THE EFFECTS OF HUMAN RESOURCE MANAGEMENT PRACTICES ON SERVICE-ORIENTED ORGANIZATIONAL CITIZENSHIP BEHAVIORS: THE ROLE OF ORGANIZATIONAL COMMITMENT AS A MEDIATOR

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KESAN AMALAN PENGURUSAN SUMBER MANUSIA TERHADAP GELAGAT KEWARGAAN ORGANISASI BERORIENTASIKAN SERVIS: PERANAN KOMITMEN ORGANISASI SEBAGAI PENYEDERHANA

ABSTRAK

Untuk memastikan kebolehterusan dalam persekitaran perniagaan yang kompetitif, industri logistik memerlukan faedah kompetitif yang tidak boleh ditiru oleh pesaing. Sumber manusia memainkan peranan yang penting untuk membentuk faedah kompetitif. Dalam industri logistik, pekerja perkhidmatan pelanggan memainkan peranan utama untuk memberikan perkhidmatan yang berkualiti untuk pelanggan. Fokus kajian ini ialah untuk memahami kesan amalan pegurusan sumber manusia dan komitment organisasi terhadap gelagat kewargaan organisasi berorientasikan servis pekerja perkhidmatan pelanggan. Berasaskan kepada Teori Pertukaran Sosial (Blau, 1964) dan Teori Faktor Kemanusiaan (Adjibolosoo, 1993), kajian ini mencadangkan kerangka teori yang menghubungkan amalan pegurusan sumber manusia terhadap gelagat kewargaan organisasi berorientasikan servis dengan peranan komitment organisasi sebagai penyerdehana. Sejumlah 207 pekerja perkhidmatan pelanggan dari syarikat pengangkutan udara yang merangkumi 64.29 peratus responden menyertai kajian ini. Data dikumpulkan melalui soalan kaji selidik. Analisis regressi berhierarki digunakan untuk menguji hipotesis. Hasil kajian mendapati amalan pegurusan sumber manusia adalah signifikan dengan gelagat kewargaan organisasi berorientasikan servis dengan peranan komitment organisasi sebagai penyerdehana. Sebagai kesimpulan, kajian ini menggambarkan implikasi teori and praktikal dan cadangan untuk kajian akan datang dalam konteks Malaysia.

THE EFFECTS OF HUMAN RESOURCE MANAGEMENT PRACTICES ON SERVICE-ORIENTED ORGANIZATIONAL CITIZENSHIP BEHAVIORS: THE ROLE OF ORGANIZATIONAL COMMITMENT AS A MEDIATOR

ABSTRACT

To remain sustainable in competitive business environment, logistics industry has to create competitive advantage that cannot be imitable by rivalries. Human resources are the major source in creating competitive advantage. In logistics industry, customer-contact employees are the major interface contact with customers in delivering good quality service. The aim of this research is to understand the effects of human resource management practices and organizational commitment on service-oriented organizational citizenship behaviours of customer contact employees. Based on the Social Exchange Theory (Blau, 1964) and Human Factor Theory (Adjibolosoo, 1993), this study proposed a theoretical framework linking human resource management practices to service-oriented organizational citizenship behaviours with organizational commitment as a mediator. A total of 207 customer contact employees from air freight forwarders, representing a 64.29 percent participated in this study. Data were collected through self-administered questionnaires. To test the hypotheses, hierarchical regression analysis was used in this study. It was found that human resource management practices related to service-oriented organizational citizenship behaviours with organizational commitment as a mediator. Conclusion of the study provided theoretical and practical implications as well as suggestions for further studies in the context of Malaysia.

CHAPTER 1

INTRODUCTION

1.0 Introduction

This chapter discusses about background of the study, logistics industry in Penang, problem statement, research objectives and questions, definition of variables, significance, and organization of this study.

1.1 Background of the Study

The services sector has been a major contributor to the growth and development of the Malaysian economy (Central Bank of Malaysia, 2007; Department of Statistics Malaysia, 2010; Malaysian Industrial Development Authority, 2010). The services sector has made an increasing contribution to the GDP rising from 47 percent in 1990 to almost 52 percent in 2006 (Central Bank of Malaysia, 2010). By 2020, the services sector is estimated to contribute 70 percent of GDP to Malaysia's economy (Warrier, 2010). The development of the services sector had contributed greatly to the diversification of the economy of Malaysia (Public Bank Berhad, 2005). Although there has been a positive development, services sector still faces tough challenges and threats in the global economic environment.

