

High Performance Human Resource Practices and Organizational Commitment: The Role of the National Culture

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Abstract

Previous studies demonstrated that human resource (HR) practices varies across countries. Nevertheless, the empirical comparison of effect of high performance HR practices on individual-level outcomes across cultures is limited. By incorporating the national culture concept by Hofstede (1985), this study investigated the effects of two configurations of high performance HR practices (autonomy and skills enhancement) on organizational commitment in 25 European countries. The present study used multi-level modelling for the exploration of the effects. Results of analysis showed significant differences in the impact of both autonomy and skills enhancement on organizational commitment depending on the level of power distance in the country. However, the level of individualism moderated only the effect of autonomy on organizational commitment, but not the effect of skills enhancement. Overall, outcomes of the present study support the idea of applying multiple levels of analysis to gain more knowledge of the mechanisms based on which the HR practices affect individual attitudes in various national cultures.

Keywords: organizational commitment, national culture, HR practices, individualism, power distance

Introduction

An extensive body of work in strategic human resources management field exhibit the general agreement on various benefits of an exploitation of high-performance HR practices. Previous studies report that organizations applying such practices achieve greater financial performance (Combs, Liu, Hall, & Ketchen, 2006), productivity (Wu & Chaturvedi, 2009) and higher effectiveness (Hartog & Verburg, 2004). A strategic investment in a human capital is also found to be related to a stronger competitive advantage in the market as oppose to organizations which perform less investments (Boxall, 2003). Notwithstanding, the HR management contribution to outstanding operation of an organizations is mediated by employees' attitudes, such as attachment to the organization (Zang, Fan & Zhu, 2014). Despite the notion of indirect effect of HR management on organizational outcomes, studies tend to focus on organizational level data rather than individual. Therefore, this study takes into account individual perceptions of intensity of high-performance HR strategy utilization and its input to commitment towards an organization.

By the agency of high-performance HR practices aimed at empowering employees for autonomous operation and encouraging the development of skills, organizations acquire possibilities to impact the decision to participate in the organization. The extensive investment in human capital increases the incentives for employees to attach more to organizations and to continue their participation in it (Luna-Arocas & Camps, 2008; Koster, 2011). Nevertheless, the literature deliberates the contingency perspective in relation to the effectiveness of HR strategy on employees' attitudes (Tsui, Nifadkar & Ou, 2007). The considerable progress is made in the HRM field by researchers in identifying external factors as a possible explanation in the variation of effectiveness of HR strategy.

Recognizing the significance of contextual circumstances on HR practices efficacy is particularly pertinent for studying high-performance HR strategies in globalized markets. The context in which an organization is embedded varies from monetary situation and economic openness (Koster & Wittek, 2016) to cultural climate (Hofstede, 1985). A substantial evidence of differences across countries in terms of outcomes of HR management has been indicated by academia (Rode, Huang & Flynn, 2016). To date, research studies mostly focus on comparison of HR practices across countries, rather than emphasizing HR relationships with individual or organizational level outcomes in different cultural contexts (Reiche, Lee & Quintanilla, 2012).

This paper is organized in the following sequence. Firstly, the analysis of the problem to be solved in this research is deliberated. Secondly, the theoretical foundation of the research including hypotheses is discussed following by explanation of research method and analysis of results. Finally, the paper is concluded with the discussion of possible theoretical and practical implications.

Problem definition

In accordance with previous studies in HR field it could be stated that the relationship between HR practices and organizational commitment is proved to be positive and meaningful – successful implementation of high-performance HR practices results in increased commitment (Luna-Arocas & Camps, 2008). For this reason, the direct impact of HR practices on an increase in commitment is not a primary focus of this research.

The purpose of this research is broken down into two main goals. To begin with, the research aims to investigate empirically the variation of the relationship between high-performance HR practices and organizational commitment across countries. Despite the fact that that HR practices is related to the commitment, research studies report divergent results of the strength and direction of the relationship across country settings. For instance, the effect of HR practices on organizational commitment varies in India (Paul & Anantharaman, 2004) and Switzerland (Giauque, Resenterra & Siggen, 2010). In the presence of a similar configuration of HR practices, employees in India demonstrate stronger commitment in comparison to Swiss. Hence, there are incentives to theorize the effect of contextual factors (e.g. country culture) on the relationship in question.

Corresponding to above-mentioned statements, the central goal of the research is to explore the effect of cultural factors on the relationship between high-performance HR practices and organizational commitment. Prior research studies taking into account cultural context emphasize the level of collectivism in a country as a possible influencer for different responses to HR practices and policies (Rode et al., 2016). Considering the comprehensive study by Hofstede (1985) on national culture's impact on the functioning of organizations, an inclusion of one cultural dimension narrows down the scope of possible impact of cultural context. To overcome this drawback, the present study widens the cultural context by including two Hofstede (1985) national culture dimensions, which are identified to be closely related to organizations. Moreover, research studies addressing differences between countries are focused

on a specific business area in a specific country, hence studies suffer from inability to generalize results and directly compare countries (Paul & Anantharaman, 2004; Giaque, Resenterra & Siggen, 2010). Therefore, this research study is aimed to conduct the comparative analysis on the extent to which cultural dimensions, developed by Hofstede (2011), affect the high-performance HR practices – organizational commitment relationship.

Overall, the present study makes few important contributions to the existing literature. First, from the theoretical point of view, this study incorporates cross-cultural perspective to ground reasoning for how an effect of high-performance HR practices on attitudes may change across cultures. Second, looking from the methodological point of view, the analysis of present study exploits a multi-level design to demonstrate the relationship between organizational level HR practices, individual level outcomes and national level context more precisely than in previous studies. The cultural differences of HR practices on individual attitudes have pertinent practical implications and raise a question of universality of high-performance HR practices. Despite the wide discussion in literature of the universal effectiveness of high-performance HR practices (Sun, Arye & Law, 2007), the present study is providing insights that the efficacy of some configurations of HR practices depend on a cultural context. Consequently, the following conceptual model of relationships between concepts is created to explain the future research:

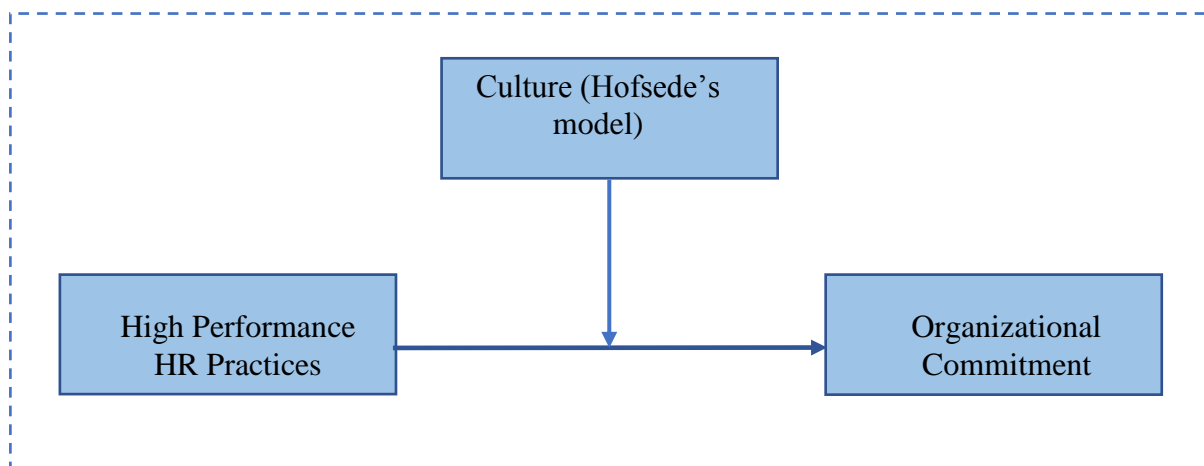


Figure 1. Conceptual model.

As a result, the following research questions have been formulated: *Does the relationship between high performance HR practices and organizational commitment vary across countries? Could this be explained by (Hofstede's) cultural dimensions?*

Theoretical Framework

High performance human resource practices

A great amount of research studies on strategic HR management and innovative practices are focused on high-performance HR practices (Muduli, 2015; Jyoti, Rani & Gandotra, 2015). These practices refer to a combination of HR systems which “enhance employee’s competencies, commitment and productivity” (Muduli, 2015, p. 241). In the plethora of research studies, investigating high-performance HR practices, various interpretations of the concept could be identified; yet authors agree on the ground statement of a perspective of these practices – an implication of high-performance HR practices is addressed to create motivational and involving environment, where the potential of employees could contribute to organizational performance at the highest level (Sun, et al., 2007; Jyoti et al., 2014; Muduli, 2015). Given that the consensus regarding which HR practices comprise the high-performance HR system is not reached, this research study focuses on practices addressed in most studies, namely empowerment through higher autonomy and development of employees through skills enhancement (Huselid, 1995, Pfeffer, 1998; Zhang et al, 2013).

The concept of the high-performance HR practices receives an extensive attention in a scientific community due to its practical applicability and positive outcomes on an organization. The overview of development of human resources management conducted by Lengnick-Hall et al (2009) shed some light on the effectiveness of strategic utilization of consistent HR practices in comparison to functional application of an isolated practice. The common notion that a ‘bundle’ or a composition of HR practices, widely named as high-performance HR practices, is more effective than a single activity, stemmed from the early strategic HRM studies and was investigated in relation with positive organizational and individual level outcomes (Huselid, 1995). The efficient management of human capital and resources is extensively discussed as being part of organizational strategy in order to achieve a greater financial performance and productivity (Sun et al., 2007; Muduli, 2015). In addition to the contribution to the organizational performance, high-performance HR practice advance organizations at the individual level as well.

High performance human resource practices and organizational commitment

A review of the literature reveals that there is solid evidence for the positive relationship between HR and organizational commitment (Gellatly et al., 2009; Luna-Arocas & Champs, 2007). As assumed by Chew and Chan (2008) retention of committed employees is the task attributed to HR function in an organization, since it affects the attitudes and behavior of workers. Employees tend to leave the organization when the feelings of the attachment or involvement are absent. In other words, employees are not committed to the organization they are working in (Luna-Arocas & Camps, 2007). High-performance HR practices have been suggested as the preventive factor of low commitment and enhancing factor for higher commitment simultaneously. HR practices aimed at stability, development and rewards are identified as creating incentives for employees to commit towards an organization. Development-oriented practices build employees capabilities, which are related to emotional commitment to the organization. By offering stability-oriented HR practices, organizations position a membership of organization as a salient benefit, which increases commitment, in terms of willing to stay, accordingly (Gellatly et al., 2009). The closer look into specific HR practices, yielded interesting results. Out of many various HR practices, authors have indicated only HR practices increasing responsibility and autonomy are related to the increased commitment. The conclusion was drawn that a single HR practice is less of predictive value than a composition of them, which is in support for the high-performance HR practices approach (Fiorito, Bozeman, Young & Meurs, 2007). Furthermore, HPHR practices provide a win-win situation for both, employees and employers. The former receives stimulating work environment, while the latter enjoys the identification with organization and willingness to stay at the workplace held by the former (Macky & Boxall, 2007).

As one of the possible underlying mechanisms of the process how high-performance HR practices lead to a higher employee commitment is explained by the ability-motivation-opportunity model. The investment in HR practices aimed at improving knowledge, skills and abilities of employees, build capabilities among employees to perform at required level (Wright & Kehoe, 2008). In turn, these investments increase employees' abilities and decision to participate in the organization accordingly. This way the growth of the organizational commitment is observed (Koster, 2011). Another dimension refers to the investment in a motivational HR practices, which elicit the positive behavior and inhibits the negative. HR strategies such as performance management system, incentives pay schemes, performance

bonuses aim to motivate employees and create affectionate commitment (Wright & Kehoe, 2008). Willingness of employees to contribute to organization's goals is regarded to the investment in HR practices from the part of employer (Koster, 2011). The last piece of the puzzle is the opportunities to participate through HR scheme providing engagement in decision-making, discretion and autonomy towards one's job. By implementing these practices, employers foster the feeling of belonging, the perception of conjunction between employee's and organization's values (Wright & Kehoe, 2008). Consequently, these mechanisms have a positive effect on employee commitment.

High performance human resources practices and organizational commitment across countries

The literature on high-performance HR practices tends to investigate the subject in regards to more internal context, such as organization setting, and pay less attention to the external context. The evidence from previous studies on the interaction of HR practices – organizational commitment gives some significant insights into the effect of embeddedness of the organization within different cultural settings (Rode et al, 2016; Wu & Chaturvedi, 2009). A research study on organizational commitment and HR practices relation conducted by Giauque et al. (2010) has indicated the positive relationship between concepts in Switzerland, generally speaking. However, the more detailed investigation of the conceptual model has revealed that HR practices aimed at involving employees in decision-making process and skill management activities, enabling individual and collective learning, were not predictive factors of employee commitment. In contrast, comprehensive training, together with career development and development-oriented appraisal are concluded to be significant predictors of organizational commitment among employees in India (Paul & Anantharaman, 2004). In reflection of the latter results, it is clear that utilization of high-performance HR practices differs in strength of the effect across countries. Yet, the explanation of relationship in latter studies fails to address the macro-level point of view and focus more at the individual level.

