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HRM System and Work Practices Impact on Affective Commitment: Considering mediating mechanism

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ABSTRACT

This research paper investigates the impact of employees' perceptions of HRM system and practices on employee affective commitment. Additionally, it explores the mediating role of employee psychological capital in the relationship between employee perceptions of the HRM system, practices, and affective commitment. Data was collected from employees of private banks in Pakistan. The collected data was analyzed using the structural equation modeling technique. The findings indicate that HPWPs groups and HRM system strength positively influence employee affective commitment. However, the mediation results only partially support the hypothesis. These findings encourage scholars to delve deeper into the relationship between these variables.

Keywords:

*AMO Framework,
Employee Psychological Capital,
HRM Practices,
HRM System.*

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1. Introduction

High-performance work practices (HPWPs) have garnered significant attention in management literature in the past two decades and are now recognized as a strategic management tool for employees (Ning, Wang, Lin, & Zheng, 2018; Chang, Son, & Pak, 2020; Nadeem & Rahat, 2021). These practices enhance productivity and performance at the organizational level (Khoreva & Wechtler, 2018), as well as task performance at the employee level (Chang et al., 2020). According to the literature, HPWPs have a positive impact on employee job commitment and satisfaction (Kloutsiniotis & Mihail, 2018) through the signals sent by organizations to employees. Specifically, organizations convey signals to their employees regarding their strategic goals by implementing specific HR practices, resulting in various employee reactions (Hewett, Shantz, Mundy, & Alfes, 2017). HRM practices or systems also influence performance factors, which include employees' perceptions and evaluations. HR researchers argue that HR practices like HPWPs, implemented by line managers, affect organizational effectiveness through employee outcomes (Kehoe & Wright, 2013). Thus, the perception of the HRM system plays a crucial role in this causal chain, as line managers' implementation of HPWPs ultimately influences employees' perception of these HR practices.

The ability, motivation, and opportunity (AMO) framework has been utilized in the literature on HPWPs (Appelbaum, Bailey, Berg, & Kalleberg, 2000; Jiang, Lepak, Hu, & Baer, 2012) to examine the relationship between HPWPs and outcomes. Ability-enhancing HR practices, such as selective hiring and extensive training, are likely to impact employees and organizational performance (Bello-Pintado & Garces-Galdeano, 2019). Motivation-focused HR practices, including performance management, compensation, and rewards, also influence employee outcomes (Van De Voorde & Kilroy, 2019). Similarly, HR practices such as teamwork and information sharing, which create opportunities, have a positive effect on organizational performance (Khoreva & Wechtler, 2018). It has been suggested that the impact of such practices is potentially multiplicative, indicating that organizations that invest in all of these areas are more likely to achieve favorable outcomes for their employees and organizations (Bello-Pintado & Garces-Galdeano, 2019; Tian, Cordery, & Gamble, 2016).

Bowen and Ostroff (2004) established a framework for understanding the interaction by going beyond the content of knowledge and exploring the mechanisms through which HR messages are sent and how employees receive and perceive them (Heffernan, Cafferkey, Harney, Townsend, & Dundon, 2021). Building on Ostroff and Bowen (2016), the role of employees in exploring these relationships, specifically their perception of the HR system, has been enhanced through investigations into the relationship between HRM and performance (Van et al., 2021). Research has shown that employee perception of the HR system, rather than manager-rated implemented HR procedures, influences employee behavior, underscoring the importance of examining employees' perception of HR system strength (Wang et al., 2020).

The increasing number of studies exploring employees' perceptions of the HR system challenges the field of SHRM in monitoring the development of a common understanding. SHRM literature has examined employee perspectives on HRM using various conceptual models, including perceptions of the strength of the HRM system as an antecedent, mediator, or outcome (Van et al., 2021). A strong HRM system consists of three dimensions: distinctiveness, consistency, and consensus (Bowen and Ostroff, 2004). The strength of the HRM system typically refers to "explicit messages communicating to employees about the conduct." Stronger HRM systems are believed to have a greater impact on outcome variables because they provide clear messages about employer expectations from employees (Heffernan, Cafferkey, Harney, Townsend, & Dundon, 2021).

More robust HRM systems are thought to have a higher impact on outcome variables because they provide employees with unambiguous signals about organizational expectations (Sanders, Shipton, and Gomes 2014). This line of research, rather than focusing on basic content-based expectations of "high-performance," has practical implications and offers insights into how HRM can be effectively managed (Boxall and Huo, 2020). However, there has not been a systematic examination of how employee opinions of HRM act as predictors, mediators, or outcomes. Ostroff and Bowen (2016) argue that researchers employ system strength logic to justify their studies but fail to investigate how it relates to various outcomes, such as climate and employee attitudes. The theoretical viewpoints that advocate for the employee perspective on the HRM system need to be revisited.

