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**Organizational Commitment Mediating SHRM Practices and
Organizational Performance Relationship**

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Abstract

This paper studies the role of organizational Commitment on HRM bundles (skill-enhancing practices, motivation-enhancing practices, and opportunity-enhancing practices) and organizational performance relationships. The respondents (n = 406) were the regular or permanent employees of Philippine-based organizations. The results showed that organizational commitment fully mediates the relationship between skill-enhancing practices and organizational performance. On the other hand, it partially mediates the relationship between motivation-enhancing procedures and organizational performance and the association between opportunity-enhancing practices and organizational performance. Managers should promote skill-enhancing, motivation-enhancing, and opportunity-enhancing practices in their organization's HR strategy. This allows employees to demonstrate higher levels of organizational commitment, which contributes to improved organizational performance.

Keywords: *organizational commitment, organizational performance, SHRM practices*

Introduction and Rationale

Globalization of goods and services provides business owners with increasing demand to improve organizational effectiveness. Firms that need to increase their competitiveness to compete with global corporations are now focusing on their human resources as a competitive advantage. However, as products and services become more globalized, business owners and employees will have more opportunities. Workers nowadays have more possibilities for local and foreign jobs, making it challenging to retain qualified workers. As a result, businesses must now increase their benefits to attract suitable applicants and keep high-performing employees. HR practitioners are now concentrating on strategic human resource management (SHRM) methods to manage human resources better and boost organizational performance.

SHRM (strategic human resource management) strategies are a powerful tool for boosting performance. Empirical evidence (Liu et al., 2007; Dimba, 2010; Zehir et al., 2016; Knezovic et al., 2020; Sendogdu et al., 2013; Adresi & Darun, 2017; Giauque et al., 2010); Aboramadan et al., 2020) supports this premise. Furthermore, when HRM is executed systematically, organizational performance doubles (Liu et al., 2007). However, researchers on HRM practices and firm performance have increasingly called for research on the mediating links or referred to as the "black box" problem (Becker & Gerhart 1996; Collins & Clark, 2003), in which organizational commitment is a potential mediator (Wright & Kehoe, 2008). Similarly, only a few have studied

SHRM practices' intangible outcomes (e.g., organizational commitment) (Sendogdu et al., 2013). In recognition of this research needs, the current study will examine the "black box" between SHRM practices and firm performance by exploring the role of organizational commitment as a mediator. In addition, it wants to investigate the impact of SHRM practices on organizational commitment.

The participants in this study were permanent or regular employees of private and public organizations in the Philippines. The corporate and public sectors use HRM to improve performance, though the private sector uses HRM more (Vanhala & Stavrou, 2013). Furthermore, HR strategies, particularly the ability, motivation, and opportunity-enhancing procedures, affect employees in both public and private firms (Blom et al., 2018). Moreover, this study did not evaluate contractual or temporary workers due to job security concerns, which is a factor of employee productivity and an indicator of company success (Cheng-Hua et al., 2009).

Literature Review

Strategic Human Resource Management (SHRM) Practices

SHRM practices are the new direction of HRM involved in managerial tasks of developing and retaining qualified employees (Fottler, 2010 as cited by Knezović et al., 2020). This new strategic role for HRM leads to achieving the firm's goals and objectives (Becker & Gerhart, 1996). If there is no link between HRM practices and firms' objectives, HRM is just a functional part of an organization (Zehir et al., 2016).