In addition to the above-mentioned empirical evidences, comparative research studies encompass more comprehensive views across countries in terms of HR effect on organizational commitment. A comparative research study between Japan, Sweden, Austria and Germany demonstrated that individual HR practices have a distinctive effect on organizational commitment (Rode et al, 2016). For instance, while in Japan and Sweden extensive trainings of employees affect the organizational commitment positively, the opposite is true for Austria and Germany. The explanation of the variance is related to culture of organizations, named

institutional collectivism, however the interaction effect of culture on a relationship between HR practices and organizational commitment is not tested empirically. Wu and Chaturvedi (2009) have noticed differences in employee's attitudes towards organization when similar HR practices have been applied in few Asian organizations. Authors emphasize the contingency effect on the relationship, leading to the assumption that the effect of HR practices on employees' attitudes is context-bounded.

Summarizing results of previously discussed research studies, it becomes clear that the effect of applied HR strategy on the organizational commitment is contingent on circumstances. To date, most of studies explain the contingencies at the organizational level (Giauque et al, 2009; Wu & Chaturvedi, 2009), however previous research studies falls short of reaching the coherent model which could explain the high-performance HR practices effectiveness in a context at the national level.

Culture perspective

Organizations are operating in various environments, which may have an impact on the trajectory of their strategy to achieve objectives. The importance of the context has been explained in different theoretical perspectives. The institutional theories focus on the effect of environmental pressure, such as social obligations or formal regulations, in adopting strategic practices (DiMaggio & Powell, 1983). Whereas, resource dependence theory suggests that high-performance HR practices are integrated at a certain level due to company's dependency on the labor market (Kim & Wright, 2011). Yet, these theories do not include the effectiveness element of high-performance HR practices on organizational outcomes.

The cross-cultural theory, on the other hand, gives insights on how cultural values moderate employee's behavior and attitudes in response to organizational strategy (Tsui, Nifadkar & Ou, 2007). The general notion of the cross-cultural perspective is that organizational practices tend to lead to positive outcomes when its underlying cultural direction fits with employee's cultural values (Kim & Wright, 2011). Similarly, Schuler and Rogovsky (1998) argue that consistency between HR practices and national cultural values yields more predictable behavior and creates less frustration. Authors promote the need for matching HR practices with national culture because it transmits cultural awareness, rewards employees for behavior which is consistent with desirable one. The fit between organizational practices cultural context results in a greater performance (Schuler & Rogovsky, 2009). Despite the fact

that cross-cultural studies highlight the prominence to reconcile HR practices with employee's values in order to endorse positive attitudes, the cross-cultural investigation at a national level is not common in the literature.

In his comprehensive studies on national culture, Hofstede (1985) has discussed the impact of national values of the country on organizational values in a workplace. The author defines the national culture as the collective programming of the mind, which can distinguish social groups from each other (Hofstede, 2011). The national culture is embedded in a shared knowledge and beliefs which are formed in the childhood and remain stable throughout the life course. The author argues that every organization is constituted under the influence of national culture and reflects features of these cultures (Hofstede, Hofstede & Minkov, 2010). Based on these arguments, the culture of the country seems to be a contextual factor, which needs to be taken into a consideration while employing strategies to achieve positive organizational outcomes.

Hofstede (2011) developed a model of “dimensionalizing cultures” and distinguished six dimensions of national culture, which categorize cultural differences: power distance, uncertainty avoidance, individualism versus collectivism, masculinity versus femininity, long-term versus short-term orientation, and indulgence versus restraint. These dimensions not only define national values, but also refer to organizational values, based on which the organizational culture is created. Hofstede (1985) explained this in terms of national values of founders of organizations, which they bring to the organization itself. As such, the structure of the company is shaped to achieve higher goals while taking into account the compatibility between national values and specific practices.

In this study, the emphasis is placed on two dimensions of the national culture: power distance and individualism versus collectivism, characterized by Hofstede (2011) as following:

- 1) Power distance – “defined as the extent to which the less powerful members of organizations and institutions accept and expect the power is distributed unequally” (p.9). In other words, the power distance indicates hierarchical power structures in a society in the authority – subordinate relationship, which is perceived as a norm in a high power distance society in contrast to a low power distance society.
- 2) Individualism versus Collectivism - “the degree to which people in a society are integrated into groups” (p.11), with individualistic cultures being more loosely tied,

whereas in collectivistic cultures members of society are tightly integrated into groups. Furthermore, the individualism dimension differentiates societies into groups based on whether they appreciate more independence (individualistic) or interdependence (collectivistic).

The rationality behind the approach to utilize latter dimensions only, is based on previous studies conducted in an organizational setting. The individualism dimension is one of the most investigated measure in studies on cross-national topics and is found to be relevant for organizational outcomes (Yang et al., 2012). Whereas, the power distance dimension has also been identified as significant variable in organizational environment (Fisher et al., 2005), yet investigated non-extensively. Given the results of previous studies, this paper explores the effect of national culture in terms of individualism/collectivism and power distance dimensions.

Individualistic versus collectivistic cultures

The central focus of high-performance HR practices is on development of potential of individuals. The HPHR practices operate in a way to make employees able to perform their job, empower them to act and motivate to engage (Combs et al., 2006). As such, the investment in HR practices is aimed at creating the stimulating environment for individuals to involve and commit to their job. As it is assumed by the social exchange theory, individuals engage into the relationship with an organization in order to maximize benefits which could be provided by the organization (Newman et al., 2011). Thus, the investment in human capital made by the organization is related to a greater appreciation of implemented practices. In return to such investments employees create psychological contract with an organization, defined as the norm of reciprocity, which results in a positive organizational behavior (Newman et al., 2011). The literature indicates that employees enhance higher level of commitment towards an organization when the organizational strategy reflects their expectations based on personal interests (Rode, Huang & Flynn, 2016). Given that people in individualistic cultures form their behavior and attitudes according to their personal needs and how well they are fulfilled, high-performance HR practices could be a strong predicate of increased commitment towards organization in such cultures.

On the other hand, the enactment of HPHR practices not only improve knowledge, skills and abilities needed to accomplish tasks together with both opportunities and motivation to perform, but also develop social arrangements within an organization, which accelerate

communication and cooperation among employees (Combs et al., 2007). Collectivistic societies appreciate the interdependence and the feeling of belonging to a group, by creating objectives for attachment to an organization and more incentives to continue participate in it. The cooperative and open environment allows to create relational contracts among employees, resulting in higher organizational commitment (Rode et al., 2016). Based on the latter statements, HPHR practices could serve as a trigger for the commitment in collectivistic countries.

