

# Strategic Human Resource Management: Influences on Perceived Organizational Support and Job Attitudes

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## Abstract

*The transformation towards Strategic Human Resource Management is a goal of most HR Departments today. This study investigated the relationship between how strategic the HR function of the firm is on job attitudes and perceived organizational support (POS) while controlling for covariates such as age, gender, job level and work tenure. Nineteen firms (180 participants) responded to questionnaires. Results showed that strategic human resource (SHR) is positively related to job attitudes namely, affective commitment (AC), sacrifice commitment (Sacrifice CC), and employee engagement (EE) while it was unrelated to alternative commitment (Alternative CC). A significant relationship was also found between SHR and POS. Finally, the study found the relationship between SHR to AC, Sacrifice CC and EE were individually mediated by POS. Implications of the findings especially in relation to designing HR activities that promote higher POS due to its mediating role with the job attitudes are discussed.*

**Keywords:** Strategic Human Resource Management, Employee Engagement, Perceived Organizational Support, Organizational Commitment

## 1. Introduction

The advent of a global economy and revolutionary changes in technology have “leveled the playing field” in the world of business (Friedman, 2007). Organizations are challenged to remain competitive in this new landscape by developing strategic flexibility and competitive advantage through strategic leadership, strengthening core competencies and developing human capital (Hitt, Keat, & DeMarie, 1998). Noting the growing importance of human capital, HR experts, began to urge the Human Resource function to evolve and become strategic business partners by adding value to the firm in everything it does and recommended that the HR function move from a purely transactional role to more strategic endeavors (Jamrog & Overholt, 2004). Some scholars (Franco, 2005) however, opined that there is still a need to define HR’s real tangible values beyond rhetoric on the strategic use of human capital as a source for organizational success.

## 2. Review of Related Literature

### 2.1. Strategic Human Resource, Job Attitudes and POS

An organization that implements strategic human resource management (SHR) includes the HR professionals as business partners (Ulrich & Beatty, 2001). The human resource function is said to be strategic when “...vertically aligned with the mission and objectives of the organization and horizontally integrated with other organizational functions” (Green, Wu, Whitten, & Medlin, 2006, p. 559). Strategic human resource management (SHR) involves “designing and implementing a set of internally consistent policies and practices that ensure a firm’s human capital contributes to the achievement of its business objectives” (Huselid, Jackson, & Schuler, 1997, p. 171)

A basic tenet in SHR is the view that how the firm performs is significantly influenced by HR practices in place (Huselid et al., 1997). However, there is not much research done on exactly how HR practices influenced the organization’s performance (Xin, Gong, Law, & Chang, 2009). Ostroff and Bowen (as cited in Xin, Gong, Law & Chang, 2009) proposed that HR practices influence firm performance by shaping employees’ collective attitudes such as *organizational commitment* (OC). Other authors (Green, Wu, Whitten, & Medlin, 2006) contend that organizational performance is composed of individual performances which were found related to individual work attitude. Xin, Gong, Law and Chang (2009) found that the key element in their study’s job attitudes—OC in particular—that affect performance was motivation.

That motivation links HR practices to firm performance opens the way for other variables—containing a motivation element—to influence performance aside from *organizational commitment* (OC). For this reason, it is plausible that *employee engagement* would also play a role on this link since motivation is central to its concept.

There are research studies to support the idea of job attitudes like *commitment* and *engagement* have positive relationships with *perceived organizational support* (POS) (Rhoades & Eisenberger, 2002; Settoon & Bennett, 1996). HR practices are also known to relate with POS (Rhoades & Eisenberger, 2002). Since POS can be affected by HR practices then the relationship between SHR, POS and the job attitudes are worth examining.

### 2.2.1. Job Attitude: Organizational Commitment (OC)

*Job attitude* refers to the evaluation of personal importance of job related targets (Riketta, 2008). One such job attitude is OC: the extent employees are dedicated to their own organizations (Jex, 2002). In the literature, OC is refined into three categories (Meyer & Allen, 1991): *affective*, *continuance*, and *normative* commitment. *Affective commitment* (AC) is how much employees identify with the organization and feel a genuine sense of loyalty towards it; while *continuance commitment* is the employee's perceptions of how much the employee has given to the organization and how much it would cost to seek membership in another firm (Jex, 2002). *Continuance commitment* is further divided into 'Sacrifice continuance commitment' (Sacrifice CC) and 'Alternative continuance commitment' (Alternative CC). *Sacrifice CC* refers to the commitment given by the employee to the company due to avoiding the cost or 'entailed sacrifice' for leaving the firm while *Alternative CC* refers to the employee's commitment to the firm due to limited job availability outside of the organization (Fields, 2002).

