

“The Relationship between High Performance Work Practices and Employee Attitudes”

A Study on Small Business Private Sector in Colombo District

Mrs. MRF. Aqeela, Ramakrishnan Vivek

Abstract— In order to improve our understanding of mediating variables. This paper examines the relationship between high-performance work practices (HPWP) practices and employee attitudes. Using a randomly selected, national population sample, clear evidence was found for a positive relationship between HPWS practices and the attitudinal variables of job satisfaction and organizational commitment, implying that HPWP can provide win win outcomes for employees and employers. However, the study also tests – from an employee perspective – the ‘complementarities thesis’ and finds Positive interaction effects among HPWS practices. This strengthens the argument that there are likely to be limits to the positive outcomes of HPWSs for employees. Evidence of sequencing in the employee attitudinal responses to HPWSs was also found, with job satisfaction as the key mediating variable.

Regression analysis showed that there is a positive significant relationship between High performance work practices and job satisfaction, and also there is a positive significant relationship between High performance work practices and organizational commitment.

Index Terms— High Performance Work Systems, Job Satisfaction, Organizational commitment.

I. INTRODUCTION

In present days, all organizations have recognized that they can gain competitive advantage in market place only if it has efficient employees. This study reveals that high-performance work practices has a positive impact on its employee attitudes such as organizational commitment, job satisfaction, and trust management.

High performance work system(HPWS) refer to a group of separate but interconnected human resource (HR) practices, including strict selective staffing, extensive training and development, incentivized compensation, and performance-based appraisal, all of which are designed to enhance employees’ abilities, motivation, and opportunities to contribute, thereby improving organizational performance (Chang & Chen, 2011; Huselid 1995; Lepak, Liao, Chung, & Harden, 2006). Relationships between human resource management and organizational performance are described of situation contingency perspective, universal perspective and configuration perspective (Delery & Doty, 1996)

Although strategic human resource (HR) management research has established a significant relationship between

high-performance HR practices and firm-level financial and market outcomes, few studies have considered the important role of employees’ perceptions of HR practice use or examined the more proximal outcomes of high-performance HR practices that may play mediating roles in the HR practice–performance relationship. To address recent calls in the literature for an investigation of this nature, this study examined the relationships between employees’ perceptions of high-performance HR practice use in their job groups and employee absenteeism, intent to remain with the organization, and organizational citizenship behavior, dedicating a focus to the possible mediating role of affective organizational commitment in these relationships.

The high-performance work practices are considered as organizational strategy for managing the employment relationship. As a specific combination of practices, HPWPs has intended to increase employee’s productivity by maximizing their competencies, motivation, commitment, communication, involvement and flexibility. The impact of HPWPs on the job satisfaction and organizational commitment is achieved through three basic elements: 1) increasing the employee’s knowledge, skills and abilities, 2) employees empowerment and participation in decision making and problem solving and 3) motivating employees through incentives to make additional discretionary work effort. As a strategic management approach to employees, HPWPs are away from the Taylor’s scientific management and bureaucratic work organization and they create conditions for employee identification with organizational goals. They indicate the extent to which the firm invests in the best possible human capital and also indicate the value and importance of this capital as a source of sustainable competitiveness.

HPWPs represent multidimensional construct and definition of its components (dimensions) always comes from studies of four sub-functions: selection, training, evaluation, compensation.

Previous studies demonstrated that HR practices were strongly associated with job satisfaction (Harley, 2002; Macky & Boxall, 2007). Some researchers have argued that an organization must consider the operation of a HPWS because of its positive effects on employees’ attitudes such as job satisfaction, intention to leave, and desire to work hard (Macky & Boxall, 2007). Firms adopting HPWSs empower employees to make their own decisions or put forward opinions in the workplace (Lawler, 1986). Guest (2002) argued that workers were more satisfied when a HPWS

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operated in the firm because they had more opportunities to attend internal or external training courses to enhance their skill and knowledge and to obtain more career-related information through discussions with their supervisors and coworkers. As Guzzo and Noonan (1994) noted, HR practices for dealing with problems in the workplace and employee grievances need to be communicated to employees. Employees' perceptions are affected by the amount that the company invests in them (e.g., education programs, career development opportunities).

Organizational commitment (OC) means psychological attachment of employees with organization (O'Reilly & Chatman, 1996). In phase of commitment, employees show a strong desire to maintain the membership in organization that influence the satisfaction with alliance performance, market share and firm profitability (Mowday, Steers, & Porter, 1979; Pansiri, 2008). The literature reveals that the success or failure of HPWS entirely depend upon the perception of employees regarding these practices which lead to various outcome like, Organization commitment, job satisfaction and firm performance. Employees show high level of commitment with their organization when the organization provide them opportunities for growth, helped them to increase skill and knowledge (Zaleska & de Menezes, 2007). Now it has been established fact that employee's organizational commitment is multidimensional in nature (Allen & Meyer, 1990; Jaros, Jermier, Koehler, & Sincich, 1993; O'Reilly & Chatman, 1986). The three component theory of organization commitment explicitly explain that employees shows three level of commitment with his/her organization i.e affective commitment(AC), continuous commitment(CC), normative commitment(NC) (Gellatly, Hunter, Currie, & Irving, 2009).

A. Problem Statement

The question of whether the ways people are managed and treated at work contribute to overall high-performance work system of the enterprise has been much debated. The focus of this debate has tended to be on formal processes and procedures within the organization.

B. Research Question.

Based on this content, here are the formulations of the problem of the research

- i. Does everyone in the company experiencing the same level of High work performance practices?
- ii. Is there any relationship between HPWS and Job satisfaction?
- iii. To what extent HPWS has influence on Job satisfaction and Commitment?

C. Objectives of the Study

The main objective of this study is to identify whether employees' Job satisfaction and Organizational commitment has an impact on their high performance work system. The following objectives are also be expected to achieve.

- i. To identify the impact of HPWS on Job satisfaction.
- ii. To find out the influence of HWPS towards the organizational commitment
- iii. To establish the relationship among HPWS and job

satisfaction, organizational , Commitment

D. Significance of the Study

High Performance Work Practices is the key element in determining the success of the organization. Today many organizations in SriLanka facing with the problem of poor level of employees' commitment towards work. Further many organizations have failed to identify their employees as the most valuable asset as for the deciding role they play in organizational growth. So in order to improve high performance work system.

