

## **FROM COMMITMENT TO ORGANIZATIONAL PERFORMANCE: WHAT ABOUT THE ISSUE OF EMPLOYEE RETENTION?**

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### **Abstract**

The purpose of this paper is to present a critical analysis of the literature on high commitment, high involvement and high-performance management systems, in order to question the relevance of these models to meet contemporary challenges in human resource management. There is a need to revisit the attributes and influences of "new HRM" to assess whether the initial premises of these models are solutions for the human problems of today's organizations. The results of our analysis generate the proposition of a potential new high retention system that induces a perspective where commitment becomes a necessary goal, not just one of the means, to promote organizational performance, psychological health and well-being at work.

**Keywords:** *Human resource management, high commitment systems, high involvement systems, high performance systems, employee commitment, employee retention.*

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### **1. Introduction**

Over the last decades, the turbulent economic environment, characterized by globalization and market deregulation, has been the norm for most organizations that have focused their efforts on continuous change to support their performance (Saranya & Asok, 2019). At the heart of these transformations was the need to promote employee commitment through job enrichment and worker participation (Wood, 1999).

In this context, the 1980s witnessed the rise of new HR systems aimed at obtaining employee commitment (high commitment management; Walton, 1985) or encouraging their participation (high involvement management; Lawler, 1986), systems that reflected a particular employer orientation based on a view of the worker as a competitive advantage (Wood, 1999). Similarly, the 1990s brought forth a new paradigm of high-performance work systems (Delaney & Huselid, 1996) based on the pursuit of optimal flexibility and performance through HR management practices that encouraged skills development, motivation and performance. These new models testified to the desire to move away from the Taylorian heritage (Peutere, Saloniemä, Böckerman, Aho, Nätti & Nummi, 2022). Therefore, it seems appropriate to revisit the practices associated with the "new HRM" (Plaskoff, 2017), particularly through the prism of employee retention. This text focuses on the contribution of human resource management systems to better meet future post-pandemic era human challenges in organizations.

### **2. HRM systems based on commitment, involvement and performance**

Arguing that a significant change was taking shape in control-based management approaches, Walton (1985) proposes the foundations of a new management model based on worker commitment: High-commitment management (HCM). This model is characterized by various human resource strategies. Among them, the reconfiguration of jobs, the use of teamwork, new remuneration policies, a certain job security, the possibility for workers to have their voice heard and the search for mutuality in labor relations. This HCM model is based on the premise that the participation and creativity of employees are consequential to the granting of greater responsibilities, the recognition of their contribution and the support to find satisfaction in their work. Unlike the control model rooted in Taylorism and whose effectiveness resulted from rules, procedures and direct supervision acting as regulatory mechanisms, the HCM aims to develop self-regulated behaviors based on trust (Rubel, Rimi, Yusliza & Kee, 2018). Later, Lawler (1986) lays the foundations of a new HR management model, high involvement management (HIM), which is echoed in research linking participation to the determinants of organizational effectiveness. Based on the sharing of information and power, the development of skills and rewards aligned with organizational performance, this management system emphasizes the importance of dissemination of these practices

downwards to achieve better results and two-way communication. The effectiveness of this model comes from the multiplier effect of its attributes and the highlight on skills and knowledge development among workers (Wood, 1999).

Although the terminology of these two systems testifies to their dominant dynamic on commitment and involvement (Boxall & Macky, 2009), the fact remains that HCM and HIM are mutually characterized by the combined use of certain practices (e.g. flexibility in employment, problem-solving groups, teamwork, minimal differences in status). The assumption is that the effect of these practices on worker commitment and involvement will have an impact on organizational performance (Wood, 1999). The introduction of the terms related to high performance work systems in the 1990s gave rise to the emergence of different paradigms. Appelbaum (2004) bestows distinctive characteristics on the high-performance work model. In addition to the organization of work providing employees the possibility to contribute discretionary effort through participation in decisions, which constitutes its major characteristic, the model also encompasses human resource management practices that improve worker skills and encourage employee participation.

Considering these elements and because no consensus exists on the nature of the practices in these HR systems, our discussion will be oriented towards high-commitment strategies, those that seek to create the conditions for employee identification with the organization. Thus, a look at the notion of organizational commitment seems essential.

