

Analysis of Human Resource Functions' Strategic Value: A Study of State-Owned Companies' Employees

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ABSTRACT

The purpose of this research is to test and analyze whether there is any influence of human resource functions especially recruitment and selection, training, and performance appraisal toward employee's organizational commitment in PT PLN and PT Pertamina as state-owned companies in Indonesia. This research also analyzes human resource functions' strategic value. The sample of this research covers permanent employees of the two companies who have gained training and performance appraisal. The questionnaires were distributed to 300 respondents; 267 questionnaires are properly filled by the employees. The analytical tool used in this research is multiple linear regression using SPSS version 24.0. The results of this research show that there is a positive influence of recruitment and selection, training and performance appraisal on organizational commitment. This research found that human resource functions need to be integrated with the company's strategic value in the dual function of recruitment and training. Companies need to provide special qualifications for recruitment, improve selection standards, reform training programs, and improve the assessment system. The organization should consider adding social media into their overall recruitment strategy. The company must integrate the training program with the company's strategy in accordance with the company's focus and goals

Keywords: Human Resource Functions' Strategic Value, Organizational Commitment.

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1. INTRODUCTION

Globalization is a new world economic system, which prescribes and describes ways in which businesses, concepts and events are organized around the world (Ukpere & Slabbert, 2009). Organizations today face an increasingly competitive and rapidly changing characterized by a diverse labor market, advancement in information technologies, globalization, deregulation, customer demands and others (Peter & Eunice, 2014). A rapid action is needed by the organization in order to respond the rapid changing development in the business area.

Skilled and qualified employee is very needed in order to assist the organization to act and respond the business in the globalization effectively and efficiently. In fact, in the

organization, employee is included in the scope of Human Resource Management. This is the reason behind the importance of Human Resource functions in the company. As explained by Snell & Bohlander (2012) HRM is the activity includes analyzing a company's competitive environment and designing a proper strategy to be able to fight in the competition. Actually, there are ten functions of HRM that is readily to help the organization and four of them are recruitment, selection, training, and performance appraisal.

Nevertheless, a company that has competitive employees do not guarantee that they can continuously contribute to the organization voluntarily. Hence, the organization needs an essential factor that can guarantee the employee to work continuously, that is organizational commitment. Gul (2015) stated that enhancing employee commitment is vital for effective functioning of an organization, and to make the organization grow and expand at a faster pace.

Aladwan, Bhanugopan & D'Netto (2015) revealed that two HR functions which are recruitment and selection, training and development have a significant impact on the employee's commitment. Another research found that there is a positive and significant impact of performance appraisal on the organizational commitment of bank employees (Singh & Rana, 2013). Harsasi, Muzammil & Radeswandri (2017) found that HR functions has positive impact on organizational commitment. This happens if the implementation of good HR functions is strengthened, it can trigger the forming of better organizational commitment. For that reason, good HR functions need to be strengthened from the recruitment and training point of view.

Given the tremendous role of HR within the company, the development of human resource management functions should be included in the company's strategy plan. Doherty (2010), Gupta, Gupta & Singh (2008), Solis (2017), Wazed & Ng (2015) and Madia (2011) conduct research related to recruitment strategy and how it plays a role in the company. Whereas Watjatrakul (2014), Oaya, Ogabu, & Remilekun (2017) examined the related selection strategy and produced that selection strategy has an important role in the development of the company. Then related to training, Benevene & Cortini (2010), Cheung & Cheng (1997) and Ann, Roger, Hall & Altarawneh (2017) also discussed strategies in implementing of training and it was proven that this could have a positive influence on the company.

The performance appraisal is also discussed by Caruth & Humphreys (2008), in the aspect of strategy. Some of these studies prove that the development of human resource management functions must be incorporated into corporate strategy planning so that the company's strategic aspects also incorporate strategic values in human resource management activities.

