

DOCUMENT RESUME

ED 453 439

CE 081 863

TITLE Organizational Enhancement. Symposium 30. [AHRD Conference, 2001].

PUB DATE 2001-00-00

NOTE 34p.; In: Academy of Human Resource Development (AHRD) Conference Proceedings (Tulsa, Oklahoma, February 28-March 4, 2001). Volumes 1 and 2; see CE 081 829.

PUB TYPE Collected Works - General (020) -- Speeches/Meeting Papers (150)

EDRS PRICE MF01/PC02 Plus Postage.

DESCRIPTORS Attitude Change; Educational Attitudes; Employee Absenteeism; *Employee Attitudes; Foreign Countries; Human Resources; Individual Differences; Influences; Innovation; *Job Performance; *Labor Force Development; Labor Turnover; *Learning Motivation; Models; Needs Assessment; Nonprofit Organizations; *Organizational Change; Organizational Climate; Organizational Development; Outcomes of Education; Performance Factors; Position Papers; Postsecondary Education; Predictor Variables; *Program Effectiveness; Training; Training Methods; Work Attitudes; Work Environment

IDENTIFIERS *Commitment; Learning Organizations; Netherlands; United States

ABSTRACT

This document contains four papers on organizational enhancement and human resource development (HRD). "Motivation to Improve Work through Learning in Human Resource Development" (Sharon S. Naquin, Elwood F. Holton III) argues that HRD's traditional conceptualization of motivation should be expanded to incorporate motivation to use learning to improve performance. "Improving Performance through HRD: Towards a Multi Level Model" (A.A.M. [Ida] Wognum) reports on a Dutch study that identified the following five factors as important to HRD effectiveness: strategic alignment; the problem serving as the starting point for HRD; the company HRD climate; the position of the HRD department; and the form of HRD interventions. "Exploring Organization Commitment in a Non-Profit Service Organization" (Constantine Kontoghiorghes, Nancy Bryant) discusses a study that identified the following four key predictors of employee commitment: company satisfaction; the extent to which one's job takes advantages of talents and abilities; the extent to which the organization emphasizes doing things right the first time; and a work environment conducive to learning. "Innovative Human Resource Practices and Organizational Commitment: An Empirical Investigation" (Tanuja Agarwala) presents the results of an exploration of the relationship between three dimensions of innovative human resource practices with organizational commitment. All four papers include substantial bibliographies. (MN)

2001 AHRD Conference

Organizational Enhancement

Symposium 30

U.S. DEPARTMENT OF EDUCATION
Office of Educational Research and Improvement
EDUCATIONAL RESOURCES INFORMATION
CENTER (ERIC)

This document has been reproduced as received from the person or organization originating it.

Minor changes have been made to improve reproduction quality.

• Points of view or opinions stated in this document do not necessarily represent official OERI position or policy.

PERMISSION TO REPRODUCE AND
DISSEMINATE THIS MATERIAL HAS
BEEN GRANTED BY

*Naguin/Wagnum/
Bryant/Agarwala*

TO THE EDUCATIONAL RESOURCES
INFORMATION CENTER (ERIC)

1

Tulsa, Oklahoma

February 28 - March 4, 2001

BEST COPY AVAILABLE

Motivation to Improve Work Through Learning in Human Resource Development

Sharon S. Naquin
Elwood F. Holton III
Louisiana State University

Motivation in HRD has traditionally been conceptualized as motivation to learn or motivation to train. This paper argues it is a too limited concept because it does not incorporate motivation to use learning to improve performance. A new construct called motivation to improve work through learning is proposed, along with its theoretical rationale and measures. A confirmatory factor analysis is reported which provides initial evidence of construct validity. Implications for HRD research and practice are discussed.

Keywords: Motivation, Confirmatory Factor Analysis, Transfer of Learning

It has become widely accepted that people provide organizations with an essential source of competitive advantage (Pralhad, 1983; Pfeffer, 1994, Wright, McMahan, & McWilliams, 1994). Arguably, the success of any organization is largely contingent upon its ability to unleash and maximize the talents and abilities of its workforce. It logically follows, then, that employee development programs are one of the most important activities of any organization. Empirical evidence generally supports this contention and indicates that comprehensive training and development activities produce beneficial organizational outcomes (Bartel, 1994; Knoke & Kalleberg, 1994; Russell, Terborg, & Powers, 1985; Swanson, 1998).

To remain competitive, firms must build and develop intellectual and knowledge capital. Economist Theodore Schultz recognized the importance of training and development efforts long ago, equating knowledge and skills with human capital. Human capital theory suggests that people possess skills, knowledge, and abilities that are economically valuable to firms (Becker, 1993; Youndt, Snell, Dean, Lepak, 1996). Schultz (1962) argued that investments in education and training were critical to organizational and national productivity and growth. Thus, well-trained, efficient, and capable workers are critical to the success of any organization, and key components in the success of effective training initiatives include employee skills and commitment (Snell & Dean, 1992).

However, the effectiveness of organizational training and development efforts is not solely contingent upon either the learning content or the quality of the delivery methods. Learning within the organizational context is also heavily dependent upon the trainability of participants. Noe (1986) asserts that the concept of trainability is defined as a function of the trainee's ability, motivation and environment [Trainability = $f(\text{Ability, Motivation, Environmental Favorability})$]. Thus, there must be an underlying motivational factor at work in compelling the individual to participate in organizational training programs, in addition to ability and a supportive environment. Although it is not hard to imagine a work scenario in which employees are "forced" to attend training sessions, not even the most Machiavellian managers can mandate the level of participation that trainees are expected to expend. In other words, attendance is not equivalent to participation. Motivation then is one of three core components necessary for workplace training to be effective and lead to desired outcomes.

This paper will argue that traditional conceptualizations of motivation to learn or motivation to train are inadequate for HRD purposes. Instead, this paper proposes a new construct called motivation to improve work through learning. We first review the literature on motivation in HRD. Then, the theoretical rationale for this new construct is presented along with proposed measures. A confirmatory factor analysis is reported which provides initial evidence of construct validity. Finally, implications for HRD research are discussed.

Background

The motivational level of trainees is a foundational component of the effectiveness of organizational training programs. Goldstein (1991, 1992) emphasized the importance of motivation:

Copyright © 2001 Sharon S. Naquin and Elwood F. Holton III

Before trainees can benefit from any form of training, they must be ready to learn; that is, (a) they must have the particular background experience necessary for the training program, and (b) they must be motivated (p. 541).

Motivation to Learn. Motivation to learn and motivation to engage in learning activities are constructs that are both closely related to each other and closely related to work motivation. According to Noe (1986), motivation to learn is described as the trainee's desire to learn the content of training and development activities. With regard to training, motivation acts as the force that energizes or creates enthusiasm for the program (energizer); is a stimulus that guides and directs learning and content mastery (director); and, influences and promotes the application of newly acquired skills and knowledge (maintenance) (Noe, 1986).

Noe and Wilks asserted that "motivation to learn, motivation to transfer, and evaluation of previous development experiences have a direct effect on employee's participation in development activities" (1993, p. 292). In 1993, these researchers developed and tested a conceptual model of development activity that was based on studies conducted by Dubin (1990), Farr and Middlebrooks (1990), and Kozlowski and Farr (1988). They found that motivation to learn, perception of benefits, and work environment perceptions had significant unique effects on employee development activity. Research efforts of Baldwin, Magjuka, and Loher (1991); Hicks and Klimoski (1987); Mathieu, Tannenbaum, and Salas (1992); Quinones (1995); Ryman and Biesner (1975) and Tannenbaum, Mathieu, Salas, and Cannon-Bowers (1991) also indicated that there is a relationship between motivation to learn, learning, and completion of training programs (Noe and Wilk, 1993). As Smith-Jentsch et al., (1996) stated, "trainees who are motivated to do well in training are more likely to learn the content or the principles of a training program than are less motivated participants" (p. 110).

Despite these studies, motivation to learn is a training variable that has been somewhat neglected in training-related research (Clark, Dobbins, & Ladd, 1993). Similarly, motivation to engage in training activities is a construct that has also been greatly neglected by researchers although many researchers readily recognize and acknowledge the importance of the constructs. Recently, Ford et al. suggested that "efforts to improve trainee motivation during training (i.e., allowing for mastery goals) may lead to better transfer" (1998, p. 230). As Clark et al. (1993) maintained, even the most sophisticated and well-designed training programs cannot be effective without the presence of motivation to learn in the trainees. They argued that "it is important that the training literature develop a better understanding of the motivation-to-learn construct and the factors that affect it" (Clark et al., 1993, p. 293).

Mathieu, Tannenbaum, and Salas (1992) are among the few who have investigated the relationship between training and individual characteristics. They developed a model depicting the influence of individual characteristics and situational constraints on trainees' motivation to learn and actual performance and found that reactions to training mediated the impact of assignment method and training motivation on actual performance. Sanders and Yanouzas (1983) also studied the relationship between individual characteristics and training. In an investigation regarding the trainers' ability to socialize trainees to the learning environment, they stated that individuals enter the training situation with certain attitudes and expectations may either positively or negatively impact the learning process.

The Relationship Between Motivation To Learn and Training Effectiveness. On an intuitive level, motivation to learn seems to be an important precondition of learning. Goldstein (1992) pointed out that individuals who were motivated when they approached the training situation had a greater advantage than those with a lower level of motivation. Several researchers (e.g., Baldwin et al., 1991; Baldwin & Karl, 1987; Hicks & Klimoski, 1987; Martocchio, 1992; Martocchio & Webster, 1992; Mathieu, Tannenbaum, & Salas, 1990; Noe & Schmitt, 1986; Quinones, 1995; Tannenbaum et al., 1991; Warr & Bunce, 1995) followed this line of reasoning and investigated the relationship between trainees' motivation and learning. More specifically, Noe and Schmitt (1986), Hicks and Klimoski (1987), and Mathieu, Tannenbaum, and Salas (1990) found a positive relationship between scores on learning measures and an individual's motivation to learn (Goldstein, 1992). In still another study of the relationship between motivation to learn and learning, Ryman and Biersner (1975) found that trainees who strongly agreed with training-confidence scale items were more likely to graduate.

Warr and Bunce (1995) viewed motivation to learn as a two-tiered construct – distal and proximal. In distal terms, "individuals vary in the favorability of their attitudes to training as a whole. More proximally, those general attitudes are reflected in specific motivation about a particular set of training activities" (1995, p. 349). They studied 106 junior managers over a seven-month period. They hypothesized that there would be a significant positive relationship associated with learning score and general attitude, specific motivation, learning self-efficacy, analytic

and behavioral learning strategies, educational qualifications. A significant association was found for distal and proximal motivation ($r = .33$ and $r = .25$, respectively).

Motivation to Transfer. Mathieu and Martineau (1997) recognized the importance of motivation in training effectiveness and stated that training programs will be unsuccessful if trainees are not motivated to transfer information they have learned back to their jobs. "Individuals who are motivated to learn initially (pretraining motivation) are also likely to be motivated to apply the skills they develop during training once back on the job" (Mathieu and Martineau, 1997, p. 196). They developed a conceptual framework depicting the relationship between trainees' motivation and traditional training criteria. (Mathieu and Martineau, 1997). As they state:

training programs are viewed as existing in a larger organizational context, subject to the influences of individual and situational factors Trainees come to the programs with a history of organizational experiences and a knowledge of what they will confront when they return to their jobs. In short, participants enter and leave training with varying levels of motivation that will likely influence how much they learn, whether they transfer learning to the job, and ultimately how successful the program is. It is important to consider the roles of individual and situational influences on trainees' motivation (1997, p. 193).

It is therefore somewhat surprising that few studies have examined motivation to transfer. Baldwin and Magjuka (1991) found that trainees who entered training expecting some kind of supervisory follow-up reported stronger intentions to transfer. They also reported higher intentions to transfer when training was mandatory. Tannenbaum, Mathieu, Salas, and Cannon-Bowers (1991) conducted a study using naval recruit training. Their findings suggested that trainees who have more positive reactions to training and who learn more were more likely to have higher post-training motivation. Huczynski and Lewis (1980) concluded from their study that issues important to whether or not trainees use their training included: whether or not they attended the course on their own initiative; how helpful they believed the training would be to them on their jobs; and the motivational climate of the organization, in particular, supervisor support. Baumgartel and Jeanpierre's (1972) study of management training found that managers who perceived training as helpful in learning skills and techniques directly related to their job situation were more likely to attempt to use their training when they returned to work.

Motivation To Improve Work Through Learning Defined. As the studies above illustrate, research efforts to date have focused mostly on either motivation to learn or motivation to train as the dependent variable. However, the work improvement process does not entirely consist of nor does it end with either learning or training. The primary desired outcome of organizational training programs is not just learning, but *improvements in work outcomes*. Therefore, using motivation to train or motivation to learn as a dependent motivation variable may be too limited for organizational learning environments.

The process of improving work through learning also involves an employee's willingness to transfer any knowledge acquired through such training programs to his or her own work processes. Following this logic, this study proposes and utilizes an entirely new construct – Motivation to Improve Work Through Learning (MTIWL). An individual's motivation to improve work through learning is a function of his or her motivation to train and motivation to transfer. Or stated mathematically:

$$\text{Motivation to Improve Work Through Learning (MTIWL)} = f(\text{Motivation to Train, Motivation to Transfer})$$

This construct is potentially a more powerful motivational construct because it incorporates both dimensions of motivation critical to achieving HRD outcomes.

Methodology

In this section, the procedures used to provide initial validation evidence for this construct are described.

Sample. Data for this study was obtained as part of a larger study involving a nonrandom sample of 247 subjects from a single private sector health insurance organization. Respondents were participants of in-house training programs, and ranged from clerical employees to mid- and upper-level managers. Training topics included computer training, team building skills, new employee training, technical training, and leadership training sessions.

Although a total of 247 employees participated in the survey, two surveys were identified as patterned responses and deemed not usable. This reduced the usable sample size to 245. Listwise deletion procedures reduced the usable sample size of the study to 239.

The average age of the respondents was 35.5 years (minimum = 19, maximum = 68, standard deviation = 10.516); 28.5% or 68 of the respondents were male and 71.5% or 171 of the respondents were female. Five of the respondents (2.0%) had less than 1 year work experience; 16 respondents (6.5%) had 1-3 years work experience; 30 respondents (12.2%) had 3-5 years work experience; 101 respondents (41.2%) reported 5-15 years work experience; 60 respondents (24.5%) had 15-25 years work experience; and 27 respondents (11%) had more than 25 years work experience. Fifty-five respondents (22.4%) reported less than 1 year with the company; 55 respondents (22.4%) reported 1-3 years with the company; 36 respondents (14.7%) reported 3-5 years with the company; 48 respondents (19.6%) reported 5-15 years experience with the company; 39 respondents (15.9%) reported 15-25 years with the company; and 6 respondents (2.4%) reported more than 25 years with the company.

Procedure. Surveys were administered to respondents at the beginning of an organizational training program. All participants were required to attend these classes as part of their job responsibilities. In each case, the trainer read a description of the research project with instructions for participation from a prepared script. Questionnaires were presented to participants as part of the training program. Instructors were told to allow participants to withdraw if they had objections to the study, but none objected. All responses were completely anonymous. The request for demographic information was limited to age, gender, number of years work experience, and number of years with this organization.