Based on Kelly's attribution theory, this article argues that the list of practices identified as HPWPs comprises practices that send both positive and negative signals to employees (Reuver et al., 2019; Posthuma et al., 2013; Connelly, Certo, Ireland, & Reutzel, 2011). However, HPWPs based on the AMO framework send more consistent positive signals with less ambiguity, while perceived signals from motivation-focused HR practices may be interpreted differently by employees (Jiang et al., 2012). Signal consistency is crucial in achieving the right balance in the sender-receiver relationship (Bergh et al., 2014). Since the final message received by the employee depends on the interaction between the bundles, a collective interpretation of signals from the three bundles is necessary (Reuver et al., 2019).

Furthermore, the close interaction between management, employees, and employees' psychological resources impacts how messages are interpreted (Darvishmotevali & Ali, 2020). Psychological capital (PsyCap) is defined as an individual's positive psychological state based on optimism, self-efficacy, resilience, and hope (Luthans & Youssef, 2007). This study argues that high-performance work practices foster psychological capital in employees, improving their perception of their positions within an organization (i.e., affective commitment) (Miao et al., 2020). However, the notion that HPWPs and a strong HRM system influence workers' behavioral outcomes has largely remained untested from a psychological capital perspective. PsyCap provides a potential theoretical bridge to enhance our understanding of the impact of HPWPs (content) and HRM signaling (process) on employees and their affective commitment (Miao et al., 2020; Boxall, Guthrie, and Paauwe, 2016; Lei et al., 2020).

The aforementioned argument is based on social exchange theory (Blau, 1964), which posits that employees value clear and consistent messages from HR and the positive impact of HPWPs on their abilities, motivations, and opportunities, leading to reciprocation in the form of affective commitment (Takeuchi et al., 2018). Furthermore, these positive HR signals and high-performance work practices not only bring personal benefits to employees but also induce actual changes in their psychological resources and increase their psychological capacities, thereby improving their attitude towards their job and organization. This article takes up the challenge of extending the concept of HPWPs and the strength of the HRM system to investigate their potential effects on employees' attitudes and psychological capital.

Thus, this study examines the influence of HPWPs and HRM system strength on employee affective commitment and proposes a mediation model that investigates employee psychological capital as a mediating mechanism between HPWPs, HRM system strength, and employee affective commitment. Focusing on affective commitment, which is defined as an emotional attachment to the organization and forms the basis of a positive relationship with the organization, this research considers it as a predictor of beneficial employee behaviors (Andersén and Andersén, 2019; Shin et al., 2020; Meyer et al., 2002). By measuring its proximity to HRM practices and systems, this research treats employee affective commitment as a dependent variable that predicts individual behaviors (Ng and Feldman, 2011).

This research differs from previous studies in several aspects. Firstly, it contributes to existing knowledge by examining the mechanisms that may be involved in the link between HPWPs and HRM system strength on employee outcomes, particularly in developing countries. Secondly, while some scholars have discussed how HPWPs and employee outcomes are more pronounced in the manufacturing sector (Combs et al., 2006), this study recognizes that HPWPs can assist employees in adapting to the volatility and adaptability of the service sector (Chuang and Liao, 2010). By focusing on a specific sector that likely has unique service orientations (Chi, 2019), this study incorporates a broad range of employee experiences.

Thirdly, we examine PsyCap as a mediator that reveals how HPWPs can enhance employee psychological capacities, providing a deeper understanding of the effectiveness of process-based HRM systems, their signaling effect, and their impact on employee commitment (Boxall, Guthrie, and Paauwe, 2016). Fourthly, this study considers both the process and content aspects of the HRM system. The inclusion of both HRM process and content is important because, as noted by Katou (2014) and Ostroff and Bowen (2016), an effective integration of HRM process and content is necessary for SHRM to effectively influence employee outcomes. Finally, this study incorporates contextual effects to enhance HRM research. By conducting the study in a Pakistani context, the

research explores the processes of signaling, communication, and interactions among personnel from diverse cultural backgrounds.

