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Satisfaction with HR practices and commitment to the organisation: why one size does not fit all

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This article examines the links between employees' satisfaction with HR practices and their commitment to the organisation. It draws on recently collected data to examine these links for three groups of employees: professionals, line managers and workers. Satisfaction with some HR practices appears to be linked to the commitment of all employees, while the link for others varies between the three employee groups. These findings pose a challenge to the universalistic model of HRM and have implications for those seeking to design practices that will improve organisational commitment.
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Much of the debate over the links between HR policy and organisational performance has been based on the distinction between two perspectives typically referred to as 'best practice' and 'best fit'. The best practice view (Pfeffer, 1994; 1998) identifies a set of HR policies that, it is argued, is associated with improved performance in all types of organisation and, by implication, for all types of employees. The best fit approach (Schuler and Jackson, 1987; Miles and Snow, 1984) argues that performance is maximised when the HR policies adopted are consistent with the business strategy. Both of these approaches assume that the HR policies adopted will be implemented as intended and have the same effect on all employees who work for the organisation. Various authors have questioned these assumptions because of the differences between intended HR policies and employees' experience (Wright and Boswell, 2002; Paul and Anantharaman, 2003; Purcell *et al*, 2003), because complex organisations have different types of employees who may be managed successfully through diverse sets of HR policies (Guest, 1999; Lepak and Snell, 1999; 2002; Marchington and Grugulis, 2000; Melian-Gonzalez and Verano-Tacorante, 2004; Purcell, 1999; Wright and Boswell, 2002) and because of strategic differences between firms in the manufacturing (Youndt *et al*, 1996) and service sectors (Boxall, 2003).

These points pose important questions about the effect of HR policies on the organisational commitment of heterogeneous work groups. Our article examines how satisfaction with various HR practices is linked to the affective organisational commitment of three different groups of employees. We draw on data recently collected as part of a large-scale study sponsored by the Chartered Institute of Personnel and Development (CIPD) in the UK looking at the links between HRM and performance. Qualitative and quantitative data were collected from 18 organisations over a two-and-a-half-year period at three levels: senior managers, front-line managers (including team leaders) and shop-floor employees. (Details of these organisations are included in Appendix 1.) We use multivariate analysis to examine the links between satisfaction with HR practices and the commitment of three work groups in our sample: professional employees, line managers and shop-floor workers. We find that satisfaction

with some HR practices is associated with the commitment of all employees while for other HR practices the association varies between the three employee groups. From these data it is possible to contribute to the debate on whether different groups of employees need to be managed in different ways.
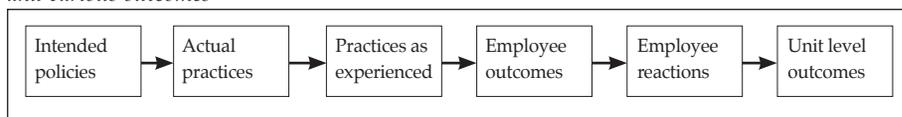
PREVIOUS RESEARCH

There are two problems common to much of the previous research into the links between HRM and performance that we wish to highlight.[1] Virtually all the research looks at the association between the presence of various written HR policies and organisational performance, and it is typically assumed that these policies will be applied to all employees.

Many of the early studies in the field effectively employed a very simple theoretical model at the heart of their analysis. On the left-hand side is a series of HR policies, and on the right-hand side are various measures of organisational performance including both financial and HR indicators (Guest, 1997). In many instances researchers asked their respondents to count the number of policies and sometimes the proportion of employees covered (*eg* Huselid, 1995) and then use the number of stated policies covering sufficient numbers of employees as an indicator of the sophistication of the HR approach. These data were usually collected from single respondents in each firm in the survey along with data relating to performance. The data were then subjected to sophisticated quantitative analysis to produce results such as profit or shareholder value per employee. This approach has been widely criticised elsewhere (Gerhart, 2005) and highlights what has come to be known as the 'black box' problem (Becker and Huselid, 1996; Purcell *et al*, 2003).

The importance of examining the implementation of intended HR policies was noted some time ago by Becker and Gerhart (1996: 793) when they argued that 'future work on the strategic perspective must elaborate on the black box between a firm's HR systems and the firm's bottom line'. To them this means that, 'more effort should be devolved to finding out what managers are thinking and why they make the decisions they do' (1996: 794). However, we argue that we need to draw a distinction between the intended or espoused HR policies and the actual enactment of these policies, usually by line managers and how they are experienced by employees. Employee attitudes are influenced not so much by the way these policies are intended to operate as by the way they are actually implemented by line managers and team leaders on a day-to-day basis. Employee perceptions of, for example, performance appraisal will be shaped fundamentally by their personal experience of their performance appraisal interview and their relationship with their manager. Bowen and Ostroff (2004: 216) go further and suggest that employee attitudes can usefully be captured to form a measure of what they refer to as HR 'system strength' which they regard as an important intermediary between HR policies and organisational performance.

The attitudes of employees towards these policies are important because they have been seen as drivers of discretionary behaviour (Appelbaum *et al*, 2000; Purcell *et al*, 2003) and organisational citizenship behaviour (Coyle-Shapiro *et al*, 2004). However, Edwards and Wright (2001: 570) noted that 'it remains rare for studies to assess the links in the chain with effects on employee commitment a particularly rarely studied issue'. Indeed, it is ironic that very few studies actually collect data directly from the very people who are seen as central to organisational performance: the employees. However, as Wright and Boswell (2002: 264) have argued, 'any research attempting

FIGURE 1 *Links between HR policy and practice, employee experiences and responses and various outcomes*

| Intended policies | → | Actual practices | → | Practices as experienced | → | Employee outcomes | → | Employee reactions | → | Unit level outcomes |

to demonstrate a relationship between HRM and firm performance stands on firmer ground when assessing the actual practices rather than the intended policies. This may imply that asking senior executives to indicate practices has less validity than asking employees themselves'. In effect, they are suggesting that research on HRM and performance needs to be employee centred rather than policy focused if the causal chain between policy and performance is to be understood and measured.

