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# Analysis of the Relationship Between Human Resources Management Practices and Organizational Commitment from a Strategic Perspective: Findings from the Banking Industry Didem Paşaoğlu \*\*

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#### Abstract

The aim of this study is to evaluate the effects of human resources management practices on organizational commitment, singly and systematically. The data was gathered from 304 participants in Eskişehir, who work in the banking industry. For that purpose, a survey study was conducted in different banks in Eskişehir. To analyze the relationship between the variables included in the study, correlations and multiple-regression statistics were used. The findings from the study support the variables (choice, training, performance evaluation, promotion, performance-based rewards, information sharing, job security and human resources management system) and these variables are also supported by findings of previous studies. As findings from this study depict, human resources management practices have an effect on organizational commitment both singly and systematically. The findings obtained open new horizons in discussions that defend the unification of human resources management practices in the banking industry in Eskişehir

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#### 1. Introduction

As service organizations are labour-intensive organizations, the efficiency of human resources practices and the organizational commitment of the employees is very important. One of the most important and variable resources in banking organizations which are located inside the service industry are the employees and the performance and productivity of employees is one of the top factors influencing organizational success. For the employees to show

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high performance and productivity depends on their job satisfaction.

The strategic human resources practices (SHRM) founded on organizational performance and employee behaviour, or colloquially human resources practices, has been one of the top study topics in the developing world for many years. (Delaney and Huselid, 1996; Huselid, 1995). There is a very limited number of studies about human resources practices in developing countries in general (Budhar and Debrah, 2001, quoted by Sing, 2004). The studies in the literature examine the modern human resources management practices and research.

The importance and value of Human Resources Management (HRM), which has ensuring that organizations achieve their goals by satisfying the individual expectations and needs of the employees as its main goal, and therefore the human resources department for organizations has increased. The content of the job done by human resources managers who have the key role in the SHRM process has changed dramatically. In this framework, it is suggested that new tasks such as joining the strategic planning process, being represented in the administrative board, being in constant cooperation with other department and line managers, may cause the human resources managers to be perceived as more meaningful and important, more powerful and autonomous. Limited studies in foreign literature, indicate that these changes happening in the jobs of managers employed in human resources departments cause a positive change in attitude in them towards their jobs (job satisfaction) and their organizational commitment . (Budhar and Debrah, 2001).

Sing (2004) has suggested that human resources (HR) policies have to be made compatible with business planning. Organizations must not consider people as variable expenses, but as assets and have to keep in mind that they are precious and a source of competitive advantage (Sing, 2004). Budhar (2001) have indicated that "people and their total skills, capabilities and experiences, when they are joined with the company's skills towards the company's benefit, are considered an important resource and contribution to corporate success and competitive advantage".

According to Bratton and Gold (2007), SHRM "is the process to connect the human resources function to the strategic goals of the organization to improve performance". They have added that SHRM is a management practice that is required by the human resources policies and practices that will be connected to the organization's strategic goals.

There is an important, ongoing debate in the literature about whether SHRM and the related human resources strategies are an output or a process. Snell et al. (1996) and similar scholars see SHRM as an organizational system designed to gain sustainable competitive advantage through humans. For others, it is a process that connects human resources practices with the business strategies (Ulrich, 1997). Similarly Bamberger and Meshoulam (2000), define SHRM as the process in which the members of an organization research the methods to connect the human, social and intellectual capital to the strategic needs of the company. Many researchers (Huselid, 1995; Delaney and Huselid, 1996; Huselid ed al., 1997) think that the human resources management practices in organizations help improving performance and therefore growth and gaining sustainable competitive advantage. These studies are studies that try to answer the question of whether human resources management has an important role to create a high financial performance and sustainable competitive advantage in a fast-changing environment. Traditionally, human resources is seen as a resource of creating strategic methods and values, which can have important economic effects on the organizational performance (Becker and Gerhart, 1996). As Becker and Huselid (1998) indicate, a skilful and motivated workforce may have a very important role in offering the organization the necessary speed and flexibility required to gain a competitive advantage, in a dynamical marketplace where the traditional competitive advantage resources (quality, technology, scale economy etc), have become easier to be copied by rival organizations.

