

Managing Affective Commitment to Change in Public Sector Organization of Pakistan: A Social Exchange Perspective

Aqsa Akbar^{1,*}, Muhammad Amir Rasheed² and Omer Farooq³

Abstract

Literature on organizational development is well-stocked with research advocating change as a universal remedy for organizational survival and success. However, the importance of eliciting positive employees' response during change lacks attention. Considering the crucial role of managing employees' positive change reactions in public sector organizations, the current study highlights the role of High-Performance Work Systems (HPWS) in fostering affective commitment to change (ACTC) in culturally diverse employees' along with its interlinking mechanisms. Based on the Social Exchange perspective, we hypothesized that employees' perceptions of the nature of exchange mediate the relationship between HPWS-Affective commitment to change. More specifically, we proposed a moderating mediation model outlining how an individual's cultural orientation might play a significant role in influencing the nature of exchange which in turn may predict the dynamics of HPWS-employees' affective commitment to change the relationship. A sample of 591 full-time employees from the largest public-sector bank of Pakistan undergoing Privatization was surveyed. The results reveal the positive impact of High-performance work systems on affective commitment to change. Moreover, employees' perceptions of social exchange mediate the positive relationship between HPWS and Affective CTC. However, this underpinning mechanism is stronger for employees scoring high collectivism and low power distance orientation and vice versa. The study contributes to the literature by examining the intermediary mechanism and boundary conditions under which the positive impact of HPWS- Affective CTC might prove to be more effective. Finally, both practical and theoretical implications are discussed in the light of the results obtained followed by future directions.

Keywords: High-performance work systems, Affective commitment to Change, Public Sector, Social exchange, Collectivism, Power distance

¹ Assistant Professor, Department of Management Sciences, COMSATS University Islamabad, Lahore Campus, Punjab, Pakistan.

² Associate Professor, Department of Management Sciences, COMSATS University Islamabad, Lahore Campus, Punjab, Pakistan.

³ Associate Professor, Zayed University, Abu Dhabi, United Arab Emirates.

* **Corresponding Author:** aqsaakbar@cuilahore.edu.pk

1. Introduction

Under the New Public management (NPM) model, public sector organizations around the world has been experiencing immense organizational changes to redesign its functions (Tenbensen *et al.*, 2021; Hood & Doxin, 2015; Kuipers *et al.*, 2014). This revelation conventionally adheres to the system-theory view (Katz & Kahn, 1978), which suggests that dynamic environmental factors, such as technological advances (Dunleavy *et al.*, 2006), shifting consumer preferences, and unstable financial conditions (Hendriks & Tops, 2003), pose ceaseless threats, forcing organizations to respond accordingly for a better chance of survival & success (Herrero-Luna *et al.*, 2022). Instituted by governmental public administration reforms, the change initiatives aim to improve the efficiency and effectiveness of public sector organizations (García-Morales *et al.*, 2012). However, the implementation of such reforms presents quite a challenging situation (Isett *et al.*, 2013; Piening, 2013). Habitual to working in a monopolistic environment with less emphasis on quality work, fears of job losses, and fewer employment opportunities (Baraldi *et al.*, 2010; Beer & Nohria, 2000), public sector employees often show severe forms of resistance, generally leading to change failure (Aslam *et al.*, 2016; Kuipers *et al.*, 2014). Although the consideration of resistance to change is immersed in many of the works on organizational change (Aslam *et al.*, 2016; Brown & Harvey, 2011), recently, change scholars, based on positive psychology, have been calling for a shift of focus towards positive change reactions (Alqudah *et al.*, 2022; Hameed *et al.*, 2017; Maheshwari & Vohra, 2015). Thus, this study focuses on the factors that foster affective commitment to change (ACTC) through the theoretical lens of social exchange theory (SET)(Blau, 1964).

Embedded in SET, norms of reciprocity, Gouldner (1960) suggests that when employees trust the organization's ability to support change through contextual factors such as policies, procedures, and practices, they tend to respond more positively toward change initiatives (Jones *et al.*, 2005; Shum *et al.*, 2008; Eby *et al.*, 2000; Rafferty & Simons, 2006). Pertaining to this fact, we have identified the role of high-performance work system (HPWS) as a contextual factor (Van De Voorde & Beijer, 2015; Bouckenoghe, 2012) in fostering ACTC for smooth implementation of change in public sector organizations which is discussed in the literature review section in detail.

Apart from responding to our central question, this study also aims to identify the interlinking mechanisms that may facilitate the development of ACTC. Besides general reciprocation in SET, a thorough analysis revealed that the perceptions of the nature of exchange itself carry importance (Shore *et al.*, 2006) but received little attention in the context of change. We proposed that the perceptions of social exchange (nature of exchange) mediate the relationship between HPWS and ACTC. Moreover, as compared to Western dominant reciprocity-based studies with high-level individualism and low

power distance, Pakistan presents a fascinating cultural counterpoint as people's acceptance of reciprocity norms differs greatly. Though literature heavily focused on national-level cultural dimensions, diverse cultural dimensions at the individual level such as collectivism and power distance may provide a boundary condition to the aforementioned relationship.

The current study seeks to add three main contributions to the public-sector change literature. First, it reckons the effect of HPWS as an appropriate factor that facilitates the development of ACTC. Second, it also sheds light on the intermediary processes through which HPWS are associated with ACTC, using social exchange theory. Finally, it augments the change literature by treating the individual level collectivism and power distance orientations as moderating mediational factors in the relationship between HPWS and ACTC.