One of the most elaborated models linking HRM and performance is that proposed by Wright and Nishii (2004). In short, their causal chain proposes (1) intended practices, (2) actual HR practices, (3) perceived HR practices, (4) employee reactions, (5) performance. Employee reactions are subdivided into those concerning affective or attitudinal outcomes such as job satisfaction and organisational commitment, those building cognitive skills and those affecting behaviour seen in discretionary behaviour and task behaviour. This focuses attention on the need to include in the research specification assessments on levels of organisational commitment, especially affective rather than continuance commitment. Appelbaum *et al* (2000) and Purcell *et al* (2003) separate behaviour from attitudinal components (commitment and job satisfaction) and cognitive attributes (knowledge, skills and abilities) since discretionary behaviour both on and off the job (Adler *et al*, 1999) is the critical factor in linking employee responses to performance and is different from performance improvements coming via better knowledge, skill and ability. Our modified model takes this into account and also seeks to clarify the distinction between policies, practices and employees' experiences of them.

Increasingly, researchers at the aggregate firm level – beyond the traditional focus on the individual – have noted the interconnection between attitudes and performance that must be achieved through behaviour. While at the individual level relationships between individual attitudes and performance have sometimes been weak, collective studies show stronger links between attitudes and performance (Ostroff and Bowen, 2000: 226), thus emphasising the *gestalt* effect of collective attitudes and behaviour within the organisation. Gerhart (2005) summarises the position: 'Substantial evidence shows there is a positive and nontrivial link between employee attitudes and performance at the individual level (Judge *et al*, 2001) and employee attitudes and financial performance at the facility (establishment) level (Harter *et al*, 2002; Ryan *et al*, 1996). There is also a linkage at the organisational level in a not-for-profit sample (Ostroff, 1992) and, more recently, in a longitudinal study of for-profit firms' (Fulmer *et al*, 2003).

Thus, the fulcrum of the HRM-performance causal chain is the employees' reactions to HR practices as experienced by them.[2] Individual HR practices have a functional role (assessment, training, involvement, *etc*) but, taken together, they can have a non-instrumental role in both reflecting and reinforcing wider organisational climate (Bowen and Ostroff, 2004). These reactions, when positive, link to employees' affective commitment to their organisation, often mediated through their relationship with their line manager (Redman and Snape, 2005) and lead to better or more discretionary behaviour and improved task performance. The link between employees' experience of HR practices and their attitudes toward the firm, seen in affective organisational

commitment, is suggested by social exchange theory where employees' perception of organisational support (POS) seen in HR practices applied or open to them is 'rewarded' by higher organisational citizenship behaviour (OCB) and retention/attendance (Eisenberger *et al*, 2002). Here, the central assumption is that 'HRM practices are viewed by employees as a "personalised" commitment to them by the organisation which is then reciprocated back to the organisation by employees through positive attitudes and behaviour' (Hannah and Iverson, 2004: 339). All this reinforces the need for research to focus on employee perceptions of HR practices as experienced by them (Bowen and Ostroff, 2004) and suggests that employee reciprocation will be related to the utility of particular HR practices to them. There is no reason to suppose, in either theory or practice, that employees have the same utility needs.

We need to question the assumption that HR policies will be applied equally to all groups of employees or work groups. This may be a satisfactory assumption in organisations where there are large groups of similar employees such as in professional service firms. However, in other organisations the workforce is likely to be much more heterogeneous in terms of their human capital, rendering the approach that assumes the invariability of HR policy across the organisation as 'naive and detrimental to the development of the field' (Wright and Boswell, 2002: 264). Heterogeneity will also be expected between firm comparisons, even in the same generic sector (Boxall, 2003), as implied in the resource-based view of strategy (Boxall and Purcell, 2003).

Various authors have begun to tease out the differences that might exist. Marchington and Grugulis (2000: 1117), in their evaluation of the best practice literature, note that 'so much depends on the categories of staff that employers are trying to recruit'. They refer to MacDuffie (1995) who notes that HR policies are likely to contribute to improved performance only where 'employees posses knowledge and skills that managers lack, where employees are motivated to supply this skill and knowledge through discretionary effort; and when a firm's business or production strategy can only be achieved when employees contribute such discretionary effort'. Marchington and Grugulis (2000: 1118) argue that these conditions are quite specific and will not be met when the time taken to train staff is short, work is boring and can be easily monitored, and there is a plentiful supply of labour. Consequently 'the best practice model may be relatively unattractive or inappropriate in some industries or certain groups of workers'.

The development of the HR architecture model (Lepak and Snell, 1999) represents one attempt to deal with the issue of different employee groups. This is based on the configurational view which argues that it is unlikely that a company will use a single approach for all its employees. They argue that 'to date most strategic HRM researchers have tended to take a holistic view of employment and human capital, focusing on the extent to which a set of practices is used across all employees of a firm as well as the consistency of these practices across firms. We believe that the most appropriate mode of investment in human capital will vary for different types of capital' (Lepak and Snell, 1999: 32).

This suggests that the best fit approach is too simple because there is a need to focus on within firm combinations or patterns of practices that are needed – putting horizontal fit together with vertical fit (Delery and Doty, 1996). Best practice approaches are also highly questionable since between firm differences in choices of HR policies, following the logic of HR architecture, will vary according to the different human capital requirements. In effect, different configurations of policies are suggested for different types of employees, such as knowledge intensive and routine manual

or administrative. The critical question, which appears not to have been studied in HR-performance research, is whether employees (rather than firms) have different needs and respond in different ways to HR practices as reflected in their affective organisational commitment.