There is a recent increase in the number of studies about SHRM practices and the relationship of these practices to organizational performance. In comprehensive studies conducted about the relation between human resources practices and organizational performance have also shown that, there is an undeniable relation between human resources practices and organizational performance (Wright, Gardner, Moynihan, & Allen, 2005). Although there are countless studies confirming the relation between HR and performance, empirical studies examining the mechanism that makes this relation work is are still inadequate (Wright and Gardner (2003). One of the methods to examine this mechanism is focusing on the role of human resources practices on the organizational commitment of employees. It is believed that this factor affects the motivations of employees, whether they do the best they can and finally the company's performance. Wright and Kehoe (2008). studies on the relation between HR practices & organizational commitment and performance evaluate HR practices singly and as HR system. It is thought that organizational commitment has singular effects on different variables such as skills, information sharing and awards

(Allen & Meyer, 1990; Pare & Tremblay, 2007). Focusing on HR practices singly is criticized by some authors in terms of theoretical and methodological reasons (MacDuffie, 1995). To resolve this issue, other studies have argued that the HR system is the right choice. For example Takeuchi et al. (2009), show in their study that using the HR system is effective on the individual job satisfaction of employees and creating an effective organizational commitment. Keeping the aforementioned background in mind, the aim of the present study is presenting a comprehensive analysis about the human resources practices and organizational commitment from the employees' perspective. Moreover, the relationship between HR practices and organizational commitment will be evaluated both single HR practices, and using the HR system. As most of the previous studies focused on western-developed countries, the studies about the relationship of human resources management practices and organizational commitment seen in non-western countries are limited in number (Meyer & Allen, 1997). However, this perception of cultural differences between eastern and western countries may take us to a different perspective about this discussion. In the end, it may reveal a difference in the opinions of human resources managers working in eastern countries and those who work in western countries about organizational commitment. The data of the study will be obtained generally from banking industry in Eskişehir. The present study will follow the basis of previous studies conducted to evaluate the relationship between HR practices and organizational commitment. Moreover, the hypothesis development and methods that have been used in this article will be explained. The last part will present discussions and suggestions for future studies.

## 2. HRM Practices and Organizational Commitment

HRM practices and their effects on organizational commitment to any institution, especially emotional participation, have been evaluated in detail in the study by Meyer and Allen (1997). HRM practices related to The choice methods, training, performance evaluation, awards and job security are evaluated as improving organizational commitment (Meyer and Smith 2000). As these findings show, the management may hold their employees in the institution by maintaining their organizational commitment, and this, in the end, will encourage qualified personnel on the outside to join the institution. Gaining competitive advantage by the need to attach the workforce to the organization and attractive qualified employees, have caused a leap in the number of studies aiming to study the relationships between HR practices and organizational commitment. The findings of the mentioned studies prescribes many important variables, which include training, information sharing and awards (Pare & Tremblay, 2007) The findings from existing studies confirm a positive relationship between organizational commitment and HR practices (Paul and Anantharaman 2004). Moreover, studies that do systematic evaluation also show a positive correlation between HRM system and organizational commitment. The social exchange theory also indicates the positive correlation between HR practices and organizational commitment. According to this theory, a social exchange relation takes place between employees and organizations, which means that the opportunities presented the employees by the organization makes the employee feel the responsibility to give something back to the organization.

**Hypothesis Development:** Organizational commitment has been evaluated and variously detailed in the literature by many authors. However, prominent scholars interpret organizational commitment as the continuous and ongoing relationship that the employees maintain with the organization to continue working in the organization, to spend effort to prevent damaging the aims and goals of the organization and to reach those aims and goals (Mowday, Steers, & Porter, 1979). Organizational commitment covers three types: emotional commitment is defined as "the positive emotional connection of the employees towards the organization"; continuity commitment as "the profitloss analysis of staying or going", and the rule commitment as "feeling of responsibility to stay in the organization because of moral reasons" Meyer & Allen (1997).

