



HRM-CULTURE FIT: WHY THE LINK BETWEEN HUMAN RESOURCE PRACTICES AND COMMITMENT VARIES ACROSS COUNTRIES

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Abstract

Previous studies demonstrated that the relationship between human resource (HR) practices and organizational commitment varies across countries. This study explains this variation by exploring the role of national culture in this relationship. Two cultural dimensions of Hofstede's model are investigated, namely (1) individualism and (2) power distance. Based on the theoretical notion of HR-cultural fit, it is argued that the effect that these two cultural dimensions affect how the HR practices autonomy and skills enhancement affect commitment. Hypotheses are tested using data from employees in 25 European countries. Using multi-level modeling, it is shown that the link between autonomy and commitment is moderated by individualism and that the effects of both autonomy and skill enhancement are moderated by power distance.

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

1. INTRODUCTION

An extensive body of work shows the benefits of human resource (HR) practices aimed at optimizing employee contributions through autonomy and skills enhancement (Huselid, 1995, Pfeffer, 1998; Zang, Fan & Zhu, 2014). Previous studies provided evidence that organizations applying such practices achieve greater financial performance (Combs, Liu, Hall & Ketchen, 2006), competitiveness (Boxall, 2003), and productivity (Wu & Chaturvedi, 2009), and higher effectiveness (Hartog & Verburg, 2004). In part, the causal mechanisms linking HR practices and organizational outcomes lie in the effects they have on the attitudes and behaviors of employees (Zang et al., 2014). By investing in HR practices aimed at empowering employees to work autonomously and optimize their skills, organizations acquire pos-

sibilities to impact their decision to participate in the organization and contribute to its functioning (Luna-Arocas & Camps, 2008; Koster, 2011).

A large part of the literature on HR practices is in line with the contingency perspective in organizational research (Tsui, Nifadkar & Ou, 2007). This means that the importance of fit, among both HR practices and the wider organizational environment – ranging from economic openness (Koster & Wittek, 2016) to cultural climate (Hofstede, 1985) – is acknowledged in HR research. With regard to internal fit, many studies have showed that, in order to produce the required outcomes, HR practices need to be aligned with each other because this creates HR systems that “enhance employee’s competencies, commitment and productivity” (Muduli, 2015, p. 241).

Whereas the internal-fit approach has been studied extensively, this is less the case for the external-fit approach, which holds that human resource practices need to be aligned with the context in which organizations operate in order to be effective (Lambooj, Sanders, Koster & Zwiers, 2006). However, it may explain one of the puzzles found across the HR literature. Although there is general agreement that HR practices are positively related to the level of organizational commitment of employees, the level of organizational commitment varies across countries (Koster, 2011; Chordiya, Sabharwal & Goodman, 2017) and the strength of the relationship between HR practices and organizational commitment varies across countries, even if the focus is on exactly the same practices (Luna-Arocas & Camps, 2008; Rode, Huang & Flynn, 2016; Ramaprasad, Nandan Prabhu, Lakshminarayanan & Pai, 2017). Hence, the variation cannot be attributed to the internal fit of these practices. To investigate why there is such variation, it is necessary to include the national context in the analyses. This study explores this idea by examining the link between HR practices and organizational commitment of employees. To date, there has been relatively little research in that direction. The study by Rode, Huang, and Flynn (2016) is an exception, and provides a major starting point for the present study. Although they found evidence for cross-national differences in the relationship between HR practiced and commitment which can be attributed to cultural differences, their analysis was restricted to four countries (Sweden, Japan, Austria, and Germany). The present study expands this analysis by including information from 18,309 employees in 25 European countries. This offers two advantages and extensions. First, it enables generalizing the findings of Rode, Huang, and Flynn (2016), and secondly, it allows including more than one cultural dimension because there is more cross-cultural variance across the countries included in the analyses. We argue that there may be a cultural component at work explaining such differences. We investigate two such cultural factors, namely (1) individualism; and (2) power distance (Hofstede, 1985; 2011). Based on the theoretical concept of HR-culture fit, which assumes that the effectiveness of HR practices in terms of generating organizational commitment depends on its cultural context, we investigate whether this can account for cross-national differences in the outcomes of HR practices.