If we accept that it is misleading to assume that HR policies are applied in the same way across all employee groups, the question then is how might employees be disaggregated? Wright and Boswell (2002: 265) suggest that this problem could be avoided by looking at the key or core jobs, 'or at least attempting to assess practices for more coherent job groups than simply managerial vs hourly'. Alternatively, they suggest looking at the nine categories for which the US Equal Employment Opportunity Commission requires reporting demographic information since 'this would provide a much clearer understanding of HR configurations and variations'.

This view has also received support from Lepak and Snell (2002) in their follow-up work to the development of their concept of HR Architecture. They distinguish four employment modes (knowledge based, job based, contract work and alliance/partnership) and looked at the HR configurations that were employed. They found that 'whether intended or emergent, there appears to be a clear pattern in the resource allocation and HR configurations used for different kinds of worker' (Lepak and Snell, 2002: 536). For example, 'the commitment-based HR configuration is significantly greater for knowledge-based employees than for workers within the three other modes' (Lepak and Snell, 2002: 536). Indeed, they found evidence that the commitment-based approach tended to be limited to knowledge-based workers. Melian-Gonzalez and Verano-Tacorante (2004: 67), using the same framework, found that high-value employees were more likely to have rigorous selection, extensive training, performance management systems and greater autonomy, flexibility and participation in decision-making compared with employees who had lower value to the organisation.

Lepak and Snell (1999; 2002) play a very useful role in identifying the possible heterogeneity of policy between internal and external groups. However, their focus is on variations in HR policy between employees with firm-specific knowledge central to the organisation and others who could be externalised: our interest is in the link between satisfaction with HR practices and the commitment of heterogeneous work groups who are directly employed by the firm.

The particular focus of our analysis is on the variation in the type of work performed by three different groups: professionals, front-line managers and workers. The nature of professional work requires autonomy, application of deep technical expertise to ambiguous problems and the generation of intellectual capital from specialised human capital (Alvesson, 2000; Morris, 2000; Swart and Kinnie, 2003). Professional employees value focused and up-to-date skill development that contributes to their employability (Valcour and Snell, 2002), demand a performance management system that reflects their technical expertise, and prefer to have high degrees of discretion (Von Gilnow, 1988).

Professional work can be contrasted with that of more routine-based service and industry work groups (Alvesson, 1995). The assembly line, call centre or retail customer service worker often has little discretion and works within a highly structured and closely monitored environment (Korczynski, 2002; Holman, 2004; Gutek, 1995). Typically, complex tasks are broken down into simplified operations which are performed repetitively. The work itself often requires relatively little training or expertise and, unlike the previous group, there is often tangible feedback to the employees: faults in an assembled vehicle or in customer service provided are often immediate and obvious.

Front-line managers of both professionals (*eg* project leaders) and other employees (*eg* team leaders) once again do a very different kind of work. Critically, this group often has responsibility for managing employees and controlling a series of resources in a designated work area (Hales, 2005). Often they will supervise the work of others directly and have responsibility for achieving performance targets. They are involved in the process of work production yet are in some way removed from it because of their focus on the management of people. Their job includes some of the professional work elements – *ie* ambiguous work situations, changing priorities as well as the application of 'managerial knowledge' and technical and organisational expertise to diverse situations and problems.

METHODOLOGY

This article draws on research from two linked projects, both funded by the CIPD, undertaken from 2000-2003 and covering 18 organisations. One project, exploring the impact of people management on organisational performance, consisted of 12 organisations that were approached on the basis of their known quality in HRM because of listing in the *Sunday Times* top 100 firms to work for or because of reports in the specialist HR media (nine) while the three others were known to be seeking excellence in HRM. The average number of HR policies in use was 12 out of a list of 18, with the maximum being 15 and the minimum 8. Compared with Workplace Employee Relations Survey (WERS) data (Cully *et al*, 1999), they were thus in the upper quartile of organisations in terms of the number of HR policies.

Agreement was reached with each participating organisation to choose a unit of analysis within the firm to allow a vertical slice of the organisation to be studied in depth. While this limited the generalisability of findings, it allowed for considerable depth of analysis by allowing both qualitative and quantitative research methods to be employed. The multi-sector range of organisations covered and the unit of analysis choice within each influenced the occupational mix of employees covered in the survey. In the three manufacturing sites we focused on manual workers; in a call centre, insurance firm and retail store it was sales and clerical staff. In the retail financial services company, the accountancy firm, the software house and the hospital, it was professional employees relevant to the sector. Front-line managers were included in the sample of employees within each of the units of analysis. In the grocery chain all of the employees sampled were section managers from four stores. These are the lowest level of managers, front-line managers in their own right. The final organisation, in medical services, included a mix of professionals, managers and workers although only a relatively small number of interviews was achieved.

The second project sought to explore the same issue of links between people management and performance but did so within six small to medium-sized knowledge-intensive firms. All six firms were in the knowledge-intensive sub-category of research and technology organisations: this included five firms that were in the software sector and one engaged in pharmaceutical research and development. Three of the organisations were classified as small and three as medium-sized. In the three smaller firms the organisation was the unit of analysis, whereas in the medium-sized firms a suitable unit of analysis was selected using the same criteria discussed above. For further details *see* Purcell *et al* (2003) and Swart *et al* (2003).

Interviews were first held at the corporate level with senior HR and other executives, and, where relevant, with trade union officers focusing on intended HR policies and business strategies. Within the unit of analysis the senior manager and deputies took part in a semi-structured interview focusing on HR policies in use. A random sample of employees either within the unit of analysis or from the company was selected with the aim of achieving 40 interviews. This number constituted a majority of employees in the unit of analysis except in the small knowledge-intensive firms where the number of employees surveyed was reduced proportionally. Interviews were conducted face to face within the workplace using a structured questionnaire and flash cards indicating the range of possible replies usually on a five-point scale from strongly agree to strongly disagree.