In conclusion, high-performance HR practices increase the organizational commitment in two trajectories. First, by serving the personal need of employees to develop knowledge, skills and abilities to perform in a workplace successfully. Another path, however, is related to the social configuration of the organization that is enhanced by applying high-performance HR practices. These paths then lead to the assumption that the relationship between and organizational commitment in a cultural context is curvilinear. In line with these approaches, the following contrasting hypotheses have been formulated:

H1: The higher the level of individualism, the stronger the positive relationship between High performance HR practices and Organizational Commitment is.

H2: The higher the level of collectivism, the stronger the positive relationship between High performance HR practices and Organizational Commitment is.

Power distance

Another goal of high-performance HR practices is to create the empowering culture in the organization, by involvement of employees in decision-making processes or provision of discretion towards their job. As concluded by Khandelwal and Dhar (2003) the higher commitment is enhanced when higher managerial levels empower their subordinates to act and share the common vision. However, authors also indicate that the fit between individual and organization is the basic condition for organizational commitment to evolve. As such, the higher involvement in decision-making activities, or in other words, the flat structure of the company may not lead to positive organizational behavior and psychological attachment when employees value power distance; meaning, more hierarchical distribution of power and decision making (Hunter, Tan & Tan, 2013). In the framework of cross-cultural perspective, the fit between cultural system and practices applied in the organization is the cornerstone for the formation of attitudes and behaviors (Kim & Wright, 2011). Evidentially, as high-performance HR practices

enable less hierarchical power structure in the organization by blurring lines between superiors and subordinates, the organizational commitment is theorized to vary across cultures possessing different levels of power distance.

H3: The higher the level of power distance, the weaker the relationship between High performance HR practices and Organizational commitment is.

Method

Data

The data for the research study were taken from several sources. *European Social Survey (ESS)* provides the individual level data for this study. The ESS is a cross-national survey, which was conducted across Europe every two years. This large-scale survey measures the attitudes, beliefs and behavior patterns of people in more than 30 nations. The survey is based on a questionnaire, which consists of core and rotating sections. The core module includes the range of topics which concern social scientists for decades, for instance, education or financial circumstances. The core module is surveyed every two years, with additional two rotating modules, which vary each round. The ESS2 (conducted in 2004) is the round 2 of the survey. The rotating module of this round is named “Family, work and wellbeing” and it contains work related questions; thus, this dataset provides the information relevant to present research study. In order to fulfill the conceptual model of the research study the country level data on Hofstede national culture dimensions (Power distance, Individualism/Collectivism) is used as complementary to individual data. The scores on culture dimensions are taken from previous studies by Hofstede et al (2010). Additionally, data measuring economic circumstances in the country is included in the analysis. The measures of it are taken from *World Development Indicators Database* (World Bank 2004), *The World Factbook* (CIA, 2004), *International Monetary Fund* (2004). The complete dataset encompasses 18,309 respondents from 25 European countries.

Measures

Dependent variable: organizational commitment.

Organizational commitment is measured with question about a respondent’s intention to continue working in organization: “*I would turn down another job with higher pay in order to*

stay with this organization". Scores of this question indicate the overall commitment to the organization without distinguishing organizational commitment into three dimensions as it conceptualized by Mayer and Allen (1991). Therefore, the measure of organizational commitment in this study does not provide us with motivational factors of why employees are staying in the organization, but rather indicates individual's intentions to be part of the company in the future as well as attachment to the job. The dependent variable is measured on the scale ranging from 1 ("strongly disagree") to 5 ("strongly agree"). The variable is reverse-coded; as such, higher score demonstrates higher level of organizational commitment.

Independent variable: High Performance HR practices.

The ESS survey includes several questions which refer to HR practices applied in the organizations. Respondents are asked to evaluate on a scale ranged from 1 ("I have no influence" to 4 ("I have complete control") to what extent, for instance, they are *allowed to influence policy decisions about activities of organization*. On a scale from 1 ("Agree strongly") to 5 ("Disagree strongly") respondent have to indicate to what extent their work is *closely supervised* (this item is reverse-coded) and on a scale ranged from 1 ("Not at all true") to 4 ("Very true") respondents are asked to indicate to what extent it is true that *current job requires to learn new things*. Dimensions of variables representing HR practices were examined by using principal factor analysis together with varimax rotation. It is demonstrated in Table 1 that items determine two dimensions of HR practices. Dimensions were named *autonomy* and *skills enhancement*. Based on a statistical measure, the internal consistency of items comprising these dimensions is sufficient (Cortina, 1993); Cronbach's alpha for the autonomy dimension is 0.75, as for the skills enhancement it is 0.61.

Table 1. Factor analysis for HR practices

Item	1	2
Autonomy		
Allowed to decide how daily work is organized	0.82	0.22
Allowed to choose/change pace of work	0.71	0.23
Allowed to influence policy decisions about activities of the organization	0.81	0.16
Can decide time start/finish work	0.58	0.13
My work is closely supervised ⁽¹⁾	0.55	-0.11

Skill enhancement		
Variety at work	0.23	0.78
Job requires learning new skills	0.13	0.81
Can get support/help from co-workers when needed	-0.01	0.59
Eigenvalue	3.04	1.28
Proportion of variance accounted for	38.00	16.08
Reliability (Cronbach's Alpha)	0.75	0.61

⁽¹⁾ Item was reverse-coded

Table 2 indicates means of raw scores measuring the intensity of HR practices across 25 European countries. Results on the table show that respondents from northern European countries report higher levels of autonomy, with employees working in Norway and Finland reporting the highest scores ($m=5.12$ and $m=5.07$ accordingly). Whereas, the lowest level of autonomy is addressed by respondents from central and eastern Europe. Employees from Slovenia and Czech Republic report relatively low level of autonomy ($m=2.94$ and $m=3.27$ respectively) in comparison with other countries participating in a survey. In a similar manner, a level of skills enhancement is distributed across countries, with highest level of skill enhancement reported by respondents in Sweden ($m=3.26$). However, the lowest level of skills advancement is estimated in south European countries, namely Portugal and Turkey ($m=2.45$ and $m=2.62$). It is worth to note that HR practices aimed at increasing autonomy of employees are implemented at higher level than skills enhancement in all countries, except for Slovenia, where skill enhancement mean level is equal 3.05 while autonomy is scored at 2.94.

Interaction variable: national culture (Hofstede's dimensions).

