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## Human Resource Management Systems and Work Engagement: Exploring the Impact of Employee Paternalistic Values\*\*

### Abstract

Organizations implement high-commitment human resource management (HRM) systems to increase work engagement as they provide employees with a sense of being looked after in the workplace. This relationship is rarely considered alongside the responsibility of management to look after employees beyond the workplace too in return for hard work and loyalty, as represented by paternalistic values. This study, therefore, investigates the effect of high-commitment HRM systems on work engagement, mediated by employees perceiving the HRM system to be distinctive, consistent, and consensual (i.e., a strong system), and moderated by employee belief in paternalistic values. Based on an empirical study of 384 employees, high-commitment HRM is found to increase work engagement as hypothesized. However, HRM system strength does not mediate this relationship as expected and instead is associated with lower levels of work engagement. When testing for the moderating effect of employee belief in paternalistic values, when this is low, high HRM system strength leads to lower levels of work engagement. These findings imply that strong HRM systems may be perceived as intrusive, as paternalism may be, for employees with low belief in paternalistic values.

Keywords: human resource management; HRM system strength; paternalism; employee engagement; high-commitment HRM.  
(M12; M16; F23)

### Introduction

As part of changing societal norms, early industrial paternalism involved benevolent employers providing social welfare benefits to workers, such as housing, healthcare, and children's education (Fleming, 2005). To the extent that an employer was able

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to meet these needs, the workers were expected to be grateful and remain loyal to the company (Greene, Ackers, & Black, 2001). Moving forward in time, industrial paternalism developed into welfare paternalism, which combines the notion of looking after employee needs with controlling employees in order to improve performance and retention (Dore, 2000; Wray, 1996). Importantly, in exploring the effect of welfare paternalism in the workplace, we need to understand individual employees' inclination to value the acts of benevolence (or control) that leads them to reciprocate with hard work and loyalty.

Similar to the underlying ideas behind welfare paternalism, human resource management (HRM) is a management practice that is designed to control and reward beneficial employee behavior. Specifically, high commitment HRM (HCHRM) systems are bundles of internally aligned HRM practices (including selective staffing, formal training, equitable compensation, and development activities: Whitener, 2001) designed to encourage organizational loyalty by demonstrating to employees that the employer is willing to look after them. In line with this special issue, we, therefore, question whether the outcomes of strong HCHRM systems that focus on looking after employees *in the workplace* are affected by the extent to which employees believe that management's benevolent role extends *beyond the workplace* too, i.e., a belief in paternalistic values.

When employees do not have strong paternalistic values, the emotions and personal involvement elements of paternalism can be construed as inappropriate in the workplace (Gupta, 1999). In such settings, organizations rely instead on HCHRM systems to objectify management practices with the result that they are perceived by employees less as an act of intrusion or benevolence and more as good employment practice (Dworkin, 1972; Fleming, 2005). This can be explained through social exchange theorizing (Blau, 1964), whereby benevolent systems of employment practices are implemented and reciprocated by employee behaviors and attitudes that are, in turn, beneficial to the organization (Boxall & Macky, 2009). In this relationship, a typical employee well-being outcome is employee engagement, defined as "a positive, fulfilling, work-related state of mind that is characterized by vigor, dedication, and absorption" (Schaufeli, Salanova, Gonzalez-Roma & Bakker, 2002, p. 74).

HRM is, however, a system of management practices that needs to be experienced by employees for it to have an impact, i.e., the mere existence of HRM practices does not guarantee them affecting (either positively or negatively) employee attitudes and behaviors (Nishii & Wright, 2008). There has been substantial interest in exploring the strength of the HRM system, defined as the extent to which an organization's bundle of HRM practices is seen by employees as both visible and relevant to them, sending consistent signals about appropriate behavior, and providing consensus on how these signals should be interpreted among employees (Ostroff & Bowen, 2016).

Based again on social exchange theorizing (Blau, 1964), we posit that HRM system strength transmits the effect of the HCHRM system (i.e., it is a mechanism through which employees interpret the strength of support that is provided to them), which in turn is reciprocated by increased levels of work engagement among employees. Nevertheless, the question remains whether HRM system strength matters when people have different cultural values (Farndale & Sanders, 2017). In this study, we seek to understand the extent to which employee paternalistic values affect HRM system strength's role in determining the effect of HCHRM systems on work engagement.

As paternalism as a set of values conflates a sense of moral obligation with authority and control, business efficiency and employee welfare might be considered two sides of the same coin (Ackers & Black, 2018). The contribution of the study, therefore, lies in the exploration of the juxtaposition between the ethically grey area of paternalism for some employees where HRM system strength may precede such values and other employees whose paternalistic values are so strong as to reduce the need for formal management practices to influence work engagement.

In the following sections, we explain in greater detail how HCHRM is designed to deliver employee engagement outcomes, mediated through the strength of the HRM system. We then explore paternalistic values as a potentially important moderator of this relationship. We test our hypotheses in a two-wave empirical study of 384 employees, reflecting on the findings in a discussion of the implications for both future research and management practice.