To survive in the industry, service organizations have to identify and build up their competitive advantage. Human resources are treated as an asset and source of sustainable competitive advantages that rivalries cannot imitate easily (Barney, 1991). Zeithaml and Bitner (2003) proposed that customer-contact employees (who also known as service providers) are the most important asset in service organizations. Davidow and Uttal (1989) described customer service as the information and acts that heighten the customer’s understanding about the potential value of a product or service. Customer-contact employees are the major and direct interface contact with existing and potential customers. They represent and symbolize the image of the organization. Customer-contact employees also serve as the connecting channel between organization and customer (Zeithaml & Bitner, 2003). Customer-contact employees’ behaviors are crucial and important in shaping customer service in accruing a competitive advantage that competitors cannot duplicate and replicate easily. Hence, customer-contact employees’ behaviors and commitment are factors for an organization to be successful.

Additionally, Organ (1988) mentioned that extra role behavior of employees could contribute to organizational effectiveness and efficiency. Bailey (1993) highlighted that human resources are not being utilized when employees are underperforming and not likely to exhibit and demonstrate discretionary behaviors. Employees are important source to achieve outstanding organizational performance (Pfeffer, 1994). Therefore, service organizations with support of customer-contact employees who exhibit discretionary behaviors that is able to provide better customer service.

1.1.1 Logistics Industry in Penang

Under the Third Industrial Master Plan (2006-2020) (IMP3), the logistics industry is recognized as a force which will enhance Malaysia's industrialization and international trade efforts (Ministry of International Trade and Industry, 2008). By achieving total efficiency of the logistics services, Malaysia will be able to create another RM9 billion to RM11 billion (about 12.1% of GDP) for the next 10 years (Rosena, Harlina, & Sabariah, 2008).

In July 2007, Northern Corridor Economic Region (NCER) was launched and the Government wants it “to be a world-class economic region for people to invest, live, work, learn, visit and bring up families in a safe, clean and sustainable environment by 2025” (Lim, 2007). Penang is positioned as an integrated logistics hub for the connection of import and export purposes. The real Gross Domestic Product (GDP) is estimated to grow from RM52.7 billion in 2005 to RM214.1 billion in 2025 (by 306%) (Lim, 2007).

The logistics industry has expanded tremendously in Penang since the development of free trade industrial zones in Bayan Lepas, Prai, and Bukit Minyak (Lim, 2007). The existence of free trade zones generates the demand for logistics services to facilitate the supply chain process. The strong presence of the export-oriented electronics and electrical industry, especially Multi National Companies (MNCs) in Penang, has stimulated the growth of the air logistics sector. Air freight forwarders provide the facilities such as broad global network, total logistics solution, freighting and forwarding services, warehouse facilities, bonded trucking, and container haulage to fulfill the extensive demands of MNCs (Lim, 2007). These corporations tend to rely on the competencies of air freight forwarders to gain cost effectiveness, economies of scale, and greater flexibility in their operations (Lim, 2007).

Although human resources are treated as an asset and source of sustainable competitive advantages that rivalries cannot imitate easily (Barney, 1991), air freight forwarders lack the competence and experienced manpower to carry out the tasks efficiently (Lim, 2007). To increase employees’ ability to perform their tasks is crucial to organizational performance. Human resource management practices play a major role in shaping and improving employees' organizational behaviors and commitment.

1.2 Problem Statement

Generally, organizational citizenship behavior is described as discretionary behavior that exceeds formal job descriptions and requirements which is not compensated by the reward system (Organ, Podsakoff, & Mackenzie, 2006). Nemeth and Staw (1989) stated that organizational citizenship behavior contributes to organizational performance and competitive advantage. Extensive research had been done to examine organizational citizenship behaviors since its introduction about twenty years ago (Bateman & Organ, 1983). However, the empirical studies of organizational citizenship behaviors are limited in local context.