The scores on dimensions of the national culture are provided by and accessible on Hofstede's analysis (Hofstede et al., 2010). Scores are measured on a scale from 0 to 100, with higher scores indicating higher individualism and higher power distance in the two dimensions accordingly. In order to explore the effect of the national culture in the conceptual model, scores on culture dimensions were incorporated into ESS dataset by creating additional variables named "Individualism" and "Power Distance". Scores of new variables were matched with countries in the dataset respectively. The Table 2 shows values of Individualism and Power distance in 25 countries investigated in this study. Based on scores from the table it could be noticed that European countries demonstrate a moderate variation in national cultures considering both individualism and power distance dimensions. Scores on individualism are higher in western and northern European countries, with highest level of individualism in

United Kingdom (m=89) and Netherlands (m=80). The lowest score on individualism refer to more collectivistic cultures, indicating that Ukraine is the most collectivistic (m=25) followed by Portugal and Slovenia (both m=27). Measures of the Power distance demonstrate a considerable variation across countries as well, with highest level of power distance in Slovakia (m=100) and the lowest level in Austria (m=11). Scores on this dimension resemble the difference between western together with norther countries and the rest of Europe, showing lowest results for power distance in the former and highest in the latter.

Control variables.

Scores on organizational commitment address responses of participants at an individual level, yet it could also be affected by variables at a national level. Given that this study is an international comparative study, the context of countries need to be taken into account. Therefore, a few contextual variables at a national level are included into the analysis as control variables. In addition to this, other control variables at an individual level are added to the analysis.

National level control variables. In order to control for differences across countries in terms of an economic situation, the level of *income inequality* is included to the analysis (measured by the Gini coefficient) as well as the level of *GDP per capita*. Another variable that could affect the level of the organizational commitment is a *social spending* in a country (measured with the public social spending as share of GDP) and is included in a dataset.

Individual level control variables. This group of variables includes items measuring the *age* of respondents (measured in years), *gender* (0=female, 1=male) and full *years of education* completed (measured in years). Individual level variables also indicate a work environment, including items on *replaceability* (how difficult it is for employer to replace employee if he/she left, measured on a scale from 0=extremely difficult to 10=extremely easy), *opportunities to find another job* (how difficult it is to get similar or better job with another employer, measured on a scale ranged from 0=extremely difficult to 10= extremely easy), *work-life balance* (how often respondents feel too tired after work to enjoy things they like to do at home, measured on a scale from 1=always to 5=never). All control variables were standardized.

Table 2. Means of variables at country level

	Organisational Commitment	Autonomy	Skills Enhancement	Individualism*	Power Distance*
Austria	2.99	4.45	2.98	55	11
Belgium	3.09	4.42	2.95	75	65
Switzerland	3.09	4.67	3.18	68	34
Czech Republic	2.33	3.27	2.85	58	57
Germany	3.04	4.32	2.89	67	35
Denmark	3.05	4.96	3.13	74	18
Estonia	2.29	3.78	2.68	60	40
Spain	2.71	4.08	2.62	51	57
Finland	2.75	5.07	3.14	63	33
France	2.70	4.74	2.92	71	68
United Kingdom	2.67	4.36	3.05	89	35
Greece	2.85	3.99	2.81	35	60
Hungary	2.83	3.29	2.77	80	46
Ireland	2.86	3.86	2.98	70	28
Iceland	2.71	4.88	3.10	60	30
Luxemburg	2.88	3.80	3.07	60	40
Netherlands	2.74	4.69	3.04	80	38
Norway	2.88	5.12	3.26	69	31
Poland	2.46	3.88	2.74	60	68
Portugal	3.09	3.67	2.45	27	63
Sweden	2.73	4.95	3.15	71	31
Slovenia	2.64	2.94	3.05	27	71
Slovakia	2.30	3.71	2.76	52	100
Turkey	2.66	3.83	2.61	37	66
Ukraine	2.53	3.66	2.70	25	92
Total	2.76	4.17	2.91	60	48.73

Employee $n=18309$; country $n=25$

*measured on a scale ranged from 0 to 100, with 0 lowest value and 100 highest value

Data analysis

The data used in the research study is examined by applying a *multi-level analysis*. The dataset encompasses information at two levels – individual and national; therefore, regression model cannot be used. According to Bickel (2007), a multi-level analysis is a useful instrument for investigating nested data. In this research study, respondents are grouped according to the country they come from. In accordance to the aim of this study, a multi-level analysis allows to explore the effect of national culture as a contextual factor, which may affect the relationship between independent and dependent variables.

Models examining the effect of the national culture on a relationship between HR practices and organizational commitment include the same control variables. The analysis was conducted for Hofstede's national culture dimensions separately, in order to investigate the interaction effects more carefully. As such, these analyses are executed in consecutive steps by

adding more variables in every model. A multi-level analysis is started with an empty model (Model 0) which is the basic level of analysis based on which the changes in the fit of following models are investigated. The fit of models is measured by computing the deviance of log-likelihood. Model 1 includes control variables at both individual and national levels. In model 2 the effect of HR practices autonomy and skills enhancement on dependent variable is estimated. It is worth mentioning that Model 1 and 2 are the same for both analysis; therefore, they are presented only in Table 3a. Model 3 investigates the direct effect of Hofstede's culture dimensions on organizational commitment. Model 4 and 5 demonstrate interaction effects between national culture dimensions and each HR practice. Models 4a and 4b estimate the significance of interaction between skills enhancement and national culture's dimensions, whereas Models 5a and 5b investigate the effect of interaction between autonomy and culture dimensions.

Results

Descriptive results

Results of mean levels of organizational commitment per country are presented in Table 2. From information demonstrated in the table 2 it can be observed that the total mean of organizational commitment is 2.76, which shows that on average employees across 25 European countries are committed moderately to their organizations. The distribution of a level of the organizational commitment among countries in question shows no pattern in terms of regions. The lowest level of the organizational commitment is reported in Estonia ($m=2.29$) and Slovakia ($m=2.30$). Employees could be considered the most committed to their organizations in Belgium, Switzerland and Portugal ($m=3.09$ for all countries).

