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HUMAN RESOURCE MANAGEMENT PRACTICES ON EMPLOYEE COMMITMENT: INDONESIA ISLAMIC BANKING

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Abstract

This article discusses organizational commitment in the context of Islamic banking. Specifically, we explored whether organizational commitment relates to its human resource management practices. In addition, it will also examine the role of perceived organizational support in this relationship. To achieve this goal, we conducted an online survey at one of the branches of the largest Islamic bank in Indonesia. Data were analyzed using structural equation modeling-partial least squares (SEM-PLS). The results showed that there were problems with human resources management (HRM) practices, perceived organizational support, and organizational commitment from Islamic banks, resulting in high turnover potential. Specifically, HRM practices and perceived organizational support were positively and significantly related to organizational commitment. However, perceived organizational support only mediated the relationship between HRM practices and normative and affective commitment, but not for the relationship between HRM practices and continuance commitment. The study recommends that Bank Sharia Indonesia (BSI) managers utilize HRM practices as a means to stimulate positive work-related attitudes. The research adds to the existing literature by investigating the effect of HRM practices on organizational commitment, mediated by perceived organizational support, in the context of Islamic banking in Indonesia.

Keywords: Practices of human resource management, perceived organizational support, employee commitment, Islamic banking.

INTRODUCTION

This research is motivated by the high employee turnover at Islamic banks in Indonesia. Pricewaterhouse Coopers (PwC) survey in Indonesia in 2020-2021, revealed that turnover at Islamic banks is higher than that at conventional banks. In 2020, turnover at Islamic banks will reach 7%, while at conventional banks it will be slightly lower, namely 6.7%. Meanwhile, in 2021, turnover in Islamic banks will increase to 10%, while in conventional banks it will only be 8.7%. Although the turnover rate is still relatively normal, the specifics are not the case. Turnover in Islamic banks is dominated by voluntary turnover rather than natural retirement, death and dismissal. Bank Syariah Indonesia (BSI) as the largest Islamic bank in Indonesia reports data on employee turnover. In 2021, voluntary turnover reached 84.27% of 604 cases, while turnover due to natural retirement and death were only 9.93% and 5.80% respectively. The high rate of employee turnover, especially voluntary turnover, indicates poor organizational commitment (Afshari, 2021).

Organizational commitment refers to a situation where an employee binds himself to an organization and will maintain his membership in that organization (Robbins and Judge, 2017). They have no intention to leave the organization or move to another organization. When they are truly committed, they are willing to contribute to their organization beyond the capacity that should be given, they are even willing to sacrifice for the benefit of the organization. Therefore, this commitment is widely recognized as a fundamental factor in the organizational industry, which has attracted a lot of interest from managers and researchers (Sanders, Dorenbosch, and De Reuver, 2008).

Strong organizational commitment can be formed through good HRM practices (Adresi and Darun, 2017). HRM practices can "create conditions where employees become highly involved in the organization and work hard to achieve organizational goals" (Becker and Huselid, 2006). Internal career paths, job training, and salary are key HRM practices that influence organizational commitment. Furthermore,

security and a dynamic environment will also affect it (Adresi and Darun, 2017). A number of studies have also proven that HRM practices have a positive and significant relationship with employee commitment (eg, Lamba and Choudhary, 2013; Aboramadan et al., 2020; Janjua and Gulzar, 2014; Hassan and Mahmood, 2016; Adresi and Darun, 2017). Specifically in the banking context, a number of researchers have also confirmed this relationship (eg, Paşaoğlu, 2015; Cherif, 2020).

Although HRM practices are widely recognized as important predictors for creating and maintaining employee commitment, many studies reveal that the relationship between the two does not occur directly, but rather through perceived organizational support (for example, Adresi and Darun, 2017; Meyer and Smith, 2009).

This study aims to explore employee commitment in the context of Islamic banking, and examine how HRM practices influence this commitment. In addition, this study will also examine the role of perceived organizational support in this relationship. In general, exploration of this in the context of banking is still limited. The majority of studies on this are conducted in non-bank industries, in the Western world, while in the Eastern world it is very limited (Nasurdin, Hemdi, and Guat, 2008). Several studies in the banking sector have been carried out, including Paşaoğlu, (2015) and Cherif, (2020), and their findings support all the existing literature. In particular, studies on Islamic banks have never been carried out.

Therefore, this study offers two important novelties. First, this study will enhance the literature on HRM practices in the East, particularly in the Islamic banking sector. Second, contribute to practical policies for bank management, considering the high turnover cases there, especially in Islamic banks.

The paper begins by examining the relationship between HRM practices and employee commitment. The literature review defines HRM practices, perceived organizational support, and employee commitment, and the hypotheses examine the link between HRM practices and employee commitment mediated by perceived organizational support. Section 3 describes the research methodology, followed by the presentation of the study's results in the subsequent section. Finally, the paper concludes by discussing the implications, limitations, and overall conclusions of the research.

LITERATURE REVIEW

Organizational Commitment

According to the resource-based view of theory (Barney, 2018), sustainable competitive advantage can be achieved when an organization has resources that are "valuable, rare, inimitable, non-substitutable and non-transferable." Although this theory divides resources into two, namely tangible and intangible resources, the important implications of this theory focus on intangible resources. This is because tangible resources tend to be imitated, but not intangible resources, such as organizational commitment (Janjua and Gulzar, 2014).

Organizational commitment refers to the relationship between an employee and his organization, where they have the will to exert their efforts to achieve organizational goals by aligning their goals with their organizations (Mowday et al., 2014; Lin et al., 2020). Organizational commitment can be divided into three main components; "(1) normative commitment; (2) affective commitment; and (3) continuance commitment" (Allen & Meyer, 1996).

Normative commitment refers to "a commitment based on an ethical obligation to remain with the organization" (Mowday et al., 2014). This commitment is formed in the process of socializing employees before and after entering the organization and how the organization treats them during their working lives. Meanwhile, affective commitment is a positive attachment between employees and their organization. It is a strong commitment from an employee, shown through an unwavering desire to remain a member of that organization (Meyer, Stanley, Herscovitch, and Topolnytsky, 2002). This commitment can be built through open communication, which involves employees in the decision-making process, especially those related to their expertise and welfare (Dirani and Kuchinke, 2011). Meanwhile, continuance commitment is the employee's feeling towards his organization after considering the possible costs of leaving the organization (Duffy and Dik, 2012). These costs can include the loss of the benefits of human resources as employees, training and development, and reward systems (Meyer et al., 2002). In this context, employees will suffer if they leave the organization.

Human Resource Management Practices

The practice of human resource management (HRM) has been studied for a long time, but until now there has been no consensus on its definition, including how it is conceptualized and operationalized (Almutawa, Muenjohn, and Zhang, 2016). Armstrong and Taylor, (2014) defines HRM practices as efforts made by organizations to ensure proper management to achieve organizational goals. Specifically, this practice is aimed at shaping employee attitudes, behavior, culture, and perceptions to achieve organizational goals (Shannak, Obeidat, and Masadeh, 2012; Mousa and Othman, 2020). In general, this practice relates to the method of choice, performance evaluation, rewards, and job security to increase organizational commitment (Meyer and Smith, 2009; Sulbout et al., 2022; Bisharat et al., 2016; Yahaya and Ebrahim, 2016)

Relationship between HRM Practices and Organizational Commitment

The relationship between HRM practices and organizational commitment has been studied extensively. A number of studies have proven that practice is positively related to organizational commitment (eg, Sial et al., 2011; Sulbout et al., 2022; Ijigu, 2015; Foss et al., 2014). HRM practices will shape workforce attitudes by shaping employees' perceptions of what the organization is like. Social exchange theory also shows a positive correlation between HRM practices and organizational commitment. The exchange relationship between the two can occur through the process of selection, training, performance evaluation, promotion, performancebased rewards, information sharing, and job security (Meyer and Smith, 2009; (Paşaoğlu, 2015).

A good selection process can find qualified employees, namely employees who feel that they will work in the right place, and consider themselves part of the company's family (Paşaoğlu, 2015). In this process, the organization and its prospective employees will dynamically combine their needs (Vickers, Mcdonald, and Grimes, 2015). When there is alignment between the needs and goals of the organization and its employees, this will encourage these employees to be bound by a psychological contract with the organization. Meanwhile, training, from an organizational point of view, is a large investment in human resources, which is aimed at improving individual and organizational performance that is up-to-date in accordance with the times (Bartel, 2000), while from an employee standpoint it is part of career development. Through training, employees have the opportunity to improve their skills and performance. In return, they will be bound by a psychological contract with their organization (Bartlett, 2001). Therefore, training is believed to increase organizational commitment, and a number of studies have confirmed this (eg, Bimpitsos and Petridou, 2012; Collings, Scullion, and Vaiman, 2015).

Performance evaluation as part of HRM practices is also believed to have a close relationship with organizational commitment. Performance evaluation is generally intended to improve performance that has been lacking in the past and to improve performance in the future. The performance evaluation process that is carried out properly will encourage positive perceptions from employees of better skills and expertise in the future. Social exchange theory explains that investing in employee desires will lead to behavior at work that is more positive than anything else (Cropanzano and Mitchell, 2005). This will lead to an increase in work motivation, thus encouraging employees to do the best for their organization, even beyond what they should give (Kuvaas and Dysvik, 2009). Therefore, this evaluation process should lead to employee feelings, competencies, and success (Fey, Morgulis-Yakushev, Park, and Björkman, 2009).