2. Literature Review and Hypotheses Development

2.1 High Performance Work Practices and Affective Commitment

By integrating elements from social exchange theory (Blau, 1964) and the high-performance work system (HPWS), this study contributes to the field of HPWS and employee outcomes (Boxall and Purcell, 2011). Moreover, the performance chain outlined in the HPWS theory (Boxall and Purcell, 2011) sheds light on how HPWS practices influence employee attitudes and behaviors. The foundational principles of strategic HR explain how HR practices impact employee behavior and how they can optimize performance (He, Morrison, & Zhang, 2021). High-performance HR practices aim to enhance employees' skills, abilities, commitment, and performance (Bos-Nehles and Bondarouk, 2015). The selection of HR practices in this research study is based on the categorization proposed by Jiang et al. (2012), which includes ability-enhancing practices (selection, recruitment, and comprehensive training), motivation-creating practices (performance appraisal, compensation, and job security), and opportunity-providing practices (flexible work arrangements, decision-making, and information sharing).

According to this study, employee perceptions of HPWPs are linked to affective commitment. Drawing from the notion of social exchange (Blau, 1964), the implementation of HPWPs indicates the organization's interest in its employees' growth (Nadeem & Rahat, 2021). Similarly, employees' positive perceptions of HPWPs are likely to manifest in their behavior by demonstrating a high level of commitment to the organization (Cole, Schaninger, and Harris, 2002). While most research has shown a positive relationship between employees' perceptions of HPWPs and their outcomes, some studies have also identified negative consequences of HPWPs for employees (Kroon et al., 2009). Van De Voorde et al. (2012), in their review of HRM-well-being literature, found that while HPWPs may have a detrimental impact on employee health and well-being, they have a positive effect on employees' happiness and well-being, as evidenced by their affective commitment. Based on this review, this study proposes a positive relationship between HPWPs and employee affective commitment.

Hypothesis 1a: Employee perceptions of ability-enhancing HPWPs are positively related to affective commitment.

Hypothesis 1b: Employee perceptions of motivation-focused HPWPs are positively related to affective commitment.

Hypothesis 1c: Employee perceptions of opportunity-creating HPWPs are positively related to affective commitment.

2.2 HRM system and employee affective commitment

In contrast to the content-based approach, most HRM research has focused on the process of HRM (Sanders and Yang, 2016). Drawing from Kelley's (1973) co-variation principle of attribution, "HRM system strength comprises three features: (1) distinctiveness (i.e., HRM practices are visible, understandable, and practically relevant to employee outcomes), (2) consistency (i.e., HRM practices are communicated in an internally aligned and uniform manner), and (3) consensus (i.e., there is overall agreement regarding the purpose of the HR practices)." These three aspects of HRM system strength can be seen as measures of the inherent signaling and communication mechanisms suggested by HR practices in a strong HRM system.

It is important to note that distinctiveness, consistency, and consensus are not used to support specific HRM practices; instead, they are used to assess the underlying communication and signaling among employees. Based on the attribution theory, employees make attributions about cause-effect relationships based on distinctiveness, consistency, and consensus. Distinctiveness refers to a situation in which individuals perceive their relevance to goals or outcomes and consider their performance expectations as sanctioned behaviors. Consistency of HRM system strength refers to the internal alignment among HR practices. Previous research has emphasized the importance of developing an

HRM system with clear and integrated HR practices to align with organizational objectives (Bowen and Ostroff, 2004). In this research, we assume that affective commitment is one of the preferred employee behaviors. Previous studies on the effectiveness of HRM systems and employees' affective commitment have yielded mixed results (Li et al., 2011; Sanders et al., 2008).

These researchers have linked the construct of the HRM system to employees' behavioral outcomes. Sanders et al. (2008) found a strong association (except for consensus) between distinctiveness, consistency, and affective commitment in one of their studies. However, Ostroff and Bowen (2016) argued that consensus is necessary for other components of the HRM system. Similarly, Li et al. (2011) found inconsistency in the relationship, although distinctiveness was considered important for employee outcomes and consistency showed a positive link with intention to quit. Due to a lack of empirical investigation and theoretical knowledge, the effectiveness of the HRM system is still in its early stages (Ostroff and Bowen, 2016). Aligning with our focus on employees, this research examines the main impacts of HRM system strength on employee affective commitment. Thus, it aims to provide a credible measure of the HR system as agreed upon and interpreted by employees (Geare et al., 2014). We hypothesize that:

"Hypothesis 2a: Perceptions of HRM systems as being distinctive have a positive impact on employee affective commitment." Hypothesis 2b: Perceptions of HRM systems as being consistent have a positive impact on employee affective commitment." Hypothesis 2c: Perceptions of HRM systems as having consensus have a positive impact on employee affective commitment."