The present study intends to concentrate on high performance work system through job satisfaction and commitment. The research believes that the findings and suggestions based on this study will be useful for employers/managers as well as the employees. Further it is expected to be able to contribute towards the knowledge development of organizational behavior. Hopefully, this research can inform beneficially to all parties involved in the management of Human Resource, specially managing in work satisfaction, organizational commitment and performance. Moreover, this research can encourage the researcher to further research on individual behavior, in managing human resource, especially in enhancing the performance of employees in the future by considering other variables influencing this problem that have not been studied.

E. Scope of the Study

The research will be conducted among the sample of the **on Small Business Private Sector in Colombo district** and going to examine the effect of relationship between HPWS and employee attitudes. Sample will be selected from Colombo small retail and buissess companies.

F. Limitation of the Study

To present study provides number of insights in to High performance Work Practices relationship with job satisfaction and organizational commitment, there are some limitations that have to be pointed out. The present study is confined only to employees working **on Small Business Private Sector in Colombo district**. Thus, findings of this research can't be generalized to other organizations. Undertaking the research at one period in time can only reflect that period of time. This short time span may not reflect longitudinal reach design. Even though there are various factors affecting employee performance, such as motivation, rewards and other benefits, the researcher has only considered employee job satisfaction and organizational commitment. Thus, other factors are also expected to affect the results of the research.

II. LITERATURE REVIEW

This chapter discusses what is already known about High performance work practices impact on job satisfaction, Organizational commitment. Further the researcher elaborates concepts related to high performance work practices on Job satisfaction and organizational Commitment. At the end of this chapter the researcher attempts to identify the existing relationship among those three concepts.

High Performance Work Practices

Defining high Performance Work Practices

In present days, all organizations have recognized that they

can gain competitive advantage in market place only if it has efficient employees. This study reveals that high-performance work practices have a positive impact on its employee attitudes such as organizational commitment, job satisfaction, and trust management.

High performance work system (HPWS) refer to a group of separate but interconnected human resource (HR) practices, including strict selective staffing, extensive training and development, incentivized compensation, and performance-based appraisal, all of which are designed to enhance employees' abilities, motivation, and opportunities to contribute, thereby improving organizational performance (Chang & Chen, 2011; Huselid 1995; Lepak, Liao, Chung, & Harden, 2006). Relationships between human resource management and organizational performance are described of situation contingency perspective, universal perspective and configuration perspective (Delery & Doty, 1996)

Success of the organization depends on the performance of the employees. "A manager's success is depending on the performance of those individuals working for the managers". The above introductory statement was made by Fredrick Taylor. Many managers do not understand the basic factors that determine an individual's performance and also, many managers either do not know how refuse to measure performance and thus distinguish between high and low performance. Even managers become aware of and avoid both the above problems.

Different managerial experts put the different definitions for the term performance, thus there is no any generally accepted definition. In this way Lyman Porter and Edward Lawler (1989) have defined job performance as the "net effect of a person's effort as modified by this abilities and traits and by his role perception". This definition implies that performance in a given situation can be viewed as resulting from the interrelationships between effort, abilities and traits and role perceptions.

Effort refers to the amount of energy used by an individual in performing a task. Abilities and traits are the individual's personal characteristics which are used in performing the task. Abilities and traits do not fluctuate widely over a short period of time. Role / task perceptions refer to the directions in which individual's personal characteristics are used in performing the task. The diagram 2.1 explains the above illustrations.

High performance work Practices outcomes

Job performance is the outcome of jobs which relates to the purpose of the organization such as quality, efficiency, and other criteria of effectiveness. (Donnellye, Inanceivche, 1995). Job performance includes the following outcomes:

1) Objectives outcomes:

Quantity and quality of output, absenteeism and turnover are objective outcomes that can be measured in quantitative terms for each job, implicit or explicit standards exists for each of these objectives outcomes.

2) Personal behavior outcomes:

The jobs hold reacts to the work and also reacts by either attending, regularly or by being absent by staying with the job , moreover , physiological and health related problems can ensure as a consequence of job performance stress related to job performance can contribute to physical and mental impairment.

3) Intrinsic and extrinsic outcomes

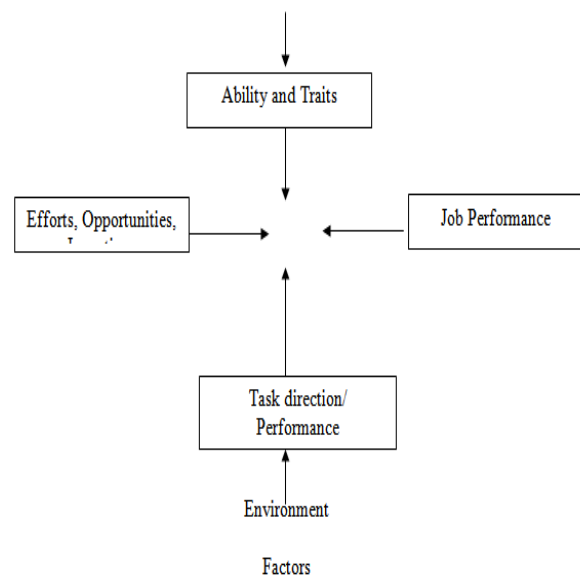
These outcomes are important for understanding to reactions at people to their job. Intrinsic outcomes are objects or events which follow from the worker's own efforts, not requiring the involvement at any other person. This outcome involves feelings of responsibility, challenge and recognition. Extrinsic outcomes, however, are objects or events which follow from the workers own efforts in conjunction with other factors or persons not directly involved in the job itself. Dealing with other and friendship interactions are sources of extrinsic outcomes.

4) Job satisfaction outcomes

Job satisfaction depends on the level of intrinsic and extrinsic outcomes and how the job holder views those outcomes. These outcomes have different values for different people.

Diagram-Determinants of High Performance Work Practices

Determinants of High Performance Work Wractices
Environment Factors



Source: Adopted from Lyman Porter and Edward Lawler, "Managerial Attitudes and Performance",1998:p17.