2. Literature Review and Development of Hypotheses

2.1. Affective Commitment to Change

Herscovitch and Meyer (2002) defined Affective CTC as "a desire to provide support for change based on its inherent benefits". Being psychologically oriented, effectively committed employees tend to manifest more constructive attitudes towards organizational change initiatives (Lau & Hebert, 2002), leading to more constructive behaviors through improved performance (Nystrom, 1993). In addition, effectively committed employees are eager to perform the extra mile, so to corroborate effective implementation of change (Meyer & Herscovitch, 2001). Affective CTC also helps employees to deal with stressful situations of organizational change (Jones *et al.*, 2005). Thus, a higher level of ACTC is fundamental for the successful implementation of large-scale change initiatives, such as privatization (Shum *et al.*, 2008).

2.2. High-Performance Work Systems

Grounded on Strategic HRM, High-performance work practices (HPWPs), appears to attract the attention of recent change scholars and have been acknowledged as drivers of organizational change (Conway & Monks, 2008; Tummers *et al.*, 2015). Nonetheless, scholars recognize the eminence of the systematic approach of HPWP called HPWS - a group of distinct but interconnected HRM practices, aimed to develop employees' competencies, attitudes & motivation to improve both individual and organizational performance (Combs *et al.*, 2006; Boxall & Macky, 2009). Where mainstream literature investigated the impact of HPWS on organizational level phenomena such as productivity (MacDuffie, 1995; Askenazy, 2001) or profitability (Wright *et al.*, 2005), a less investigation area begins to develop, raising concerns about linking HPWS with employees' level variables (Kroon *et al.*, 2009). The conventional approach suggests the favorable impact of HPWS on employees level outcomes (García-

Chas *et al.*, 2016). Contrastingly, studies exist where HPWS has no substantial effect or even impacts negatively on employee outcomes (Van De Voorde *et al.*, 2012; Ramsay *et al.*, 2000). Based on conflicting HPWS-employees' level outcomes, several scholars have called for further investigation on the effects of HPWS on employees outcomes (Takeuchi *et al.*, 2009; García-Chas *et al.*, 2016, Kehoe & Wright, 2013) and precisely on the processes through which HPWS impact employees outcomes (Van De Voorde & Beijer, 2015; Harley *et al.*, 2010).

2.3. Performance Work Systems and Affective Commitment to Change

One of the most dominant theoretical approaches used in literature to investigate the impact of HPWS on employees' attitudes is the social exchange theory (Mao *et al.*, 2013, Seidu *et al.*, 2013). In social exchanges, relationships developed through the way an organization treats its employees. Ostroff and Bowen (2000) using social exchange theory, emphasized that HR practices can critically determine and elicit employees' attitudes & behaviors in ways supportive of organizational goals. Similarly, when employees recognize HR practices as a symbol of appreciation & commitment, they respond through positive attitudes such as enhanced commitment (Fragoso *et al.*, 2019; Hornung *et al.*, 2008). We do find studies where the influence of HR practices has been studied on CTC and behaviors (Alqudah *et al.*, 2022; Conway & Monks, 2008), however, they have used the impact of individual HR practices, yet recognizing the significance of system approach of HPWP (Tummers *et al.*, 2015). Following the lead of previous research, we propose that when employees perceive high HPWS, it will positively impact their affective CTC in a way that will emotionally bind them to support the change.

Hypothesis 1. A positive association exists between employees' perceptions of HPWS and affective CTC.

2.4. Alternative Mechanism through Perceptions of Social Exchange.

Besides general reciprocation as rooted in SET, this theory also sheds light on why people exhibit favorable attitudinal and behavioral returns to organizations (Settoon *et al.*, 1996). A primary premise of this theory rests on a belief that employees develop such exchanges for socioemotional and economic reasons and that the perceptions of the nature of these exchanges in employer-employee relationships (EOR) may envisage employee side attitudes & behaviors concerning the employer (Kuvaas & Dysvik, 2009). Literature on both HRM and Commitment has highlighted social exchange as an explanatory mechanism for linking that with other variables (Mihail & Kloutsiniotis, 2016; Kuvaas & Dysvik, 2009), but attracted less attention to independently measuring employees' perceptions of the nature of exchange in EOR (Coyle-Shapiro & Conway, 2004) during change. Shore and Shore (1995) suggests that when employees consider HR practices as expressing appreciation, investment, and concern for their wellbeing, they

perceive the employment relationship as social exchange. In line with the above literature, we propose that high levels of perceived HPWS may reflect more investment, have long-term impact, build more trust among employees on their organization and of more socioemotional exchange, thus expected to positively associate with an affective CTC which also creates an emotional desire to support the change initiative.

Hypothesis 2. Employees' perception of social exchange mediates the positive relationship between HPWS and affective CTC.

2.5. Boundary Conditions

Despite the above mentioned hypothesized effects with a theoretical rationale, such effects cannot believe to be universally applicable for all people as absolute ones (Westwood et al., 2004). We expect that differences in individuals related to the primary source from which people sense the nature of social exchange relationship, may serve as a boundary condition to the hypothesized mediation effects. In this regard, prior studies have validated the significance of cultural values in social exchange relationships (Alqudah et al., 2022; García-Chas et al., 2016). Traditionally, a large number of studies have often used the scores of cultural values at countries and across countries cultures (Triandis, 1989). However, other studies recognized more sensitive effects of such values, representing variation in individual characteristics within the same culture, on the people's attitudes and behaviors, than the studies that treat all people of the culture as the same (Triandis, 1995). In this manner, collectivism and power distance seem to capture the attention of the majority of the studies, as these are more related with workplace outcomes (Kirkman et al., 2006, Quratulain et al., 2012).

2.6. Collectivism as a Boundary Condition

As far as the connection between collectivism and social exchange relationships is concerned, Earley and Gibson (1998) suggest cooperation as a driving force within collectivist individuals. For Instance, US people who are high in individualism perceived changes in affirmative action as less favorable as compared to Japanese who are high in collectivism (Singelis et al., 1995). Following the lead of forgoing literature, which implies that employer-employee social exchange relationships apply less to the employees having low collectivism, we propose:

Hypothesis 3. Collectivism orientation positively moderates the strength of an indirect effect of HPWS on ACTC via social exchange perceptions in a way that mediating effect will be stronger for people scoring high on collectivism (vs. low).