As to SHR – OC relationship, Arthur (1994), posits that HR practices affect the organization's performance through developing the commitment of the employees who can be trusted enough to use their judgment in carrying out tasks consistent with the goals of the company. Research supports this contention. For example, performance-oriented HR—a subsystem that focuses on developing human capital and providing motivation for productive resource use—has been found to be positively related to *affective commitment* (Xin, Gong, Law, & Chang, 2009). Also, since the level of commitment of employees affects important variables, like employee turnover (Taormina, 1999), it is usual that some HR programs were designed with the idea of enhancing OC in mind. Hence, a strategic human resource approach would most likely consider OC enhancing practices.

In the extant literature what is usually referred to as OC is *affective commitment* (AC). In as far as *affective commitment* (AC) is concerned I maintain the view that SHR positively influences AC.

*Hypothesis 1: There is a positive relationship between employees' perceptions of the extent to which their human resource management is strategic and their affective commitment.*

Unlike *affective commitment* there is very little research on the relationship between *continuance commitment* (CC) and SHR. One such study found *maintenance-oriented human resource subsystem*—deals on employee protection and equality—is positively related with CC (Xin, Gong, Law, & Chang, 2009).

*Continuance commitment* in many studies is thought to be undesirable since it is negatively related, or not at all related to job performance and organizational citizenship behavior (Sinclair, Tucker, Cullen, & Wright, 2005). This particular view is thought to be due to *alternative CC* but not with *sacrifice CC*.

In the present study I posit a positive relation between SHR and *sacrifice CC*. As for *alternative CC* the study is exploratory. *Sacrifice CC* may be influenced directly by HR practices like when employee feels there is so much to lose leaving the firm since she would be forfeiting what it is offering. On the other hand, *alternative CC* may be more influenced by factors outside of the organization.

*Hypothesis 2: There is a positive relationship between employees' perceptions of how strategic the human resource management of their firm and sacrifice continuance commitment.*

### 2.2.2. Job Attitude: Employee Engagement (EE)

The roots of employee engagement are traced to *positive psychology*: the scientific study of human strength and optimal functioning (Seligman & Csikszentmihalyi, 2000). This trend to focus on positive human resource strengths caught the attention of organizational psychology and one of these is what we now call as work or *employee engagement* (Schaufeli & Bakker, 2006).

*Employee engagement* (EE) is described as emotional and intellectual commitment to the organization (Saks, 2006). In the academic literature it is defined by Kahn (1990) as “the harnessing of organization members’ selves to their work roles; in *engagement*, people employ and express themselves physically, cognitively and emotionally during role performances” (p. 694). It is also defined as a positive, fulfilling work-related state of mind that is characterized by vigor, dedication and absorption (Schaufeli, Salanova, Gonzales-Roma, & Bakker, 2002).

Some argue that OC and EE are interchangeable concepts (Higgs, 2007) while others point out differences: engaged employees are expected to have an element of business awareness, which is not necessary in OC (Saks, 2006). Saks (2006) further argued that OC is different from EE because OC refers more to a person’s attachment to the organization while EE is “...the degree to which an individual is attentive and absorbed in the performance of their roles” (p. 602).

The literature on EE shows that the level of worker engagement is linked with better financial and organizational benefits (Higgs, 2007). In a survey involving 50 thousand employees in 27 countries, the study found a positive relationship between EE and business success (Lockwood, 2007). The role of HR in finding ways how to engage employees is not only strategic but also imperative especially in times of financial and business crises (Lawson, 2008). In view of literature, I expect a positive relationship between SHR and EE.

*Hypothesis 3: There is a positive relationship between employees’ perceptions of how strategic the human resource management of their firm and their level of work engagement.*

### **2.3. Perceived Organizational Support (POS)**

*Perceived organizational support* (POS) refers to employees’ general beliefs that their work organization values their contributions and cares about their well-being (Eisenberger, Huntington, Hutchison, & Sowa, 1986). Studies show that rewards and favorable job conditions given in the firm when viewed by employees as coming from the organization and not due to external constraints like legal requirements contribute to POS (Rhoades & Eisenberger, 2002). For this reason, POS can be directly influenced by SHR by designing HR programs that strategically manages employee rewards, benefits and wellness activities.