2. THEORETICAL BACKGROUND

2.1 HR practices and organizational commitment

There is extensive evidence for the positive relationship between HR and organizational commitment (Gellatly et al., 2009; Luna-Arocas & Camps, 2007; Ramaprasad, et al., 2017). According to Chew and Chan (2008), one of the main tasks of the HR function is to make sure that employees are committed, given the positive relation of commitment with work attitudes and behaviors. Conversely, valuable employees are likely to leave the organization if they are dissatisfied with the HR practices (Luna-Arocas & Camps, 2007).

Several HR practices can instill organizational commitment. Those practices aimed at stability, development, and rewards are identified as creating incentives for employees to commit to an organization. By offering stability-oriented HR practices, organizations position membership in the organization as a salient benefit, which increases commitment accordingly. Development-oriented practices build employees capabilities, which are related to emotional commitment to the organization (Gellatly et al., 2009). In particular, HR practices providing responsibility and autonomy to employees affect their commitment (Fiorito, Bozeman, Young & Meurs, 2007). Furthermore, HR practices enhance positive exchange relations, e.g., receiving a stimulating work environment in return for commitment and performance (Macky & Boxall, 2007). An investment in HR practices aimed at improving knowledge, skills, and abilities of employees builds capabilities among employees to perform at the required level (Wright & Kehoe, 2008). HR strategies such as performance management systems, incentives pay schemes, and performance bonuses aim to motivate employees and create affectionate commitment (Wright & Kehoe, 2008). This study concentrates on two of the core HR practices found across the literature, namely (1) autonomy, and (2) skills enhancement (Koster, 2011).

2.2 HR practices and organizational commitment across countries

Research has shown that the contexts of organizations can matter for the way in which employees are managed (Wu & Chaturvedi, 2009; Rode et al, 2016; Koster & Wittek, 2017). Nevertheless, be-

cause most of these studies investigated the direct effect between organizational contexts and HR practices, it does not say much about whether some of these practices work better (e.g. improve commitment) in a particular context and less so in others. Much of the research focused on human resource management investigated differences between organizations within one country or only focused on multinational corporations (Cooke, Wood, Wang & Veen, 2019). Hence, an overall assessment is not available at the moment. Prior research, however, provides evidence that this may actually be the case of the link between HR practices and organizational commitment. A comparative study of Japan, Sweden, Austria, and Germany demonstrated that this link varies across these countries (Rode et al, 2016). For instance, whereas in Japan and Sweden, training is positively related to organizational commitment, the opposite is true in Austria and Germany. Other studies have found that similar HR practices lead to more organizational commitment in India than in Switzerland, for example (Paul & Anantharaman, 2004; Giauque, Resenterra & Siggen, 2010). Although these studies provided evidence that the country level moderates the relationship between HR practices and employee outcomes, empirical support is lacking (Farndale & Murrer, 2015).

These research results suggest that the outcomes of HR practices are context-dependent. To understand this context-dependency, we theorize that the functioning of HR practices ultimately depends on the extent to which it fits the wider institutional setting in which organizations are embedded. Although the context refers to a broad set of circumstances and factors, there are theoretical reasons to assume that national cultural may be important in understanding the impact of HR practices.

2.3 The HR practice-culture fit

Cultural theories provide insights into how cultural values moderate the link between HR practices and behavior and attitudes employees (Tsui, Nifadkar & Ou, 2007). The general notion of the cross-cultural perspective is that organizational practices tend to lead to positive outcomes when they are aligned with the national culture that reflects the values of employees (Kim & Wright, 2011). Further-

more, Schuler and Rogovsky (1998) argued that consistency between HR practices and national cultural values yields more-predictable behavior and creates less frustration. There seems to be a need to match HR practices with national culture because it transmits cultural awareness and rewards desired behavior. As a result, the fit between organizational practices and cultural context results in greater employee performance (Schuler & Rogovsky, 2009). Despite the fact that cross-cultural studies highlight the need to reconcile HR practices with employee's values in order to endorse positive attitudes, there is little empirical work in that direction.