A number of questions replicated those in WERS to allow for disaggregated comparisons to be made at the sector/occupational level. The three questions, out of more than 100, that tested levels of affective organisational commitment were identical to those used in WERS and were based on validated scales. It was extremely rare for an employee to refuse to attend the interview but if they were absent for any reason a replacement employee was identified. Face-to-face interviewing was chosen as the researchers were anxious to explore the meanings behind scale responses on levels of satisfaction or beliefs about the efficacy of practices and nature of organisational climate. Responses were recorded verbatim. The questionnaire took 50 minutes on average to administer. Questions covered employee experience of and satisfaction with a range of HR practices, or the extent to which employees found them helpful in improving their performance; opinions about their front-line manager's leadership behaviour and management generally; and their own job experience, satisfaction and levels of affective organisational commitment and control data. Appendix 2 lists the variables used in the statistical analysis.

Three limitations must be noted reflecting the need to conduct complex research in 18 organisations. First, with the exception of the small knowledge-intensive firms, it is not possible to generalise the findings beyond the unit of analysis. Our findings are thus indicative rather than conclusive. Secondly, given the small number of employees in each unit of analysis, even though they constituted a majority of the people in the unit, statistical analysis is limited. Thirdly, and of most relevance to this article, the number of front-line managers interviewed in each unit, with the exception of Tesco, was often very low, for obvious reasons. Therefore, it is not possible to do any statistical tests on within firm variance by type of employee, but we can draw on our qualitative material. What is possible is to use the overall number of achieved responses (766) from 18 organisations to map variances of satisfaction with HR practices and their links to affective organisational commitment.

For this analysis we differentiated between our employees on the basis of three criteria: (1) the extent to which formal qualifications were required to do the job, (2) their responsibility for managing resources, especially people, (3) the nature of the job they were carrying out, particularly the degree to which it was repetitive, and the amount of discretion they had.

Using these criteria we divided our sample into three very broad groups:

● Professionals – employees who need a professional qualification to do their job, generally have reasonably high levels of discretion and have to engage in ambiguous problem-solving. Examples of employees in this group are nurses working for the Royal United Hospital (RUH), accountants in PWC, financial consultants in Nationwide and financial software designers in AIT and Marlborough Stirling. We identified 324 of these.

● Front-line managers – employees who had responsibility for a designated area of work, for example section managers in Tesco looking after the bakery or the delicatessen, or group leaders in Jaguar with responsibility for a particular part of the assembly line. These employees were often the first line of management and had responsibility for managing a group of employees, typically around 15 people. We had 164 of these in our survey.

● Workers – employees who were neither professionals nor managers, often with fairly low discretion jobs that typically did not require formal qualifications. Examples included sales assistants in Selfridges, customer service representatives in the Contact 24 call centre, assembly line workers in Jaguar and administrative employees in Clerical Medical. There were 278 of these employees in our survey.

We are aware that these definitions are potentially not mutually exclusive – a professional accountant in PWC could have managerial responsibilities, for instance. However, we examined the job descriptions and titles of all our respondents very carefully to classify their jobs on the basis of their primary responsibility.[3] If a professional worker also occupied a managerial role then we classified that job as a 'manager' because this was the most important task that distinguished them from their fellow professionals who did not have these responsibilities. Thus, for example, managers in PWC were placed in the manager group, not in the professional group, as were ward sisters in the RUH.

The aim of the analysis reported here is to focus on the crucial link between satisfaction with HR practices and employees' affective organisational commitment and test for differences between the three groups of employees. We apply conventional multivariate regression techniques and are interested in comparing the revealed significance patterns across the employee types. Any observed differences between the groups represent support for the idea that satisfaction with different practices is important for different groups of workers.

The variables used to measure commitment and satisfaction with HR practices are presented in Appendix 2. Some of these are based on a single measure, while others are summated scales based on a combination of individual items which were considered the best indicators of the items of interest. All scales exhibit appropriate item-to-total correlation and inter-item correlation.[4] Cronbach's Alpha was used to assess the reliability of our scales; all constructs exhibit appropriate internal reliability for our purposes.[5] Confirmatory factor analysis reveals the unidimensionality of each of our proposed constructs.

FINDINGS

The first stage of our analysis was to assess the association between commitment and the other variables of interest. Table 1 displays the bivariate correlation coefficients for the variables in our full dataset. We observe positive relationships between satisfaction with all the HR practices and commitment to the organisation with correlations ranging from 0.118 for teamworking up to 0.439 for communication. Though there is a wide range, all of the correlations are significantly different from zero ($p<0.01$). These relationships are interesting, but they could be the result of interactions between several variables, rather than an indication of a direct effect of satisfaction with any particular HR practice on commitment.

The second stage of our analysis attempts to isolate the links between satisfaction with individual HR practices and the organisational commitment of our employee

TABLE 1 *Displays bivariate correlations for the variables used in our analysis. Sample based on first interview with each individual*