Most of the empirical research projects done have focused on human resource strategies and organizational performance (Arthur, 1994; Huselid, 1995; Tsui, Pearce, Porter, & Tripoli, 1997), human resource strategies and organizational effectiveness (Delaney & Huselid, 1996; Ulrich, Halbrook, Meder, Stuchlik, & Thorpe, 1991). A number of research projects have been carried out on organizational citizenship behaviors and organizational effectiveness (Bateman & Organ, 1983; Smith, Organ, & Near, 1983; Organ & Konovsky, 1989; Podsakoff, MacKenzie, Moorman, & Fetter, 1990). Studies on organizational citizenship behaviors have focused on the generic form of organizational citizenship behaviors. Not many studies have focused on specific form of organizational citizenship behaviors tailored to a specific sector such as in service sector. Only Bettencourt and Brown (1997) have examined this form of organizational citizenship behaviors. Limited attention and guidance have been devoted to specify organizational practices to elicit service-oriented organizational citizenship behaviors.

Research of service-oriented organizational citizenship behaviors in the logistics industry is still scanty. Most of the researches have been carried out in the fields of education, manufacturing, and hotel industry. For example, Saraih (2007) examined the organizational citizenship behavior to determine the relationship between organizational justice and leadership behavior among academics in higher institutions of higher education. Lo and Ramayah (2009) identified and examined five dimensions of the organizational citizenship behavior in 10 large manufacturing companies in Malaysia. Khalid, Jusoff, Ali, Ismail, Kassim, and Norshimah (2009) analyzed the relationship between organizational citizenship behaviors and turnover intention in hotels.

Most of the studies have examined the direct relationship between human resource management practices and organizational citizenship behaviors (Paré & Tremblay, 2007; Zeidan, 2007). Organizational commitment has been studied as a cause of organizational citizenship behaviors (Rifai, 2005). Bishop, Scott, and Burroughs (2000) examined the mediating role of organizational commitment between perceived organizational support and outcome variables, such as intention to quit, job performance, and organizational citizenship behaviors. The results of the study carried out by Bishop et al. (2000) showed a significant relationship between organizational commitment and organizational citizenship behaviors. Furthermore, Lin, Hung, and Chiu (2008) also discussed the influence of distributive justice, procedural justice, personal cooperativeness, and the need of social approval on service-oriented organizational citizenship behaviors (loyalty, service delivery, and participation) through the mediation effects of organizational commitment. Thus, organizational commitment is selected as a mediator to investigate the mediation effects on human resource management practices and service-oriented organizational citizenship behaviors in this study.

Based on above discussions, the purpose of this study is to bridge the gaps by examining human resource management practices that may significantly influence service-oriented organizational citizenship behaviors via organizational commitment as a mediator.

1.3 Research Objectives

This study aims to examine the effects of Human Resource Management Practices on Service-oriented Organizational Citizenship Behaviors in the logistics industry. It intends to investigate as to whether Organizational Commitment serves as a mediator in the relationship between Human Resource Management Practices (training, performance appraisal, employee involvement, employment security, and compensation) and Service-oriented Organizational Citizenship Behaviors (loyalty, service delivery, and participation). Hence, objectives of the study are to:

1. examine whether Human Resource Management Practices (training, performance appraisal, employee involvement, employment security, and compensation) will influence Service-oriented Organizational Citizenship Behaviors (loyalty, service delivery, and participation).
2. examine whether Human Resource Management Practices (training, performance appraisal, employee involvement, employment security, and compensation) will influence Organizational Commitment.

3. examine whether Organizational Commitment will have an influence on Service-oriented Organizational Citizenship Behaviors (loyalty, service delivery, and participation).

4. examine whether Organizational Commitment will mediate the relationship between Human Resource Management Practices (training, performance appraisal, employee involvement, employment security, and compensation) and Service-oriented Organizational Citizenship Behaviors (loyalty, service delivery, and participation).

1.4 Research Questions

In order to achieve the above mentioned objectives, this study attempts to answer the following research questions:

1. Do Human Resource Management Practices (training, performance appraisal, employee involvement, employment security, and compensation) influence Service-oriented Organizational Citizenship Behaviors (loyalty, service delivery, and participation)?

2. Do Human Resource Management Practices (training, performance appraisal, employee involvement, employment security, and compensation) influence Organizational Commitment?