Instrumentation. As previously stated, Motivation to Improve Work through Learning is presumed to be a function of an individual's motivation to train and his or her motivation to transfer the knowledge and skills acquired through training initiatives to the work setting. Accordingly, scales measuring both of these components are a necessary part of the instrumentation for this study. Because it is desirable to have at least three indicators for latent constructs, four scales (two for each component) were selected to measure MTIWL. Scales from two instruments – the START (Strategic Assessment of Readiness for Training) (Wienstein, et al., 1994) and the LTSI (Learning Transfer Survey Instrument) (Holton, Bates, & Ruona, 2000) were selected for use.

The START instrument is comprised of eight 7-item subscales: Anxiety ($\alpha = .87$); Attitude Toward Training ($\alpha = .71$); Motivation ($\alpha = .65$); Concentration ($\alpha = .83$); Identifying Important Information ($\alpha = .75$); Knowledge Acquisition ($\alpha = .75$); Monitoring Learning ($\alpha = .78$); and Time Management ($\alpha = .76$) (Wienstein, et al., 1994).

Training Attitudes ($\alpha = .71$) was selected as one of the scales used to assess individual motivation to improve work through learning. This seven-item subscale from the START instrument was used to measure attitudes held by individuals toward training. Examples of items included in this scale are: "I believe learning is important for professional development"; "I believe training programs are important for professional development"; "I volunteer to participate in training programs"; and "I would rather not participate in learning activities" (reverse coded).

The Motivation subscale ($\alpha = .65$) of the START instrument was also used in this study. Sample items from this scale include the following: "I come to training sessions unprepared" (reverse coded); "I can easily find an excuse for not completing a training program assignment" (reverse coded); "I work hard to do well in training programs, even when I don't like them"; and "I try hard not to miss any of the sessions during a training program."

The LTSI (previously called the LTQ) (Holton, Bates & Ruona, 2000), a 68-item instrument, was developed to measure learning 16 factors which influence learning transfer. Exploratory factor analysis of the LTQ has revealed "an exceptionally clean and interpretable sixteen factor structure" (Holton, Bates, & Rouna, 2000). The motivation to transfer scale ($\alpha = .83$) and performance outcomes expectations scale ($\alpha = .83$) were selected for use in this study. Drawing on expectancy theory, the second scale was selected to include an outcome component of improving work through motivation. Sample items of the motivation to transfer scale include: "Training will increase my personal productivity"; "I believe training will help me do my current job better"; and, "When I leave training, I can't wait to get back to work to try what I have learned." Sample items of the performance outcomes expectations scale include: "The organization does not really value my performance;" "For the most part, the people who get rewarded around here are the ones that deserve it;" "When I do things to improve my performance, good things happen to me;" and "People around here notice when you do something well."

Analysis. Confirmatory factor analysis (CFA) using Lisrel 8.30 was used to assess whether these four indicators measured the latent construct motivation to improve work through learning. A two-level model was hypothesized as shown in figure one. The first order factors were the four scales chosen as described above with the instrument items as indicator variables. The second order factor was the construct MTIWL. Thus, the model tests both the fit of the instrument items on the individual scales, and whether the four scales were reasonable measures of the hypothesized higher order construct MTIWL.

Results

The initial analyses with all instrument items included produced a marginally acceptable fit to the hypothesized model ($\chi^2_{(226)} = 463.95$, GFI = .86, AGFI = .82, CFI = .85; NFI = .75, RMSEA = .066, SRMR = .066, CFI = .85). Examination of the factor loadings and the significance of the paths as indicated by the t-values (t-values ranged from 1.55 to 11.33), and the fit indices resulted in the decision to remove several items. Specifically, item numbers 5 (t = 1.55), 10 (t = -3.29), 13 (t = 1.67), and 14 (t = 2.92) were removed as each had a loading below Nunnally's (1978) and Hair et al. (1998) guideline of an acceptable minimum factor loading of .30. These items were 5) "It is more important to complete a training program than to understand the material being presented."; 10) "I work hard to do well in training programs, even when I don't like them."; 13) "I put off completing outside work assigned during training sessions."; and 14) "When training materials are difficult, I either give up or study only the easy parts."). Item 5 was part of the attitude toward training scale, while the other three items were part of the motivation to train scale. Both scales came from the START instrument.

Elimination of these items resulted in factor loadings that were all above .30, and all item paths were significant (t-values ranged from 5.23 to 11.33). In addition, the fit indices, presented in Table 4, revealed a slight improvement in fit. Specifically, GFI increased from .86 to .87; AGFI increased from .82 to .83; CFI increased from .85 to .87; NFI increased from .75 to .80. However, the RMSEA worsened, increasing from .066 to .074, as did the SMR, increasing from .066 to .067.

It was decided to explore whether additional improvements in fit could be reasonably obtained. Accordingly, the decision was made to examine the results of eliminating items with factor loadings below .50 which is a more conservative threshold than .30. Based on this more conservative guideline, items 1, 6, 11, (from the START instrument) and 24 (from the LTSI) were eliminated.

Removal of these additional items resulted in fit improvement. All item paths had significant loadings (t-values ranged from 2.63 to 10.86), and factor loadings ranged from .52 to .81. Fit indices generally improved as well (i.e., GFI increased from .87 to .90; NFI increased from .80 to .85; CFI increased from .88 to .90; AGFI from .84 to .85;). However, once again the RMSEA increased slightly from .074 to .076, and SMR increased slightly from .067 to .074.

Overall, these indicate an acceptable, though not strong, fit of the items on the hypothesized constructs given the fact that this is the first use of the construct. Figure 1 shows the final model with factor loadings. The squared multiple correlations for the scale items ranged from .25 to .65, indicating that a substantial portion of the variance in each item was explained by the first order factors (the scales). The squared multiple correlations for the LTSI scales were stronger than for the START scales. In addition, the results showed that the second order factor MTIWL explained 40% of the variance in attitudes toward training, 58% of motivation to train, 90% of motivation to transfer, and 47% of performance outcome expectations.

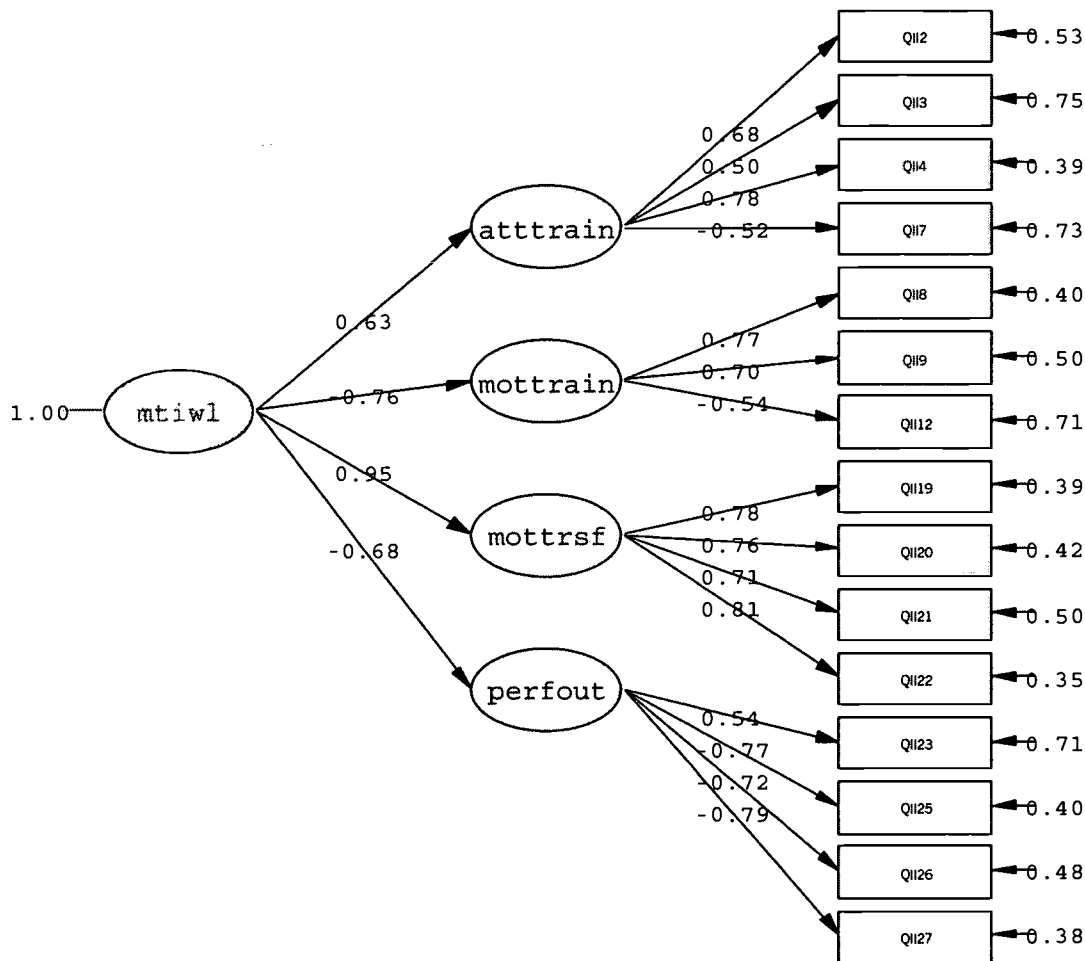
In addition, the results were compared to two different comparison models. First, the scales from the START instrument were combined and the scales from the LTSI were combined, resulting in two first-order factors. No acceptable solution could be calculated by LISREL, indicating that the two-factor solution did not fit the data. Then, the two scales from the START instrument were combined because so many items had been deleted from these two scales, resulting in a three-factor solution. This model did not fit the data as well as the four-factor solution hypothesized.

Conclusion

The motivation to improve work through learning construct is a new construct devised to assess an individual's motivation to train and his or her motivation to transfer knowledge or skills acquired through training initiatives to work settings. This is the first known use of this construct. As such, four scales were selected to measure this new construct – attitudes toward training and motivation to train, both from the START instrument (Weinstein et al., 1994); and, motivation to transfer and performance outcomes expectations, from the LTSI instrument (Holton, Bates,

& Ruona, 2000). While the analysis indicated that the construct is four-dimensional, several scale items were eliminated due to low factor loadings in the confirmatory factor analysis. All but one of the items eliminated were from the START instrument.

Within this sample data, the four scales loaded on one latent construct, identified as motivation to improve work through learning. Each of the separate scales selected had evidence of initial content and construct validity. The four-factor structure fit the data moderately well. More importantly, much of the variance in the four first order factors was explained by the higher order factor, MTIWL. This provides initial evidence of construct validity for MTIWL.



Chi-Square=203.87, df=86, P-value=0.00000, RMSEA=0.076

These findings suggest that a reconceptualization of motivation in HRD contexts is warranted. Motivation can't be thought of as just motivation to learn or train. Because both learning and performance outcomes are desired from learning events, the motivation construct must encompass both motivation to learn and motivation to perform

Figure 1. Final MTIWL Model with Factor Loadings

using that learning. We believe that reconceptualizing motivation in this manner may lead HRD researchers to different conclusions about motivational influences on HRD outcomes. We also believe that such a reconceptualization might lead to new practices aimed at enhancing motivation to improve work through learning.

Additional research should be aimed at expanding or refining the MTIWL construct. Because this is the first known study to examine motivation to improve work through learning, it should be tested on other sample populations both within and across other organizations. This study only provides initial evidence of construct validity. New studies with a more diverse sample might result in better fit.

Other scales should also be investigated to see if they would be better indicators of the motivation to learn portion of the MTIWL construct. The scales from the START instrument did not perform as well as desired in this study. Other scales might improve the fit of the model to more acceptable levels. Researchers could also examine the convergent and divergent validity of the construct with other variables in its nomological net. Studies comparing results using only attitudes toward training and motivation to train scales would help the impact of reconceptualizing motivation in this manner. Finally, researchers should examine its criterion validity by examining the relationship between this construct and performance.

References

- Baldwin, T.T., & Karl, K. A. (1987). The development and empirical test of a measure for assessing motivation to learn in management education. In F. Hoy (Ed.), Proceedings of the 47th annual meeting of the Academy of Management (pp. 117-121). New Orleans, LA.
- Baldwin, T.T., Magjuka, F. J., & Loher, B. R. (1991). The perils of participation: Effects of choice of training on trainee motivation and learning. Personnel psychology, *44*, 51-65.
- Bartel, A. (1994). Productivity gains from the implementation of employee training programs. Industrial Relations, *33*, 411-425.
- Baumgartel, H., & Jeanpierre, F. (1972). Applying new knowledge in the back-home setting: A study of Indian managers' adoptive efforts. The Journal of Applied Behavioral Science, *8*, 674-694.
- Becker, G. S. (1993). Human capital: Theoretical and empirical analysis with special reference to education. (3rd ed). Chicago, IL: University of Chicago Press.
- Clark, C. S., Dobbins, G.H., & Ladd, R.T. (1993). Exploratory field study of training motivation. Group & Organization Management, *18*, 3, 292-307.
- Dubin, S.S. (1990). Maintaining competence through updating. In S. L. Willis & S. S. Dubin (Eds.), Maintaining professional competence (pp. 9-43). San Francisco: Jossey-Bass.
- Farr, J. L., & Middlebrooks, C. L. (1990). Enhancing motivation to participate in professional development. In S. L. Willis & S. S. Dubin (Eds.), Maintaining professional competence (pp. 195-213). San Francisco: Jossey-Bass.
- Ford, J. K., Smith, E. M., Weissbein, D. A., Gully, S. M., Salas, E. (1998). Relationships of goal orientation, metacognitive activity, and practice strategies with learning outcomes and transfer. Journal of Applied Psychology, *83*, 2, 218-233.
- Goldstein, I.L. (1991). Training in work organizations. In M. D. Dunnette & L. M. Hough (Eds.), Handbook of industrial and organizational psychology (pp. 507-619). Palo Alto, CA: Consulting Psychologists Press, Inc.
- Goldstein, I.L. (1992). Training in organizations (3rd ed.). Pacific Grove, CA. Brooks/Cole Publishing Co.
- Hair, J. F., Anderson, R. E., Tatham, R. L., & Black, W. C. (1998). Multivariate data analysis (5th ed.). Upper Saddle River, NJ: Prentice Hall.
- Hicks, W. D., & Klimoski, F. J. (1987). Entry into training programs and its effects on training outcomes: A field experiment. Academy of Management Journal, *30*, 542-552.
- Huczynski, A. A., & Lewis, J. W. (1980). An empirical study into the learning transfer process in management training. The Journal of Management Studies, *17*, 227-240.
- Holton, E. F., III, Bates, R. A., & Rouna, W. A. (2000). Development and validation of a generalized Learning Transfer Climate Questionnaire. Human Resource Development Quarterly, *11*, 333-360.
- Knoke, D., & Kollegger, A. (1994). Job training in U.S. organizations. American Sociological Review, *59*, 537-546.
- Maier, N. R. (1973). Psychology in industrial organizations. Boston: Houghton-Mifflin.
- Martocchio, J. J. (1992). Microcomputer usage as an opportunity: The influence of context in employee training. Personnel Psychology, *45*, 529-552.
- Martocchio, J.J., & Webster, J. (1992). Effects of feedback and cognition playfulness on performance in microcomputer software training. Personnel Psychology, *45*, 553-578.