Numerous researchers have already studied SHRM practices in different sectors, industries, countries, and tangible outcomes such as organizational performance, directly and indirectly, and few on intangible performance measures such as organizational commitment. Some of the results obtained from the previous researches are as follows:

- Collins and Clark (2003) supported the indirect relationship of HR practices and performance relationships through the top management team's social network.
- Chang and Huang (2005) contended that SHRM significantly affects OP, but product market strategy moderates their relationship (based on the data gathered in Taiwan).
- Liu et al. (2007) evidenced that HRM significantly impacts OP (based on more than 19,000 organizations).
- Dimba (2010) proposed that SHRM practices contribute to a firm's performance by increasing motivation. Their study was conducted in Kenya.
- Zehir et al. (2016) proved that HRM practices and firm performance relationships are indirect through entrepreneurial orientation as a mediating variable (data collected from different industries in Istanbul).
- Knezovic et al. (2020) established the significant relationship between SHRM practices and business performance.
- Giauque et al. (2010) showed that some HRM practices significantly influence knowledge workers' Commitment in Swiss small-to-medium enterprises (SMEs) ($n=198$).
- Sendogdu et al. (2013) found that some HRM variables and Commitment in Kenya positively. ($n=169$).

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- Adresi and Darun (2017) investigated seven essential SHRM practices and organizational commitment and found that internal career ladders, on-the-job training, and pay for performance influence employees' organizational commitment.
- Aboramadan et al. (2020) confirmed that HRM practices of Palestinian Universities trigger the work commitment of their academic and administrative staff ($n = 237$).
- Ko and Smith-Walter (2013) have studied organizational commitment and firm performance as HRM practices outcomes. They proved that the latter is significantly associated with the two.

Organizational Commitment (OC)

OC is the employees' psychological attachment to an organization (Sendogdu et al., 2013). It is used to gauge if employees can meet organizational objectives and tasks and maintain the relationship between employees and the organization (Adresi & Darun, 2017). An employee's commitment makes them stay in the organization and improves their performance, which consequently enhances organizational performance, according to Steyrer et al. (2008). They further stressed that only a few researches on OC as a predictor of corporate performance are found in the HRM literature. Indeed, in their study, they cited merely three types of research on this:

- First, they mentioned Benkhoff's (1997) study, which found that OC significantly affects the bank branches' financial performance.
- Then the study on Malaysian companies by Rashid, Sambasivan, and Johari (2003) proved that OC impacts their financial performance.
- Lastly, they also mentioned the study conducted by Gmur and Schwerdt (2005), which showed that employee commitment, which results from human resource policies, significantly predicts organizational performance.

The author also found two published pieces of research on OC predicting organizational performance:

- Steyrer et al. (2008) studied 78 companies in Germany and found that OC significantly impacts performance. ($n = 78$)
- Irefin and Mechanic (2013) verified that employee's commitment and organizational performance relationship is positive and significant (based on Coca-Cola company in Nigeria; $n = 120$)

Three classifications can measure organizational commitment. First is by the level of employee's emotional attachment to an organization (affective), next is by the perceived cost of a departure from the organization (continuous), and lastly is by the sense of moral obligation (normative) (Allen & Meyer, 1990). Klein et al. (2009) declared that these categories are frequently used measures of OC (as cited by Aboramadan et al., 2019). Thus, this study will use these measures on the organizational commitment variable.

Organizational Performance (OP)

Organizational performance is a dependent variable that is predicted, understood, and shaped (March & Sutton, 1997). Organizations will not optimize OP unless they invest in their resources and satisfy their employees' needs (Odongo et al., 2019). They further emphasized that

investment in resources will improve their human capital's commitment to work, improving its performance. Thus, OP is the end goal that pushes organizations to make strategic decisions about their employees.

Previous researches measured OP through financial measures, others utilized non-financial measures, and some used multiple measures. Since financial or objective performance measures are not applicable in the public sector, the author decided to use the non-financial or the subjective measure of organizational performance.