Another important aspect of HRM practices that can enhance organizational commitment is performance-based promotions and rewards. Promotion is a method to help employees become more advanced and developing. Likewise with performance-based awards, it can also spur work motivation and employee expectations for their organization. The existence of career development opportunities and performance- based rewards is a positive signal about organizational justice and fairness, thereby encouraging employee commitment (Fey et al., 2009).

Sharing information is also part of HRM practice which is important for increasing organizational commitment. Sharing information is a social problem that is highly dependent on social relations. Sharing information is very important in groups, which will increase responsibility and teamwork (Wasko and Faraj, 2005). Sharing information will increase employee loyalty to the organization, because it will create a relationship of trust between employees and management, as well as provide a basis for good cooperation (Rutten, Blaas - Franken, and Martin, 2016).

Another important aspect of HRM practices that influences organizational commitment is job security. Bentzen et al. (2020) defines job security as an individual's ability to be employed without experiencing seniority, salary, pension rights, and other disadvantages. This security is an important issue in influencing employees about their work. Therefore, job security is an important factor in determining organizational commitment (Iverson and Roy, 1994; Meyer and Smith, 2009; Bashir and Ramay, 2008).

Based on the description above, the hypothesis developed for this problem is:

H1: HRM practices are positively and significantly related to organizational commitment.

The Role of Perceived Organizational Support on the Relationship between HRM Practices and Organizational Commitment

Perceived organizational support (POS) refers "to employees' beliefs about the extent to which the organization values their contributions and cares about their well-being" (Eisenberg et al., 2004). POS reflects an individual's perception of organizational commitment to himself (Johlke, Stamper, and Shoemaker, 2002; Settoon, Bennett, and Liden, 1996). Therefore, POS is believed to have a positive impact on the quality of organizational commitment (Nazir and Islam, 2017; Chen and Eyoun, 2021) and negatively on turnover intention (Dane and Brummel, 2014). POS is influenced by "various aspects, including praise and approval, salary, rank, job enrichment, and organizational policies" (Eisenberger, 2004). Therefore, POS is seen as a resource within an organization, which can increase employee work commitment (Akgunduz and Eryilmaz, 2018). For employees, organizational support is an important external energy source that helps increase work commitment when they do work (Zhong, Wayne, and Liden, 2015).

In the relationship between HRM practices and organizational commitment, POS is believed to have a role as a mediator. On the one hand, HRM practices will affect POS (Mayes et al., 2017; Aktar and Pangil, 2017), while POS will increase employee commitment (Aggarwal-Gupta, Vohra, and Bhatnagar, 2017). Therefore, the hypothesis developed for this is:

H2: HRM practices have a positive and significant relationship with perceived organizational support.

H3: Perceived organizational support has a positive and significant effect on organizational commitment.

H4: Perceived organizational support ascertains the relationship between HRM practices on organizational commitment.

RESEARCH METHODOLOGY

To achieve our research objectives, we conducted an online survey of all Islamic banking in Indonesia employees. These Islamic banks in Indonesia are reported to have high turnover rates in 2020-2021. Electronic questionnaires were distributed via social media in the period from 1 September to 30 September 2021. Until the specified deadline, only 133 questionnaires were filled in. Of the 115 questionnaires filled out, 54.14% were filled in by male respondents and 45.86% by female respondents. Based on age, 15.04% of the respondents were under 30 years old, 39.85% were around 30-40 years old, and another 45.11% were over 40 years old. Based on education, 33.08% of the respondents had diploma education, 53.38% were undergraduate, and 13.54% were postgraduate. Based on tenure, 27.07% of respondents had tenure under 2 years, 63.91% between 2 to 3 years, and 9.02% more than three years.

Organizational commitment in this study is operationalized as a form of respondents' assessment of their ability to be loyal and identify with their organization. The indicators and questionnaires to measure this were adopted from Allen and Meyer (1996). Meanwhile, HRM practices are operationalized as employee assessments of what efforts the organization has made towards its employees to achieve organizational goals. The indicators and questionnaires to measure this were adopted from Meyer dan Smith (2009). Meanwhile, perceived organizational support (POS) is operationalized as an employee's assessment of the extent to which the organization values their contribution and cares about their welfare. The indicators and questionnaire to measure this were adopted from Eisenberg et al. (2004).

Data analysis used Structural Equation Modeling- Partial Least Squares (SEM-PLS). this can assess whether the causal relationship between variables is significant. This approach is well suited for developing theoretical models through data exploration, which is in line with the aim of this study to investigate the relationship between theoretical structures. In addition, SEM-PLS does not require a large sample size and the sample data is normally distributed and has high statistical power (Hair, Risher, Sarstedt, and Ringle, 2019).

RESULTS AND DISCUSSION

The results of the study show that the current HRM practices have not been good. This can be seen from the average value of HRM which is less than three (see Table 1). Specifically, HRM practices that are considered not good by employees include "training, performance evaluation, performance-based rewards, information sharing, and job security." Meanwhile, perceived organizational support looks ambiguous. The average POS value is above 2.5 (see Table 1). This shows ambiguity among employees. Some of them feel adequate organizational support, while others are the opposite. Aspects of POS that are considered good are related to management's praise of employees, and job enrichment, while salary, rank, and management policies related to employees are rated the opposite. Therefore, organizational commitment is not consensual.

The average OC score is 2.5 (see Table 1), which indicates that some employees have a strong commitment to their organization, while others do not or are less committed. Specifically, affective commitment is stronger than normative and continuance commitment, while normative commitment is the weakest commitment.

	Mean		Correlation Matrix					
		HRM	POS	OC	Gen	Edu	Ten	Age
HRM	2.41	1						
	{.78}							
POS	2.44	0.66	1					
	{.93}	[.00]						
OC	2.51	0.61	0.57	1				
	{.73}	[.00]	[.00]					
Gen	1.54	0.14	0.15	0.08	1			
	{.50}	[.11]	[.08]	[.32]				
Edu	1.8	-0.04	0.05	0.01	0.01	1		
	{.66}	[.96]	[.56]	[.95]	[.98]			
Ten	1.8	-0.07	0.04	0.09	0.08	0.16	1	
	{.57}	[.40]	[.63]	[.27]	[0.35]	[.06]		
Age	{.78}	0.01	0.09	0.15	-0.01	0.08	0.68	1
	{.72}	[.87]	[.30]	[.07]	[.94]	[033]	[.00]	

Table 1 Statistics and Correlation Matrix

Specifically, HRM practices, POS and OC correlate with each other (see Table 1). However, the correlation of HRM practices with OC was higher than the correlation between POS and OC (r = 0.61 vs. 0.57). Meanwhile, HRM practices do not have a significant correlation with "employee demographic factors, such as gender, education, tenure, and age." Perceived organizational support is only significantly related to gender, but not to education, tenure, and age. This shows that male employees are more dominant in feeling organizational support than female employees. In this context, male employees need more organizational support than female employees. Meanwhile, OC is only significantly related to age, where the higher the employee's age, the higher the commitment to the organization.

Note: the number in curly brackets "{...}" is the standard deviation and in absolute brackets "[...]" is the p-value

Table 2 below presents the results of the measurement model, which shows that all variables are measured reliably ($\alpha \ge 0.6$) (Sekaran & Roger, 2016). The value for each variable is acceptable, because the factor loading for all items is more than 0.7 (Nunnally and Bernstein, 1994). All indicators also show acceptable (AVE > 0.5) and convergent (CR > 0.7) discriminant validity (Nunnally & Bernstein, 1994).