- Mathieu, J. E., & Martineau, J. W., (1997). Individual and situational influences on training motivation. In J. K. Ford, S. W. J. Kozlowski, K. Kraiger, E. Salas, & M. S. Teachout (Eds.), Improving training effectiveness in work organizations (pp. 193-221). Mahwah, N.J.: Lawrence Erlbaum Associates, Publishers.
- Mathieu, J. E., Tannenbaum, S. I., & Salas, E. (1992). Influences of individual and situational characteristics on training effectiveness measures. Academy of Management Journal, *35*, 828-847.
- Noe, R. A. (1986). Trainee attributes and attitudes: Neglected influences on training effectiveness. Academy of Management Review, *11*, 736-749.
- Noe, R. A., & Schmitt, N. (1986). The influence of trainee attitudes on training effectiveness: Test of a model. Personnel Psychology, *39*, 497-523.
- Noe, R. A., & Wilk, S. L. (1993). Investigation of the factors that influence employees' participation in development activities. Journal of Applied Psychology, *78*, 2, 291-302.
- Nunnally, J. (1978). Psychometric theory. New York: McGraw-Hill.
- Porter, L. W., & Lawler, E. E. (1968). Managerial attitudes and performance. Homewood, IL: Irwin-Dorsey.
- Prahalad, C. K. (1983). Developing strategic capability: An agenda for top management. Human Resource Management, *22*, 237-254.
- Quinones, M. A., (1995). Pretraining context effects: Training assignment as feedback. Journal of Applied Psychology, *80*, 226-238.
- Russell, J., Terborg, J., & Powers, M. (1985). Organizational performance and organizational level training and support. Personnel Psychology, *38*, 849-863.
- Ryman, D. H., & Biersner, R. J. (1975). Attitudes predictive of training success. Personnel Psychology, *28*, 181-188.
- Sanders, P., & Yanouzas, J. M. (1983). Socialization in learning. Training and Development Journal, *37*, 14-21.
- Schultz, T. (1962). Reflections on investment in man. Journal of Political Economy, *70*, 5, 1-8.
- Senge, P. (1990). The Fifth Discipline: The art and practice of the learning organization. New York: Doubleday.
- Smith-Jentsch, K. A., Jentsch, F. G., Payne, S. C., & Salas, E. (1996). Can pretraining experience explain individual differences in learning? Journal of Applied Psychology, *81*, 1, 110-116.
- Snell, S. A., & Dean, J. W., Jr. (1992). Integrated manufacturing and human resource management: A human capital perspective. Academy of Management Journal, *35*, 292-327.
- Swanson, R. A. (1998). Demonstrating the financial benefit of human resource development: Status and update on the theory and practice. Human Resource Development Quarterly, *9*, 286-295.
- Tannenbaum, S. I., Mathieu, J. E., Salas, E., & Cannon-Bowers, J.A. (1991). Meeting trainees' expectations: The influence of training fulfillment on the development of commitment, self-efficacy, and motivation. Journal of Applied Psychology, *76*, 759-769.
- Warr, P., & Bunce, D. (1995). Trainee characteristics and the outcomes of open learning. Personnel Psychology, *48*, 347-375.
- Weinstein, C. E., Palmer, D. R., Hanson, G. R., Dierking, D. R., McCann, E., Soper, M., & Nath, I. (1994). Design and development of an assessment of readiness for training; The START. Academy of Human Resource Development 1994 Conference Proceedings. Baton Rouge, LA: Academy of Human Resource Development.
- Wright, P. M., McMahan, G. C., & McWilliams, A. (1994). Human resources and sustained competitive advantages: A resource-based perspective. International Journal of Human Resources Management, *5*, 301-326.

Improving Performance through HRD: Towards a Multi Level Model

A.A.M. (Ida) Wognum,
University of Twente, The Netherlands

This study among 44 companies explores whether strategic HRD alignment and some organization and HRD related factors exert influence on the effects of HRD interventions. A multilevel analysis showed that strategic alignment, the problem that serves as starting point for HRD, the company HRD climate, the position of the HRD department, and the form of HRD interventions are important factors in impeding or enhancing HRD performance or effectiveness. Based on the results a multi-level model of HRD performance was developed.

Key words: HRD effectiveness, Drivers and outcomes, Multi-level model

Problem Statement and Research Question

Human resource development (HRD) in organizations could basically have the form of formal courses and off the job learning interventions, or consists of more informal learning and development taking place in teams and on the job. Ideally, in both cases the ultimate outcome of HRD is performance improvement. HRD has always had a continuing fascination with means versus ends (Swanson, 2000). However, only few research has examined this relationship and tried to determine a causal relationship between HRD and performance improvement (e.g. Ellinger, Ellinger, Yang, and Howton, 2000; Van der Klink, 1999; Hoekstra, 1999). Therefore, the purpose of this study was to empirically address this means-ends relationship. The research question is then, what factors will have an impact on the successful attainment of HRD goals and objectives. This question is the more important because in literature is estimated that only between 10 and 20 percent of capital invested in HRD and other learning interventions will lead to enduring performance improvement (Baldwin & Ford, 1988; Broad & Newstrom, 1992).

Performance Improvement: Some Theoretical Foundations

The research question fits within the performance paradigm of HRD. According to Weinberger (1998) this paradigm holds that the purpose of HRD is to advance the mission of the organizational system. HRD efforts have to improve the capabilities of individual working in the organization and the organizational systems in which they perform their work. The primary outcome of HRD in this context is not just learning, but also performance at various levels (Holton, 2000). Kaplan and Norton (1996) suggest two categories of performance measures: the so-called drivers and outcomes. Outcomes measure the effectiveness or efficiency relative to core outputs of the system, sub-system, process or individual, whereas drivers measure elements of performance that are expected to sustain or increase system, sub-system, process, or individual ability and capacity to be unique for particular performance systems (Holton, 2000). Together, these drivers and outcomes describe the cause and effect relationships in organizations (Kaplan & Norton, 1996), which implies that drivers should predict future outcomes.

Their theory fits well into the theory of HRD effectiveness, where HRD effectiveness is conceived as the extent to which HRD goals and objectives are achieved. (Wognum, 1999). Following the school-effectiveness theory (Scheerens & Bosker, 1997) this theory points as well to a means-goals ordaining between the ultimate criteria and the supportive, effectiveness enhancing criteria. The HRD effects can then be seen as ultimate criteria of HRD effectiveness, like Kaplan and Norton's output measures. Criteria, such as the HRD process itself, resource acquisition, adaptability to the environment, or the ability, satisfaction and motivation of employees, are seen as effectiveness enhancing criteria (Scheerens & Bosker, 1997; Wognum, 1999), just like Kaplan and Norton's performance drivers. Gaining insight into these criteria is necessary, as a means of interpreting the effects of HRD.

Multi-leveled Performance Outcomes

As mentioned before, the primary outcome of HRD is not just learning, but also performance at various levels (Holton, 2000). By acknowledging that Kirkpatrick's reaction level (Kirkpatrick, 1976) is a performance enhancing

Copyright © 2001 A. A. M. (Ida) Wognum

criterion, many authors at least discern the learning (effects on knowledge, skills and attitudes), behavior (effects on working behavior of individual employees), and results levels (effects on the performance results of individuals, groups, departments or the company) (Wognum, 1999). These multi-leveled outcomes fit within the multi-level theory, which, according to Klein, Tosi & Cannella (1999) integrates the micro domain's focus on individuals and groups with the macro domain's focus on organizations, environment and strategy. This will result in a better understanding of the influence of individuals on the organization and, vice versa, the organizational influence on individuals' actions and perceptions.

Factors Impeding or Enhancing HRD Performance or Effectiveness

Strategic HRD Alignment

In organizational effectiveness thinking, goals can be seen as the major defining characteristics of the effectiveness concept itself (Scheerens & Bosker, 1997). HRD goals will be developed during a strategic planning or decision-making process. In both processes systematically considered decisions are made on actions and resources to accomplish HRD goals, within certain environmental circumstances. Hannigan c.s. (2000) state that new research is needed that takes a more exploratory look at the decision process that managers use to make decisions about training. The traditional view on strategic planning, holding in general that strategic plans have been developed by a planning staff at top management level, has some shortcomings (Mintzberg, 1994; Galagan, 1997). It, for instance, can destroy commitment. A more recent view on strategic planning for HRD includes the participation of all relevant stakeholders. It holds that strategic HRD planning - or strategic HRD alignment - is a dynamic and interactive process in which, as part of an ongoing and future company policy, HRD goals and objectives are formulated concerning employees' and company development (Wognum, 1999). The word 'strategic' emphasizes the company perspective and connects the link between HRD and the organizational goals and objectives. Strategic HRD alignment will then result in HRD programs or other, more informal, learning interventions that are closely linked to the company's situation. Based on policymaking models and on features of decision-making models, the process of strategic HRD alignment is characterized by four aspects: participation, information, formalization, and decision-making. *Participation* means the involvement of participants at the various organization levels in the alignment process. *Information* refers to the data needed to gain more insight in those company's situations which may call for HRD interventions. *Formalization* refers to the more or less formal consultative structures and information gathering procedures in the alignment process. *Decision-making* is concerned with the strategic choices of the alignment process, mainly the choice for HRD goals and objectives the HRD programs are intended to. By paying attention to these four aspects HRD alignment will enhance HRD effectiveness.

Contextual Factors

Following the multi-level approach, described above, it may become clear that the context of a specific organization will have an impact on the achieving of HRD performance or effectiveness, because HRD is a process and a system within a larger organizational and macro-environmental system (Tjepkema & Wognum, 1999; Swanson, 2000). It is often assumed that there is a close link between characteristics of this context and the way in which organizational processes evolve. Deviating from an appropriate model, contingency theorists maintain, creates a lower degree of organizational effectiveness (Khandwalla, 1977; Van de Ven & Drazin, 1985). From this perspective, HRD interventions will probably be less effective if HRD structures and processes do not match their contextual conditions. Therefore, the only way to assess the effectiveness of HRD interventions is to include the interaction with key components of the organizational system (Hannigan, Donovan, Holton c.s., 2000).

Literature indicates a number of contextual characteristics exerting influence on organizational effectiveness (Wognum, 1999). Considering the HRD perspective, those characteristics refer to the HRD function, which is usually shaped into an HRD department, as well as to the company in which the HRD function is embedded (Mintzberg, 1983; Tjepkema & Wognum, 1999). Macro-environment characteristics will usually be reflected in the kind of problems or developments with which the company is faced. Therefore, macro-environment characteristics act more indirectly by considering the problem that serves as a starting point for HRD interventions. This problem can be conceived as a characteristic of the company.

The connection between these types of elements and the outputs/outcomes of HRD is visualized in the research model depicted in Figure 1.

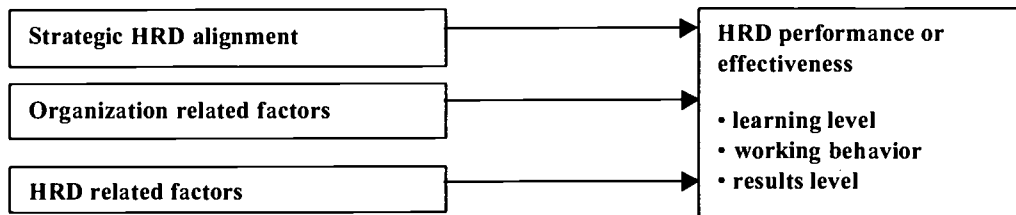


Figure 1. Research Model

As mentioned before, strategic HRD alignment is characterized by participation, information, formalization, and decision-making. According to literature (among others: Wognum, 1998; Wexley and Latham, 1991), organization-related factors that are supposed to have an impact on HRD effectiveness are, among others, the size and structure of the company, its HRD climate, the economic sector the company belongs to, and the degree of company's innovation. The structure and position of the HRD department, the degree of innovation, and the form the HRD program takes, and also transfer conditions are characteristics of the HRD function expected to influence HRD effectiveness (e.g. London, 1989; Mintzberg, 1983). Such problems serve as starting points for HRD interventions (Wognum, 1999).

Method

This paper is based on data derived from a survey among Dutch companies. These companies were selected from a national database from the Association of Chambers of Commerce.

Sample

Two organization related contextual factors were used as selection criteria: the size of the company, and the economic sector to which the company belongs. Following these criteria, 44 companies with more than 500 employees were selected from the aforementioned database: 11 from the industrial sector and 33 from the financial and commercial services sector. A non-response analysis showed no significant differences between the non-response group and the 44 companies in the study, concerning such contextual variables as size and structure of the company and structure and position of the HRD function. In each company one HRD program was selected (from the two frequently recurring fields of automation and social skills). This resulted in 23 selecting automation and 21 social skills programs. In order to define the effectiveness of the selected HRD programs, four categories of respondents within the company were selected: the HRD company representative, a maximum of 15 HRD participants, their supervising manager and (if present) their subordinates. All groups can be considered as having an interest in the results of the HRD programs (so-called stakeholders).

Data Collection

Data were collected in 1997, using four comparable questionnaires sent to 767 representatives of the four groups of stakeholders (44 HRD company representatives, 357 HRD participants, 242 of their supervising managers, and 124 of their subordinates). The questionnaires were designed to collect information on variables derived from the aforementioned theoretical framework. They comprised groups of questions and statements. Statements focused on respondents' opinions on the strategic HRD alignment process (22 in total: five on participation, five on information, five on the formal nature, and seven on the decision-making process) and perceived effectiveness (9 statements).

Additional questions in the questionnaire for HRD company representatives concerned the organization and HRD related factors. These included questions on the kind of problem that was a starting point for HRD (divided into three categories: to resolve a problem concerning employee, department or company performance; to improve certain working practices; or to change or renew the company situation), on the structure of the company and HRD function, on important innovations occurring since 1990 within the company as well as in the HRD function, on the design of the selected program, and on conditions made for transferring of the learning results into working practice. The questions had both pre-coded and open answers. Twelve statements focused on company HRD climate and comprised, among others, statements on a respondent's perception of management attitude towards training. These statements also had answers on a five-point scale.

In order to compare the effects of the 44 HRD programs, the effectiveness as perceived by respondents was the object of study. This is based on the assumption that the importance given to effectiveness later is every bit as important as actual HRD effectiveness (Ford & Noe, 1987). Emphasis on perceptions is also allowed by the multilevel theory mentioned before, indicating that the combined micro and macro domain's focus will result in a better understanding of the organizational influence on individuals' actions and perceptions (Klein, Tosi & Cannella, 1999). Statements had answers on a 5-point scale, running from 1 (totally disagree/not at all) to 5 (totally agree, completely) and a possible 6 score (for unknown, no idea, or not relevant).

Response

For the automation response group 752 questionnaires were sent out (to 23 HRD company representatives, 320 trainees, 277 managers, 132 subordinates). For the 'social skills' group 740 questionnaires were sent out (to 21 HRD company representatives, 292 trainees, 251 managers, 176 subordinates). For both groups, all HRD company representatives filled in the questionnaire. The response rates for the other groups of respondents are for the 'social skills' group: 63% of the trainees, 49% managers, and 49% subordinates, and for the group of companies with automation programs: 54% of the trainees, 43% of the managers, and 29% of the subordinates.

Analysis

To arrive at answers to the research questions descriptive statistics, cross-tabulations, chi-square analysis and one-way analysis of variance were used for the analysis of the data. A factor analysis was used to assess the construct validity of the scales. As a consequence of multilevel theory as described in a former section, and of the two-stage sampling design (first a sample of companies, then a sample of respondents within each company, which resulted in a hierarchical, nested data structure) multilevel statistical models are used for the data analysis (cf. Bryk & Raudenbush, 1992; Goldstein, Rasbach, Plewis, et al, 1998) . These models allow us to make statistical inferences both at individual respondent (sample size 767) and company (sample size 44) levels.

