

CHAPTER 2

LITERATURE REVIEW

2.1 Introduction

This chapter provides the literature review of human resource management (HRM) practices and service quality. The chapter begins with the concept of human resource management and its practices. There are five practices of HRM included in this study known as recruitment and selection, training and development, employee participation, performance appraisal and compensation. Following this, the chapter reviews five theories of HRM including the human capital theory, resource-based view theory, ability motivation opportunity (AMO) theory, attribution theory and social exchange theory. Then, the chapter reviews the consequences of HRM particularly on work attitude and behaviour such as organizational commitment, job satisfaction and job involvement. Regarding service quality, this chapter has provided a discussion about the concept of service quality, the model of service quality, the significance of service quality on organization and employee, and the factors that influence service quality. In the end, the chapter explains the summary of proposed hypotheses and the conceptual framework of this study.

2.2 The Concept of Human Resource Management (HRM)

MacMillan (1984) defined HRM as the functions and activities necessary for managing the human resources of an organization effectively. Similarly, Wright and Snell (1991) defined HRM as the activities for managing the human resources of an organization and ensuring that those resources are employed for the fulfilment of organizational objectives (Wright & Snell, 1991). In addition, Watson (2010) also regarded HRM as the managerial employment of the efforts, knowledge, capabilities and committed behaviours that people contribute to an authoritatively coordinated human enterprise as part of an employment exchange (or more temporary contractual arrangement) to carry out tasks in a way that enables an enterprise to continue into the future. Recently, HRM was defined by Armstrong (2016) as a strategic, integrated and cohesive approach towards the employment, development and well-being of the people working in an organization. According to Armstrong (2014), HRM is more comprehensive than traditional personnel management. It emphasizes the notion that people should be considered as assets rather than variable costs. In the current study, HRM practices refer to all the activities that are conducted by Aden University to manage its academic staff and to ensure that they are employed for the fulfilment of the university's objective of delivering a desirable level of service quality to their students.

2.2.1 Dimensions of HRM Practices

Human resource management practices considered as an important role to develop human resource in organization. Therefore, organization must have the appropriate mix of HRM practices, which is condition for the maximal effectiveness of

the human resource capital (i.e., work attitude and behaviour) (Wright, McMahan & McWilliams, 1994). A systematic review of HRM practices from 1991 to 2017 has found that recruitment and selection, training and development, participation, performance appraisal, and compensation are the highest practices that have been used in the previous studies (Boon, Hartog & Lepak, 2019). The five practices of HRM are presented below:

2.2.1.1. Recruitment and Selection

The recruitment and selection process play essential roles in the workforce planning process. Although, this process is one of the difficult tasks to perform, this process has a major influence on employee productivity, organizational performance and will contribute in reducing employee turnover (Huselid, 1995; ALDamoe et al., 2012). In addition, the recruitment and selection process enable organization to recruit the right employees that have desirable characteristics, knowledge and skills, able to fit well in the organizational culture and climate, and can decrease the employees training and development cost (Huang, 2012).

Moreover, recruitment and selection the right employees with the appropriate attitudinal and behavioural characteristics is the starting point for produce and deliver quality service (Redman & Mathews, 1998). Narayana (2012) found that there is a positive relationship between recruitment and selection and performance of employee in the university. More specific, selective high-quality staff will enable the university to educate better quality graduate and that will enhance university reputation and market share as well as financial power (Owlia & Aspinwall, 1997).

Pfeffer and Veiga (1999) suggest several things to make sure that organizations can recruit the right during the recruitment and selection process. First, the organization must select from large applicant pool. For example, in 1994, Southwest Airline received more than 125,000 job applications and hired 4000 people. Second, the organization need to determine what are the most critical skills and attributes needed from its applicant pool. Third, organization needs to research carefully for the skills and abilities and consistent with the job requirements and organization's approach to its market. therefore, according to this study, Recruitment and selection are the university process of attracting and choosing individuals that best suited for a particular position and the organization.

2.2.1.2 Training and development

Training is the use of systematic and planned instruction activities to promote learning (Armstrong & Taylor, 2006, 2014). It contributes to the social knowledge and enhance the skills necessary to performed a specific role in the organization (Chevalier et al., 2019a). It also enables the employee in the organization to obtain new knowledge, skills and attitudes, which is important to enhance their ability to use various behaviour to apply their training outcomes to their job (Zumrah, 2014). The employee's ability to apply to the workplace the knowledge, skills and attitudes that they have learned in training will enable them to demonstrate quality of service to their customers (Zumrah, 2013). According to this study, training and development are a continuous effort designed to improve academic staff competency and organizational performance (in this study is service quality).

Training and development can enhance the employee productivity and performance (Bartel, 1994). Narayana (2012) found that, there is positive relationship

between training and development and employee performance in his study among employees at Indira Gandhi National University. Similarly, Shaheen, Naqvi, and Khan (2013) conducted a study among 197 teacher's school in Pakistan. They found a positive impact of employee training on the teacher's performance. The study argues the training programs has improve teachers' understanding, capacities, skills, career journey, and efficiencies at work.

In addition, training and development can enhance the employees' level of service quality. Liao and Chuang (2004) indicated that service training has increase employee service knowledge and skills and as a result improve employee service performance. Other researchers also argue that the training program were helpful in achieving quality service and customer satisfaction (Schneider et al., 1980). Similarly, Beigi & Shirmohammadi (2011) in their study among employees of five branches of a large public-sector bank in Iran, concluded that training was shown to be significant for overall service quality. Although, a study by Samat, Ramayah and Saad (2006) found no significant impact of training on service quality, but it is due to the measurement used to measure the service quality give more focus on the skills not on the service quality delivery itself.

2.2.1.3 Employee Participation

Glew and colleagues (1995) defined employee participation as a conscious and intended effort by individuals at a higher level in an organization to provide visible extra-role or role-expanding opportunities for individuals or groups at lower level in the organization to have a greater voice in one or more areas of organizational performance. Other scholars defined employee participation as a process for empowering employees in the organization to participate in managerial decision-making and improvement

activities appropriate to their levels in the organization (Zakuan et al., 2012). according to this study employee participation defined as university system that provide opportunity for academic staff to participate in decision-making related to their work and delivering service quality.

Employee's participation will give employee opportunity to say their opinions about some issues and they can avoid and solve some problems. However, enhancing employee participation in the organization is a long- term process, which required more attention from management of the organization and in the other side required initiative from the organization's employee (Bhatti & Qureshi, 2007).

The implementation of employees' participation will have a positive influence on employees' attitudes and behaviour. A study by Bhatti and Qureshi (2007) among employees from 15 different organizations (e.g., banking, Oil and Gas and Telecommunication) shows that employee participation has positive influence on employees' commitment, job satisfaction and productivity. Slatten (2011) also argue that employee who has been provided an opportunity to involve in decision making shows better job performance, and less intention to leave organization.

In addition, involving employees by giving them freehand and inviting them to participate in decision making is one-way organizations can improve service performance. Empowered employees can meet a wide range of customer demands and are able to share the information they collect about customer behaviours, thus serving customers better and help to improve service quality. When employees were involve in problem-solving idea generation, that will enhanced service quality and customer satisfaction (Schneider et al., 1980). Similarly, a study by Slatten (2011) and Catanzaro

(1992) also found that empowered employee to make decision related to their work can enhance the employee's level of service quality.

2.2.1.4 Performance Appraisal

According to Brown, Hyatt, and Benson (2010), performance appraisals are the basic element of HRM. Many decisions of human resource are totally based on the performance appraisal results. Armstrong (2006) defined performance appraisal as the formal assessment and rating of individuals by their managers at, usually, an annual review meeting. In other word, performance appraisal is a formal measuring system to evaluate the employee's attributes that related to their job, behaviours, outcomes and productivity (Konobear, 2002). From the viewpoint of employee, performance appraisal can provide information to employee about what organization wants from him, how well employee has done it, help employee to improve his performance and reward employee for doing well (Mahesh et al., 2002). according to current study, performance appraisal defined as all university procedure to evaluate academic staff performance (delivering service quality).

Performance appraisal vary between the organization. Kundu and Arora (2012) in their study to compare performance appraisal in manufacturing companies and service companies, found performance appraisal in manufacturing companies different then performance appraisal in service companies. Similarly, Arif and Ameer (2013) conducted comparative study in three public universities and three private universities found significant different between performance appraisal practices in public universities then performance appraisal practices in private universities. In addition, the study concluded that private universities are performing better in their performance appraisal practices as compared to public universities, so the public universities should

make more focus in the area of performance appraisal practices to enhance quality of higher education.

The performance appraisal activity has influence on both organization and individual performance. Boohene (2011) found a positive relationship between effective performance appraisal practices and corporate performance. Similarly, other researchers (e.g., ALDamoe et al., 2011; Katou, 2008; Tessema & Soeters, 2006) also found a positive and direct effect of performance appraisal on organizational performance. In addition, Tsaur and Lin (2004) conclude that performance appraisal has direct effect on employees' service behaviour and service quality.

2.2.1.5 Compensation

Employees are the most important assets in any organization. One of the roles of organizational management is to make sure that employees are always motivated. Compensation is the primary tool that organization can use to motivate employee to produce good performance (Lee et al., 2010). Compensation according to this study, refers to total rewards provided to academic staff in return for their services.