2.3 The mediating role of Psychological Capital

Employees are the most valuable and vital resources, and they must be trained in terms of ability, motivation, and opportunity to fulfill personal and organizational objectives. Only capable and motivated employees can help an organization achieve its goals. Previous research on High-Performance Work Systems (HPWS) has suggested that HPWPs impact employee outcomes through various social processes, including knowledge and psychological capital (Meijerink, Beijer, & Bos-Nehles, 2021). In recent years, the significance of positivity in human resources management has been increasingly recognized, with a particular emphasis on consolidating and developing employees' psychological resources. Positive organizational psychology and positive emotions have shown that individuals flourish when attention shifts from fixing what is wrong to strengthening what is right (Luthans et al., 2008).

Psychological capital (PsyCap) is defined as "an individual's positive psychological state of development characterized by (1) having confidence (efficacy) in taking on and putting in the necessary effort to succeed at challenging tasks; (2) making a positive attribution (optimism) about succeeding now and in the future; (3) persevering toward goals, and when necessary, redirecting paths to goals (hope)" (Luthans & Youssef-Morgan, 2017). Researchers have defined PsyCap as a positive mental and emotional state characterized by four factors: optimism, self-efficacy, hope, and resilience (Abbas and Raja, 2015). Optimism reflects a positive outlook on life and well-being, where individuals have broader expectations of favorable future events (Le et al., 2018). Self-efficacy indicates an individual's belief that they can control challenges in the environment through adaptive behavior (Schwarzer et al., 1997).

Resilience refers to the capacity to bounce back from unfavorable or stressful conditions. Regardless of whether the change is perceived as good or bad, it often creates substantial stress and uncertainty that can be mitigated through resilience (Masten, 2001). Resilience enables individuals not only to bounce back but also to thrive beyond their previous level of equilibrium. In psychology, hope has two dimensions: the power of will and pathways. The power of will represents individuals' expectations and drive to achieve a desired objective, while pathways enhance this desire by providing psychological resources to identify various ways of reaching the goal. This alternative style of thinking helps people overcome barriers and attain their goals.

HPWPs ensure that employees receive consistent training and development to enhance the skills, knowledge, and other qualities required to perform the job, which, in turn, boosts PsyCap. Meeting workplace expectations enhances employees' self-efficacy and optimism: task mastery enhances self-efficacy, while optimism refers to the belief in one's ability to positively impact future outcomes

(Carver & Scheier, 2002). Continuous updating or recalibration of skills can benefit resilience, adaptation, coping with insecurity, and recovering from setbacks (Masten & Reed, 2002). Furthermore, extensive training to acquire broad abilities can cultivate hope by enabling individuals to create alternative solutions to problems and overcome obstacles (Bamberger & Meshoulam, 2000).

HPWS improves motivation, according to the AMO model, by "implementing HR policies that fall under the appraisal and rewards section of HPWS" (Bamberger & Meshoulam, 2000): results-oriented performance assessments and career management ramps. Individual workers' PsyCap should also benefit from this. Results-oriented assessments, for example, serve as target mechanisms: challenging benchmarks are agreed upon, and strategies for achieving them are discussed. Challenging goals, along with roadmaps and strategies for accomplishing them, can inspire optimism, hope, energy directed toward a goal, and knowledge of multiple paths to that goal (Snyder, 2002). Additionally, clear goals, the capacity to attain them, and feedback on goal achievement all contribute to a positive psychological condition.

The opportunities created by HPWPs may also be connected to the growth in PsyCap. If you know that you can mobilize knowledge and abilities based on your own decisions, you can be encouraged. The conviction that people can affect future directions through decision-making should promote optimism and positive outcome expectations. Awareness of development and modification and, thus, the power to adapt and bounce back in demanding and unfavorable circumstances—resilience—can be enhanced in decision making (Masten & Reed, 2002). Finally, autonomy and the freedom to utilize one's abilities should stimulate optimism by realizing that alternatives are accessible to achieve a goal. This means that the cumulative impacts of several HPWS components will have a larger influence on PsyCap. Efficient achievement is more likely to have the expected impact (i.e., an increase in PsyCap). If an HPWS component does not work effectively, an additional element is in place to achieve the desired result.

Previous research has found a link between psychological capital and employee performance (i.e., commitment, job satisfaction, and well-being) (Walumbwa et al., 2010; Ozer et al., 2013; Avey et al., 2010). Meta-analysis supports positive relationships between psychological capital and attitudes and behavior of employees at work (Avey et al., 2011). Committed employees are able to distinguish themselves from less committed employees. Personal resources such as self-efficacy, optimism, and resilience are other major determinants of employee engagement. We can consider psychological capital as a personal resource in combination with these factors. Previous studies have also shown a proven link between positive psychological capital and commitment (Teo et al., 2014).