3. Does Organizational Commitment influence Service-oriented Organizational Citizenship Behaviors (loyalty, service delivery, and participation)?

4. Does Organizational Commitment mediate the relationship between Human Resource Management Practices (training, performance appraisal, employee involvement, employment security, and compensation) and Service-oriented Organizational Citizenship Behaviors (loyalty, service delivery, and participation)?

1.5 Definition of Variables

The variables used in this study and an explanation of how they are defined for the purposes of the study are presented in the next section.

1.5.1 Human Resource Management Practices

Based on Lado and Wilson (1994), the concept of human resource management practices in this study is defined as the implementation of interrelated activities and processes with the purposes of attracting, developing, and maintaining employees in organizations. These processes are as follows:

1) Training: In this study, training is conceptualized as the organizations' planned and systematic efforts to shape or develop the knowledge, skills, and attitudes of employees through the learning experiences (Horgan & Mühlau, 2006).
2) Performance appraisal: In line with the ideas of Tsui et al. (1997), performance appraisal is defined as an evaluation and feedback process about the employees' performance based on the organization's standards.
3) Employee involvement: Based on Verma's (1995) ideas, employee involvement in this study is conceptualized as the degree of participation of employees during the decision making process on different issues in the organization.
4) Employment security: Employment security in this study is described as the degree to which of an employee expects to stay over a period of time (Delery & Doty, 1996).
5) Compensation: Compensation in this study is conceptualized as financial reward based on individual, team or organization performance (Pathak et al., 2005).

In this study, the effects of human resource management practices are based on employees' perceptions.

1.5.2 Service-oriented Organizational Citizenship Behaviors

Based on Bettencourt and Brown (1997) ideas, service-oriented organizational citizenship behaviors are conceptualized as the discretionary behaviors performed by customer-contact employees in a service organization that exceed formal role requirements. These traits are:

1) Loyalty: In this study, loyalty is conceptualized as a positive representation when promoting the image and services of organization to outsiders (Bettencourt, Gwinner, & Meuter, 2001).
2) Service delivery: Based on Bettencourt et al. (2001), service delivery encompasses the fact that customer-contact employees will deliver their promise in accurate, responsive, advantageous, and courteous practice.
3) Participation: Participation refers to the fact that customer-contact employees act as a principal source in providing information to fulfill customer needs and requirements during the service delivery process (Bettencourt & Gwinner, 1998).

1.5.3 Organizational commitment

In this study, based on the ideas of Porter, Steers, Mowday, and Boulian (1974), organizational commitment is conceptualized as a strong belief in the organization’s goals and values which shows that the employees accept the company’s mission and vision and are ready to embark on extra efforts to perform well for the sake of the organization.

1.6 Significance of the Study

It is hoped that the findings of this study will provide significant theoretical and practical foundations and evidence in the topic of human resource management practices and service-oriented organizational citizenship behaviors.

From the theoretical point of view, this study hopes to provide an understanding of human resource management practices that influence customer-contact employees' service-oriented organizational citizenship behaviors at the individual level of analysis in the local context. Moreover, this study will provide additional knowledge to employees' behaviors by associating organizational commitment as mediator between human resource management practices and service-oriented organizational citizenship behaviors. This study will provide additional knowledge to the Social Exchange theory (Blau, 1964) and Human Factor theory (Adjibolosoo, 1993) in examining the influence of organization benefits and risks to employees' perceptions towards their relationships with organizations.

The findings from this study will help organizations in developing effective human resource management practices to motivate and elevate customer-contact employees' behaviors and commitment to organizations. The employee's positive behaviors and commitment will lead to enhance organizations' competitive advantage and organizational performance.

The findings of this study on service-oriented organizational citizenship behaviors in logistics industry hopes to stimulate the interest and attention for future research in Malaysia.

1.7 Organization of the Chapters

This study is organized into five chapters. Chapter 2 highlights the literature review of service-oriented organizational citizenship behaviors, human resource management practices, and organizational commitment. The theoretical framework and hypotheses are discussed in Chapter 2. Chapter 3 includes the research methodology of the study. It focuses on the topics on the research approach, sample design, data collection procedure, questionnaire design, and data analysis. Chapter 4 presents the data analysis and results of the study. Lastly, Chapter 5 discusses the implications, limitations, suggestions for future research, and conclusion.