In general, compensation can be categorized into two categories. First, financial incentives. Second, non-financial incentives. In specific, there are three types of compensation plan. First, base- compensation (it is fixed pay to the employee). Second, motivation pay (profit sharing and bonuses). Third, indirect compensation (vacation, health insurance and unemployment compensation) (Lee, Lee & Wu, 2010).

An attractive compensation package can enhance the employees' performance (Parkin, Pierce & Gino, 2012). More specific, Hshiong and Lin (2004) found that compensation has direct effect on service quality and service behaviour. Chand (2010)

also found positive influence of compensation on the improvement of service quality and organization performance. In addition, a good compensation package also can decrease rates of accidents on organizations as well as improving organizational performance, (ALDamoe et al., 2011; Chand, 2010; Katou, 2008; Tessema & Soeters, 2006). Although, the previous studies have provided empirical evidence on the link between compensation and organizational performance, however, researchers such as Tabiu and Nura (2013) encourage more investigation on this link. One of the reason is due to there are few studies (e.g., Boohene, 2011; Tabiu & Nura, 2013) did not gather sufficient evidence to conclude that compensation can influence the organizational performance.

2.3 Theories of HRM

There are many theories that address the role of HRM in the effectiveness of organizations. The theories that have been mentioned more frequently in previous reviews are the resource-based view theory, human capital theory, ability, motivation and opportunity (AMO) theory, social exchange theory, and attribution theory (Miao & Cao, 2019), as detailed below.

2.3.1 Human Capital Theory

Since its introduction in the 1960s by Mincer (1958) and Schultz (1959, 1960, 1961) and its development by Gary Becker (1964), the human capital theory has constituted a rich research in the field of management (Marginson, 2019).

The human capital theory emphasizes the fact that an organization determines the amount it has invested in human resources by comparing or meeting them with potential

future returns (e.g., improvement in productivity or services). In other words, this theory emphasizes that investments must be focused carefully on the training of employees to provide them with the specific skills required for their work, while avoiding the theft or taking over of those skills by other companies (Mubyadhin & Al-Aklabi, 2018). It also assumes that human capital has two distinct characteristics, namely, the acquisition of specialized skills as intellectual and knowledge assets. These skills are not easy to obtain or transfer to other companies. Human capital can increase the capabilities of owners to discover and take advantage of business opportunities, and to obtain other resources such as physical capital, finances, and to help in gaining new knowledge and skills (Mui et al., 2019).

2.3.2 Resource-Based View Theory

The resource-based view theory claims that HRM in an organization can play a major role in ensuring that the human resources of the organization meet the criteria for a sustained competitive advantage (Armstrong & Taylor, 2014).

Based on this, the skills of employees are vital assets of the company, as are the tangible assets of machinery, equipment, and money. This means that employees with the core skills are the most important intellectual source that increases the company's capabilities (Armstrong & Brown, 2019). Therefore, the company must develop its internal staff on its own as an effective investment in human capital (Almbyadheen & Al Aklabi, 2016).

2.3.3 Ability, Motivation, Opportunity (AMO) theory

The AMO theory, which is related to the behavioural perspective, was put forward in the late 1990s by Boxall and Purcell (2003). According to this theory, performance depends on the individual's ability, motivation and opportunity (Armstrong & Brown,

2019). It states that employees will perform well in a job when they have the necessary knowledge and skills (ability), are adequately and intensively encouraged (motivation), and are provided with the required support and avenues for expression (opportunity). When these three elements are improved, the job performance will increase (Sobaih et al., 2019).

In addition, the AMO theory provides guidance on HRM practices that must be integrated into a high-performance work system (HPWS) (Armstrong & Brown, 2019). An HPWS is a systems approach that consists of different HRM practices to ensure that all three components of the AMO model (ability, motivation, and opportunity) are strengthened and will ultimately lead to increased staff or workforce performance (Delery & Roumpi, 2017), for instance, developing human resource capabilities and skills through continuous training, enhancing motivation through incentive systems that match the wishes and aspirations of employees, and empowering employees by delegating appropriate powers to them, and enabling them to participate in making strategic decisions.

2.3.4 Attribution theory

Fritz Heider (1958) developed the foundations for the attribution theory, and created a scientific interest in these causal inferences. The attribution theory attempts to explain how people arrive at the causal inferences of the events they encounter, i.e., how they assign causes for the events they encounter, and the attitudinal and behavioral consequences of those inferences. This theory emphasizes that people are continuously seeking to explain events that they may encounter in life, and it makes a distinction between the actions that are taken because of personal causes and the actions that are taken due to environmental causes (Hewett, Shantz, Mundy & Alfes, 2018). This means

that the attributions individuals make are based on whether the locus of causality is personal (internal) for an event or behaviour or that causality is environmental (external), or both. Internal and external loci consist of both motivation and ability.

HR attributions investigate illustrations by employees as to why practices are used. These are referred to as 'attributions of intent' (Hewett et al., 2018). These attributions can be viewed as a fusion of the attribution theories of Heider (1958) and Weiner (1979) (Hewett et al., 2018). Attributions in this area are distinguished by internal intent (that which is controlled by the organization; the aim of HR practices is to attract and retain employees) and external intent (that which is not controlled by the organization; the aim of HR practices is to comply with external forces such as laws and legislations), with specific subdivisions for both internal and external intents (Hewett et al., 2018). Therefore, the attribution theory is based on how employees understand the intention of the organization in implementing HRM practices. If the employees perceive that the organization is implementing HRM practices to meet external requirements, then those practices will not influence their attitude and behaviour.

2.3.5 Social Exchange Theory

The social exchange theory, which is considered to be the most appropriate theory, views the feelings of employees toward the organization such as loyalty, commitment and discretionary efforts as forms of social reciprocation by the employees toward a good organization (Saks, 2006). Social exchanges tend to entail unspecified obligations. They are voluntary actions between two or more parties. When a person volunteers to do a favour for another, he expects to receive some return in the future. The form of this return is often unclear and it is not known when it will occur. The

return is up to the discretion of the one who makes it (Blau, 1964; Wayne, Shore & Liden, 1997; Gould-Williams & Davies, 2005).

Obligations take a long time to be fulfilled and are generated through a series of interactions between the parties who are in a reciprocal, interdependent state. According to Saks (2006), the fundamental principle of a social exchange is that the relationship between the parties develops over time into a trusting and loyal mutual commitment as long as these parties abide by certain rules of exchange. Moreover, Kahn (1990) argued that when employees receive economic and socioemotional exchange resources from their organization, they feel obliged to reciprocate with greater levels of engagement with the organization, and to repay the organization with good performance for the resources they have received. Eisenberger and Huntington (1986) argued that when employees perceive that their organization values their efforts, recognizes their contributions, commitment and investment, and cares about their wellbeing, they will feel obligated to reciprocate with a positive attitude and behaviour, and with superior efforts to help their organization achieve its objectives (Eisenberger et al., 2001).

HRM practices enhance the knowledge, skills and abilities of employees to perform, provide opportunities for them to participate in decisions, and motivate them by valuing and recognising their efforts, and employees reciprocate in a positive manner by exerting extra efforts or by working harder to benefit their organization (Takeuchi, 2003; Lepak et al., 2006; Takeuchi et al., 2007; Wu & Chaturvedi, 2009). In other words, HRM practices play a key role in the creation of positive social exchanges. When the organization offers practices and efforts to develop the knowledge, skills and abilities of employees, the latter will be motivated to reciprocate by making an equal or greater effort to benefit that organization.

Moreover, HRM practices can influence the perception of employees with regard to their relationship with their organization. That relationship (organization-employee) positively influences employee attitudes such as organizational commitment, job satisfaction, job involvement, performance, and citizenship behaviours, and reduces the intention to leave (Eisenberger et al., 1990; Wang, 1996; Allen et al., 2003; Boon, Arumugam, Safa & Abu Bakar, 2007; KO & Smith-Walter, 2013; Takeuchi, 2013; Gould-Williams, 2003; Chew & Chan, 2008).

2.3.6 Discussion about HRM theories

The previous section mentioned the five most common theories, namely, the human capital theory, resource-based view theory, ability, motivation and opportunity (AMO) theory, attribution theory, and social exchange theory (Paauwe and Blok, 2015; Jiang & Messersmith, 2017; Miao & Cao, 2019). The assumption of the human capital and resource-based view theories is that organizations can be successful when they obtain and preserve a competitive advantage through their human resources. These theories suggest that organizations can achieve higher levels of organizational performance, which can be a source of competitive advantage, through their system of human resource practices. Accordingly, these theories can be applied to study the effect of HRM practices on the performance of an organization at the organizational level (Paauwe, 2009; Paauwe & Blok, 2015:13).

Meanwhile, the ability, motivation and opportunity (AMO) theory argue that through HRM practices that improve the skills, abilities, motivation, and participation of employees in decision making, organizations can shape the attitude and behaviour of their employees and their organizational citizenship behaviour (OCB), reduce turnover, and the intention to leave at the individual level. In this regard, Almutawa, Muenjohn,

& Zhang (2015), and Almutawa (2016) found through the AMO theory that HRM practices affect organizational commitment and OCB, but have no direct effect on service quality. In addition, the attribution theory is dependent on the employees' understanding of why organizations implement HRM practices. Is an organizational strategy being implemented to fulfil external or internal requirements? The employees' understanding of why organizations implement HRM practices affect their attitude and behaviour at the individual level (Wright and Nishii, 2007).