Selection and Organizational commitment: Organizations in the competitive business market of today wish to have a productive workforce, loyal to their institutions and HR practices become more important and progressive than ever before to achieve this. This situation allows institutions to be competitive and cope with different conditions of employees. This data is also proven in the literature that we couldn't find similar studies that used the same HR practices list and human resources management practices as a system Becker & Gerhart (1996). Researchers evaluate human resources systems based on their common dimensions (Appelbaum et al. 2000). The first is about the level of investment by the organization to HR practices related to the skills, knowledge and

capabilities of the employees. The practices in this dimension include recruitment, training and selection. The second list is about the motivation and the institutional effort spent to improve the performance and skills of the employees. These include incentive plans, performance bonuses and performance management systems. The third and last list of practices consider the level of investment done for HR practices to create an environment that make the employees feel that they are influential on the decisions about the work place and its outputs, and participate in the process. HR practices as a system are expected to influence organizational commitment with these 3 dimensions and each one of the dimensions has a unique effect. One of the effects of these practices is about the recruitment and selection criteria that will ensure that the high-level qualified employees will feel that they are working in the right place and are a part of the corporate family. In light of the data above, we can reach these hypotheses: H1: Organizational choice practices are positively correlated with organizational commitment.

Training and Organizational Commitment: In research about HR practices, training is defined as an important practice that has a large impact on competitive power. According to studies, organizations investing heavily to training, pick the fruits of this investment in the improvement in individual and organizational performance Bartel (2000). The investments done in training practices and the expected results listed by organizations has pointed researchers to different perspectives about the subject. In that context, the present work has determined a positive correlation between training and organizational performance (Collings et al. 2010). Moreover, many studies about organizational performance and organizational commitment of employees show that the training and development practices given by organizations, offers them the opportunity to improve the skills and performances of their employees (Delaney and Huselid 1996). In the recent literature studies, training is evaluated in the basis of its relation to organizational commitment. Many studies show that with training, an increase in the employees' level of organizational commitment has been observed. Employees start to expect that they will be provided training opportunities with the thought that they will show organizational commitment in return for the trust that a verbal psychological contract has been signed between them and the organization Bartlett (2001).

H2: In any organization, there is a positive correlation between the employee training practices and organizational commitment.

Performance evaluation and organizational commitment: Performance evaluation, which is generally considered an important HR practice, is an official procedure that is normally carried out as an interview once in a year and is prepared after careful consideration; and it is a platform that helps employees discuss their past performance and their future needs with their employers and design their future action plans Murphy and Cleveland (1995). With the new developments in business administration, performance evaluation is not a simple tool that records and documents employees' performances anymore. It is now evaluated as a strategic approach that is not only responsible for the individual performances of employees, but also for the relationship between the headquarters and branch offices and between the employees themselves Singh (2004). In the existing literature, a training and performance-based compensation relationship has been revealed between performance evaluation and different parts of HRM systems. If executed appropriately, in any organization, the performance evaluation system will allow the determination of the performance levels and skills of employees; as well as realizing the deficiencies of the people who are found out to need training Locke, Latham and Smith (1990). This fact emphasizes performance evaluation practices as an important factor in any organization. In research, performance evaluation HR practices that positively influence the improvement of employee skills and expertise are predicted. The number of studies supporting the argument that individual performance depends on skill, motivation and opportunity have dramatically increased in time. According to social exchange theory, investing in the wishes of employees will cause the workplace behaviour of the employees to be more positive in any organization Cropanzano and Mitchell (2005). This will cause an increase in the motivation level of employees and in the end, the employees doing their best to the advantage of the company and having a wish to maintain their commitment Kuvass and Dysvik (2009). According to this, it is expected that performance evaluation results should be in a direction that will make the employees feel competent and successful (Fey et al. 2009) and a more motivated and dedicated workforce will be obtained. However, the studies up to now are based on western societies. This study which is conducted in Turkey will present a different perspective on the subject., because the prevailing culture in Turkish organizations is different from the culture prevailing in western organizations. This discussion is led by the hypothesis below:

H3: There is a positive correlation between HR performance evaluation practices and organizational commitment.

**Promotion and Organizational commitment:** Another important factor that can be related to performance evaluation is promotion. According to this, institutions prefer methods that will help employees to advance within the organization and promote individuals from within the organization. According to Guest's (1997) view, the existence of career development opportunities in the organization has a positive correlation to the employees' organizational commitment since the employees believe that they can advance their careers in the organization they belong to. Emphasizing intra-organizational career opportunities related to promotion will ensure that there is an understanding of justice and rightfulness in the organization and increase their commitment levels (Fey et al. (2000). Emphasizing the provision that everyone has just and equal rights for promotion will not only help organizations to hold on to their qualified employees but also to increase their commitment levels. In light of these arguments, we present our fourth hypothesis.