Defining Job Satisfaction

Since the term "Job satisfaction" is a complex concept, it has been defined by various scholars in number of ways Locke gives a comprehensive definition of Job satisfaction as a pleasurable or positive emotional state resulting from the appraisal of one's job or experience. Job satisfaction is a result of employee perception of how their job will provides

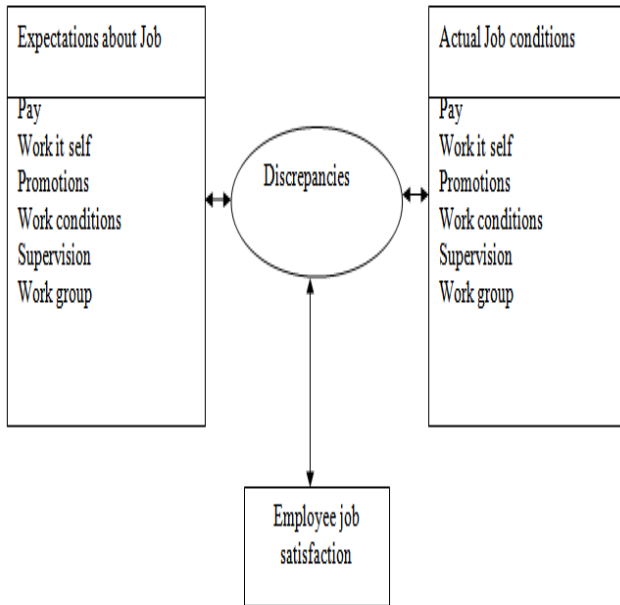
**“The Relationship between High Performance Work Practices and Employee Attitudes”
A Study on Small Business Private Sector in Colombo District**

those things which we viewed as important. (Luthans1989:176)

The above definitions of Job satisfaction show three important characteristics:

- I. Job satisfaction is an emotional response to a job situation.
- II. Job satisfaction is often determined by how well outcome meets or exceeds expectations.
- III. Job satisfaction represents several related attitudes.

Model of job satisfaction



Source: Adopted from Arnold and Hugh 1986: P 14

Organizational Commitment

According to Robins (1993:178) Organizational commitment is defined as a state in which employee identifies with a particular organization and its goals and wishes to maintain membership in the organization. Porter (1974) defines the organizational commitment giving three components of it.

1. A strong belief in and acceptance of the organization’s goals.
2. A willingness to extent considerable effort on behalf of the organization and
3. A definite desire to maintain organizational membership and to work hard towards its goals.

The organizational commitment attitude is determined by a number of personal (age. Tenture in the organization, and disposition such as positive or negative affectivity, or internal or external control attribution) and organizational (the job design, values and the leadership styles of one’s supervisor) variables. Even non organizational factors, such as the availability of alternatives after marking the initial choice to join an organization, will affect subsequent commitment. Also, because of the new environment where many organizations are not demonstrating evidence of commitment

to their employees, recent research has found that an employee career commitment is a moderator between the perceptions of company policies and practices and organizational commitment,(Luthans.2002.p.234)

Meyer and Allen (1997) have noted that there are at least three sets of beliefs that have been shown to have strong and consistent links with commitment to the organization – the beliefs that the organization is supportive (Eisenberger, Fasolo, & Davis-LaMastro, 1990), treats its employees fairly (McFarlin & Sweeny, 1992), and contributes to the employees feeling of personal competence and self-worth (Mathieu & Zajac, 1990; Steers, 1977). Moreover, they argued that many of the job characteristic and work experience variables found to correlate with organizational commitment might contribute to one or more of these perceptions.

Organizations can do few definitive things to promote satisfaction and commitment. Griffin and Moorhead (1995.p.100) says that if an organization treats its employees fairly and provides reasonable rewards and job security, its employees are more likely be satisfied and committed. Gary dazzler (1999.p.65-660) says that on the one hand today’s focus on teamwork, empowerment, and flatter organization puts a premium on just the sort of self-motivation that one expects to get from committed employees; on the other hand environmental forces are acting to diminish the foundations of employee commitment.

Relationship of High Performance Work Practices on Job satisfaction and Organizational Commitment.

The study of the relationship between job satisfaction and job performance has a controversial history. The Hawthorne studies, conducted in the 1930s, are often credited with making researchers aware of the effects of employee attitudes on performance. Shortly, after the Hawthorne studies, researchers began taking a critical look at the notion that “a happy worker is a productive worker”. Most of the earlier reviews of the literature suggested a weak and somewhat inconsistent relationship between job satisfaction and performance.

Early human relations have been interpreted as saying that satisfaction leads to performance. Vroom argues that “the human relations might be described as an attempt to increase productivity by satisfying the needs of employees. The work of Herzberg and his colleagues provides the best illustration of current theory and research formulated on the view that satisfaction leads to performance. These researchers separate job variables into two groups, hygiene factors and motivators. The two factor theory also suggests that it is predominantly satisfaction, which leads to performance.

Hence satisfaction or dissatisfaction at work most of the time has a major impact on employee productivity. It seems that satisfied employees tend to be more productive than dissatisfied employees. Further as stated by Albanse(1975) “Job satisfaction undoubtedly has its greatest impact on motivation. Therefore job satisfaction may affect the

performance of an employee due to its influence on motivation.

Further job satisfaction performance relationship has been improved by the introduction of moderating variables. For example the relationship will be stronger when the employee behavior is not controlled by outside factors. An employee's productivity on machine phased job for instance is going to be much more or influenced by the speed of the machine than his or her level of satisfaction. Job level also seems to be an important moderating variable. The satisfaction performance correlations are strong for higher level employees. Thus we might expect the relationship to be more relevant for individuals in professional, supervisory and managerial positions (Robinson,1993:154).

However managers are concerned about maintaining high level of job satisfaction because of its consequences. Those consequences are as follows:

- i. High productivity when the work involves people contact.
- ii. Co-operative behavior and good relationship.
- iii. Low absenteeism and turnover.
- iv. Less job stress and burnout.
- v. Better safety performance.
- vi. High quality of work life.
- vii. Better life satisfaction.