Results

The study was intended to provide insight into which factors impede or enhance the achieving of improved performance on multiple levels.

Strategic HRD Alignment

In order to study the impact of strategic HRD alignment on HRD effectiveness two scales were constructed, 'strategic HRD alignment' and 'perceived HRD effectiveness'. A factor-analysis was used for the 22 items of strategic alignment to assess its construct validity. Instead of the expected four factors, six emerged from the analysis with varimax rotation covering all aspects of strategic alignment. A one-factor analysis was then performed to find out whether the construct of strategic alignment was one-dimensional instead of multidimensional. Five items with factor loading below .40 and with item-rest correlation below .30 were dropped for further analysis. Reliability of the remaining 17 items of the scale 'strategic HRD alignment' led to an alpha of .89. Analysis of the item content proved that all four aspects of strategic HRD alignment were represented in the constructed scale. This result justifies the conclusion that the four aspects are significant in connection. The scale 'perceived HRD effectiveness' was constructed on the basis of nine items at all three levels of HRD effects. The psychometric quality of this scale was studied with a one-factor analysis and with Cronbach's alpha ($\alpha=.89$). No items were excluded.

Before analyzing the impact of strategic HRD alignment on HRD effectiveness, the representativeness of the strategic alignment scale has to be considered, because this scale is based on 17 items and 543 valid cases; 224 cases were not included due to a high level of item non-response. Analysis showed that the results based on 543 cases are representative. Respondents whose opinion on the strategic alignment process is included in the analysis do not differ significantly in their opinion on HRD effectiveness ($M=3.52$, $SD=.70$) from those who are excluded in the strategic alignment scale ($M=3.54$, $SD=.71$) ($t=.24$, $df=537$, $p>.05$).

Following the multilevel analysis strategy, as outlined above, model 0 was first constructed (see Table 1). This step was important to decide how much variance is explained by differences within and between companies and to find which variables account for this variance and to what extent. The results under model 0 indicate that the average perceived effectiveness score (the intercept) was 3.52, with a total variance of .49 (.097 + .393), of which

20% $((.097/.49)*100\%)$ is variation between companies and 80% is variation between respondents within companies. The results under model 1 (Table 1) indicate that supervising managers, subordinates and HRD company representatives estimate higher effects than HRD participants do. Supervising managers perceive HRD effectiveness .11 higher than HRD participants do; subordinates .06; and HRD representatives .25. These differences are significant for managers and HRD company representatives. One percent of the variance in perceived effectiveness is explained by the groups of respondents.

The company score for stakeholders' opinion on strategic HRD alignment was constructed by first computing the mean of the deviation scores of each group of respondents and then calculating the mean of these four group scores. The results are presented in model 2 of Table 1. The data show that stakeholders' opinion on strategic HRD alignment within companies has a significant effect of .49 on perceived HRD effectiveness. The between companies effect of this so-called alignment perception is .47 (also significant at the .10 level one-tailed). Strategic alignment accounts for 22% of the variation in effectiveness scores $(1-(.075+.304)/(.094+.389)*100\%)$. The difference in deviation between model 1 and model 2a is 108.519 $(884.932-776.413)$, with two degrees of freedom. This χ^2 analysis indicates a significant difference $(p=.00)$. This proved stakeholders' perception on strategic HRD alignment is an important predictor of perceived HRD effectiveness. The perceived effectiveness is even extra positive, as the mean company score on strategic HRD alignment is higher.

Table 1: Effects (and Standard Errors) of Strategic Alignment on (Perceived) HRD Effectiveness (with respondent Group of HRD participants as Contrast Group) (Number of Respondents = 440; Number of Companies = 44)

	Model 0		Model 1		Model 2	
Intercept	3.52	(.06)	3.46	(.06)	1.83	(.16)
supervising managers			.11	(.07)*	-.05	(.06)
Subordinates			.06	(.12)	.14	(.11)
HRD company representatives			.25	(.13)*	-.03	(.12)
strategic alignment within companies					.49	(.05)**
strategic alignment between companies					.47	(.19)**
unexplained variance						
between companies	.097	(.03)	.094	(.03)	.075	(.02)
Within companies	.393	(.03)	.389	(.03)	.304	(.02)
Explained variance (R^2)			1%		22%	
Deviance	890.204		884.932		776.413	
Degrees of freedom (df)			3		2	
model improvement (p) (to model)			.15 (0)		.00 (1)	

* significant at $\alpha < .10$ (two-tailed)
 ** significant at $\alpha < .10$ (one-tailed)

The Problem of Cognitive Dissonance

It is conceivable that respondents may have avoided cognitive dissonance (Etgen & Rosen, 1993; Festinger & Aronson, 1997), meaning that it is not very likely they will rate a course as effective while at the same time rating the strategic alignment process as poor. Multilevel statistical models are used to handle this problem. If avoiding cognitive dissonance affects the estimate of the association between stakeholders' opinion on strategic HRD alignment and effectiveness, this relates to the within-regression coefficient, but not the degree the between-company regression coefficient exceeds this within-company regression coefficient. There is no psychological explanation for a possible extra effect of the company mean for strategic alignment on perceived HRD effectiveness over and above the individual effects. For the individual level effect, the psychological explanation of avoiding cognitive dissonance may hold, but not for the so-called contextual effect. However, a study concerning the possible presence of cognitive dissonance has to start from company scores which are computed from the scores of individual respondents, regardless to which group they belong, instead of the mean scores of the four respondent groups, as was clarified before. The results of this computing procedure show that stakeholders' opinion on strategic HRD alignment has an effect of .49 on perceived effectiveness within companies and that for the between effect the opinion on strategic HRD alignment is .63, which is considerably higher than .49. This extra effect may not only be explained by avoiding cognitive dissonance, but must also be ascribed to the strategic HRD alignment process within companies (see Wognum & Lam, 2000).

Organization and HRD Related Factors

For exploring the impact of organization and HRD related factors, the variables size and structure of the company, degree of innovation of the company, structure and position of the HRD department, degree of innovation of the HRD department, design of HRD programs, conditions made for the transfer of learning results, and company HRD climate are separately brought into Model 2 (see Wognum, 2000). The variable economic sector only served as a selection criteria. It was not brought into the analysis since no significant effect on perceived HRD effectiveness was found concerning this characteristic (Wognum, 1999). For the factors size and structure of the organization, structure of the HRD function, and transfer conditions, no differences in perceived HRD effectiveness were observed. A link was found, however, between the following organization and HRD related factors and perceived HRD effectiveness.

Problem that Served as Starting Point for HRD. In interaction with the type of HRD program (automation or social skills) the analysis proved that the problem that served as starting point for HRD has a positive effect on perceived HRD effectiveness. If the actual performance of employees, departments or the entire company is starting point for HRD interventions, then the impact on perceived HRD effectiveness was significant lower for social skills programs than for automation programs. It was found that the problem that served as starting point for HRD has no significant effect on perceived HRD effectiveness in itself.

HRD Climate and Position of the HRD Department. The analysis showed that HRD climate correlates negatively with HRD effectiveness. No interaction effects were found between HRD climate and type of HRD program, indicating that the effect of HRD climate on perceived effectiveness is negative, regardless whether it concerns automation or social skills programs. The same applies to the position of the HRD department when this is not placed in the management line, but is part of a staff department, for instance, the company's personnel department. The effect on perceived HRD effectiveness is significant lower where the HRD department is part of a staff department, than when it has 'other position than a staff department', which is significant. No interaction effect between 'position of the HRD department' and 'type of HRD program' were found, implying that the perceived HRD effectiveness score in companies with an HRD department as part of a staff department is significantly lower than in companies with an HRD department positioned as other than a staff department, no matter if it concerns automation or social skills programs.

The Form the HRD Program Takes. More than 56% of the 44 HRD programs studied were tailor-made, 25% were standard, while about 18% had another form, usually an adaptation of a standard program to a specific company situation. The form of the HRD program correlates negatively with perceived HRD effectiveness. When compared to standard and other kind of 'off-the-shelf' programs, tailor-made programs result in a significant lower level of effectiveness. No significant effects were found when interacting the variable 'form of HRD program' with the variable 'type of HRD program'. This means that the perceived effectiveness of tailor-made programs are less than other program forms, irrespective of whether they are geared to automation or social skills.

Conclusion

Based on the results it may be concluded that many factors have an impact on HRD performance or effectiveness. One of the findings showed that strategic HRD alignment is positively correlated with HRD effectiveness. This may lead to the conclusion that the strategic HRD alignment process is an important intermediate factor in enhancing (or impeding) the impact of HRD on company performances. Contextual elements, like HRD climate, position of the HRD function and the form of the HRD program, are important effectiveness influencing factors. Although some unexpected results were found. This may partially be due to the fact that the data were based on perceptions of one respondent group, HRD company representatives. Their perceptions may be different from those of other groups of stakeholders. In future research these contextual factors should be measured not only among HRD representatives but also among other stakeholders in organizations in order to investigate the influence of these factors on HRD effectiveness.

Based on the findings it is now possible to start the building of an HRD performance or effectiveness model, and visualize the connection between all elements. This can be done in several ways (see for instance Holton, 1996). In this study the choice is made for an HRD effectiveness model derived from the integrated, multilevel model of school effectiveness (Scheerens & Bosker, 1997). Following this model and based on the information in

the former sections, there are two main characteristics of the HRD effectiveness model. Firstly, according to a basic systems model of an organizationally and contextually embedded production process, the antecedent conditions are classified in terms of inputs, processes and contexts of HRD. Secondly, the model has a multilevel structure, where the HRD function is embedded in organizations (strategic HRD alignment as an organization process), and individual employees who want to develop themselves are embedded in the HRD function (HRD process).

These characteristics are visualized in Figure 2, together with the empirically found indications for certain relations in this model, as was presented in this paper. The findings give some insights into ways to improve the effectiveness of HRD programs and other learning interventions

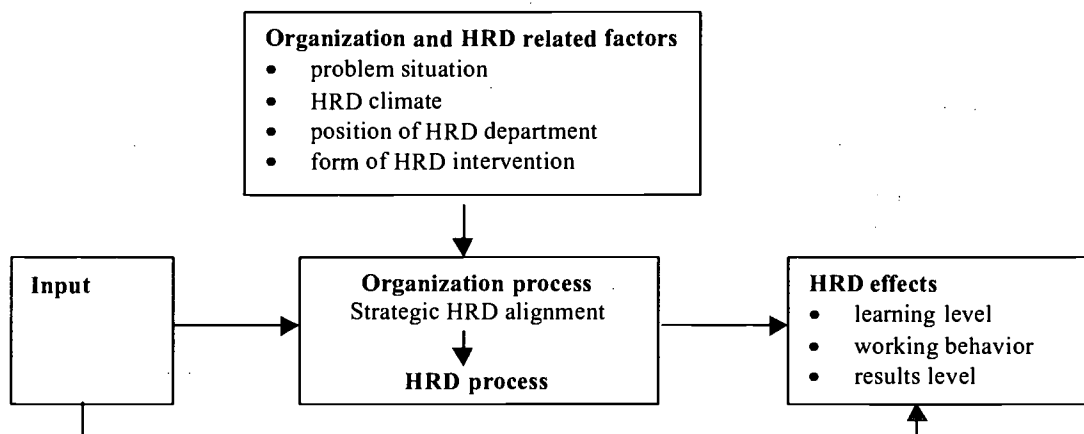


Figure 2. A model of HRD Effectiveness

Much more research, however, is needed to discover other predictors of HRD effectiveness so that the effectiveness model can then be fleshed out and provide us with an adequate explanation for the effectiveness of company HRD programs. It is, among others, important to find input characteristics which are important for enhancing HRD effectiveness. Van der Klink (1999), for instance, found that transfer of training is largely explained by characteristics of participants, i.e. the level of self-confidence and behavior after training. Hoekstra (1999) also found that enhanced employees' feelings of self-efficacy play a central role in training effectiveness. However, feelings of self-efficacy concerning a specific kind of behavior only influence the performing of that behavior under certain environmental conditions. The transfer of learned behavior proved to be a function of characteristics of the environment in which the trainees needed to work, like for instance practical support (Hoekstra, 1999). Van der Klink's study, on the contrary, indicated workplace characteristics like manager support or pressure of work, of virtually having no influence on the transfer of training (Van der Klink, 1999). Other findings underpin the importance of further investigating the mutual relationships between intermediate factors in the model and with HRD effectiveness. Holton and Kaiser (2000), for example, found evidence for the impact of some organizational learning characteristics on perceived innovation, which in turn, they expect, will improve performance.

Due to the recent trend for less traditional and more informal HRD interventions than the ones mentioned in this survey, research is needed into the way the alignment process can be approached in more informal and on-the-job training and learning situations. Further research also needs to focus on alignment processes and other effectiveness enhancing factors in small and medium sized companies (SMEs). Like the study presented here, HRD research has traditionally focused on large organizations despite the prevalence of small business in today's economy.

References

- Baldwin, T.T., & J.K. Ford (1988). Transfer of training: a review and directions for future research. *Personnel Psychology*, 41, 63-105.
- Broad, M.L., & J.W. Newstrom (1992). *Transfer of training. Action-packed strategies to ensure high payoff from training investments*. Reading, MA: Addison-Wesley Publishing Company, Inc.
- Bryk, A.S., & S.W. Raudenbush (1992). *Hierarchical Linear Models: Applications and data analysis methods*. Newbury Park: Sage Publications.