CHAPTER 2

LITERATURE REVIEW

2.0 Introduction

The purpose of this chapter is to discuss the literature on organizational citizenship behaviors, human resource management practices, and organizational commitment. The theoretical framework and hypotheses for this study are discussed later in the chapter.

2.1 Organizational Citizenship Behaviors

To sustain competitiveness in today’s business world, organizations always focus on hiring and retaining employees who exhibit behaviors that go beyond their formal job duty (Katz, 1964). These behaviors are essential for organizational effectiveness and performance (Katz & Kahn, 1966). In addition, the discretionary behaviors of customer-contact employees will influence the customers’ perceptions towards the organizations (Bowen & Schneider, 1985). Generally, employees’ behaviors in the workplace that go beyond their formal job requirements and not granted by organizations’ reward system are recognized as organizational citizenship behaviors.

Initially, organizational citizenship behaviors were discussed by Bateman and Organ (1983), and Smith, Organ, and Near (1983). Smith et al. (1983) defined organizational citizenship behaviors as discretionary behavior that is not listed as an official role. Organ (1988) mentioned that organizational citizenship behaviors are not rewarded by formal reward system in organizations. Organizational citizenship behaviors are categorized into five dimensions by Organ (1988) namely altruism, conscientiousness, sportsmanship, courtesy, and civic virtues.

Organ (1990) recommended organizational citizenship behaviors to be used as a medium to maintain the relationship between employees with employers. The willingness of employees to perform an extra-role that goes beyond the prescribed and assigned roles is to support the organizations and subsequently improve organizational performance (Organ, 1997). Employees will less likely to perform organizational citizenship behaviors if they feel dissatisfied with their respective organizations.

Graham (1991) categorized organizational citizenship behaviors into:

(1) Obedience: This means that employees obey the structures and processes.

(2) Loyalty: This refers to the expansion of individual welfare to include the interest of others, the state as a whole, and the values.

(3) Participation: This means that information and ideas sharing, and involvement of employees in discussion are carried out in a vibrant manner.

The primary interest of organizational citizenship behaviors has been the identification of employee behaviors that were often ignored in traditional assessments of employee job performance (Bienstock, DeMoranville, & Smith, 2003). Hence, the original construct of organizational citizenship behaviors referred to extra-role behavior because employee behaviors were not explicitly defined in job descriptions. However, Graham (1991), and Van Dyne, Graham, and Dienesch (1994) argued about the differences between in-role and extra-role interference because these two type of behavior may be uncertain and changeable across time, employees, organizations, and situations.

Discussion regarding organizational citizenship behaviors on customer-contact employees in the service sector, even though limited, has been done. Customer-contact employees (also known as service providers) play an important role in maintaining a long term relationship with customers and facilitating the sustainability of organizations. They act as primary interface between customers and organizations. Borman and Motowildo (1993) suggested that service organizations have different type and dimension of organizational citizenship behaviors to adapt in their working environment. Therefore, Wang (2009) postulated that the dimensions of service-oriented organizational citizenship behaviors (loyalty, service delivery, and participation) are more suitable in predicting customers' perceptions of service quality provided by customer-contact employees in the service industry.

2.1.1 Service-Oriented Organizational Citizenship Behaviors

A research done by Van Dyne et al. (1994) provided a basis for the theoretical explanation on service-oriented organizational citizenship behaviors. Based on previous research, Van Dyne et al. (1994) identified three major roles of customer-contact employees:

(1) Loyalty: This refers to the dedication of service providers to organizations through the representation of the image and spokesperson of the services (Bowen & Schneider, 1985; Schneider & Bowen, 1993).

(2) Service delivery: This means the service providers serve as the interconnection between organizations and outsiders in the communication process to provide valuable information and improve the process (Schneider & Bowen, 1984; Zeithaml, Parasuraman, & Berry, 1988).

(3) Conscientiousness: This means the reliable, responsive, and courtesy service is delivered to customers (Zeithaml, Parasuraman, & Berry, 1988).