Loading HRM 0.84 0.91 0.67 HRM1 0.78 0.89 0.89 HRM2 0.89 0.8 0.8 HRM3 0.8 0.8 0.8 HRM4 0.86 0.9 0.9 HRM5 0.9 0.91 0.91 POS 0.88 0.93 0.73 POS 0.88 0.93 0.73 POS1 0.95 0.97 0.905 POS3 0.77 0.95 0.91 OC 0.93 0.96 0.81 OC1 0.86 0.22 0.82 OC3 0.78 0.78 0.91	Factor	Alpha	CK	AVE
HRM10.78HRM20.89HRM30.8HRM40.86HRM50.9HRM60.9HRM70.91POS0.880.93POS10.95POS20.97POS40.95POS50.91OC0.930.960.860.220.220.82		Loading		
HRM20.89HRM30.8HRM40.86HRM50.9HRM60.9HRM70.91POS0.880.93POS10.95POS20.97POS30.77POS40.95POS50.91OC0.930.960.210.86OC10.82	HRM	0.84	0.91	0.67
HRM30.8HRM40.86HRM50.9HRM60.9HRM70.91POS0.880.93POS10.95POS20.97POS40.95POS50.91OC0.930.960.210.86OC10.82	HRM1	0.78		
HRM40.86HRM50.9HRM60.9HRM70.91POS0.880.93POS10.95POS20.97POS30.77POS40.95OC0.930.96OC10.86OC20.82	HRM2	0.89		
HRM50.9HRM60.9HRM70.91POS0.880.930.73POS10.950.97POS20.97-POS40.95.POS50.91.OC0.930.960.81OC10.86.OC20.82.	HRM3	0.8		
HRM60.9HRM70.91POS0.880.930.73POS10.950.97POS20.97-POS30.77POS40.95OC0.930.960.81OC10.86OC20.82	HRM4	0.86		
HRM70.91POS0.880.930.73POS10.950.97-POS20.97POS30.77POS40.95POS50.91OC0.930.960.81OC10.86-OC20.82-	HRM5	0.9		
POS0.880.930.73POS10.95	HRM6	0.9		
POS1 0.95 POS2 0.97 POS3 0.77 POS4 0.95 POS5 0.91 OC 0.93 0.96 0.81 OC1 0.86 OC2 0.82	HRM7	0.91		
POS2 0.97 POS3 0.77 POS4 0.95 POS5 0.91 OC 0.93 0.96 0.81 OC1 0.86 0.82	POS	0.88	0.93	0.73
POS3 0.77 POS4 0.95 POS5 0.91 OC 0.93 0.96 0.81 OC1 0.86 OC2 0.82	POS1	0.95		
POS4 0.95 POS5 0.91 OC 0.93 0.96 0.81 OC1 0.86 0.82 0.82	POS2	0.97		
POS5 0.91 OC 0.93 0.96 0.81 OC1 0.86	POS3	0.77		
OC0.930.960.81OC10.86	POS4	0.95		
OC1 0.86 OC2 0.82	POS5	0.91		
OC2 0.82	OC	0.93	0.96	0.81
	OC1	0.86		
OC3 0.78	OC2	0.82		
	OC3	0.78		

Table 2 Indicator Loadings and Latent Variable CoefficientFactorAlphaCRAVE

Table 3 shows the main analysis results of this study. From the table it can be seen that in general, HRM practices have a positive and significant relationship with POS) and OC. However, the effect of HRM practices on POS was greater than that on OC ($\beta = 0.65$ vs. 0.41). Meanwhile, POS also had a positive and significant relationship with OC, but the effect was much smaller than the effect of HRM practices on OC ($\beta = 0.29$ vs. 0.65). This suggests that HRM practices have a direct effect on organizational commitment, and perceived organizational support fails to mediate their relationship.

	β	t-stat.	Decision
$HRM \rightarrow POS$	0.65	9.8	Supported
$HRM \rightarrow OC$	0.41	4.64	Supported
$HRM \rightarrow OC1$	0.28	3.56	Supported
$HRM \rightarrow OC2$	0.36	4.64	Supported
$HRM \rightarrow OC3$	0.2	1.7	Supported
$POS \rightarrow OC$	0.29	3.27	Supported
$POS \rightarrow OC1$	0.53	6.65	Supported
$POS \rightarrow OC2$	0.43	5.53	Supported
$POS \rightarrow OC3$	-0.17	-1.5	Unsupported
$\mathrm{HRM} \rightarrow \mathrm{POS} \rightarrow \mathrm{OC}$	0.35	3.95	Supported
$\mathrm{HRM} \rightarrow \mathrm{POS} \rightarrow \mathrm{OC1}$	0.4	3.75	Supported
$\mathrm{HRM} \rightarrow \mathrm{POS} \rightarrow \mathrm{OC2}$	0.39	5.08	Supported
$\text{HRM} \rightarrow \text{POS} \rightarrow \text{OC3}$	0.01	0.11	Unsupported

Table 3 Summary of the Structural Model

Comprehensively, HRM practices have a positive and significant effect on all types of organizational commitment, although the effects are different. HRM practices have the greatest influence on affective commitment, and the least on continuance commitment. Meanwhile, POS is only significant with normative and affective commitment, but not with continuance commitment. When compared, the relationship between HRM practices and normative commitment is weaker than the relationship between POS and normative commitment ($\beta = 0.28$ vs. 0.53). This suggests that the relationship between HRM practices will encourage perceived organizational support to be higher, thus encouraging employees to be morally (ethically) bound to their organization. An employee feels unethical if he leaves his organization, because the organization treats him very well.

In line with this, the effect of HRM practices on affective commitment is smaller than the effect of perceived organizational support on affective commitment ($\beta = 0.36$ vs. 0.43). It also shows that the relationship between HRM practices and affective commitment occurs through perceived organizational support. Good HRM practices will lead to higher POS, and it will also encourage employees to become emotionally attached to their organization.

In contrast to previous findings, HRM practices are also significantly related to continuance commitment, but the relationship between perceived organizational support and commitment is not significant. This shows that HRM practices directly affect sustainability commitment. When HRM practices are going well, this will directly make employees reluctant to leave the organization. In this context, they are not bound normatively or affectively (emotionally), but they consider there is a high price to pay when leaving the organization.

Based on these findings, the first (H1) and second (H2) hypotheses are fully supported, while the third (H3) and fourth (H4) hypotheses are partially supported. The findings in this study are consistent with social exchange theory. Good quality relationships between managers and employees will encourage strong organizational commitment. Employee commitment to the organization is formed through the belief in employees that the organization values their contributions. Good human resource practices will shape employees' attitudes and perceptions of what the organization is like and reflect their treatment of the organization. In addition, these findings also support previous studies, which show that HRM practices have a positive and significant effect on organizational commitment (eg, Aboramadan et al., 2020; Becker and Huselid, 2006; Janjua and Gulzar, 2014; Adresi and Darun, 2017; Lamba and Choudhary, 2013; Bisharat et al., 2016; Jawaad et al., 2019). In addition, our findings also support findings about the mediating effect of POS on the relationship between HRM practices and OC (eg, Meyer and Smith, 2009; Adresi and Darun, 2017),

CONCLUSION

Based on the results of data analysis and discussion, this study concludes that the phenomenon of high turnover in Islamic banks may be triggered by weak organizational commitment from employees. Weak organizational commitment from Islamic bank employees can be triggered by poor resource management practices and weak organizational support. The study findings show that HRM practices have a positive and significant relationship with organizational commitment, both normative, affective and continuance commitment. This shows that good HRM practices can encourage organizational commitment to be higher, but vice versa can reduce organizational commitment, as happened in Islamic banks in Indonesia. However, the relationship between HRM practices and normative and affective commitment does not occur directly, but through perceived organizational support. Only continuance commitments are directly related to HRM practices.

Important implications for management, especially for Islamic banks, need to evaluate the effectiveness of current HRM practices, especially those related to selection, training, performance evaluation, promotion, performance-based rewards, information sharing, and job security. In addition, management also needs to increase support for its employees, especially with regard to praise for employee performance, salary, rank, job enrichment, and policies that favor the interests of employees.

Like all research, this study has limitations. The focus on Islamic banking restricts the generalizability of the findings. Future research should explore the relevance of these results in other industries, cultures, and countries. The study only surveyed branch employees and did not include head office employees. Furthermore, the study relied on self-reported measures of HRM practices, perceived organizational support, and employee commitment. Future research could compare front-line employees' perceptions of HRM practices and examine the impact of HRM practices on employee attitudes toward compensation. The study did not differentiate employees based on tenure, which could affect their perceptions of HRM practices. A longitudinal approach would also provide greater insight into the causal relationships between HRM practices and employee commitment.

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2. Bukti hasil review 1 (10 May 2023)

Please revise the paper according to the review below:

1. Please address the question why the findings are so?

2. Please add more qualitative analysis on your discussion. Especially, on your research problem; "organizational support only mediated the relationship between HRM practices and normative and affective commitment".

Human Resource Management Practices on Employee Commitment: Indonesia Islamic Banking

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Abstract

This article discusses organizational commitment in the context of Islamic banking. Specifically, we explored whether organizational commitment relates to its human resource management practices. In addition, it will also examine the role of perceived organizational support in this relationship. To achieve this goal, we conducted an online survey at one of the branches of the largest Islamic bank in Indonesia. Data were analyzed using structural equation modeling-partial least squares (SEM-PLS). The results showed that there were problems with human resources management (HRM) practices, perceived organizational support, and organizational commitment from Islamic banks, resulting in high turnover potential. Specifically, HRM practices and perceived organizational support were positively and significantly related to organizational commitment. However, perceived organizational support only mediated the relationship between HRM practices and normative and affective commitment, but not for the relationship between HRM practices and continuance commitment.

Keywords: Practices Of Human Resource Management; Perceived Organizational Support; Employee Commitment

Abstrak

Artikel ini membahas komitmen organisasi dalam konteks perbankan syariah. Secara khusus, kami mengeksplorasi apakah komitmen organisasi berhubungan dengan praktik manajemen sumber daya manusianya. Selain itu, juga akan mengkaji peran dukungan organisasi yang dirasakan dalam hubungan ini. Untuk mencapai tujuan tersebut, kami melakukan survei online di salah satu cabang bank syariah terbesar di Indonesia. Data dianalisis menggunakan model persamaan struktural-partial least square (SEM-PLS). Hasil penelitian menunjukkan bahwa terdapat masalah pada praktik manajemen sumber daya manusia (MSDM), dukungan organisasi yang dirasakan, dan komitmen organisasi dari bank syariah, yang mengakibatkan potensi perpindahan yang tinggi. Secara khusus, praktik MSDM dan dukungan organisasi yang dirasakan secara positif dan signifikan terkait dengan komitmen organisasi. Namun, dukungan organisasi yang dirasakan hanya memediasi hubungan antara praktik MSDM dan komitmen normatif dan afektif, tetapi tidak untuk hubungan antara praktik MSDM dan komitmen berkelanjutan.