Theoretical Framework

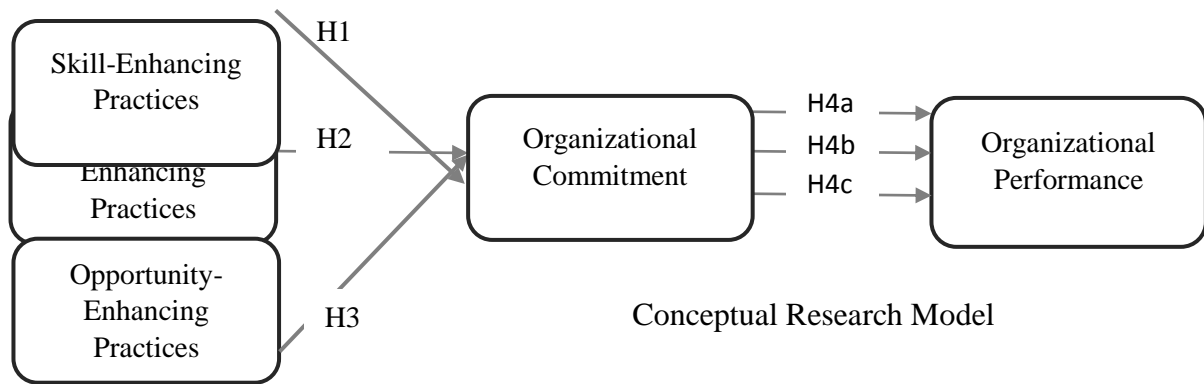
AMO model as a measure of SHRM practices

SHRM practices can be classified into three categories, leading to three HR bundles. First is the skill-enhancing practices, next is the motivation-enhancing methods, and lastly is the opportunity-enhancing practices. These bundles of practices, also known as high-performance work systems (HPWS), or the AMO model (ability-enhancing, motivation-enhancing, and opportunity-enhancing), are coherent work systems that boost employee productivity. They were established and first utilized by Appelbaum et al. (2000). The AMO model was based on Bailey's (1990) paradigm, which indicated three components of practical discretionary efforts: the motivation to make the discretionary effort, the skills to make their effort meaningful, and the opportunity provided by the employers to participate in decisions in which their work was structured (as cited by Appelbaum et al., 2000).

Although it was designed initially for manufacturing companies, further study using this framework confirmed that it was equally applicable to service industries. The AMO model, sometimes known as the HPWS model, has been utilized as a framework for HR operations in businesses (Bos-Nehles et al., 2013; Fabi et al., 2015). In their meta-review, Jiang and Messersmith (2018) looked at literature classifying HRM practices into these three policy categories. Previous studies have also suggested that instead of focusing on individual HR practices, the field should focus on "HR bundles" to achieve organizational goals (Almutawa et al., 2016; Noon et al., 2019). Dastmalchian et al. (2020) also conducted a study across different countries and verified that the three bundles of HR practices are positively related to organizational performance. Though Fabi et al. (2015) found that the impact of HPWS based on the AMO model on human capital is more significant when taken together, Jiang et al. (2012) proved that the effects of the three sets of HRM practices on human capital and organizational performance are different. Vermeeren (2015) confirmed that ability-enhancing and opportunity-enhancing HR practices substantially influence organizational performance than motivating-enhancing HR practices.

Furthermore, they discovered that only the ability-enhancing HR practices impacted the firm's performance, both directly and indirectly. In contrast, the other two bundles have a direct impact on the firm's bottom line. A similar study was conducted in India, which established that ability-enhancing practices and firm performance relationships are fully mediated by affective commitment. In contrast, the motivation-enhancing and opportunity-enhancing practices with firms' performance are partially mediated (Kundu & Gahlawat, 2016). Thus for this study, the author uses the AMO model to assess SHRM practices in this study.