2.7. Power Distance as a Boundary Condition

Power distance, at an individual level, refers to the individual's approval of the uneven distribution of power (Dorfman & Howell, 1988; Maznevski et al., 2002). Prior

studies suggest less application of social exchange theory explanations on individuals that score high in power distance (Brockner et al., 2001; Lam et al., 2002). Based on the relational model of authority, people reciprocate more when they have personalized connections with authority figures, which is only possible when the gap between authorities and subordinates is low (Tyler et al., 2000). Based on the above, we hypothesize:

Hypothesis 4. Power distance positively moderates the strength of the indirect effect of HPWS on ACTC via social exchange perceptions in a way that the mediating effect will be stronger for the people scoring low on power distance (vs. high).

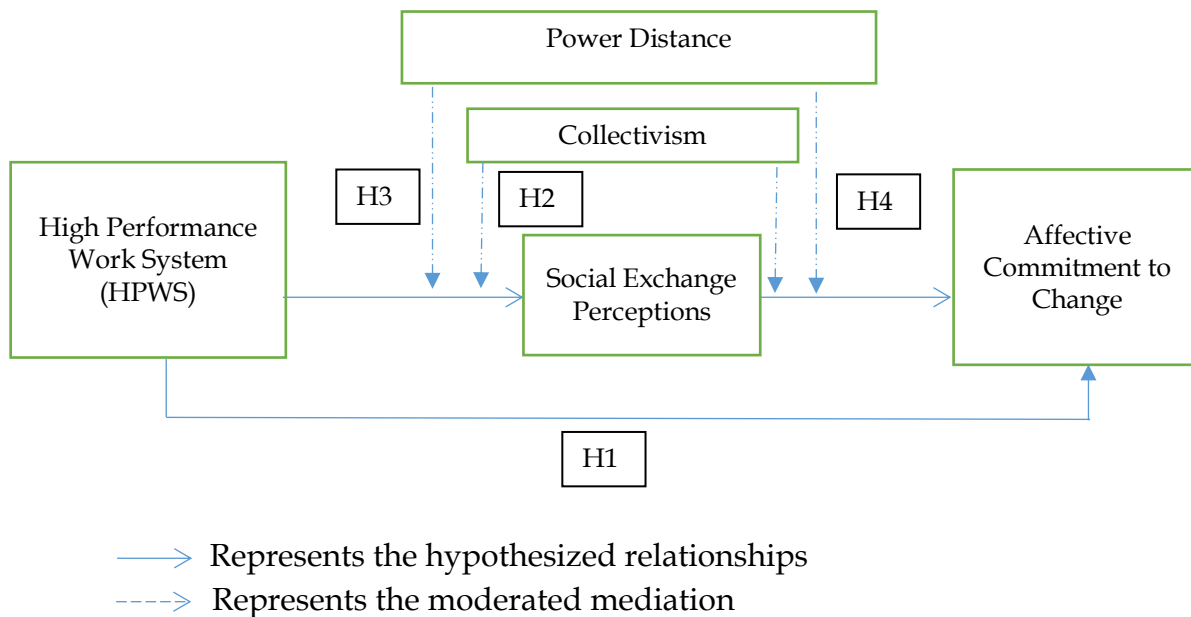


Figure 1: Theoretical Framework

3. Methodology

3.1. Sample and Procedure

For data collection, a survey is conducted among the full-time employees of one of the largest state-owned banks of Pakistan undergoing privatization. Using convenience sampling, approximately one thousand questionnaires were sent to head offices, located at a regional level. Due to top management’s endorsement, we received 650 questionnaires in total (yielding a 73% return rate). After scrutiny, a final analysis has been performed on a workable sample of 591 questionnaires.

3.2. Survey Instrument

To measure all survey items, a five-point Likert scale ranging from strongly disagree (1) to strongly agree (5) was used.

Affective CTC: Affective CTC is measured through 6-items developed by Hercovitch and Meyer (2002) CTC scale. A sample item for measuring affective CTC includes “I believe in the value of this privatization program”.

Social Exchange: 8 items developed by Shore *et al.* (2006) were adopted to measure perceptions of Social exchange. Sample items include “My relationship with my organization is based on mutual trust”.

Perceived HPWS: To measure employees' perceptions of HPWS, a 29-item scale from the work of Siddique (2014) framework was adopted. As extensively commended in the literature, an additive approach is used to aggregate the unitary index of HPWS (Huselid, 1995; Liao *et al.*, 2009, Ostroff & Bowen, 2000; Pak & Kim, 2016). The practices include employment security, training, employees' participation, job clarity/ JD as role clarity, and performance appraisals (Alqudah *et al.*, 2022; Delery & Doty, 1996), information sharing, and compensation (Zacharatos *et al.*, 2005). Besides being universal and related to change management literature, all these practices have well-validated measures as well. Sample item includes “My job has an up-to-date job description”.

Collectivism: A 6 items measure developed by Yoo, Donthu *et al.* (2011) has been used to measure collectivism. Sample item includes “Group loyalty should be encouraged even if individual goals suffer”.

Power Distance: To measure power distance, a 6-item measure developed by Dorfman and Howell (1988) has been adopted. Sample item includes “Employees should not disagree with management decisions”.

