EFFECT OF HUMAN RESOURCE MANAGEMENT, ORGANIZATION COMMITMENT AND ORGANIZATION CLIMATE TOWARD THE PERFORMANCE OF EMPLOYEES AT REGIONAL EXCISE OFFICE 5, THAILAND

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Abstract- The purpose of this research was to study the human resource management, organization commitment, organization climate and performance including effect of human resource management, organization commitment and organization climate toward the performance of employees at Regional Excise Office 5. It was survey research. The population was 267 employees from Regional Excise Office 5.

The research tool in collecting data was questionnaire format. It was the survey research with descriptive statistics to analyze the frequency, percentage, means, standard deviation and inferential statistics of Smart PLS. technique. The research outcome revealed that the majority of population were female and male in similar proportion, with the average age of 26 - 35 years old, with the married status, with undergraduate as majority education level, with working experience over 10 years, with the monthly income between 10,001 – 15,000Bath, with workers at state offices. The level of opinion was at high level on all factors with human resource management, organization commitment, organization climate and performance of employees.

The outcomes of the structure equation model analysis revealed that human resource management had highest effect toward organization climate, followed by the organization commitment and performance, organization commitment had highest direct effect toward performance and organization climate had direct effect toward performance. The statistical significant level of 0.05

Keywords- Human Resource Management, Organization Commitment, Organization Climate, Performance.

I. INTRODUCTION

Globalization affects both the internal and external environment of the country to change rapidly. Both government and private organizations must adjust work methods to increase the working capacities (potentials) according to the appropriate context of the economy, politics, society and technology. Whether each organization can continue functioning to succeed according to the specified goals or not depends on the quantity and quality of 4 basic factors/inputs in the operations i.e. man, money, materials and method that each organization has (Bateman and Smell, 2002, p. 14) and human resource is the most important resource of the organization who drives mechanics and activity according to the organizational mission. So human resource management is the process that the executives take various principles to apply so the organization has qualified employees to work sufficiently and continuously and allows the organization to operate efficiently, effectively and achieve the specified goals (Waewmayuraa Khamsuk and Morakot Kamphaengpetch, 2014, pp. 229-242). Apart from human resource management, there is another important thing that the organization must do along with it. That is the building of conscience so the personnel in the organization have commitment, honesty and loyalty to cooperate and work for the organization forever. If the organization expects and wants the employees in the organization to be able to work like that, it is necessary to have many supplementary factors to urge and push the employees to have commitment to the organization (Wilawan Rapeepisarn, 2006, p. 261). Organization climate is important concerning the executives and employees that affects working behaviors of the employees (Pasu Decharin, 2005, p. 12). Building a good organizational climate will make the employees have love, harmony, understanding each other, morale and happy to work willingly with creative thinking in work and can reduce conflicts (Charnchai Arjinsamajarn, 2001, p. 7).

Regional Excise Office 5 is an office under the Department of Excise, Ministry of Finance, with the roles, duties and responsibilities of preventing and suppressing excise law wrong-doings and collect taxes from merchandises and services especially necessary to be the incomes for the government. During the fiscal year of 2013-2015, this office collected incomes higher than the target specified by the Department of Excise but it found that the proportion of income collection of excise taxes was decreasing continuously (Regional Excise Office 5, 2016).

At present, apart from the main duty of collecting excise taxes, the Regional Excise Office 5 has to do according to governmental rush policies but it has found a problem in the human resource management:

there are not enough personnel both at the executive level and operation level because of retirement. The Department of Excise has allocated some government staff and temporary workers to help the government officials to work (Department of Excise, 2015) but if these employees do not have organizational commitment, there will be more absenteeism, low performance and not loyal to the organization (Newstrom and Davis, 1993, p. 98) or they may not be satisfied with the organizational climate leading to unwilling and not committed to work, lacking motivation and enthusiasm in working (Pasu Decharin, 2015, p. 12) that may create slow performance and not achieving the specified goals.

II. RESEARCH METHOD

2.1. **Population** : The population was the government staff, permanent and temporary workers under Office of Area Excise, Regional Excise 5 totaled 267 persons using descriptive statistics for e, percentage, means (μ) and standard deviations (σ.) and inferential statistics to analyze with the structural equation using Smart PLS technique.

2.2 Research Tool : This was a survey research and the research tool was a questionnaire which divided into 2 parts: demographic information of the respondents and 4 variables: human resource management, organizational commitment, organizational climate and performance.

There was a verification of the tool for reliability calculating for Cronbac's alpha coefficient of all variables and using Likert's Rating Scale (Likert, 1970, p.76) of 5 levels: Highest, High, Medium, Low and Lowest.

III. RESULTS AND DISCUSSION

3.1 Research Findings

Part 1 Demographic information of the respondents: It was found that the female and male were in the same proportion with the average ages of 26-35 years old, with married status, with undergraduate degree as the majority of education level, with over 10 years working experience with the average monthly income between 10,001-15,000 Baht and with the status of temporary state workers.

Results of descriptive statistic analysis found the overall picture of all the factors at a high level with the organizational commitment highest average of 4.13 followed by performance's average of 4.11, human resource management average of 3.81 and organizational climate average of 3.75 respectively.