According to Arthur Brief, much evidence indicates that individual's job satisfaction generally is not significantly related to individual task performance. Likely because of this finding, researchers have continued to pursue the search for a satisfaction performance relationships (Brief,1998:43-44)

Vroom(1964) has apparently had a similar impact on recent theorizing while nothing the generally low correspondence observed between measured satisfaction and performance. Vroom nevertheless found that in 20 of 23 cases the correlation was positive and that the median correlation reported was +0.14.

Greene(1972) has noted that although the expectation that satisfaction cause performance has a theoretical roots, it is also supported by (a) the popular belief that a happy worker is a productive worker; (b) the notion that all good things comes together; and (c) the pleasantness associated with increasing a worker's satisfaction, rather than the relative unpleasantness of delaying directly with performance when a problem arises.

Ostroof in one of the few studies that have examined the satisfaction-performance relationship at the organizational level of analysis found that organization with more satisfied workers tend to perform better than those with less satisfied workers.

Scorcher and Meyer in a study of factory employees found that giving more meaning to routine job, making them more satisfying and meeting some of the human needs of the employees, resulted in greater productive motivation and higher quality workmanship. He further argues that job

satisfaction of a certain kind and at a given level may have positive relationship to individual performance.

One another study, conducted by Umi Narimawati(2007),Bandung in faculty of Economics, Computer University of Indonesia, has proved that the influence of work satisfaction on performance is significant and positive. It means that if a person has high work satisfaction, the person concerned will show high performance as well.

Argyle suggests a probable relationship between satisfaction and productivity for highly skilled workers or for the workers involved with their work. However individual differences could change the position. There may be workers who work hard when they are contented. But some workers are happy when they can take things easy. Few other workers may work hard to forget their troubles. Argyle also examined the relationship between job satisfaction and absenteeism and labor turnover and concluded that there is lower level of voluntary absenteeism and labor turnover when there is a high level job satisfaction.

Chandan (1998) has been said that job satisfaction is related to performance and motivation. It has often been said that a "happy employee is productive employee" and a happy employee must be satisfied with his job. Since most people spend nearly half of their working lives at their work place, the importance of work satisfaction can be well understood. Additionally job satisfaction usually indicates or results in satisfaction in life in general.

The two-factor theory suggests that it is predominantly satisfaction, which leads to high performance (Scott and Hummings,1973:134). Hence dissatisfaction or satisfaction at work most of the time has a major impact on employee productivity. It seems that satisfied employees tend to be more productive than dissatisfied employees.

Further as stated by Albanse "Job satisfaction undoubtedly has its greatest impact on motivation. Therefore job satisfaction may affect the performance of an employee due to its influence on motivation (Albanse,1975:467).

But in another study conducted, Bernard and Edward(1979), have stated a few reasons as to why performance may be unrelated to job satisfaction. The study emphasizes that productivity depends upon many factors, other than the attitude of the employees. They found that the highly productive organizations maintained their superior output, not because of their effective reward scheme but essentially because they employed, younger workers, better trained employees, workers who lived closer to work place and management that made fewer mistakes. Therefore it is a mixture of many factors that govern the job satisfaction and performance relationship.

There is no inherent relationship between satisfaction and performance (Cherrington Reitz & Scott,1979). In their research they found when the low performers were not rewarded they expressed dissatisfaction but later their

“The Relationship between High Performance Work Practices and Employee Attitudes”

A Study on Small Business Private Sector in Colombo District

performance improved. On the other hand when the lower performers were rewarded they expressed high satisfaction but continued to perform at a lower level. Similarly the high performers were not adequately rewarded, expressed dissatisfaction and their performance on the next trial declined significantly. That is satisfaction does not cause improved performance.

Fred Luthans (2001) have been said the conclusion about satisfaction and performance is that- there is definitely a relationship probably higher but also not as conventional wisdom assumed concerning happy workers are productive workers. If people receive rewards the feel equitable, they will be satisfied and this likely to result in greater performance effort.

On the relationship between commitment and organizational performance, research has found that highly committed employees may perform better than less committed ones (Mowduy , Porter & Dubin,1974).

Steers and Porter(1979) have summarized positive findings from studies of two different occupational groups ,hospital and retail employees.

Larson and Fulcami (1984) also found that higher level of organizational commitment are linked to higher level of job performance.

Decotios and Summers (1987) undertook a study of 367 managers and their employees. The researchers examined the relationship between organizational commitment and the outcome measures of individual motivation, desire to leave, and turnover and job performance. Organizational commitment was found to be a strong predictor for each of these outcome areas.

Guest (1991) concludes that high Organizational commitment is associated with lower turnover and absence, but there's no clear link to performance.

According to Kinicki and Vecchio(1994) commitment is leading to achieve desired organizational success or outcomes. Loyalty and commitment can be created among the employees working on organizational through the performance.

According to the research conducted by Umi Narimawati (2007) influence of the organizational commitment towards the performance is much as much 44.89%.

Tests of the organizational commitment and job performance relationship have fared better. A recent meta-analysis indicates that affective commitment to the organization is positively related to job performance,(Mathieu & Zajac,1990). But it has also been noted that there have been exceptions (ie. non supportive results) to this overall finding,(Randall,1990).

Advances in commitment theory have also led modification of the hypothesis that all forms of organizational commitment are positively related to job

performance. Because continuance commitment reflects perceived sunk cost in the organization rather than the close emotional ties characteristics of affective commitment to the organization. Meyer at al.(1989) hypothesized that continuance commitment to the organization is negatively related to job performance.

Hackett, Bycio and Husdorf(1994) found that affective commitment to the organization was positively related to job performance. On the balance however most researchers would agree that organizational commitment attitude is a better predictor of outcome variables than job satisfaction (Luthans,1989:177).

Job satisfaction as a significant determinant of organizational Commitment has been well documented in numbers studies (Porter et al.,1974; Williams & Anderson, 1991; Knoop, 1995; Jesta,2001), Hence managers in today's organizations have placed a greater importance on the issue of job satisfaction on their employees. This is because employees who are satisfied are more likely to be committed to their organizations. These workers, in return, are more likely to take pride in organizational membership, believe in the goals and values of the origination and, therefore, exhibit higher levels of performance and productivity (Steinways & Perry, 1996).