## **High Commitment HRM and Work Engagement**

To achieve high levels of firm performance, organizations seek people who are loyal and highly focused on their work tasks, i.e., who are engaged. Work engagement is defined by vigor, dedication, and absorption (Bakker & Demerouti, 2008; Schaufeli et al., 2002). Having vigor means that an employee invests high levels of energy in their work as well as being mentally resilient to setbacks when working toward their goals (Schaufeli, Bakker, & Salanova, 2006). Dedication refers to employees going beyond merely identifying with an organization, to showing pride and enthusiasm in that organization as a result of feeling that they are mastering their tasks and making a significant contribution (González-Romá, Schaufeli, Bakker, & Lloret, 2006; Schaufeli, Taris, & van Rhenen, 2008). Finally, absorption indicates that an employee is fully preoccupied with their work, demonstrating high levels of concentration (Schaufeli et al., 2002). Employees can become so absorbed in their work that they find time flies by and they have difficulty in detaching from work (Schaufeli et al., 2008).

As a positive work-related mental state, work engagement is important to both organizational success (Jose & Mampilly, 2012) and employee well-being (Schaufeli, 2018). Positive outcomes for work performance (Bakker, Demerouti, & Verbeke,

2004; Salanova, Agut & Peiró, 2005) and organizational performance (Shuck, Reio, & Rocco, 2011) have been noted. Moreover, engagement is said to be infectious, spreading among colleagues to enhance its positive effect further (Bakker & Demerouti, 2008). It has, therefore, become of critical importance for organizations to understand better how they might develop a workplace in which work engagement is widespread.

One area of management practice that has been linked with creating higher levels of work engagement is HRM. HRM practices can be described as either being hard (control-oriented) or soft (commitment-oriented) (Jensen, Patel, & Messersmith, 2013). Hard HRM practices are based on the principle that employees are commodities to be used and easily replaced as part of a low-cost system, and thus engender little loyalty (Lepak, Liao, Chung, & Harden, 2006). In contrast, soft HRM is premised on the belief that employees are valuable assets, who need to be developed to enhance their psychological commitment toward the organization (Roan, Bramble, & Lafferty, 2001). These soft practices are bundled together to form an HCHRM system (Boxall & Macky, 2009).

HCHRM systems are designed to strengthen the psychological bond between the employee and employer to achieve organizational goals (Boselie, Dietz, & Boon, 2005; Collins & Smith, 2006). Typical HCHRM practices include selective staffing, extensive training, employment security, employee participation, results-oriented appraisal, and incentive-based reward (Whitener, 2001). By bundling these practices together, the overall effect on employee commitment is greater than the individual level effects (Appelbaum, Bailey, Berg, & Kalleberg, 2000).

There is, however, also a counter-argument that HRM practices are implemented more for the benefit of the organization than for positive employee outcomes. This discussion takes place predominantly related to high-performance work systems (HPWS) rather than in the high commitment HRM literature. In other words, HPWS are bundles of HRM practices designed to ensure employees are performing at their highest capacity. This can, however, lead to high work pressure and employee burnout but, simultaneously, the high levels of productivity result in a strong corporate performance. For example, conflicting outcomes have been observed whereby HRM increases organizational performance but not employee well-being (Van de Voorde, Paauwe, & Van Veldhoven, 2012).

Despite the argument that HCHRM may also have a dark side that involves increasing employee stress and strain with the constant drive for performance (Wood & De Menezes, 2011), we note here that HCHRM systems are designed to focus on increasing the engagement and loyalty of employees with the organization, which in turn is expected to lead to higher performance as one outcome, but this is not the only focus. Loyalty may also seem a somewhat incongruous goal given trends away from life-long employment (Kambayashi & Kato, 2017).

What is important here, and what has become increasingly apparent for employee and organizational outcomes, is not the intended HCHRM system that the organization has implemented, but instead how the employees perceive this system. These perceptions can vary per employee based on individual differences in preferences, values, and experiences (Den Hartog, Boselie, & Paauwe, 2004; Rousseau, 2001). It is therefore important to explore HCHRM from the employee perspective to understand how this may motivate them to engage with their work (Den Hartog, Boon, Verburg, & Croon, 2013).

We posit here, based on social exchange theory (Blau, 1964), that when employees experience the HCHRM system as supportive, they reciprocate with positive attitudes and behavior such as work engagement. Social exchange implies that interactions between the employee and the employer result in obligations (Emerson, 1976), whereby employees have a felt need to reciprocate beneficial workplace treatment with positive work behaviors and attitudes (Van de Voorde & Beijer, 2015). The intended supportive work environment created through the implementation of HCHRM practices (McClean & Collins, 2011) demonstrates to individuals that they are being looked after and are valued and taken seriously as organizational members (Gould-Williams, 2003). In turn, employees consider engagement a suitable form of repayment to the organization (Saks, 2006). If such engagement is not present and instead disengagement arises, this leads to low levels of employee productivity (Allam, 2017) and high levels of intention to quit (Saks, 2006).