From those research's mentioned previously, the researcher put two important Indonesian State-Owned Enterprises for the sustainability of the country that are going to be the research site of this research. They are PT PLN (Persero) as the one and only electricity provider in Indonesia and PT Pertamina RU IV. Thus, the employee's organizational commitment is very essential. The company must be aware of factors that probably influence the employee's organizational commitment. Hence, the researcher is interested

to do a further research about the impact of HRM practices that stresses on recruitment, selection, training, and performance appraisal on organizational commitment in PT PLN and PT Pertamina RU IV.

The problems that would be discussed in this study is: Does better the recruitment, selection, training, performance appraisal lead to better organizational commitment?

2. LITERATURE REVIEW

2.1 Recruitment

Recruitment and selection are terms that refer to the process of finding and attracting and choosing candidates for employment (Ekwoaba, Ikeije & Ufoma, 2015). According to Dessler (2013) recruitment means finding or attracting applicants for the employer's open positions. As explained by Gamage (2014) the basic purpose of recruitment is to provide the organization with a pool of potentially qualified job candidates. Recruitment process can be conducted in two ways which are recruit internally or externally (Snell & Bohlander, 2012).

Doherty (2010) discusses the recruitment process within the company and finds that the growing popularity of social networking as a tool for outreach and embarking on social recruiting. Results were also supported by Madia (2011) about the importance of social media networks in the strategy process. Besides that, Gupta, Gupta & Singh (2008) stated that the recruitment process was generally considered to have gaps in support from various stakeholders. Inconsistent experiences were reported regarding induction, mentorship, clinical responsibilities, and racial discrimination.

While Wazed & Ng (2015) to add about the steps in the recruitment strategy through social media in several steps: Step 1, employers use Facebook to Attract as many students as possible to the target of an employer's Fan page. Step 2, employers actively engage with students to Enhance Reviews their employer brand as a prospective employer. Step 3, employers initiate a call-to-action to encourage students to act upon a job opportunity and apply for the position. The study provides findings that Social media recruiting can payoff in several ways: First, employers have the advantage of speed recruiting through social media. Second, employers also have broad and frequent access to college students. Employers will also reduce their overall college recruitment costs and lastly, employers enhance their overall employment branding through the use of Facebook for college recruiting

2.2 Selection

Selection is the process by which specific instruments are employed to choose from a pool of applicant's most suitable for the job taking into consideration, management goals and legal requirements (Ofori & Aryeetey, 2011). The objectives of selection function are to get the right person to the right job, establish and maintain a good image as a good employer, and maintain the selection process as cost effective as possible (Gamage, 2014).

In order to provide good quality selection so that it is able to choose qualified human resources for the company, it is necessary to implement a selection strategy within the company. Watjatrakul (2014) states that when using the two methods of the weighted technique criteria for a vendor selection, the selection results are significantly correspondent. In addition, the proportions of qualification and price weights affect the selection results under the two methods. The different proportions of qualification and price weights under the two methods yield the same selection results rather than different results.

Oaya, Ogbu and Remilekun (2017) recommend that organizations be aware of their job description and responsibility to them. Dedicated acceptance and commitment from employees is also recommended to enhance mentoring, monitoring, obedience and coaching among employees. Also it was advised that the recruitment / selection should be based on the capability of the candidates to perform the job responsibilities than consideration based on the hosts' community influences.

2.3 Training

As stated by Ling, Qing & Shen, (2014), training is one function of HR management which has wide application and rich connotations and is one of the important ways of increasing human capital investment. Training in an organization is basically a learning process by which the management, HR or training staff of the organization or from outside the organization provide its employees purposeful learning opportunities in a structured manner (Bashir & Long, 2015). The purpose of training itself is to improve employee's competency, production efficiency and achieve organizational goals by influencing or changing employee's attitudes, behavior and skills. (Ling, Qing & Shen, 2014).