- Ellinger, A.D., Ellinger, A.E., Baiyin, Y., & Howton, S.W. (2000). An empirical assessment of the relationship between the learning organization and financial performance. In K. P. Kutchinke (Ed.), Academy of Human Resource Development 2000 Conference Proceedings. Baton Rouge, LA: Academy of Human Resource Development.
- Etgen, M.P., & E.F. Rosen (1993). Cognitive dissonance: Physiological arousal in the performance expectancy paradigm. The bulletin of the Psychonomic Society, 31(3), 229-231.
- Festinger, L., & E. Aronson (1997). A theory of cognitive dissonance. The American Journal of Psychology, 110(1), 127-136.
- Galagan, P.A. (1997, April). Strategic planning is back. Training and Development, 32-37.
- Goldstein, H., Rasbash, J., Plewis, I., Draper, D., Browne, W., Yang, M., Woodhouse, G. & M. Healy (1998). A user's guide to MlwiN. London: University of London.
- Hannigan, K., Donovan, P., Holton, E.F., Bates, R.A. & Naquin, S.S. (2000). Context and causation in the evaluation of training: Relating economic and learning transfer theory. In K.P. Kutchinke (Ed.), Academy of Human Resource Development 2000 Conference Proceedings. Baton Rouge, LA: Academy of Human Resource Development.
- Hoekstra, M. (1999). Gedragsbeïnvloeding door cursussen. Een studie naar de effecten van persoon-, cursus- en omgevingskenmerken. [The influence of training on employees' behavior. A study into the effects of personal characteristics and features of training course and work environment.]. Amsterdam: Kurt Lewin Instituut.
- Holton, E.F. (1996). The flawed four-level evaluation model. Human Resource Development Quarterly, 7, 5-21.
- Holton, E.F. (2000). Clarifying and defining the performance paradigm of human resource development. In K.P. Kutchinke (Ed.), Academy of Human Resource Development 2000 Conference Proceedings. Baton Rouge, LA: Academy of Human Resource Development.
- Holton, E.F. & Kaiser, S.M. (2000). Relationship between learning organization strategies and performance drivers outcomes. In K. P. Kutchinke (Ed.), Academy of Human Resource Development 2000 Conference Proceedings. Baton Rouge, LA: Academy of Human Resource Development.
- Kaplan, R.S. and Norton, D.P. (1996). The balanced scorecard. Boston, MA: Harvard Business School Press.
- Kirkpatrick, D.L. (1976). Evaluation of training. In: R.L. Craig (Ed.), Training and development handbook. New York, NY: Mc Graw-Hill.
- Klein, K.J., Tosi, H., & Cannella, A.A., Jr. (1999). Multilevel theory building: Benefits, barriers, and new developments. Academy of Management Review, 2, 243-248.
- Khandwalla, P.N. (1977). The design of organizations. New York, NY: Harcourt Brace Jovanovich.
- London, M. (1989). Managing the training enterprise. San Francisco, CA: Jossey-Bass Publishers.
- Mintzberg, H. (1983). Structures in fives: Designing effective organizations. Englewood Cliffs, NJ: Prentice Hall Inc.
- Mintzberg, H. (1994). The Rise and Fall of Strategic Planning. New York, NY: Prentice Hall.
- Scheerens, J., & Bosker, R. (1997). The foundations of educational effectiveness. Oxford: Pergamon.
- Swanson, R.A. (2000). Strategic roles of human resource development in the new millennium. In K.P. Kutchinke (Ed.), Academy of Human Resource Development 2000 Conference Proceedings. Baton Rouge, LA: Academy of Human Resource Development.
- Tjepkema, S., & Wognum, A.A.M. (1999). Human resource development in a corporate setting from an organizational point of view. In A.J. Visscher (Ed.), Managing schools towards high performance. Lisse: Swets & Zeitlinger.
- Van de Ven, A., & Drazin, R. (1985). The concept of fit in contingency theory. Research in Organizational Behavior, 7, 333-365.
- Van der Klink, M.R. (1999). Effectiviteit van werkplekopleidingen. [Effectiveness of training-on-the job]. Enschede: Universiteit Twente.
- Weinberger, L.A. (1998). Commonly held theories of human resource development. Human Resource Development International, 1, 75-93.
- Wexley, K.N., & Latham, G.P. (1991). Developing and training human resources in organization (2nd ed.). New York, NY: Harper Collins Publishers.
- Wognum, A.A.M. (1998). HRD policymaking in companies: an interpretation of the differences. Human Resource Development Quarterly, 9(3), 255-269.
- Wognum, A.A.M. (1999). Strategische afstemming en de effectiviteit van bedrijfsopleidingen. [Strategic HRD alignment and HRD effectiveness]. Enschede: Twente University Press.
- Wognum, A.A.M., & Lam, J.F. (2000). Stakeholder involvement in strategic HRD aligning: the impact on HRD effectiveness. International Journal of Training and Development, 4(2), 98-110.

Exploring Organization Commitment in a Non-Profit Service Organization

Constantine Kontoghiorghes
Nancy Bryant
Oakland University

The primary purpose of this study was to identify the key predictors of employee commitment in a service non-profit organization. Company satisfaction, the extent to which one's job takes advantages of talents and abilities, and the extent to which the organization emphasizes doing things right the first time were found to be the strongest predictors. A work environment conducive to learning was also found to be highly associated with employee commitment.

Keywords: Organization commitment, Organizational performance, Learning Environment

Today, times are changing and are changing fast. The only thing that remains constant in organizational life is change. Clearly, lifetime employment is dead. Careers are becoming portfolios of activities and people increasingly have multiple careers. Companies are becoming more and more flexible and self-designing. They understand that organizational competitiveness will ultimately depend on their capability to configure people and design a system for optimal execution of strategy (Mohrman & Lawler III, 1998). "As a result, the future effectiveness of most organizations increasingly depends on the very human resources who feel that the company is no longer committed to them and who do not know what the future holds. Herein lies the rationale for the complete and total transformation of the human resources function" (Mohrman & Lawler III, 1998, p. 211).

In the old days, loyalty and commitment was a two-way phenomenon that was reinforced by a psychological contract that existed between the organization and the employee. Briefly, not long ago employees joined an organization with the expectation of a career. That is, aside from permanent employment, employees expected the company to give them the opportunity to grow, develop, and advance hierarchically. Further, employees expected their wages to increase with time, experience, and performance. They expected a fair wage for the work they did and they did not expect their salaries to be at risk. Employees also saw the company, not themselves, as responsible for providing opportunities for growth, development, and careers. In return, they rewarded the organization with loyalty and did what the company needed to have done in order to be competitive (Mohrman & Lawler III, 1998).

Times have changed though. "The latest rash of downsizing, restructuring, outsourcing, and hollowing has put an end to the old psychological contract, and new contracts are emerging in reaction to the new situation... We appear to be entering an era of highly differentiated psychological contracts" (Mohrman & Lawler III, 1998, p. 219). The new contracts, which are established with different groups of employees—core workers, contract workers, and temporary and part-time workers—will have to acknowledge the needs and motivations of each particular group of employees (Mohrman & Lawler III, 1998).

According to Finegold (1998), the new psychological contract can take the form of a learning contract. As Finegold (1998) put it, "one possible basis for an alternative bargain between the employer and employee is a mutual commitment to ongoing competency development, or a learning contract. The organization, although not able to offer employment security, pledges to increase the employability of its workers and managers by investing in their continuous skill development and providing them with opportunities (including lateral career paths) and rewards for using these skills" (p. 234). Under this learning contract, if the organization's focus changes and thus the competencies of a particular employee are no longer needed, then the organization should help that person retrain for new opportunities either in the organization or outside it (Finegold, 1998). According to Mohrman and Lawler (1998), however, "if the new contracts do not give employees a stake in the performance of the organization, the organization is unlikely to obtain anything like the depth of commitment found in the old era of two-way loyalty" (p. 220).

In terms of previous research, employee commitment has been one of the most popular organizational research subjects during the last three decades (Benkhoff, 1997; Eby, Freeman, Rush, & Lance, 1999; Zeffane, 1994). The main reason why employee commitment has experienced such widespread popularity is its assumed

Copyright © 2001 Constantine Kontoghiorghes and Nancy Bryant

impact on performance (Benkhoff, 1997). In particular, researchers have argued that the importance of the organization commitment construct stems from its relationship with such important work-related constructs as absenteeism, turnover, organizational citizenship, job satisfaction, job involvement, job performance, and leader subordinate relations (Eby et al., 1999; Finegan, 2000; Organ & Ryan, 1995). A study by Benkhoff (1997) found employee commitment to be significantly related to the financial success of bank branches. Further, another study that was conducted in a hospital environment concluded that there is a "definite relationship" between employee attitude and satisfaction with organizational success (Bolon, 1997). Aside from organizational performance, however, organizational commitment has been found to be associated with training effectiveness. More specifically, studies have found the organizational commitment construct to be significantly and positively related to motivation to learn (Facteau, Dobbins, Russell, Ladd, & Kudisch, 1995; Tannenbaum, Mathie, Salas, & Cannon-Bowers, 1991).

With regard to factors affecting organizational commitment itself, studies have found job satisfaction, extrinsic rewards, intrinsic rewards, job characteristics, upward and downward communication, leadership satisfaction, promotion satisfaction, trust in supervisors, age of the organization, and employee perceptions of organizational values to be predictors of commitment (Bolon, 1997; Finegan, 2000; Glisson & Durick 1988; Nyhan, 1999; Young, Worchel, & Woehr, 1998). In addition, a study in the health care industry found that employees who felt their employers were focused on change and new technology exhibited high organizational commitment (McNeese-Smith, 1996).

Another major factor affecting organizational commitment, of course, is downsizing. As stated earlier, due to external competitiveness related pressures, today's organizations find themselves in the constant mode of downsizing or realigning their internal structures in order to control costs and at the same time place more emphasis on the quality of their products. Results of a recent survey, for instance, indicate that 38% of the health care industry is reducing the size of its workforce in order to control operating costs (Bolon, 1997). According to Bolon (1997), it is the hospital's remaining employees that typically carry the burden of staff reductions because they must absorb or fulfill numerous responsibilities that previously were performed by their coworkers. Finally, Bolon (1997) acknowledged the high correlation between job satisfaction and organizational commitment. Bolon's finding is in agreement with that of the Luthans and Sommer (1999) study which found downsizing to result in a shift in traditional organizational level attitudes, including commitment and satisfaction.

Research Problem

Despite the vast amount of research on employee commitment, "the results are disappointing. So far there is no evidence of a systematic relationship between commitment and its presumed consequences—turnover and job performance—even though these links are almost implied by the definition of the concept. Nor do we know very much about the factors that explain the phenomenon" (Benkhoff, 1997, p. 114). An explanation of this phenomenon could be that "factors affecting employee satisfaction and commitment to the organization are not only complex but they are all somewhat intertwined with each other" (McNeese-Smith 1996, p. 160). As Eby et al. (1999) put it, "few studies have tested complex patterns of relationships among antecedents, correlates and consequences of commitment, or tested theoretically based alternative models of affective commitment" (p. 463). Eby et al. (1999) further stated that based on the limited attention given to model building and testing, future research should focus on delineating the motivational and psychological processes that may influence the complex relationships among focal variables.

Given the gaps pertaining to organization commitment research, the central focus of this *exploratory* study was a) to identify the key variables within the organizational context that could serve as predictors of employee commitment in a service non-profit organization; and b) describe the relationship of these key variables with organization commitment. Given also the lack of systematic evidence with regard to the relationship between commitment and its presumed consequences, this study attempted to enhance knowledge in this domain by describing the relationship between employee commitment and absenteeism, turnover, as well as bottom-line organization performance. Lastly, this study attempted to describe the relationship between learning and employee commitment and thus determine the extent to which a learning contract could indeed serve as a viable alternative to the old employment based psychological contract.

Theoretical Framework

The theoretical framework of this study was based on the organization commitment, sociotechnical systems (STS), and quality management theories. Based on the above described theories and research a survey instrument was developed which in turn helped assess all relevant variables and constructs pertaining to employee commitment and

the extent to which the organization was functioning as a *high performance work system*. In short, high-performance work systems (HPWS), which are also known as “high-involvement” or “high-commitment” organizations, are multifaceted and embody different combinations of STS, continuous improvement, and other organization development strategies (DeSimone & Harris, 1998; French & Bell, 1999). High performance work systems have also been defined as “excellent human systems” or systems that perform at unusually high levels of excellence (Harvey & Brown, 2001).

Typically, high-performance work systems “feature decision making moved downward as far as possible, extensive use of self-managed teams, compensation systems that link rewards to individual and team performance, widely shared information, participative and shared leadership, and extensive training” (French & Bell, 1999, p. 234). According to Gephart (1995), HPWS are organized around eight core principles: 1) they are aligned to an organization's competitive strategy; 2) clear goals and outcomes are customer driven; individual, team, and organizational goals and outcomes are aligned; 3) work is organized around processes that create products and services; 4) they include process-oriented tracking and management of results; 5) organization is by work of units that are linked to processes-which enhance ownership, problem solving, and learning; 6) workplace structures and systems facilitate focus, accountability, cycle time, and responsiveness; 7) they are characterized by collaboration, trust, and mutual support; and 8) strategic change management is key.

Briefly, the STS dimensions of the instrument helped determine the extent to which the employees functioned in a participative and innovation driven system whose design was consistent with STS principles. According to Pasmore (1988), STS designed organizations “have been demonstrated to produce high levels of commitment and performance” (p. 157). The quality management dimensions of the instrument helped determine the extent to which the organization functioned as an excellence and quality driven system with great emphasis on continuous improvement. Finally, based on the results of previous empirical research, questionnaire items were developed to assess the extent to which the employee functioned in an environment that was conducive to organizational commitment.

In all, this study incorporated in its design the following learning and organizational dimensions: organization commitment; job satisfaction; learning climate; management practices; employee involvement; organizational structure; communication systems; reward systems; job design; job motivation; innovation practices; technology management; teamwork climate; ethical work culture; and process improvement climate. Organizational performance was defined in terms of the following dimensions: quality, productivity, competitiveness, innovation, rate of change adaptation, and rate of new technology adaptation.

Research Questions

In short, this study attempted to answer the following research questions:

1. Which of the identified organizational and learning climate dimensions and variables can serve as predictors of organizational commitment?
2. To what extent is organizational commitment related to organizational performance?
3. To what extent is organizational commitment related to the learning environment ?

Methodology

Instrument

The instrument of this study consisted of a 108 Likert item questionnaire, which was designed to assess the organization in terms of the earlier described dimensions. Many of the dimensions were assessed with scales that were used or described in previous instruments or research (Buckingham & Curt; 1999; Hackman & Oldham, 1980; Lindsay & Petrick, 1997; Macy & Izumi, 1993; Pasmore, 1988; Rouiller & Goldstein, 1993; Tracey, Tannenbaum, & Kavanagh, 1995; Whitney & Pavett, 1998), while several were designed specifically for this study. The instrument utilized a six-point scale that ranged from “strongly disagree” to “strongly agree”. The first version of the questionnaire, which consisted of 99 Likert items, was originally pilot-tested on a group of 15 participants for clarity. Furthermore, a group of seven experts reviewed the instrument for content validity. Upon revision, the instrument was then administered to a group of 129 members of four different organizations. Reliability tests were conducted and the instrument was further refined and expanded. As stated earlier, in its final format the instrument consisted of 108 Likert items.

Subjects

The sampling frame of this study consisted of 256 employees of a national non-profit organization in the health care insurance industry. The employees were given the survey instrument at scheduled staff meetings. 192 out of the 256 employees returned the survey and the response rate was calculated at 75%. In all, 86.4% of the respondents were females and 13.6% males. In terms of education, 14% had a high school degree, 27.9% an associates, 39.5% a bachelors, 13.4% a masters, and 3.5% a PhD. 1.7% of the respondents did not indicate an educational level. In terms of position held in the organization, the frequency distribution identified 4.1% of the respondents as either a vice president or director of the unit, 4.1% as managers, 11.6% as supervisors, 65.7% as salaried professional, 12.8% as administrative personnel, and 1.7% as hourly employees.

Data Analysis

Based on the gathered data, a regression analysis was used to answer the first research question. More specifically, through a stepwise regression analysis the most significant predictors for the organizational commitment variable were identified. Correlational analyses were used to answer research questions 2 and 3 and thus determine the extent to which organizational commitment is associated with organizational performance and continuous learning opportunities. The reliability of the instrument was measured in terms of coefficient alpha and was found to be 0.986.

Results and Findings

As shown in Table 1, the stepwise regression model of organization commitment incorporated in its design 15 variables and accounted for 62.3% of the total variance. Being satisfied with the company as a place to work proved to be the stronger predictor and accounted for almost 37% of the total variance. The second strongest predictor of organization commitment was the extent to which the job takes advantage of one's skills and abilities. The extent to which the organization emphasizes doing things right the first time was the third variable selected by the model.