This, however, raises the issue of the role that national culture may play in the relationship between autonomy, skills enhancement, and commitment. In that regard, the framework offered by Hofstede (1985) is useful. In this framework, national cultures are defined as the collective programming of the mind, which make social groups distinct (Hofstede, 2011). National cultures are embedded in shared knowledge and beliefs that are formed in childhood and remain stable throughout life. This is relevant for organizations, because every organization is affected by these cultural factors at the national level, thus reflecting these factors (Hofstede, Hofstede & Minkov, 2010). Hence, cultural dimensions not only define national values but also refer to organizational values, based on which the organizational culture is created. Hofstede (1985) explained this in terms of the national values of founders of organizations, which they bring to the organization itself. As such, the structure of the company is shaped to achieve higher goals while taking into account the compatibility between national values and specific practices. Hofstede's model distinguishes six dimensions, namely power distance, uncertainty avoidance, individualism versus collectivism, masculinity versus femininity, long-term versus short-term orientation, and indulgence versus restraint. Hofstede's model is both praised and criticized. A major criticism comes from the GLOBE project (globe.com). This organization intends to improve the measurement of national cultures. Although they have generated interesting and worthwhile data, and have constructed measures for a selection of countries, using these measures for the present analyses would mean a huge decrease in the

countries that could be included, hence undermining the goal of generalizing the finding of earlier studies. Therefore, this study used Hofstede's measures, but acknowledges that the model is open to improvement (Beugelsdijk & Welzel, 2018).

For the present study, two of these dimensions are further explored because they are theoretically close to autonomy and skills enhancement:

- 1) The individualism–collectivism dimension, which refers to “the degree to which people in a society are integrated into groups” (Hofstede, 1985; p.11). Individualistic cultures are more loosely tied, whereas in collectivistic cultures members of society are tightly integrated into groups. Furthermore, the individualism dimension differentiates societies into groups based on whether they appreciate more independence (individualistic) or interdependence (collectivistic).
- 2) The power distance dimension, which is “defined as the extent to which the less powerful members of organizations and institutions accept and expect the power is distributed unequally” (Hofstede, 1985; p. 9). In other words, the power distance indicates hierarchical power structures in a society in the authority–subordinate relationship, which is perceived as a norm in a high power distance society, in contrast to a low power distance society.

Focusing on these specific dimensions follows previous studies in this field. The individualism dimension is one of the most investigated dimensions in studies on cross-national topics and is relevant for organizational outcomes (Yang et al., 2012). Although the power distance dimension has also been identified as a significant variable in the organizational environment (Fisher et al., 2005), far less is known about it. Given the results of previous studies, this paper explores the effect of national culture in terms of individualism/collectivism and power distance dimensions.

2.4 Individualism

By using HR practices, organizations aim to develop the full potential of their employees. The HR practices operate in a way to make employees able

to perform their jobs, empower them to act, and motivate them to engage (Combs et al., 2006). Therefore, the investment in HR practices is aimed at creating a stimulating environment for individuals to become involved in and committed to their job. As is assumed by social exchange theory, individuals engage in the relationship with an organization in order to maximize the benefits that the organization provides (Newman et al., 2011). Thus, the investment in human capital made by the organization is related to a greater appreciation of implemented practices. In return for such investments, employees create a psychological contract with an organization, which results in positive organizational behavior (Newman et al., 2011; Meurs, Koster & Van Nispen tot Pannerden, 2014). The literature indicates that employees have a higher level of commitment to an organization when the organizational strategy reflects their expectations based on personal interests (Rode, Huang & Flynn, 2016). Because people in individualistic cultures form their behavior and attitudes according to their personal needs and how well they are fulfilled, high-performance HR (HPRH) practices could be a strong base for increased commitment to an organization in such cultures.

On the other hand, the enactment of HPRH practices not only improves knowledge, skills, and abilities needed to accomplish tasks, along with both opportunities and motivation to perform, it also develops social arrangements within an organization which accelerate communication and cooperation among employees (Combs et al., 2007). Collectivistic societies appreciate the interdependence and the feeling of belonging to a group by creating objectives for attachment to an organization and more incentives to continue participate in it. The cooperative and open environment allows creating relational contracts among employees, resulting in higher organizational commitment (Rode et al., 2016). Based on this, HR practices could serve as a trigger for commitment in collectivistic countries.