We, therefore, expect employee perceptions of a supportive HCHRM system adopted by their organization to create a sense of obligation that is reciprocated through the exhibition of work engagement. We hypothesize the following:

*Hypothesis 1: Employee perceptions of HCHRM have a positive association with work engagement.*

### HRM System Strength

When employees perceive the presence of an HCHRM system, they use these perceptions to understand and interpret the organization's intentions through causal explanations (Nishii, Lepak, & Schneider, 2008). It is therefore not only a question of having an HCHRM system in place, but it is also important how strong that system is in helping employees to make sense of the support that is available to them. This is measured through HRM system strength, defined as "the features of an HRM system that send signals to employees that allow them to understand the desired and appropriate responses and form a collective sense of what is expected" (Bowen & Ostroff, 2004: 204). Employees may interpret HRM practices idiosyncratically, whereby two employees interpret the same practice differently (Bowen & Ostroff, 2004). This would be indicative of low HRM system strength. In contrast, high HRM system strength results in a situation in which "employees share a com-

mon interpretation of what is important and what behaviors are expected and rewarded" (Bowen & Ostroff, 2004, p. 204).

Three important situational characteristics allow employees to make common interpretations: the degree of distinctiveness, consistency, and consensus (Kelley, 1967). A strong HRM system is high in all three characteristics (Bowen & Ostroff, 2004). Distinctiveness is employees both noticing the existence of the HRM system as well as it being of interest. In other words, this is an indicator of the extent to which the HRM system is visible, understandable, legitimate, and relevant. Consistency refers to the extent to which the HRM system is stable in the signals that it sends and is measured through instrumentality and validity. Consensus is defined as the level of agreement among employees about how to interpret the intended HRM system. Under conditions of high consensus, employees have a strong understanding of what behaviors are associated with what consequences. The characteristics of distinctiveness, consistency, and consensus thus combine to form HRM system strength (Bowen & Ostroff, 2004).

Based on the social exchange norm of reciprocity, employee perceptions of the extent to which an organization is looking after them is reciprocated through the level of employee commitment to the organization (Whitener, 2001). This commitment is most clearly demonstrated through a strong HRM system that signals to employees what is expected (Bowen & Ostroff, 2004). High commitment HRM systems are designed specifically to deliver clear signals to employees that they are valued and that loyalty to the organization is expected in return. Moreover, HRM activities perceived as being employee-beneficial have been shown to relate more strongly to HRM system strength than HRM activities that might be perceived as more negative by employees (Chacko & Conway, 2019). We, therefore, expect a positive relationship between employee perceptions of the HCHRM system (designed to signal employee-beneficial outcomes) and the perceptions that the employees have of the strength of that system. We hypothesize:

*Hypothesis 2: Employee perceptions of HCHRM have a positive association with employee perceptions of HRM system strength.*

## HRM System Strength and Work Engagement

Strength is not an indication of an HRM system's content per se, but rather that the different elements of the system come together as a whole. This allows employees to determine the cause-effect attributions arising from the HRM system so that they know what behaviors are important, expected, and rewarded (Fiske & Taylor, 1991). A strong HRM system is, therefore, able to channel employee energies in the direction desired by the organization (Coyle-Shapiro & Kessler, 2000). There could, however, be resistance by some employees to a strong system if it were considered too intrusive or controlling (Fleming, 2005). However, to the extent that employees perceive as beneficial to them the practices being implemented that make

up the strong system (such as high commitment HRM practices), the overall effect of HRM system strength is expected to be positive.

In other words, when employees perceive clarity about what they can expect from the organization and what the organization can expect from them, their identification with the organization and their level of work engagement is expected to increase. A strong HRM system occurs when: employees agree about what is expected of them and what they can expect from the organization; the system is both visible and interesting for employees; and the system is sending out stable, consistent signals over time (Bowen & Ostroff, 2004). HRM system strength, therefore, increases the chance that employees will reciprocate this positive social exchange with increased levels of work engagement. We therefore hypothesize:

*Hypothesis 3: Employee perceptions of HRM system strength have a positive association with work engagement.*

Given the hypothesized role of HRM system strength as an outcome of the HCHRM system as well as an antecedent of work engagement, we propose here a partially mediating model. We use the term 'mediation' here in the sense of a variable transmitting the effect of a predictor (X) to an outcome (Y), i.e., making Y happen (MacKinnon, Coxe & Baraldi, 2012). In other words, we posit that HCHRM systems affect work engagement through the translation of the HCHRM system into a strong HRM system by the employee. HRM system strength has also been found to mediate the relationship between HRM practices and organizational innovation (Rabenu, Tziner, Oren, Sharoni, & Vasiliu, 2018). Social exchange theory (Blau, 1964) can explain these relationships: "Employee attitudes and behaviors (including performance) reflect their perceptions and expectations, reciprocating the treatment they receive from the organization" (Whitener, 2001, p. 519). Employee perceptions of organizational practices, therefore, act as important mediators in the relationship between HRM systems and their outcomes (Bowen & Ostroff, 2004; Ostroff & Bowen, 2000).