Conceptual Framework



The main objective of this study is to investigate the mediating mechanisms between SHRM practices and organizational performance. The relationships between the independent, mediating, and dependent variables must be established before mediation may occur. As a result, the links between SHRM practices and organizational commitment and SHRM practices and organizational performance will be investigated in this study. Specifically, this research will test the following hypotheses:

- Hypothesis 1: Skill-enhancing practices significantly predict Organizational Commitment.
- Hypothesis 2: Motivation-enhancing practices significantly predict Organizational Commitment.
- Hypothesis 3: Opportunity-enhancing practices significantly predict Organizational Commitment.
- Hypothesis 4a: Organizational commitment mediates the relationship between skill-enhancing practices and organizational performance.
- Hypothesis 4b: Organizational commitment mediates the relationship between motivation-enhancing practices and organizational performance.
- Hypothesis 4c: Organizational commitment mediates the relationship between opportunity-enhancing practices and organizational performance.

Methodology

Measurement Items

To assess the variables used in this study, the researcher modified the questionnaires utilized in earlier studies in the literature:

The author adopted the Beltrán-Martín and Bou-Llusar (2018) scale for SHRM practices, adapted from Gardner et al.'s (2001) measure. It includes three HR bundles, namely skill-

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enhancing practices, motivation-enhancing practices, and opportunity-enhancing practices indices.

The organizational commitment scale was adapted from Giauque et al. (2010) that includes three different natures of commitment: affective, continuance, and normative, with 11 items.

Organizational performance scales were from the National Organizations Study in the US as cited in Kalleberg and Moody (1994), with 11 questions. The author adopted seven items that apply to all types and nature of organizations.

The respondents were asked to state their level of agreement (ranging from 1 = strongly disagree to 5 = strongly agree) on SHRM practices and their organizational commitment to their organizations. Further, they were asked to compare (ranging from 1= much worse to 5 = much better) the organization's performance to which they belong over the past three years to other organizations that provide the same products or services.

Sample and Data Collection

The data for this study was collected using the snowball sampling approach. The respondents were surveyed using a Google form created by the researcher. Her family and friends who work for private and public organizations in the Philippines were emailed the link with the request that they forward it to their coworkers. Four hundred six regular and permanent employees completed the survey. The researcher utilized the JAMOVI application to examine the data. Statistical studies revealed that most of the participants were between the ages of 20 and 29 and that 108 of them were males and 295 were females; 238 were single, 161 were married, and seven belonged to others. The majority of the participants had a bachelor's degree, worked as a staff member, and had been with the organization for less than five years. 176 of the 406 respondents worked in the service industry, 40 in manufacturing, and 190 in other sectors, with 195 working for public organizations and 201 for private companies.

Table 1*Individual and Organizational Characteristics of Respondents*

Demographic Profile	Frequency	Percentage
Age		
20-29	184	45.3
30-39	132	32.5
40-49	58	14.3
50 and above	32	7.9
Gender		
Male	108	26.6
Female	295	72.7
Others	3	0.7
Marital Status		
Single	238	58.6
Married	161	39.7
Others	7	1.7
Qualification		
Diploma	13	3.2
Bachelor	325	80
Masters	63	15.5
Doctorate	5	1.2
Job Position		
Staff	248	61.1
Middle-Level Officer	112	27.6
Manager	46	11.3
Tenure		
Less than 1 year	26	6.4
1 to less than 5 years	178	43.8
5 to less than 10 years	114	28.1
Above 10 years	88	21.7
Type of Organization		
Service	176	43.3
Manufacturing	40	9.9
Others	190	46.8
Nature of Organization		
Private	195	48
Government	201	49.5
Others	10	2.5

*Note: n = 406.****Factor Analyses and Reliabilities***

To see the underlying dimension of the research variables, the author performed exploratory factor analysis. The Kaiser-Meyer-Olkin (KMO), which was applied to test whether the data set is suitable for factor analysis, states that when the KMO value is below 0.5, the data

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set is not acceptable for factor analysis. Based on the analysis results, the KMO values are between 0.736 to 0.966, which means the dataset is either middling, meritorious, or marvelous. That also means that the research data set is adequate for factor analysis. Factor reliabilities were also checked with Cronbach's Alpha values. If the values are more than 0.70, all the items used are significant to measure the research variables. Factor analysis results are given in the table below.