H4: In any organization, there is a positive correlation between the promotion opportunities and organizational commitment.

Performance-based awards and organizational commitment: Fast changes that happen in the concept of competition between different organizations in the market and consequently in the composition of the workforce, the concept of work-private life balance emerged and the ever-rising costs have started to be related to additional payment plans. The concepts related to the compensations and awards given to employees have been a center of attention for both employers and decision-makers. According to the results of the present study, there is a correlation between rewarding the employees and human resources practices related to organizational commitment. Granting high rewards in proportion with performance is named one of the best practices and is an inseparable component of reaching organizational goals via higher motivation and commitment levels Pfeffer (1998). Some studies indicate that there are views amongst employees that performance-based pricing is sometimes an unjust practice (Trevor, Gerhart & Boudreau, 1997), for this reason, some studies have revealed a meaningless relation between payment and commitment (Trevor et al., 1997). Those who work in an institution offering attractive additional payment packages believe that this is an indicator that the employees are important to the institution and that they are being cared for. This will result in a strong emotional commitment. Consequently, a stronger continuance commitment and workplace commitment will emerge and the compound effect of all these will allow a stronger rule commitment to emerge Meyer & Allen (1997). Although a serious increase in studies pertaining to compensations and rewards of employees has dramatically increased in recent years, their focus has been the relation between the provisions for rewards that will be given the employees and their individual satisfactions. Some of the studies have also focused on the relationship between the level of satisfaction about additional payments and other results pertaining to human resources management (Blau et al., 2001). A great portion of studies about rewards and additional payments have been conducted in western countries and especially USA and United Kingdom. Studies in eastern and Asian countries are almost non-existent.

H5: In the performance of any organization, there is a positive correlation between the basis rewards and organizational commitment.

Information sharing and organizational commitment: In any organization, information sharing is rather considered a social matter and seen as an inseparable part of the employees' organizational commitment Wasko and Faraj (2005). The consensus between these authors is that information sharing depends on the concept of good social relationships. Li, Ardichvili, Maurer, Wentling and Stuedemann (2007) show in their study that while information sharing is very important within groups, it is relatively weaker in general organizational group In another study, O'Neill and Adya (2007) have emphasized that Chinese workers generally value compromise and sacrifice more and that they are more willing to share information within the group. The results of this study support the results of the research by Wasko and Faraj (2005) According to these two authors, efficient information sharing is practiced between employees with responsibility and teamwork principles, a corporate concept of responsibility and mutual cooperation will develop. The assumption we reach in light of these findings is that in organizations that can practice information sharing, employees will be more loyal to their organizations. Information sharing has been emphasized as one of the fundamental HRM practices by Pfeffer (1998). According to Pfeffer's argument, information sharing helps create an increase in the trust relationship between the employees and the management, and provides a foundation for teamwork in the framework of providing information to employees. Consequently the employees have the opportunity to forward their suggestions to improve daily business. Most of the researchers emphasize the positive correlation between information sharing and organizational commitment. Information sharing is widely used as an essential practice to further the employees' organizational commitment by the organizations. As a result of this discussion;

H6: There is a positive correlation between information sharing practices and organizational commitment.

Job security and organizational commitment: Today, another very important factor encountered by the organizations is job security. There is a constant increase in the number of studies focusing on this subject. Herzberg (1968) has defined job security as "the capacity of any organization to provide continuous employment to its employees". Singh (2004) defines job security as "the ability of any individual to be employed in the same organization without experiencing any seniority, salary, retirement rights or similar losses." Job security is an important issue and is very important in influencing the employees' views about their jobs. From this perspective, job security is an important factor determining the physical and emotional satisfaction (Kuhnert and Palmer, 1991), turnover; continuity (Iverson and Roy, 1994); and organizational commitment (Iverson, 1996) of employees. According to the results of some studies, job security increases the organizational commitment of the employees (Meyer & Smith, 2000). According to Meyer & Smith, 2000's argument, job security is a practice used by any organization to convey a message of commitment to the employees, and in return, expect them to show the organization commitment. This supports the mutual social exchange theory (Blau, 2001). The hypothesis reached in light of this is:

H7: There is a positive correlation between job security and organizational commitment.