This means that the link between HR practices and organizational commitment can be affected by individualism in two different ways. First, by serving the personal need of employees to develop knowledge, skills, and abilities to perform in a workplace successfully. In contrast, however, it may hinder the social configuration of the organization that is en-

hanced by applying high-performance HR practices. In line with these approaches, the following contrasting hypotheses are formulated:

Hypothesis 1: The higher the level of individualism, the stronger is the positive relationship between HR practices and organizational commitment.

Hypothesis 2: The higher the level of collectivism, the stronger is the positive relationship between HR practices and organizational commitment.

2.5 Power distance

Another goal of HR practices is to create an empowering culture by involving employees in decision-making processes or providing discretion toward their job. As concluded by Khandelwal and Dhar (2003), commitment is enhanced when higher managerial levels empower their subordinates to act and share a common vision. This means that there seems to be overall agreement that empowering employees is a condition for organizational commitment. Involvement in decision-making activities, which is accompanied by a flat organizational structure of the company, may hence lead to positive organizational behavior and psychological attachment.

Nevertheless, this may be only the case if such organizational structures are valued. In countries with a higher power distance, this is not the case, because people value hierarchical relations, meaning that power is unequally distributed and decision-making is centralized (Hunter, Tan & Tan, 2013). Arguing from a HR-cultural fit perspective, this means that adopting HR practices aimed at autonomy and skill enhancement in a culture that is typified by a high power distance will not create the preferred outcomes (Kim & Wright, 2011). Evidentially, because high-performance HR practices enable a less hierarchical power structure in the organization by blurring lines between superiors and subordinates, we expect that power distance negatively effects the link between HR practices and organizational commitment.

Hypothesis 3: The higher the level of power distance, the weaker is the relationship between HR practices and organizational commitment.

3. METHODS

3.1 Data

The data for this study were taken from several sources. The *European Social Survey* (ESS) provides the individual (employee)-level data for this study. The ESS is a cross-national survey which is conducted across Europe every two years. This large-scale survey measures the attitudes, beliefs, and behavior patterns of people in more than 30 nations. The survey is based on a questionnaire consisting of core and rotating sections. The core module is surveyed every two years, with two additional rotating modules which vary each round. The ESS2 (conducted in 2004) included the module "Family, work and wellbeing," which contained work-related questions. Country-level data about Hofstede's national culture dimensions are available through Hofstede et al (2010). Additionally, data measuring economic circumstances in the country are included in the analysis. The measures of this were taken from *World Development Indicators Database* (World Bank 2004), *The World Factbook* (CIA, 2004), and the *International Monetary Fund* (2004). The complete dataset encompasses 18,309 respondents from 25 European countries.

3.2 Measures

Dependent variable: organizational commitment.

Organizational commitment was measured with a question about the respondent's intention to continue working for the same organization: "I would turn down another job with higher pay in order to stay with this organization." Scores of this question indicate the overall commitment to the organization, without distinguishing organizational commitment into three dimensions as conceptualized by Mayer and Allen (1991). Therefore, the measure of organizational commitment in this study does not provide the motivational factors that induce employees to stay in the organization, but rather indicates an individual's overall intentions to be part of the company in the future as well as attachment to the job. The dependent variable was measured on the scale ranging from 1 ("strongly disagree") to 5 ("strongly agree").

Independent variable: HR practices.

The ESS survey includes several questions referring to the HR practices that respondents experience in their workplaces. Respondents were asked to evaluate on a scale ranging from 1 (“I have no influence”) to 4 (“I have complete control”) to what extent, for instance, they are *allowed to influence policy decisions about activities of organization*. On a scale from 1 (“Agree strongly”) to 5 (“Disagree strongly”) respondent indicated to what extent their work is *closely supervised* (this item was reverse-coded), and on a scale ranged from 1 (“Not at all true”) to 4 (“Very true”) respondents were asked to indicate to what extent it is true that *current job requires to learn new things*. Dimensions of variables representing HR practices were examined using principal factor analysis together with varimax rotation. This resulted in two dimensions of HR practices (Table 1). Dimensions were named *autonomy* and *skills enhancement*. Cronbach’s alpha was 0.75 for the autonomy dimension and 0.61 for skills enhancement. Although the reliability of the au-

tonomy dimension was good, the reliability of skills enhancement was lower (but still sufficient), which was probably due to the fact that the scale consists of the minimal number of items.