Table 2
Factor Analysis Results

Factor	Item	MSA	Estimates	SE	Z	P	Cronbach Alpha
SE	SE1	0.751	0.804	0.0483	16.67	< .001	0.7648
	SE2	0.748	0.996	0.0637	15.64	< .001	
	SE3	0.79	0.865	0.0592	14.6	< .001	
	SE4	0.736	0.466	0.0773	6.03	< .001	
	SE5	0.818	0.693	0.0477	14.53	< .001	
ME	ME1	0.813	0.636	0.0651	9.78	< .001	0.838
	ME2	0.835	1.115	0.0632	17.63	< .001	
	ME3	0.789	1.247	0.0607	20.55	< .001	
	ME4	0.797	1.04	0.0631	16.49	< .001	
	ME5	0.878	0.852	0.0571	14.93	< .001	
OE	OE1	0.844	0.769	0.0486	15.8	< .001	0.9029
	OE2	0.849	0.628	0.0469	13.4	< .001	
	OE3	0.827	1.064	0.0439	24.2	< .001	
	OE4	0.807	1.095	0.0456	24	< .001	
	OE5	0.872	1.009	0.0493	20.5	< .001	
OC	OC1	0.966	0.658	0.0473	13.9	< .001	0.93
	OC2	0.89	0.841	0.0417	20.2	< .001	
	OC3	0.895	0.825	0.0417	19.8	< .001	
	OC4	0.938	0.784	0.0448	17.5	< .001	
	OC5	0.945	0.792	0.041	19.3	< .001	
	OC6	0.913	0.711	0.0562	12.6	< .001	
	OC7	0.93	0.855	0.0543	15.7	< .001	
	OC8	0.923	0.81	0.048	16.9	< .001	
	OC9	0.928	0.791	0.0428	18.5	< .001	
	OC10	0.917	0.812	0.0406	20	< .001	
	OC11	0.904	0.748	0.0451	16.6	< .001	
OP	OP1	0.875	0.685	0.0324	21.1	< .001	0.9382
	OP2	0.88	0.701	0.0331	21.2	< .001	
	OP3	0.915	0.755	0.0351	21.5	< .001	
	OP4	0.916	0.78	0.0404	19.3	< .001	
	OP5	0.947	0.647	0.0336	19.2	< .001	
	OP6	0.881	0.729	0.0366	19.9	< .001	
	OP7	0.907	0.68	0.0356	19.1	< .001	

A Spearman correlation analysis was conducted among variables. The result of the correlation was examined based on an alpha value of 0.05. A significant positive correlation was observed among all variables.

Table 3
Spearman Correlation Results Among Variables

		1	2	3	4	5
1.Skill-enhancing practices	Spearman's rho	—				
	p-value	—				
2.Motivation-enhancing practices	Spearman's rho	0.532	—			
	p-value	< .001	—			
3.Opportunity-enhancing practices	Spearman's rho	0.482	0.613	—		
	p-value	< .001	< .001	—		
4.Organizational Commitment	Spearman's rho	0.426	0.376	0.378	—	
	p-value	< .001	< .001	< .001	—	
5.Organizational Performance	Spearman's rho	0.266	0.353	0.450	0.480	—
	p-value	< .001	< .001	< .001	< .001	—

Results and Discussion

The author conducted a mediation analysis to assess if organizational commitment mediated the relationship between skill-enhancing practices and organizational performance, motivation-enhancing practices and organizational performance, and opportunity-enhancing practices and organizational performance. To determine whether the data supported a mediating relationship, three regressions were conducted for each. In the analyses, the independent variables were skill-enhancing practices, motivation-enhancing practices, and opportunity-enhancing practices; the mediator was organizational commitment, and the dependent variable was organizational performance.