The implementation of training for HR in a company has an important role in increasing organizational commitment. Therefore, discussions related to management training should be taken to one aspect of the company's strategy. Ross (2014) states that training can affect a company's competitiveness by linking the company's strategy with HR development. Ross (2014) demonstrates how practitioners can move from a strategic, conceptual focus to deliver a training program that represents the the ability to implement strategic intent.

Koskela & Paluka (2011) identify the methods of guidance and supervision of used in air traffic control training. It also shows how these methods of facilitating trainee participation in core work activities then produce that the trainers used five different instructional strategies with which they are guided and controlled by the trainees' actions. In simulator training, learning was structured as a process through which procedural knowledge was possessed by the expert controllers were transferred to the trainees through interventions such as orders, test questions and additions. As the trainees progressed to the on-the-job training phase, interaction evolved from being a trainer-driven to trainer-guided. The trainees' performance was fine-tuned and guided towards local practices of particular work position by means of instructions and information deliveries

2.4 Performance Appraisal

Performance appraisal means evaluating an employee's current and/or past performance relative to his or her performance standards (Dessler, 2013). According to Snell & Bohlander (2012), the purpose of performance appraisal can be divided into two: administrative purpose and development purpose. Administrative purpose of performance appraisal is used for the entire range of HRM activities, such as promotions, transfers, layoffs, and pay decisions. Whereas the developmental purposes of performance appraisal provide the feedback essential for discussing an employee's goals and how they align with the organization.

Performance appraisal is the result of an annual or biannual process on which a manager evaluates an employee's performance relative to the requirements of his or her job and the manager uses the information to show the person where improvements are needed and why (Snell & Bohlander, 2012). Further, Snell & Bohlander (2012) stated that good appraisal system has capability to influence employee behavior. On the other hand, performance assessment was relatively low impact on employee's commitment (Pujiwati, 2016)

Because the performance appraisal is the task of the managers and the results will determine the quality of human resources of the company, it is necessary to develop strategies for the performance appraisal. Laud (1984) stated that the appraisal system and its link to the strategic management development for systematically improving individual and organizational performance, hence the need for a more careful integration of key human resource system components including, training, career planning and strategic succession planning as sophisticated organizations concentrate on long-term profitability. At the same time, the use of the performance appraisal system, with its current emphasis on compensation as a motivating tool, needs further validation.

Then Caruth & Humphreys (2008) adds that whereas performance evaluation has received reasonably robust examination in the human resources literature, explicit guidance toward the integration with strategic control is inadequate. Without consistent alignment between reviews these functions, however, performance appraisal becomes an exercise in futility instead of a vital control measurement, often resulting in not only personnel dissatisfaction, but also, more importantly, an impediment to systematic strategy implementation.

2.5 Organizational Commitment

Organizational commitment is the heart of HRM that helps explain a range of human attitudes and behaviors at work (Bal, Bozkurt & Ertemsit, 2014). Allen & Meyer (1990) and Meyer & Allen (1991) has identified the three dimensions of organizational commitment which are affective commitment, normative commitment and continuance commitment.

Further, Cho & Huang (2012) has provided the definition of each dimension respectively:

1. Organizational affective commitment refers to the commitment to an organization that is simply driven by an emotional attachment to the