Results of multi-level analyses

Results of the multi-level analysis of organizational commitment are presented on Tables 3a and 3b. Table 3a demonstrates the interaction effect of individualism dimension of Hofstede's national culture, whereas Table 3b addresses the effect of power distance dimension on the relationship between HR practices and organizational commitment. Models 1 and 2 include the same variables for both analyses, as such an observed effect of control variables and HR practices is equal for multi-level analyses of both individualism and power distance dimensions. As it could be seen from the note under Table 3a, according to the baseline model there is 4

percent of variance to be explained at the national level ($ICC=0.04$); thus, the variation of organizational commitment could be explained by 4 percent variation at country level variables. As such, it could be expected that some variables at national level are significantly related to organizational commitment. Table 3a shows that in Model 1 all three national level control variables are significantly related to organizational commitment, yet only income inequality and social spending remain significant throughout the entire analysis in both cases. It is proved that countries with higher income inequality between employees but also higher level of social spending on social protection have more committed employees. At individual level, it seems, that only the age has a stable effect on the commitment of employees. In all tested circumstances, older employees report higher level of organizational commitment. The number of years of education turns out to be significant, however the effect of it is not stable throughout the analysis, leading to an assumption that for the development of commitment years of education does not play a pertinent role. Moreover, there are no gender differences in experience of organizational commitment among employees. Work related variables have been shown to have a strong and stable effect on organizational commitment. Employees who are able to find a job in another company with less challenges and perceive themselves as easy to be replaced by the employer are less committed to the organization. On the other hand, employees' ability to balance work and life increases their commitment significantly.

The Model 2, where HR practices, autonomy and skill enhancement, are added, improves the fit of the model significantly (Deviance=843.94, $p<0.01$). As it was expected, autonomy and skills enhancement are positively and significantly related to the level of organizational commitment. The higher intensity of HR practices in a company predicts the higher attachment to organization experienced by employees. HR practices also affect control variables in few directions. To begin with, the introduction of autonomy and skills enhancement to the analysis decreases the significance of social spending and turns the effect of GDP and years of education to non-significant, meaning that these variables are mediated by HR practices. Opposite could be observed with income inequality, which becomes more significant after HR practices are added to the model.

Table 3a. Multi-level analysis for organizational commitment ^a

<i>Variables</i>	<i>Model 1</i>		<i>Model 2</i>		<i>Model 3a</i>		<i>Model 4a</i>		<i>Model 5a</i>	
	β	<i>SE</i>	β	<i>SE</i>	β	<i>SE</i>	β	<i>SE</i>	β	<i>SE</i>
IC X Autonomy									0.01**	0.01
IC X Skills							0.02	0.03		
Individualism (IC)					-0.37	0.24	-0.37	0.24	-0.35	0.24
<i>HR practices</i>										
Autonomy			0.01***	0.00	0.01***	0.00	0.01***	0.00	0.01***	0.00
Skills Enhancement			0.10***	0.00	0.10***	0.00	0.10***	0.00	0.10***	0.00
<i>National level</i>										
Income inequality	0.02**	0.01	0.03***	0.01	0.03**	0.01	0.03**	0.01	0.03**	0.01
GDP per capita	0.17*	0.08	0.08	0.08	0.14	0.09	0.14	0.09	0.14	0.09
Social spending	0.02**	0.01	0.02*	0.01	0.02**	0.01	0.02**	0.01	0.02**	0.01
<i>Personal level</i>										
Age	0.01***	0.00	0.01***	0.00	0.01***	0.00	0.01***	0.00	0.01***	0.00
Gender ^c	0.02	0.02	-0.00	0.02	-0.00	0.02	-0.00	0.02	-0.00	0.02
Education	0.02***	0.00	-0.00	0.00	-0.00	0.00	-0.00	0.00	-0.00	0.00
<i>Work level</i>										
Opportunities to find another job	-0.01**	0.00	-0.01***	0.00	-0.01***	0.00	-0.01***	0.00	-0.01***	0.00
Replaceability	-0.02***	0.00	-0.01***	0.00	-0.01***	0.00	-0.01***	0.00	-0.01***	0.00
Work-life balance	0.13***	0.01	0.12***	0.01	0.12***	0.01	0.12***	0.01	0.12***	0.01
Intercept	0.78	0.86	1.75**	0.86	1.11	0.91	1.11	0.91	1.11	0.92
Deviance	3594.79***		843.94***		2.29		0.57		5.23**	
ICC	0.02		0.02		0.02		0.02		0.02	
Variance 1	1.405		1.341		1.341		1.341		1.341	
Variance 2	0.029		0.029		0.027		0.026		0.027	

^a Multi-level analysis includes only Individualism dimension of national culture

^b Empty model: Intercept = 2.76***(0.01); -2 Log Likelihood = 59,015.18; Intraclass Correlation Coefficient = 0.04.

^c Gender is a dummy variable with meanings 1-Male, 0-Female

*p<0.1; **p<0.05; ***p<0.01

Models from 3a to 5a investigate the effect of individualism dimension of Hofstede's national culture concept. The inclusion of individualism to the analysis does not affect organizational commitment directly. This refers to the fact that regardless of whether the culture of the country is individualistic or collectivistic, commitment is not affected significantly by it. However, it is worth to note that despite being non-significant, individualism is negatively related to organizational commitment, indicating that employees in more collectivistic countries tend to commit more to organizations. The hypothesised effect of individualism on a relationship between HR practices and organizational commitment is tested with Models 4a and 5a. The multi-level analysis shows that individualism at a country level has no significant effect on the contribution of skills enhancement on organizational commitment (Model 4a). The importance of individualism is reported in Model 5a. The level of individualism seems to be affective to the autonomy input to the organizational commitment, the fit of this model is significantly increased (Deviance = 5.23, $p < 0.05$). The more detailed explanation of this interaction is illustrated in the Appendix A. Based on results of the analysis, it could be read that in more individualistic countries, the application of autonomy in organization is related to increasing level of commitment, while by intensifying autonomy practices in collectivistic countries, organizational commitment remains unaffected.

Table 3b depicts results of multi-level analysis with power distance dimension as a moderator of link between HR practices and organizational commitment. Model 3b shows that power distance has no direct effect on the level of organizational commitment that employees experience. Given the theorized effect of the power distance on the interaction, the non-significant direct effect of power distance on the commitment is expected. From results of Model 4b it is clear that the level of power distance in the country affects the interaction between skills enhancement and organizational commitment in a significantly negative direction (Deviance = 8.73, $p < 0.01$). As such, in countries where relationships between superiors and subordinates are more equal, opportunities to enhance skills for employees are related to a higher level of commitment among them in comparison to countries having more hierarchical power distribution (for the interaction effect refer to Appendix B). Similar results are observed in Model 5b. Adding power distance to the interaction of autonomy and organizational commitment it improves the fit of the model significantly (Deviance = 10.72, $p < 0.01$). The effect of the interaction is twofold and is displayed in Appendix C. The inequality