This allows us to say that strong PsyCap brings more job satisfaction and greater commitment to work, as its positive effects help employees assess their jobs and employers effectively. PsyCap, in other words, marks the beginning of occupational happiness and dedication. Finally, the HRM system theory notion states that entities do not exist in isolation but rather in groups. When one entity is present, other entities are present as well, and their power is boosted due to strong signal transmission. The four PsyCap components operate as a resource because they strengthen each other and constitute a fundamental element in a higher order (Luthans et al., 2015). This indicates that increasing HPWS and having a strong HRM system signal in one PsyCap resource is likely to boost the value of the other PsyCap resources, resulting in a higher total PsyCap value. Based on the above arguments, we can hypothesize that:

Hypothesis 03a: Employee Psychological Capital mediates the relationship between ability-enhancing HPWPs and employees' affective commitment.

Hypothesis 03b: Employee Psychological Capital mediates the relationship between motivation-focused HPWPs and employees' affective commitment.

Hypothesis 03c: Employee Psychological Capital mediates the relationship between opportunity-creating HPWPs and employees' affective commitment.

Hypothesis 04a: Employee Psychological Capital mediates the relationship between distinctive perception of the HRM System and employees' affective commitment.

Hypothesis 04b: Employee Psychological Capital mediates the relationship between consistent perception of the HRM System and employees' affective commitment.

Hypothesis 04c: Employee Psychological Capital mediates the relationship between consensus perception of the HRM System and employees' affective commitment.

3. Research Methodology

3.1 Study Context

Similar to other service markets, the banking sector in Pakistan has become highly competitive. Financial organizations have faced significant challenges in terms of technological transitions, market diversification, and global banking over the past two decades. These factors have had numerous effects on the HR activities of this sector. The training and development of employees have become key issues for the sustainability of banks. The rapid growth of the banking service sector, driven by the ease of entry for new banks after deregulation and privatization, has increased competition. These factors have put pressure on banks to introduce major reforms (Mohsan et al., 2011). One important aspect of these reform efforts was the need to rehabilitate HR departments in Pakistani banks, leading to reforms in organizational, operational, and procedural aspects of the HR system. The increasingly complex workforce and the importance of customer care and loyalty for profitability in the banking sector further emphasize the need for employees to develop skills, enhance their capabilities, and improve their personal attributes for success (Bailly and Lene, 2013).

In this context, researchers conducted a study on the impact of HPWPs, the HRM system, and employee PsyCap in Pakistan's banking sector and their effect on employee affective commitment.

3.2 Data, Samples and Procedures

A survey was conducted in different bank branches across Pakistan. The banking industry in Pakistan consists of various types of banks, including nationalized scheduled state-owned banks, specialized banks, Islamic banks, microfinance banks, privatized commercial banks, and foreign banks. These banks operate in different regions of the country based on their functions. For this study, private commercial banks with a nationwide branch network were selected to obtain a comprehensive view of the entire population. The selection was based on the banking survey of Pakistan. These banks provide services in Punjab, Sindh, Khyber Pakhtunkhwa, Baluchistan, and the Federal areas of Islamabad. Therefore, it was decided to include bank branches from Punjab, Sindh, and Khyber Pakhtunkhwa for the survey. Branches were selected randomly, and respondents were chosen conveniently from these branches.

The survey research instrument was distributed among 700 bank branches located in the three main provinces mentioned above. A total of 3,500 surveys were distributed. There were no significant differences in age and size among these branches. Valid responses from 829 employees were collected from all the branches. The sample consisted of 77 percent males, 65 percent of respondents had tertiary education, 62 percent of respondents were 31 years or older, and 47 percent of respondents had worked for more than 5 years.

3.3 Measurements

HPWPs were measured using AMO bundles of HR practices, following the approach adopted by Khoreva and Wechtler (2018). The ability-enhancing measure was addressed by six training items and four staffing practices items. Motivation-enhancing HR practices were measured by eight performance-based appraisal and compensation items and six employee relations items. Opportunity-enhancing HR practices were measured by ten items related to self-managed teams and empowerment. Affective commitment was measured using the measure adopted from Allen and Meyer (1990). The measure of HRM system strength was adopted from Delmotte, Winne, and Sels (2012). Three meta-features, distinctiveness (six items), consensus (six items), and consistency (four items), were measured by a total of sixteen items. PsyCap was measured using a reduced 12-item scale developed by Luthans et al. (2008). The respondents were asked to appraise their opinions on a 5-point Likert scale. This study included age, gender, education level, and organizational tenure as control variables, as suggested by Sanders et al. (2008).