Skill-Enhancing Bundle and Organizational Performance as mediated by Organizational Commitment

The following regressions will be examined based on an alpha of 0.05. First, the regression with skill-enhancing practices predicting organizational performance was conducted. The regression of organizational performance on skill-enhancing practices was significant, $F(1, 404)$

= 35.01, $p < .001$. The results showed that skill-enhancing practices were a significant predictor of organizational performance, $B = 0.23$, indicating that the first criterion for mediation was satisfied. Second, the regression with skill-enhancing practices predicting organizational commitment was conducted. The regression of organizational commitment on skill-enhancing practices was significant, $F(1, 404) = 105.96, p < .001$. The results showed that skill-enhancing practices were a significant predictor of organizational Commitment, $B = 0.42$, indicating that the second criterion for mediation was satisfied. Next, the regression with skill-enhancing practices and organizational commitment predicting organizational performance was conducted. The regression of organizational performance on skill-enhancing practices and organizational commitment was significant, $F(2, 403) = 77.03, p < .001$, suggesting that skill-enhancing practices and organizational commitment accounted for a significant amount of variance organizational performance. The individual predictors were examined further. The results showed that organizational commitment was a significant predictor of organizational performance when skill-enhancing practices were included in the model, $B = 0.44$, indicating that the third criterion for mediation was satisfied. The results showed that skill-enhancing practices were not a significant predictor of organizational performance when the organizational commitment was included in the model, $B = 0.04$, indicating that the fourth criterion for mediation was satisfied. Since all four criteria were satisfied, complete mediation is supported. The results of the mediation are presented in Table 4.

Table 4

Mediation Results for Organizational Performance predicting Skill-Enhancing Practices mediated by Organizational Commitment

Dependent	Independent	<i>B</i>	<i>SE</i>	<i>t</i>	<i>p</i>
Regression 1:					
Organizational Performance	Skill-Enhancing Practices	0.23	0.04	5.92	< .001
Regression 2:					
Organizational Commitment	Skill-Enhancing Practices	0.42	0.04	10.29	< .001
Regression 3:					
Organizational Performance	Skill-Enhancing Practices	0.04	0.04	1.16	.247
	Organizational Commitment	0.44	0.04	10.47	< .001

Motivation-Enhancing Bundle and Organizational Performance as mediated by Organizational Commitment

The following regressions will be examined based on an alpha of 0.05. First, the regression with motivation-enhancing practices predicting organizational performance was conducted. The regression of organizational performance on motivation-enhancing practices was significant, $F(1, 404) = 60.55, p < .001$. The results showed that motivation-enhancing practices were a significant predictor of organizational performance, $B = 0.25$, indicating that the first criterion for mediation was satisfied. Second, the regression with motivation-enhancing practices predicting organizational commitment was conducted. The regression of organizational commitment on motivation-enhancing practices was significant, $F(1, 404) = 77.41, p < .001$. The results showed that motivation-enhancing practices were a significant predictor of organizational Commitment, B

= 0.32, indicating that the second criterion for mediation was satisfied. Next, the regression with motivation-enhancing practices and organizational commitment predicting organizational performance was conducted. The regression of organizational performance on motivation-enhancing practices and organizational commitment was significant, $F(2, 403) = 86.91, p < .001$, suggesting that motivation-enhancing practices and organizational commitment accounted for a significant amount of variance organizational performance. The individual predictors were examined further. The results showed that organizational commitment was a significant predictor of organizational performance when motivation-enhancing practices were included in the model, $B = 0.40$, indicating that the third criterion for mediation was satisfied. The results showed that motivation-enhancing practices were a significant predictor of organizational performance when the organizational commitment was included in the model, $B = 0.13$, indicating that the fourth criterion for mediation was not satisfied. Since items 1, 2, and 3 were met, partial mediation is supported while item 4 was not. The results of the mediation are presented in Table 5.