### **3. What about organizational commitment?**

The concept of organizational commitment (OC) has been the subject of numerous works in organizational behavior (Gagnon & Gosselin, 2019). Despite the general acceptance of the various forms that employee commitment can take and the different antecedents and consequences of each (Meyer & Allen, 1997), the work of Meyer and Allen (1991) supported the existence of a three-dimensional construct that goes beyond the mere congruence of values and goals initially identified by Mowday, Steers and Porter (1979) and encompasses the desire, need or obligation to remain with the organization. Their three-component model (affective, normative and continuance) identifies the psychological states that underlie the dimensions of the concept. While affective commitment denotes emotional attachment, identification and participation of the individual in the organization, normative commitment reflects the perceived obligation to remain within it. For its part, continuance commitment reflects the individual's perception of the costs associated with leaving the organization (Meyer, Stanley, Herscovitch & Topolnytsky, 2002).

Based on a definition where commitment is seen as a force binding the individual to behaviors and based on the possible existence of a core essence characteristic of the construct, Meyer and Herscovitch (2001) have developed a general model of commitment in the workplace. This general model considers not only its dimensions (affective, normative and continuance) and the state of mind that characterizes them (desire, obligation and cost), but also the mechanisms (identification, reciprocity, investment) and the different targets towards which the commitment is directed (Meyer, Becker & Vandenberghe, 2004). Furthermore, although studies on the impact of HRM practices have focused more on the measurement of affective commitment, Meyer and Allen (1997) have also reported their influence on normative and continuance commitments.

### **4. Human resource management practices and organizational performance**

The importance of human resource management on organizational performance has given rise to numerous works that have focused on the links between HR practices (e.g., selection, training, performance evaluation) and various performance indicators (Das, 2022) based on the implicit assumption that the effects are additive, where more is better than less (Kaushik & Mukherjee, 2021). However, the low level of explained variance in organizational performance has led to the confirmation of a limited impact of isolated practices, a perspective that paves the way for the need of complementary practices to obtain a substantial effect (Arthur, 1994). Thus, based on configurational theories according to which the combination of practices has a better influence on organizational performance, researchers have attempted to identify typologies of practices (Barrette & Carrière, 2003). These configurations of practices aim to improve worker commitment and participation. The idea of an internal fit from the resource-based view of the firm, considering that a human resource system represents more than the simple sum of its constituent parts, has invigorated discussions relating to the synergy, practice clusters, holistic approaches, configurations, and contingency factors (Becker & Gerhart, 1996). On the other hand, other authors have been more inclined to propose the existence of an identifiable set of HRM best practices that would have positive, universal, and additive effects on performance (Becker & Gerhart, 1996).

According to Guthrie, Spell and Nyamori (2002), two perspectives have mainly been used to explain the relation between HRM and organizational efficiency. First, a universal approach supporting a direct relationship between best practices and organizational performance. Then, a contingent approach favoring a dependency relationship between the effects of human resource management on performance and the characteristics of the organization, in particular its competitive strategy. Moreover, some argued that these two approaches are more complementary than opposed.

Boxall and Macky (2009) pointed out that most research focuses on economic performance, with the success of new models being associated with an increase in profitability. However, the evaluation of profitability has taken various avenues: results at the company level (Huselid, 1995) or the costs/benefits associated with work results (Appelbaum, Bailey, Berg & Kalleberg, 2000). However, for Boxall and Macky (2009), the question of performance cannot be reduced solely to these aspects. Indeed, one of the premises of high-performance work systems is the dependency of these systems upon a positive response from workers. Thus, prior to the performance of the team, which would have an impact on the organization, there would initially be a notion of individual performance nascent of the interactions between the skills of the employee, his discretionary efforts and the opportunities offered to him. From this point of view, two fundamental questions emerge: what are the practices resulting from the various HRM fields of activity that promote individual performance and in what way they exercise their influence? The review of various research carried out in the years 1990-2000 makes it possible to identify certain answers to these questions (Kaushik & Mukherjee, 2021).

Huselid (1995) demonstrated that HR activities concerning skills improvement (e.g., training, selection), were associated negatively with turnover and positively with organizational financial performance, whereas those focusing on worker motivation (e.g., opportunities for promotion, performance evaluation), were positively associated with productivity. These observations made it possible to identify two trajectories of influence of HR practices on performance: one acting on the development of workforce expertise and the other structuring the attitudes and behaviors of workers. Contrary to the theoretical postulates, the effect of the complementarity of practices (internal fit) turned out to be modest and the effect of alignment on business strategy (external fit) was weak on organizational performance. The observations of Cappelli and Neumark (2001) point in the same direction. Also interested in the synergy between work practices and organizational performance, these authors identified a set of work practices among a theoretical range of combinations. Although their results highlighted some interactive effects of high-performance work practices on increased productivity, Cappelli and Neumark (2001) point out that the combined effects of bundles of practices, for which the synergy seemed obvious, were generally small and statistically non-significant. They conclude that the theoretical assumption of a contingent rather than a universalist model remains relevant.