4. Results

4.1. Test of the Measurement Model

Table 1 represents all variables means, standard deviations, intercorrelations, Cronbach Alpha, convergent and discriminant validity. The appropriateness of the measurement model is assessed by performing a confirmatory factor analysis (CFA) using AMOS (Arbuckle, 2015). The 5-factor model showed a good model fit with $\chi^2 = 5534.562$ $p < .000$ $df = 1304$; $\chi^2 / df = 4.2$; Root mean square error of approximation (RMSEA) = 0.07; Tucker-Lewis index (TLI) = 0.78; Normed fit index (NFI) = 0.8 and comparative fit index (CFI) of 0.80. We also drew 4-factor, 3-factor, 2-factor, and 1-factor models. Table 2 presents the results of different factor models that clearly indicate a poor data fit with the decrease of factors. The difference in χ^2 test further confirmed that the 5-factor model is better than the single-factor CFA model. The 5-factor model also showed reasonable high loadings on each factor ranging above the recommended value of 0.5 (0.6 to 0.94) (Kline, 2011).

Table 1: Means, Standard Deviations, Intercorrelation, Average Variance Extracted, Reliabilities and Discriminant Validity test for all Study Variables

Correlations													Cronbach Alpha
Variables	Mean	Std. Deviation	AVE	1	2	3	4	5	6	7	8	9	
Age	-	.87		-									
Qualification	-	.67		.22**	-								
Experience	-	1.07		.75**	.31**	-							
Gender	-	.43		-.08	-.01	-.19**	-						
HPWS	3.48	.61	0.52	.12**	-.09*	.02	.16**	0.72					0.93
Affective CTC	2.66	1.05	0.71	-.06	-.22**	-.01	-.03	.15**	0.84				0.94
Social Exchange	3.72	.65	0.51	.06	-.04	.09*	-.07	.25**	.18**	0.71			0.89
Power Distance	2.77	.85	0.54	-.10*	.19**	.00	-.11**	-.44**	-.25**	-.09*	0.73		0.87
Collectivism	2.17	.71	0.53	-.12**	-.04	-.18**	.07	-.28**	.01	-.30**	.27**	0.72	0.86

Note: **. Significant at the 0.01 level (2-tailed); *. Significant at the 0.05 level (2-tailed).

Square root of AVE values of each variable is represented by Bold values at the diagonal level.

Reliability of each variable is represented through Cronbach alpha.

Table 2: Comparison of Model Fit Indices of Single Factor and 5-factor Model

Model No	Model Description	Model Fit Indices						
		χ^2	Df	χ^2/df	NFI	TLI	CFI	RMSEA
1	5-Factor Model	5534.562	1304	4.2	0.80	0.78	0.80	0.07
2	4-factor Model	6998.074	1308	5.3	0.68	0.71	0.72	0.8
3	3-factor Model	9187.758	1311	7.0	0.58	0.6	0.62	0.1
4	2-factor model	10516.75	1313	8.00	0.52	0.53	0.56	0.1
5	1-factor Model	14416.41	1321	10.9	0.35	0.34	0.37	0.13

Convergent validity was measured by computing the values of Average variance extracted (AVE) for each variable. The estimates for all the variables were above the suggested level of 0.5 (Fornell & Larcker, 1981). Discriminant validity was assessed using the Heuristic method proposed by Fornell and Larcker (1981) and Chin (1998). According to them, constructs show discriminant validity when the square root of AVE of each construct is greater than paired correlations. To assess the reliabilities, Cronbach Alpha for each construct was computed and all the values were greater than 0.80 (Nunnally & Bernstein, 1978). Overall, the results showed that measures employed in the current study have good validities and reliabilities (Table 1).

4.2. Common Method Bias (CMB)

As the current study adopted the cross-sectional research design using a single source, the likelihood of CMB might exist (Podsakoff et al., 2003). Different techniques were applied to ensure the absence of CMB which including Harman's (1976) One-factor method, common latent factors, and one-factor CFA. Through Harman's one-factor method, only 23% of the variance by a single factor is extracted, which shows that there is no issue with CMB in our data. As previously explained, single factor CFA could not produce a good model fit. Lastly, the unmeasured latent factor method as prescribed by Podsakoff *et al.* (2003) revealed that all the regression weights were 0.28, the square of which is the common variance extracted i.e. only 7.84 percent. The results showed that our data did not suffer from CMB.

4.3. Testing the Direct Hypothesis

Table 3 shows the results of Hypothesis 1 which shows that HPWS and affective CTC path is statistically significant at a 0.05 level of significance. Byrne (2010) suggests that to accept any hypothesis, the critical ratio for hypothesized path must be greater than ± 1.96 . Table 3 shows that the accepted hypothesis has a critical ratio above ± 1.96 . which suggests the significant positive impact of HPWS on affective CTC (0.11, $p < 0.05$) in a

way that when the standard deviation of employees' perceptions of HPWS goes up by 1, it will increase effective CTC by 0.11.

Table 3: Coefficient of Direct Effects Regression Paths

Hypothesis	SEM Regression Paths	SRW	SE	CR	p-value	Remarks
H1	ACTC_L <---Performance System	0.16	0.06	<u>2.35</u>	0.01*	Supported

Note: ** Significant at 0.05 level; SRW stands for Standardized Regression Weights; SE stands for Standard Error, CR stands for Critical Ratio

4.4. Mediation Test

SEM is used to test the mediation hypothesis. First, we controlled the effects of gender, age, experience, and qualification. Second, proposed moderating variables were excluded to test the direct, indirect, and mediation effects. According to Iacobucci *et al.* (2007), direct and indirect paths must be concurrently stated to estimate both effects. In addition, all the insignificant paths must also be removed from the model. The direct effect of HPWS on ACTC along with the hypothesized effect has also been added to specify the study model. The path between HPWS and ACTC was retained in the model as the direct effect turned out to be significant. The model fit indices showed a good model fit with $X^2 = 3673.857$ $p < .000$; $df = 807$ $X^2 / df = 4.5$; RMSEA = 0.07; TLI = 0.81; NFI = 0.78 and CFI of 0.82.

