practices is to improve the effectiveness of employees (Kuvaas, 2006), the findings from this study suggest that it is more effective in influencing attitudes and behavioural intentions (organizational commitment and turnover intention).

An interesting avenue for future research would be to investigate the relationship between performance appraisal and training and development and different types of performance, namely contextual performance (i.e. behaviours that support the broader organizational, social and psychological environment (Motowidlo & Van Scotter, 1994)), organizational citizenship behaviour (Organ, 1988) and pro-social organizational behaviour (George & Brief, 1992).

Future research should also attempt to investigate the effect of performance appraisal and training and development on other types of employee outcomes such as job satisfaction, job involvement and employee absenteeism.

Kuvaas (2006) noted that among several potentially relevant dispositional variables, factors that capture dispositions or preferences toward internal versus external regulation, such as locus of control (Tang, Baldwin & Frost, 1997), need for independence (Orpen, 1985), autonomy orientation (Lee et al., 2003) and internal ability (Fletcher, 2002), deserve further attention.

Poon (2004) conducted a study in an attempt to examine the effects of perceptions of performance appraisal politics on job satisfaction and turnover intention, within the Malaysian context. Perceptions of performance appraisal politics may have an effect on satisfaction with performance appraisal. Therefore, future research could use Poon's (2004) model to explore the relationship between perceptions of performance appraisal politics and employee outcomes.

Unlike the private sector in Malaysia, Muhammad Rais (1995) noted that a common criticism of the public towards the public sector has been the poor quality of service rendered by the client/counter service staff. This is probably due to the human resource practices within the public sector which

could be different than that of those applied in the private sector. Therefore, future research could concentrate on conducting a similar study to explore the differences between performance appraisal satisfaction between the public and the private sectors in Malaysia, thus to measure the differences in the level of impact performance appraisal satisfaction has on employee outcomes within these two sectors.

Future research may include an experimental study, which may be needed to examine causality on the relationships examined in the present study. Furthermore, experimental studies may also be used to examine the effects of developmental versus evaluative performance appraisal.