

**THE INFLUENCE OF HUMAN RESOURCE MANAGEMENT PRACTICES
ON ORGANIZATIONAL COMMITMENT OF EMPLOYEES
IN TÜV RHEINLAND INDONESIA**

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STATEMENT BY THE AUTHOR

I hereby declare that this submission is my own work and to the best of my knowledge, it contains no material previously published or written by another person, nor material which to a substantial extent has been accepted for the award of any other degree or diploma at any educational institution, except where due acknowledgement is made in the thesis.

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ABSTRACT

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Indonesian companies were found to have significantly higher turnover rate than the global rate (more than twice the global rate for voluntary turnover) and also higher than in other fast-growing economies in Asia Pacific. Attracting and retaining employees in the organization particularly top performer is seen important since they are the organization's most valuable resources and a source of achieving competitive advantage.

The purpose of this research is to explore the correlation between human resource management practices and the organizational commitment of employees in TÜV Rheinland Indonesia. The data collection from this study was taken from a total of 72 questionnaires to both permanent and contract employees of the organization. The data was analyzed through Structural Equation Modeling (SEM) by utilizing AMOS ver.21. SPSS ver. 21 was also used for validity and reliability test.

The results represented that Human Resource Management Practices have a significant role on Organizational Commitment of employees in TÜV Rheinland Indonesia, where the employees' perception regarding the implementation of Human

Resource Management Practices give impact on their commitment towards the organization. It was found that the Human Resource Management Practices such as compensation and benefits, training and development, and performance evaluation give effect on the organizational commitment in which the strongest influence indicator of HRM practices towards the organizational commitment of employees in this company is compensation and benefits. It was also found that affective commitment and continuance commitment dimensions of organizational commitment were influenced by the HRM practices.

Keywords: Human Resource; Human Resource Management Practices; Organizational Commitment





DEDICATION

First and foremost, this thesis is dedicated to the people who matter most to me:

1. My mom, Tri. She is very loyal to be always with me in supporting me.
2. My dad, Sjahab. He has helped much in giving great ideas as a support of doing this thesis.
3. My brother, Maliki. He has well assisted in telling me to be optimized all the time to accomplish this thesis while I was having tough.
4. My sister, Avi. Who has supported me by praying for me in achieving my goal.
5. My second sister, Anna. Who is far away from me but she still kept supporting me in a long distance.

No one has sacrificed more than they have in helping me achieve the goal of my double degree from Swiss German University. My feelings towards them are concluded as follows, **“I love them more than anything.”**

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