Next, following Preacher and Hayes (2008), we calculated the significance of indirect effects through the bootstrap method fixing at 5000 samples. Results revealed that both the direct and indirect paths were proved to be significant which show that perceptions of social exchange partially mediate the HPWS and affective CTC relationship (Hypothesis 2 supported; Table 4).

Table 4: Direct and Indirect effects (via Social Exchange) of HPWS on Affective CTC

Factors	Social Exchange	Affective Commitment to Change			Type of Mediation
	Direct	Direct Effect Path c'	Indirect Effect	Total Effect	
HPWS	.29***	.11*	.052*	0.16	Partial Mediation

Note: *** $p < 0.001$; * $p < 0.05$; Values are standardized Regression weights. Path c'' shows the direct effect of HPWS (Independent variable) after partialling out the effect of social exchange (Mediator)

4.5. The Moderating Mediating Effects of Collectivism and Power Distance Cultural Orientation.

Moderated Mediation (Hayes, 2017) hypotheses i.e. Hypothesis 3 and Hypothesis 4 are tested using Process macro in SPSS. The study applied Hayes (2013) model no. 58, which incorporates the moderation of both (first and Second stage) relationships simultaneously and provides mediation effect estimates at both low and high levels of moderating variables. The indirect effect of HPWS on affective CTC via social exchange differed in magnitude depending on respondents' standing on Collectivism and power distance in a way that the mediation effect is stronger for people having low power distance ($\beta = 0.07, p < 0.05$) as compared to those having high power distance orientation ($\beta = 0.06, p < 0.05$). Similarly, the magnitude of the indirect effect of HPWS on ACTC via social exchange differed quietly across low ($\beta = 0.03, ns$) and high ($0.09, p < 0.05$) values of Collectivism (Table 5).

Table 5: Moderated Mediated Effects of HPWS on Affective CTC (Via Social Exchange) across Levels of Collectivism and Power Distance

Independent Variable	Mediator	Level of Moderator	Conditional Indirect effect	Lower Bound	Upper Bound
HPWS	Social Exchange	Low Collectivism	0.03	-0.01	0.7
		High Collectivism	0.09*	0.03	0.15
HPWS	Social Exchange	Low Power Distance	0.07*	0.01	0.14
		High Power Distance	0.06*	0.01	0.11

Note: * $P < .05$; Reported Values represents the size of specific indirect effects.

5. Discussion

The prime objective of the current study is to investigate the perceived HPWS on affective CTC and underlying mechanisms, in a public-sector organization of Pakistan that is undergoing large-scale change initiatives. This objective led to the development of four hypotheses that investigates the direct impact of perceived HPWS on Affective CTC, the mediating impact of social exchange perceptions, and the moderating mediation impact of two individual level cultural orientations i.e. collectivism and power distance. The results show a complete support of all the study hypotheses i.e. HPWS is positively associated with affective CTC ($\beta = 0.011, p < 0.05$) (Hypothesis 1a supported). This is in line with the fundamental concept of social exchange theory and norms of reciprocity, that suggests when employees perceive organizational inducements as supportive and

appreciative, they become bound to reciprocate by showing positive attitudes and behaviors (Alqudah *et al.*, 2022; Giannikis & Nikandrou, 2013). Further, the results are also indirectly aligned and received support from the conservation of resource theory in a way that when employees receive the resources in abundance and as a sign of long-term investment through organizational inducements, they in turn display positive attitudes and enhanced performance (Hom *et al.*, 2009; Wang, Tsui, Zhang, & Ma, 2003).

The test of mediation as shown in Table 4 shows a partial mediation of social exchange perceptions exists between perceived HPWS and affective CTC. This is in line with the earlier studies that substantiated the mediation of social exchange perceptions between organization and employees level outcomes (Jung & Takeuchi, 2019; Shin *et al.*, 2012). Hypothesis 3 and hypothesis 4 are also supported and in line with the existing studies. Individuals high in collectivism are more likely to engage in a social exchange relationship (Eby *et al.*, 2000). The study results on power distance at the individual level are also thoroughly consistent with the previous studies. Based on the relational model of authority, the studies pointed out that the explanation of social exchange relationship applies less to the individuals high in power distance as compared to ones who score low in power distance (Tyler *et al.*, 2000; Farh *et al.*, 2007; Brockner *et al.*, 2001; Lam *et al.*, 2002, Lee *et al.*, 2000).

6. Theoretical and Practical Implications

The study has important implications for both change researchers and managers in public sector organizations. This study attempts to fill the less-attentive area in public sector change management literature (Kuipers *et al.*, 2014) by emphasizing the crucial role of HPWS (an internal contextual factor) as a key to the successful implementation of change efforts. Drawing on an exchange perspective, the study identifies an alternative route i.e., social exchange, through which perceived HPWSs impact affective CTC. Merely emphasizing the establishment of the social exchange process through the direct impact of HPWS on change outcomes does not ensure its significance, rather, change researchers should shift their focus toward the dynamics of the nature of exchanges while implementing HPWS, whose effects on employees' positive attitudes have been widely attested in the literature (Mao *et al.*, 2013; Liao *et al.*, 2009). To foster affective CTC, managers should ensure that employees perceive HPWSs as supportive, trustworthy, and long-term oriented and try to develop a socioemotional exchange relationship. In this regard, the current study presents a valuable addition to the public sector change literature.

In addition, the study also contributes to the change-management literature by adding the moderating impact of cultural orientation at the individual level. This implies that variations in cultural-value orientation also exist within a national culture due to

differences in individual orientation (Farh *et al.*, 2007; Quratulain *et al.*, 2012; Shin *et al.*, 2015), as compared to earlier studies that operationalize cultural values at the national or cross-national level (Kirkman *et al.*, 2006). Thus, it adds to the literature that the cultural orientation of Pakistani employees affects them in terms of showing affective CTC, which eventually affects behavioral support for change components. For instance, high-collectivist and low power-distance employees may be encouraged through socio-emotional exchanges to show affective commitment during large-scale change initiatives, which threatens the organizational member's job security. Managers may also prefer the combination of those HPWS practices that ensure maximum reciprocation through the nature of the exchange associated with those practices. Knowledge about the key determinants of employees' favourable attitudes towards change and the related exchange dynamics may aid managers during pro-active planning of the change process to maximize the likelihood of successful change interventions.