Researchers have found different relationship between job satisfaction and the three commitment dimensions. Job satisfaction should be more closely related to affective Commitment, in that both are Primarily affective reactions to work. Job satisfaction should be relatively independent of normative Commitment, which is based on a moral logic, not affect. Finally, job satisfaction may be moderately related to continuance commitment, in that satisfaction with work may be one of several factors that make staying less costly than leaving (with the risk that the new job will not be as satisfying).

Mathieu and Zajac (1990) found that job satisfaction was positively related to both affective and continuance commitment, whereas other research has found that job satisfaction has a negative or null relationship with Continuance Commitment (Hackett et al: 1994; Konovsky & Cropanzano, 1991; Withey, 1988).

One study that did examine all attitudinal variables tested whether the there dimensions of commitment mediated the relationship between job satisfaction and intention to leave (Clugston,2000). Result found that a partially mediated model of multidimensional commitment fit the data better than a fully mediated or non – mediated model. The path coefficients showed that while affective commitment mediated the relationship between job satisfaction and intention to leave, normative and continuance commitment did not (Clugston, 2000).

As an attitude, differences between commitment and job satisfaction are seen in several ways (Mowday, et al, 1982). Commitment is a more global response to an organization and job satisfaction is more of a response to a specific job or

various facets of the job.

Wiener (1982) states that job satisfaction is an attitude toward work, related conditions, facets, or aspects of the job. Therefore, commitment suggests more of an attachment to the employing organization as opposed to specific tasks, environmental factors, and the location where the duties are performed. When discussed on these terms, Commitment should be more consistent than job satisfaction over time. "Although day – to day events in the work place may affect an employee's level of job satisfaction, such transitory events should not cause an employee to reevaluate seriously his or her attachment to the overall organization" (Mowday et al, 1982).

Although there is certainly a chicken – and – egg debate over issues regarding the relationship between job satisfaction and organizational commitment, several reaches have made the case that job satisfaction is a predictor of organizational commitment (Porter, Steers, Mowday, & Boulian, 1974; Price, 1977; Rose, 1991).

When researchers consider the relationship between job satisfaction and organizational commitment, they cited that age plays as a moderator between them. Most studies have found a positive relationship between age and job satisfaction (Kong et al, 1993; Hulin & Smith, 1967). Age has also been shown to have a positive relationship with organizational Commitment. This may be due to the logic that as workers grow older, alternative employment opportunities become limited, making their current jobs more attractive (Mathieu & Zajac, 1990).

III. METHODOLOGY

Research Sampling

This research is carried out among the employees within Small business Companies in Colombo district. The study specifically focuses on less than 100 employees. Simple random probability sampling technique will be used with the purpose of allowing every element of the population an equal chance to be selected as a subject. Accordingly, the study will be carried out with moderate interference with the respondents.

Data Collection Method

Questionnaire designed to collect data for analytical purpose for my research project titled "The relationship between high performance work practices and employee attitudes" in Small Business Private Sectors in Colombo district.

Method of Data Analysis

A Pearson correlation and regression conducted to determine the association between HPWSs and employee attitudes.

Conceptualization

Conceptual model

In order to study the Relationship between High work performances practices and employee attitudes, the researcher has developed a conceptual model by considering

High work performances practices as an independent variable and organizational commitment and job satisfaction as two dependent variables, when conceptualize the above variables, the researcher also has attempted to establish a relation among job satisfaction and organizational commitment.

Proposed conceptual model of the study



The above model shows theoretical framework of high performance work practices and employee attitudes.

Variables relevant to conceptual framework

This research paper proposes to examine the hypothesized relationship between dependent variables, organizational commitment and job satisfaction and their related independent variable the high work performance practices, these variables are defined below.

High Work Performance Practices

High Performance Work Practices (HPWPs) are employee management tactics that increase the productivity and profit of organizations. When these tactics are applied systematically and fairly throughout the organization over time, they increase employee engagement, support high performance and productivity, build customer trust and loyalty, and in turn, increase profits.

Some examples of HPWPs include:

- Realistic Job Previews (RJPs).
- Using psychometric and validated employee selection tools.
- An employee on-boarding strategy.
- A continuous mentoring and leadership development strategy.
- Regular performance appraisals (with SMART goals co-designed by employees).
- Current and flexible job descriptions and job specifications.
- Calibrated job classification and compensation

“The Relationship between High Performance Work Practices and Employee Attitudes”

A Study on Small Business Private Sector in Colombo District

systems.

- In-house problem-solving and work-improvement groups/ teams.
- Employee Suggestion or Innovation Programs.
- Employee Reward and Award Programs.
- Structured team briefings and debriefings at every level within the organization.
- Competence or performance-based pay.
- In-house Knowledge Management Systems.
- And there are many more!

Concept	Measurement	Author
Independent variables	Q ₁ – Q ₁₈	Bailey et al., 2001; Guest, 1999
High work performance practices		
Dependent variable	Q ₁₉ – Q ₂₈	Warr et al, 1979
Job satisfaction		
Organizational commitment	Q ₂₉ – Q ₃₆	Mowday et al., 1979; Mowday et al., 1982

The good news is that while you may not be able to implement all, or even most, of the HPWPs in your business, you can implement some NOW that fit your business’ needs and priorities, and then build on them later. Many small businesses mistakenly assume that all of the practices are expensive and/ or difficult to establish—don’t make this mistake!

While some of these HPWPs will help you maximize your potential and profit more quickly depending on your operating context, they are all High Performance Work Practices and many of them can be effectively designed and implemented within your business’ budget.

In view of the authors mentioned above, part of the success of high performance work practices (based on a selective recruitment and selection, employee development, monitoring them) is the ideal combination of individual HR practices. Individual practices can have a positive effect on performance but integrating these practices with each other will create a synergy that will lead to achieving a much greater success than that which would obtain applying HR practices in each hand.

Job satisfaction

Job satisfaction is simply defined as how people feel about their jobs. It reflects an employees’ positive emotional state toward his/ her job. Job satisfaction is also regarded as a single concept; that is a person is satisfied or not satisfied within the job. In this study there are six main facets of job

satisfaction taken into consideration and discussed, those are: work itself, promotion, pay, coworkers, supervision and immediate working conditions.

