HRM PRACTICES AND ORGANIZATIONAL COMMITMENT: A CASE STUDY OF OIL AND GAS COMPANIES IN MALAYSIA

A project submitted to the Othman Yeop Abdullah Graduate School of Business, College of Business, Universiti Utara Malaysia in fulfillment of the requirements for the degree Master of Human Resource Management.

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ABSTRACT

Employees are the important to every organisation. Managing the employees are the crucial practice to improve their good feeling towards the organization. This study attempts to examine the linkage between HRM practice and organizational commitment among the employees in Oil and Gas Companies in Malaysia. Two main oil and gas companies were selected as the selected institutes to be studied. The shared service employees from both companies were treated as the respondents. The respondents were randomly selected from the companies based on the calculation of respondents selection. 400 questionnaire were sent to the respondents. Data were collected using structured questionnaire adopted from previous study and were analysed using computerised statistical tools, known as SPSS version 18.0. Results indicated that there were no significant differences in the level of organizational commitment among employees according to their demographic background. Organizational commitment were found to have significant association with all HRM practices studied. Almost 60 percent of organizational commitment were explained by HRM practices. Performance appraisal was the important variable to measure organizational commitment. Suggestions were made at the end of the study to enhance the level of organizational commitment among employees, especially in Oil and Gas Companies. This study had successfully described the nature of HRM Practices and organizational commitment among employees in oil and gas companies in Malaysia and can be important reference in the future.
ABSTRAK

ACKNOWLEDGEMENT

First and foremost, thank you Allah s.w.t for providing me with guidance, perseverance, opportunity and source of the mental and physical strength to complete this research.

A bottomless appreciation to my parents, Hajjah Nasriaht Bt Abd Karim and Haji Ariffin Bin Hj. Mat and my 3 brothers for without their endless motivation and never ending love, I would never have flourished until this stage. I would like to extend a special thanks to friends and colleagues whom have encouraged and contributed valuable ideas and strategies through out the development process till the completion of this research.

To all Petronas Human Resource Shared Services Centre and Shell Business Service Centre management and staffs, thank you for your cooperation and assistance during the data collection process. To my role models, Mr. Kamarul Bahrien and Mr. Abdul Malek Mohd. Nor thank you for convincing me that learning is a never ending process and work commitment will lead you to life success. I have learned a great deal in term of work ethics, pride and career commitment from these very best.

I would like to express special appreciation to my research supervisor, Associate Professor Dr. Khulida Kirana Yahya who is always there to give her advice, direction, encouragement and partaking generous amount of time throughout the process of completing this research. It is a privilege and opportunity to acquire from someone who is professional, caring and reassuring like her.
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CHAPTER 1

INTRODUCTION

1.1 Introduction

This chapter discusses the background of the study and followed by the statement of the problem. Based on the discussion, this chapter develops research questions and research objectives. Significant of the study were then outlined at the end of the chapter.

1.2 Background of the Study

The concept of organizational commitment, commonly defined as “a psychological link between the employee and his or her organization that makes it less likely that the employee will voluntarily leave the organization” (Allen & Meyer, 1996, p. 252), has been a prevalent topic of study in organizational research in recent years. As this definition implies, organizational commitment is important in large part because it is an antecedent of employee turnover (Arnold & Feldman, 1982; Koch & Steers, 1978; Porter, Steers, Mowday, & Boulian, 1974). Some researchers have reported organizational commitment to better predict turnover than job satisfaction (Koch & Steers, 1978; Steers, 1977), another commonly researched job attitude. It has also been shown to be an
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