Kata kunci: Praktik Manajemen Sumber Daya Manusia; Dukungan Organisasi; Komitmen Karyawan

1. Introduction

This research is motivated by the high employee turnover at Islamic banks in Indonesia. Pricewaterhouse Coopers (PwC) survey in Indonesia in 2020-2021, revealed that turnover at Islamic banks is higher than that at conventional banks. In 2020, turnover at Islamic banks will reach 7%, while at conventional banks it will be slightly lower, namely 6.7%. Meanwhile, in 2021, turnover in Islamic banks will increase to 10%, while in conventional banks it will only be 8.7%. Although the turnover rate is still relatively normal, the specifics are not the case. Turnover in Islamic banks is dominated by voluntary turnover rather than natural retirement, death and dismissal. Bank Syariah Indonesia (BSI) as the largest Islamic bank in Indonesia reports data on employee turnover. In 2021, voluntary turnover reached 84.27% of 604 cases, while turnover due to natural retirement and death were only 9.93% and 5.80% respectively. The high rate of employee turnover, especially voluntary turnover, indicates poor organizational commitment (Afshari, 2021).

Organizational commitment refers to a situation where an employee binds himself to an organization and will maintain his membership in that organization (Robbins and Judge, 2017). They have no intention to leave the organization or move to another organization. When they are truly committed, they are willing to contribute to their organization beyond the capacity that should be given, they are even willing to sacrifice for the benefit of the organization. Therefore, this commitment is widely recognized as a fundamental factor in the organizational industry, which has attracted a lot of interest from managers and researchers (Sanders, Dorenbosch, and De Reuver, 2008).

Strong organizational commitment can be formed through good HRM practices (Adresi and Darun, 2017). HRM practices can "create conditions where employees become highly involved in the organization and work hard to achieve organizational goals" (Becker and Huselid, 2006). Internal career paths, job training, and salary are key HRM practices that influence organizational commitment. Furthermore, security and a dynamic environment will also affect it (Adresi and Darun, 2017). A number of studies have also proven that HRM practices have a positive and significant relationship with employee commitment (eg, Lamba and Choudhary, 2013; Aboramadan et al., 2020; Janjua and Gulzar, 2014; Hassan and Mahmood, 2016; Adresi and Darun, 2017). Specifically in the banking context, a number of researchers have also confirmed this relationship (Paşaoğlu, 2015; Cherif, 2020).

Although HRM practices are widely recognized as important predictors for creating and maintaining employee commitment, many studies reveal that the relationship between the two does not occur directly, but rather through perceived organizational support (for example, Adresi and Darun, 2017; Meyer and Smith, 2009).

This study aims to explore employee commitment in the context of Islamic banking, and examine how HRM practices influence this commitment. In addition, this study will also examine the role of perceived organizational support in this relationship. In general, exploration of this in the context of banking is still limited. The majority of studies on this are conducted in non-bank industries, in the Western world, while in the Eastern world it is very limited (Nasurdin, Hemdi, and Guat, 2008). Several studies in the banking sector have been carried out, including Paşaoğlu, (2015) and Cherif, (2020), and their findings support all the existing literature. In particular, studies on Islamic banks have never been carried out.

Therefore, this study offers two important novelties. First, this study will enhance the literature on HRM practices in the East, particularly in the Islamic banking sector. Second, contribute to practical policies for bank management, considering the high turnover cases there, especially in Islamic banks.

2. Literature Review

2.1. Organizational Commitment

According to the resource-based view of theory (Barney, 2018), sustainable competitive advantage can be achieved when an organization has resources that are "valuable, rare, inimitable, non-substitutable and non-transferable." Although this theory divides resources into two, namely tangible and intangible resources, the important implications of this theory focus on intangible resources. This is because tangible resources tend to be imitated, but not intangible resources, such as organizational commitment (Janjua and Gulzar, 2014).

Organizational commitment refers to the relationship between an employee and his organization, where they have the will to exert their efforts to achieve organizational goals by aligning their goals with their organizations (Mowday et al., 2014; Lin et al., 2020). Organizational commitment can be divided into three main components; "(1) normative commitment; (2) affective commitment; and (3) continuance commitment" (Allen & Meyer, 1996).

Normative commitment refers to "a commitment based on an ethical obligation to remain with the organization" (Mowday et al., 2014). This commitment is formed in the process of socializing employees before and after entering the organization and how the organization treats them during their working lives. Meanwhile, affective commitment is a positive attachment between employees and their organization. It is a strong commitment from an employee, shown through an unwavering desire to remain a member of that organization (Meyer, Stanley, Herscovitch, and Topolnytsky, 2002). This commitment can be built through open communication, which involves employees in the decision-making process, especially those related to their expertise and welfare (Dirani and Kuchinke, 2011). Meanwhile, continuance commitment is the employee's feeling towards his organization after considering the possible costs of leaving the organization (Duffy and Dik, 2012). These costs can include the loss of the benefits of human resources as employees, training and development, and reward systems (Meyer et al., 2002). In this context, employees will suffer if they leave the organization.

2.2. Human Resource Management Practices

The practice of human resource management (HRM) has been studied for a long time, but until now there has been no consensus on its definition, including how it is conceptualized and operationalized (Almutawa, Muenjohn, and Zhang, 2016). Armstrong and Taylor, (2014) defines HRM practices as efforts made by organizations to ensure proper management to achieve organizational goals. Specifically, this practice is aimed at shaping employee attitudes, behavior, culture, and perceptions to achieve organizational goals (Shannak, Obeidat, and Masadeh, 2012; Mousa and Othman, 2020). In general, this practice relates to the method of choice, performance evaluation, rewards, and job security to increase organizational commitment (Meyer and Smith, 2009; Sulbout et al., 2022; Bisharat et al., 2016; Yahaya and Ebrahim, 2016)

2.3. Relationship between HRM Practices and Organizational Commitment

The relationship between HRM practices and organizational commitment has been studied extensively. A number of studies have proven that practice is positively related to organizational commitment (eg, Sial et al., 2011; Sulbout et al., 2022; Ijigu, 2015; Foss et al., 2014). HRM practices will shape workforce attitudes by shaping employees' perceptions of what the organization is like. Social exchange theory also shows a positive correlation between HRM practices and organizational commitment. The exchange relationship between the two can occur through the process of selection, training, performance evaluation, promotion, performance-based rewards, information sharing, and job security (Meyer and Smith, 2009; (Paşaoğlu, 2015).

A good selection process can find qualified employees, namely employees who feel that they will work in the right place, and consider themselves part of the company's family (Paşaoğlu, 2015). In this process, the organization and its prospective employees will dynamically combine their needs (Vickers, Mcdonald, and Grimes, 2015). When there is alignment between the needs and goals of the organization and its employees, this will encourage these employees to be bound by a psychological contract with the organization. Meanwhile, training, from an organizational point of view, is a large investment in human resources, which is aimed at improving individual and organizational performance that is up-to-date in accordance with the times (Bartel, 2000), while from an employee standpoint it is part of career development. Through training, employees have the opportunity to improve their skills and performance. In return, they will be bound by a psychological contract with their organization (Bartlett, 2001). Therefore, training is believed to increase organizational commitment, and a number of studies have confirmed this (eg, Bimpitsos and Petridou, 2012; Collings, Scullion, and Vaiman, 2015).

Performance evaluation as part of HRM practices is also believed to have a close relationship with organizational commitment. Performance evaluation is generally intended to improve performance that has been lacking in the past and to improve performance in the future. The performance evaluation process that is carried out properly will encourage positive perceptions from employees of better skills and expertise in the future. Social exchange theory explains that investing in employee desires will lead to behavior at work that is more positive than anything else (Cropanzano and Mitchell, 2005). This will lead to an increase in work motivation, thus encouraging employees to do the best for their organization, even beyond what they should give (Kuvaas and Dysvik, 2009). Therefore, this evaluation process should lead to employee feelings, competencies, and success (Fey, Morgulis-Yakushev, Park, and Björkman, 2009).

Another important aspect of HRM practices that can enhance organizational commitment is performance-based promotions and rewards. Promotion is a method to help employees become more advanced and developing. Likewise with performance-based awards, it can also spur work motivation and employee expectations for their organization. The existence of career development opportunities and performance- based rewards is a positive signal about organizational justice and fairness, thereby encouraging employee commitment (Fey et al., 2009).

Sharing information is also part of HRM practice which is important for increasing organizational commitment. Sharing information is a social problem that is highly dependent on social relations. Sharing information is very important in groups, which will increase responsibility and teamwork (Wasko and Faraj, 2005). Sharing information will increase employee loyalty to the organization, because it will create a relationship of trust between employees and management, as well as provide a basis for good cooperation (Rutten, Blaas - Franken, and Martin, 2016).