Organizational commitment

Organizational commitment, in a common sense, is defined as employees’ desires to maintain their membership within an organization. It is viewed as the employee’s positive emotional attachment to the organization. In other words organizational commitment is the strength of people’s desires to continue working for an organization, because they agree with organizational underlying goals and values. The variables or the facets taken into consideration are; degree of attachment to the organization and its importance to him, belief and acceptance in the mission and goals of the organization.

Hypotheses of the Research

Possible hypothesis are to be developed based on the literature reviewed and conceptualization of the research problem. In order to conduct the research finally, these hypothesis are tested whether it is acceptable or not. In relation to this research the following hypothesis are formulated as follows.

H1: There is a significant relationship between High performance work practices and Employee attitudes.

H2: High work performance practices has a positive impact on job satisfaction

H3: High performance work practices positively relates to organizational commitment.

Operationalization

Research sample

Research sample was selected from Small business companies in Colombo District. A total of 100 staffs working in Small business companies randomly 90 Staffs selected with a help of their manager. The sample was consisted of 60% male (N=54) and 40% female (N=36) employees.

Procedure

Table- Sample profile

Name of the Company	No. of Sample	No. of respondents	Response Rate	usable	Usable Rate	Unusable	Unusable Rate
Small Buinrss Firms or compaines	100	90	90 %	90	90%	10	10 %

Data Collection Techniques.

The necessary data for this study purpose were collected by using questionnaires. The total of 100 questionnaires were issued among selected employees.

Data Analysis

There are several methods and techniques are used by the researcher to analyze the collected data through questionnaires. Graphical techniques such as scatter diagram, bar charts were also used to present the collected data. Correlation analysis is performed to identify the relationship between two variables. The multiple regression analysis also used to find out the nature of the relationship among the research variables. The line of regression explains the pattern of variation of depending variable in relation to values of the independent variable. ANOVA is also performed to know whether or not all employees are experiencing the same level of job satisfaction as well as commitment. At the end, the test of mediating relationship is performed with the help of regression analysis. For all these analysis, the Statistical Package for the Social Science (SPSS) is used to analyze the data.

IV. DATA PRESENTATION AND ANALYSIS

Number of respondents of on demographic variables

The demographical variables of respondent's such as gender, marital status, age group, salary level, educational qualification, and experience are analyzed and tabulated in the following tables.

Demographic summary of Survey responses

Title	Category	Number	Percentage%
Gender	Male	54	60%
	Female	36	40%
Age	20-30	42	46.7%
	30-40	35	38.9%
	40-50	8	8.9%
	Above 50	5	5.6%

Marital Status	Married	65	72.7%
	Single	25	27.8%
Level of Education	Master degree	16	17.8%
	Bachelor degree	28	31.1%
	Advanced Level	25	27.8%
	Others	21	23.3%
Experiences	Below 1 year	23	25.5%
	1-5 years	38	42.2%
	6-10 years	15	16.7%
	Over 10 years	14	15.6%
Salary	Below 20000	8	8.9%
	20000-30000	11	12.2%
	30000-40000	18	20%
	40000-50000	29	32.2%
	Above 50000	24	26.7%

Source: Survey data 2017

Gender

Table : Number of respondents by gender

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	54	60.0	60.0	60.0
	Female	36	40.0	40.0	100.0
	Total	90	100.0	100.0	

Descriptive statistics

Descriptive Statistics provide information on the key variables in the study such as means, and standard deviations.

Descriptive data summary

	N	Range	Minimum	Maximum	Mean	Std. Deviation	Variance
High performance work practices	90	1.00	3.50	4.50	4.0235	.20737	.043
Job satisfaction	90	1.20	3.30	4.50	3.9378	.26966	.073
Organizational commitment	90	1.25	3.38	4.63	4.0556	.29870	.089
Valid N (listwise)	90						

Source: Survey data 2017

organization.

High performance work practices

The total sample has reported the mean value of 4.02 with the standard deviation of .207. The mean score of the sample is considered as the degree of their position in their job performance. Hence it is assumed that their High work performance practices level is generally high in the

Job satisfaction

Participants were asked to describe the level of job satisfaction. They reported mean score of 3.93 with a standard deviation of 0.26. This indicates that high level of

job satisfaction. The highest and the lowest score of an individual can score are 4.5 and 3.3 respectively. The highest score of an individual is presumed that he/ she is highly satisfied in his /her job, while lower the score he /she is less satisfied in his /her job.

Organizational Commitment

The mean score of employee is considered as the degree of organizational commitment of sample. According to the data collected, through the questionnaire, mean value of the sample is 4.05 with a standard deviation of 0.29. Hence in general that the sample employee’s organizational commitment is more towards the upper limit.

• **Reliability**

Reliability is defined as an accuracy or precision of a measuring instrument (Kerlinger, 1980). Thus reliability refers to the degree to which a measure is free of variable error. The most common way to assess reliability measurement instrument is to evaluate the internal consistency of items in a scale. Internal consistency is the degree of homogeneity among the items that constitute a measure that is the degree to which the items are interrelated and measure a single trait or entity (Brown, 1970). Internal

consistency is determined by the statistical examination of the results obtained, typically equated with Cronbach’s coefficient alpha. Cronbach’s alpha measures the variance over total variance. In this research, Cronbach’s alpha is used to determine the reliability of scales and results.

- 1 Reliability refers to the extent to which a scale produces consistent results if repeated measurements are made on the characteristics (Malhotra, N.K. 2011). Under reliability one of the conditions to be fulfilled is the internal consistency. For that to be satisfied the set of items developed to measure the construct should be highly correlated with each and every item in the set. Cronbach’s alpha is used as a statistical measurement to measure internal consistency of a set of data. This coefficient varies from 0 -1, and the value 0.7 or less generally indicates unsatisfactory internal consistency reliability.
- 2 In internal consistency reliability estimation, the researcher use the single measurement instrument administered to a group of people on one occasion to estimate reliability. In effect the study judges the reliability of the instrument by estimating how well the items that reflect same construct yield similar results. The study examines how consistent the results are for different items for the same construct within the measure.