Table 2 indicates mean raw scores measuring the use of HR practices across 25 European countries. Respondents from northern European countries reported higher levels of autonomy, with employees working in Norway and Finland reporting the highest scores ($m = 5.12$ and $m = 5.07$, respectively). The lowest levels of autonomy were reported by respondents from Central and Eastern Europe. Employees from Slovenia and the Czech Republic reported relatively low levels of autonomy ($m = 2.94$ and $m = 3.27$, respectively) compared with employees from other countries participating in the survey. In a similar manner, the level of skills enhancement was distributed across countries, with highest level of skill enhancement reported by respondents in Sweden ($m = 3.26$). The lowest levels of skills enhancement were found in Portugal and Turkey ($m = 2.45$ and $m = 2.62$).

Table 1: Factor analysis for HR practices

Item	1	2
Autonomy		
Allowed to decide how daily work is organized	0.82	0.22
Allowed to choose/change pace of work	0.71	0.23
Allowed to influence policy decisions about activities of the organization	0.81	0.16
Can decide time start/finish work	0.58	0.13
My work is closely supervised ⁽¹⁾	0.55	-0.11
Skill enhancement		
Variety at work	0.23	0.78
Job requires learning new skills	0.13	0.81
Can get support/help from co-workers when needed	-0.01	0.59
Eigenvalue	3.04	1.28
Proportion of variance accounted for	38.00	16.08
Reliability (Cronbach’s alpha)	0.75	0.61

⁽¹⁾ Item was reverse-coded

Moderation/fit variable: national culture (Hofstede's dimensions).

The scores of dimensions of the national culture were provided by and are accessible in Hofstede's analysis (Hofstede et al., 2010). Scores were measured on a scale from 0 to 100, with higher scores indicating higher individualism and higher power distance in the respective dimensions. In order to explore the effect of national culture in the conceptual model, scores of culture dimensions were incorporated into the ESS dataset by creating additional variables named *individualism* and *power distance*. Scores of new variables were matched with countries in the dataset. Table 2 lists values of Individualism and Power distance in the 25 countries investigated in this study. European countries demonstrated a moderate variation in national cultures in terms of both individualism and power distance dimensions. Scores of individualism were higher in western and northern European countries, with the highest levels of individualism in the United Kingdom (89) and the Netherlands (80). The lowest score of individualism were in more-collectivistic cultures; Ukraine was the most collectivistic (25), followed by Portugal and Slovenia (both 27). Measures of power distance demonstrated a considerable variation across countries as well, with the highest level of power distance in Slovakia (100) and the lowest level in Austria (11).

Control variables.

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

National-level control variables. In order to control for differences across countries in terms of economic situation, the level of *income inequality* was included in the analysis (measured by the Gini coefficient) as well as the level of *GDP per capita*. Another variable that could affect the level of

organizational commitment is *social spending* in a country (measured by public social spending as a share of GDP), which was included in the dataset.

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

3.3 Data analysis

The data used in the research study were examined by applying a *multi-level analysis*. The dataset encompasses information at two levels – individual and national; therefore, an ordinary least squares regression model cannot be applied. According to Bickel (2007), a multi-level analysis is a useful instrument for investigating nested data (in this study, individuals in countries).

Models examining the effect of the national culture on the relationship between HR practices and organizational commitment include the same control variables. The analysis was conducted for Hofstede's national culture dimensions separately, in order to investigate the interaction effects more carefully. As such, these analyses were executed in consecutive steps by adding more variables in every model. A multi-level analysis is started with an empty model (Model 0) which is the basic level of analysis, based on which the changes in the fit of following models were investigated. The fit of models is measured by computing the deviance of log-likelihood. Model 1 included control variables at both individual and national levels. In Model 2, the effect of HR practices autonomy and skills enhancement on dependent variable was estimated. Models 1 and 2 were the same for both analyses; therefore,

they are presented only in Table 3a. Model 3 investigated the direct effect of Hofstede's culture dimensions on organizational commitment. Models 4 and 5 investigated interaction effects between national culture dimensions and each HR practice. Models 4a and 4b estimated the significance of interaction between skills enhancement and national culture's dimensions, whereas Models 5a and 5b investigated the effect of interaction between autonomy and culture dimensions. These interaction effects were added to determine whether the fit between the individual and the national variables affected commitment.