Bettencourt and Brown (1997) invented the term service-oriented organizational citizenship behaviors, which refer to the discretionary behaviors performed by customer-contact employees in a service organization that exceed formal role requirements.

According to Bienstock et al. (2003), the major challenge faced by service organizations is to motivate and encourage service employees to perform their roles, so that the service delivered meets the service standards determined by the service organization. There are three major characteristics as illustrated by Bienstock et al. (2003):

(1) Behavior is non-mandated

Non-mandated behaviors are highly dependent on employees' attitudes and behaviors in the service delivery process (Bienstock et al., 2003). For instance, there is no specific indication by organizations on how to interact with customers. Hence, the interaction relies on the employees' behaviors to develop the relationship with customers.

(2) Behavior derives from independent and individual initiative

Bitner, Booms, and Tetreault (1990) found out that a quick and satisfactory response of the service provider to service failures could result in higher levels of customer satisfaction. Hence, the independent and individual initiatives of the service provider affect customer satisfaction (Bienstock et al., 2003).

(3) Behavior contributes to the best interest of organization

Customer-contact employees must weigh and choose the best behaviors to interact and respond to customer needs to exhibit and display organizational citizenship behaviors (Bienstock et al., 2003).

According to Bettencourt et al. (2001), service-oriented organizational citizenship behaviors are performed by customer-contact employees targeted at customers. Therefore, service-oriented organizational citizenship behaviors have three dimensions: loyalty, service delivery, and participation.

2.1.1.1 Loyalty

Bettencourt et al. (2001) defined loyalty as the degree to which employees show a positive representation in promoting the image and services of organization to outsiders. If customer-contact employees are loyal, they will communicate willingly and provide positive information about their organization when interacting with potential customers (Bettencourt et al., 2001). Graham (1991) commented that the socioeconomic benefits of organizations (e.g., salaries, training, and benefits) impacted the employees' loyalty behaviors. Van Dyne et al. (1994) defined loyalty as the customer-contact employees' allegiance to the organization by promoting the services and image to customers. Bettencourt et al. (2001) stated that job satisfaction was a significant contributor on loyalty. Organ et al. (2006) also commented that loyal employees tend to communicate positively with customers.

2.1.1.2 Service Delivery

Employees will deliver their promise in an accurate, responsive, advantageous, and courteous manner (Bettencourt & Gwinner, 1998) to avoid unnecessary errors and customer complaints (Organ et al., 2006). Bienstock et al. (2003) highlighted that service delivery involves personal interaction between customer-contact employees and customers. The exact specification of how to interact with customers in a job requirement is more abstract and depends on employee attitudes and motivations to make it a success (Bienstock et al., 2003).

In order to foster the effective interactions, employees must exhibit positive behaviors to convince customers. Human resource management practices are critical factors which will influence employees' behaviors in delivering good quality service in accordance with organizational standards (Bienstock et al., 2003).

2.1.1.3 Participation

Employees act as a principal source of providing information to fulfill customer needs and requirements during the service delivery process (Bettencourt & Gwinner, 1998). Employees are willingly to go beyond formal job requirements and broaden their work knowledge to help outsiders and insiders (Bettencourt et al., 2001). Customer-contact employees act carefully and conscientiously in delivering the service to customers (Bowen & Schneider, 1985; Zeithaml, Berry, & Parasuraman, 1988). The participation of customer-contact employees reflects their concerns and involvement in order to provide recommendations for improving the service (González & Garazo, 2006). Ultimately, participation improves the communication among individuals, co-workers, and organizations (Bettencourt et al., 2001).

2.1.2 Importance of Organizational Citizenship Behaviors

According to Bowen and Schneider (1985), the organizational citizenship behaviors of customer-contact employees are essential to organizations because they are the primary interface with customers. Organizations achieve the effectiveness, efficiency, and success through the promotion of organizational citizenship behaviors (Podsakoff & MacKenzie, 1994).