7. Limitations and Direction for Future Research

The study is not without limitations. A first shortcoming is related to the employment of a cross-sectional study design, which limits the testability of directional hypothesis and mediating effects (Campbell & Im, 2015). Future studies should incorporate longitudinal approaches in study design to enable confident causal inferences. Second, as we collected the data from a single source, we took the risk of common method bias (CMB) in our results. We strongly recommend future researchers to employ psychological and temporal separation using multiple sources of data while studying such models (Podsakoff *et al.*, 2003). Third, using self-reported measures increase the risk of social desirability biases. Future researchers should critically analyze this issue about when it makes logical sense to employ self-reported measures as compared to measures reported by others. Moreover, researchers might also consider both the objective and perceptual measures of the context to gain a better understanding of the impact of HPWS on employees' outcomes (Boxall & Macky, 2009). Forth, as we collected data from only one state-owned sector i.e. Banking, we find ourselves bound to generalize the findings in other sectors. Future researchers should focus on these issues by replicating the model in our state-owned industrial domains as well as using more random sampling techniques whenever possible, to generalize the findings. Finally, since HPWS is presumed to build social exchanges, shedding light towards the economic aspect (Shore *et al.*, 2006) of HPWS might explain the associations where it has a negative impact on employees' outcomes.

8. References

- Askenazy, P. (2001). Innovative workplace practices and occupational injuries and illnesses in the United States. *Economic and Industrial Democracy*, 22, 485-516.
- Aslam, U., Ilyas, M., Imran, M. K., & Rahman, U.-U. (2016). Detrimental effects of cynicism on organizational change: an interactive model of organizational cynicism (a study of employees in public sector organizations). *Journal of Organizational Change Management*, 29(4), 580-598.
- Baraldi, S., Kalyal, H. J., Berntson, E., Näswall, K. & Sverke, M. (2010). The importance of commitment to change in public reform: An example from Pakistan. *Journal of Change Management*, 10, 347-368.
- Beer, M., Eisenstat, R. A., & Spector, B. (1990). *Why change programs don't produce change* (pp. 158-166).
- Boxall, P. & Macky, K. (2009). Research and theory on high-performance work systems: progressing the high-involvement stream. *Human Resource Management Journal*, 19, 3-23.
- Bouckenoghe, D. (2012). The role of organizational politics, contextual resources, and formal communication on change recipients' commitment to change: A multilevel study. *European Journal of Work and Organizational Psychology*, 21(4), 575-602.
- Brockner, J., Ackerman, G., Greenberg, J., Gelfand, M. J., Francesco, A. M., Chen, Z. X., Leung, K., Bierbrauer, G., Gomez, C. & Kirkman, B. L. (2001). Culture and procedural justice: The influence of power distance on reactions to voice. *Journal of Experimental Social Psychology*, 37(4), 300-315.
- Brown, D. R., & Harvey, D. F. (2011). *An experiential approach to organization development (8th ed.)*. Upper Saddle River, N.J.; Harlow: Pearson Education.
- Campbell, J. W., & Im, T. (2015). PSM and turnover intention in public organizations: Does change-oriented organizational citizenship behavior play a role? *Review of Public Personnel Administration*, 36(4), 323-346.
- Chin, W. W. (1998). Commentary: Issues and opinion on structural equation modeling. *MIS quarterly*, vii-xvi.
- Combs, J., Liu, Y., Hall, A. & Ketchen, D. (2006). How much do high-performance work practices matter? A meta-analysis of their effects on organizational performance. *Personnel Psychology*, 59(3), 501-528.
- Conway, E. & Monks, K. (2008). HR practices and commitment to change: an employee-level analysis. *Human Resource Management Journal*, 18(1), 72-89.
- Coyle-Shapiro, J. A., & Conway, N. (2004). *The employment relationship through the lens of social exchange*. In: Coyle-Shapiro, Jacqueline A-M. and Shore, Lynn M and Taylor, Susan M and Tetrick, Lois, (eds.) *The Employment Relationship: Examining*

- Psychological and Contextual Perspectives. *Oxford University Press*, Oxford, UK, 5-28.
- Delery, J. E. & Doty, D. H. (1996). Modes of theorizing in strategic human resource management: Tests of universalistic, contingency, and configurational performance predictions. *Academy of Management Journal*, 39(4), 802-835.
- Dorfman, P. W. & Howell, J. P. (1988). Dimensions of national culture and effective leadership patterns: Hofstede revisited. *Advances in International Comparative Management*, 3(1), 127-150.
- Dunleavy, P., Margetts, H., Bastow, S., & Tinkler, J. (2006). New public management is dead – Long live digital-era governance. *Journal of Public Administration & Research and Theory*, 16(3), 467-494.
- Eby, L. T., Adams, D. M., Russell, J. E. & Gaby, S. H. (2000). Perceptions of organizational readiness for change: Factors related to employees' reactions to the implementation of team-based selling. *Human Relations*, 53(3), 419-442.
- Herrero-Luna, S., Latorre-Martinez, M., & Ferrer-Serrano, M. (2022). Circular Economy and Innovation: A Systematic Literature Review. *Central European Business Review*, 11(1), 65-84.
- Farh, J.-L., Hackett, R. D. & Liang, J. (2007). Individual-level cultural values as moderators of perceived organizational support–employee outcome relationships in China: Comparing the effects of power distance and traditionalism. *Academy of Management Journal*, 50(3), 715-729.
- Fornell, C. & Larcker, D. F. (1981). Structural equation models with unobservable variables and measurement error: Algebra and statistics. *Journal of Marketing Research*, 18(3), 382-388.
- García-Chas, R., Neira-Fontela, E. & Varela-Neira, C. (2016). High-performance work systems and job satisfaction: a multilevel model. *Journal of Managerial Psychology*, 31(2), 451-466.
- García-Morales, V. J., Jiménez-Barrionuevo, M. M., & Gutiérrez-Gutiérrez, L. (2012). Transformational leadership influence on organizational performance through organizational learning and innovation. *Journal of Business Research*, 65(7), 1040-1050.
- Giannikis, S. & Nikandrou, I. (2013). The impact of corporate entrepreneurship and high-performance work systems on employees' job attitudes: empirical evidence from Greece during the economic downturn. *The International Journal of Human Resource Management*, 24(19), 3644-3666.
- Harley, B., Sargent, L. & Allen, B. (2010). Employee responses to 'high performance work system' practices: an empirical test of the disciplined worker thesis. *Work, Employment and Society*, 24(4), 740-760.
- Harman, H. H. (1976). *Modern factor analysis*. University of Chicago Press.