For example, Ginn and Jean Henry (2003) discussed the benefits of wellness programs in the context of SHR. From a management view, it is a way of securing commitment and loyalty from the employees by showing them that the organization is concerned about their welfare. From an employee perspective, a wellness program may be viewed as an employee’s investment for herself and to this extent may think more positively of the firm since it is investing in her own interest.

Many SHR practices are directed at rewards management. The reason for this is that strategic rewards tend to lead to more tangible paths to business alignment (Higgs, 2007). In a meta-analysis (Rhoades & Eisenberger, 2002), POS showed a strong positive relationship to organizational rewards and pay. Organizational rewards and pay are usually within the ambit of HR function and practices and is viewed as such by the employees. In this regard, there is reason to expect a positive relationship between SHR and POS.

*Hypothesis 4. There is a positive relationship between an employee’s perception of how strategic the human resource management of their firm and their perceived organizational support.*

### **2.4. Job Attitudes and Perceived Organizational Support (POS)**

Studies have consistently found a positive relationship between POS and job attitudes, in particular organizational commitment (Rhoades & Eisenberger, 2002; Settoon & Bennett, 1996) and explained via social exchange theory (SET) and the reciprocity norm (Gouldner, 1960). The theory in relation to OC posits that commitment can be viewed as an exchange commodity: people will likely reciprocate with commitment to the organization if they feel the organization is also committed to them. An alternative explanation is put forward by Fuller and Barnett (2003). They argue that the relationship between OC and POS could also be explained by social identity theory (SIT). In the SIT framework, it states that people will remain loyal to the organization when they feel that the latter also values and appreciates them. The difference between social identity theory (SIT) and social exchange theory (SET) is that SIT continues further by stating that “when people feel their organization values and appreciates them, it is a sign of organizational respect for them or of their high status in the organization...high status is likely to increase people's organizational commitment because it enhances their social identity” (Tyler; as cited in Fuller and Barnett, 2003, p 789-790).

The relationship of POS to employee engagement is already validated in academic researches (Kinnunen, Feldt, & Mäkikangas, 2008; Saks, 2006). The Kinnunen et al. (2008) study showed that POS was negatively related with turnover intentions and positively related with employee engagement. Their explanation stems from the idea that POS helps to satisfy some socio-emotional needs such as affiliation and esteem and the feeling of security that help is available when needed. They explained further that POS facilitates work engagement because "...job and organizational resources such as job control and social support have been positively related with work engagement" (Kinnunen, Feldt, & Mäkikangas, 2008, p. 117). Another study found that socio-emotional needs are fulfilled by POS and that the relationship between POS and performance was greater among employees who have high socio-emotional needs (Armeli, Eisenberger, Fasolo, & Lynch, 1998).

A simpler explanation— also utilizing social exchange theory (SET)—as to the relationship of EE and POS is given by Saks (2006): when parties are in a state of reciprocal interdependence, there is a chance that this relationship will continue over time in trusting, loyal and mutual commitments as long as the rules of exchange are observed. These rules involve reciprocity between parties like when employees receive financial and social-emotional resources from the firm there is a feeling of reciprocating the same, one of which is through their level of work engagement.

However, Saks (2006) pointed out that the role of POS on EE partakes more of antecedent rather than a consequence since variations in EE are seen as a function of what they perceive as benefits received according to SET (Kahn, 1990). The same idea can be said about the role of POS on OC—whether explained in terms of SET or SIT—it is seen to be an antecedent of OC (Rhoades, Eisenberger, & Armeli, 2001). The study of Rhoades, Eisenberger and Armeli (2001) also found that POS mediated organizational rewards and procedural justice with affective commitment. Organizational rewards and procedural justice are processes that are considered in SHR. Hence, there is basis to propose that POS plays a mediating role between SHR and the job attitudes.

The mechanics proposed to give rise on the mediating role of POS between SHR and job attitudes are as follows: The measurement of SHR, POS and job attitudes are on the level of employee perception. When an employee thinks the firm gives support (POS), he or she relates this to a more strategic HR function because most of the elements that build POS perception are effects of HR practices. These POS in turn generates higher job attitudes like EE and OC as a way of reciprocating to the organization posited by social exchange theory. What the employee gets because of the company's HR practices translates into a perception of higher POS by the employee who, in turn, reciprocates (Social exchange theory) with more *engagement* and *commitment*.