In addition, Podsakoff and MacKenzie (1997) listed the benefits of organizational citizenship behaviors which can be seen as below:

(1) Improve the productivity of the employees and management
(2) Help the organizations to achieve efficiency in resources allocation and utilization
(3) Maintain the stability in organizational performance
(4) Promote flexibility and adaptability in facing changes and challenges on environment
(5) Sharpen the interaction among various departments
(6) A contributory factor to decrease the maintenance fees
(7) Increase organizational attractiveness to attract new recruits and retain the talents

Employees with higher organizational citizenship behaviors communicate more diligently with customers (Yoon & Suh, 2003). Furthermore, Castro, Armario, and Ruiz (2004) also suggested that organizational citizenship behaviors encourage communication between employees and employers, improve working environment, and subsequently reduce the turnover rate of employees. Sun, Aryee, and Law (2007) suggested that the service organizations should adopt organizational citizenship behaviors to their environment in managing the relationship with employees.

2.2 Human Resource Management Practices

Human resources are difficult to imitate by rivalries, especially their knowledge and skills (Pathak, Budhwar, Virender, & Hannas, 2005). According to Schuler (1992), based on human resource philosophy, the ways in which employees are treated with over-arching beliefs and values will have a significant effect on the relationship between organization and its employees. Thus, human resource management practices play a significant role in affecting the employees' beliefs and behaviors towards organizations.

The human resource management system is defined as "a set of interrelated activities and processes that are directed to attract, develop, and maintain human resource in organizations" (Lado & Wilson, 1994). Lado and Wilson (1994) mentioned that by having good human resource management practices, organizations generate sustainable competitive advantages to develop their own competencies. Good social relationships create specific and knowledgeable working environments. Huselid (1995) postulated that human resource management practices also play a major role to motivate employees and retain employees of the highest caliber. Delery and Doty (1996) described human resource management practices as the implementation of a set of internal policies and practices that go a long way in ensuring the contribution of employees are consistent with organizational objectives.

Shahnawaz and Juyal (2006) stated that human resource management practices are those practices which directly influence the employees' behaviors in the organization and are therefore fundamental in creating sustainable competitive advantage.

The study conducted by Sun et al. (2007) revealed that the relationship of high performance human resource management practices and organizational performance were mediated by service-oriented organizational citizenship behaviors. These practices included selective staffing, training, internal mobility, employment security, clear job description, performance appraisal, incentive reward, and employee involvement which foster employees' perceptions of a supportive working environment in organizations (Sun et al., 2007). Similarly, Morrison (1996), Tsaur and Lin (2004), and Acquaach (2004) also investigated and proven the fact that there is a significant relationship between human resource management practices and organizational citizenship behaviors. For example, Morrison (1996) studied the relationship between human resource management practices and service quality with the critical role of organizational citizenship behavior. In addition, Tsaur and Lin (2004) explored the relationship between human resource management practices and service quality with the mediating effects of service behavior. Acquaach (2004) examined the relationship between human resource management practices and organizational citizenship behaviors in explaining the underdevelopment of the human factor.

Besides, studies conducted by Meyer and Smith (2000), Pathak et al. (2005), Smeenk et al. (2006), and Macky and Boxall (2007) also confirmed the relationship between human resource management practices and organizational commitment to be positively correlated. For instance, Meyer and Smith's (2000) study revealed that the significant relationships were found between human resource practices and organizational commitment with the mediating roles of perceptions of organizational support and procedural justice. Pathak et al. (2005) examined the effects of Best Human Resource Management Practices on employees' behaviors and attitudes (such as commitment, motivation, and psychological contract). Smeenk et al. (2006) adapted the commitment human resource system by Buck and Watson (2002) to investigate the impact on organizational commitment. Lastly, Macky and Boxall (2007) studied on the relationship between high performance work systems and employee attitudes (such as job satisfaction, organizational commitment, and trust in management).

It can be seen in Table 2.1 that the researcher has summarized the practices used to examine the relationship with organizational citizenship behaviors and organizational commitment. To carry out the study, the researcher proposed using the practices with higher occurrences among the scholars namely training, employment security, performance appraisal, compensation, and employee involvement. The next section will discuss and conceptualize the selected practices and will relate them to service-oriented organizational citizenship behaviors.