HRM system and organizational commitment: When HR practices are evaluated strategically, HR practices should not be evaluated one by one but as a combination of practices, as a system, to research the relations and interactions between managers and employees. Moreover, HRM systems formed by joining independent HRM practices that create a connection with each other which show "high internal compatibility", with organizational strategy which shows "high external compatibility" are found to have a larger impact on organizational performance compared to single HRM practices (Bamberger and Meshoulam 2000). The empirical research that uses internally consistent HRM system has a positive effect on organizational performance (Bae and Lawler 2000;) and employee commitment. Existing research done in systems level indicate a positive correlation between HRM system and organizational commitment. This finding brings us to the following hypothesis about the relationship between HRM system and organizational commitment;

H8: HRM system is positively correlated with organizational commitment.

### 3. Method

The methods applied to test the hypotheses which are considered the theoretical basis for the suggested relations are specified below:

A survey has been prepared about HR practices and organizational commitment. This survey has later been discussed in the group to correct possible uncertainties. All in all, 450 surveys about HR practices and organizational commitment have been distributed to the personnel working in different banks in the government and private sectors. The mentioned surveys are surveys filled personally and with pen and paper. The participants were voluntary and had ample time to complete the survey forms. The completed forms were collected on the same or the next day. Survey forms from 315 employees have been collected and 304 of them have been evaluated (11 survey forms were not included because of missing answers) The survey participation ratio has been defined as 67,5%.

**Participants:** The participating employees are full-time employees employed in banks. As the focus point of the present study is the banking industry, the focus group in the study consists only of banking industry personnel. The sex distribution of the participants is 63.8% males and 36.2% females. The age distribution is 73% below 30 years of age, 17.8% between 30-39, 7.9% between 40-49 and only 1.3 above 50. 52.6% of participants are bank officers, 23% is administrative personnel, 23.7% is middle management and 0.7% upper management.

**Measurement:** As the measure for HRM practices, the measure that Gürbüz and Mert (in print) have prepared based on the measures developed by Becker and Huselid (1998); Wright et al. (2005) and adapted to Turkish has been chosen. HR practices have been evaluated for choice, training, performance evaluation, promotion, performance-based rewards, information sharing and job security variables. All the items about HR practices have been graded based on a five-point scale with (1) I completely disagree and (5) I completely agree. HR practices have been evaluated thus: Choice has been evaluated with a four items based on the five-part Likert scale, graded

between (1) I completely disagree and (5) I completely agree. Cronbach alpha coefficient for the choice index was 0.88. The training variable has been evaluated with a four items based on the five-part Likert scale, graded between (1) I completely disagree and (5) I completely agree. The measure focuses on the training opportunities offered the employees by the organization and the level of use that the training gets in recruitments and the career advancements of existing employees. An example item is "this job offers the employees comprehensive training programs". Cronbach alpha coefficient for the training index was 0.78. Performance evaluation has been evaluated with a four items based on the five-part Likert scale, graded between (1) I completely disagree and (5) I completely agree. One of the items was "the evaluation system is focused on growth and development". The purpose of the evaluation system is clear for every employee Cronbach alpha coefficient for the performance evaluation index was 0.85. Promotion has been evaluated using the five-part Likert scale without changing the interval used for previous practices. The first two items has asked the employees about the existence of career opportunities within the organization and advancement opportunities within the organization. The third item measured the existence of career development plans for the employees, and the fourth and last item covered questions about the employees' choices in case any open position comes up. Cronbach alpha coefficient for the promotion index was 0.82. Performance-based rewards have been evaluated with a four items based on the five-part Likert scale, graded between (1) I completely disagree and (5) I completely agree. The first two items examined whether the company uses performance-based rewards and the comparability of the reward system with market conditions. The third item is about whether the pricing is done in line with skills and capabilities and the last item measures the level of correlation of the additional payments with the employees' performances. Cronbach alpha coefficient for the performance-based rewards index was 0.83. Information sharing have been evaluated with a four items based on the five-part Likert scale, graded between (1) I completely disagree and (5) I completely agree. Some of the items are: "employees are free to take any decision they want to in this job" "Superiors keep the communcation channels with the employees open at all times." Cronbach alpha coefficient for the information sharing index was 0.88. The job security index covering four items has been evaluated with the same rating system used in other HR practices in this study, based on the five-part Likert scale. Some of the items are: "individuals working in this job may hope to stay in the organization for as long as they wish", and "in case the bank experiences financial troubles, the employees will be the last ones to lose their jobs" Cronbach alpha coefficient for the job security ndex was 0.80. For the organizational commitment factor the (Timothy et al. 2001) measure has been used. There were sixteen items based on the five-part Likert scale and they were graded between (1) I completely disagree and (5) I completely agree. Some of the exemplary items: "I have a high level of feeling of belonging to the organization I work for" "I'm proud to work in this organization". Cronbach alpha coefficient for this index was 0.85.