Table 5

Mediation Results for Organizational Performance predicting Motivation-Enhancing Practices mediated by Organizational Commitment

Dependent	Independent	<i>B</i>	<i>SE</i>	<i>t</i>	<i>p</i>
Regression 1:					
Organizational Performance	Motivation-Enhancing Practices	0.25	0.03	7.78	< .001
Regression 2:					
Organizational Commitment	Motivation-Enhancing Practices	0.32	0.04	8.80	< .001
Regression 3:					
Organizational Performance	Motivation-Enhancing Practices	0.13	0.03	3.96	< .001
	Organizational Commitment	0.40	0.04	9.93	< .001

Opportunity-Enhancing Bundle and Organizational Performance as mediated by Organizational Commitment

The following regressions will be examined based on an alpha of 0.05. First, the regression with opportunity-enhancing practices predicting organizational performance was conducted. The regression of organizational performance on opportunity-enhancing practices was significant, $F(1, 404) = 106.56, p < .001$. The results showed that opportunity-enhancing practices were a significant predictor of organizational performance, $B = 0.35$, indicating that the first criterion for mediation was satisfied. Second, the regression with opportunity-enhancing bundle predicting organizational commitment was conducted. The regression of organizational commitment on opportunity-enhancing practices was significant, $F(1, 404) = 84.58, p < .001$. The results showed that opportunity-enhancing practices were a significant predictor of organizational Commitment, $B = 0.37$, indicating that the second criterion for mediation was satisfied. Next, the regression with the opportunity-enhancing bundle and organizational commitment predicting organizational performance was conducted. The regression of organizational performance on opportunity-enhancing practices and organizational commitment was significant, $F(2, 403) = 105.30, p < .001$, suggesting that opportunity-enhancing practices and organizational commitment accounted for a significant amount of variance in organizational performance. The individual predictors were

examined further. The results showed that organizational commitment was a significant predictor of organizational performance when opportunity-enhancing practices were included in the model, $B = 0.36$, indicating that the third criterion for mediation was satisfied. The results showed that opportunity-enhancing practices were a significant predictor of organizational performance when the organizational commitment was included in the model, $B = 0.22$, indicating that the fourth criterion for mediation was not satisfied. Since items 1, 2, and 3 were met, partial mediation is supported while item 4 was not. The results of the mediation are presented in Table 6.

Table 6

Mediation Results for Organizational Performance predicting Opportunity-Enhancing Practices mediated by Organizational Commitment

Dependent	Independent	<i>B</i>	<i>SE</i>	<i>t</i>	<i>p</i>
Regression 1:					
Organizational Performance	Opportunity-Enhancing Practices	0.35	0.03	10.32	< .001
Regression 2:					
Organizational Commitment	Opportunity-Enhancing Practices	0.37	0.04	9.20	< .001
Regression 3:					
Organizational Performance	Opportunity-Enhancing Practices	0.22	0.03	6.51	< .001
	Organizational Commitment	0.36	0.04	9.08	< .001

Conclusions

The study contributes by solving the "black box" problem between SHRM practices and a firm's performance. It was also able to gain better insight into this relationship by decomposing the SHRM practices into the three bundles, supporting Jiang et al. (2012). Further, this study reflected the three types of commitment in measuring organizational commitment, suggested by Allen and Meyer (1990). This study has also contributed to the literature in at least four means.

First, the findings of this study deliver first-hand support for the associations of SHRM practices with organizational commitment. Previous studies have found that strategic human resource management strategies influence an employee's loyalty to the company (Giauque et al., 2010; Sendogdu et al., 2013; Adresi & Darun, 2017; Aboramadan et al., 2020). This study backed up their findings, demonstrating that the three aspects of SHRM, as represented by the AMO model, have considerably affected employee commitment. Next, it establishes a direct and indirect link between SHRM practices and the firm's bottom line. On the one hand, Liu et al. (2007) and Knezovic et al. (2020) proved that HRM practices and organizational performance are inextricably linked. Collins & Clark (2003), Chang & Huang (2005), Dimba (2010), and Zehir et al. (2016), on the other hand, recognized their indirect relationship and identified mediators. The direct and indirect links between SHRM practices and organizational performance were revealed in this study. Further, the results showed that employee commitment is a factor affecting an organization's performance. This outcome is consistent with the study conducted by Steyrer et al. (2008), Irefin, and Mechanic (2013). Since commitment affects firms' performance, this study verified its intervening role in connecting three SHRM practices and organizational performance. The findings indicated that organizational commitment has a complete intervention role between skill-