Table 3b. Multi-level analysis for organizational commitment ^a

Variables	<i>Model 3b</i>		<i>Model 4b</i>		<i>Model 5b</i>	
	β	<i>SE</i>	β	<i>SE</i>	β	<i>SE</i>
PD X Autonomy					-0.02***	0.01
PD X Skills			-0.06***	0.02		
Power Distance (PD)	-0.08	0.23	-0.08	0.23	-0.07	0.23
<i>HR practices</i>						
Autonomy	0.01***	0.00	0.01***	0.00	0.01***	0.00
Skills Enhancement	0.10***	0.00	0.10***	0.00	0.10***	0.00
<i>National level</i>						
Income inequality	0.03***	0.01	0.03***	0.01	0.03***	0.01
GDP per capita	0.06	0.11	0.06	0.11	0.06	0.11
Social spending	0.02*	0.01	0.02*	0.01	0.02*	0.01
<i>Personal level</i>						
Age	0.01***	0.00	0.01***	0.00	0.01***	0.00
Gender ^c	-0.00	0.02	-0.00	0.02	-0.01	0.02
Education	-0.00*	0.00	-0.00	0.00	-0.00*	0.00
<i>Work level</i>						
Opportunities to find another job	-0.01***	0.00	-0.01***	0.00	-0.01***	0.00
Replaceability	-0.01***	0.00	-0.01***	0.00	-0.01***	0.00
Well-being	0.12***	0.01	0.12*	0.01	0.12***	0.01
Intercept	1.99*	1.12	1.95*	1.12	1.92	1.12
Deviance		0.107		8.73***		10.72***
ICC		0.02		0.02		0.02
Variance 1		1.341		1.341		1.341
Variance 2		0.029		0.029		0.029

^a Multi-level analysis includes only Power distance dimension of national culture; Model 1 and Model 2 of the analysis are presented in Table 3a.

^b Empty model: Intercept = 2.76***(0.05); -2 Log Likelihood = 59,015.18; Intraclass Correlation Coefficient = 0.04.

^c Gender is a dummy variable with meanings 1-Male, 0-Female

*p<0.1; **p<0.05; ***p<0.01

of power between authority and subordinates at the national level seems to reduce the organizational commitment when autonomy practices are utilized more intensely comparing to a low implementation of autonomy. On the contrary, the more egalitarian power distribution strengthens the positive autonomy practices' effect on organizational commitment.

Results in tables previously described lead to the following conclusions in relation to hypotheses developed in this research study. Firstly, hypotheses 1 and 2 are opposing to each other. Hypothesis 1 is aimed to test that the positive relationship between high Performance HR practices and organizational commitment is stronger, the higher the level of individualism is. Whereas the hypothesis 2 is testing whether the positive relationship between HR practices and organizational commitment is stronger, the higher the level of collectivism is. Based on the empirical results it is evident that inclusion of individualism to the analysis significantly affects relationship between autonomy and organizational commitment, but not between skills enhancement and commitment. As such, both hypotheses 1 and 2 could be only partly supported. Secondly, the interaction effect of individualism on the Autonomy-Commitment relationship is positive and significant, leading to the conclusion that individualism strengthens the effect of autonomy on commitment. As such, in countries with higher levels of individualism, giving more autonomy to employees create more incentives for organizational commitment. Therefore, the hypothesis 1 is partially approved, while the hypothesis 2 is refuted.

Hypothesis 3 sets expectations that the positive relationship between high-performance HR practices and organizational commitment is weakened by the high level of power distance. According to results demonstrated in Table 3b, it could be seen that power distance has a negative and significant effect on the HR practices-Commitment relationship. This implies that in countries with lower power distance employees receiving more autonomy and skills enhancement opportunities are more committed to organizations than in hierarchical countries, where power is distributed from top to bottom. With regard to these results, the negative interaction effect of power distance supports hypothesis 3.

Conclusion and discussion

This study explores the importance of the national culture in the organizational world. The main purpose of this study is to investigate whether features of national culture play a role in affecting the attitudes and behaviour of employees that are strengthened by internal practices applied by

organizations. National culture is defined in terms of power distance and on the continuum of individualism and collectivism as part of Hofstede's culture concept (1985). Based on this, the research question formulated in this study focuses on testing whether the relationship between high-performance HR practices and organizational commitment vary across countries and whether it could be explained by Hofstede's cultural dimensions. The analysis has confirmed the general expectation that in a different cultural context utilization of identical high-performance HR practices have a dissimilar impact on employees' attitudes, more specifically, organizational commitment. However, a more in-depth investigation of the effect of national culture demonstrates that the impact of a culture is not universal.

The outcomes of the analysis investigating the effect of individualism on the relationship between HR practices and organizational commitment is more complex than theorized. According to results of the present study, employees in collectivistic countries tend to commit more to organizations than in individualistic countries. However, the intensity of HR practices aimed at providing autonomy does not foster the more attachment in collectivistic countries (refer to Appendix A). It could be assumed, therefore, that the level of commitment in collectivistic countries is related to other factors than HR practices. From results, it is also made clear that in the case when employees in individualistic cultures are empowered by an employer they reciprocate relatively higher level of commitment towards the organization than in low empowering structures. As a possible explanation for this result could be more self-concerned profiles of people in individualistic countries and their higher seek for autonomous environment. Newman and colleagues (2011) explain the connection in terms of psychological contract; employees create the psychological contract with an organization and perform more positive behaviour and attitudes towards it in the presence of practices that are consistent with their personal predispositions than in the absence of such practices. The level of commitment is also found to be higher in situations when personal interests by employees are reflected by an organization's strategy (Rode et al., 2016). As such, in the context where individualism is highly valued, possibilities for employees to perform autonomously seems to increase their will to stay with current employer. In contrast to previously discussed results, the higher possibilities for employees to enhance their skills lead to higher commitment regardless of the level of individualism. As it is also concluded by Hunter and colleagues (2008) the seek for development is probably the universal trait and organizations applying these practices increase employees' decision to participate and stay in a company. As a result, cultural individualism is

pertinent for commitment formation by applying HR bundles aimed to empower employees, but not in the presence of skills enhancement practices.

Regarding results for power distance it seems that the effect of this feature of the national culture is as expected. Cultures, in which the hierarchy between superiors and subordinates is perceived as valuable relationship, implementation of the autonomy and skills enhancement practices decrease the level of organizational commitment. In such cultures, high-performance HR practices aimed at giving more power to employees in planning and coordinating their job as well as developing their work-related skills are decreasing employees' attachment to organization. Khandewal and Dhar (2003) emphasise the importance of fit between organization and individual for commitment to be built. By enforcing autonomy and skill enhancement in cultures characterized by high power distance, organizations create the frustrating situation for employees, due to mismatch between their cultural mind-set of authority and the organizational environment. As a result of possible frustration, employees develop less commitment towards organizations. It is agreed by researchers that the negative perception of organizational structures and practices is diminishing the commitment (Wu & Chaturvedi, 2009).