4. Results
Table 1: Correlation coefficients between HR practices and OL and descriptive statistics.

Variable Name	Average	S.S	1	2	3	4	5	6	7
Choice	3.72	0.43	0.65**						
Education	3.81	0.34		0.52**					
Performance evaluation	3.67	0.42			0.62**				
Promotion	3.54	0.45				0.59**			
Rewards	3.63	0.46					0.63**		
Information sharing	3.26	0.48						0.58**	
Job Security	3.21	0.49							0.51**
Organizational commitment	3.58	0.35							

Notes: \*\* p< 0.01 (double-tail test). N= 304, OL (Organizational commitment)

Table 2: Regression results about HR practices related to Organizational commitment

8									
Variable Name	M1	M2	М3	M4	M5	M6	M7	M8	М9
Independent Variables									
Choice	(H1)	0.66***							
Education	(H2)		0.52***						
Performance evaluation	(H3)			0.62***					
Promotion	(H4)				0.58***				
Rewards	(H5)					0.64***			

Information sharing	(H6)			0.57***						
Job Security	(H7)								0.50***	
İKYS Control Variables	(H8)									0.71***
Sex	=	$-0.99^*$	-0.05	-0.08*	-0.08*	-0.02	-0.08** -0	.06	-0.04	- 0.04
Age category	-	$-0.16^*$	-0.10	-0.09	-0.11	-0.07	-0.07 -0.04		-0.00	-0.02
Marriage Status	(	0.67	0.07	80.0	0.08	0.07	0.05	0.02	80.0	0.07
Experience in banking industry	(	0.47	0.18**	0.12	0.14*	-0.07	-0.13* 0.04		-0.06	0.09
R-squared	(	0.03	0.44	0.29	0.41	0.36	0.42	0.34	0.28	0.51
Adjusted R-Squared	(	0.02	0.43	0.28	0.40	0.35	0.41	0.33	0.27	0.50

Notes: \* p < 0.1; \*\*\* p < 0.05; \*\*\*p < 0.01 (double-tail test). N = 304; M1-M9 (From Model 1 to Model 9)

**Table 3: Results of hypotheses** 

Hypothesis	Variable Name	Result
H1:	Choice and OL:	Accepted
H2:	Training and OL:	Accepted
H3:	Performance evaluation and OL	Accepted
H4:	Promotion and OL:	Accepted
H5:	Rewards and OL:	Accepted
H6:	Information sharing and OL	Accepted
H7:	Job security and OL	Accepted
H8	HRMS and OL	Accepted

Table 1 shows the descriptive statistics obtained from the present study about the relation between the independent variable organizational commitment with the dependent variables, and the findings about the relation between the correlation coefficients. A series of regression analysis models have been predicted to test the hypotheses developed in this study. Nine models have been tested for the dependent variable of organizational commitment.