In summary, we posit that how employees perceive the HRM practices they are experiencing, not only in terms of content for the direct relationship between HCHRM systems and work engagement, but also in terms of process, in that HRM system strength allows a lens through which employees can form their perceptions and feel a sense of obligation to reciprocate positive workplace experiences. The resulting hypothesis is as follows:

*Hypothesis 4: Employee perceptions of HRM system strength mediate the relationship between employee perceptions of HCHRM and work engagement.*

## The Moderating Role of Employee Belief in Paternalistic Values

We have argued that perceptions of the HCHRM system in an organization result in employees reciprocating with high levels of work engagement when they feel they are being looked after. There may, however, be other factors that can reduce the need for commitment-based HRM systems as a way of signaling how employees will be supported. Here, we posit that individuals who value managerial benevolence, i.e., those high in paternalistic values, do not need the additional support of strong HRM systems to make them feel more engaged.

Paternalism refers to “acting in a manner similar to the way a father behaves towards his children” (Aycan, 2006, p. 446). Originally introduced as a societal-level cultural characteristic, paternalism can also be observed at the individual level based on a person’s strength of belief in related values. People form subjective perceptions of the cultural system around them through a process of socialization, whereby some are more accepting of society’s culture than are others (Dorfman & Howell, 1988).

Whereas for some individuals, paternalistic management can be experienced as a form of unsolicited managerial control or intrusion in their personal life (Dworkin, 1972), other individuals appreciate and value the well-intentioned interference. Aycan (2006, p.455) also distinguishes between “benevolent paternalism” and “exploitative paternalism”. The former focuses on looking after an employee’s welfare and aligns with authoritative management, while the latter intends to gain the employee’s compliance through authoritarian management. To be clear, we are not focusing here on the ‘moral good’ emphasis of paternalism (for which the role in HRM has already been debated: Warren, 1999), but rather on the type of benevolent paternalism that considers the welfare needs of employees.

Specifically, welfare paternalism implies an individual experiencing a family atmosphere at work, being the recipient of a nurturing style of management that spills over into family life, creating close relationships with subordinates, and being part of a hierarchy that allows managers to set clear goals for employees to help them achieve task objectives (Aycan, 2006; Aycan, Kanungo, & Sinha, 1999). In return, employees reciprocate with loyalty to their supervisor, offering to help with non-work tasks as well as performing their tasks well in the workplace (Kao, Sek-Hong & Kwan, 1990).

In other words, an employee with high paternalistic values believes that management is responsible for looking after the employee and their family in terms of issues such as healthcare, education, and general well-being. In contrast, an employee who perceives a high-commitment HRM system to be in place believes that management implements practices that focus on the employee experience in the workplace, which include selecting the right person for the job and ensuring they receive

appropriate development throughout their career with clear performance targets and appropriate rewards, as well as having an opportunity to have their voice heard.

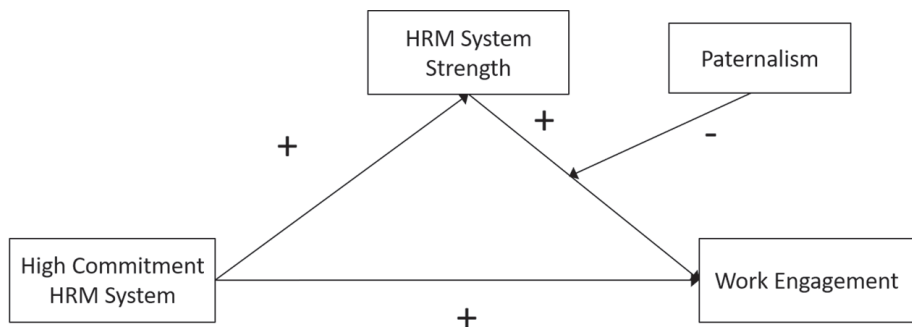
If we compare the values of welfare paternalism with the characteristics of strong HRM systems (distinctiveness, consistency, and consensus: Bowen & Ostroff, 2014), there are potential areas of overlap. The close employer/employee relationships created by individuals who value paternalism help to create a context in which stable signals about expected behavior and rewards are established, having a similar effect as HRM system strength consistency. The expected reciprocity of loyalty based on management's perceived interest in the employee beyond the work sphere might also align with the HRM system's strength focus on distinctiveness, i.e., that the system is visible and employees find it relevant. Finally, consensus might be created through the generation of a family atmosphere in the workplace, whereby all employees feel like a part of the whole where everyone is treated equitably.