However, the previous studies that examined the relationship between HRM practices and organizational performance or service quality through the four earlier theories did not explain how HRM practices influence organizational performance such as service quality, and by which mechanism HRM practices affect organizational performance (e.g., Worsfold, 1999; Browning, 2006; Chand, 2010; Ueno, 2008; 2012; 2014; Tomar & Dhiman, 2013; Morrison, 1996; Husin, Chelladurai, & Musa, 2012). In general, this limits the understanding of how HRM practices are associated with service quality or organizational performance (Collins & Clark, 2003; Shore et al., 2004; Takeuchi et al., 2007; Gong, Law, Chang, & Xin, 2009; Paauwe, 2009; Guest, 2011; Ko and Walter, 2013; and Tandung 2016; Kloutsiniotis & Mihail, 2018; Armstrong & Brown, 2019; Tensay & Singh, 2019).

Furthermore, previous studies with regard to the relationship between HRM practices and service quality were conducted on simplistic models such as at the individual level (micro-level) or organizational level (macro-level) (Shen et al., 2018). In this regard, Wright and Boswell (2002) strongly asserted that the Tandang barriers between the micro- and macro- levels in HR researches need to be broken down, and instead, researchers have to go for multilevel theorizing to investigate the relationship

between HRM practices and organizational performance. Accordingly, there is still a lot of work to be done with regard to the theorizing of the relationship between HRM practices and service quality, and to the testing of complex theoretical arguments utilizing appropriate multilevel methodologies (Paauwe & Blok, 2015; Shen et al., 2018).

Therefore, the objectives of the current study were to investigate the relationship between HRM practices and service quality at the organizational level, and the relationship between HRM practices and organizational commitment, job satisfaction, and job involvement at the individual level, and, in turn to investigate the relationship between individual outcomes of organizational commitment, job satisfaction, and job involvement and service quality at the organizational level. However, the human capital and resource-based view theories are appropriate for investigating the effect of HRM practices at the organizational level; the AMO theory is appropriate for examining the effects of HRM practices at the individual level (Paauwe & Blok, 2015; Almutawa, 2016); while the attribution theory is appropriate for examining the effects of HRM practices on the attitude and behaviour of employees at the individual level (Wright and Nishii, 2007). This means that these four theories were not used in the current study.

However, the relationship between HRM practices and service quality can be explained through the social exchange theory by investigating the social mechanisms that can uncover that relationship, and make the relationship between HRM practices and service quality more understandable. In that regard, scholars (e.g. Morrison, 1996; Gould-Williams, 2014; Takeuchi, Lepak, Wang, & Takeuchi, 2007; Gould-Williams & Mohamed, 2010; Tzafirir & Gur, 2007; Paauwe & Blok, 2015; Gong, Chang, & Cheung, 2010; Ko and Walter, Piening et al., 2013; Kloutsiniotis & Mihail, 2018) have argued

that the connection between HRM practices and organizational performance or service quality at the organizational and individual levels can be analysed through the social exchange theory.

Furthermore, the role of employee organizational commitment, job satisfaction, and job involvement as mediators in the relationship between HRM practices and organizational outcomes can be explained through the social exchange theory (Ko and Walter, 2013; Kloutsiniotis & Mihail, 2018). Based on the previous arguments, this study proposed that HRM practices influence service quality through the social mechanisms of social exchange and employee organizational commitment, job satisfaction and job involvement. Accordingly, this study developed several hypotheses to explain the direct and indirect relationships between HRM practices and organizational commitment, job satisfaction, job involvement, and service quality.

2.4 Consequences of HRM

The HRM practices can influence the organizational outcomes. It is due to the HRM practices can create structural and operational efficiencies which impact organization performance (Aggarwal & Bhargava, 2009). The HRM practices also are likely to have desired consequences on employees' attitudes and behaviours (Bowen & Ostroff, 2004; Nishii et al., 2008). Therefore, organization can use HRM practices to shape the desirable employee attitude and behaviour (Huselid, 1995; Arthur, 1994; Gong, Chang, & Cheung, 2010; Gould-Williams, 2003). A possible reason is due to the HRM practices represent the way which organization manages their employee. The HRM practices also is regarded as the organization initiative to establish conditions and harmony in employee organization relationship (Hemdi, 2009). In addition, the HRM

practices enhance employee knowledge, skills and ability to perform and provides opportunities to participate in decisions and motivates them by value and recognise their efforts (Takeuchi, 2003; Lepak et al., 2006; Takeuchi et al., 2007; Wu & Chaturvedi, 2009).

The following section will specifically explain the relationship between the HRM practices with individual and organization outcomes. At the organizational level, HRM practices influence service quality. While at the individual level, HRM practices influences the employee organizational commitment, job satisfaction and job involvement.

2.4.1 HRM Practices and Service Quality

HRM practices is relevant for employee in service settings (Liao & Chuang, 2004). It is due to the HRM practices such as training and development will provide employees the skills and knowledge that employees need to meet customer demands (deliver high quality of service and satisfied their costumer) (George, 1990). The HRM practices also can shaping practices in a service-oriented method that enable employee to be aware of all process of service delivering and service quality (Tzafirir & Gur, 2007). In addition, the HRM practices such as career development, compensation and benefits enhance employee satisfaction and wellbeing (Guest, 2002). Furthermore, the implementation of HRM practices send a signal to employees that they are viewed as valuable, and expected to deliver high quality of service (Sanders, Yang, & Li, 2019).

The link between HRM practices and service quality has empirically justified in previous studies. For instance, a study by Wickramasinghe (2015) among 402

employees of services offshore outsourcing firms in Sri Lanka reveal that the HRM practices (talent engagement and job-related training) have significant and positive effect on the service quality. Similarly, Ueno (2012) also in his study among 371 managers who were responsible for the promotion of service quality in the United Kingdom businesses reveal that there is a strong relationship between all the six HRM practices (recruitment and selection, training, performance appraisals and reward, communication, teamwork and empowerment) and services culture. The results of the study suggest that the development of service culture depends very largely on these HRM practices.

In addition, Tsaur and Lin (2004) empirically studied the relationship between HRM practices and service quality in the tourist hotels in Taiwan. The population was from the front-line employee and customers. The result of this study indicates that HRM practices (recruitment and selection, training and development compensation and performance appraisal) has direct impact on service quality. Furthermore, Chand (2010) studied the influence of HRM practices (recruitment and selection, manpower planning, job design, training and development, quality circle and pay system) on service quality at the hotel industry. The study found a positive influence of HRM practices on the improvement of service quality. Moreover, Baik, Kim and Patel (2019) found that employee's service-providing capability positively influenced by HRM practices. Recently, Rania, Rahmanb and Yusakb (2021) found that HRM practices has significant positive effect on employee performance service quality among owners/managers of manufacturing SMEs in West Malaysia. The relationship between HRM practices and the employees service providing capability was stronger when the environmental dynamism and complexity was at higher levels.

2.4.2 HRM Practices and Organizational Commitment

Becker (1960) defined organizational commitment as an individual's tendency to continue in a course of action. It reflects the individual's willingness to continue as a member of an organization. Other researchers (e.g., Porter, Steers, Mowday & Boulian, 1974; Mowday et al., 1979; Meyer & Allen, 1997) defined organizational commitment as the relative strength of an individual's identification with and involvement in a particular organization. According to this definition, organizational commitment is strength relationship and belief of employees with their organization due correspond of employee and organization goal, and willingness to participate in the organization to exchange his effort by some benefits, and strong desire to continue as member in this organization either due to cost if leaving or less of alternative. Similarly, the recent researchers (e.g., Robbins & Judge, 2018) defined organizational commitment as the degree of employee identify with organization and its goals and wishes to continue as member in this organization. In addition, Scandura (2019) defined organizational commitment as a psychological situation that describes an employee's relationship with their organization and a propensity to continue the relationship with the organization.

Meyer and Allen (1991) proposed the concept of a three-component model of organizational commitment, which is still the most popular model being used in research today (Chevalier et al., 2019b). These components are known as affective commitment, continuance commitment, and normative commitment.

Affective commitment refers to the emotional attachment of employees to the organization, which can influence organizational performance (Meyer & Allen, 1991; Pattnaik & Sahoo, 2019). Employees will enhance their emotional attachment to the organization because they want to achieve their needs (social, physical) and goals

(Mowday et al. (1979). Socially, individual wants to be gotten acceptance respect as member in the group (organization), and physically by exchange his efforts with some benefits such as salary and rewards. When employee get that, he will feel identification with that organization (Pattnaik & Sahoo, 2019). In addition, Chevalier et al., (2019) argued that when employees show emotional attachment with their organization, they will be more motivated and willing to make extra effort on the organization.

Continuance commitment refers to a commitment that is based on the costs that an employee will incur in leaving the organization or in deciding to join another organization (Meyer & Allen, 1991; Alshanti, 2017; Pattnaik & Sahoo, 2019). In other word, continuance commitment results from employees recognize possible losses (e.g. salary, seniority, promotions, other benefits) if they decide to leave the organization. When employees have a high awareness of such losses if they decide to leave the organization, then they will become committed (Meyer & Allen, 1991; Sayadi & Hayati, 2014). The association between employees and their organization are based primarily on the benefit that they receive from the organization. If the benefits offered by organization is not attractive, then the employees may leave the organization if they found better benefit in the other organization.