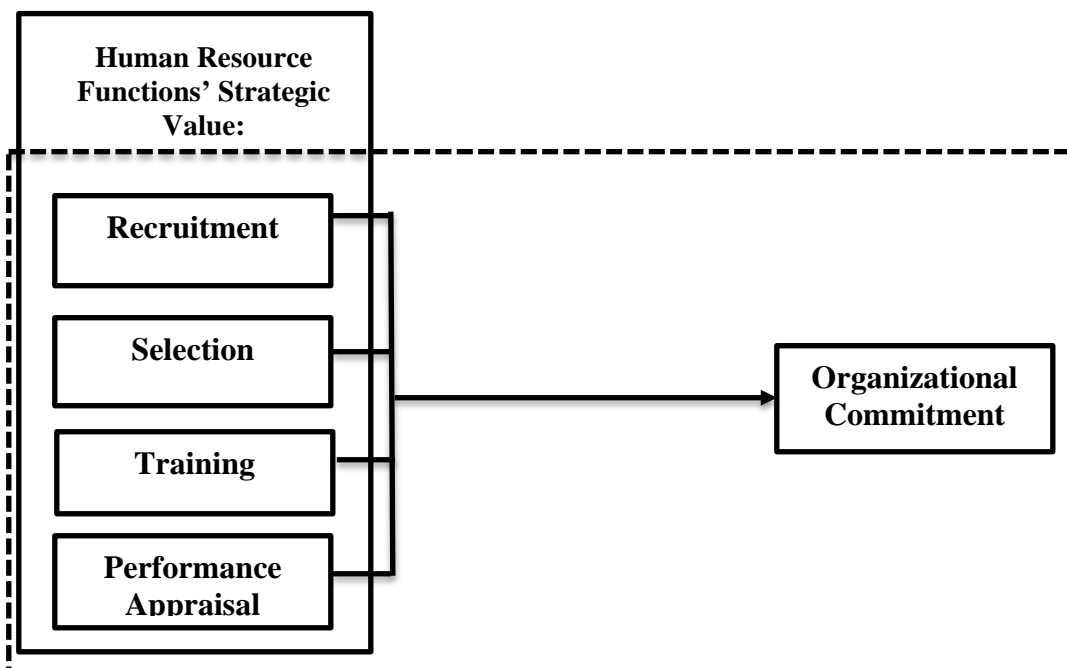
organization and employee's identification with the organization. Employee with higher affective commitment still want to be in the organization because they support the organization's goals and want to help achieve the mission (Greenberg & Baron, 2000). This is because of the emotional attachment that the employees have, it makes the employees feel happy and consider to continue working with the company.

2. Organizational normative commitment which is a feeling of perceived or moral obligation to stay with one's organization. Greenberg & Baron (2000) stated that the power of employee's desire with normative commitment to continue to work on the organization because they feel obligated to stay in the organization because of pressure from others. Normative commitment is related to the obligation to continue working on its leaders.
3. Organizational continuance commitment, an attachment based on a perceived lack of alternative employment opportunities, and the investments an employee has made would be sacrificed by leaving the organization. The desires of employees to continue working in the organization are because they need the job and cannot do anything else (Greenberg & Baron, 2000). Employees are bound by the organization simply because of factors such as pension plans and seniority, which cannot be continued if they stop working.

According to Yang, Sanders & Bumatay (2012), organizational commitment is a construct that describes the relationship between employees and the organization where they work. Organizational commitment can be viewed as employee's attachment, goal congruency, identification acceptance, and loyalty to the organization. Hence, if the employee is committed to work for the good of the organization, it will be easier for the organization to achieve its goals and be competitive in the business competition.

2.6 Conceptual Framework

Figure 1: Conceptual Framework



Sources: Caruth & Humphreys (2008); Bulut & Culha (2010); Yang, Sanders & Bumatay (2012); Watjatrakul (2014); Mahal (2012); Bal, Bozkurt & Ertemsit (2014); Ross (2014); Janjua & Gulzar (2014); Aladwan, Bhanugopan & D'Netto (2015); Mutsoli, *et al.* (2015); Neha & Himanshu (2015); Kadiresan, *et al.* (2015); Wazed & Ng (2015); Nassar (2017)

2.7 Hypotheses Development

The first hypothesis proposed is recruiting. Bal, Bozkurt & Ertemsit (2014) in their research that has purposes to investigate the relationship between organizational commitment dimensions and HR practices, also determine the perceptions of employees for organizational commitment levels and HR practices has found that there is a strong or medium positive relationship between recruitment and selection, involvement, training and development, work condition and performance appraisal on organizational commitment dimensions. In addition, a study conducted by Aladwan, Bhanugopan & D'Netto (2015) demonstrated that recruitment and selection, training and development has a significant positive relationship with organizational commitment among respondents in the Jordanian organizations. Another research has shown a supporting statement for this relationship that the fair recruitment and selection positively influence employee commitment in the Telecom Sector of Pakistan (Janjua & Gulzar, 2014). Thus the following hypothesis are proposed:

H1: Recruitment has positive impact towards organizational commitment

The second hypothesis that will be explained next is impact of selection towards organizational commitment. The study conducted by Mahal (2012) has revealed that selection as one out of six dimensions of HR practices gained the highest score in the analysis which mean that employees who are selected based on the requirement tend to have more organizational commitment. To prove the impact of selection on organizational commitment, a hypothesis is proposed. Moreover, the study by Nassar (2017) that was conducted in four and five hotels with 257 questionnaires returned shows that selection as one of the five HRM practices has a positive relationship with the three indicators of organizational commitment. Thus the following hypothesis are proposed:

H2: Selection has positive impact towards organizational commitment

The third hypothesis made for further investigation in this research is training. The study conducted by Bulut & Culha (2010) revealed that all dimensions of organizational training factor jointly affected the perceived organizational commitment. Yang, Sanders & Bumatay (2012) explained that there is an association between perceived training-related benefits and continuance commitment; the association between perceived supervisor support for training and affective commitment; and the association between perception of access to training and normative commitment. It is also stated that training need assessment helps increase affective commitment among employees and that formal systems of induction provided to new employees help them adapt to new environment quickly and make them comfortable which increase their commitment (Mutsoli, Mutua, Douglas & Mumassabba 2015). Thus the following hypothesis are proposed:

H3: Training has positive impact towards organizational commitment

The fourth and the last hypothesis proposed for this research is the impact of performance appraisal towards organizational commitment. A previous study has revealed that the employees who were satisfied with the performance appraisal system of their organization were also satisfied with their job and were committed to their organization (Neha & Himanshu, 2015). Kadiresan, Selamat, Selladurai, Ramendra & Mohammed (2015) in their study that gathered data from 75 employees from several different industries in Malaysia, have found that there is positively and highly correlation between performance appraisals with organizational commitment. Thus the following hypothesis are proposed:

H4: Performance appraisal has positive impact towards organizational commitment

3. RESEARCH METHODOLOGY

3.1 Sample

The population in this research are all the employees from both of the companies. Purposive (judgment) sampling method is used in this research to collect the sample. The characteristics that determine the use of purposive (judgment) sampling method in this research are: (1) permanent employees (not outsourcing) in both PT Pertamina RU IV and PT PLN (Persero), (2) employee have joined the training conducted by Pertamina RU IV and PT PLN (Persero), (3) Employee have received performance appraisal feedback from PT Pertamina and PT PLN (Persero).

3.2 Data Collection

This study uses quantitative methods to examine primary data gathered from the companies. The data have been collected through a questionnaire-based survey. The questionnaire distributed to two companies, they were PT PLN (Persero) and PT Pertamina Indonesia. The questionnaires are distributed to 300 respondents and 267 questionnaires are properly filled by the employees. Questionnaire is close question and used Likert scale can be created as the simple sum of questionnaire responses over the full range of the scale (e.g., 1 = strongly disagree to 5 = strongly agree)

3.3 Measurement

Table 1: Variable and Measurement

Variables	Measurement	Source
Recruitment	The recruitment process of your company is very clear Your organization focuses on external sources of recruitment Your organization focuses on internal sources of recruitment Recruiting process of your company compares favorably to that of other companies You are very satisfied with the company's recruitment process	Mahal (2012)