According to the results depicted in Table 1, organization commitment was also found to be dependent on the extent to which: the employee functions in an environment that has few bureaucratic barriers to getting the job done properly; people on one step of the operation regard the people in the next step of the operation as their customers and try to meet their needs; one is expected to use newly learned skills and knowledge learned during training, receives praise and recognition when doing so, and he or she is well rewarded for his or her learning; innovators get ahead in the organization; there is an organization focus on process improvement; the employee is a member of a self-directed work team, is given the opportunity to do what he or she does best and has a job that requires skill variety; and, the amount of output by peers exceeds expectations and is delivered in a timely fashion.

Examining the data in Table 2, one notices that organization commitment was found to exhibit its highest correlations with company ($r = 0.61$; $p < 0.001$) and job satisfaction ($r = 0.575$; $p < 0.001$). This finding is not surprising given that unless one is satisfied with his place of employment as well as his or her job he or she will not be likely to be committed to the company. Examining further the data in Table 2, one can observe that although organization commitment was found to be significantly and positively correlated with a variety of performance indicators, as expected it was found to be negatively related with turnover and absenteeism. In particular, organization commitment was found to be significantly related with the quality indicators of quick product/service introduction, customer loyalty, on-time delivery of products and services, and external customer satisfaction. Moreover, organization commitment exhibited a significant and positive correlation with the productivity indicator of cost effectiveness as well with the variables that pertained to the rate of change adaptation and new technology assimilation. Lastly, it is important to note that of all the performance indicators listed in Table 2, those pertaining to competitive and innovative organization were the ones found to exhibit the highest correlation with organization commitment. What this finding seems to suggest is that when it comes to attaining competitive advantage and being innovative, organizations still need to heavily rely on a committed workforce.

In terms of the association between learning and organization commitment, all the learning environment variables investigated in this study were found to be moderately to highly associated with organization commitment. To be specific, the data in Table 2 indicates that organization commitment will be enhanced if the employee functions in an organization for which continuous learning is a priority ($r = 0.400$; $p < 0.001$), he or she is given ample of learning and growth opportunities ($r = 0.540$; $p < 0.001$), and is rewarded for his or her learning ($r = 0.558$; $p < 0.001$). Further, the high correlation between organization commitment and motivation to learn during training

($r = 0.558$; $p < 0.001$) exemplifies and once again validates the relationship between organization commitment and training effectiveness.

Table 1. Stepwise Regression of Organization Commitment^{a,b,c}

Model	Variables		B	R ²	Adjusted R ²	Std. Error of the Estimate
	Entered	Removed				
1	1 am satisfied with this company as a place to work	.	.610	.372	.369	0.98
2	Job takes advantage of talents and abilities	.	.662	.438	.431	0.93
3	Emphasis of doing things right the first time	.	.701	.492	.483	0.89
4	Few bureaucratic barriers	.	.715	.512	.500	0.87
5	People meet the needs of their coworkers	.	.736	.542	.528	0.85
6	Expected to use new skills and knowledge	.	.746	.557	.541	0.83
7	Receive praise and recognition when applying newly learned skills and knowledge	.	.755	.570	.552	0.83
8	Learning is well rewarded	.	.763	.582	.562	0.82
9	Innovators get ahead	.	.770	.593	.571	0.81
10	Organization focus on process improvement	.	.777	.603	.579	0.80
11	Member of self-directed	.	.783	.613	.587	0.79
12	Amount of work output by peers exceeds expectations	.	.791	.626	.599	0.78
13	I have the opportunity to do what I do best	.	.798	.637	.608	0.77
14	I receive peer output in a timely fashion	.	.804	.647	.616	0.76
15	My job requires skill variety	.	.809	.655	.623	0.76

a. Dependent Variable: Organization commitment; N = 176

b. Method: Stepwise (Criteria: Probability-of-F-to-enter \leq .050, Probability-of-F-to-remove \geq .100).

c. F = 20.38, $p < 0.001$

Summary and Conclusions

In summary, the results of this study confirmed some of the earlier research findings while at the same time provided some new insights with the regard to the relationship between organization commitment and organizational performance as well as learning. In particular, this study confirmed the strong association between commitment and job as well as company satisfaction and thus validated the results of the Eby et al. (1999), Bolon (1997), Organ and Ryan (1995), and Young et al. (1998) studies. Moreover, being in agreement with the results of the studies by Bennkhoff (1997), Bolon (1997), and Eby et. al (1999), this study once again ascertained the link between employee commitment and organizational performance as well as turnover and absenteeism. The results of this study were also in agreement with the Tannenbaum et al. (1991) and Facticeau et al. (1995) studies which found organization commitment to be highly correlated with motivation to learn.

Table 2. Pearson Correlations of Organization Commitment with Learning Environment Variables and Organizational Performance Indicators

Variable	Organization Commitment
<i>Learning Environment Variables</i>	
Motivation to learn during training	$r = .558^{**}$ (N = 189)
Learning is well rewarded	$r = .543^{**}$ (N = 189)
Learning and growth opportunities	$r = .540^{**}$ (N = 187)
Continuous learning is a priority	$r = .400^{**}$ (N = 191)
<i>Organizational Performance Indicators</i>	
Competitive organization	$r = .494^{**}$ (N = 187)
Innovative organization	$r = .441^{**}$ (N = 186)
Cost effective production	$r = .381^{**}$ (N = 186)
Quick product/service introduction	$r = .356^{**}$ (N = 188)
Customer loyalty	$r = .352^{**}$ (N = 185)
On-time delivery of products and services	$r = .326^{**}$ (N = 187)
External customer satisfaction with quality of services	$r = .314^{**}$ (N = 185)
Rate of new technology assimilation	$r = .302^{**}$ (N = 185)
Rate of change adaptation	$r = .300^{**}$ (N = 186)
<i>Absenteeism, Turnover, Job & Company Satisfaction</i>	
Satisfied with this company as a place to work	$r = .610^{**}$ (N = 184)
Job satisfaction	$r = .575^{**}$ (N = 185)
Turnover	$r = -.316^{**}$ (N = 187)
Absenteeism	$r = -.271^{**}$ (N = 185)

** Pearson correlation is significant at the 0.01 level (2-tailed)

However, the findings of this study also demonstrated the importance of learning and how an organization can use it when wishing to build a committed, innovative, and competitive workforce. As stated earlier, all learning environment variables investigated in this study were found to be moderately to highly correlated with organization commitment. In essence, the findings of this study gave empirical validation to the premise of how a learning contract can indeed replace the old psychological contract, which in turn centered on the concept of employment security. In this modern era in which employees act more and more like free agents, while organizations are in a constant flux of downsizing and restructuring, learning not only can assist in the development of a highly trained, knowledgeable, and competent workforce, it can also facilitate employee commitment and thus serve as a tool of competitive advantage.

Contribution to New Knowledge in HRD

As stated earlier, the main objective of this study was to identify the key variables within the organizational context that could serve as predictors of employee commitment in a service non-profit organization. A secondary objective of this exploratory study was to describe the relationship between employee commitment and absenteeism, turnover, as well as bottom-line organization performance. Lastly, given the recent calls with regard to replacing the old psychological contract with a new learning contract, a final objective of this study was to describe the association between learning and employee commitment and thus determine the extent to which such a learning contract could serve as a viable alternative to the old psychological contract. In short, this study has accomplished its objectives and aside from demonstrating practical significance it also made some important contributions to HRD theory. It

has demonstrated that in today's turbulent and downsizing times, during which training becomes an expensive commodity, through learning HRD can still become a focal point to organizational effectiveness and success.

In terms of future research, the main limitation of this study was that its data was gathered from a single source and was conducted in a non-profit service organization. Replicating this study in other industries and environments will help determine the extent to which the presented results can be generalized to other settings.

References

- Benkhoff, B. (1997). Ignoring commitment is costly: new approaches establish the missing link between commitment and performance. Human Relations, *50* (50), 701-726.
- Bolon, D. (1997). Organizational citizenship behavior among hospital employees: A multidimensional analysis involving job satisfaction and organizational commitment. Hospital & Health Services Administration, *42* (2), 221-241.
- Buckingham, M., & Coffman, C. (1999). First break all the rules: what the world's greatest managers do differently. New York: Simon & Schuster.
- DeSimone, R., & Harris, D. (1998). Human resource development (2nd ed.). Fort Worth, TX: The Dryden Press.
- Eby, L., Freeman, D., Rush, M., & Lance, C. (1999). Motivational bases of affective organizational commitment: A partial test of an integrative theoretical model. Journal of Occupational and Organizational Psychology, *72* (4), 463.
- Facteau, J., Dobbins, G., Russell, J., Ladd, R., & Kudisch, J. (1995). The influence of general perceptions of the training environment on pretraining motivation and perceived training transfer. Journal of Management, *21*, (1), 1-25.
- Finegan, J.E. (2000). The impact of person and organizational values on organizational commitment. Journal of Occupational and Organizational Psychology, *73*(2), 149.
- Finegold, D. (1998). The new learning partnership – Sharing responsibility for building competence. In S. Mohrman, J. Galbraith, E. Lawler III, & Associates, Tomorrow's organization – Crafting winning capabilities in a dynamic world (pp. 179-207). San Francisco: Jossey-Bass.
- French, W., & Bell, C. (1999). Organization development – Behavioral science interventions for organization improvement (6th ed.). Upper Saddle River, NJ: PrenticeHall.
- Gephart, M.A. (1995). The road to high performance. Training and Development, *49* (6), 35-38.
- Glisson, C., & Durick, M. (1988). Predictors for job satisfaction and organizational commitment in human service organizations. Administrative Quarterly, *33*(1), 61-81.
- Hackman, J.R., & Oldham, G.R. (1980). Work redesign. Reading, MA: Addison Wesley.
- Harvey, D., & Brown, D. (2001). An experiential approach to organization development (6th ed.). Upper Saddle River, NJ: PrenticeHall.
- Lindsay, W.M., & Petrick, J.A. (1997). Total quality and organization Development. Boca Raton, FL: St. Lucie Press.
- Luthans, B., & Sommer, S. (1999). The impact of downsizing on workplace attitudes: differing reactions of managers and staff in a health care organization. Group & Organization Management, *24* (1), 46.
- Macy, B.A., & Izumi, H. (1993). Organizational change, design, and work innovation: A meta-analysis of 131 North American field studies ---- 1961-1991. Research in organizational change and development, *7*, 235-313.
- McNeese-Smith, D. (1996). Increasing employee productivity, job satisfaction, and organizational commitment-effective leadership behavior for hospital managers.
- Mohrman, S. & Lawler III, E. (1998). The new human resources management: Creating the strategic business partnership. In S. Mohrman, J. Galbraith, E. Lawler III, & Associates, Tomorrow's organization – Crafting winning capabilities in a dynamic world (pp. 211-230). San Francisco: Jossey-Bass.
- Nyhan, R. (1999). Increasing affective organizational commitment in public organizations: the key role of interpersonal trust. Review of Public Personnel Administration, *19* (3), 58-71.
- Organ, D., & Ryan, K. (1995). A meta-analytic review of attitudinal and dispositional predictors of organizational citizenship behavior. Personnel Psychology, *48* (4), 775-802.
- Pasmore, A.W. (1988). Designing effective organizations: The sociotechnical systems perspective. New York: Wiley & Sons.
- Rouiller, J.Z., & Goldstein, L.I. (1993). The relationship between organizational Transfer climate and positive transfer of training. Human Resource Development Quarterly, *4*(4), 377-390.

Tannenbaum, S., Mathie, J., Salas, E., & Cannon-Bowers, J. (1991). Meeting trainees' expectations: the influence of training fulfillment on the development of commitment, self-efficacy, and motivation. Journal of Applied Psychology, *76* (6), 759-769.

Tracey, J.B., Tannenbaum, I.S., & Kavanagh, J.M. (1995). Applying trained skills on The job: The importance of the work environment. Journal of Applied Psychology, *80*(2), 239-252.

Whitney, G. & Pavett, C. (1998). Total quality management as an organizational change: Predictors of successful implementation. Quality Management Journal, *5* (4), 9-22.

Young, B., Worchel, S., & Woehr, D. (1998). Organizational commitment among public service employees. Public Personnel Management, *27* (3), 339-348.

Zeffane, R. (1994). Patterns of organizational commitment and perceived management style: a comparison of public and private sector employees. Human Relations, *47* (8), 977-1010.

Innovative Human Resource Practices and Organizational Commitment: An Empirical Investigation

Tanuja Agarwala
University of Delhi, India

The present study attempted to explore the relationship of three dimensions of Innovative Human Resource Practices with Organizational Commitment. Regression analyses showed that the perceived extent of introduction of innovative human resource practices by the organizations was the most significant predictor of Organizational Commitment.

Keywords: Organizational Commitment, HR Effectiveness, Innovative Practices

Available literature suggests that business environment changes have brought about profound changes in the management of Human Resources (Stroh and Caligiuri, 1998). Prevailing universal assumption also maintains that there are always human resource activities that are better than others and therefore, organizations should adopt new and Innovative human resource activities (Ulrich, 1997; Harel and Tzafirir, 1999). However, very little research had addressed *innovation* within the Human Resource Management (HRM) function (Wolfe, 1995). In both, the theoretical literature and the emerging conventional wisdom, there is a growing consensus that organizational Human Resource (HR) practices must ultimately contribute to the firm's bottomline. Though research focussing on the firm-level impact of HR practices has become popular in recent years (Delaney and Huselid, 1996), several problems with this type of research have been pointed out (Hiltrop, 1996).

Theoretical evidence on the relationship of HR practices with organizational effectiveness indicates that HR practices influence employee commitment and other HR performance measures, which, then lead to organizational effectiveness (Rao, 1990; Phillips, 1996; Yeung and Berman, 1997). Therefore, it is important to elaborate on the black box (employee attitudes, behaviours, and perceptions) between a firm's HR system and the firm's bottomline. However, empirical research on the relationship of Innovative Human Resource Practices (IHRPs) with employee attitudes was still sparse.

The purpose of this study was to empirically address the relationship of three dimensions of IHRPs, that is, Importance, Introduction and, Satisfaction, with Organizational Commitment (OC). Innovative Human Resource Practices (IHRPs), in the present study, refers to: a modification in the existing or established HR practices of the organization, which is both, new to the organization as well as improved, even if the modification is by way of adopting or adapting the HR practices of other organizations.

Theoretical Framework

In the era of globalization, technological and information revolution and heightened competition, concern for the human resource of the organization has increased tremendously. The development and implementation of new and improved HR practices may lead an organization to respond proactively to external change. Tannenbaum and Dupree-Bruno (1994) proposed that the external environment had a very strong relationship with HR Innovations. The HRM function and practices cannot remain static as firms make the adaptations necessary to remain competitive. Effective HRM can no longer be content with simply executing a standard set of practices. There is a need to constantly evolve new mechanisms so as to attain a competitive edge.

The term innovation has been used to refer to two related concepts. Some researchers have used the term to refer to the process of bringing new products, equipment, programmes, or systems into use (Damanpour, 1991) while others have used it to refer to the object of the innovation process, that is, the new product, equipment, programme, or system (Rogers, 1983). The latter use of the term is adopted in the present research, following Wolfe (1995) who defined Innovative HR practices as an idea, programme, practice, or system which is related to the HR function and is new to the adopting organization.. Use of the term innovation has also differed concerning whether "objective newness" is considered an important criterion of innovation. While some researchers consider objective newness to be an important criterion, others consider an innovation to be a product, programme, or system which is

Copyright © 2001 Tanuja Agarwala

new to the adopting organization (for e.g., Damanpour, 1991) arguing whether an idea is objectively new matters little so far as human behaviour is concerned (Rogers, 1983). The present research adopts the latter position.