Tabel - Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
High work performance practices	23.9933	2.208	.508	.645
Job satisfaction	25.0790	1.159	.683	.739
Organizational commitment	21.9612	2.128	.543	.794

Source: Survey data 2017

The above table represent the result of reliability for HWPP and employee attitudes. It could be observed that all of the alpha values are more than 0.6. According to table 4.2 alpha value for Organizational commitment is 0.794 which is highest alpha value among the all variables. Computed alpha values exceed 0.7 for two dependent variables such as organizational commitment & job satisfaction.

Therefore, two variables such as independent variable and dependent variable are taken in this study,

- Independent variable → High work

- performance practices
Dependent variable → Job satisfaction & Organizational commitment

Testing of Hypothesis

H1: There is a significant relationship between High work performance practices and employee attitudes.

Table –Correlations

		High work performance practices	Job satisfaction	Organizational commitment
High work performance practices	Pearson Correlation	1	.611	.548*
	Sig. (2-tailed)		.001	.000
	N	90	90	90
Job satisfaction	Pearson Correlation	.611	1	.288**
	Sig. (2-tailed)	.001		.006
	N	90	90	90
Organizational commitment	Pearson Correlation	.548*	.288**	1
	Sig. (2-tailed)	.000	.006	
	N	90	90	90

Source: Survey data 2017

According to the correlation analysis, there is a significant relationship among the High work performance practices, job satisfaction and organizational commitment. Above Table indicates that High work performance practices, job satisfaction and organizational commitment. Significantly

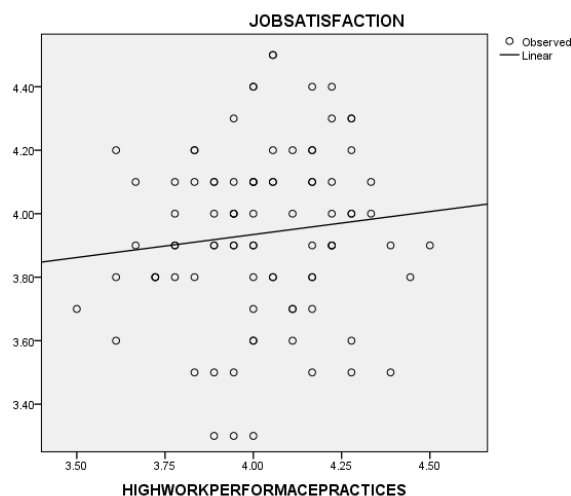
correlated at 0.006, 0.001, 0.000 levels. The correlation value among High work performance practices, job satisfaction and organizational commitment use are 0.288, .0611, and 0.548 which is significant at 0.01 levels. So **H1** supported.

H2: High work performance practices has a positive impact on job satisfaction

Table-Correlations between HWPP and job satisfaction			
		High work performance practices	Job satisfaction
High work performance practices	Pearson Correlation	1	.611
	Sig. (2-tailed)		.001
	N	90	90
Job satisfaction	Pearson Correlation	.611	1
	Sig. (2-tailed)	.001	
	N	90	90

Source: Survey data 2017

Here, Pearson’s correlation indicates the value of 0.611. So it can be said that there is a positive relationship between HWPP & job satisfaction. And also these correlation is significant (0.001).So **H2** supported.



According to the above scatter diagram “x” axis indicates High work performance practices and “y” axis indicate job satisfaction. There is a positive relationship between two

variables.

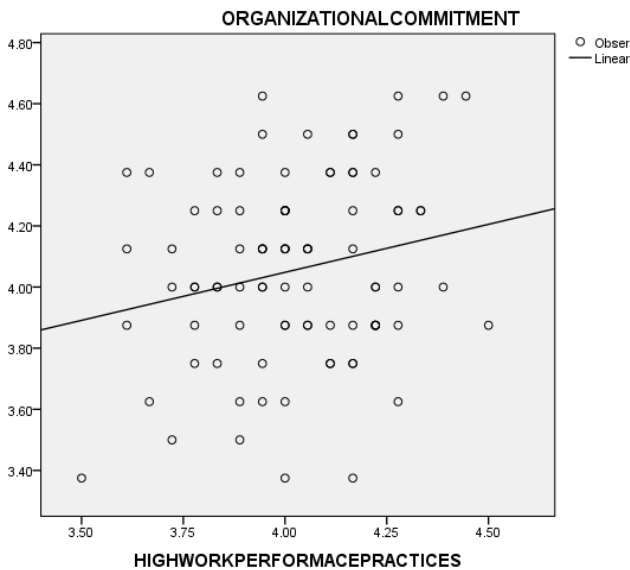
		High work performance practices	Organizational commitment
High work performance practices	Pearson Correlation	1	.548*
	Sig. (2-tailed)		.000
	N	90	90
Organizational commitment	Pearson Correlation	.548*	1
	Sig. (2-tailed)	.000	
	N	90	90

Source: Survey data 2017

Here, Pearson’s correlation indicates the value of 0.548. So it can be said that there is a positive relationship between

**“The Relationship between High Performance Work Practices and Employee Attitudes”
A Study on Small Business Private Sector in Colombo District**

HWPP & Organizational commitment and also these correlation is significant (0.000). So **H3** supported



According to the above scatter diagram “x” axis indicates High work performance practices and “y” axis indicate organizational commitment. There is a positive relationship between two variables.

**Table -Summary results of hypotheses testing
Analysis of Variance (ANOVA)**

Serial no	Hypotheses	supported/rejected
H ₁	There is a significant relationship between High work performance practices and employee attitudes.	Supported
H ₂	High work performance practices has a positive impact on job satisfaction.	Supported
H ₃	High work performance practices positively relates to organizational commitment.	Supported

In this section, the researcher has attempted to know whether all employees working in the organization are experiencing the same level of High work performance practices or is there any differences among employee’s

attitudes. For this purpose, ANOVA was performed by the researcher.

Table - ANOVA for HWPP and Job satisfaction

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	.080	1	.080	1.103	.001 ^b
	Residual	6.391	88	.073		
	Total	6.472	89			

Source: Survey data 2017

According to the above table there is statistically significant difference between the High work performance practices and job satisfaction. Because the significant value is 0.001. This value is less than 0.05. So we can conclude that there is a significant relationship between high work performance practices and job satisfaction.

