

An Analytical Study of the Influence of HR Practices on Organizational Commitment with reference to FMCG industry in Nagpur

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ABSTRACT

This study looks at the connection between organisational commitment and efficient human resource (HR) practices among workers in Nagpur's fast-moving consumer goods (FMCG) sector. Structured questionnaires were used to gather data from 100 employees using a descriptive study approach. Regression analysis and ANOVA were used in the investigation to determine the significance of the association. The results show a significant positive relationship among HR practices and organisational commitment, with supportive management, thorough onboarding, ongoing training, and efficient hiring all being important factors. The findings highlight the significance of strategic HR measures in improving employee retention and loyalty, offering insightful information to companies looking to increase worker engagement.

Keywords: HR practices, organizational commitment, FMCG industry, employee retention, Nagpur, etc.

Introduction

One of the most competitive and dynamic industries in the world, fast-moving consumer goods (FMCG) is important in influencing consumer behaviour and boosting the economy. The success of an organisation in this sector is largely dependent on how well its human resource (HR) procedures work. The foundation of an engaged and dedicated staff is laid by HR strategies, which guarantee not just retaining staff members but also an organization's general productivity and success. Recent years have seen a considerable increase in interest in the connection between HR procedures and organisational commitment, particularly in light of the need for agility, creative thinking, and long-term success in sectors like FMCG.

The emotional connection that workers have to their organisation, which affects their desire to contribute to its objectives, is known as organisational commitment. Committed workers are more inclined to show loyalty, have lower inclinations to leave, and have greater levels of job satisfaction, all of which contribute to better performance. Fostering organisational commitment via successful HR practices is crucial in the FMCG industry, as businesses operate in an atmosphere of stress with continual market swings and rivalry.

HR procedures cover a broad spectrum of actions with the goal of hiring, training, inspiring, and keeping staff members. Talent appropriation, management of performance, training and development, staff engagement, pay, and benefits are typical HR procedures in the FMCG sector. When these procedures are in line with the objectives and core values of the company, they not only improve worker productivity but also foster a feeling of mission

and community. Additionally, studies have demonstrated that HR procedures including providing professional growth opportunities, impartial performance reviews, and employee appreciation directly affect how committed an employee is.

As a developing regional hub, Nagpur's FMCG sector offers an ideal setting for investigating how HR policies affect organisational commitment. Companies in this industry are concentrating more on optimising their human resources practices in order to retain personnel and boost organisational efficiency due to the growth of new enterprises and increased competition. Like its international peers, the local sector is dealing with issues of employee engagement, retention, and adjustment to shifting worker expectations. Thus, for business executives looking to create sustainable success in a cutthroat market, it is imperative that they comprehend how HR policies affect organisational commitment inside this sector.

The purpose of this study is to examine how different HR strategies affect organisational commitment in Nagpur's FMCG sector. It looks for the HR practices that most significantly affect dedication among workers and how best to use them within organisations. The study's concentration on the FMCG sector will enable it to give useful insights into the unique HR issues that businesses in this area confront, as well as actionable suggestions for improving employee performance and loyalty.

Long-term business performance depends on the relationship between HR procedures and organisational commitment, especially in cutthroat industries like FMCG. This study will advance knowledge of how customised HR procedures may develop a dedicated staff in Nagpur's FMCG sector, which will eventually improve organisational performance and worker well-being. For HR professionals and corporate executives looking to fortify their HR strategy and create a robust organisational culture, the results will provide practical insights.

○ **Objective of the research:**

1. To analyze the relationship between various HR practices and employee organizational commitment within the FMCG industry in Nagpur.
2. To identify the key HR practices that significantly contribute to enhancing employee commitment, loyalty, and retention in the FMCG sector in Nagpur.

○ **Hypothesis:**

H₀: There is no significant relationship between effective HR practices and organizational commitment among employees in the FMCG industry in Nagpur.

2.1 Literature Review:

Anwar and Abdullah (2021) investigated how human resource management affected government institutions' performance in a fast changing economic environment characterised by greater market rivalry, globalisation, and rising consumer demands. A quantitative research methodology was used in the study to examine 240 participants' replies. With the exception of the fifth hypothesis, which suggested that decentralisation improves organisational effectiveness, the most of the hypotheses were shown to be false. According to the study's findings, decentralisation is essential for improving the effectiveness of government institutions because it promotes efficiency and adaptability, which enable them to survive and prosper in a market that is competitive.