Normative commitment refers to the employee's feelings of obligation to remain with the organization or of loyalty to the organization (Meyer & Allen, 1991). It means that the employees who stay in organization because they feel that they should do so, they have a strong normative commitment. Normative Commitment is often reinforced by the good of organizational support, allowing employees to participate and to interact positively not only in work procedures or work implementation, but also contributing in the goals and plans development, and policy-making for the organization. In addition,

an individual's commitment and obligation to remain with the organization may stem from the personal values and principles held by the individual before or after entering the organization (Alshanti, 2017).

The influences of HRM practices on organizational commitment has received support from previous studies (e.g. Wayne, Shore & Liden, 1997; Worsfold, 1999; Meyer & Smith, 2000; Gardner Moynihan, Park, & Wright, 2001; Gould-Williams, 2004; Gould-Williams & Davies, 2005; Chew & Chan, 2008; Kooij et al., 2010; Boon et al., 2012; Ko & Smith-Walter, 2013). Gould-Williams and Davies (2005) in their study among 206 public sector employees working in seven local government departments has found that HRM practices significantly influence the employees' organizational commitment. In specific, the HRM practices that shows a significant and positive predictor of organizational commitment is trust. It means that if employees show confident that the organizational management have trust on them, they will more likely to show a committed behavior. In another study in the context of public sector, the specific HRM practices that influence organizational commitment are training and the relationship between employees and their supervisor (Gould-Williams, 2004). In addition, Chew and Chan (2008) in their study among 457 employees from nine Australian organizations revealed that organizational commitment was positively affected by HRM practices as long as employees and the organization are satisfied with the needs, expectation and preferences. In other word, employees may be tending to exert more organizational commitment when they perceive that their values and organization's values are more compatible. Therefore, the organization should carefully match the employee's personality and values with the organization's values and culture, and not only match the job requirements with the knowledge, skills, and abilities of the

employee. Moreover, another specific HRM practices that affect the employees' level of organizational commitment is known as the socially responsible human resource management (Qablan & Farmanesh, 2019).

The nature and strength of HRM practices influence on organizational commitment may be determined by how these employees perceive these practices (Meyer & Smith, 2000). Therefore, an organization can use affective HRM practices to enhance employee commitment. A possible reason is due to the HRM practices have critical influence on organizational commitment due to it provide knowledge and skills that employees need to perform their tasks, offered opportunity to practices their abilities and skills in the workplace, improve their performance through performance appraisal, and reward them to increase their level of their life. In addition, commitment is a mutual between organization and employees. When the organization has shown their commitment to their employees, the employees will feel obligated to commitment to that organization (Ko & Smith-Walter, 2013).

2.4.3 HRM Practices and Job Satisfaction

Two approaches can be used to define job satisfaction. The first approach defines job satisfaction from the perspective of needs. This approach defines job satisfaction as the difference between individual needs or what an individual expects, and how fairly he perceives he is being treated in comparison to other employees in the organization (Staples & Higgins, 1998; Küskü, 2003). This approach has been used in many studies to investigate the factors that influence job satisfaction (Karatepe et al., 2004; Ahmed et al., 2010; Ali, 2009; Smerek & Peterson, 2007;). The second approach is the

attitudinal perspective. This approach defines job satisfaction as a reflection of the employees' feelings and attitude toward their work (Spector, 1985; Spector, 1997; Rogers, Clow, & Kash, 1994; Pool, 1997; Armstrong, 2006; Robbins & Judge, 2013). Researchers have argued that the attitudinal perspective is more prevalent (Spector, 1997). Recently, the job satisfaction of an employee has been defined as a positive feeling about a job resulting from an evaluation of its characteristics (Robbins & Judge, 2018).

Organization can use two approaches to get a complete image of employee satisfaction (Spector, 1997; Robbins & Judge, 2013, 2018; Scandura, 2019). The first approach is overall job satisfaction or global feeling concerning the job. This approach can be used to determine the attitude of overall of bottom line about their job, or what the effect of employee likes their job or dislike, or how satisfied are employee about their job. The second approach is facet, which used to determine the part of the job that can produce employee satisfaction or dissatisfaction. This approach is very useful for the organization because it can determine the areas of dissatisfaction, and the organization can improve this area, and also give the organization big picture of employee's job satisfaction more than global approach. Furthermore, global job satisfaction is more related to measures job performance than the job satisfaction facets (Judge et al., 2001).

Job satisfaction has been found to be a multidimensional construct describing the emotional evaluations of employees regarding their expectations and how they well met. Spector (1994; 1997) view job satisfaction in nine dimensions (pay, promotion, supervision, fringe benefits, contingent rewards, operating conditions, co-workers, nature of work, and communication). Other scholar view job satisfaction in two

dimensions, which is intrinsic and extrinsic satisfaction (Locke 1996; Kim & Han, 2013). While Schnake (1983) conceptualized job satisfaction as three dimensions representing intrinsic, extrinsic, and social satisfaction.

Intrinsic dimension of job satisfaction emphasized psychological and emotional aspects. Sources of intrinsic satisfaction depend on the person characteristics such as attitudes towards specific aspects (Petrescu & Simmons, 2008; Bentley, Coates, Dobson, Goedegebuure & Meek, 2013; Höhle & Teichler, 2013). For example, the ability to use skills to achieve the task, work itself such as nature of challenging, difficulty and importance of the work, and the employee chances to accomplish something worthwhile.

Extrinsic satisfaction sources are situational, which depend on the environment, such as organizational climate. The extrinsic sources are more based by economists (Petrescu & Simmons, 2008) due to extrinsic dimension emphasized reward aspects. Therefore, Bentley and colleagues (2013) and Höhle and Teichler (2013) view extrinsic satisfaction as an employee satisfaction with work environment, the amount of pay employee got from organization, the fringe benefits employee receive, and additional benefits that employee get from organization.

Social satisfaction is defined as an individual channel of assessment of the psychosocial aspects of his relationships, in which interactions with other partners are easy, gratifying, fulfilling and satisfactory (Geyskens & Steenkamp, 2000). According to this definition, one member of the channel is satisfied with the results of social relationships, appreciates and respects communication with his partner on a personal level, and loves to work together as a teamwork, because he believes this partner has the interest, respect and willing to interact and exchange ideas with others. Furthermore,

social satisfaction refers to the extent of social relations in the workplace, such as the friendly treatment of individuals, the warmth and liking from management and co-workers, and the importance of respect and appreciation necessary in their social and professional interactions with each other (Cammann, Fichman, Jenkins & Klesh, 1983; Venkataramani, Labianca & Grosser, 2013). When an individual occupies central position in the network of the workgroup, this indicates that the person has received more attention and appreciation from other members in the workgroup and is appreciated and respected for his or her experience and knowledge, or personal characteristics. As being (or the target) of network links from many other members, central positions are also associated with greater social prestige.

Many scholars noted that employee's job satisfaction can be influenced by HRM practice (e.g. Eisenberger et al., 1990; Allen, Shore & Griffeth, 2003; Chow et al., 2007; Lim & Ling, 2010; Petrescu & Simmons, 2008; Gould-Williams & Mohamed, 2010; Al-Shuaibi, Subramaniam & Shamsudin, 2014; Eneizan et al., 2021). For example, Pungnirund, Techarattanasud and Mutakalin (2020) conducted a study to investigate the effect of HRM practices and job satisfaction in Bangkok, and found that HRM practices such as recruitment and selection, training and development, and compensation have a positive effect on job satisfaction through social exchange. In addition, Wang and Hwang (2011) also found that employee perception of HRM practices is significant and positively related to job satisfaction. They concluded that the HRM practices such as development management, compensation management and maintenance management are the key factors in job satisfaction. Khushk (2019) also found that HRM practices (compensation and performance evaluation) influence employee job satisfaction. The study recommends that organizational management should provide fair and equitable

compensation and performance appraisal system to enhance job satisfaction among employees. Recently, Eneizan et al. (2021) found that, job satisfaction of employees who were working as an online call centre on Jordan was influenced by human resource management practices, training, rewards and compensations found have significant influence on job satisfaction.

The possible explanation is that the HRM practice can influence employee perception of their relationship with their organization. That relationship (organization-employee) can influence employee attitude such as job satisfaction (Aggarwal & Bhargava, 2009). Furthermore, Berg (1999) noted that the HRM practices enable to generate a positive employee-organization relationship. When employees believe that organization helps them to balance their responsibilities toward their work and family, they will relatively high likely being very satisfied with their job. In addition, when the organization provide specific HR practice, it gives a signal that organization is support their employee, viewed employees as assets, value employee's contribution and taking care about their wellbeing, and seeking to establish or continue with a social exchange relationship with employees (Eisenberger et al., 1986; Allen, Shore & Griffeth, 2003). As a result, the employee more likely to give back to their organization in form of attitude such as satisfaction to benefit their organization (Eisenberger et al., 1990).

2.4.4 HRM Practices and Job Involvement

Saleh and Hosek (1976) defined job involvement as the degree to which the employee identifies with his job and participates actively in it. Organizations realize that high involvement helps employees to perform well and increases organizational

productivity (Lawler & Benson, 2010). High levels of job involvement also reduce employee turnover (Huselid & Day, 1991), tardiness and absenteeism to the lowest levels (Blau, 1986).