*Hypothesis 5. Perceived organizational support is positively related with organizational commitment.*

*Hypothesis 6. Perceived organizational support is positively related with employee engagement.*

*Hypothesis 7. Perceived organizational support mediates the relationship between SHR and the job attitudes: employee engagement and organizational commitment.*

### **3. Method**

#### **3.1 Sample**

Nineteen business organizations responded to the survey. These firms are situated in the Philippines: eleven were based in Cebu City while eight were from Manila. The firms were made up of five hotels, four schools, two banks, two call centers, and one each from construction, energy, IT and a funeral home. One firm however was not identified in terms of industry type. There were 180 individual respondents: 107 females and 73 males. The average age was 32.7 years old and ranging from 21 to 58 years of age. The average work tenure was 79 months (6 years and 7 months) ranging from one month to 348 months (29 years). Job level distribution included 17 HR managers, 63 line managers/supervisors, and 100 staff employees.

#### **3.2. Procedure**

Each firm that accepted the survey was given 11 sets of questionnaires for a maximum of 11 respondents with the instruction to give at most 7 questionnaires to non-HR staff employees, 3 for line managers/supervisors and one for HR manager. The questionnaire consists of 60 research items and five demographic questions.

#### **3.3. Main Questionnaire Measures**

*Strategic Human Resource Management (SHR)*. The main predictor variable of the study is SHR. Operationally, it is the cumulative score on 20 strategic scales taken from a 40-item test on HR roles developed by David Ulrich (1997).

The questionnaire is based on Ulrich's framework of two main interacting dimensions: strategic/operational focus in the y-axis and process/people focus in the x-axis (Franco, 2005). The result is a four-quadrant surface that would correspond to the four HR roles described in the framework. The 'strategic partner' and 'change agent' quadrants are at the top identifying them to be strategic focus while the other two roles are below hence more operational focus. In the study, I utilized the items for 'strategic partner' and 'change agent' to measure how strategic the HR function of the firm is. The reason for this is that both roles belong to strategic focus. In a later publication by Ulrich and Brockbank (2005) the 'change agent' role was absorbed by the 'strategic partner' role. They reasoned that the 'change agent' role is a part of the broader 'strategic partner' role of the HR practitioner. All in all, there are 20 items to measure SHR in the questionnaire. There were no psychometric characteristics given for the items. However, when tested for reliability for the 20 items it yielded Cronbach's alpha of .95.

*Perceived Organizational Support (POS)*. A nine-item short version POS scale constructed by Eisenberger, Huntington, Hutchinson and Sowa (1986) was used in the study. Reported reliability coefficients ranged from .74 to .95 (Fields, 2002) and was at .78 in the present study. In terms of validity, Fields (2002) report that POS is known to correlate positively with job satisfaction, organizational commitment and job discretion while it correlated negatively with organizational politics and turnover intentions.

*Organizational Commitment (OC)*. I used two distinct scales on OC developed by Meyer and Allen (1991): affective commitment (AC) and continuance commitment (CC). Cronbach's alpha for AC ranged from .77 to .88 (Fields, 2002) and was at .80 in this study. CC has two sub-scales: *sacrifice* CC and *alternative* CC which can be used separately (Meyer & Allen, 1991) as was done in the present study. Internal consistency for *sacrifice* CC in this research was at .77 while *alternative* CC was at .84.

*Employee Engagement (EE)*. The study used a 9-item shorter version of the employee engagement questionnaire, *Utrecht Work and Well-being Survey (UWES)* by Scaufeli and Bakker (2006). The UWES-9 (short version) factorial validity was shown using confirmatory factor analyses. As for reliability, UWES-9 internal consistency ranged from .6 to .88 across countries while test stability showed coefficients ranging from .61 to .73 across countries (Schaufeli & Bakker, 2006). For this study, internal consistency was at .84.

*Control of Covariates*. In order to find meaningful relationships between variables, it is sometimes important to control for certain covariates known to affect the IV or DV. Some researchers contend that certain demographic variables influence job attitudes (Taormina, 1999). In a study, gender, age and managerial level were controlled since they were known to affect the outcome variables which included employee engagement (Kinnunen, Feldt, & Mäkikangas, 2008).