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enhancing practices and organizational performance and only a partial mediation role between motivation-enhancing practices and corporate opportunity-enhancing practices and firm's performance. This study supports Kundu & Gahlawat's (2016) findings.

Overall, this research provides empirical evidence for the direct and indirect links between SHRM practices and corporate success. Previous research has shown how the former influences the latter. Meanwhile, Becker & Gerhart (1996) and Collins & Clark (2003) advocated for more investigation into the relationship's mediating links, dubbed the "black box enigma." Wright and Kehoe (2008) also proposed organizational commitment as a possible mediator in the relationship. As a result, the previous authors' black box problem was solved in this study. Furthermore, the mediating mechanism of organizational commitment on the three sets of SHRM practices was confirmed in this study.

Managerial Implications

To ascertain that the firm's human capital contributes to enhancing the firm's performance, managers should promote the use of all three sets of practices in their organization's HR strategy for employees to demonstrate higher levels of organizational commitment, which enables enhanced organizational performance.

Each of the three dimensions of SHRM practices has an impact on commitment and performance. Firstly, skill-enhancing practices influence organizational commitment. Since it fully intercedes the association between skill-enhancing practices and organizational performance, organizations could upscale their performance through their human capitals' commitment to the organization. According to a study conducted by Seong and Lewis (2009), a performance appraisal system, or PAS, which is a skill-enhancing technique, has no effect on federal government employees' productivity. This research demonstrates that there is no link between skill-building practice and performance. It is indirect, and the employee's dedication acts as a mediator. As a result, owners and managers should ensure that skill-enhancing practices are followed, such as conducting structured interviews and formal exams on applicants, providing proper training and opportunities for employees to further their education, and regularly evaluating employee performance. Employees will feel like they have a family if their abilities are recognized and strengthened through these methods. They will want to spend their career there. They would also become more committed and loyal to the company. Based on the findings of this study, these strengthened commitments and loyalty could eventually boost the performance of the business.

Secondly, motivation-enhancing practices may also improve organizational performance through employees' organizational commitment. When deserving employees get better pay, commissions, and promotions, these employees become more dedicated to the organization. Their dedication towards their work may contribute to improving organizational performance.

Thirdly, opportunity-enhancing techniques should result in increased employee dedication, which could lead to higher performance. Organizations that involve their employees in formal processes (e.g., roundtable talks), consider them an essential part of the organization and allow them to make work-related decisions on their own could raise employee commitment and, as a result, improve performance.

Finally, organizations should be proactive in implementing these three sets of HR practices by establishing a system that facilitates the acquisition and development of new talents, enhances employees' skills and talents, provides incentives, and enabling a work environment to motivate performing employees. These efforts can ensure that employees feel that they are a part of the firm and grow loyal to it, and if they decide to leave, they will have to make significant sacrifices. When SHRM practices have considerably enhanced employee engagement to the organization, they may help develop and improve the quality of their products, services, and other offerings.

Limitations and Recommendations for Future Research

This research has two main limitations. The data was first broken down by sector (manufacturing, service, and so on), with the results based on data from the entire industry. However, the service industry outnumbers manufacturing and other sectors in the final sample. Further research can focus on specific sectors to see if there is any difference between them to generalize the findings. The data was then obtained all at once, making it impossible to verify causality between factors. This study proposes a longitudinal design to investigate the relationship between SHRM practices, organizational commitment, and a company's bottom line.

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