The adoption of innovative/ progressive HR practices can be considered similar to the adoption of other administrative innovations. Evan (1966) and Knight (1967) were the first to differentiate between technical innovations and administrative innovations. Technical innovations refer to an idea for a new product or service, or change in production processes. Administrative innovations are the organizational or people innovations. Progressive/ Innovative HR practices are considered similar to administrative innovations, as they occur within the social system of the organization and are designed to improve organizational effectiveness by influencing employee attitudes and behaviours (Johns, 1993).

According to Kochanski and Ruse (1996), the HR function has been under pressure to reduce costs, to improve its services, to increase its impact and to provide a more satisfying work experience for its own employees, even as the proven ways of organizing the people prove insufficient to meet the new challenges facing human resources. Yeung and Berman (1997) found that the measurement of HR effectiveness and impact was the number one topic that HR executives were most interested in exploring. But, most HR evaluation approaches have been unable to deliver objective data showing the unique contribution of the HR function to organizational effectiveness (Phillips, 1992).

There is mounting empirical evidence linking HR practices with various measures of firm performance (Huselid et al, 1997; Venkataratnam, 1997; Parmenter, 1998). However, literature on the relationship of *Innovative Human Resource Practices* and organizational performance still remains sparse.

Given the importance of the HRM function to organizational competitiveness, successful HRM Innovations can be important determinants of organizational success. Earliest study on IHRPs was done by Schuster (1986) who reported that greater the number of Innovative practices, more people-oriented the management philosophy and, more effective the organization. Other studies have also reported relationship between progressive/sophisticated HR practices and various measures of firm performance (Hiltrop 1996; Stroh and Caliguiri, 1998; Varma et al, 1999; Hiltrop, 1999).

According to Hiltrop (1996) , these results do not prove that innovative or progressive HR practices *cause* better financial performance but only that the two may be related. Huselid (1994) put forth that the relationship between HR practices and firm performance does not make it clear whether sophisticated HR practices caused the higher performance or if higher performing organizations chose to invest in more sophisticated HRM practices. However, the evidence according to Hiltrop (1996) is consistent with the view that the HR practices of an organization have a powerful influence in motivating employees to exhibit the kinds of attitudes and behaviour that are needed to support and implement the competitive strategy of an organization.

Therefore, it is important to demonstrate that HR practices and innovations therein, impact competitive advantage by causing certain employee attitudes, behaviours and perceptions that, in turn, create competitive advantage for the firm. Hiltrop and Despres (1994) proposed that HR had a positive impact on OC and viewed OC as one of the six performance criteria of HR practices. Consistent, though indirect evidence for the linkage between organizational practices such as reward systems, performance-management systems, family-responsive HR practices etc., and commitment was suggested by certain studies. McElroy et al (1995) concluded that progressive HR practices enhanced OC. *Theoretical literature* suggests that employee commitment leads to improved individual and organizational performance. However research evidence on the relationship of IHRPs with employee attitudes is still very limited. Assertions in the literature review point out that it was not practices per se, but employee perception of fairness of practices that affected OC (DeConinck and Stilwell, 1996).

Therefore, the present study focussed upon the perception of three dimensions of IHRPs, that is, the extent of Introduction of IHRPs, their Importance for organizational goal achievement and, Satisfaction with implementation of IHRPs.

Method

A dynamic business environment and growing expectations and aspirations of the workforce require that organizations modify their HR Practices on an ongoing basis in order to foster employee commitment which may be manifested in the form of improved performance for the organization and also, improved well-being and development of the employees.

The primary purpose of the present field study was to explore the relationship of perception of IHRPs with OC, where OC was a human resource outcome measure. The study focussed on the perception of IHRPs along three dimensions;

- a. extent to which HR Innovations are *important* for achieving the goals of the organization

- b. extent to which HR Innovations have been *introduced* in the organization
- c. extent of *satisfaction* with the implementation of HR innovations in the organization

Tentative hypothesis formulated for the study stated that there will be a significant relationship between one or more dimensions of employee perception of IHRPs, that is, the Importance, Introduction and extent of Satisfaction with IHRPs with OC.

The study was carried out across seven organizations. These seven organizations were selected on the basis of experts' opinion survey. All the seven organizations included in the present study were identified by at least 50% of the experts interviewed as having a reputation of being Innovative in their HR practices. The IHRPs questionnaire and Organizational Commitment questionnaire were personally administered to the executives and managers of each of these seven organizations.

Questionnaires Used

Perception Of Innovative HR Practices Questionnaire. This questionnaire was designed by the researcher to assess employee perception of the Innovative HR Practices of the selected organizations, along the following three dimensions:

- i) extent to which managers believed that Innovative HR Practices were *Important* for achieving the goals of the organization.
- ii) extent to which employees believed that Innovative HR practices had been *Introduced* in the organization.
- iii) extent to which the managers were *Satisfied* with the implementation of Innovative HR Practices in the organization.

Fourteen HR systems were focused upon in the present research. The selection of these 14 HR systems was made on the basis of the preliminary investigation. Each HR practice was labeled as 'HR Practice Category'. The final version of the scale consisted of three parts, with 14 items in each part- total number of items being 32. The 14 items in each part, that is, Part A, B and C, referred to 14 broad HR practice categories, with each HR practice category being a cluster incorporating a number of innovative techniques. These techniques were given as examples for each respective category. These examples were generated by the panel of experts interviewed in Phase I of the study. Tannenbaum and DupreeBruno (1994), in their study of Innovative HR Practices had followed the same method for generating a list of innovative/ progressive HR practices.

Each part of the questionnaire used a 4 -point rating scale with, 1 indicating a poor perception and, 4 indicating a good perception for each dimension of Innovative HR practice. The range of scores possible for each part (dimension) of the scale was 14 to 56. The 14 HR practice categories were:

1. Employee acquisition strategies.
2. Employee retention strategies.
3. Compensation and Incentives.
4. Benefits and Services.
5. Rewards and Recognition.
6. Technical Training.
7. Management Development.
8. Career Planning and Development Practices.
9. Performance Appraisals.
10. Potential Development.
11. Succession Planning.
12. Employee relations with a human face.
13. Employee exit and separation management.
14. Adopting responsibility for socially relevant issues.

In order to determine the reliability of this questionnaire, it was administered to 80 executives, 40 each from public and the private sector organizations. The split-half reliability for Part A (Introduction), Part B (Importance), and Part C (Satisfaction) was found to be 0.80, 0.85 and, 0.81 respectively.

Organizational Commitment Questionnaire. The Organizational Commitment Questionnaire was developed by Porter and Smith (1970). This Questionnaire consists of 15 items, six of which are negatively phrased, and hence, reverse scored. Reliability and validity evidence for the scale is highly positive. Coefficient alpha has been found to be consistently high in all the studies that have used the scale and, ranges from 0.82 to 0.93 with a median of 0.90. Additional evidence about internal reliability comes from several other studies wherein, the Kuder-

Richardson coefficient ranges from 0.84 to 0.91. The scale has been used extensively in research and has acceptable psychometric properties.

The reliability of the Questionnaire was re-established by the researcher. The Split-half reliability coefficient was found to be 0.89 using the Spearman-Brown formula. The range of scores possible on the scale was 15 to 75. High score on the questionnaire were indicative of a high commitment to the organization.

Sample: The questionnaires were administered to the executives and managers of the seven organizations that participated in the study. A total of 422 usable questionnaires were obtained from across the seven organizations. Largest number of respondents belonged to the middle management level (n= 288), were professionally qualified (n= 230) and, were between 25 and 35 years of age (n= 242).

Analysis: In order to identify the significant predictors of Organizational Commitment, Stepwise Multiple Regression Analysis was conducted.

Results

Demographics. The sample largely consisted of employees who had a degree in a professional course (54.50%). Majority of the sample was in the age group 25-35 years (57.35%), and at the middle management level in the organizational hierarchy (68.25%). Only 39 of the 422 respondents were at the senior managerial level. And only 2 each were at the top management level and above 55 years of age. The range of the tenure with present organization was between 4 months and 33 years. The mean of the tenure with present organization was 6.67 years. Total work experience ranged from 8 months to 33 years with an average of 9.21 years.

Descriptive Results. Table 1 shows the mean scores for each of the three dimensions of IHRPs and for Organizational Commitment. The mean values of the variables indicated that the respondents of the seven organizations believed that Innovations in HR practices were *important* for achieving the goals of these organizations to a moderately high extent (Mean = 46.44). However, the perception of the extent to which HR innovations had been *introduced* in these organizations (Mean = 36.18) and level of *satisfaction* with the implementation of IHRPs (Mean = 35.86) was lower. Mean score of 53.57 for OC indicated that commitment in these organizations was moderately high.

Table 1: Means and Standard Deviations of the Variables

Organizations		Dimensions of Innovative Human Resource Practices			Criteria Variable
		Introduction	Importance	Satisfaction	Organizational Commitment
TOTAL	Mean	36.18	46.44	35.86	53.57
N=422	SD	7.55	6.65	7.88	7.36

Results of Correlational Analysis. On the basis of the correlational analysis between predictor variables for all the organizations taken together (Table 2), it was found that none of the background variables included in the study, except qualifications, had a significant relationship with any of the three dimensions of Innovative HR Practices. However, it was observed that more qualified the employees were, lower was the extent to which they believed that HR Innovations had been Introduced by their organization. This group of employees was also less Satisfied with the implementation of HR Innovations. Qualifications were also significantly negatively correlated with OC (Table 2). Total work experience of the employees and the total number of jobs changed were found to be significantly positively correlated with organizational commitment, suggesting that more experienced employees demonstrated greater attachment with their organizations ($r = .11, p = .05$; Table 2)

Regression Analysis Results. Regression analysis results are presented in Table 3. For the organizations under study, three variables were found to be significant predictors of OC (Table 3: Step III; $F = 44.50; p < .00$). These variables were: extent of Introduction of IHRPs; extent to which IHRPs were Important for organizational goal achievement and, Total Work Experience of the employees. These variables had a positively significant correlation with OC. This suggests that higher the extent to which employees believed that innovations in HR practices were *important* for achieving the goals of their organizations and, higher the extent to which IHRPs had been *introduced* by their organizations in their opinion, higher was their identification with the organization. Moreover, employees who had more number of years of *work experience* were also likely to show more involvement and attachment with their present organization.

Table 2: Correlations of Background Variables With Three Dimensions of Innovative Human Resource Practices (IHRPs) and Organizational Commitment

Background Variables	Dimensions of IHRPs			Organizational Commitment
	Introduction	Importance	Satisfaction	
Age	-.07	-.03	-.01	.07
Qualifications	-.18***	-.08	-.15**	-.16***
Managerial Level	.01	-.08	.04	.06
Salary	-.07	.02	-.04	.02
Work Experience	-.07	-.02	-.03	.11*
Tenure	-.12	-.06	-.08	.05
Jobs Changed	.00	.07	.02	.10*

* p < .05 ** p < .01 *** p < .001

The values of Adjusted R² (Table 3: Step I; Adjusted R² = .19) indicate that the maximum amount of variance of OC was attributable to the Introduction dimension of IHRPs. Beta coefficient of .44 at Step I of the multiple regression analysis (Table 3) indicated that for one unit increase in the extent of introduction of IHRPs, mean value of OC of the employees was likely to increase significantly by .44 units. Hence, it may be inferred from the results that if the employees believed that their firm was introducing innovations and modifying the human resource practices (HRPs), they were likely to be more committed to their organization.

Table 3: Summary of Stepwise Multiple Regression Analysis of Organizational Commitment (OC) on Predictor Variables (N= 422)

Step No.	Predictor Variables Entered	r	p	Standardized Beta	t	Multiple R	Adjusted R ²	F	DF
I	Introduction of IHRPs	.44	.00	.44	10.03***	.44	.19	100.57***	1, 420
II	Importance of IHRPs	.24	.00	.18	4.00***	.47	.22	60.08***	2, 419
	Introduction of IHRPs	.44	.00	.41	9.39***				
III	Total Work Experience	.11	.03	.14	3.25***	.49	.24	44.50***	3, 418
	Introduction of IHRPs	.44	.00	.42	9.69***				
	Importance of IHRPs	.24	.00	.18	4.07***				

*** P < .00

The above findings are consistent with Meyer and Allen's (1991) observation that commitment develops as a result of different experiences in the organization and has different implications for on-the-job behaviour. Employees whose experiences within the organization were consistent with their expectations and satisfied their basic needs, would develop a stronger affective attachment to the organization than those whose experiences were less satisfying. Therefore, people-orientation of the organization increased employee commitment.

These results may also be discussed with reference to the *nature of exchange relationship* between the organization and the employees. Tsui et al (1997) asserted that in the context of an uncertain environment, employer may find it advantageous to leave some obligations unspecified and to treat the employment relationship as a combination of economic and social exchange rather than as a purely economic exchange. This approach is referred to as, *mutual investment employee-organization relationship approach*. This is a *balanced exchange* relationship because it involves some degree of open-ended and long-term investment in each other by both the employee and the employer.

When employees believe that their organization was introducing Human Resource Innovations (HRIs), they were likely to perceive these actions as investments that the organization was making in the employees. In return then, the employees were also likely to enhance their investment in the organization by increasing their

levels of OC. Blau (1964) argued that social exchange engendered feelings of personal obligation, gratitude and, trust that pure economic exchange does not.

At Step II of the regression analysis, the Importance dimension of IHRPs entered the regression equation (Table 3). Along-with the Introduction dimension, the Importance dimension of IHRPs accounted for 22% of the variance in OC (Table 3: Step II; Adjusted $R^2 = .22$). However, with the inclusion of the Importance dimension at Step II of the regression equation, the beta value for the Introduction dimension was reduced (Table 3; Step II; beta = .41), but it was still significant (Table 3; Step II; $t = 9.39$; $p < .00$). The decrease in the beta value of the introduction dimension may be due to multi- collinearity. There was a highly significant positive correlation between the Introduction and the Importance dimensions of IHRPs ($r = .17$; $p < .001$; Table 4).

Table 4: Intercorrelations of Three Dimensions of Innovative Human Resource Practices (IHRPs)

	Dimensions of IHRPs		
	Introduction	Importance	Satisfaction
Introduction	1.00	.17***	.85***
Importance		1.00	.19***
Satisfaction			1.00

*** $p < .001$

The Importance dimension of IHRPs added 3% to the predictable variability of OC. The perception of *Importance* of HRIs for organizational goal achievement along with the extent of *Introduction* of IHRPs was an important factor for enhancing OC.

The proposition of Met Expectations suggested by Porter et al (1974) may provide explanation for these findings. Employees become attached to their companies when their prior expectations have been met. One of the factors contributing to employee expectations are the HR practices of the organization. Therefore, modifications in HR practices may be important contributors to the degree to which employee expectations have been met and, consequently to their attachment to the organization.

At Step III (Table 3), 24% of the variance in OC was due to the combined effects of three variables, that is, Introduction of IHRPs, Importance of IHRPs and, the total work experience of employees (Adjusted $R^2 = .24$). Total work experience had a significant positive correlation with OC (Table 3: Step III; $r = .11$; $p < .03$). This indicated that higher the work experience of the employees, higher would be their commitment to the organization. All the other predictor variables did not enter the regression equation indicating that though they may be correlated with OC, they were not significant in predicting the commitment of the employees.