In this study, participant's age, job level, work tenure and gender were asked for statistical control purposes. The coverage of job level incorporated staff, supervisor-manager and HR leader, in that order. The arrangement is deemed more appropriate since previous research indicated HR leaders tend to score higher than staff or management employees (Franco, 2005). Correlation between the traditional job level arrangements with this job level arrangement (staff, supervisor, HR leader) yielded a coefficient of .95 showing the two arrangements as very similar.

#### **4. Results**

The inter-correlation matrix in Table 1 shows the correlation between the different variables including the covariates. The matrix initially confirms hypotheses one to six showing significant relations between specified predictors and the DV. However, I took it more prudent to control for covariates when testing hypotheses using hierarchical regression in assessing relationships between IV and DV. Table 2 shows summary hierarchical regression outcomes when SHR was regressed to each of the job attitudes as well as POS while controlling for covariates at step 1. The results support hypotheses 1, 2, 3 and 4, that is, SHR manifesting significant relationships with AC, sacrifice CC, EE and POS respectively while controlling for covariates.

For hypothesis 1, SHR – AC relation, that  $R^2$  in step 2 was not significant indicated the whole model, including covariates, did not predict the DV, while SHR's contribution to the equation was significant ( $\beta = .19, p < .05$ ) as well as  $\Delta R^2$ .

In the SHR - POS relation, at step 1 when covariates entered, the whole equation was already significant with  $F(4,161) = 4.05, p < .01$ .

Covariates showed significant betas for job level and work tenure. SHR was entered in step 2 yielding a significant change in  $R^2$  from step 1 to step 2 ( $\Delta R^2 = .082, p < .01$ ;  $SHR \beta = .30, p < .01$ ) confirming hypothesis 4.

Results in Table 3 showed support for hypotheses 5 and 6 on the relationships between POS and the two organizational commitment variables as well as with EE. To test the mediating role between POS and the job attitudes (hypothesis 7) three conditions must be met (Baron & Kenny, 1986). First, the IV (SHR) must be related to the mediator (POS). Second, IV (SHR) must be shown to affect the DV (job attitudes). Third, the mediator (POS) must be related to the DV (EE, AC and Sacrifice CC) with IV (SHR) also entered. Mediation exists when a significant relationship between the independent variable and dependent variable is reduced (partial mediation) or no longer significant (full mediation) while controlling for the research mediator (POS).

Checking these conditions necessitate three regression equations (Baron & Kenny, 1986). When there are covariates, David Kenny (2009) states that they are to be included in each equation and would not be trimmed from equations unless they are dropped from all the equations. The first and second conditions can already be inferred in Tables 1 and 2.

Results in Table 4 show a full mediation pattern for POS as mediator between SHR (IV) and the individual job attitudes (DVs) with covariates controlled since the relation between SHR with AC, Sacrifice CC and EE respectively was no longer significant when POS was controlled while POS remains a significant predictor of the individual DVs respectively.

## 5. Discussion

### 5.1 SHR, Job Attitudes and POS

Our study confirmed the positive relationship between SHR and *affective commitment* while controlling for the effects of age, gender, job level and work tenure. This finding is in line with previous studies (e.g. Arthur, 1994; Green et al., 2006). Xin, Gong, Law and Chang (2009) for example, linked SHR to a more performance-oriented HR which focuses on developing human capital and providing motivation for productive resource use which in turn is positively related to affective commitment. Arthur (1994) emphasized the role of commitment—as developed by HR practices—to organizational performance in stating that these committed employees can be trusted to use their judgments in carrying out tasks relevant to company aim.

As for *continuance commitment*, the findings indicated a positive relationship between SHR and sacrifice CC. However, there was no relationship between *alternative CC* and SHR. That *alternative CC* is not related to SHR can be explained by the fact that its nature is not within the scope of SHR, that is, *alternative CC* is based upon what other organizations can provide. Put simply, HR can design practices that would make an employee think twice before leaving since there may be so much to lose hence, *sacrifice CC*; but on the other hand—in the context of *alternative CC*—no matter how good the perks and benefits of a firm is, if there are many available alternatives that are better in other firms then one would likely not expect the employee to stay in the same firm. Xin, Gong, Law and Chang (2009) found that HR practices focusing on employee protection and equality are highly related to continuance commitment (CC). In the present study however, SHR is only related to *sacrifice CC* and not to *alternative CC*. Since total continuance commitment merges *sacrifice CC* and *alternative CC*, we may surmise that this relationship between SHR and *sacrifice CC* is also linked to HR practices that promote protection and equality as suggested by Xin et al. (2009). Although continuance commitment alone does not result into better job performance its combination with affective commitment (AC) could possibly make the difference (Sinclair, Tucker, Cullen, & Wright, 2005).