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19
1. Sector	1.00																		
2. Sex	-.090*	1.00																	
3. Age	.143**	.023	1.00																
4. Total years in company	.330**	.088*	.478**	1.00															
5. Total years in job	.123**	.055	.460**	.640**	1.00														
6. Full time	-.113**	.335**	-.098**	.044	-.031	1.00													
7. Overtime	-.023	.072*	-.100**	.104**	.037	.118**	1.00												
8. TU membership	.340**	-.004	.299**	.482**	.318**	.016	-.016	1.00											
9. Training	.036	.009	-.033	.021	-.036	-.015	-.041	.065	1.00										
10. Career opps	.035	-.078*	-.021	-.071	-.187**	-.016	.077**	.051	.363**	1.00									
11. Appraisal	.018	-.056	-.090*	-.068	-.071	.003	-.005	.17**	.236**	.382**	1.00								
12. Performance pay	.048	-.154**	.003	.074	.035	-.019	-.017	.080*	.305**	.299**	.490**	1.00							
13. Rewards and recognition	-.076**	.105**	-.017	.033	-.028	.033	.062		.327**	.387**	.280**	.363**	1.00						
14. Teamworking	.047	-.028	-.044	-.038	-.045	-.013	.037	-.021	.095*	.171**	.101*	.066	.090*	1.00					
15. Involvement	-.119**	.010	-.089*	-.100**	-.087*	-.026	.056	-.074*	.309**	.423**	.355**	.414**	.416**	.224**	1.00				
16. Communication	.062	.082*	-.001	.026	.038	.060	.051	.061	.251**	.257**	.291**	.323**	.378**	.084*	.356**	1.00			
17. Openness	-.061	.063	-.018	-.026	-.028	.003	.034	-.042	.256**	.282**	.305**	.232**	.329**	.074*	.375**	.326**	1.00		
18. Work-life balance	-.094**	.023	-.031	-.112**	-.073*	-.106**	-.068	-.064	.138**	.187**	.267**	.265**	.250**	.060	.340**	.272**	.303**	1.00	
19. Commitment	.175**	.040	.037	.111**	-.004	.029**	.126**	.140**	.249**	.361**	.349**	.362**	.410**	.118**	.395**	.439**	.367**	.270**	1.00

*p<0.05
**p<0.01

TABLE 2 *Displays selected details from linear regressions by employee group. The dependent variable in all models is organisational commitment*

Sample	Managers	Professionals	Workers
Number of observations	164	324	278
R-squared	0.549	0.495	0.323
Satisfaction with HR practices			
Training	-0.062	0.042	0.021
Career opportunities	0.162**	0.058	0.064
Performance-related pay	0.023	0.024	-0.048
Performance appraisal	0.012	0.113**	0.045
Rewards and recognition	0.165*	0.158**	0.092†
Teamworking	0.068	-0.015	0.058
Involvement	0.123*	0.194**	0.057
Communication	0.180**	0.228**	0.103†
Openness	0.069	0.106*	0.152**
Work-life balance	0.091†	0.077†	0.086†
Control variables			
Constant	1.219**	0.118	0.610
Retail industry	-0.406**	1.255*	-0.196
Manufacturing industry	-0.577**	-0.478**	-0.133
Service industry	-0.288*	-0.410**	0.268
Sex	-0.019	0.108	-0.255*
Age	-0.049	-0.075	0.032
Length of service in company	0.025	-0.025	0.026
Length of service in job	-0.026	0.031†	-0.022
Full time	-0.165	-0.057	0.096
Normally works overtime	-0.126	0.142†	0.186*
Union membership	-0.106	0.064	0.156

† Significant at 10% level
* Significant at 5% level
** Significant at 1% level

groups. In order to do this we fit a linear regression model for each employee group with commitment as the dependent variable. The independent variables in these regressions included all of the satisfaction with HR practice variables included in Appendix 2, as well as controls for certain employee characteristics that previous researchers have cited as important determinants of commitment.[6] We included controls for sex, age, length of service, length of time in the job, status (full or part time), overtime worked, sector and trade union membership in order to control for heterogeneity within the employee groups.

The results are presented in Table 2, which gives the results of the three regressions in separate columns. We indicate coefficient estimates for each independent variable, as well as an indication of statistical significance at the 1 per cent, 5 per cent and 10 per cent levels. We take the view that a 10 per cent significance level, while not particularly strong, is appropriate, given the relevant sample sizes and the number of variables included in the regressions. The other significance levels are included so that readers may make an informed judgement about the strength of these exploratory findings.[7]

Our analysis shows that, once potentially intervening variables are controlled for, satisfaction with a particular set of HR practices is effective in allowing us to explain commitment and this set varies according to employee group. There is considerable variation in the explanatory power of the models. The R-squared figures for the managerial, professional and worker regressions are 0.549, 0.495 and 0.323, respectively. The fit of the worker regression is notably weaker than managerial and professional regressions, but such R-squared figures are not unusual in cross-sectional work – and F-tests reveal that the explanatory power of all three regression models is significant.

We found evidence of satisfaction with five practices important for explaining the commitment of managers: career opportunities, rewards and recognition, involvement, communication and work-life balance. We found satisfaction with a set of six practices that are important for explaining the commitment of professionals. This set covers performance appraisal, rewards and recognition, involvement, communication, openness and work-life balance. For workers we identify rewards and recognition, communication, openness and work-life balance as significant. These results show that commitment levels in three employee groups are linked to satisfaction with different combinations of HR practices. Some practices – for example, training and performance- related pay – show no link with organisational commitment. This does not mean they are unimportant. We focus here on commitment since it has been shown to be strongly associated with discretionary behaviour, but other routes through which HR practices are linked to employee performance are, as shown by the Wright and Nishii (2004) causal chain, via improvements in knowledge, skills and abilities as observed in task behaviour. This did not form part of the study reported here. In the next section we discuss some interesting patterns displayed in these results.

DISCUSSION

Comparison of the results across the regressions in Table 2 reveals several interesting features. We first look across the rows and consider the results in terms of the links between satisfaction with particular HR practices and commitment. We then turn our attention to the distinctive pattern of results for each employee group.

There are three variables that are associated with the commitment of all employee groups: rewards and recognition, communication and work-life balance. Evidence for the importance of satisfaction with rewards and recognition is strongest for managers and professionals and somewhat weaker for workers. Interestingly, the size of the reward and recognition effect is approximately 50 per cent higher for managers and professionals than it is for workers. The effects of communication are particularly strong for professionals, at more than twice the effect associated with workers. There is some evidence that company efforts to help employees achieve a balance between work and home life is linked to the commitment of employees in all three groups. The significance levels associated with the work-life balance coefficients are low, but the coefficient magnitudes and significance levels are robust to changes in the regression specification. Openness[8] is important for both groups of non-managerial employees, though the size of these effects appears higher for workers than for professionals. Involvement is important for managers and professionals, but interestingly not for workers. Satisfaction with career opportunities and performance appraisal is linked to only one group, while

there are no associations between commitment and satisfaction with training, performance-related pay and teamworking.