The first phase was inputting control variables (Model 1 in Table 2) The sex and age categories have created a serious independent effect as control variables. The other two variables, marriage status and experience in banking industry have been found to be meaningless as to their relation to organizational commitment. In the second phase, the single effects of supposed variables about human resources practices have been tested between Model 2 and 8 along with control variables (Table 2). The first series of regression analyses was applied with organizational commitment as dependent variable. The results support the H1 hypothesis. The calculated coefficient is positive and meaningful. H1 (0.66, p<0.01), thus this indicates that there is a strong relation between choice and organizational commitment and provides evidence in favour of the first hypothesis. Similarly, regression analyses have been done for the other independent variables of the study and the correlation coefficient of the tests have been found to be positive and meaningful. For example, the results for training (0.52, p<0.01); performance evaluation (0.62, p< 0.01); promotion (0.58, p<0.01); rewards (0.64, p<0.01); information sharing (0.57, p<0.01); job security (0.50 p<0.01) support our other hypotheses. The result shows that there is a positive and meaningful relationship between HRMS and organizational commitment (0.71, p<0.01).. The summary of the test hypotheses and the results of the hypotheses are as shown in Table 3. These results obtained about the different effects of HR practices are consistent with other studies that have examined the influence of the mentioned practices on organizational commitment. (Bamberger and Meshoulam, 2000).

**Discussion:** The principal goal of this study is to evaluate effects of HR practices in the banking industry in Eskişehir singly and the HR system as a whole. The results obtained from the hypotheses developed in this study shows that all the hypotheses have been accepted (Tables 2 and 3). As can be seen in the results mentioned in table 2, the organizational commitment variable is both singly and systematically dependent on the HR practices mentioned in this study in the eyes of banking industry employees in Eskişehir. HR practices relating to choice, training, performance evaluation, promotion, performance based rewards, information sharing and job security show that the organizations are willing to invest in human resources, and provide their employees opportunities to further and develop their skills. If the HR practices executed by any organization can infuse the employees with feelings of

success and independence, there will be an increase in the employees' commitment to the organization (Meyer et al. 2004). The results support the hypothesis that choice practices are positively correlated with organizational commitment. The result is consistent with the findings of Caldwell et al, 1990. It is also determined that the training-related hypothesis is positively correlated with organizational commitment. According to these findings, it can be said that the organizations attaching more importance to the training and development needs of their personnel will get better results in organizational commitment. These results support previous studies (Meyer, Becker & Vandenberghe, 2004). The findings of the present study related to performance evaluation also show a Positive and meaningful relationship with organizational commitment. Previous studies (Kuvass and Dysvik 2009) also support our findings and allow to see the matter from the perspective of a developing country. According to Guest (1997), the career opportunities provided the employees within the organization is positively correlated to the employees' organizational commitment since the employees believe that the organization provides them career opportunities. This finding is also supported by the positive correlation with the results obtained from the hypotheses advanced in the present study about the promotion practices in banking industry in Eskişehir.

The high rewards given based on performance have been evaluated as one of the best practices and may be used as an incentive to increase the motivation and commitment to organizational goals of the employees (Pfeffer, 1998). In line with the results of previous studies, this study also supports the hypothesis that there is a positive correlation between the performance-based rewards and organizational commitment (Blau et al., 2001). Pfeffer (1998) emphasizes that information sharing is an important human resources practice. As many researchers support (Meyer and Allen 1997). There is a positive correlation between information sharing practices and organizational commitment. The organizations use information sharing to increase organizational commitment of their employees. In the scope of previously mentioned findings, these results are even more important and support our study which supports the information sharing hypothesis. Another important matter concerning organizations today is job security and this matter is highly emphasized in research studies. The results obtained from the present study support the hypothesis that there is a positive correlation between job security and organizational commitment. These findings are consistent with the results of previous studies Iverson 1996; Meyer & Smith, 2000). The study, has revealed that there is a meaningful relation between HRM system and organizational commitment. The results obtained from the present study support the hypothesis that there is a positive correlation between HRMS and organizational commitment.

Although this study is limited to determining the effects of HR practices on organizational commitment, the evaluations of the study should not be disregarded. One of the limitations of the study is the fact that the sample pool is very small. This study should be informative for future studies. As a result of the research conducted in banks, a correlation has been found between human resources management practices and organizational commitment. One of the main limitations of the study is the fact that the sample pool is very small. The study didn't cover all the human resources practices in the evaluated banks. This study provides very productive suggestions for future studies. To verify the findings of this study, a situational study method can be used in future studies.

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