Another important aspect of HRM practices that influences organizational commitment is job security. Bentzen et al. (2020) defines job security as an individual's ability to be employed without experiencing seniority, salary, pension rights, and other disadvantages. This security is an important issue in influencing employees about their work. Therefore, job security is an important factor in determining organizational commitment (Iverson and Roy, 1994; Meyer and Smith, 2009; Bashir and Ramay, 2008). Based on the description above, the hypothesis developed for this problem is:

H1: HRM practices are positively and significantly related to organizational commitment.

2.4. The Role of Perceived Organizational Support on the Relationship between HRM Practices and Organizational Commitment

Perceived organizational support (POS) refers "to employees' beliefs about the extent to which the organization values their contributions and cares about their well-being" (Eisenberg et al., 2004). POS reflects an individual's perception of organizational commitment to himself (Johlke, Stamper, and Shoemaker, 2002; Settoon, Bennett, and Liden, 1996). Therefore, POS is believed to have a positive impact on the quality of organizational commitment (Nazir and Islam, 2017; Chen and Eyoun, 2021) and negatively on turnover intention (Dane and Brummel, 2014).

POS is influenced by "various aspects, including praise and approval, salary, rank, job enrichment, and organizational policies" (Eisenberger, 2004). Therefore, POS is seen as a resource within an organization, which can increase employee work commitment (Akgunduz and Eryilmaz, 2018). For employees, organizational support is an important

external energy source that helps increase work commitment when they do work (Zhong, Wayne, and Liden, 2015).

In the relationship between HRM practices and organizational commitment, POS is believed to have a role as a mediator. On the one hand, HRM practices will affect POS (Mayes et al., 2017; Aktar and Pangil, 2017), while POS will increase employee commitment (Aggarwal-Gupta, Vohra, and Bhatnagar, 2017). Therefore, the hypothesis developed for this is:

- H2: HRM practices have a positive and significant relationship with perceived organizational support.
- H3: Perceived organizational support has a positive and significant effect on organizational commitment.
- H4: Perceived organizational support ascertains the relationship between HRM practices on organizational commitment.

3. Methods

To achieve our research objectives, we conducted an online survey of all Islamic banking in Indonesia employees. These Islamic banks in Indonesia are reported to have high turnover rates in 2020-2021. Electronic questionnaires were distributed via social media in the period from 1 September to 30 September 2021. Until the specified deadline, only 133 questionnaires were filled in. Of the 115 questionnaires filled out, 54.14% were filled in by male respondents and 45.86% by female respondents. Based on age, 15.04% of the respondents were under 30 years old, 39.85% were around 30-40 years old, and another 45.11% were over 40 years old. Based on education, 33.08% of the respondents had diploma education, 53.38% were undergraduate, and 13.54% were postgraduate. Based on tenure, 27.07% of respondents had tenure under 2 years, 63.91% between 2 to 3 years, and 9.02% more than three years.

Organizational commitment in this study is operationalized as a form of respondents' assessment of their ability to be loyal and identify with their organization. The indicators and questionnaires to measure this were adopted from Allen and Meyer (1996). Meanwhile, HRM practices are operationalized as employee assessments of what efforts the organization has made towards its employees to achieve organizational goals. The indicators and questionnaires to measure this were adopted from Meyer dan Smith (2009). Meanwhile, perceived

organizational support (POS) is operationalized as an employee's assessment of the extent to which the organization values their contribution and cares about their welfare. The indicators and questionnaire to measure this were adopted from Eisenberg et al. (2004).

Data analysis used Structural Equation Modeling- Partial Least Squares (SEM-PLS). this can assess whether the causal relationship between variables is significant. This approach is well suited for developing theoretical models through data exploration, which is in line with the aim of this study to investigate the relationship between theoretical structures. In addition, SEM-PLS does not require a large sample size and the sample data is normally distributed and has high statistical power (Hair, Risher, Sarstedt, and Ringle, 2019).

4. Results and Discussion

The results of the study show that the current HRM practices have not been good. This can be seen from the average value of HRM which is less than three (see Table 1). Specifically, HRM practices that are considered not good by employees include "training, performance evaluation, performance-based rewards, information sharing, and job security." Meanwhile, perceived organizational support looks ambiguous. The average POS value is above 2.5 (see Table 1). This shows ambiguity among employees. Some of them feel adequate organizational support, while others are the opposite. Aspects of POS that are considered good are related to management's praise of employees, and job enrichment, while salary, rank, and management policies related to employees are rated the opposite. Therefore, organizational commitment is not consensual.

The average OC score is 2.5 (see Table 1), which indicates that some employees have a strong commitment to their organization, while others do not or are less committed. Specifically, affective commitment is stronger than normative and continuance commitment, while normative commitment is the weakest commitment.

Table 1. Statistics and Correlation Matrix

	Mean	Correlation Matrix						
		HRM	POS	OC	Gen	Edu	Ten	Age
HRM	2.41	1						
	{.78}							
POS	2.44	0.66	1					
	{.93}	[.00]						
ос	2.51	0.61	0.57	1				
	{.73}	[.00]	[.00]					
Gen	1.54	0.14	0.15	0.08	1			
	{.50}	[.11]	[.08]	[.32]				
Edu	1.8	-0.04	0.05	0.01	0.01	1		
	{.66}	[.96]	[.56]	[.95]	[.98]			
Ten	1.8	-0.07	0.04	0.09	0.08	0.16	1	
	{.57}	[.40]	[.63]	[.27]	[0.35]	[.06]		
Age	{.78}	0.01	0.09	0.15	-0.01	0.08	0.68	1
	{.72}	[.87]	[.30]	[.07]	[.94]	[033]	[.00]	

Note: the number in curly brackets "{...}" is the standard deviation and in absolute brackets "[...]" is the p-value

Specifically, HRM practices, POS and OC correlate with each other (see Table 1). However, the correlation of HRM practices with OC was higher than the correlation between POS and OC (r = 0.61 vs. 0.57). Meanwhile, HRM practices do not have a significant correlation with "employee demographic factors, such as gender, education, tenure, and age." Perceived organizational support is only significantly related to gender, but not to education, tenure, and age. This shows that male employees are more dominant in feeling organizational support than female employees. In this context, male employees need more organizational support than female employees. Meanwhile, OC is only significantly related to age, where the higher the employee's age, the higher the commitment to the organization.

Table 2 below presents the results of the measurement model, which shows that all variables are measured reliably ($\alpha \ge 0.6$) (Sekaran & Roger, 2016). The value for each

variable is acceptable, because the factor loading for all items is more than 0.7 (Nunnally and Bernstein, 1994). All indicators also show acceptable (AVE > 0.5) and convergent (CR > 0.7) discriminant validity (Nunnally & Bernstein, 1994).

	-		
Factor	Alpha	CR	AVE
	Loading		
HRM	0.84	0.91	0.67
HRM1	0.78		
HRM2	0.89		
HRM3	0.8		
HRM4	0.86		
HRM5	0.9		
HRM6	0.9		
HRM7	0.91		
POS	0.88	0.93	0.73
POS1	0.95		
POS2	0.97		
POS3	0.77		
POS4	0.95		
POS5	0.91		
OC	0.93	0.96	0.81
OC1	0.86		
OC2	0.82		
0C3	0.78		

Table 2. Indicator Loadings and Latent Variable Coefficient

Table 3 shows the main analysis results of this study. From the table it can be seen that in general, HRM practices have a positive and significant relationship with POS) and OC. However, the effect of HRM practices on POS was greater than that on OC ($\beta = 0.65$ vs. 0.41). Meanwhile, POS also had a positive and significant relationship with OC, but the effect was much smaller than the effect of HRM practices on OC ($\beta = 0.29$ vs. 0.65). This suggests that HRM practices have a direct effect on organizational commitment, and perceived organizational support fails to

mediate their relationship.

	β	t-stat.	Decision
$HRM \rightarrow POS$	0.65	9.8	Supported
$HRM \rightarrow OC$	0.41	4.64	Supported
$HRM \rightarrow OC1$	0.28	3.56	Supported
$HRM \rightarrow OC2$	0.36	4.64	Supported
HRM \rightarrow OC3	0.2	1.7	Supported
$POS \rightarrow OC$	0.29	3.27	Supported
$POS \rightarrow OC1$	0.53	6.65	Supported
$POS \rightarrow OC2$	0.43	5.53	Supported
$POS \rightarrow OC3$	-0.17	-1.5	Unsupported
$\text{HRM} \rightarrow \text{POS} \rightarrow \text{OC}$	0.35	3.95	Supported
$\text{HRM} \rightarrow \text{POS} \rightarrow \text{OC1}$	0.4	3.75	Supported
$\text{HRM} \rightarrow \text{POS} \rightarrow \text{OC2}$	0.39	5.08	Supported
$HRM \to POS \to OC3$	0.01	0.11	Unsupported

Table 3. Summary of the Structural Model

Comprehensively, HRM practices have a positive and significant effect on all types of organizational commitment, although the effects are different. HRM practices have the greatest influence on affective commitment, and the least on continuance commitment. Meanwhile, POS is only significant with normative and affective commitment, but not with continuance commitment. When compared, the relationship between HRM practices and normative commitment is weaker than the relationship between POS and normative commitment ($\beta = 0.28$ vs. 0.53). This suggests that the relationship between HRM practices will encourage perceived organizational support to be higher, thus encouraging employees to be morally (ethically) bound to their organization. An employee feels unethical if he leaves his organization, because the organization treats him very well.