4. RESULTS

4.1 Descriptive statistics

The mean levels of organizational commitment per country are presented in Table 2. The overall mean of organizational commitment was 2.76, which shows that on average employees across 25 European countries are committed moderately to their organizations. The distribution of the level of organizational commitment among countries in question had no pattern in terms of regions. The lowest levels of the organizational commitment were reported in Estonia ($m = 2.29$) and Slovakia ($m = 2.30$). The highest levels of commitment were found in Belgium, Switzerland, and Portugal ($m = 3.09$).

4.2 Hypotheses tests

Tables 3a and 3b present the results of the multi-level analysis. Table 3a demonstrates the interaction effect of the individualism dimension of Hofstede's national culture, whereas Table 3b addresses the effect of the power distance dimension on the relationship between HR practices and organizational commitment. Models 1 and 2 include the same variables for both analyses; therefore an observed effect of control variables and HR practices is equal for multi-level analyses of both individualism and power distance dimensions. According to the baseline model there is 4 percent of variance to be explained at the national level ($ICC = 0.04$); thus, the variation of organizational commitment could be explained by 4 percent variation at country level variables. Table 3a shows that in

Model 1 all three national-level control variables were significantly related to organizational commitment, yet only income inequality and social spending remained significant throughout the entire analysis in both cases. At the individual level, only the age of employees had a stable effect on the commitment of employees; older employees reported a higher level of organizational commitment. The number of years of education was significant; however, its effect was not stable throughout the analysis, meaning that this effect depends on the specification of the model. Moreover, there were no gender differences in experience of organizational commitment among employees. Work-related variables have been shown to have a strong and stable effect on organizational commitment. Employees who are able to find a job in another company and those perceiving themselves as being easily replaced by their employer were less committed to the organization. On the other hand, employees' ability to balance work and life increased their commitment significantly.

Adding the HR practices of autonomy and skills enhancement improved the fit of the model significantly (deviance = 843.94, $p < 0.01$). As was expected, autonomy and skills enhancement were positively and significantly related to the level of organizational commitment. A higher intensity of HR practices in a company predicts a higher attachment to organization experienced by employees. HR practices also affected control variables in few directions. To begin with, the introduction of autonomy and skills enhancement to the analysis decreased the significance of social spending and made the effect of GDP and years of education non-significant, meaning that these variables are mediated by HR practices. The opposite occurred with income inequality, which became more significant after HR practices were added to the model.

Models 3a–5a included the effects of individualism. The inclusion of individualism in the analysis did not affect organizational commitment directly. The hypothesized effect of individualism on the relationship between HR practices and organizational commitment was tested with Models 4a and 5a. The interaction effect of individualism and autonomy is reported in Model 4a. The fit of the regression model improved (deviance = 5.23, $p < 0.05$). Furthermore,

Table 2: Means of variables at country level

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

Employee $n = 18,309$; country $n = 25$

*Measured on a scale from 0 to 100, with 0 the lowest value and 100 the highest value

the level of individualism affected the relation between autonomy and organizational commitment. The multi-level analysis indicated that individualism at the country level had no significant effect on the contribution of skills enhancement to organizational commitment (Model 4a). Based on the results of the

analysis, it is concluded that in more individualistic countries, the use of autonomy in an organization is related to increasing levels of commitment.

Table 3b depicts the results of the multi-level analysis with power distance dimension as a moderator of the link between HR practices and organi-

zational commitment. Model 3b showed that power distance had no direct effect on the level of organizational commitment. Model 4b investigated whether power distance interacts with autonomy. Adding this interaction effect improved the fit of the

model significantly (deviance = 10.72, $p < 0.01$). The interaction effect was negative, meaning that the relationship between autonomy and organizational commitment is weaker when the level of power distance is higher. Model 5b showed that the power

Table 3a: Multi-level analysis for organizational commitment a

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

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

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

c Gender is a dummy variable, 1 = Male, 0 = Female

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

distance affects the relation between skills enhancement and organizational commitment similarly (deviance = 8.73, $p < 0.01$). The more equal a country is, the more strongly opportunities to enhance skills for employees are related to a higher level of commitment.