If we now consider the results from the point of view of each employee group, looking down the columns of the table, we can consider possible explanations for the patterns observed. We will draw on some of our qualitative case-based examples to help our discussion of why the commitment of the three employee groups is associated with satisfaction with different HR practices.

The commitment of employees in our group of workers appears to be linked to practices associated with internal fairness: openness, communication, being recognised for their performance and not being forced to make large sacrifices in their home lives. These results are hardly surprising given the nature of the jobs and the position in the organisation held by our worker group which included, for example, sales assistants in Selfridges and manufacturing workers in the Royal Mint. These employees occupied quite junior positions in their organisations and were quite distant from the key decision-makers, placing a premium on the effectiveness of upward and downward communication. One of our employees said:

> We're not given any say in what's happening – if you don't like it, lump it.
> We can see other ways of doing things, but we're not listened to.

The importance of recognition is also well illustrated by our respondents:

> If someone comes down and says you are doing a good job or you handled that well, it is worth more than a pay rise.

> What would improve my performance? More talking to you, better appraisal and saying "Thank you".

Employees in our call centre, Contact 24, illustrated this very well (Purcell *et al*, 2003; Kinnie and Parsons, 2004). Much of their working day was spent interacting individually with customers. These interactions were often tightly scripted and monitored closely against a series of performance measures. Given the isolated nature of this role and the absence of any mechanism for collective employee voice, it is not surprising that the commitment of these employees is linked to their ability to raise grievances and put their points across, the quality of the information they receive and the quality of their home lives. Most of these were young workers who were not career minded and did not expect to stay with the firm for long. Indeed, labour turnover was high at more than 60 per cent per annum in some parts of the business. Thus, career-related policies were seen to be of little interest to them. Getting on with their job meant receiving some recognition, being able to discuss problems and knowing what was happening – for example, to client contracts, which directly affected them.

Managers' commitment is associated with satisfaction with four HR practices, but is distinctively linked to their interest in internal career opportunities. This is a consequence of the expectations this group of employees hold about the nature of their job and their relationship with their employer. This issue has been discussed extensively in terms of the employees' psychological contract and OCB, where 'perceived organisational support' is a key concept in explaining the antecedents of OCB through a process of social exchange.

It is not unexpected that the commitment of our front-line managers (examples include managers in PWC and the RUH and group leaders in Jaguar) is positively associated with their perceived career opportunities. Although many professionals may expect to develop their careers within the industry rather than with their current employer, managers are asked to make an investment in the running

of their organisation by developing firm-specific, rather than generic, skills and especially knowledge about 'how things are done' (Hall, 1993). This investment predisposes them, like their counterpart front-line managers in other sectors, to have interest in internal promotion because much of this skill and knowledge is firm specific and thus non-transferable outside the organisation. The majority of the front-line managers we interviewed had been promoted internally, but the change of role to take on managerial responsibilities, albeit at a junior level (group leaders at Jaguar were still technically manual workers), had changed both their perception of the utility of certain HR practices and influenced their expectations of gaining further opportunities for advancement within the firm. Role needs and employment history influenced perceptions of the type of organisational support expected, and these were different from those held by the group of which they had originally been members.

The nature of these jobs is also likely to contribute towards the importance of reward and recognition since accepted qualities of 'leadership' and 'effectiveness' are both hard to measure and ambiguous. These are often demanding, stressful jobs and as such work-life balance would also be of particular importance. If these sets of tacit expectations are not met and the psychological contract is breached, it could have a significant impact on the commitment to the organisation. Two comments from our managers illustrate this:

> A lot is expected of managers – and you are made to feel guilty if you choose a home life above work.

> They expect dedication in terms of time… but the balance is wrong. You can't get on career-wise unless a sacrifice is made in terms of family life.

Involvement and communication are also revealed to be important for managers. This reflects their pivotal role at the interface between higher management and workers where they 'enact' involvement and communication policies. To be effective in these roles they, themselves, need excellent communication channels with their manager and an opportunity to have a say in decisions that affect them, since these decisions will, very likely affect the way they interact with their team. For example, in Jaguar, a group leader who raised issues with his boss, the superintendent, about team affairs but got little response and who had little to say or pass on to his team in the weekly briefing sessions felt undermined and lacking in authority, a commonly noted problem for such 'lost managers' in manufacturing (Child and Partridge, 1971). Thus, the HR practices applied to these managers that had particular utility were those related to their future (career), the quality of communication, getting recognition and having a voice in decisions. We noted in earlier work how the jobs of front-line managers are especially stressful (Hutchinson *et al*, 1997) and often spill over into non-work time, thus the interest in the efforts the employer makes to help achieve a balance.

The section managers we studied in Tesco illustrated these points very well. Many of them had been promoted from the shop floor to what was effectively their first managerial appointment. They were working in a very hierarchical organisation where the career route to store manager and then to regional and head office management was both important and clear for all to see. Further promotion was attainable, but often required working long hours to demonstrate their commitment to the organisation. The concern for work-life balance becomes quite understandable in this environment. Section managers, however, had relatively little discretion; indeed, one of them noted:

> The only area I have discretion over is how I manage my people.

Professionals' commitment is linked distinctively to their satisfaction with performance appraisal as well as rewards and recognition, involvement, communication, openness and work-life balance. It is recognised that professionals tend to work exceptionally long hours (Deetz, 1995), where commitment is related more to the nature of the work (consulting to a client, writing software code or solving a problem) rather than to the organisation. Work-life balance is furthermore important because their jobs will often involve working outside normal office hours or possibly away from their employer's offices. The long working hours and the scarcity of skills that the professional knowledge workers possess (Reich, 1991) meant that they are often in a position to demand high wages and see their rewards and recognition as a reflection of the centrality of their skills to the organisation's success.