The present study also confirmed the relationship between EE and SHR. Finding an empirical connection between SHR and EE lends credence to the slogans of the popular business press on the importance of employee engagement (Higgs, 2007; Lawson, 2008; Lockwood, 2007) and the role SHR plays.

Employee engagement had been emphasized by many consultants and writers especially in dire times because of its significance to individual performance. Hence, "...to gain a competitive edge organizations are turning to HR to set the agenda for employee engagement and commitment" (Lockwood, 2007, p. 2). The literature suggests that EE may be enhanced through strategic rewards development, and that "...an extended total rewards framework offers the potential basis for a strategic approach to building employee engagement and organizational performance (Higgs, 2007, p. 38).

Academic scholars like Kahn (1990) posit that EE may be enhanced by addressing concerns that pertain to the three psychological conditions associated with engagement and disengagement namely: work *meaningfulness*, *safety* in the context of expression and *availability* of resources to empower effective performance.

The study found that SHR predicts POS. In fact the relationship between SHR and POS is higher than any of the relationship of SHR and the job attitudes when covariates were controlled. POS stems from employee perceptions. HR practices strongly impact organizational climate and atmosphere while employees tend to personify the organization and would take favorable or unfavorable treatment as indicative of the organizations' intentions towards them (Rhoades, Eisenberger & Armeli, 2001). In this context, what HR does that affects the organization influences how the employees view the firm hence the relationship between SHR and POS. Rhoades et al. (2001) found that categories like organizational rewards, procedural justice and supervisor support were significant predictors of POS. These variables are actually within the sphere of SHR reinforcing the link between SHR with POS.

Each of the job attitudes were found to be related with POS controlling for covariates. About 37% of the variation in affective commitment (AC) can be explained by POS. This strong relationship is in line with many studies that support the link between the two variables ( Fuller & Barnett, 2003). The perennial explanation for this association is through social exchange theory and the reciprocity norm. On the basis of the theories POS would create a felt obligation to care for the organization. However, Fuller and Barnett (2003) raised the possibility that this relationship could also be based on social identity theory. As to which specific theory explains the relationship is beyond the purview of our study but offers a good ground for future research.

As to the relationship between POS and *sacrifice* CC, the conditions of employment as experienced by the employee may be viewed by the latter as something that would be sacrificed if he or she chooses to leave the company hence explaining the moderate but significant relationship between the two variables. That POS is related to employee engagement can be explained through social exchange theory: the employee perceiving high organizational support provides higher engagement in return.

Our findings support the view that the relationship between SHR and the job attitudes individually is fully mediated by perceived organizational support (POS) while holding constant research covariates. The influence of SHR on affective commitment (AC), *sacrifice* continuance commitment and employee engagement (EE) taken individually is made possible through perceived organizational support (POS). It seems that only when employees believe that their firm values their contribution and cares for their well-being—as an impact of different SHR activities—do they reciprocate with commitment and engagement. These beliefs of valuing and caring—as discussed by other studies (Rhoades et al, 2001; Saks, 2009)—may emanate from organizational practices that are so much linked to the HR function such as rewards management, organizational justice, employee development, employee involvement programs including support from superiors.

What is essential in this mediated relationship is for the employees to perceive support from the organization as an impact when designing and implementing strategic HR since minus this perceived support no significant translation to higher commitment and engagement can take place. All in all however, the relationship between SHR and the variables yielded small effect sizes. This actually can be used as a barometer on how SHR is effective enough to influence job attitudes. Considering the role of POS as a mediator variable, designing SHR programs that intend to target job attitudes to enhance performance must put great weight in considering how POS can be improved through the SHR plan and design.