Selection	<p>Your organization selects the right person for a right job</p> <p>There is a proper procedure of the selection process</p> <p>There are no chances of personal biasness while selecting the person</p> <p>The selection process is fair and justifiable</p> <p>You are satisfied with the selection process of the company</p>	Mahal (2012)
Training	<p>The training policies of your organization are favorable to you</p> <p>You have been given proper training time to time</p> <p>You are satisfied with the training techniques</p> <p>My organization offers access to training for me</p>	Mahal (2012)
Performance Appraisal	<p>I am satisfied with the way my organization provides me with feedback</p> <p>The feedback I receive on how I do my job is highly relevant</p> <p>I think that my organization attempts to conduct performance appraisal the best possible way</p> <p>My organization seems more engaged in providing positive feedback for good performance than criticizing poor performance</p>	Kuvaas (2006)
Organization Commitment	<p>Affective Commitment:</p> <p>I would be very happy to spend the rest of my career with this organization</p> <p>I enjoy discussing my organization with people outside it</p> <p>I really feel as if this organization's problems are my own</p> <p>I think that I could easily become as attached to another organization as I am to this one</p> <p>I do not feel like "part of the family" at my organization</p> <p>I do not feel "emotionally attached" to this organization</p> <p>Continuance Commitment:</p> <p>It would be very hard for me to leave my organization right now, even if I wanted to</p> <p>Too much in my life would be disrupted if I decided to leave my organization now</p> <p>It wouldn't be too costly for me to leave my organization now</p> <p>Right now, staying with my organization is a matter of necessity as much as desire</p> <p>One of the few serious consequences of leaving this organization would be the scarcity of available alternatives</p> <p>One of the major reasons I continue to work for this organization is that leaving would require considerable personal sacrifice—another organization may not match the overall benefits I have here</p> <p>Normative commitment</p> <p>I owe a great deal to my organization</p> <p>I would not leave my organization right now because I have a sense of obligation to it</p>	Nassar (2017)

	My organization deserves my loyalty I would feel guilty if I left my organization right now I do not feel any obligation to remain with my current organization	
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3.4 Data Analysis Method

To test the hypothesis from the conceptual framework, multiple linear regression model were performed. The statistic tools is SPSS version 24.0. Validity and Reliability test will be conducted in this research.

4. RESULTS AND DISCUSSIONS

4.1 Respondent's Profile

Table 2: Respondent's Profile

Profile	Male	Female	Senior High School	Diploma	Bachelor Degree
Gender	220 (82.4%)	47 (17.6%)			
Education			84 (31.5%)	147 (55.1%)	36 (13.5%)
Year	1-5	6-10	16-20	21-25	26-30
Time length of employment	37 (13.9%)	121 (45.3%)	14 (5.2%)	15 (5.6%)	21 (7.9%)

Source: Processed Data

According to the identification of gender the data shows that 220 (82.4%) respondents are males and 47 (17.6%) are females. The identification of respondents based on education level are Diploma graduates 147 (55.1%) employees, Senior High School 84 (31.5%) employees and Bachelor Degree 36 (13.5%) employees. The last identification of respondents is based on time length of employment. The employees have been working for 6-10 years which is represented by 121 (45.3%) respondents from the total number of employees. The second classification of respondents based on time length of employment is within 1-5 years which is represented by 37 (13.9%) employees. Then, there are 21 (7.9%) respondents that have been working on the company for 26-30 years. There are also 15 (5.6%) employees that have been working for 21-25 years and 14 (5.2%) respondents have been working for 16-20 years (see table 2)

4.2 Data Quality Test

Table 3: Result of Validity and Reliability Test

Indicators	Pearson Correlation	Sig. and Critical value	Cronbach Alpha	Category
Recruitment		0.7	0,825	Reliable
X1.1	0.671**	0.000		Valid
X1.2	0.766**	0.000		Valid
X1.3	0.842**	0.000		Valid
X1.4	0.779**	0.000		Valid
X1.5	0.778**	0.000		Valid