In line with this, the effect of HRM practices on affective commitment is smaller than the effect of perceived organizational support on affective commitment (β =

0.36 vs. 0.43). It also shows that the relationship between HRM practices and affective commitment occurs through perceived organizational support. Good HRM practices will lead to higher POS, and it will also encourage employees to become emotionally attached to their organization.

In contrast to previous findings, HRM practices are also significantly related to continuance commitment, but the relationship between perceived organizational support and commitment is not significant. This shows that HRM practices directly affect sustainability commitment. When HRM practices are going well, this will directly make employees reluctant to leave the organization. In this context, they are not bound normatively or affectively (emotionally), but they consider there is a high price to pay when leaving the organization.

Based on these findings, the first (H1) and second (H2) hypotheses are fully supported, while the third (H3) and fourth (H4) hypotheses are partially supported. The findings in this study are consistent with social exchange theory. Good quality relationships between managers and employees will encourage strong organizational commitment. Employee commitment to the organization is formed through the belief in employees that the organization values their contributions. Good human resource practices will shape employees' attitudes and perceptions of what the organization is like and reflect their treatment of the organization. In addition, these findings also support previous studies, which show that HRM practices have a positive and significant effect on organizational commitment (Aboramadan et al., 2020; Becker and Huselid, 2006; Janjua and Gulzar, 2014; Adresi and Darun, 2017; Lamba and Choudhary, 2013; Bisharat et al., 2016; Jawaad et al., 2019). In addition, our findings also support findings about the mediating effect of POS on the relationship between HRM practices and OC (Meyer and Smith, 2009; Adresi and Darun, 2017),

5. Conclusions

Based on the results of data analysis and discussion, this study concludes that the phenomenon of high turnover in Islamic banks may be triggered by weak organizational commitment from employees. Weak organizational commitment from Islamic bank employees can be triggered by poor resource management practices and weak organizational support. The study findings show that HRM practices have a positive and significant relationship with organizational commitment, both normative, affective and continuance commitment. This shows that good HRM practices can encourage organizational commitment to be higher, but vice versa can reduce organizational commitment, as happened in Islamic banks in Indonesia. However, the relationship between HRM practices and normative and affective commitment does not occur directly, but through perceived organizational support. Only continuance commitments are directly related to HRM practices.

Important implications for management, especially for Islamic banks, need to evaluate the effectiveness of current HRM practices, especially those related to selection, training, performance evaluation, promotion, performance-based rewards, information sharing, and job security. In addition, management also needs to increase support for its employees, especially with regard to praise for employee performance, salary, rank, job enrichment, and policies that favor the interests of employees.

Like all research, this study has limitations. The focus on Islamic banking restricts the generalizability of the findings. Future research should explore the relevance of these results in other industries, cultures, and countries. The study only surveyed branch employees and did not include head office employees. Furthermore, the study relied on self-reported measures of HRM practices, perceived organizational support, and employee commitment. Future research could compare front-line employees' perceptions of HRM practices and examine the impact of HRM practices on employee attitudes toward compensation. The study did not differentiate employees based on tenure, which could affect their perceptions of HRM practices. A longitudinal approach would also provide greater insight into the causal relationships between HRM practices and employee commitment.

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3. Disetujui (20 May2022)

Paper Acceptance Letter

May 20 2023

Dear, Juliansyah Noor, Soleh, Meita Faittahumi

It is my pleasure to inform you that your paper has been **accepted** by Al-Iqtishad: Jurnal Ilmu Ekonomi Syariah (Journal of Islamic Economics). Your article will be published in Vol. 15, No. 1, 2023 edition.

Title:

Human Resource Management Practices on Employee Commitment: Indonesia Islamic Banking.

Al-Iqtishad: Jurnal Ilmu Ekonomi Syariah (Journal of Islamic Economics) is accredited by the Ministry of Research, Technology, and Higher Education Republic of Indonesia and indexed by DOAJ, Ebsco (open science directory), CrossRef, IPI, ISJD LIPI, Moraref, etc.

Thank you very much for contributing to Journal Al-Iqtishad: Jurnal Ilmu Ekonomi Syariah.

Regard,

L- IOTISHAD

Nur Hidayah, Ph.D Editor in Chief Journal Al-Iqtishad

4. Bukti konfirmasi diterima artikel publish secara online (30 juni 2023)

Human Resource Management Practices on Employee Commitment: Indonesia Islamic Banking

Juliansyah Noor¹, Soleh², Meita Faittaahumi³

Abstract. This article discusses the employee perception of organizational support. This study conducts an online survey at one of Indonesia's most prominent Islamic bank branches. Data were analyzed using structural equation modelingpartial least squares (SEM-PLS). The results showed problems with human resources management (HRM) practices, perceived organizational support, and organizational commitment from Islamic banks, resulting in high turnover potential. HRM practices and perceived organizational support were positively and significantly related to organizational commitment. However, organizational support only mediated the relationship between HRM practices and normative and affective commitment, but not the relationship between HRM practices and continuance commitment.

Keywords: Practices of Human Resource Management; Perceived Organizational Support; Employee Commitment

Abstrak. Artikel ini membahas tentang persepsi karyawan terhadap dukungan organisasi. Studi ini menggunakan survei online di salah satu cabang bank syariah terkemuka di Indonesia. Data dianalisis menggunakan model persamaan struktural-partial least square (SEM-PLS). Hasil penelitian menunjukkan masalah dengan praktik manajemen sumber daya manusia (SDM), dukungan organisasi yang dirasakan, dan komitmen organisasi dari bank syariah, menghasilkan potensi turnover yang tinggi. Praktek HRM dan dukungan organisasi dirasakan secara positif dan signifikan berhubungan dengan komitmen organisasi. Namun, dukungan organisasi hanya memediasi hubungan antara praktik HRM dan komitmen normatif dan afektif, tetapi bukan hubungan antara praktik HRM dan komitmen berkelanjutan.

Kata kunci: Praktik Manajemen Sumber Daya Manusia; Dukungan Organisasi; Komitmen Karyawan

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Introduction

This research is influenced by high employee turnover at Islamic banks in Indonesia. Based on Pricewaterhouse Coopers (PwC) survey in 2020-2021 revealed that turnover at Islamic banks is higher than at conventional banks. In 2020, the turnover of Islamic banks reached 7%, while at conventional banks, it will be slightly lower, namely 6.7%. Meanwhile, in 2021, turnover in Islamic banks increased to 10%, while in conventional banks, it raised to 8.7%. Turnover in Islamic banks is dominated by natural turnover rather than retirement, death, and dismissal. Bank Syariah Indonesia (BSI), the largest Islamic bank in Indonesia, reports employee turnover data. In 2021, voluntary turnover reached 84.27% of 604 cases, while turnover due to natural retirement and death is only 9.93% and 5.80%. High levels of employee turnover, especially voluntary turnover, indicate poor organizational commitment (Afshari, 2021).

Organizational commitment refers to the employee's attachment to the organization and maintaining their existence (Robbins and Judge, 2017). When genuinely committed, they are willing to contribute their work beyond the capacity that should be given and even willing to sacrifice for the organization. This commitment is a fundamental factor in the organizational industry, which has attracted a lot of interest from managers and researchers (Sanders, Dorenbosch, and De Reuver, 2008).

Good HRM practices can form Strong organizational commitment (Adresi and Darun, 2017). HRM practices can "create conditions where employees become highly involved in the organization and work hard to achieve organizational goals" (Becker and Huselid, 2006). Internal career paths, job training, and salary are essential HRM practices influencing organizational commitment. Furthermore, security and a dynamic environment will also affect it (Adresi and Darun, 2017). A number of studies have also proven that HRM practices have a positive and significant relationship with employee commitment (eg, Lamba and Choudhary, 2013; Aboramadan et al., 2020; Janjua and Gulzar, 2014; Hassan and Mahmood, 2016; Adresi and Darun, 2017). Specifically in the banking context, several researchers have also confirmed this relationship (Paşaoğlu, 2015; Cherif, 2020).

Although HRM practices are widely recognized as important predictors for creating and maintaining employee commitment, many studies reveal that the relationship between the two does not occur directly but through perceived organizational support (for example, Adresi and Darun, 2017; Meyer and Smith, 2009). This study explores employee commitment in Islamic banking and examines how HRM practices influence commitment. In addition, this study will also investigate the role of perceived organizational support in this relationship. In general, the exploration of this in banking is still limited. Most studies on this are conducted in non-bank industries in the Western world, while in the Eastern world, it is constrained (Nasurdin, Hemdi, and Guat, 2008). Several studies in the banking sector have been carried out, including Paşaoğlu, (2015) and Cherif, (2020), and their findings support all the existing literature. In particular, studies on Islamic banks have never been carried out.

Therefore, this study offers two important novelties. First, this study will enhance the literature on HRM practices in the East, particularly in the Islamic banking sector. Second, contribute to practical policies for bank management, considering the high turnover cases, especially in Islamic banks.