We, therefore, posit that employees who embrace paternalistic values may not need to experience a strong HRM system to create an appropriate situation that directs employee behavior. Specifically, we anticipate that when employees have strong paternalistic values, the hypothesized positive relationship between HRM system strength and work engagement will weaken. Conversely, we expect that when employees are low on paternalistic values, HRM system strength will have a stronger positive relationship with work engagement. Our final hypothesis is as follows:

*Hypothesis 5: The partially mediated relationship between employee perceptions of HCHRM and work engagement, through HRM system strength, is moderated by paternalism, such that paternalism weakens the effect of HRM system strength on work engagement.*

Taking all hypotheses together leads to the final moderated mediation model for this study as represented in Figure 1:

**Figure 1: Conceptual model**



## Methodology

To test the hypothesized conceptual model, data were collected from employees at two points in time. The first questionnaire collected data on the independent and mediating variables. The second questionnaire, distributed two to four weeks after the first questionnaire, collected data on the moderating and dependent variables. Collecting the data at two different points in time allowed for a separation between measuring the independent and the dependent variables to avoid potential common method bias (Chang, Van Witteloostuijn, & Eden, 2010).

The data were collected from employees in 24 organizations across three countries (Kenya, Lebanon, and the Netherlands). Multiple country locations were chosen because it is important to consider the relevance of paternalistic values in both traditionally paternalistic and non-paternalistic societies. This spread across countries (Kenya and Lebanon, where paternalism is generally accepted organizational practice, and the Netherlands, where paternalism is perceived more as unsolicited managerial control or intrusion) allows us to capture variance in paternalistic values among participants. Observing the effect of these values at the employee level (rather than across societies) therefore allows us to explore meaningful variance among employees, which is lost if we only observe paternalism at the aggregate societal level.

Organizations were selected based on the authors' contacts to ensure a broad range of employees. Although this method represents convenience sampling of the organizations, the employees within each organization were selected at random through the relevant HR contacts. The large sample size noted below also reduces concerns over the generalizability of a sample gathered by such means (Etikan, Musa, & Alkassim, 2016). The organizations included education, healthcare, and private sector firms, and the job roles ranged from white-collar to blue-collar workers, including (but not exclusively) managers, nurses, cleaners, store clerks, and construction workers. This broad range of respondents facilitated diversity in organizational contexts and individuals' paternalistic values, which aids the generalizability of the findings.

The survey was distributed either through paper questionnaires or online. In organizations where employees used English as a dominant workplace language, no translation of the survey was necessary. However, where English was not the dominant language (in the Netherlands), the questionnaire was first translated into the native language (Dutch) and back-translated to English to ensure the robust translation of all questionnaire items (Brislin, 1976).

In total, 600 questionnaires were distributed in time 1. To be included, an employee had to respond to both the time 1 and time 2 surveys. 492 complete time 1 and time 2 response sets were received, giving an 82.3 % response rate. Anonymous identifiers were used in the data to match responses to guarantee respondent confi-

dentiality. In several instances, although a respondent had started to answer the time 2 survey, they did not fully complete it. Removing the incomplete responses, the final sample size was 384 time 1 and time 2 response sets. Across the sample, 53 % of respondents were female and the mean age was 37 years ( $SD = 10.6$ ). Typical job roles included 22 % in administration, 19 % in finance/accounting, 11 % in education, 10 % in engineering, and 9 % in human resources.

## Measures

*High commitment HRM system* is measured at time 1 using a scale of nine items derived from the 27-item Sun, Aryee, and Law (2007) measure of high-performance work systems. The nine items (measured on a five-point Likert scale: 1= strongly disagree, 5= strongly agree) were selected for their focus on high commitment HRM practices specifically, including selective staffing, extensive training, results-oriented appraisal, incentive reward, and participation. Example items are “great effort is taken to select the right person” and “individuals in this job are allowed to make decisions”. The scale has good reliability ( $\alpha=.812$ ).

*HRM system strength* is measured at time 1 using six items with a five-point Likert scale (1= strongly disagree, 5= strongly agree): four items from Delmotte, De Winne, and Sels (2012) covering distinctiveness and consensus, plus two additional items to cover consistency: “In this organization, HR practices are consistent with one another”; “In this organization, all employees interpret HR practices in a similar manner”. This scale was adopted for its ability to measure this construct more parsimoniously than the original 30-item scale of Delmotte, De Winne, and Sels (2012). The scale’s reliability ( $\alpha=.818$ ) is typical of the reliability of the longer scale.

*Paternalism* is measured at time 2 at the individual level using the seven-item Likert scale (1= strongly disagree, 5= strongly agree) developed by Dorfman and Howell (1988) and has strong reliability ( $\alpha=.834$ ). Dorfman and Howell (1988: 131) note that the scale measures the perceived “appropriateness of managers taking a personal interest in the workers’ lives, providing for workers’ personal needs, and generally taking care of workers”. As such, it taps into perceptions of the agreeableness of having managers intervene in the non-work aspects of employees’ lives. A sample item is “Managers should help employees with their family problems”.

*Work engagement* is measured at time 2 using the nine-item Utrecht Work Engagement Scale with the original seven-point Likert scale (1= never to 7= always) (Schaufeli et al., 2006). The scale includes the three aspects of work engagement namely vigor (e.g., “At my job, I feel strong and vigorous”), dedication (e.g., “My job inspires me”), and absorption (e.g., “I am immersed in my work”). The scale has good reliability ( $\alpha=.846$ ).