There is evidence to show that HRM practices influence employee job involvement. For example, Boon and colleagues (2007) found a significant and positive relationship between HRM practices and job involvement. More specifically, they found that empowerment, teamwork, reward, recognition and communication are important HRM elements that predict the job involvement of employees. In addition, KO and Smith-Walter (2013) applied the social exchange theory and found that HRM practices have a positive impact on job involvement. They discovered that HRM practices such as participation in decision making, empowerment, and communication are powerful predictors of job involvement. Furthermore, Akpan (2012), in his study involving 578 lecturers from 3 universities, showed that the lecturers' perception of HRM practices was significantly and positively related to job involvement. The study noted that factors such as suitable staff, good conditions of service, taking care of staff problems and solving them quickly can motivate and encourage lecturers to high levels of job involvement and productivity. The study also noted that the high levels of job involvement and productivity of the lecturers depended on the ability of the management to properly manage the human, material and financial resources of the university.

2.4.5 Discussion of the literature review about the consequences of HRM practices

In the literature review regarding the social mechanisms between HRM practices and service quality, there was one study that was conducted to investigate the perceptions of managers and employees of the effect of HRM practices on service quality in healthcare in one of the developing countries (Tzafrir & Gur, 2007). This study measured the employee's perspective of service quality rather than the customer's perspective. Another study by Morrison (1996) presented a conceptual framework underlining social exchange as the link for organizational citizen behaviour (OCB) between HRM practices and service quality. This conceptual framework was empirically tested by Husin, Chelladurai, and Musa (2012), who examined the indirect effect of each aspect of HRM practices on service quality at golf courses in Malaysia through organizational citizen behaviour (OCB) rather than the direct effect of HRM practices on service quality. Other studies which were conducted underlined different theories such as the resource-based view and AMO theory. It was identified that many of the previous studies were conducted in the context of the private sector such as hotels (e.g., Worsfold, 1999, Chand, 2010), healthcare (e.g., Tzafrir & Gur, 2007; Tomar & Dhiman, 2013), and other different sectors such as car rental, hospitality, retail (Browning 2006), medium and large-sized service businesses (Ueno, 2008; 2012; 2014), and golf courses (Husin, Chelladurai, & Musa, 2012). Those studies were conducted in the developed countries, but less attention was paid to the undeveloped countries.

Furthermore, the literature added another important discussion, which focused on the effect of HRM practices on employee organizational commitment, job satisfaction, and job involvement, and it was identified that the previous studies argued that under

the resource-based view, the successful implementation of business strategies require a unique set of HRM practices that will produce a unique set of employee attitudes and behaviours as employees respond to those HRM practices (Cappelli & Singh, 1992; Huselid, 1995; Arthur, 1994; Wright, Dunford & Snell, 2001; Karami, Analoui, & Cusworth, 2004; Katou, 2008; Oluwatayo, 2015; Cristiani, & Peiró, 2019). However, these studies did not explain how HRM practices produce employee attitudes and behaviours or rather, by which mechanisms HRM practices influence employee attitudes and behaviours.

Furthermore, many studies have been carried out to examine the impact of HRM practices on the attitude and behaviour of employees such as job satisfaction and organizational commitment. However, other types of commitments, such as employee commitment to the job and job involvement, did not receive much attention in those studies (Mowday, Steers, & Porter, 1979; Cohen, 1999, 2000; Takeuchi & Takeuchi, 2013), even though both organizational commitment and job involvement are considered as key factors linking HRM practices to performance (Meyer & Allen, 1997; Shore, 1989; Wegge et al., 2007; Boon, Arumugam, Safa, & Abu Bakar, 2007; Takeuchi & Takeuchi, 2013).

Nevertheless, previous studies examined the relationship between HRM practices and employee attitude separately. For example, some studies examined the effect of HRM practices on organizational commitment (e.g. Aladwan et al., 2015; Chew & Chan, 2008; Gellatly, Hunter, Currie, & Irving, 2009; Khatri & Gupta, 2015; Smeenk, Eisinga, Teelken, & Doorewaard, 2006), and the effect of HRM practices on job satisfaction (e.g. Chow, Haddad, & Singh, 2007; Lim & Ling, 2010; Petrescu et al., 2008; Gould-Williams & Mohamed, 2010; Al-Shuaibi, Subramaniam & Shamsudin,

2014). Other scholars, such as Boon et al. (2007) studied the effect of HRM practices on job involvement, and some studies investigated the effect of HRM practices on both job satisfaction and organizational commitment (e.g. Gould-Williams, 2004; Nishii, Lepak, & Schneider, 2008; Boon, Hartog, Boselie & Paauwe, 2011; Zhang & Morris, 2013), while a few studies examined the effect of HRM practices on job involvement and organizational commitment (Ko and Smith-Walter; 2013; Takeuchi & Takeuchi, 2013).

However, the three attitudinal variables have rarely been included in the same study or within a single sample (Boon, Arumugam, & Hwa, 2005), while employee attitudes such as job satisfaction, job involvement and organizational commitment have to be studied together within a single sample (Morrow, 1983, p. 497; Brooke, Russell, & Price, 1988, p. 144; Wegge et al., 2007) since employee behaviour at the workplace results from a combination of attitudes (Blau & Boal, 1987). Employees with high organizational commitment and high job involvement are more likely to be motivated at work because they value both their job and belonging to the organization (Wegge et al., 2007). In addition, employees with high job satisfaction and high job involvement are more motivated to perform their job perfectly (Wegge et al., 2007). Furthermore, scholars such as Boon, Arumugam, Safa, & Bakar (2007) have suggested that there is a great need to study the effect of HRM practices on employee attitudes in the service sectors.

Moreover, previous studies that investigated the effects of HRM practices on the organizational commitment, job satisfaction, and job involvement of employees were conducted in the private sector in developed countries, while less attention was paid to the public sector, for example, in higher education in the context of undeveloped

countries such as Yemen. According to Rabl et al. (2014) and Zhang, McNeil, Bartram, Dowling, Cavanagh, Halteh, & Bonias (2016), the effects of HRM practices on employee attitude and behaviour differ according to the country, since the culture varies from one country to another, as well as the managerial discretion in understanding HRM practices. Therefore, based on the previous discussion, the following hypothesis was proposed:

Hypothesis 1. HRM practices is positively related to service quality

Hypothesis 2. HRM practices is positively related to organizational commitment

Hypothesis 3. HRM practices is positively related to job satisfaction

Hypothesis 4. HRM practices is positively related to job involvement

2.5 The Concept of Service Quality

Services are economic activities performed by one party to another. Often time-based, these performances bring about desired results to recipients, objects, or other assets. In exchange for money, time, and effort, service customers expect value from access to labour, skills, expertise, goods, facilities, networks, and systems (Wirtz & Lovelock, 2016). However, they do not normally take ownership of the physical elements involved. Recently Zeithaml, Bitner, and Gremler, (2017) proposed that services are deeds, processes, and performances provided, coproduced or cocreated by one entity or person for and/or with another entity or person.

On the other hand, the definition of quality has developed from “quality is excellence”, to “quality is value”, to “quality is conformance to specifications”, to

“conformance to requirements”, to “fitness for use” to “quality is meeting and/or exceeding customers’ expectations” (Reeves & Bednar, 1994; Pariseau & McDaniel, 1997). The definitions “quality is excellence” and “quality is value” give academics and practitioners little help in the assessment of quality. While the definitions “quality is conformance to specifications”, “conformance to requirements”, and “fitness for use” is more appropriately used in assessing product quality. In addition, the definition “quality is meeting and/or exceeding customers’ expectations” has been argued as appropriate for use in the service arena (Pariseau & McDaniel (1997).

In service organizations, the implementation of service is accomplished through the frontline employees. Because the delivery of service occurs during interactions between frontline employees and customer (the service encounter), the attitudes, behaviours, skills, and personality of the frontline employees can influence customer’ perceptions of service quality (Sarkey et al., 2013). Therefore, service organizations have been seeking ways to effectively manage their frontline employees to ensure that employee’s attitudes, behaviours, and personality meet or exceed the customers’ expectation of service quality (Sarkey et al., 2013).

Service quality is the gap between customers’ expectation of service and their perception of the service experience (Parasuraman et al., 1985). In other word, the customers’ opinion of service quality is formed by an internal comparison of performance with expectations (Parasuraman, Zeithaml & Berry, 1988). Other researchers also defined service quality as the customer’s perception of service performance meets or exceeds their expectation of what the service firm should do. The key to service quality then is to meet or exceed consumer expectations (Pariseau & McDaniel, 1997).

Service quality is more complicated and difficult for customers to evaluate as compare to tangible goods quality. It is due to the service quality perceptions are not only based on the outcomes from comparison the actual service performance with consumer expectations, but it is also involved evaluations of the process of service delivery (Parasuraman et al., 1985).

2.5.1 Service Quality Models

There are two models the most widely accepted and used by researchers (Samat, Ramayah & Saad, 2006; Ooi, Lin, Tan, & Chong, 2011). The first is the SERVQUAL model by Parasuraman and colleagues (1988), while the second is the technical/functional quality framework by Gronroos (1983, 1990).