Professionals also have a strong sense of intrinsic motivation and are mostly interested in challenging work (Swart *et al*, 2003). Both of these factors also drive long work hours and the importance of both work-life balance and rewards and recognition. They also tend to identify with other like-minded professionals rather than the organisation for which they work (Von Gilnow, 1988) and develop strong interpersonal networks that span organisational boundaries.

The importance of performance appraisal for our professionals (many of them working in knowledge-intensive firms such as AIT and Marlborough Stirling as well as in Nationwide, PWC and the RUH) is what we would expect. This identification with a profession – *eg* 'I am an accountant' – leads to a strong need to monitor knowledge-based outputs. Professionals are therefore highly focused on getting feedback on the quality of their work (often through the performance management system or client relationships). Close identification of the employee with the profession also means that they may be very sensitive to judgements made about their performance by others. Professionals may well interpret criticism as a judgement about themselves as a person rather than as a job holder. For example, financial consultants in Nationwide were closely regulated and their performance was monitored monthly. They typically made judgements about their own personal worth based upon their performance against the targets they had been set.

Senior managers in Tocris, one of our knowledge-intensive firms, realised that both the design and implementation of the performance management system was highly sensitive to their employees who took great pride in their work and the opinions of others. They therefore allowed their employees to be closely involved in the design of a new performance management system. As one manager explained:

> We need to do what works for us. One mentor may try something and if it works it will be shared at our mentor meeting and then, if we all agree and the directors approve it, it will be used by everyone and we will document this [the procedure] on the intranet. This is how our performance appraisal system came about anyway.

Professionals are also focused on the development of technical expertise through challenging projects. They are often in control of the networks that they develop and the skills that they acquire (Valcour and Snell, 2002) and also associate their organisational commitment with the extent to which they are able to develop transferable skills (May *et al*, 2002). Furthermore, they feel the need to be involved in decisions that will influence their developmental opportunities and careers (more so than organisation-specific decisions) and they have a need for a high degree of autonomy (Alvesson, 1995). The idea that involvement is important suggests that professionals want to exercise their own professional judgements about the way the job should be done. As one of our respondents from a knowledge-intensive firm put it:

> Money does not encourage performance; the most important thing is to develop an environment of autonomy, professional respect and support for decisions taken.

To sum up, our discussion goes beyond saying that the three employee groups are managed differently. We know that different groups of employees are exposed to different HR policies: what our results demonstrate is that these different groups of employees respond differently to the set of HR practices they experience and that this is linked to their commitment to the organisation. Different groups have different needs and the utility of particular HR practices varies accordingly. This finding that the commitment of different employee groups is linked to their satisfaction with particular HR practices raises a series of important implications for policy and theory development.

IMPLICATIONS

Our focus on organisations that were in the upper quartile in terms of the number of written HR policies they had limits the generalisability of this study. However, we believe our findings are indicative of this type of relatively sophisticated organisation and therefore have important implications for theory, for method and for practice. The theoretical implications are best understood in the context of the traditional distinction between the best practice and best fit views mentioned at the beginning of this article. These results provide little evidence to support the best practice view. Indeed, they simply add to the contingent factors that other authors have said need to be taken into account when shaping HR strategy (Purcell, 1999). After all, how can a universalistic approach be associated with success if the commitment of the employees appears to be linked to satisfaction with different HR practices? More support is provided for the best fit view, only in this instance the key contingent factor is the need for fit to be related to employees' perceived organisational needs, rather then exclusively a 'fit' with business strategy as is normally argued. Guest (1997: 271) refers to this as 'fit as bundles' whereby there are distinctive patterns or configurations of HR policies and the task is to identify which of these is most effective.

This suggests ways in which research in this area might be developed. Our current study looks simply at large employee groupings that are homogenous only in the broadest sense. More progress could be made if greater precision were introduced by looking at narrowly defined occupational groupings. These could be based on criteria derived from human capital theory (Becker, 1964) which might allow a series of occupational 'bundles' of HR policies to be identified. A form of this occupational bundling or configuration has already been noted by Purcell (1999) in the context of core and peripheral employees. Further progress might be made if the concept of HR Architecture (Lepak and Snell, 1999) were developed solely for internal groups of employees, again based on the extent of their firm-specific knowledge and their value to the organisation (Melian-Gonzalez and Verano-Tacorante, 2004). This might lead some firms simply not to invest in certain groups of employees if they believe they are not central to the organisation and can be easily replaced (Lepak *et al*, 2002). This is a controversial area which has been widely debated in work on labour market segmentation and the flexible firm. The tailoring of HR policy based on these criteria has profound implications for HR strategy and policy, which we discuss below.

There is clearly a need for greater theoretical sophistication to take account not only of differences within the workforce, but also of the need to capture employee

perceptions of HR practices as well as the policies themselves and the role of the line manager in implementing these policies. This implies a development of methodology to capture the views of these employees who are on the receiving end of these policies in which so much faith is placed (Wright and Boswell, 2002). Line managers' views are also critical if we are to begin to understand the ways in which these policies are actually operated as opposed to the ways in which they are intended to operate (Hutchinson and Purcell, 2003). This implies that data collection techniques need to be focused on employees rather than relying simply on the views of senior managers. Another avenue for further work would be the examination of a representative sample of firms, rather than the firms having a large number of HR policies studied here.