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error			
1	(Constant)	3.356	.555		6.046	.000
	High work performance practices	3.366	.138	.611	1.050	.001

Regression analysis was conducted with high work performance practices as the independent variables and job satisfaction is the dependent variable. In this table B value is 3.366 indicates the high degree of high work performance practices also Beta value is 0.611 so it is positively related with job satisfaction. Also consider the coefficient for high work performance practices and job satisfaction, the value is 0.001 so there is statistically significant between the variables.

ANOVA for HWPP and Organizational commitment

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	.378	1	.378	4.394	.000 ^b
	Residual	7.563	88	.086		
	Total	7.941	89			

Source: Survey data 2017

Tabel -Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.792	.604		4.624	.000
	High work performance practices	3.314	.150	.548	2.096	.000

Regression analysis was conducted with high work performance practices as the independent variables and organizational commitment is the dependent variable. In this table B value is 3.314 indicates the high degree of high work performance practices also Beta value is 0.548 so it is positively related with organizational commitment. Also consider the coefficient for high work performance practices and organizational commitment, the value is 0.000 so there is statistically significant between the variables.

V. FINDINGS AND CONCLUSION

Major findings and conclusion

The major findings of the study related to examining the relationship between high performance work practices job satisfaction and organizational commitment. In support of the hypotheses, the result indicated that high performance work practices were significantly, positively related to job satisfaction. It implied that high level of job satisfaction will leads to high level of organizational commitment. This finding is consistent with past researchers (e.g. Gallie et al., 2001; Wood, 1995; Wood and Albanese, 1995).

In the current study, hypothesizes shows that there is a significant relationship between high performance work practices, job satisfaction and organizational commitment. It was found that there is a fully positive relationship between the variables.

In addition to these major analysis, the researcher performed correlation analysis in order to identify the relationship between the variables. Based on the results of correlation analysis variables, it was found that there is positive relationship between high performance work practices, job satisfaction and organizational commitment. Results of ANOVA stated that there was significance variables.

Results of correlation analyses indicated that there was a positive relationship ($r = 0.611$) between high performance work practices and job satisfaction. The findings of high work performance practices and organizational commitment indicated that there was a positive relationship ($r = 0.548$) between those two variables. So job satisfaction and organizational commitment was positively correlated with independent variable.

Mean value of the variables provided some additional insights. Mean value of job satisfaction ($M = 3.93$) indicated

that are experiencing high level job satisfaction. And the mean values of organizational commitment and high work performance practices also indicated the higher level of organizational commitment and high work performance practices. ($M = 4.05$, $M = 4.02$ respectively).

In theory, HPWSs can provide win-win benefits for firms and employees (Machin and

Wood, 2005) but can also generate win-lose combinations and even lose-lose outcomes (Boxall and Purcell, 2003: 22–3). In this study, we have examined employee-level outcomes. The direction and strength of the correlational analyses lends support to the notion that HR practices normatively associated with HPWSs have an additive, positive relationship with employee work attitudes (Hypotheses 1 to 4). Experience of a greater number of such practices co-varies with employees also reporting higher job satisfaction, a greater degree of trust in the management of their firms, a stronger psychological identification with their employing organizations, and a stronger intention to remain employed with those organizations. Thus, the study supports the findings of prior work that firms that add more high-performance work practices will generally have more satisfied employees (e.g. Appelbaum et al., 2000; Guest, 1999, 2002).

Does this imply that it is always in the interest of firms and employees for management to add more high-performance work practices? This would be an unwise conclusion. Existing studies suggest that HPWSs are not always cost-effective for firms (e.g. Cappelli and Neumark, 2001; Datta et al., 2005; Godard, 2001, 2004; Guthrie, 2001; Macky and Boxall: HPWS and employee attitudes 557 Way, 2002). Rather, they need to be evaluated by firms or business units based on whether their benefits exceed their costs in their specific context.

Our study does not include labor productivity or financial variables (which need to be provided by managerial respondents or, better still, through objective data) and, thus, the commercial benefits to firms are not something we report. However, what we do show is that adding more HPWS practices should lead, via job satisfaction and thence, both directly and indirectly through increased trust in management and affective commitment, to employees having stronger intentions to remain with their employer. Given the relationships noted earlier in this paper between job satisfaction and customer satisfaction, between turnover

cognitions and voluntary employee turnover, and between satisfaction and commitment and both organizational and individual performance, these findings do provide support for the notion that employee work related attitudes play an important role in mediating the impact of HPWSs on organizational outcomes. Those firms that seek improved satisfaction and commitment in their particular context should, therefore, see a business benefit from adding high performance work practices. For example, firms facing tight labour markets and/or employing highly-skilled professional workers in differentiated service markets may have much to gain from investing in HPWSs in order to protect their human capital investments (Batt, 2000; Boxall, 2003). Similarly, service firms seeking to build satisfied, loyal customers through high levels of employee satisfaction can expect to gain from implementing more of the HPWS practices identified here. Thus, there are potentially win-win outcomes in the appropriate contexts.

Suggestions for future research

The present study concerned only the high performance work practices as predictors of job satisfaction and organizational commitment. But there are so many factors influencing job satisfaction and organizational commitment. Employee job satisfaction can be improved by giving rewards, encouragements and other motivational factors. Environmental factors such as working condition, war situation may also have a significant influence on employee job satisfaction and organizational commitment. In addition co-workers relationship, stress at work will affect employee's attitude level. Therefore, in future, to decide to conduct this research various factors should also be taken into consideration.

This research only covered up Small Business sectors in Colombo district. But in Sri Lanka there are several small business companies. Therefore, in future it would be better to include other all companies into research sample.

In the relationship between high performance work practices, job satisfaction and organizational commitment is lower. Employees are mostly increasing their job satisfaction and organizational commitment for receiving higher salary or other carrier improvement advantages. If the possible to get the better job than present job they are ready to leave from their present organization. So this attitude will impact badly to achieve the competitive advantage in finance company. So organizations should take more care to increase the attitudes of employees. For it, they can follow the following guidelines.

- They should Clarify and communicate the mission of organization to its employees.
- Training should be given and two-way communications should be followed in an organization.
- The organizations should support the development of employees. Challenging job should be given to the employees.

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