- Hayes, A. F. (2017). *Introduction to mediation, moderation, and conditional process analysis: A regression-based approach*. Guilford Publications.
- Herscovitch, L. & Meyer, J. P. (2002). Commitment to organizational change: Extension of a three-component model. *Journal of Applied Psychology, 87*(3), 474-487.
- Hood, C., & Dixon, R. (2015). What we have to show for 30 years of new public management: Higher costs, more complaints. *Governance, 28*(3), 265-267.
- Hornung, S., Rousseau, D. M. & Glaser, J. (2008). Creating flexible work arrangements through idiosyncratic deals. *Journal of Applied Psychology, 93*(3), 655.
- Huselid, M. A. (1995). The impact of human resource management practices on turnover, productivity, and corporate financial performance. *Academy of Management Journal, 38*(3), 635-672.
- Iacobucci, D., Saldanha, N. & Deng, X. (2007). A meditation on mediation: Evidence that structural equations models perform better than regressions. *Journal of Consumer Psychology, 17*(2), 139-153.
- Alqudah, I. H., Carballo-Penela, A., & Ruzo-Sanmartín, E. (2022). High-performance human resource management practices and readiness for change: An integrative model including affective commitment, employees' performance, and the moderating role of hierarchy culture. *European Research on Management and Business Economics, 28*(1), 100177.
- Jung, Y., & Takeuchi, N. (2019). Testing mediation effects of social and economic exchange in linking organizational training investment to employee outcomes. *Personnel Review, 48*(2), 306-323.
- Kehoe, R. R. & Wright, P. M. (2013). The impact of high-performance human resource practices on employees' attitudes and behaviors. *Journal of Management, 39*(2), 366-391.
- Kirkman, B. L., Lowe, K. B. & Gibson, C. B. (2006). A quarter century of culture's consequences: A review of empirical research incorporating Hofstede's cultural values framework. *Journal of International Business Studies, 37*(3), 285-320.
- Kline, R. B. (2011). *Convergence of structural equation modeling and multilevel modeling*. In Handbook of methodological innovation.
- Kroon, B., Van De Voorde, K. & Van Veldhoven, M. (2009). Cross-level effects of high-performance work practices on burnout: Two counteracting mediating mechanisms compared. *Personnel Review, 38*(5), 509-525.
- Kuvaas, B. & Dysvik, A. (2009). Perceived investment in permanent employee development and social and economic exchange perceptions among temporary employees. *Journal of Applied Social Psychology, 39*(10), 2499-2524.
- Lam, S. S., Chen, X. P., & Schaubroeck, J. (2002). Participative decision making and employee performance in different cultures: The moderating effects of allocentrism/idiocentrism and efficacy. *Academy of management Journal, 45*(5), 905-914.

- Lau, F., & Hebert, M. (2002). Experiences from Health Information Systems Implementation Projects Reported in Canada Between 1991 and 1997. In *Effective Healthcare Information Systems* (pp. 96-112). IGI Global.
- Lee, C., Pillutla, M. & Law, K. S. (2000). Power-distance, gender and organizational justice. *Journal of Management*, 26(4), 685-704.
- Liao, H., Toya, K., Lepak, D. P. & Hong, Y. (2009). Do they see eye to eye? Management and employee perspectives of high-performance work systems and influence processes on service quality. *Journal of Applied Psychology*, 94(2), 371-391.
- Macduffie, J. P. (1995). Human resource bundles and manufacturing performance: Organizational logic and flexible production systems in the world auto industry. *ILR Review*, 48(2), 197-221.
- Maheshwari, S. & Vohra, V. (2015). Identifying critical HR practices impacting employee perception and commitment during organizational change. *Journal of Organizational Change Management*, 28(5), 872-894.
- Mao, N., Song, H. & Han, Y. (2013). High-performance work systems and influence processes on employees' attitudes: Perspectives from China. *International Journal of Manpower*, 34(7), 736-752.
- Maznevski, M. L., Gomez, C. B., Distefano, J. J., Noorderhaven, N. G. & Wu, P.C. (2002). Cultural dimensions at the individual level of analysis: The cultural orientations framework. *International Journal of Cross Cultural Management*, 2(3), 275-295.
- Meyer, J. P. & Herscovitch, L. (2001). Commitment in the workplace: Toward a general model. *Human Resource Management Review*, 11(3), 299-326.
- Mihail, D. M., & Kloutsiniotis, P. V. (2016). The effects of high-performance work systems on hospital employees' work-related well-being: Evidence from Greece. *European Management Journal*, 34(4), 424-438.
- Nunnally, J. C., & Bernstein, I. (1978). *Psychometric testing*. In: New York: McGraw-Hill.
- Nystrom, P. C. (1993). Organizational cultures, strategies, and commitments in health care organizations. *Health Care Management Review*, 18(1), 43-49.
- Ostroff, C., & Bowen, D. E. (2000). Moving HR to a higher level: HR practices and organizational effectiveness. In Klein KJ, Kozlowski SWJ (eds). *Multilevel theory, research, and methods in organizations: foundations, extensions, and new direction*. San Francisco, CA: Jossey-Bass, 211-266.
- Pak, J., & Kim, S. (2018). Team manager's implementation, high performance work systems intensity, and performance: a multilevel investigation. *Journal of Management*, 44(7), 2690-2715.
- Podsakoff, P. M., MacKenzie, S. B., Lee, J.-Y., & Podsakoff, N. P. (2003). Common method biases in behavioral research: A critical review of the literature and recommended remedies. *Journal of Applied Psychology*, 88(5), 879-903.