The overview of results presented in this study suggests that cultural features such as power distance and individualism affect organizations not at the same level. The outcome of this study indicates power distance to be more pertinent trait for the functioning of organizations. Every organization is based on some sort of power allocation between managing coalitions and other member of an organization. Given the essence of organizations, in a broad sense, to control behaviour of its members (Hofstede, 1985), the relevant dispersion of power is the key component to achieve objectives for companies. Given that every structure is based on power relationships to some extent, the fit between the nationally valued power distribution and organizational environment is necessary. On the other hand, individualism is related to societal relationships, therefore the transcendence of this value into business organizations may affect relationships among colleagues more, than commitment towards organization. Another explanation for the stronger effect of power distance could be more data related. HR practices aimed at creating autonomy and enhancing skills might be more vulnerable to moderating effect of power distribution than individualism, due to their nature and are weakened by power distance.

The present study contributes to existing literature in a few ways. To begin with, there is a lack of comparative research studies in the area of high-performance HR practices and organizational commitment in different contexts. As such, this study provides more clarity on the importance of cultural context in building organizational commitment by internal practices, such as autonomy and skills enhancement. Another contribution is the scope of the study. The analysis includes respondents from 25 countries across Europe, therefore results could be generalized in terms of application of autonomy and skills enhancement HR practices more easily since the ESS survey includes the representative samples from every country. In addition to this, the present study investigates the effect of variables at national level on individual level data in this way enriching the knowledge of importance of cultural differences in HR area.

There are a few practical implications that could be concluded based on the present study. Firstly, it is evident that in order to achieve a higher level of organizational commitment, employers should take into account the context of national culture while creating the HR strategy. More specifically, in countries where power distribution is more equal the implementation of high-performance HR practices increases the likelihood to have committed employees. However, in countries where traditions of strong hierarchical relationships play a role, high-performance HR practices will not result in higher commitment; thus, HR professionals might consider the implementation of relevant single HR practices rather than bundles of autonomy or skills enhancement practices. In addition to that, it seems that HR practices aimed at empowering employees are more affected by national culture and requires more consideration before application in a workplace if the final goal of organization is to achieve employees' commitment.

Finally, it is worth mentioning that this study is not free from limitations. Firstly, the analysis is based on the cross-sectional data and cannot be interpreted in terms of causality mechanisms consequently. In order to eliminate this flaw, the future research in this area ideally should be based on data collected by using a longitudinal study. Secondly, the data in this analysis do not include the organizational level measures, for instance the financial performance of the organization or productivity. The inclusion of this data could provide better understanding of the importance of organizational commitment for companies. In order to eliminate this limitation, future researches should consider collecting data at individual, organizational and national level. Lastly, items that have been used to determine bundles of high-performance HR practises are limited in this study, due to the secondary data used in the

analysis. As a result, the limited scope of HR practices is investigated in the present study, which prevents from generalizing results for boarder range of HR practices. To overcome this flaw, the more extensive data on HR practices applied in an organization should be collected in a future research.

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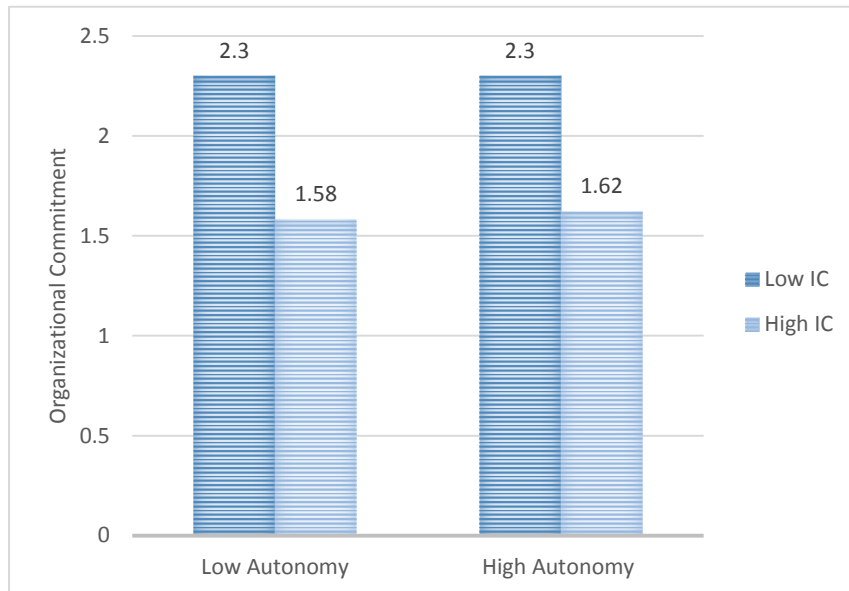
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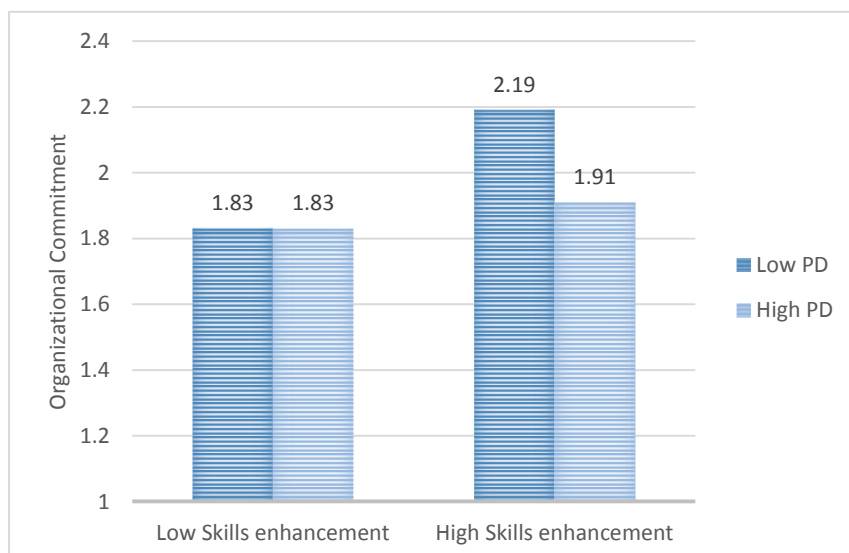
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Appendix

Appendix A. Interaction effect of autonomy and individualism on organizational commitment



Appendix B. Interaction effect of skills enhancement and power distance on organizational commitment



Appendix C. Interaction effect of autonomy and power distance on organizational commitment