Selection		0.7	0,825	Reliable
X2.1	0.721**	0.000		Valid
X2.2	0.741**	0.000		Valid
X2.3	0.814**	0.000		Valid
X2.4	0.792**	0.000		Valid
X2.5	0.769**	0.000		Valid
Training		0.7	0,839	Reliable
X3.1	0.776**	0.000		Valid
X3.2	0.835**	0.000		Valid
X3.3	0.855**	0.000		Valid
X3.4	0.820**	0.000		Valid
Performance Appraisal		0.7	0,743	Reliable
X4.1	0.716**	0.000		Valid
X4.2	0.746**	0.000		Valid
X4.3	0.776**	0.000		Valid
X4.4	0.766**	0.000		Valid
Organizational Commitment		0.7	0,721	Reliable
Y1.1	0.249**	0.000		Valid
Y1.2	0.202**	0.000		Valid
Y1.3	0.186**	0.000		Valid
Y1.4	0.199**	0.000		Valid
Y1.5	0.132**	0.000		Valid
Y1.6	0.159**	0.000		Valid
Y1.7	0.561**	0.000		Valid
Y1.8	0.599**	0.000		Valid
Y1.9	0.376**	0.000		Valid
Y1.10	0.612**	0.000		Valid
Y1.11	0.660**	0.000		Valid
Y1.12	0.635**	0.000		Valid
Y1.13	0.660**	0.000		Valid
Y1.14	0.721**	0.000		Valid
Y1.15	0.651**	0.000		Valid
Y1.16	0.584**	0.000		Valid
Y1.17	0.507**	0.000		Valid

Source: Processed Data; ** $\rho < 0.05$

A study was conducted to test items validity and reliability. All the items were reliable with Cronbach Alpha score greater than 0.70 and significant Pearson correlation (see table 3). Therefore, all of the items were valid and reliable.

4.3 Hypotheses Testing

From the statistical computation, it is found the recruitment which was initially hypothesized to have an impact on organizational commitment was in fact supported. The coefficient β score of the impact of recruitment on organizational commitment was

0.176, significant at p -value below $\alpha = 0.05$. Selection also significantly impacted organizational commitment with coefficient β score 0.194 and significant at p -value below $\alpha = 0.05$. Training on organizational commitment was found highly significant with coefficient β score 0.216 and significant at p -value below $\alpha = 0.05$. Performance appraisal on organizational commitment was also found significant with coefficient β score 0.157 and significant at p -value below $\alpha = 0.05$. The summary of hypotheses testing can be seen in Table 4.

Table 4: Hypotheses Testing Results

Hypotheses	β Coefficient	t-test	Sig.	Results
H1	0.176	4.101	0.000**	H1 is supported
H2	0.194	4.279	0.000**	H2 is supported
H3	0.216	5.798	0.000**	H3 is supported
H4	0.157	3.546	0.000**	H4 is supported

Source: Processed Data, ** $p < 0.05$

4.4 Discussion

The significant impact of recruitment on organizational commitment is supported by Aladwan, Bhanugopan & D'Netto (2015), which states that recruitment as part of the function of human resource management has a significant impact on employee commitment. More support is shown by research conducted by (Bal, Bozkurt & Ertemsit, 2014). In their study, it was found that there was a strong or moderate relationship between the dimensions of recruitment and organizational commitment. Harsasi, Muzammil & Radeswandri (2017) also states that the recruitment as part of human resource management functions that either has a positive impact on organizational commitment.

Selection is found significantly to influence organizational commitment. This finding supported Janjua (2014). The result of the research proved that fair selection positively influences employee organizational commitment. Another recent research conducted by Mahal (2012) showed one of the ten variables which is selection influences the organizational commitment. The research concluded that employees who are selected according to the job requirements have more organizational commitment.

Training is also found significantly to influence organizational commitment. The finding from this research is supported by the research conducted by Ling, Qing & Shen (2014). Their research had a goal to provide theoretical analysis and empirical study between training and organizational commitment and it showed that training affects organizational directly. The next is supported by field research that was conducted by Bulut & Culha (2010) found that all dimensions of organizational training factor jointly affected the perceived organizational commitment. Moreover, another research found that training has a positive relationship on commitment. This research is conducted by Mutsoli, *et al.* (2015). Harsasi, Muzammil & Radeswandri (2017) also stated that training as part of good human resource management practices have a positive impact on organization commitment.