Conclusions

Though the results should be viewed as preliminary they provide future researchers with some empirical evidence supporting a promising new perspective with which to study HR practices and their relationship with outcomes important for attaining business leadership.

Findings point towards the Introduction dimension as the most important predictor of Organizational Commitment. These findings were indicative of the importance of Introducing innovations in various HR practices by the organizations for enhancing employee attachment to the organization.

One limitation of the present study is that it focussed only on those organizations that had a reputation for being 'innovative' with respect to their HR practices. Organizations with a reputation for being 'traditional' in their HR practice orientation were not included as part of the study. A comparative study of these two groups of organizations may further enrich the findings. Moreover, industry comparisons of innovative Human Resource Practices as well as their relationships with HR performance measures may yield important insights. Future studies using moderators, such as Industry, size of the organization and ownership, are suggested to gain additional insights on this issue.

In spite of its limitations, the findings of the study indicate that a number of benefits can be gained through the use of IHRPs. The sample in the present study transcends industrial and sectoral analysis and thus provides a global picture. Hence, it contributes to the emerging empirical literature exploring the combined impact of IHRPs on employee attitudes. However, adopting a multidisciplinary approach will serve to produce research that is more relevant to practitioners.

Contribution to New HRD Knowledge

Since research generally takes shape from the experiences of the real world, it shoulders the responsibility to contribute to professional knowledge while, at the same time advance the frontiers of academic discipline. By empirically testing whether certain combinations of IHRPs are associated with higher commitment the present study adds to academic knowledge by providing empirical evidence pointing towards the significance of continuous renewal of HR practices. While literature abounds with theoretical assertions about the importance of modifying HR practices, research on this issue has yet to gain momentum.

Empirical evidence on the relationship of Innovative Human Resource Practices (IHRPs) with employee commitment is still very limited and focusses mainly on single HR practices. The present study makes a significant contribution since organizations simultaneously use many HR practices that may enhance attitudinal and operational outcomes. Moreover, the present study provides an understanding of the nature of IHRPs, whereas most existing research does not make a distinction between HR practices per se and Innovative HR practices. In the Indian context, evidence for relationship between good HR practices and employee attitudes and organizational effectiveness was largely anecdotal, coming from Industry case presentations (Rao, 1999).

Findings suggest that employees' commitment to the organization is a function of their perception of the people-orientedness of the organization. The perception that the organization was action-oriented with respect to the extent of *Introduction* of HR innovations is likely to enhance employee beliefs about the commitment of the management of their organization to the human resources of the organization. This, in turn, is likely to lead to higher identification with the values of their organization.

The study also points towards the need for strategic orientation of HR function. Though practitioners and academicians have for long asserted the importance of a strategic role for HR function, relatively little has been done on this aspect by way of research. The results of the present study suggest employee awareness of the importance of HR Innovations for the achievement of organizational goals. Thus, HR practitioners need to so align HR Innovations that they further organizational goal achievement.

Further, by demonstrating that certain combinations of IHRPs lead to specific employee attitudes, such as organizational commitment, the present study also may provide an explanation for the HR- firm performance link. The study suggests that employees of organizations that are innovative in their HR practices may show greater identification with their organization leading to better organizational performance, when compared to the employees of those organizations that are not innovative.

It is evident from the findings of the study that organizations would gain valuable benefits by way of innovations in their HR practices. However, each organization needs to consider the environment in which it is functioning as well as the needs of its workforce. The specific improvements that an organization makes in its HR practices thus, may serve the unique requirements of the organization and its employees.

References

- Blau, P. M. (1964). *Exchange and power in social life*. New Brunswick, NJ: Transaction Publishers.
- Damanpour, F., (1991). Organizational innovation: A meta analysis of effects of determinants and moderators. *Academy Of Management Journal*, 34, 555-590.
- Delaney, J. T., & Huselid, M. A., (1996). The impact of human resource management practices on perceptions of organizational performance. *Academy of Management Journal*, 39, 949-969.
- DeConinck, J., & Stilwell, C. D. (1996). Factors influencing the organizational commitment of female advertising executive. *American Business Review*, 14 (2), 80-88.
- Evan, W. (1966). The organization set: Toward a theory of inter-organizational relations. In J. Thompson (Ed.), *Approaches in organization design* (pp. 173-191). Pittsburgh, PA: Univ. of Pittsburgh Press.
- Harel, G.H., & Tzafir, S. S., (1999). The effect of human resource management practices on the perceptions of organizational and market performance of the firm. *Human Resource Management*, 38, 185-200.
- Hiltrop, J. M., & Despres, C. (1994). Benchmarking the performance of HRM. *Long Range Planning*, 27 (6), 43-57.
- Hiltrop, J.-M. (1996). The impact of HRM on organizational performance: Theory and research. *European Management Journal*, 14, 628-637.
- Hiltrop, J.-M. (1999). The quest for the best: Human resource practices to attract and retain talent. *European Management Journal*, 17, 422-430.
- Huselid, M. A., (1994, January). Documenting HR's effect on company performance. *HR Magazine*, 79-85.

- Huselid, M. A., Jackson, S.E., & Schuler, R. S. (1997). Technical and strategic human resource management effectiveness as determinants of firm performance. Academy of Management Journal, *40*, 171-188.
- Johns, G. (1993). Constraints in the adoption of psychology-based personnel practices: Lessons from organizational innovation. Personnel Psychology, *46*, 727-786.
- Knight, K. (1967). A descriptive model of the intra-firm innovation process. Journal of Business, *40*, 478-496.
- Kochanski, J.T., & Ruse, D.H., (1996). Designing a competency-based human resource organization. Human Resource Management, *35* (1), 19-33.
- Meyer, J.P., & Allen, N. J., (1991). A three-component conceptualization of organizational commitment. Human Resource Management Review, *1*, 61-89.
- McElroy, J.C., Morrow, P. C., Crum, M.R., & Dooley, F.J., (1995). Railroad employee commitment and work related attitudes and perceptions. Transportation Journal, *34* (3), 13-24.
- Parmenter, D. (1998). Human resources. Chartered Accountants Journal of New Zealand, *77* (7), 62-63.
- Phillips, J. J., (1992). 13 ways to show you're worth it: A guide to hr evaluation. Human Resources Professional, *4* (2), 59-63.
- Phillips, J. J. (1996). Accountability in human resource management. Houston, Texas, Gulf Publishers.
- Porter, L., Steers, R., Mowday, R., & Boulian, P., (1974). Organizational commitment, job satisfaction, and turnover among psychiatric technicians. Journal of Applied Psychology, *59*, 603-609.
- Porter, L.W., & Smith, F.J. (1981). The etiology of organizational commitment. Unpublished Paper, University of California at Irvine, 1970. *ref: Harold L. Angle and James L. Perry, (1981). An Empirical Assessment of Organizational Commitment & Organizational Effectiveness. Administrative Science Quarterly*, *26*, March, 1-14,).
- Rao, T.V. (1999). HRD audit: Evaluating the human resource function for business improvement. New Delhi: Response Books.
- Rao, T.V. (1990). The HRD missionary. New Delhi, Oxford & IBH, 11-15.
- Rogers, E.M., (1983). Diffusion of innovations (3rd edition). New York: The Free Press.
- Schuster, F., (1986). The Schuster report: The proven connection between people and profits. New York: Wiley.
- Stroh, K. L., & Caliguiri, P. M. (1998). Increasing global competitiveness through effective people management. Journal of World Business, *33* (1), 1-16.
- Tannenbaum, S. I., & Dupree-Bruno, L. M. (1994). The relationship between organizational and environmental factors and the use of innovative human resource practices. Group and Organization Management, *19*, 171-202.
- Tsui, A. S., Pearce, J. L., Porter, L. W., & Tripoli, A. M., (1997). Alternative approaches to the employee-organization relationship: Does investment in employees pay off? Academy of Management Journal, *40*, 1089-1121.
- Ulrich, D. (1997). Measuring human resources: An overview of practice and a prescription for results. Human Resource Management, *36*, 303-320.
- Varma, A., Beatty, R.W., Scheier, C., & Ulrich, D.O. (1999). High performance work systems: Exciting discovery or passing fad? Human Resource Planning, *22* (1), 26-37.
- Venkataratnam, C.S., (1997). HRM spurs company performance. Human Capital, *1*, 60.
- Wolfe, R. A., (1995). Human resource management innovations: determinants of their adoption and implementation. Human Resource Management, *34*, 313-327.
- Yeung, A. K., & Berman, B. (1997). Adding value through human resources: reorienting hr to drive business performance. Human Resource Management, *36*, 321-335.

ACADEMY OF HUMAN RESOURCE DEVELOPMENT 2001 CONFERENCE PROCEEDINGS

30-1

Manuscript Release Form

**THIS FORM MUST BE COMPLETED AND RETURNED WITH EACH MANUSCRIPT.
ONLY ONE AUTHOR IS REQUIRED TO SIGN THE FORM**

Paper Title	Motivation to Improve Work Through Learning in Human Resource Development
Author Names	Sharon S. Naquin Elwood F. Holton III
AHRD Reference #	159

Please tell us where to communicate with you about this paper

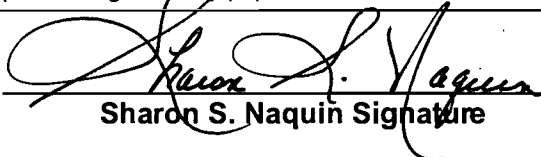
Contact person	Sharon S. Naquin, Ph.D.		
Address	Louisiana State University 12363 Blackwater Road Baker LA 70714 USA		
Office Phone	(225)388-3679	Office Fax	(225)388-3679
E-mail	naquin1@bellsouth.net		

We are adding a topical index for the proceedings this year. Please list three key words that describe the primary topics of your paper. Examples might include teams, evaluation, diversity, performance measurement methods, etc. Choose words that will be of the greatest help to your colleagues when they search for research on a topic.

Key word 1	motivation
Key word 2	individual differences
Key word 3	work commitment

The Proceedings will be submitted to ERIC after the conference. The Academy requires your signature to include your paper in the Proceedings.

I agree to allow Oscar A. Aliaga, editor of the 2001 Academy of Human Resource Development Proceedings, to submit the proceedings with my paper included to the ERIC database. By signing this I am releasing the paper for all authors of the paper.


 Sharon S. Naquin Signature

12/13/00
 DATE

ACADEMY OF HUMAN RESOURCE DEVELOPMENT 2001 CONFERENCE PROCEEDINGS

30-2

Manuscript Release Form

**THIS FORM MUST BE COMPLETED AND RETURNED WITH EACH MANUSCRIPT.
ONLY ONE AUTHOR IS REQUIRED TO SIGN THE FORM.**

Paper Title	Improving Performance through HRD: Towards a Multi Level Model		
Author Names	Ida Wognum		
AHRD Reference #	171		
Please tell us where to communicate with you about this paper			
Contact person	Ida Wognum, Ph.D.		
Address	University of Twente Faculty of Ed. Science & Technology P. O. Box 217 Enschede 7500 AE The Netherlands		
Office Phone	31 53 4893752	Office Fax	31 53 4893791
E-mail	wognum@edte.utwente.nl		

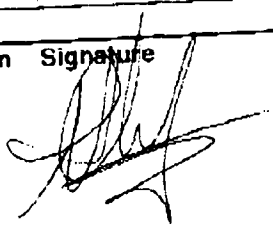
We are adding a topical index for the proceedings this year. Please list three key words that describe the primary topics of your paper. Examples might include teams, evaluation, diversity, performance measurement methods, etc. Choose words that will be of the greatest help to your colleagues when they search for research on a topic.

Key word 1	hrd effectiveness
Key word 2	drivers and outcomes
Key word 3	multi-level model

The Proceedings will be submitted to ERIC after the conference. The Academy requires your signature to include your paper in the Proceedings.

I agree to allow Oscar A. Aliaga, editor of the 2001 Academy of Human Resource Development Proceedings, to submit the proceedings with my paper included to the ERIC database. By signing this I am releasing the paper for all authors of the paper.

Ida Wognum Signature



DATE

15 December 2000

Fax # 225-334-1875

ACADEMY OF HUMAN RESOURCE DEVELOPMENT
2001 CONFERENCE PROCEEDINGS

30-3

Manuscript Release Form

**THIS FORM MUST BE COMPLETED AND RETURNED WITH EACH MANUSCRIPT.
ONLY ONE AUTHOR IS REQUIRED TO SIGN THE FORM.**

Paper Title	Exploring Organization Commitment in a Non-Profit Service Organization		
Author Names	Constantine Kontoghiorghes Nancy Bryant		
AHRD Reference #	179		
Please tell us where to communicate with you about this paper			
Contact person	Nancy Bryant		
Address	Oakland University 805 Bolinger Rochester MI 48307 USA		
Office Phone	(248) 650-3021	Office Fax	(248) 370-4095
E-mail	nbryant@bcbsm.com		

We are adding a topical index for the proceedings this year. Please list three key words that describe the primary topics of your paper. Examples might include teams, evaluation, diversity, performance measurement methods, etc. Choose words that will be of the greatest help to your colleagues when they search for research on a topic.

Key word 1	organization commitment
Key word 2	absenteeism
Key word 3	turnover

The Proceedings will be submitted to ERIC after the conference. The Academy requires your signature to include your paper in the Proceedings.

I agree to allow Oscar A. Aliaga, editor of the 2001 Academy of Human Resource Development Proceedings, to submit the proceedings with my paper included to the ERIC database. By signing this I am releasing the paper for all authors of the paper.

Nancy Bryant
Nancy Bryant Signature

December 14, 2000
DATE

ACADEMY OF HUMAN RESOURCE DEVELOPMENT
2001 CONFERENCE PROCEEDINGS

30-4

Manuscript Release Form

THIS FORM MUST BE COMPLETED AND RETURNED WITH EACH MANUSCRIPT.
ONLY ONE AUTHOR IS REQUIRED TO SIGN THE FORM

<u>Paper Title</u>	Innovative Human Resource Practices and Organizational Commitment: An Empirical Investigation
<u>Author Names</u>	Tanuja Agarwala
<u>AHRD Reference #</u>	160

Please tell us where to communicate with you about this paper

<u>Contact person</u>	Tanuja Agarwala		
<u>Address</u>	University of Delhi 23/3 Cavalary Lines Delhi 110 007 India		
<u>Office Phone</u>		<u>Office Fax</u>	
<u>E-mail</u>	tanuja_fms@yahoo.com		

We are adding a topical index for the proceedings this year. Please list three key words that describe the primary topics of your paper. Examples might include teams, evaluation, diversity, performance measurement methods, etc. Choose words that will be of the greatest help to your colleagues when they search for research on a topic.

<u>Key word 1</u>	organizational commitment
<u>Key word 2</u>	hr effectiveness
<u>Key word 3</u>	innovative practices

The Proceedings will be submitted to ERIC after the conference. The Academy requires your signature to include your paper in the Proceedings.

I agree to allow Oscar A. Aliaga, editor of the 2001 Academy of Human Resource Development Proceedings, to submit the proceedings with my paper included to the ERIC database. By signing this I am releasing the paper for all authors of the paper.

<u>Tanuja Agarwala</u> Tanuja Agarwala Signature	DATE 4/26/2001
---	-------------------