4. Preliminary analysis

The different measures were self-reported and taken all at once. Although the surveys were intended to be anonymous and items from all categories were grouped together in a different section of the questionnaire (Galbreath and Shum, 2012), there is still a possibility of bias due to common method variance (CMV). To determine the presence of CMV influence, an unmeasured latent factor was used in this investigation (Podsakoff et al., 2003). Confirmatory factor analysis (CFA) techniques were also employed to assess CMV (Williams et al., 2010). The findings indicated that all the method factor loadings were insignificant, and the variances of the indicators exceeded the variation of the method factors. Moreover, in the CFA technique, all the items were placed on a single factor. However, the single factor did not fit the data appropriately according to CFA (χ^2 5166; $df = 422$; $\chi^2/df = 12.24$, TLI = .53, CFI = .57, RMSEA = .11, SRMR = .09), indicating that there was no significant CMV bias in the data.

5. Results

In order to ensure the construct validity of the data, we conducted the CFA analysis. Table 01 indicated the measurement model results of all the constructs. As shown in the table 01 the hypothesised 8-factor model (which included first order construct's factors of second order construct) fit the data well, as compare to other one, three and five factors model ($\chi^2 = 2008$; $df = 701$; $\chi^2/df = 2.86$; CFI =.934; TLI =.933; RMSEA =.08; SRMR =.03).

Table 1. Measurement Model fit indices

Model	χ^2	df	χ^2/df	CFI	TLI	RMSEA	SRMR
8 Factors Model	2008.29	701	2.86	0.934	0.933	0.08	0.03
5 Factors Model	2798.31	598	4.67	0.901	0.899	0.057	0.05
3 Factors Model	3225.25	595	5.42	0.876	0.892	0.078	0.07
1 Factors Model	5166.469	422	12.24	0.57	0.53	0.11	0.09

Table 2 presents a summary of the alpha coefficients, composite reliability estimates, and average variance extracted (AVE) values. All of these figures were found to be greater than their respective cutoff values of 0.7 and 0.5, as indicated (Hair et al., 2016; Henseler, Hubona, and Ray, 2016). To assess convergent validity, we examined the factor loadings of items on their respective constructs. With the exception of three items from the HPWPs (0.480) and two items (0.492 and 0.578) from the HRM system strength, all item loadings exceeded the threshold value of 0.7. These five items were excluded from further investigation due to their low loadings. This study also included second-order constructs, namely HPWPs and HRM system strength. The CR and AVE values for HPWPs were 0.928 and 0.589, respectively, while the CR and AVE values for the HRM system construct were 0.948 and 0.557, confirming the credibility of the second-order constructs.

Table 2. Reliabilities measure for the constructs

Variable	Cronbach's Alpha	Composite Reliability	AVE
HPWPs* (Ability)	0.839	0.887	0.613
HPWPs* (Motivation)	0.842	0.862	0.611
HPWPs* (Opportunity)	0.877	0.897	0.601
Distinctiveness **	0.858	0.871	0.620
Consistency **	0.824	0.858	0.652
Consensus **	0.872	0.901	0.611
Employee PsyCap	0.901	0.902	0.641
Affective Commitment	0.818	0.860	0.674

**First-order constructs of the HRM System Strength.

* First-order constructs of the HPWPs

Table 3 presents the means, standard deviations, and correlation coefficients for all the constructs in the study. As shown in the table, all factors were positively correlated with each other.

To estimate the hypothesized model, structural equation modeling (SEM) was employed using M-Plus version 7.3. SEM was chosen for this study because it allows for testing hypotheses involving simultaneous correlations between latent variables, distinguishing between direct and indirect effects, and accounting for measurement errors in multi-item constructs.

Hypotheses 1A, 1B, and 1C propose that high performance work practices (AMO) would have a positive association with affective commitment. The direct impact of HPWPs (AMO) on affective commitment was confirmed for (A) ability enhancing HPWP ($b = .298, p < .001$), (B) motivation ($b = .242, p < .001$), and (C) opportunity creating HPWP ($b = .211, p < .001$). Therefore, hypotheses 1A, 1B, and 1C are supported.