Table 2.1

Human Resource Management Practices by Scholars

Human Resource Management Practices (Sun et al., 2007)	Scholars							Total
	Morrison (1996)	Tsaur and Lin (2004)	Acquaach (2004)	Meyer and Smith (2000)	Pathak et al. (2005)	Smeenk et al. (2006)	Macky and Boxall (2007)	
Selective Staffing		X	X					2
Training		X	X	X		X	X	**5**
Internal Mobility								0
Employment Security					X	X	X	**3**
Clear Job Description	X							1
Performance Appraisal		X	X	X		X	X	**5**
Compensation	X	X	X			X		**4**
Employee Involvement					X	X	X	**3**

2.2.1 Importance of Human Resource Management Practices

Barney (1991) stated that human resource management practices are pivotal to organization’s strategies in sustaining competitive advantages. Snell and Dean (1992) suggested that human resource management practices serve the purpose of guiding and monitoring employee performance. Organizations utilize human resource management practices to involve and engage employees in decision making and reward the high performers in recognition of their efforts (Delery & Doty, 1996; Huselid, 1995; MacDuffie, 1995).

MacDuffie (1995) postulated that the extent to which organizations adopt human resource management policies will influence the ‘psychological contract’ between employees and organization. If the perception of employees is positive as regards the psychological contract, employee commitment and satisfaction will increase. Hence, as MacDuffie (1995) explained, human resource practices create a strong organizational climate which improves organizational performance.

Delery and Doty (1996) stated that human resource management policies are a tool to promote the internal development and career paths for employees, and may also served as a means of influencing employees’ attitudes and behaviors (Becker & Gerhart, 1996).

According to Hiltrop (1999), human resource management practices affect the organizations’ ability to attract and retain talent. The most effective practices include providing training and skills development, encouraging employees’ participation and involvement, promoting teamwork, and empowerment in decision making (Hiltrop, 1999). Employees will feel they are respected and are unlikely to leave. Thus, the effective human resource practices increased the organizational commitment among the employees (Porter et al., 1974).

Acquaach (2004) pointed out that human resource management practices improve the knowledge, skills, and abilities of employees and this motivates them to remain with the company. Pathak et al. (2005) posited that employees will be more loyal and commit to organizations if they satisfy with human resource management practices.

2.2.2 The Effect of Human Resource Management Practices on Service-Oriented Organizational Citizenship Behaviors

Bailey (1993) argued that human resource management practices affect employees' discretionary behaviors through the influence of employees' skills and motivation.

Human resource management practices are methods used by organizations to create a working environment that encourages employees' organizational citizenship behaviors (Morrison, 1996). Morrison (1996) added that human resource management practices influence employees to exhibit higher level of service-oriented organizational citizenship behaviors if a social exchange relationship exists between the employees and organization. Zerbe, Dobni, and Harel (1998) also supported the idea that human resource management practices influence the employees' service-oriented organizational citizenship behaviors. When the employees feel satisfied, they will put more effort to serve customers. Hence, Becker and Huselid (1998) supported the argument that human resource management practices have a direct and significant relationship with employees' skills, creativity, productivity, and motivations to stimulate the degree of service-oriented organizational citizenship behaviors demonstrated in the workplace.

The research done by Gardner, Moynihan, Park, and Wright (2000) demonstrated that human resource management practices are positively correlated with employees' organizational citizenship behaviors. Bienstock et al. (2003) suggested that a service organization should develop human resource management practices to encourage customer-contact employees' organizational citizenship behaviors for organizations' benefits.

2.2.2.1 Training and Service-Oriented Organizational Citizenship Behaviors

Training is defined by Horgan and Mühlau (2006) as organizations' planned and systematic efforts to shape or develop the knowledge, skills, and attitudes of employees through their learning experiences. Training pertains to the formal training given to employees (Delery & Doty, 1996). Training develops employees' skills and behaviors to motivate them in applying their skills and knowledge to their work activities (Way, 2002). In addition, training also enhances employees' knowledge and skills in performing their tasks more effectively (Pathak et al., 2005).

Strober (1990) was of the opinion that employees understand the training provided by organizations implies their prolong employment and better wages in their respective organizations. Therefore, employees are more committed when organizations emphasize on training investments. Delaney and Huselid (1996) agreed that training improves employees' competencies to complete tasks and solve problems more effectively and efficiently. A service organization should provide training to customer-contact employees in order for them to have a better understanding about their roles (Hartline & Jones, 1996). Training is vitally important for customer-contact employees because they have to solve problems using their knowledge, abilities, and