Part 2 Results of structural equation analysis

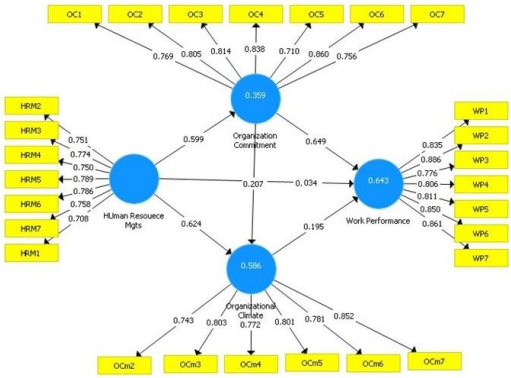


Fig. 1. Structural equation Analysis using Smart PLS Version 3.0.

Figure 1 shows the results of structural equation analysis of every variable. It was found that human resource management had influence directly over the organizational climate the most with the coefficient distance =0.624 followed by the organizational commitment with the coefficient distance of 0.599 and the performance had the coefficient distance of 0.034 respectively. The human resource management had indirectly influence over the performance through the organizational climate and organizational commitment with the coefficient distance of 0.534 and had indirect influence over the organizational climate through organizational commitment with the coefficient distance of 0.124.

Organizational commitment had direct influence toward performance the most with the coefficient distance = 0.649 followed by organizational climate with the coefficient distance of 0.207 and organizational commitment had indirect influence toward performance through organizational climate with the coefficient distance of 0.040 and had the coefficient showing decision making (R square) = 0.359. Organizational climate had the direct influence on the performance with the coefficient distance of 0.195 with the coefficient showing the decision making (R square) =0.586.

3.2. DISCUSSION

The structural equation analysis found that:

1. Human resource management has influence over organizational commitment because human resource management has the process concerning the keeping and retaining quality personnel to have organizational commitment while working in the organization. This relates to the research by Supattra Thannorm (2012) which found human resource recruitment, human resource award giving and human resource retaining and preventing relate to organizational commitment of La Salle School's personnel.

2. Human resource management has influence on organizational climate because human y resource management is a process concerning all levels of personnel that relates to a research by Thanita Auamchim (2014) that found human resource management affected organizational climate in schools under the Office of Area Education Primary Education Prachub kirikhan Area 1.
3. Organizational commitment has influence over performance because organizational commitment is the person's feeling that the person is a part of the organization and creates intention to work well, commit knowledge and ability to push the work to the target and that agrees with the research conducted by Siriampai Pipatpong (2009) that found working of government workers at the Department of Social Development and Welfare, Ministry of Social Development and Human Security related to organizational commitment of the government workers: working positively related to commitment at the medium in all sides.
4. Organizational climate has influence over working because organizational climate is an important part in linking work environment with behaviors and attitudes of the personnel. If the organizational climate is good, it can urge the personnel to have a good attitude and satisfaction in the assigned job and that relates to Ratchada Palasoon's (2014) research which found organizational climate and work efficiency of the staff's working of Royal Can Industries Co. Ltd. positively related.
5. Human resource management has influence over performance because the organizational executives use and adapt various strategies in the human resource management suitably that helps the organization to have personnel with knowledge and abilities that affect performance and agrees with the idea of Raymond Noe, et al. (2005) who concluded that human resource management was working methodological policy and system that had influence on behavior, attitude and performance of the staff.
6. Organizational commitment has influence on organizational climate because organizational commitment resulted from the good relationship among the organizational personnel while working together, accepting and helping each other creating a good atmosphere while working and that in congruent with the research of Orumaa Chamruaykhruawan (2009) that found organizational climate positively related to organizational commitment of the staff at a merchandise distribution center, Wang noi district, Pranakhon Sri Ayuthaya province.

3.3. Recommendations

1. Human resource management found the employees thought the organization gave knowledge and advice for the people who were resigning or retiring with the lowest average so there should be training or advising guidelines for resigning or retiring personnel so they knew what they had to do and how to continue living in the society.
2. Organizational commitment found the employees would continue working in this organization though other organizations might give higher monies but had the lowest mean so there should be increased welfare for the personnel.
3. Organizational climate found the personnel had been accepted or had received awards for good performance but had the lowest mean so there should be more praising, recognizing and giving more awards for personnel with good performance.
4. Performance found the personnel had working knowledge and could accomplish as specified targets and could apply knowledge in the work efficiently but it had the lowest mean so there should be support and encouragement for the personnel to have training in curriculums directly concerning their work positions and exchange the knowledge with various methods and follow-up their work according to the targets continuously.

3.4 Suggestions for further researches

1. There should be an area expansion in the research to get more sample group in the Department of Excise and can use the information to be a guideline for policy development in human resource management comprehensively and appropriately.
2. There should be a study of human resource management, organizational commitment and organizational climate affecting performance of government officials of the Department of Excise.
3. There should be studies on other factors that might have effects or influence over performance of the personnel such as leadership, teamwork and organizational culture so the findings could be applied in work operations efficiently.

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