The control variables used in the study are gender and age. Research indicates that age is a factor in work engagement, with older employees being more highly en-

gaged than younger employees (Robinson, Perryman, & Hayday, 2004). Work engagement is also argued to be related to gender, with men having greater opportunity to demonstrate high work engagement levels compared to women (Banihani, Lewis, & Syed, 2013). 'Country' was not included as a control variable as this variable correlates significantly with paternalism ( $r = .521, p < .001$ ), as might be expected based on the differences between Kenya and Lebanon being high on paternalism and the Netherlands being low.

## Findings

Descriptive statistics and correlations are reported in Table 1. It is noted that the correlation between HCHRM and HRM system strength is high (.674) and significant. However, all correlations are below 0.70, reducing concerns of multicollinearity. In building a predictive model, multicollinearity does not tend to affect the model's predictions and hence is not a substantial concern (Kutner, Nachtsheim, Neter, & Li, 2005).

**Table 1. Descriptive statistics and correlation matrix**

	Mean	SD	1	2	3	4	5	6
1. Gender	1.530	.500						
2. Age	37.170	10.633	-.137**					
3. HCHRM	3.396	.663	-.014	-.121 <sup>†</sup>	(.812)			
4. HRM system strength	3.114	.762	-.013	-.118 <sup>†</sup>	.674***	(.818)		
5. Paternalism	2.924	.764	.093	-.150**	.027	.032	(.834)	
6. Work engagement	4.746	.881	.046	.056	.245***	.098	.220***	(.846)

$n=384$ ; <sup>†</sup>  $p < .05$ , \*\*  $p < .01$ , \*\*\*  $p < .001$ ; gender: male = 1, female = 2; scale reliability on diagonal.

To check that individual-level analysis of the data was appropriate, intraclass correlations (ICC) were calculated for HRM system strength and HCHRM. The results show that the organization means have good reliability (ICC(2) = .71 and .73 respectively), but the ICC(1) results show that only 15.2 % of the variance in HRM system strength and 16.7 % of the variance in HCHRM can be explained by organization membership. Composite aggregation of individual-level data to the organization level would, therefore, be possible but potentially not useful, given the greater degree of meaningful variance in HRM system strength at the individual level (Hofmann, 1997).

The hypotheses were tested using the regression model 14 (moderated mediation) of the PROCESS bootstrap analysis (Hayes, 2013) in SPSS v.26. First, it was hypothesized that HCHRM would have a positive association with work engagement. Table 2 summarizes the results. As predicted, there is a significant positive relationship between HCHRM and engagement ( $\beta = .422, p < .001$ ) lending support to hypothesis 1. Second, we hypothesized a positive relationship and between HCHRM and HRM system strength. As Table 2 demonstrates, HRM system strength has a

significant positive relationship ( $\beta = .769$ ,  $p < .001$ ) supporting hypothesis 2. Third, we expected a positive relationship between HRM system strength and work engagement for hypothesis 3. This hypothesis is significant but in the opposite direction to that which was hypothesized as Table 2 displays ( $\beta = -.605$ ,  $p < .01$ ), rejecting hypothesis 3.

**Table 2: PROCESS results for moderated mediation**

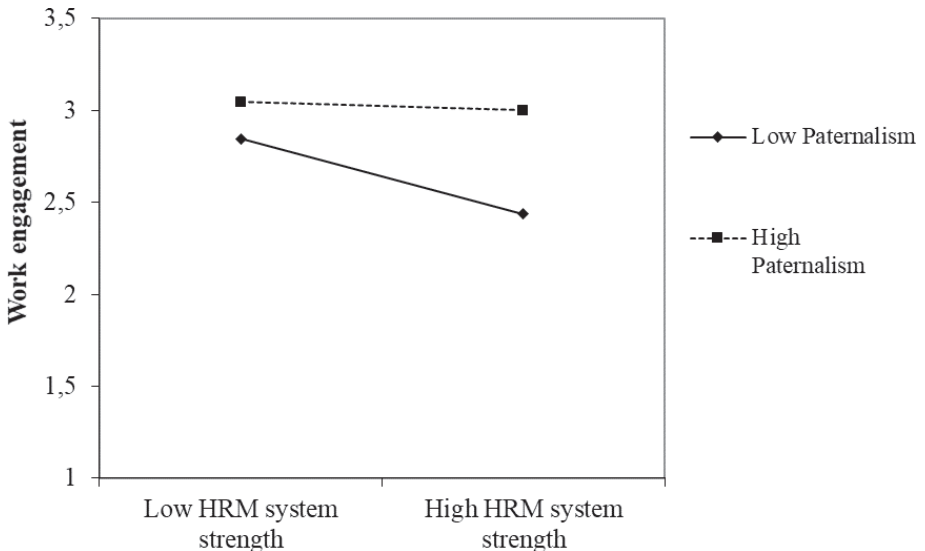
Predictor variables	$\beta$	SE	t	p	R <sup>2</sup>
<i>Model 1: F (3,370) = 99.806***</i>					.447
<i>The main effect on the mediator: HRM system strength</i>					
Gender	-.009	.059	-.147	.883	
Age	-.003	.003	-.972	.332	
HCHRM	.769	.045	17.040	.000	
<i>Model 2: F (6,367) = 9.913***</i>					.140
<i>The main effect on the dependent variable: Work engagement</i>					
Gender	.067	.086	.777	.438	
Age	.010	.004	2.482	.014	
HCHRM	.422	.087	4.856	.000	
HRM system strength	-.605	.212	-2.858	.005	
Paternalism	-.237	.219	-1.083	.280	
HRM system strength X paternalism	.156	.066	2.370	.018	
<i>Moderated mediation analysis</i>					
<i>Bootstrap results for the conditional indirect effect of HCHRM on work engagement through HRM system strength at values of the moderator (paternalism)</i>					
Boot indirect effect		Boot SE	LL95%CI	UL95%CI	
low	-.225	.088	-.396	-.056	
mean	-.106	.059	-.223	.009	
high	-.020	.076	-.174	.128	
<i>Index of moderated mediation</i>					
	.120	.066	-.012	.247	