Table 3. Correlations among constructs

		Mean	SD	1	2	3	4	5	6	7	8	9	10	11	12
1	HPWPs (Ability)	3.47	0.77												
2	HPWP (Motivation)	3.69	0.82	0.392											
3	HPWP (Opportunity)	3.65	0.94	0.372	0.351										
4	AC**	3.72	0.79	0.448	0.359	0.445									
5	Dist**	3.81	0.71	0.408	0.318	0.516	0.506								
6	Consis**	3.75	0.67	0.442	0.376	0.518	0.502	0.418							
7	Consen**	3.62	0.77	0.433	0.336	0.418	0.402	0.473	0.512						
8	Employee PsyCap	3.59	1.23	0.453	0.442	0.336	0.418	0.402	0.473	0.502					
9	Age	3.72	1.55	0.253	0.112	0.029	0.170	0.211	0.045	0.059	0.073				
10	Gender	0.69	0.45	0.257	0.142	0.063	0.040	0.137	0.234	0.131	0.228	0.225			
11	Education	3.87	1.02	0.225	0.074	0.077	0.228	0.221	0.032	0.041	0.0402	0.211	0.147		
12	Organisational Tenure	3.72	1.73	0.081	0.021	0.091	0.042	0.031	0.0742	0.0336	0.181	0.055	0.047	0.0712	

** First-order constructs of the Second order variable, Dist=Distinctive, Consis=Consistency, Consen= Consensus

Employee perceptions of HRM system strength were expected to have a positive relationship with affective commitment, according to hypotheses 2A, 2B, and 2C. The results presented in Table 4 indicate that the impact of HRM system strength on affective commitment was significant for (a) distinctiveness ($b = .387, p < .004$), consistency ($b = .444, p < .001$), and consensus ($b = .256, p < .001$), thus supporting hypotheses 2A, 2B, and 2C.

Hypothesis 3 proposed that employee PsyCap mediates the relationship between employee affective commitment and ability-enhancing (H3a), motivation-focused (H3b), and opportunity-creating HPWPs (H3c). The methodology for testing mediation, as discussed by Preacher and Hayes (2008), was employed in this study. The results in Table 4 show that ability (H3a), motivation (H3b), and opportunity-creating HPWPs (H3c) were positively related to employee PsyCap ($b = .172, .196, \text{ and } .221$ respectively, $p < 0.05$). This indicates that employee PsyCap serves as a mediator in the relationship between HPWPs and affective commitment. The association between HPWPs (AMO) and affective commitment was partially mediated by employee PsyCap. The bootstrap analysis confirmed the presence of indirect effects, supporting Hypotheses 3.

Hypothesis 4 predicted that employee PsyCap would mediate the relationship between distinctiveness (H4a), consistency (H4b), and consensus (H4c) and employee affective commitment. Following the same mediation testing methodology as Preacher and Hayes (2008), it was expected that the inclusion of employee PsyCap would result in a significant impact. However, the effect of the mediator ($b = 0.187, 0.116, 0.018, p < 0.05$) was significant but reduced, indicating partial mediation. Thus, Hypothesis 4 is partially confirmed. The bootstrap analysis further supported Hypothesis 4, as the 95% confidence intervals (CI) for indirect effects were greater than 0.

6. Discussion and implications

The objective of this study is to contribute to the existing literature on the impact of the process and content aspects of the HRM system on individual outcomes, particularly in developing countries. The study draws on the "Social Exchange theory, high-performance work system theory, and theory of attribution" to advance understanding in this area. A novel aspect of this study is the inclusion of Employee PsyCap to explain its relationship with affective commitment. Additionally, the study focuses on the service sector of the Pakistani economy, providing valuable insights specific to this sector. As a result, we have gained a better understanding of the relationship between HRM system strength, HPWPs, and affective commitment. The direct hypotheses pertaining to the three features of HRM system strength, affective commitment, and HPWPs (AMO) were all confirmed. However, the mediation hypotheses in this study received partial support.