The key finding that commitment of employee groups is linked to satisfaction with different HR practices has significant implications for managers. Indeed, the design of HR strategy becomes problematic as managers face a tension between the need for a consistent approach and one that takes account of the particular needs of different groups within their workforce. On the one hand there is a strong need to treat employees in the same way: there are important legal, ethical and moral imperatives to ensure consistency of treatment, what Boxall and Purcell (2003: 11-12) refer to as the pursuit of 'social legitimacy'. In addition, the pursuit of employee discretionary behaviour and flexibility is often predicated on establishing an inclusive culture where all employees identify with and feel part of the organisation (Purcell *et al*, 2003). On the other hand, our evidence shows that the commitment of employee groups is linked to satisfaction with different HR practices. Certain groups, for example professional employees, will need policies and practices reflecting and responding to the particular forms of organisational support that are important to them. These differences are unlikely to be in the areas of basic terms and conditions, which were once the subject of a move towards harmonisation, because many of the most obvious areas of unfairness have now been removed, at least symbolically (*eg* equal-status canteens). These differences are more likely to be in other areas concerned, for example, with opportunities for career development, involvement and appraisal where employee and organisational interests are aligned in different ways for different groups.

One way of understanding this is to refer to the concept of 'table stakes' discussed by Boxall (1996) in a slightly different context. There is likely to be a base of policies which need to be in place to generate commitment among all employees. These seek to ensure consistency of treatment, to satisfy legal and moral concerns and to improve employee attitudinal attachment to the firm. In our study, rewards and recognition, communication and work-life balance were shown to be important for all groups of employees. This suggests, in line with the best practice view, that there is an underpinning layer of generic HR practices associated with identity and recognition that are needed for all types of employee.

In addition to these basic table stakes, there also has to be a tailoring of policies to meet the needs of different employee groupings while reflecting the business strategies of the firm which indicate what type of skill, knowledge and behaviour are particularly important and distinctive. The alignment between worker interests and firm needs is important since higher levels of organisational commitment are linked to meeting employee needs by the type of organisational support provided. It is commitment which is particularly important, as discussed, in influencing appropriate behaviour and, via performance, the achievement of business goals. This strongly implies that the design of strategic HRM needs to take account of both business strategy and employee interests. This has tended to be neglected in debates on best fit. The task, then, is one of knowing what to emphasise for each group. Effectively there is a need to identify the

common and dedicated triggers of organisational commitment for different employee groups. This in turn raises cost issues for the employer: customising policy may be expensive and questions will be asked about the likely return on the investment. Moreover, this prompts the question of whether HR polices would be revised as the composition of the workforce changed because, as Lepak and Snell (2002: 537) note, once installed HR policies are notoriously difficult to change.

However, as we have argued, it is not simply a question of designing the most appropriate HR policy mix. The key issue is how those policies are perceived by employees, how they are actually implemented and experienced as HR practices. We know that the ways in which these policies are 'brought to life' (Purcell *et al*, 2003) are absolutely critical. Managers, therefore, need to be concerned not only about the design of these policies, but also about the way in which they are implemented to meet the needs of different groups of employees.

Acknowledgements

Notes

1. We are not seeking to summarise the research into the links between HR and performance in this paper. Extensive reviews are available elsewhere, for example: Becker and Gerhart (1996), Boslie *et al* (2005), Edwards and Wright (2001), Gerhart (2005), Guest (1997), Purcell (1999), Wall and Wood (2005) and Wright and Gardner (2004).
2. HR practices are, of course, only one of a series of possible influences on employee organisational commitment.
3. This process was carried out initially by two researchers working independently, and the differences in the classifications they produced were resolved by further inspection of the data and discussion.
4. Hair *et al* (1998: 118) suggest item-to-total correlations in excess of 0.5 and inter-item correlations in excess of 0.3 as threshold levels.
5. Nunally (1978) suggests 0.70 as a threshold level for alpha. Robinson *et al* (1991) suggest that levels above 0.60 are appropriate for exploratory work.
6. Beck and Wilson (2001) provide a clear discussion surrounding the value of demographic controls in studies of organisational commitment. *See also* Meyer *et al* (2002) for an interesting meta-analysis of recent work on organisational commitment.
7. *See* DeGroot (1984: 449-451) for a discussion about choosing appropriate p values.
8. Openness refers to how easy it is to raise a grievance and discuss problems with your immediate manager.

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APPENDIX 1: CASE STUDY COMPANIES

AIT, Clerical Medical, Contact 24, Epinet, Ingenta, Jaguar Cars, Marlborough Stirling, MPC, Microgen, Nationwide Building Society, Oxford Magnet Technology, PriceWaterhouseCoopers, Royal Mint, Royal United Hospital, Selfridges plc, Siemens Medical Solutions, Tesco, Tocris Cookson.

APPENDIX 2: VARIABLES USED IN STATISTICAL ANALYSIS

Commitment (Alpha =0.7252)
- 'I feel proud to tell people who I work for'
- 'I feel loyal to my company'
- 'I share the values of my company'

Training
- 'How satisfied do you feel with the level of training you receive in your current job?'

Career opportunities
- 'Overall, how satisfied do you feel with your current career opportunities?'

Performance appraisal
- 'How satisfied are you with this method of appraising your performance'

Performance-related pay
- 'How effective do you think this system (individual performance-related pay) is in encouraging you to improve your performance?'

Rewards and recognition (Alpha= 0.7086)
- 'How satisfied do you feel with your pay?'
- 'How satisfied are you with your pay compared with the pay of other people that work here?'
- 'Overall how satisfied do you feel with the rewards and recognition you receive for your performance?'
- 'How satisfied do you feel with the benefits you receive – other than pay?'

Teamworking
- 'Describe the sense of teamworking'

Involvement (Alpha= .6128)
- 'How satisfied are you with the amount of influence you have over your job?'
- 'Overall how satisfied are you with the influence you have in company decisions that affect your job or work?'

Communication (Alpha=0.6377)
- 'How satisfied do you feel with the amount of information you receive about how your company is performing?'
- 'I am fully aware of how I contribute to the company achieving its business objectives'
- 'Everyone here is well aware of the long-term plans and goals of the organisation'

Openness
- 'To what extent do you feel that your company provides you with reasonable opportunities to express grievances and raise personal concerns?'

Work-life balance
- 'How well do you feel that your company does in helping employees achieve a balance between home life and work?'