Parasuraman and colleagues (1985, 1988) in their research proposed the SERVQUAL model based on the interpretation of qualitative data from extensive explanatory research performed in four service businesses. The objective of this model is to measure customer expectations of service quality from different sides and customer perceptions of the service they received from the service organization (Lassar et al., 2000). According to this model, the customers will consider five elements in their assessment of service. First, tangibles, which include goods facilities, conditions of equipment, and appearance of personnel (Ghobadian & Jones, 1994). Second, empathy, which refer to caring, make attention to the interest of the costumer, and understand the needs of the costumer. Third, responsiveness, which refer to the employee willingness to help customers when they face any problem in provide prompt service. Fourth, reliability, which refer to employee ability to perform the promised service on time, dependably and accurately. Fifth, assurance, which refer to knowledge and courtesy of employees, and their ability to convey trust and confidence.

On the other hand, the technical/functional model of service quality is focused on two aspects. First, the technical quality which involves what is provided. Second, functional quality which measures how it is provided (Gronroos, 1983, 1990, 2001). The two dimensions of service performance (technical and functional quality) are compared to the customers' expectations and eventually the customer has their own service quality perceptions, which consists of service culture and service process. The Gronroos model has received a lot of attention recently even though it has not been utilized or tested to the extent of the SERVQUAL model (Anderson et al., 1994). For example, technical quality might include the effectiveness of a car repair, the cleanliness of a hotel room, and the effectiveness and quality of diagnoses and medical procedures at a hospital. To the contrary, functional quality might include the care and manner of the personnel involved in service delivery processes (Lassar et al., 2000).

In this study, the SERVQUAL model by Parasuraman and colleagues (1988) has been used as an underpinning theory to define service quality. This model has been also used by many studies to define service quality (e.g., Chand, 2010; Beigi & Shirmohammadi, 2011; Zumrah, 2014; Kumar & Charles, 2010, Bashir, 2011).

2.5.2 Significant of Service Quality

Service industries are playing an increasingly important role to the economy of many countries. The services sector's share in both production and employment. It has been growing in the last 20 years in most of Organisation for Economic Co-operation and Development countries (OECD). For example, services sectors now account for two thirds of United Kingdom (UK) Gross Domestic Product (GDP), and three out four of employees are engaged in providing services (Bank of England, 2014). Similarly, the services sector in the United State is the most important for employment. In specific,

the Professional and Business Services, and Education and Health Services is accounted the highest growing rate of employment in 2015 (Bureau of Labor Statistics, 2017).

2.5.2.1 Significant of Service Quality for an Organization

Service quality has been linked with increased profitability and can help an organization to differentiate itself from other organizations. It gains an important competitive advantage by generating repeat sales, customer loyalty and competitive product differentiation (Abdullah, 2006; Ghobadian et al., 1994). Academics and Practitioners alike have found that providing a high level of service quality can protected the organization and potential to earn higher market share, and the opportunity to attain a competitive price premium (Parasuraman et al., 1994).

Many scholars discussed the significant relationship between service quality and customer satisfaction (e.g. Parasuraman et al. 1985; Parasuraman, Zeithaml and Berry 1988; Chand, 2010). This is because the customer satisfaction is one of the most important elements that has many benefits for business organizations. For example, customer who is satisfied about service quality maybe become loyal to the organization, and maybe not only purchase services again, but also passed positive word-of-mouth about the organization (Min, Min & Chung, 2002; Chand, 2010). Positive word of mouth can be a very powerful tool for attracting new customers (Horovitz, 1990; Ghobadian et al., 1994). On the other hand, dissatisfied customers with a service will reveal their experiences to other people. Negative word of mouth can have a devastating impact on the credibility and effectiveness of organizations' efforts to attract new customers (Horovitz, 1990; Ghobadian et al., 1994).

Furthermore, Chand (2010) found that, service quality has significant relationship with organizational performance such as sales growth, market share, profitability, sales volume, overall assessment, and market share within industry.

2.5.2.2 Significant of Service Quality for an Employee

Armstrong (2006) argued that employees will be satisfied if they reached a goal through a positive performance. Therefore, when employee deliver the desire level of service quality, they will be satisfied in their work, which in turn increase their life satisfaction (Rice, Near & Hunt, 1980; Judge, et al., 2001).

In addition, when employee deliver the good level of service quality, their organization will provide them with three kind of compensation. First, the base-compensation (it is fixed pay to the employee). Second, the motivation pays (profit sharing and bonuses). Third, an indirect compensation (vacation, health insurance and unemployment compensation).

2.6 Factors Influence Service Quality

There are many factors that influence service quality. For instance, Hsieh, Yih-Ming and Hsieh (2001) conducted empirical study to examine the relationship between job standardisation and service quality from service contact- employee and customer at 35 service-oriented firms in Taiwan. The results reveal that standardisation of job is positively related to the perception of service quality, and customers who does not have familiarity with a service believe standardisation of job influences service quality. In addition, Zumrah, Boyle and Fein (2013) carried out an empirical study aimed to explore the relationship between transfer of training on service quality in Malaysian

public sector. The findings reveal that transfer of training is positively and significantly associated with service quality. However, Dean (2004) reviewed the empirical evidence of links between organizational features, employee work attitude and behaviour, service quality, customer outcomes and financial outcomes. Based on the review, the study found that the main factor that influence service quality is the employee work attitude and behaviour. Therefore, this study includes the specific work attitude and behaviour such as organizational commitment, job satisfaction and job involvement as details below.

2.6.1 Organizational Commitment

Service organization such as banking, hotels, education, and insurance are giving more attention to employees to achieve the organization's goals (i.e., desired profit and market share). It is due to the delivery level of service quality is determined by interaction between employee and customer through service encounter (Malhotra & Mukherjee, 2004; Ferrell & Hartline, 1996).

Therefore, the management of service organizations should take care of their employees and treat them as strategic partners. For instance, empowered them to help customers or solve a problem (Karatepe & Karadas, 2012; Congram & Friedman, 1991). In addition, the management also should improve the employee's willingness to involve in discretionary effort (Zeithaml et al., 1990) and their willingness to accept, value and support organizational goals, which can influence the level of quality of service delivered to the customer (Boshoff & Tait, 1996). It will be more difficult to delivering the desirable level of service quality when the employees unwilling (not motivated) to

exert any additional effort or not have the required skills and knowledge (not trained) to contribute to improve service quality.

Furthermore, the commitment of customer contact employees is very important and organization should exert great emphasis on this aspect because it will positively effects behaviour that related to work and practices desired of service encounter (González & Garazo, 2006; Mathieu & Zajac, 1990).

Iverson, McLeod and Erwin (1996) found that organizational commitment has significant and positive influence on employee perception of accomplishment of service. In specific, they found that organizational commitment and trust have significant impact on organizational acceptance of change, and acceptance of change can reflect employee willingness to adopt new practices that can enhance the service quality delivery. Iverson and colleagues (1996) reported that some employees stay in their organization or stay in the profession because their interest in the service quality they provide to their customer.

Malhotra and Mukherjee (2004) empirically study the influence of organizational commitment on service quality among customer contact staffs in the call centres in the banking industry. They used questionnaires to collect the data from 342 employees who contacting directly with customer of the Four banks in United Kingdom over the phone. The results shown that organizational commitment of bank's employees have a significant influence on delivering service quality. The results also found that the component affective commitment more important in determining service quality than job satisfaction of customer contact employees. In the early study, Malhotra and Mukherjee (2003) found that continuance commitment and affective commitment of branches employees have positive and significant impact on service quality. While in

call centre employees, affective commitment only found have significantly influence on service quality. While in both branches and call centre do not found any significant impact of normative commitment on service quality. The study conclude that each component of organizational commitment has different impact on service quality.

Furthermore, Kansal (2012) studied the influence of organizational commitment of employees who daily contact organization's customer on delivered quality of service to the customer. The study indicate that continuance and affective commitment show insignificant relationship with service quality. However, there is a significant relationship between normative commitment and service quality. Kansal (2012) suggested that normative commitment of customer contact employees will improve the service quality level delivering to the customer.

Chu, Tseng and Tsai (2014) suggested that organization elements such as affective organizational commitment of frontline employees and organizational communication have significant and positive impact on service quality through service delivery.

Wong and Cheung (2014) conducted study to measure the impact of organizational commitment on the service quality which provided by customer contact staff in Hong Kong banks. They used multiple regression analysis to analyse data from 109 employee. They found out that an affective commitment is more contributing to service quality than extrinsic job satisfaction and normative and continuance commitment.

Ashill, Rod and Carruthers (2008) in their study on service organization in public sector in New Zealand found that commitment of management to service quality has

beneficial influence on organizational commitment of frontline employees. They also found that organizational commitment significantly influences service quality performance.

Little and Dean (2006) found that employee's organizational commitment has positive correlation to employee capability to deliver service quality. They suggest that increasing employee's organizational commitment is likely to contribute to value feeling of employees and as consequently delivering high level of service quality to the customer. They also found that global service climate has direct positive relationship to service quality capability through employee commitment. The study conclude that the way employee treated by their organization will influence the attitude and feeling of employees, which in turn can improve the capability of employees to deliver service quality.

Furthermore, Thornhill and colleagues (1998) found that organizational commitment of higher education employees have significant relationship to achieve high level of quality.