Literature Review

Organizational Commitment

According to the resource-based view of theory (Barney, 2018), sustainable competitive advantage can be achieved when an organization has resources that are "valuable, rare, inimitable, non-substitutable and non-transferable." Although this theory divides resources into two, namely tangible and intangible resources, the important implications of this theory focus on intangible resources. This is because tangible resources, such as organizational commitment, tend to be imitated but not intangible (Janjua and Gulzar, 2014).

Organizational commitment refers to the relationship between an employee and his organization, where they have the will to exert their efforts to achieve organizational goals by aligning them with their organizations (Mowday et al., 2014; Lin et al., 2020). Organizational commitment can be divided into three main components; "(1) normative commitment; (2) affective commitment; and (3) continuance commitment" (Allen & Meyer, 1996).

Normative commitment is based on an ethical obligation to remain with the organization (Mowday et al., 2014). This commitment is formed by socializing with employees before and after entering the organization and how it treats them during work. Meanwhile, affective commitment is a positive attachment between employees and their organization. It is a strong commitment from an employee, shown through an unwavering desire to remain a member of that organization (Meyer, Stanley, Herscovitch, and Topolnytsky, 2002). This commitment can be built through open communication, which involves employees in the decisionmaking process, especially those related to their expertise and welfare (Dirani and Kuchinke, 2011).

Meanwhile, continuance commitment is the employee's feeling towards his organization after considering the possible costs of leaving the organization (Duffy and Dik, 2012). These costs can include the loss of the benefits of human resources as employees, training and development, and reward systems (Meyer et al., 2002). In this context, employees will suffer if they leave the organization.

Human Resource Management Practices

The practice of human resource management (HRM) has been studied for a long time. Still, until now, there has been no consensus on its definition, including how it is conceptualized and operationalized (Almutawa, Muenjohn, and Zhang, 2016). (2014) define HRM practices as organizations' efforts to ensure proper management to achieve organizational goals. Specifically, this practice aims to shape employee attitudes, behavior, culture, and perceptions to achieve organizational goals (Shannak, Obeidat, and Masadeh, 2012; Mousa and Othman, 2020). In general, this practice relates to the method of choice, performance evaluation, rewards, and job security to increase organizational commitment (Meyer and Smith, 2009; Sulbout et al., 2022; Bisharat et al., 2016; Yahaya and Ebrahim, 2016).

Relationship between HRM Practices and Organizational Commitment

The relationship between HRM practices and organizational commitment has been studied extensively. Several studies have proven that practice positively relates to organizational commitment (eg, Sial et al., 2011; Sulbout et al., 2022; Ijigu, 2015; Foss et al., 2014). HRM practices will shape workforce attitudes by shaping employees' perceptions of the organization. Social exchange theory also positively correlates HRM practices and organizational commitment. The exchange relationship between the two can occur through selection, training, performance evaluation, promotion, performance-based rewards, information sharing, and job security (Meyer and Smith, 2009; Paşaoğlu, 2015).

A good selection process can find qualified employees who feel they will work in the right place and consider themselves as part of the company (Paşaoğlu, 2015). In this process, the organization and its prospective employees will dynamically combine their needs (Vickers, Mcdonald, and Grimes, 2015). When there is alignment between the needs and goals of the organization and its employees, this will encourage these employees to be bound by a psychological contract with the organization. Meanwhile, from an organizational point of view, training is a significant investment in human resources aimed at improving individual and organizational performance that is up-to-date by the times (Bartel, 2000), while from an employee standpoint, it is part of career development. Through training, employees have the opportunity to improve their skills and performance. In return, they will be bound by a psychological contract with their organization (Bartlett, 2001). Therefore, training is believed to increase organizational commitment, and many studies have confirmed this (eg, Bimpitsos and Petridou, 2012; Collings, Scullion, and Vaiman, 2015).

Performance evaluation as part of HRM practices is also believed to have a close relationship with organizational commitment. Performance evaluation is generally intended to improve performance that has been lacking in the past and to improve performance in the future. The performance evaluation process that is carried out properly will encourage positive perceptions from employees of better skills and expertise in the future. Social exchange theory explains that investing in employee desires will lead to behavior at work that is more positive than anything else (Cropanzano and Mitchell, 2005). This will lead to increased work motivation, thus encouraging employees to do the best for their organization, even beyond what they should give (Kuvaas and Dysvik, 2009). Therefore, this evaluation process should lead to employee feelings, competencies, and success (Fey, Morgulis-Yakushev, Park, and Björkman, 2009).

Performance-based promotions and rewards are another important aspect of HRM practices that can enhance organizational commitment. Promotion is a method to help employees become more advanced and developing. Likewise, performance-based awards can spur work motivation and employee expectations for their organization. Career development opportunities and performance-based rewards positively signal organizational justice and fairness, encouraging employee commitment (Fey et al., 2009).

Sharing information is also part of HRM practice which is important for increasing organizational commitment. Sharing information is a social problem that is highly dependent on social relations. Sharing information is very important in groups, which will increase responsibility and teamwork (Wasko and Faraj, 2005). Sharing information will increase employee loyalty to the organization because it will create a relationship of trust between employees and management and provide a basis for good cooperation (Rutten, Blaas - Franken, and Martin, 2016). Another important aspect of HRM practices influences organizational job security commitment. Bentzen et al. (2020) define job security as an individual's ability to be employed without experiencing seniority, salary, pension rights, and other disadvantages. This security is an important issue in influencing employees about their work. Therefore, job security is important in determining organizational commitment (Iverson and Roy, 1994; Meyer and Smith, 2009; Bashir and Ramay, 2008). Based on the description above, the hypothesis developed for this problem is:

H1: HRM practices are positively and significantly related to organizational commitment.

The Role of Perceived Organizational Support on the Relationship between HRM Practices and Organizational Commitment

Perceived organizational support (POS) refers to employees' beliefs about the extent of organization values their contributions and cares about their well-being" (Eisenberg et al., 2004). POS reflects an individual's perception of organizational commitment (Johlke, Stamper, and Shoemaker, 2002; Settoon, Bennett, and Liden, 1996). Therefore, POS is believed to positively impact the quality of organizational commitment (Nazir and Islam, 2017; Chen and Eyoun, 2021) and negatively impact turnover intention (Dane and Brummel, 2014).

Some factors influence POS, including praise and approval, salary, rank, job enrichment, and organizational policies (Eisenberger, 2004). Therefore, POS is seen as a resource within an organization, which can increase employee work commitment (Akgunduz and Eryilmaz, 2018). For employees, organizational support is an essential external energy source that helps increase work commitment when they do work (Zhong, Wayne, and Liden, 2015).

In the relationship between HRM practices and organizational commitment, POS is believed to have a role as a mediator. On the one hand, HRM practices will affect POS (Mayes et al., 2017; Aktar and Pangil, 2017), while POS will increase employee commitment (Aggarwal-Gupta, Vohra, and Bhatnagar, 2017). Therefore, the hypothesis developed for this is:

- H2: HRM practices have a positive and significant relationship with perceived organizational support.
- H3: Perceived organizational support positively and significantly affects organizational commitment.
- H4: Perceived organizational support ascertains the relationship between HRM practices on organizational commitment.

Methods

We conducted an online survey of all Islamic banking employees in Indonesia to achieve our research objectives. These Islamic banks in Indonesia are reported to have high turnover rates in 2020-2021. Electronic questionnaires were distributed via social media from 1 September to 30 September 2021. There are 115 questionnaires filled out; 54.14% were filled in by male respondents and 45.86% by female respondents. Based on age, 15.04% of the respondents were under 30, 39.85% were around 30-40, and another 45.11% were over 40. Based on education, 33.08% of the respondents had a diploma education, 53.38% were undergraduate, and 13.54% were postgraduate. Based on tenure, 27.07% of respondents had tenure under two years, 63.91% between 2 to 3 years, and 9.02% more than three years.

Organizational commitment in this study is operationalized as a form of respondents' assessment of their ability to be loyal and identify with their organization. The indicators and questionnaires to measure this was adopted from Allen and Meyer (1996). Meanwhile, HRM practices are operationalized as employee assessments of the organisation's efforts towards its employees to achieve organizational goals. The indicators and questionnaires to measure this were adopted from Meyer and Smith (2009). Meanwhile, perceived organizational support (POS) is operationalized as an employee's assessment of how much the organization welfare values their contribution and cares. The indicators and questionnaire to measure this were adopted from Eisenberg et al. (2004).

Data analysis used Structural Equation Modeling- Partial Least Squares (SEM-PLS). It can assess whether the causal relationship between variables is significant. This approach is well suited for developing theoretical models through data exploration, which aligns with this study's aim to investigate the relationship between theoretical structures. In addition, SEM- PLS does not require a large sample size; the sample data is normally distributed and has high statistical power (Hair, Risher, Sarstedt, and Ringle, 2019).

Results and Discussion

The study indicated that the current HRM practices have not been good. This can be seen from the average value of HRM, which is less than three (see Table 1). Specifically, HRM practices that are considered not good by employees include training, performance evaluation, performance-based rewards, information sharing, and job security. Meanwhile, perceived organizational support looks ambiguous. The average POS value is above 2.5 (see Table 1). This shows ambiguity among employees. Some of them feel adequate organizational support, while others feel the opposite. POS is considered good for management's praise of employees, and job enrichment, while salary, rank, and management policies related to employees are rated the opposite. Therefore, organizational commitment is not consensual.