## 5.2. Limitations of the study

The choices of organizations to participate were highly dependent upon social connections of the researcher and acquiescence of the targeted firm. In this context the study suffers the same shortcomings typical of researches using such method. The study may fall short of the ideal when it comes to generalizability and its conclusions may be inferred with a confident degree of certainty only to the sample being studied. Certain remedies were being made to correct for the shortcoming and at least providing some relief. One of them was choosing firms that came from two major cities in the Philippines, Cebu and Manila; another was the planned sample of making the type of firms that participated in the study as heterogeneous as possible, with the hope that different firms were in some way 'represented' by the sample. It has been suggested (Jex, 2002) that for organizations, researches can obtain better inferences if the level of analyses used is the organization and not the individual. In the study I was using individual responses as level of analyses only.

## 6. Conclusion

Despite limitations, the study trail-blazes on areas that are essential in the present business climate by providing a deeper understanding on how the organization can possibly leverage on human capital as a crucial source of corporate competitive advantage. This is the main aim of *strategic human resource management*. This goal—as far as the HR function is concerned—can be achieved by formulating policies and programs that result into better *perceived organizational support* which in turn would hopefully lead not just to higher *organizational commitment* but more importantly better *employee engagement*. As one puts it, "The challenge today is not just retaining talented people, but fully engaging them, capturing their minds and hearts at each stage of their working lives" (Kaye & Jordan-Evans, 2003 as cited in Lockwood, 2007, p. 2).

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**Table1.** Zero-Order correlation between Research Variables including Covariates with Means and Standard Deviations

Variables	Mean	SD	1	2	3	4	5	6	7	8	9	10
1. Gender	.60	4.91	-	.02	-.03	.16*	-.11	-.01	-.02	-.03	-.05	-.01
2. Age	32.88	8.80		-	.32**	.70**	-.08	-.06	-.03	-.03	.15*	.23*
3. Job Level	1.54	.67			-	.11	.16*	.10	-.02	-.28**	.14	.06
4. Work Tenure	78.58	85.67				-	-	-.04	-.04	-.07	.21**	.10
5. POS	33.54	4.54					-	.61**	.30**	-.09	.26**	.27**
6. Affective CC	29.97	3.87						-	.32**	.00	.28**	.20**
7. Sacrifice CC	13.56	2.60							-	.31**	.28**	.24**
8. Alternative CC	12.72	3.00								-	.02	.14
9. EE	43.45	8.03									-	.21**
10. SHR	77.48	14.53										-

The Differential Role of Managerial Affective and Continuance Commitment. *Journal of Applied Psychology* , 94 (1), 263-275.

\* $p < .05$ , \*\* $p < .01$

**Table 2:** Hierarchical Regression: *SHR regressed on Job Attitudes controlling for covariates at step 1*

Variables	Affective Commitment			Sacrifice CC			EE			POS		
	$\beta$	$\Delta R^2$	$R^2$	$\beta$	$\Delta R^2$	$R^2$	$\beta$	$\Delta R^2$	$R^2$	B	$\Delta R^2$	$R^2$
Step 1			.02			.00			.06			.09**
Gender	.01			-.02			.02			-.06		
Age	.10			-.07			-.10			-.04		
Job Level	.07			-.02			.13			.17*		
Tenure	-.14			.07			.24*			-.24*		
Step 2		.03*	.06		.06*	.06		.04*	.10*		.08**	.17**
SHR	.19*			.24**			.20**			.30**		

Note:  $\beta$  is taken from final step; \* $p < .05$ , \*\* $p < .01$

**Table 3.** Hierarchical Regression: *POS regressed on Job Attitudes controlling for covariates at step 1*

Variables	Affective Commitment			Sacrifice CC			EE		
	$\beta$	$\Delta R^2$	$R^2$	$\beta$	$\Delta R^2$	$R^2$	$\beta$	$\Delta R^2$	$R^2$
Step 1			.01			.00			.05
Gender	.03			-.01			.04		
Age	.09			.07			-.03		
Job Level	-.06			-.12			.08		
Tenure	.06			.04			.25*		
Step 2		.38**	.39**		.10**	.11**		.09**	.14**
POS	.64**			.33**			.30**		

Note:  $\beta$  is taken from final step; \* $p < .05$ , \*\* $p < .01$

**Table 4.** Relationship of IV (*SHR*) to DVs with mediator (*POS*) and covariates controlled.

DV	B	SE	$\beta$	$t$	$p$	$\beta$ (POS)
Affective Commitment	.00	.02	.00	.01	.99	.65**
Sacrifice CC	.02	.01	.13	1.59	.11	.29**
EE	.06	.05	.11	1.33	.18	.27**

\*\* $p < .01$