Note: (N=384), Bootstrap sample size 50 000. LL. Lower limit; CI. Confidence interval; UL. Upper limit. Unstandardized regression coefficients are reported. \*\*\*=  $p < .001$ ; \*\*=  $p < .01$ ; \*= $p < .05$  (One-tailed).

Hypothesis 4 suggested a mediating role of HRM system strength on the relationship between HCHRM and work engagement. We examined whether the mediating effect of HRM system strength was significant with 5,000 bootstrap samples using PROCESS model 4 (Preacher & Hayes, 2004). As the indirect effect of HCHRM on work engagement through HRM system strength is not significant ( $ab = -.100$ , 95 % CI:  $-.223, .017$ ), hypothesis 4 is not supported.

The fifth hypothesis explored whether the proposed mediated relationship between employee perceptions of HCHRM and work engagement, through HRM system strength, would be moderated by paternalism. As displayed in Table 2, the interaction term is significant ( $.156$ ,  $p < .05$ ). The bootstrap indirect effect demonstrates the conditional indirect effect of HCHRM on work engagement through HRM system strength at different levels of paternalism, including the mean and 1 SD above and below the mean. As indicated in Table 2, the indirect effect of HCHRM on work engagement through HRM system strength is negatively significant under conditions of low paternalism (1SD below the mean) ( $-.225$ , 95 % CI:  $-.396, -.056$ ). However, for conditions of average (mean) or high paternalism (1SD above the mean), the indirect effect was not significant ( $-.106$ , 95 % CI:  $-.223, .009$ ;  $-.020$ , 95 % CI:  $-.174, .128$  respectively). The results are plotted in Figure 2 to aid interpretation.

**Figure 2: Interaction plot of HRM system strength on work engagement by the level of paternalism**



## Discussion

This study has explored how high-commitment HRM systems contribute to employees feeling a sense of being looked after in their organization as reciprocated through work engagement, and how this relationship might be affected by an employee's paternalistic values. Specifically, we investigated whether employees with a stronger belief in paternalistic values respond to strong HRM systems to engender engagement, or whether the inherent values of paternalism might eliminate the need for such systems. The findings indicate that there is a strong positive direct effect of HCHRM systems on both work engagement and HRM system strength. Unexpectedly, however, there was a significant negative relationship found between HRM system strength and work engagement, and no significant mediation effect. The hypothesized moderated mediation effect was significant but only for conditions in which employees were low on paternalistic values: that is, high HRM system strength leads to lower levels of engagement when paternalistic values are also low. We discuss these findings further here.

High-commitment HRM systems are organizational tools that can create situations that stimulate employee reciprocity, in this case, work engagement. Our findings confirm previous research in the field with similar results for other reciprocity outcomes related to strengthening the psychological bond between the employee and employer (Boselie et al., 2005; Collins & Smith, 2006; Roan et al., 2001; Whiten-er, 2001). This reinforces the importance of social exchange relationships in organizations, creating obligations between the employer and employee (Van de Voorde & Beijer, 2015). HCHRM creates a situation in which employees feel supported (McClean & Collins, 2011), which they repay through engagement (Saks, 2006).

The findings also confirm that HCHRM systems are associated with employees having a clear sense of the presence and intent of the system, as demonstrated by the positive relationship with HRM system strength. This again is in line with previous studies noting that HRM practices perceived by employees as being beneficial to them are likely to form the basis of strong HRM systems (Chacko & Conway, 2019). HCHRM by nature of its perceived employee-beneficial practices is well-placed to encourage employees to take note of the system (distinctiveness), have a clear shared understanding of what the system is trying to achieve (consensus), as well as experiencing the range of practices included in the system as mutually reinforcing (consistency), supporting HRM system strength theorizing (Ostroff & Bowen, 2016).