Table 4. Hypothesis Results

Relationship	Path coefficient	Std Error	T values	p value	LCI	UCI
HPWPs (Ability) → Affective Commitment	0.298	0.021	14.1	0.00**	0.081	0.123
HPWPs (Motivation) → Affective Commitment	0.242	0.033	7.33	0.00**	0.064	0.126
HPWPs (Opportunity) → Affective Commitment	0.211	0.019	11.1	0.00	0.091	0.239
Distinctiveness → Affective commitment	0.387	0.087	4.45	0.04	0.429	0.595
Consistency → Affective commitment	0.444	0.047	9.45	0.00	0.045	0.144
Consensus → Affective commitment	0.256	0.087	2.94	0.001	0.112	0.263
Employee PsyCap → Affective Commitment	0.439	0.055	7.98	0.00	0.119	0.144
HPWPs (Ability) → Employee PsyCap	0.172	0.035	4.91	0.038*	0.005	0.150
HPWPs (Motivation) → Employee PsyCap	0.196	0.047	4.17	0.00	0.318	0.500
HPWPs (Opportunity) → Employee PsyCap	0.221	0.048	4.60	0.00	0.338	0.523
HPWPs (Ability) → Employee PsyCap → Affective Commitment	0.212	0.039	5.44	0.024	0.023	0.070
HPWPs (Motivation) → Employee PsyCap → Affective Commitment	0.192	0.058	3.31	0.002	0.012	0.058
HPWPs (Opportunity) → Employee PsyCap → Affective Commitment	0.108	0.059	1.83	0.006	0.113	0.272
Distinctiveness → Employee PsyCap	0.089	0.039	2.28	0.024*	0.013	0.163
Consistency → Employee PsyCap	0.186	0.06	3.11	0.002	0.063	0.291
Consensus → Employee PsyCap	0.064	0.06	2.72	0.006	0.043	0.264
Distinctive → Employee PsyCap → Affective Commitment	0.187	0.017	5.081	0.00	0.027	0.149
Consistency → Employee PsyCap → Affective Commitment	0.116	0.011	10.63	0.032	0.032	0.217
Consensus → Employee PsyCap → Affective Commitment	0.018	0.007	2.428	0.031	0.069	0.236

* $p < .05$; ** $p < .01$;

HPWPs have been shown to enhance individual outcomes in previous studies (Liao and Chuang, 2004). These studies have also established that Employee PsyCaps can influence the relationship between HPWPs and individual outcomes (Chuang and Liao, 2010; Gelade and Ivery, 2003). This study further supports the previous findings and validates the link between HPWPs, Employee PsyCap, and affective commitment (Chuang and Liao, 2010), while also demonstrating that Employee PsyCap facilitates HPWPs. Specifically, when an organizational climate supports and believes in the objectives of HPWPs, such as enhancing positive employee PsyCap, it improves the structural fit, thereby enhancing the practices and outcomes of implementation. Employee PsyCap, with a primary focus on enhancing employee commitment, intensifies the impact of HPWPs in the form of affective commitment. This study also contributes to existing research on job satisfaction, service-oriented citizenship activities, and social exchange by including Employee PsyCap as a mediator in the relationship between HPWPs and affective commitment. It also encourages organizations to develop a strong HRD culture to maximize the value of HPWPs. In essence, this research argues that HPWPs shape the collective behavioral outcomes of employees, fostering mutual and cooperative actions towards colleagues (Chuang and Liao, 2010). Ability-enhancing HPWPs can create a climate that supports employees' engagement in discretionary behaviors and familiarizes them with flexible work role requirements in a service industry context (Way, 2002), resulting in a better alignment with the existing employee PsyCap. This study also demonstrated that ability-enhancing HPWPs can cultivate strong Employee PsyCap in service-oriented organizations. Moreover, motivation and opportunity-enhancing HPWPs can foster reciprocity between workers and the company (Rhoades and Eisenberger, 2002). Motivation-enhancing practices can also provide employees with recognizable and highly visible reminders of desirable actions (Gerhart, 2017). These study findings confirm that motivation-enhancing HPWPs contribute to increased consensus among organizational employees, leading to positive employee PsyCap.

When employees perceive the HRM system as more distinct and internally consistent, their affective commitment increases. However, the HRM system's consensus feature had a weaker influence. This is consistent with the idea that an employee's behavior is influenced by their cognitive response to their environment, rather than being solely driven by environmental or cultural factors (Fiske and Taylor, 1984). Therefore, policymakers may find it more accurate and valid to assess employees' perceptions of different forms of consensus, rather than relying solely on the consensus

among line managers and HR managers. Furthermore, the research revealed that employee PsyCap partially mediates the relationship between affective commitment and HRM system strength. This indicates that an employee's behavior, ideas, interests, viewpoints, and concerns are significant components of any HRM system, and are not solely determined by policymakers in a department or organization. As a result, managing employee voice or communication channels becomes a crucial aspect of realizing the potential of employee-centered HR practices that enhance both well-being and performance (Dundon and Wilkinson, 2020).

7. Future Research

This section acknowledges some of the limitations of the study. Firstly, this research is conducted at a single level of investigation, which allows for the possibility of replication in a multilevel context. Secondly, employing a longitudinal design in future studies can help establish causation and explore reverse causation in relation to perceptions of HRM systems. Additionally, it would be valuable to examine the moderating role of factors such as age, gender, and organizational type. Future studies could also expand the scope to include multiple industries and different countries.

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