In order to verify the effect of complementarity of HR practices on organizational performance, Barrette and Carrière (2003) demonstrated that an increase in the level of complementarity of HRM activities was associated with greater organizational performance. However, the complementarity of HR practices had more effects on productivity, efficiency and competitive positioning in the manufacturing sector, while its influence was greater on customer acquisition and growth in the services sector. Moreover, they emphasize *“the important role that the acquisition and development of human potential seemed to play in organizational performance, regardless of the type of organization studied”* (p. 443).

For other authors, however, the link between HR practices and performance is not necessarily direct, suggesting the presence of mediating effects. Beaupré and Cloutier (2007) position themselves in this camp. From the principle that a coherent system of mobilizing human resources practices is *“a source of competitive advantage by focusing on the will to act (commitment), the power to act (skills) and the opportunity to act (structure of work and resources)”* (p. 518), the authors' objective was to identify those practices and gain a better understanding of their link with socio-economic performance. Their observations highlighted two categories of mobilizing practices with distinct mechanisms of action: management practices that have a direct impact on commitment (information sharing and active participation) and practices having an indirect influence on commitment (results-based performance management, specific training and resource allocation) through perceptions of support and justice. They suggested that socio-economic performance could be the result of an internal consistency of practices that make it possible to reconcile the commitment of workers and their skills with the opportunities offered, and of a symbolic consistency that has a synergistic effect on commitment. Similar conclusions also appear in others studies.

## 5. Toward a high retention system

It is clear that the direct effect of HR systems on organizational performance remains limited, although in some respects promising. It appears that their ability to generate greater organizational performance is obviously variable and influenced by many organizational considerations

(Jiang, Lepak, Hu & Baer, 2012). However, their dissemination in a plurality of workplaces mean that it is still important to take an interest in them today. In fact, several studies over the past decade have highlighted the contribution of various versions of these models, particularly in terms of profitability (Jiang, Lepak, Hu & Baer, 2012), employee turnover (Selden, Schimmoeller & Thompson, 2013), job satisfaction (Latorre, Guest, Ramos & Gracia, 2016) or well-being at work (Wood & Ogbonnaya, 2018). The proposed analysis contributes to shed light on several elements allowing a better appreciation of the contemporary relevance of these models, and in doing so, it opens the way to the proposal of renewed studies on the subject.

First, we note that certain HRM practices associated with these systems seem, from a pragmatic point of view, ill-suited to the current dynamics of the labor market. With the dematerialization of workplaces and the increasing presence of algorithmic HRM, the traditional levers of mobilization mediated by an organizational culture marked by formal interactions between employees and managers could prove to be obsolete, especially given recent trends observed in the organization of work since the pandemic crisis. Next, the need and the opportunity for researchers to validate the influence of new management practices, whether universal or contingent, remain evident in light of our review. Similarly, the importance of following the path of strategic HRM by focusing on bundles of practices, as the core of high-performance management systems, is just as obvious (Aydogan & Arslan, 2021). Paradoxically, this need to consider new practices can also open the door to a reconsideration of more traditional HRM practices, some of which have been reconsidered by organizations, such as organizational career management (Gosselin, Dolan, Tremblay & B nard, 2022).

In a context of labor shortages, sanitary uncertainty, marked attention to psychological health at work and transformation of values toward a decentralization of work, the challenge of generating organizational commitment remains glaring and unavoidable. This situation, combined with contemporary organizational concerns, suggests a necessary change of perspective, and even the need for a new paradigm of HRM. We propose that the foundation of this new paradigm should be associated with a high retention HR system where attitudes would no longer be a simple means to achieve performance, but an essential purpose for the workforce, without which no performance is possible (Lee, Hom, Eberly & Li, 2018).

In order to stimulate reflection and research in this space, we can assume that the most successful organizations will be those that can acquire and retain employees with the profile needed to ensure their sustainability, therefore the organizations that will have operationalized a certain form of high retention system. It now remains to identify the outlines of this new HR system. As the first iterations of the high-performance systems, it is possibly the synergistic and complementary effects of practices that must be prioritized. More specifically, a high retention model implies that the achievement lies in upstream organizational performance, which would make it possible to create the winning conditions for attracting and retaining human resources who, once well committed to their employer, could in turn boost the organization's results. The challenge associated with the emergence of the conditions for implementing this system will be great for organizations and the operationalization of a high retention HR model represents more a world of possibilities than a formal prescription.

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