- Fragoso, P., Chambel, M. J., & Castanheira, F. (2022). High-performance work systems (HPWS) and individual performance: the mediating role of commitment. *Military Psychology, 34*(4), 469-483.
- Preacher, K. J., & Hayes, A. F. (2008). *Assessing mediation in communication research*. The Sage Sourcebook of Advanced Data Analysis Methods for Communication Research, 13-54.
- Quratulain, S., Khan, A. K., & Peretti, J.-M. (2012). The moderating impact of Hofstede's cultural dimensions on the relationship between organisational justice and organisational citizenship behaviours: a study in Pakistani work context. *European Journal of Cross-Cultural Competence and Management, 2*(2), 149-171.
- Ramsay, H., Scholarios, D., & Harley, B. (2000). Employees and high-performance work systems: Testing inside the black box. *British Journal of Industrial Relations, 38*(4), 501-531.
- Seidu, E., Aryee, S. & Walumbwa, F. (2013). Strategic Human Resources Management and Citizenship Behavior. *Management in Africa: Macro and Micro Perspectives, 53*, 171.
- Settoon, R. P., Bennett, N. & Liden, R. C. (1996). Social exchange in organizations: Perceived organizational support, leader-member exchange, and employee reciprocity. *Journal of Applied Psychology, 81*(3), 219-227.
- Shin, J., Taylor, M. S., & Seo, M.-G. (2012). Resources for change: The relationships of organizational inducements and psychological resilience to employees' attitudes and behaviors toward organizational change. *Academy of Management Journal, 55*(3), 727-748.
- Shin, J., Seo, M.-G., Shapiro, D. L., & Taylor, M. S. (2015). Maintaining employees' commitment to organizational change: The role of leaders' informational justice and transformational leadership. *The Journal of Applied Behavioral Science, 51*(4), 501-528.
- Shore, L. M., Tetrick, L. E., Lynch, P., & Barksdale, K. (2006). Social and economic exchange: Construct development and validation. *Journal of Applied Social Psychology, 36*(4), 837-867.
- Siddique, M. (2014). *Exploring the linkages between high performance work systems and organizational performance: The role of relational coordination in the banking sector of Pakistan* (Doctoral dissertation, University of Newcastle Upon Tyne).
- Singelis, T. M., Triandis, H. C., Bhawuk, D. P., & Gelfand, M. J. (1995). Horizontal and vertical dimensions of individualism and collectivism: A theoretical and measurement refinement. *Cross-Cultural Research, 29*(3), 240-275.
- Takeuchi, R., Chen, G., & Lepak, D. P. (2009). Through the looking glass of a social system: Cross-level effects of high-performance work systems on employees' attitudes. *Personnel Psychology, 62*(1), 1-29.

- Tenbenschel, T., Silwal, P., & Walton, L. (2021). Overwriting New Public Management with New Public Governance in New Zealand's approach to health system improvement. *Journal of Health Organization and Management*, 35(8), 1046-1061.
- Triandis, H. C. (1989). The self and social behavior in differing cultural contexts. *Psychological Review*, 96(3), 506-520.
- Triandis, H. C. (1995). *Individualism & collectivism*. Westview press.
- Tummers, L., Kruijven, P. M., Vijverberg, D. M., & Voesebeek, T. J. (2015). Connecting HRM and change management: the importance of proactivity and vitality. *Journal of Organizational Change Management*, 28(4), 627-640.
- Tyler, T. R., Lind, E. A. & Huo, Y. J. (2000). Cultural values and authority relations: The psychology of conflict resolution across cultures. *Psychology, Public Policy, and Law*, 6(4), 1138-1163.
- Van De Voorde, K., & Beijer, S. (2015). The role of employee HR attributions in the relationship between high-performance work systems and employee outcomes. *Human Resource Management Journal*, 25(1), 62-78.
- Van De Voorde, K., Paauwe, J. & Van Veldhoven, M. (2012). Employee well-being and the HRM-organizational performance relationship: a review of quantitative studies. *International Journal of Management Reviews*, 14(4), 391-407.
- Westwood, R., Chan, A., & Linstead, S. (2004). Theorizing Chinese employment relations comparatively: Exchange, reciprocity and the moral economy. *Asia Pacific Journal of Management*, 21(3), 365-389.
- Wright, P. M., Gardner, T. M., Moynihan, L. M., & Allen, M. R. (2005). The relationship between HR practices and firm performance: Examining causal order. *Personnel Psychology*, 58(2), 409-446.
- Yoo, B., Donthu, N., & Lenartowicz, T. (2011). Measuring Hofstede's five dimensions of cultural values at the individual level: Development and validation of CVSCALE. *Journal of International Consumer Marketing*, 23(3-4), 193-210.
- Zacharatos, A., Barling, J., & Iverson, R. D. (2005). High-performance work systems and occupational safety. *Journal of Applied Psychology*, 90(1), 77-93.