A vacuum in the literature on the connection between organisational commitment and green human resource management (GHRM), particularly with regard to the mediating function of green human capital, was noted by Shoaib et al. (2021). In order to address this, their study examined the effect of GHRM on organisational commitment in Pakistan's dairy sector by using the ability-motivation-opportunity (AMO) paradigm. SmartPLS software was used to analyse data from 287 respondents using convenience sampling. The findings showed that organisational commitment is strongly impacted by green hiring, selection, and training practices, with green human resources moderating these impacts. The report provides significant insights for managers and policymakers by highlighting the impact of GHRM procedures while supporting environmental legislation and encouraging green behaviour among employees.

At SPMI Private Universities in West Sumatra, Ridwan et al. (2020) examined the effects of employee performance on perceived organisational support, organisational commitment, and organisational citizenship behaviour. Saturation sampling was utilised to choose 211 employees as the study's sample. The study used route analysis and a quantitative survey technique to test hypotheses with SPSS. The findings showed that employee performance, both individually and collectively, is favourably and significantly influenced by perceived organisational support, organisational commitment, and organisational citizenship behaviour. The results underscore the significance of these variables in augmenting staff productivity at private colleges, offering perspectives for bettering work environment dynamics and institutional support networks.

2.2 Research Gap:

A number of research issues pertaining to employee performance, organisational commitment, and human resource management are highlighted in the literature currently in publication. But there is a big knowledge vacuum on how certain HR practices affect organisational commitment, especially in contexts that are industry-specific like the FMCG business. Though some research has looked at how green HRM might promote organisational commitment, typical HR procedures in FMCG environments have not gotten much attention. Furthermore, the relationship between organisational commitment in this industry and possible mediating elements like green human capital and organisational civic behaviour has not yet been fully investigated. This emphasises the necessity of more study to fully evaluate these dynamics and the effects they may have on worker performance in the FMCG sector.

3. Research Methodology:

The study will utilise a descriptive research design as part of its research approach to investigate how HR practices affect organisational commitment in Nagpur's FMCG sector. The research will make use of primary and secondary sources of information. Structured questionnaires will be utilised to gather primary data from FMCG personnel, and pertinent papers, literature, and organisational records would be the source of secondary data. To pick a sample size of 100 respondents, a convenience sampling approach will be utilised, guaranteeing a diversified representation from various organisations within the sector. This methodology will enable a thorough examination of the connection between organisational commitment and HR practices, offering insightful information for the research.

4. Data Analysis:

Employee organisational commitment, or the psychological bond workers have with their company, is greatly influenced by HR procedures. Employee commitment and workplace impressions may be greatly impacted by effective HR processes, which include hiring and selection, training and growth, performance management, including employee recognition. Employees are more likely to feel involved and appreciated when companies have open and supportive HR practices in place, which promotes a sense of loyalty and community. Additionally, employees' skills and job satisfaction may be improved through specialised training programs and career development possibilities, which will further cement their commitment. In the end, building a resilient workforce is what drives organisational success; a strong alignment between HR practices and organisational principles not only improves performance and retention rates, but also raises employee morale.

Robust performance management systems, thorough onboarding, ongoing training and development, and efficient recruiting and selection are important HR strategies that greatly increase employee engagement, loyalty, and retention. Organisations may attract individuals that share their values and culture by making sure there is a strong match during the recruiting process, which encourages early commitment. Thorough onboarding facilitates a new hire's adjustment and makes them feel important right away, both of which are critical for retention. Employee loyalty to the company is strengthened by chances for ongoing training and development that enable them to enhance their careers and acquire new skills. Transparent performance management methods that offer frequent feedback and acknowledgement also inspire workers to perform well and feel valued. When combined, these strategies foster a positive work atmosphere where workers are inspired to stay involved and dedicated to the success of the company.