Tsai and Wu (2011) study the mediating effect of organizational commitment between internal marketing and service quality in sample 288 employees from three regional hospitals in Taiwan. Internal marketing plays critical role on both organizational commitment and service quality. The authors argued that internal marketing is great tools to enhance organizational commitment and consequences improved service quality.

Recently, Heydari and Lai (2019) investigate the direct effect of employee commitment and organizational politics on service quality on sample of 223 employees

in Guangdong hospitality industry. They found that employee commitment has a direct effect on service quality. A possible reason is due to the employee's organizational commitment is likely to contribute to value feeling of employees and as consequently delivering high level of service quality to the customer.

2.6.2 Job Satisfaction

Employees can have thousands of attitudes that can be occur within workplace. Some of these attitudes may be positive or negative (Bowen & Shoemaker, 1998). Positive attitudes indicate job satisfaction, while negative attitudes indicate dissatisfaction (Armstrong, 2006; Robbins & Judge, 2013).

Küskü (2003) states that when employees are satisfied with their job, concordant with supervisor and satisfied with all environment they work in, they will be more productivity. In other words, when employees satisfied with their job, they will take care about their performance, and do everything that will benefit the organization. On the other hand, when employees dissatisfied, they will not take care about their job performance, or may be cause in damage many businesses and that will cost organizations huge amount of dollars every day (Deng & King, 2013).

In addition, job satisfaction become very important element, particularly to the organization that based on service oriented. It is due to the service organizations will face difficulty to deliver good service quality to their customer when their employees dissatisfied or not happy (Zeithaml, Berry & Parasuraman, 1996). Therefore, increasing job satisfaction for employee will lead to enhance service quality to the customer (Rogers et al., 1994; Malhotra & Mukherjee, 2004; Trivellas & Dargenidou, 2009;

Waqas et al., 2012). Yee and colleagues (2008) and Tahernejad and colleagues (2013) empirically examined the effect of job satisfaction on service quality, satisfaction of customer and profitability of the organization. Both studies found that job satisfaction strongly correlated to service quality, customer satisfaction, and organization profitability.

Wong and Cheung (2014) found that intrinsic job satisfaction is more contributing to service quality than extrinsic job satisfaction. A study by Kim and Han (2013) among 283 subway station employees and users of DMTC in Korea has found that job satisfaction has partly influence on service quality. It is due to only three elements of job satisfaction (pay and benefits, co-worker's relationships, and performance appraisal) have significant influence on service quality, while workplace environment, relationship with supervisor and job content had not significant effects. In another study by Trivellas and Dargenidou (2009) academic and administration staff at the Larissa University shown that the elements of job satisfaction (job enrichment, human relations, job outcomes and environment of working) have significant and positively relation with administration quality. Only two elements of job satisfaction, which are job outcomes and environment of working show significant and positive association with quality of teaching.

The possible reason to justify the link between job satisfaction and service quality is because the job satisfaction will lead to increase employee efficiency and effectiveness on the job (Bontis et al., 2011). Job satisfaction also is a positive reflection by employees toward their organizational practices and procedures (e.g., compensation, reward, work life balance). Such positive reflection will motivate employees to achieve the organizational goal (i.e., providing good service quality to the customer) (Schneider,

Parkington & Buxton, 1980). In addition, when frontline employee satisfied in their job, the level of role conflict will be least, or disappeared, and the employee are likely to engage in deliver better service quality (Karatepe et al., 2004).

2.6.3 Job Involvement

Job involvement is one of the positive work attitudes and behaviour. Autonomy given to employee to make decision, management support, multifunctional team structure, a sense of strong culture and reward risk taking behaviour were the effective instruments role to involved employee in organization (Awais et al., 2014).

Dundon and colleagues (2004) claimed that employee job involvement can provide beneficial influence on the quality and productivity in organization. While Keller (1997) in his study among employees of research and development organizations (chemicals, energy, electronics, and scientific instruments industry) found that job involvement is a good predictor of quality performance, quantity of performance and total performance. In addition, Babin and Boles (1996) found that increasing the job involvement can increase job satisfaction. Employee who are highly involved to their job is likely to be more satisfied with his/her job. A possible reason is due to the employee's job involvement can take away some problem that otherwise might explode. Employee also exert more effort if their job involvement is increasing by more control and voice in their work and get more responsibility in work (Pfeffer & Veiga, 1999). Furthermore, Tipu (2014) noted that employee job involvement plays a critical role in developing service product innovations.

Job involvement also is essential for service quality. A study among 380 employees from Railway Company in Iran shown that the customers perception about service quality influenced by management commitment to service quality and employee involvement (Babaeiahari et al., 2012). The study concluded that encouraging job involvement (e.g., value employee, increase their participation, and establish good relationship with them) can increase customer's perception of service quality. On the other hand, if organizations failed to enhance job involvement of their employees, this could lead to dissatisfaction and unwillingness to exert the necessary effort to provide the desired level of quality of service to the customers (Beheshtifar & Emambakhsh, 2015).

In the review of the literature regarding the factors that affect service quality, it was found that there was a lack of studies that considered the effect of the organizational commitment, job satisfaction, and job involvement of employees on service quality. For example, some studies examined the effect of organizational commitment on service quality (e.g. Thornhill et al., 1998; Malhotra and Mukherjee, 2003; Little and Dean, 2006; Tsai & Wu, 2011; Kansal, 2012; Chu, Tseng & Tsai, 2014; Hadian, 2017; Heydari & Lai; 2019), and others examined the effect of job satisfaction on service quality (e.g. Trivellas & Dargenidou, 2009; Waqas et al., 2012; Kim and Han, 2013), while it was found that there were few studies in the literature that examined the effects of both organizational commitment and job satisfaction on service quality (e.g. Malhotra & Mukherjee, 2004; Ashill et al., 2008; Wong & Cheung, 2014).

Nevertheless, most of these studies were conducted in different sectors such as in the banking, healthcare, and hotel industries, and in developing countries such as Korea (e.g. Kim and Han, 2013; Wong and Cheung, 2014), the United Kingdom (e.g.

Thornhill et al., 1998; Malhotra and Mukherjee, 2003, 2004), Australia (e.g. Little and Dean, 2006), New Zealand (e.g. Ashill et al., 2008), Malaysia (e.g. Zumrah et al., 2013), Taiwan, China (e.g. Tsai & Wu, 2011; Chu, Tseng & Tsai, 2014; Heydari & Lai, 2019), Greece (e.g. Trivellas and Dargenidou, 2009), Pakistan (e.g. Waqas et al., 2012), India (e.g. Kansal, 2012), and Indonesia (e.g. Hadian, 2017). Moreover, most of these studies measured service quality from the employee's perspective rather than from the customer's perspective, thereby still leaving unclear the effect of employee attitude such as organizational commitment, job satisfaction and job involvement on actual service quality that performed by employees. Furthermore, the previous studies did not explain how and by which mechanism employee attitudes affect service quality, thus, giving rise to an incomplete understanding of the relationship between employee attitude and service quality. Based on the previous discussion, the following hypothesis was proposed:

Hypothesis 5: Organizational commitment is positively related to service quality

Hypothesis 6: Job satisfaction is positively related to service quality

Hypothesis 7: Job involvement is positively related to service quality

2.7 The Mediating Effect of Organizational Commitment, Job Satisfaction and Job Involvement in the relationship between HRM Practices and Service Quality

Scholars (e.g. Ostroff & Bowen, 2000; Collins & Smith, 2006; Tzafrir & Gur, 2007; Takeuchi, Chen & Lepak, 2009) proposed that the HRM practices will influence individual or organizational performance through different social mechanisms (employee work attitudes and behaviors). Based on this argument, this study proposed

organizational commitment, job satisfaction and job involvement will mediate the relationship between HRM practices and individual performance (in this study known as service quality) as details below.

2.7.1 Mediating effect of Organizational Commitment in the Relationship between HRM Practices and Service Quality

As discussed earlier in Section 2.4.1, HRM practices influence service quality through social exchange (Tzafrir and Gur, 2007), and previous studies found significant impact of HRM practices on service quality (e.g. Wirtz et al., 2008; Ueno, 2012; UEN et al., 2012; Tzafrir and Gur, 2007; Tomar and Dhiman, 2013; Li et al., 2008; Browning, 2006; Tsaur and Lin, 2002; Zerbe et al., 1998; Worsfold, 1999; Morrison, 1996; Husin et al., 2012; Tzafrir and Gur, 2007; Jago and Deery, 2002). Passable reason is that, organization offered HRM practices to create positive social exchanges, by offers practices to develop employee knowledge, skills and ability, and take care about employee's wellbeing, then employees become motivated to exchange that by expend equal or more efforts to benefit that organization, such as delivering high level of quality service.

As discussed earlier in Section 2.4.2, HRM practices can enhance employees' organizational commitment. It is due to the HRM practices represent organization initiative to establish harmony relationship with employee (Hemdi, 2009). A good relationship between employees and organization can influence the employee organizational commitment (Aggarwal & Bhargava, 2009). In addition, the HRM practices is perceived by employees as commitment from their organization to cares

about their wellbeing, and recognition of their contribution. As a result, employee will feel obligated to offer great commitment to their organization (Kooij et al., 2013; Ko & Walter, 2013).