The result also shows the significant influence of performance appraisal on organizational commitment. Furthermore, this result is supported by Peter & Eunice (2014), who state that performance appraisal is positively related to their commitment on organization. The result

is also supported by a research by Neha & Himanshu (2015) and Pujiwati (2016). They have conducted a research to find out the impact of performance appraisal on organizational commitment and job satisfaction. The research showed that the employees who are satisfied with the performance appraisal system of their organization are also satisfied with their job and are committed to their organization.

Having in mind that the human resource function is able to provide a significant influence on organizational commitment then the next is how to enter values in the strategy of human resource management function within the company. Related recruitment, Madia (2011) mentions that organization must consider adding social media to reviews their overall recruitment strategy to meet the goals of being cost-effective, targeted, and strategic; remaining competitive; and sourcing top talent and it is also supported by Wazed and Ng (2015) which describes in more detail how the recruitment process through social media. Therefore, companies should implement recruitment strategies through social media and empower existing human resources to continue to develop the strategy.

Meanwhile, related to training, Ross (2014) states that there should be an integrated relationship between corporate strategies with human resource development. Ross (2014) describes the link between sales training and an organization's strategic focus. The models demonstrates how practitioners can move from a strategic, conceptual focus to deliver a training program that represents the ability to implement strategic intent.

Therefore companies must be able to integrate the company's strategy with training programs for HR through training strategies that are conceptualized in accordance with the focus and goals of the company. Laud (1984) states that the need for more careful integration of key human resource systems includes, training, career planning and strategic succession planning as sophisticated organizations concentrate on long-term profitability. At the same time, the use of the performance appraisal system, with its current emphasis on compensation as a motivating tool, needs further validation.

5. CONCLUSIONS AND MANAGERIAL IMPLICATIONS

5.1 Conclusions

In conclusion, all variables examined in this study were supported. This research proves that in both state-owned companies, namely PT PLN and PT Pertamina RU IV, recruitment has an impact on organizational commitment positively and the organization focuses on internal recruitment. The selection process carried out in two state-owned companies positively affects their organizational commitment and that the selection process is fair and justifiable.

This research also proves that training has a positive impact on organizational commitment. The company provides equal access and opportunity to get training for all employees. The performance appraisal carried out in two state-owned companies positively influence their organizational commitment and feedback received from employees on how employees do their job very relevant

Human resource functions consisting of recruitment, selection, training and performance

appraisal has an important role in organizational commitment. It encourages companies to integrate human resource function with the corporate strategy to be able to create sustainable development. Based on the analysis found that there are two aspects of the human resource function that can be directly attributed to the company's strategy, namely recruitment through social media and integration between training and corporate strategy.

5.2 Managerial Implications

Recommended for both state-owned companies is to maintain all recruitment, selection, training and performance appraisal activities to maintain a positive influence on organizational commitment. Activities that need to be maintained by the company are to provide specific requirements and qualifications in recruitment, improve selection standards, reform training materials and methods, and improve the assessment system. In addition the organization should consider adding social media into their overall recruitment strategy to meet the objective of being frugal, effective, and strategic; remain competitive; and source top talent. Companies must integrate with the company's strategy of training programs through training strategy is conceptualized in accordance with the company's focus and goals.

5.3 Limitations

This research was conducted only on two state-owned companies which are PT PLN and PT Pertamina RU IV. It cannot reflect the overall condition of a state-owned company. This study only looked at four HR functions to determine employee organizational commitment. Thus, the conclusion cannot be drawn in general to determine the factors affecting organizational commitment

5.4 Suggestions

It is recommended for future research that is possible to conduct research at other or all state-owned companies to enrich the topic of this research because different findings may be found. It is recommended for future researchers who are interested in this topic to add more independent variables such as compensation or adding more mediating variables such as performance to find their influence on employee organizational commitment.

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