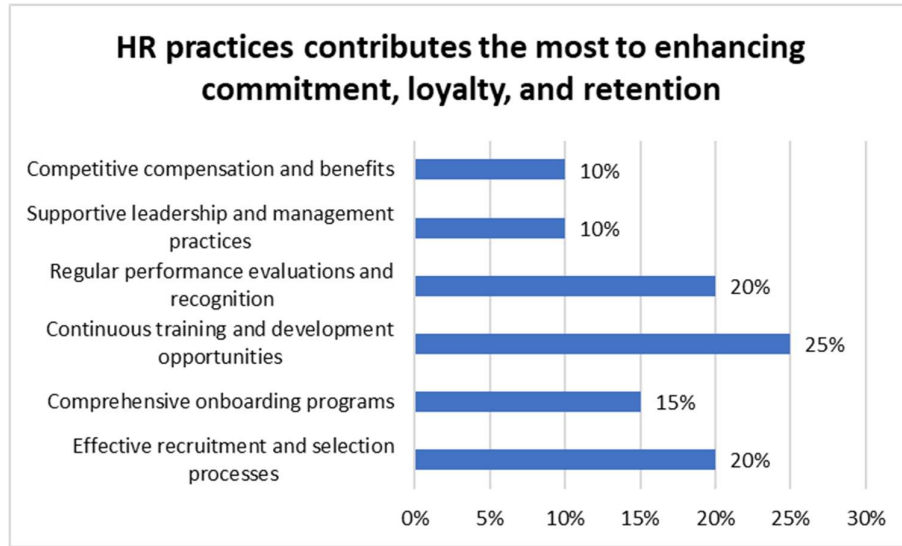


Fig. 1 Key HR Practices

According to the survey results, 25% of respondents said that chances for ongoing training and development are the most important factor in boosting employee dedication, loyalty, and retention. Efficient hiring and selection procedures, as well as frequent performance reviews and rewards, come in second and third, respectively, with 20% of the vote, underscoring the significance of these methods in developing a loyal staff. Fifteen percent of respondents said that comprehensive onboarding programs are vital, but not as important as continuous development and recruitment initiatives. Competitive pay and benefits, as well as supportive leadership and management techniques, were viewed as having less of an influence (10%). The results underscore the need of continuous professional development and efficient hiring practices in establishing a devoted and faithful workforce.

To test the hypothesis “There is no significant relationship between effective HR practices and organizational commitment among employees in the FMCG industry in Nagpur” regression analysis has been applied between the variables effective HR Practices and Organisational Commitment, the result obtained is as under:

Table 1.1 Regression Statistics

Regression Statistics	
Multiple R	0.954535
R Square	0.911137
Adjusted R	0.91023
Standard E	0.428869
Observatic	100

Regression statistics show a high degree of correlation, with a Multiple R value of almost 0.95, indicating a strong link between the independent and dependent variables. A very excellent fit is shown by the R Square value of around 0.91, which indicates that the independent variables in the model can account for about 91% of the variation in the dependent variable. Adjusted R Square, which takes into consideration the number of predictors utilised and is somewhat lower at around 0.91, validates the model's robustness. The dependability of the results is further increased by the Standard Error of around 0.43, which indicates that the regression model's predictions are generally close to the actual values. on summary, the statistical data indicates a robust model possessing noteworthy explanatory ability, grounded on the observations from the hundred-person sample.

Table 1.2 ANOVA

ANOVA					
	<i>df</i>	<i>SS</i>	<i>MS</i>	<i>F</i>	<i>Significance F</i>
Regression	1	184.815	184.815	1004.82	2.58444E-53
Residual	98	18.025	0.18393		
Total	99	202.84			

The null hypothesis, which holds that there is no meaningful correlation between good HR practices and organisational commitment among workers in Nagpur's FMCG sector, is strongly refuted by the ANOVA results. The variation described by the regression model is substantially larger than the variance resulting from residuals, as indicated by the F-statistic of around 1004.82, which is highly significant. The link may be statistically significant because the Significance F value is incredibly low (2.58E-53), much below the standard alpha standards (0.05 or 0.01). Thus, **the null hypothesis is rejected** as it can be shown that good HR practices significantly affect organisational commitment.

5.1 Findings and Conclusions:

The study's conclusions show a strong correlation between organisational dedication and efficient HR procedures among workers in Nagpur's FMCG sector. The high R Square value (about 0.91) and robust correlation (Multiple R = 0.95) imply that HR policies explain a significant amount of the variance in organisational commitment. With a strong F-statistic and an extraordinarily low significance value, the ANOVA findings further support this conclusion by demonstrating that the influence of HR policies is not the product of chance. Thus, in order to promote greater levels of employee commitment, which will ultimately improve organisational performance and retention, FMCG companies should prioritise and improve their HR practices, such as hiring, training, and performance management.

5.2 Recommendation:

The study's conclusions suggest that companies in Nagpur's FMCG sector concentrate on bolstering their HR procedures in order to increase employee loyalty. Companies should specifically put in place efficient hiring and selection procedures to guarantee that they are in line with the culture and values of the company. Furthermore, offering thorough onboarding programs along with continuous training and development opportunities will promote staff engagement and skill improvement. To inspire staff members and highlight their accomplishments, regular performance reviews should be implemented in conjunction with feedback and acknowledgement systems. Additionally, encouraging supportive leadership behaviours will result in a productive workplace that rewards loyalty. Giving priority to these HR efforts will help organisations develop a dedicated staff, which will increase employee retention and boost overall productivity.

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