On the other hand, as discussed previously in section 2.6.1, there are many studies have provided evidence about the significant impact of organizational commitment on service quality (Wong & Cheung, 2014; Hadian, 2017; Heydari & Lai, 2019). Organizational commitment of employees influences service quality because it will positively effects behaviour that related to work and practices desired of service encounter (Gonzalez & Garazo, 2006). Increasing employee's organizational commitment also is likely to contribute to value feeling of employees and as consequently delivering high level of service quality to the customer (Little & Dean, 2006; Ashill et al., 2008).

The discussion on previous paragraphs have provide justification about the link between HRM practices and service quality, the link between HRM practices and organizational commitment, and the link between organizational commitment and service quality. These three scenarios fulfil the necessary conditions to establish the mediating effect (Baron & Kenny, 1986; Kenny et al., 1998; Noor, 2011; Villanueva & Djurkovic, 2009; Zumrah, 2012). Therefore, this study assumes that organizational commitment mediates the relationship between HRM practices and service quality in higher education sector. This assumption also is based on the evidence that recognized organizational commitment can play the role as a mediator (Tsai & Wu, 2011). For example, Ko and Smith-Walter (2013) found that employee's organizational commitment mediates the relationship between HRM practices and public

organizational outcomes that stem from a positive social exchange. Thus, the following hypothesis is proposed:

Hypothesis 8: Organizational commitment mediates the relationship between HRM practices and service quality

2.7.2 Mediating effect of Job Satisfaction in the Relationship between HRM Practices and Service Quality

As discussed earlier in Section 2.4.1, for the effect of HRM practices on service quality through social exchange (Tzafrir and Gur, 2007), and conformed this effect by previous studies (e.g. Wirtz et al., 2008; Ueno, 2012; UEN et al., 2012; Tzafrir and Gur, 2007; Tomar and Dhiman, 2013; Li et al., 2008; Browning, 2006; Tsaur and Lin, 2002; Zerbe et al., 1998; Worsfold, 1999; Morrison, 1996; Husin et al., 2012; Tzafrir and Gur, 2007; Jago and Deery, 2002). due to employees reciprocate the initiative of organization by offered HRM practices by expend equal or more efforts to benefit that organization, such as delivering high level of quality service.

Based on previous discussion in Section 2.4.3, HRM practices have significant and positive influence on job satisfaction (Kooij et al., 2010; Boon et al., 2012; Khushk, 2019). In fact, Wang and Hwang (2011) concluded that HRM practices are the key factors in job satisfaction. The possible reason is due to when employees feel HRM practices provided to support them and recognize their effort and increase their wellbeing, then employees reciprocate that by positive attitude such as job satisfaction (Gardner et al., 2001; Gould-Williams, 2003).

The previous section 2.6.2 also documented that employee's job satisfaction is very important element to delivering required level of service quality (Helkkula & Aarikka-Stenroos, 2015; Oh & Kim, 2017). It means that when employees satisfied in their organization, is become very simple for organizations to deliver good service quality to their customer. On the contrary, when employees dissatisfied or not happy in their work, delivering desirable level of service quality be almost impossible (Zeithaml, 1996). A possible reason is due to employee's perceptions of organizational practices and procedures reflected the customer's perception toward service quality (Schneider, Parkington, & Buxton, 1980).

The previous discussion provide evidence about the relationship between HRM practices and employees job satisfaction, and relationship between job satisfaction and service quality. Those perspectives are necessary and sufficient to establish the mediation effect (Baron & Kenny, 1986; Kenny et al., 1998; Noor, 2011; Villanueva & Djurkovic, 2009; Zumrah, 2012). Therefore, the current study assume that job satisfaction mediate the relationship between HRM practices and service quality. This assumption also is based on the evidence that recognized job satisfaction can play the role as a mediator (Babaeiahari et al., 2012; Taotao & Bingxiang, 2020). Thus, the following hypothesis is proposed:

Hypothesis 9: Job satisfaction mediates the relationship between HRM practices and service quality.

2.7.3 Mediating effect of Job Involvement in the Relationship between HRM Practices and Service Quality

previous section 2.4.1, shows the effect of HRM practices on service quality through social exchange (Tzafrir and Gur, 2007), due to employees reciprocate the initiative of organization by offered HRM practices by expend equal or more efforts to benefit that organization, such as delivering high level of quality service. and this relationship conformed by previous studies (e.g. Wirtz et al., 2008; Ueno, 2012; Tomar and Dhiman, 2013; Li et al., 2008; Browning, 2006; Tsaur and Lin, 2002; Husin et al., 2012).

Pervious section 2.4.4 shows that job involvement influenced by HRM practices (Akpan, 2012; Huang et al, 2016). A possible reason is due to when organizations take care about employee well-being (through training and development and compensation), employee will reciprocate that through positive attitude and behaviour such as job involvement (Eisenberger & Huntington, 1986).

On the other hand, the previous section 2.6.3 also argue that job involvement has important role in influence service quality (Beheshtifar & Emambakhsh, 2015). A possible reason due to employee exert more effort when they have high level of job involvement (Pfeffer & Veiga, 1999). Another reason is because job involvement can enhance employee level of satisfaction toward the organization and consequently able to produce quality service to customers (Babaeiahari et al., 2012).

The previous discussions have shown direct influence of HRM practices on job involvement, and job involvement on service quality. Such scenarios are necessary conditions to establish the mediating variable (Baron & Kenny, 1986; Kenny et al.,

1998; Noor, 2011; Villanueva & Djurkovic, 2009; Zumrah, 2012). Therefore, this study assume that job involvement could mediate the relationship between HRM practices and service quality. This assumption also is based on the evidence that recognized job involvement can play the role as a mediator (Cheung & To, 2010; Babaeiahari et al., 2012). Thus, the following hypothesis is proposed:

Hypothesis 10: Job involvement mediates the relationship between HRM practices and service quality

2.8 Summary of Hypotheses

Based on previous discussions in Section 4, 6 and 7, below are the summary of proposed hypotheses in this study (see Table 2.1).

Table 2.1. Summary of Hypotheses

Hypothesis	Statement
H1	HRM practices is positively related to service quality
H2	HRM practices is positively related to organizational commitment
H3	HRM practices is positively related to job satisfaction
H4	HRM practices is positively related to job involvement
H5	Organizational commitment is positively related to service quality
H6	Job satisfaction is positively related to service quality

H7	Job involvement is positively related to service quality
H8	Organizational commitment mediates the relationship between HRM practices and service quality
H9	Job satisfaction mediates the relationship between HRM practices and service quality
H10	Job involvement mediates the relationship between HRM practices and service quality

2.9 Conceptual Framework of the Study

Figure 2.1 shows the conceptual framework for this study. The framework connected the variables of HRM practices, organisational commitment, job satisfaction, job involvement, and service quality together based on the proposed hypotheses (see Table 2.1). The framework assumes that HRM practices could influence organizational commitment, job satisfaction, job involvement and service quality. In addition, the framework also assumes that organizational commitment, job satisfaction and job involvement could influence service quality. Finally, the framework assumes that organizational commitment, job satisfaction, job involvement could mediate the relationship between HRM practices and service quality.

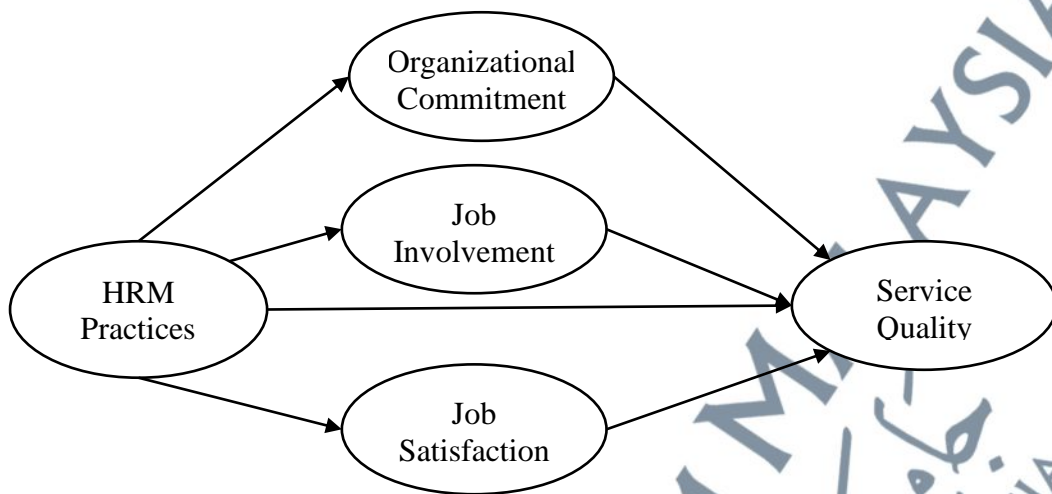


Figure 2.1: Conceptual Framework

2.10. Chapter Summary

This chapter has provided a discussion about the literature review for human resource management (HRM) practices and service quality. Regarding HRM practices, the chapter has reviewed the concept of human resource management and its practices, the theories of HRM and the consequences of HRM practices. Regarding service quality, this chapter has provided a discussion about the concept of service quality, the model of service quality, the significant of service quality and the factors that influence service quality. In the end, the chapter explain the summary of proposed hypotheses and the conceptual framework of this study. The next Chapter Three will provide a discussion about the methodological aspect of this study.