The average OC score is 2.5 (see Table 1), which indicates that some employees have a strong commitment to their organization, while others do not or are less committed. Specifically, affective commitment is stronger than normative and continuance commitment, while normative commitment is the weakest.

	Mean	Correlation Matrix							
		HRM	POS	OC	Gen	Edu	Ten	Age	
HRM	2.41	1							
	{.78}								
POS	2.44	0.66	1						
	{.93}	[.00]							
OC	2.51	0.61	0.57	1					
	{.73}	[.00]	[.00]						
Gen	1.54	0.14	0.15	0.08	1				
	{.50}	[.11]	[.08]	[.32]					
Edu	1.8	-0.04	0.05	0.01	0.01	1			
	{.66}	[.96]	[.56]	[.95]	[.98]				
Ten	1.8	-0.07	0.04	0.09	0.08	0.16	1		
	{.57}	[.40]	[.63]	[.27]	[0.35]	[.06]			
Age	{.78}	0.01	0.09	0.15	-0.01	0.08	0.68	1	
	{.72}	[.87]	[.30]	[.07]	[.94]	[033]	[.00]		

Table 1. Statistics and Correlation Matrix

Note: the number in curly brackets "{...}" is the standard deviation and in absolute brackets "[...]" is the p-value

The correlation between HRM practices with OC was higher than the correlation between POS and OC (r = 0.61 vs. 0.57). Meanwhile, HRM practices do not significantly correlate with "employee demographic factors, such as gender, education, tenure, and age. Perceived organizational support is only significantly related to gender, not education, tenure, and age. This shows that male employees are more dominant in feeling organizational support than female employees. In this

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context, male employees need more organizational support than female employees. Meanwhile, OC is only significantly related to age, where the higher the employee's age, the higher the commitment to the organization.

The following table 2 presents the results of the measurement model, which shows that all variables are measured reliably ($\alpha \ge 0.6$) (Sekaran & Roger, 2016). The value for each variable is acceptable, because the factor loading for all items is more than 0.7 (Nunnally and Bernstein, 1994). All indicators also show acceptable (AVE > 0.5) and convergent (CR > 0.7) discriminant validity (Nunnally & Bernstein, 1994).

Factor	Alpha	CR	AVE
	Loading		
HRM	0.84	0.91	0.67
HRM1	0.78		
HRM2	0.89		
HRM3	0.8		
HRM4	0.86		
HRM5	0.9		
HRM6	0.9		
HRM7	0.91		
POS	0.88	0.93	0.73
POS1	0.95		
POS2	0.97		
POS3	0.77		
POS4	0.95		
POS5	0.91		
OC	0.93	0.96	0.81
OC1	0.86		
OC2	0.82		
OC3	0.78		

Table 2. Indicator Loadings and Latent Variable Coefficient

Table 3 shows the main analysis results of this study. It can be seen that HRM practices generally have a positive and significant relationship with POS and OC. However, the effect of HRM practices on POS was more significant than that on OC (β = 0.65 vs. 0.41). Meanwhile, POS also had a positive and

significant relationship with OC, but the effect was much smaller than the effect of HRM practices on OC (β = 0.29 vs. 0.65). This suggests that HRM practices directly affect organizational commitment, and perceived organizational support fails to mediate their relationship.

	β	t-stat.	Decision
$HRM \rightarrow POS$	0.65	9.8	Supported
$\mathrm{HRM} \rightarrow \mathrm{OC}$	0.41	4.64	Supported
$\text{HRM} \rightarrow \text{OC1}$	0.28	3.56	Supported
$HRM \rightarrow OC2$	0.36	4.64	Supported
$HRM \rightarrow OC3$	0.2	1.7	Supported
$POS \rightarrow OC$	0.29	3.27	Supported
$POS \rightarrow OC1$	0.53	6.65	Supported
$POS \rightarrow OC2$	0.43	5.53	Supported
$POS \rightarrow OC3$	-0.17	-1.5	Unsupported
$\mathrm{HRM} \to \mathrm{POS} \to \mathrm{OC}$	0.35	3.95	Supported
$\mathrm{HRM} \to \mathrm{POS} \to \mathrm{OC1}$	0.4	3.75	Supported
$\mathrm{HRM} \to \mathrm{POS} \to \mathrm{OC2}$	0.39	5.08	Supported
$HRM \rightarrow POS \rightarrow OC3$	0.01	0.11	Unsupported

Table 3. Summary of the Structural Model

Although the effects are different, HRM practices influence all types of organizational commitment positively and significantly. HRM practices have the greatest influence on affective commitment but the least on continuance commitment. Meanwhile, POS is only significant with normative and affective commitment but not with continuance commitment. When compared, the relationship between HRM practices and normative commitment is weaker than the relationship between POS and normative commitment ($\beta = 0.28$ vs. 0.53). This suggests that the relationship between HRM practices will encourage perceived organizational support to be higher, thus encouraging employees to be morally (ethically) bound to their organization. Employees feel unethical if they stay in the organisation because the organization treats them well.

In line with this, the effect of HRM practices on affective commitment is smaller than the effect of perceived organizational support on affective commitment ($\beta = 0.36$ vs. 0.43). It also shows that the relationship between HRM practices

and affective commitment occurs through perceived organizational support. Good HRM practices lead to higher POS and encourage employees to become emotionally attached to their organization.

In contrast to previous findings, HRM practices are also significantly related to continuance commitment, but the relationship between perceived organizational support and commitment is not significant. This shows that HRM practices directly affect sustainability commitment. When HRM practices are going well, this will directly make employees reluctant to leave the organization. In this context, they are not bound normatively or affectively (emotionally), but they consider there is a high price to pay when leaving the organization.

Based on these findings, the first (H1) and second (H2) hypotheses are fully supported, while the third (H3) and fourth (H4) hypotheses are partially supported. The findings in this study are consistent with social exchange theory. It suggests that the study's results align with the principles and predictions of social exchange theory. Social exchange theory is a psychological framework that explains human interactions and relationships based on exchanging resources, rewards, and costs (Aktar and Pangil, 2017). The findings may indicate that individuals in the study were more likely to engage in positive social exchanges when they perceived a higher likelihood of receiving desirable rewards or benefits. This could align with the theory's prediction that individuals are more motivated to engage in relationships or interactions with potentially favorable outcomes.

Good quality relationships between managers and employees will encourage organisational solid commitment. Employee commitment to the organization is formed through the belief in employees that the organization values their contributions. Good human resource practices will shape employees' attitudes and perceptions of what the organization is like and reflect their treatment of the organization. In addition, these findings also support previous studies, which show that HRM practices have a positive and significant effect on organizational commitment (Aboramadan et al., 2020; Becker and Huselid, 2006; Janjua and Gulzar, 2014; Adresi and Darun, 2017; Lamba and Choudhary, 2013; Bisharat et al., 2016; Jawaad et al., 2019). In addition, our findings also support findings about the mediating effect of POS on the relationship between HRM practices and OC (Meyer and Smith, 2009; Adresi and Darun, 2017).

Conclusion

Based on the data analysis and discussion results, this study concludes that a weak organizational commitment from employees may trigger the phenomenon of high turnover in Islamic banks. Poor resource management practices and weak organizational support can trigger weak organizational commitment from Islamic bank employees. The study findings show that HRM practices have a positive and significant relationship with organizational commitment, both normative, affective and continuance commitment. This shows that good HRM practices can encourage organizational commitment to be higher, but vice versa can reduce organizational commitment, as happened in Islamic banks in Indonesia. However, the relationship between HRM practices and normative and affective commitment does not occur directly but through perceived organizational support. Only continuance commitments are directly related to HRM practices. The finding also suggests that organizational support acts as a mediator between HRM practices and employees' commitment. This means that the positive impact of HRM practices on normative and affective commitment is facilitated or enhanced through organizational support. When employees perceive effective HRM practices combined with organizational support, it strengthens their commitment to the organization.

Overall, this finding highlighted the importance of both HRM practices and organizational support in fostering employees' normative and affective commitment. Organizations prioritising and implementing HRM practices while demonstrating strong organizational support employees who feel committed, loyal, and emotionally attached to the organization.

Important implications for management of Islamic banks still need to evaluate the effectiveness of current HRM practices, especially those related to selection, training, performance evaluation, promotion, performance-based rewards, information sharing, and job security. In addition, management also needs to increase support for its employees, especially about praise for employee performance, salary, rank, job enrichment, and policies that favor the interests of employees.

Like all research, this study has limitations. The focus on Islamic banking restricts the generalizability of the findings. Future research should explore the relevance of these results in other industries, cultures, and countries. The study only surveyed branch employees and did not include head office employees. Furthermore, the study relied on self-reported measures of HRM practices, perceived organizational support, and employee commitment. Future research could compare front-line employees' perceptions of HRM practices and examine the impact of HRM practices on employee attitudes toward compensation. The study did not differentiate employees based on tenure, which could affect their perceptions of HRM practices. A longitudinal approach would provide greater insight into the causal relationships between HRM practices and employee commitment.

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