We also hypothesized that high HRM system strength would be associated with higher levels of work engagement and would mediate the HCHRM system – work engagement relationship. This was based on cause-effect attribution theorizing (Fiske & Taylor, 1991), whereby the clear behavior indicators arising from a strong HRM system would encourage greater employee engagement (Coyle-Shapiro & Kessler, 2000). This theorizing was, however, not supported in the empirical study,

and instead, a significant negative relationship was found. A possible explanation for this unexpected finding may be that employees indeed perceive a strong HRM system as too intrusive or controlling (Dworkin, 1972; Fleming, 2005). HCHRM systems are in themselves powerful tools in organizations with an array of practices designed to build employee commitment. These systems are perhaps sufficient in signaling to employees that they are valued and the organization aims to look after them. There is, therefore, no need for a strong HRM system (high on distinctiveness, consistency, and consensus) to be present to transform the HCHRM signals into positive employee attitudes and behaviors. This renders the strength of the HRM system somewhat redundant in our hypothesized model.

This finding further highlights the importance of exploring the interaction between the paternalistic values of employees and their perceptions of HRM system strength. Aycan's (2006, p.455) distinction between "benevolent paternalism" and "exploitative paternalism" may be helpful to consider here. The current study did not differentiate between employee perceptions of paternalism in terms of benevolence versus exploitation; we measured whether employees believed management had a role to play in supporting their non-work life needs, rather than whether employees believed this role should (or should not) be conducted as an act of benevolence. It may be that among individuals that have strong paternalistic values, there are different motivations behind the perceptions of the role that management should play. In the current study, we were unable to uncover any motivational reasoning behind the paternalistic values and hence having a more nuanced understanding of how that might substitute for HRM system strength. Future research might consider exploring different motivations behind paternalistic values.

For employees with low paternalistic values, we might surmise that the distinction in management practice between benevolence and exploitation could be considered less relevant due to the overall lower salience of these values. In this situation, we found that high HRM system strength lowered work engagement significantly. Again, we might argue that employees who do not share the felt need for benevolence or welfare support from the employer, similarly reject the constraints imposed by a strong HRM system. The need for freedom rather than intrusion in the employee-employer relationship appears to be stronger in such circumstances (Dworkin, 1972).

Paternalism is a form of management control and as such should not be considered devoid of potential conflict or power struggles between the employee and employer (Ackers & Black, 2018; Dworkin, 1972). Such actions can even be considered patronizing, despite their apparent good intentions (Fleming, 2005). The interpretation of employees of the management system they are experiencing is thus critical in understanding how employee perceptions of HRM system strength and paternalistic values can lead to work engagement. The contrast between the commitment-oriented approach to HRM (Jensen et al., 2013) and the control-oriented perspective

that paternalism implies to some employees is reminiscent of the increased employee stress and strain debates in the high-performance work practices literature (Wood & De Menezes, 2011).

## Conclusions

The aim of the study presented here has not been to contrast employee experienced HRM and paternalistic values *per se*, but rather to explore the extent to which strong high-commitment HRM systems are needed for employees that are already strong in paternalistic values, as arguably both phenomena are expected to increase employee engagement as a consequence of employees feeling like they are being looked after.

Although interesting results were observed, the study is, of course, subject to certain limitations. First, the study did not consider the extent to which the high commitment HRM practices were perceived by employees as being paternalistic *per se*. Instead, the intent was to explore whether HCHRMs could be as effective in increasing employee engagement when employees have high paternalistic values, or whether the practices became redundant. Future studies might explore the degree of paternalism of HRM systems as perceived by employees, for example, to try to address this question further.

Second, the data were collected from a single source over two points in time. The validity of the responses from a single source can sometimes be questionable due to a lack of knowledge about what is being asked. In this study, however, all questions relate to the perceptions of the employees, and as such, there can be no incorrect answers. The lagged nature of the data collection over two points in time helps to avoid the (reverse) causality concerns inherent in cross-sectional studies (Chang et al., 2010).

The implications for managerial practice that emerge from this study are important as they can help organizations increase levels of work engagement among employees. The findings indicate that when employees do not expect to be taken care of by their managers (that is, when employees have low paternalistic values), having a strong HRM system does not increase work engagement. In contrast, in workplaces where employees have high levels of paternalistic values, there is evidence of higher levels of work engagement irrespective of the HRM system. However, the high-commitment HRM system itself is a worthwhile investment of resources across a wide range of organizations and employee job roles to improve employee engagement: the fact that employees perceive the existence of the system's practices means that they are motivated to reciprocate, without the need for this system to be perceived as strong.

In closing, our study has explored the alternative reciprocal social exchange that occurs through paternalistic values compared to intended strong high-commitment

HRM systems. The general lack of support found in the study for the role of HRM system strength in this relationship leaves interesting avenues open for further research. Similarly, other cultural values among employees might also be explored in the future so that we improve our understanding of the role of formal management practices relative to individual-level informal values in the workplace.

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