In summary, the results have the following implications for the hypotheses. Firstly, Hypotheses 1 and 2 oppose each other. Hypothesis 1 is partly supported, only as it applies to autonomy. The contrasting hypothesis, Hypothesis 2, is refuted. Hypothesis 3 is fully supported by the outcomes.

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

Variable	Model 3b			Model 4b			Model 5b		
	b		SE	b		SE	b		SE
PD X Autonomy				-0.02	***	0.01			
PD X Skills							-0.06	***	0.02
Power Distance (PD)	-0.08		0.23	-0.07		0.23	-0.08		0.23
HR practices									
Autonomy	0.01	***	0.00	0.01	***	0.00	0.01	***	0.00
Skills Enhancement	0.10	***	0.00	0.10	***	0.00	0.10	***	0.00
National level									
Income inequality	0.03	***	0.01	0.03	***	0.01	0.03	***	0.01
GDP per capita	0.06		0.11	0.06		0.11	0.06		0.11
Social spending	0.02	*	0.01	0.02	*	0.01	0.02	*	0.01
Personal level									
Age	0.01	***	0.00	0.01	***	0.00	0.01	***	0.00
Gender ^c	-0.00		0.02	-0.00		0.02	-0.01		0.02
Education	-0.00	*	0.00	-0.00*		0.00	-0.00		0.00
Work level									
Opportunities to find another job	-0.01	***	0.00	-0.01	***	0.00	-0.01	***	0.00
Replaceability	-0.01	***	0.00	-0.01	***	0.00	-0.01	***	0.00
Work-life balance	0.12	***	0.01	0.12	***	0.01	0.12	***	0.01
Intercept	1.99	*	1.12	1.95	2	1.12	1.95*		1.12
Deviance			0.107			10.72***			8.73***
ICC			0.02			0.02			0.02

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

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

^c Gender is a dummy variable, 1 = Male, 0 = Female

* $p < 0.1$; ** $p < 0.05$; *** $p < 0,01$

5. DISCUSSION AND CONCLUSION

This study explores the importance of the national culture for the functioning of HR practices. The main purpose of this study was to investigate whether features of national culture play a role in affecting the attitudes and behavior of employees that are strengthened by internal practices applied by organizations. This study extends prior research into cross-national differences in the relationship between HR practices and organizational commitment. National culture is defined in terms of power distance and on the continuum of individualism and collectivism as part of Hofstede's culture concept (1985). Based on this, the research question formulated for this study focused on testing whether the relationship between high-performance HR practices and organizational commitment varies across countries and whether it can be explained by Hofstede's cultural dimensions. The analysis confirmed the general expectation that in different cultural contexts, identical high-performance HR practices have dissimilar impacts on employees' attitudes, specifically on organizational commitment. However, a more in-depth investigation of the effect of national culture demonstrated that the impact of a culture is not universal.

The outcome of the analysis investigating the effect of individualism on the relationship between HR practices and organizational commitment was somewhat different than theorized. In particular, the moderation of the individualism dimension was far weaker than expected. Although an individualistic culture interacts with autonomy, it has less of an effect for skill enhancement. A possible explanation for this result is that people in individualistic countries are more self-concerned and have a higher need for an autonomous environment. Newman et al. (2011) explained the connection in terms of the psychological contract: employees have a psychological contract with an organization and have more positive behavior and attitudes toward the organization in the presence of practices that are consistent with their personal predispositions than in the absence of such practices. The level of commitment was also found to be higher in situations in which personal interests of employees are reflected by an organization's strategy (Rode et al., 2016). As such, in a context in which individualism is highly valued, possibilities for employees to perform autonomously seem to increase their willingness to stay with their current

employer. In contrast to previously discussed results, greater possibilities for employees to enhance their skills lead to higher commitment regardless of the level of individualism. As was also concluded by Hunter et al. (2008), seeking individual development is probably a universal trait, and organizations applying these practices increase employees' decisions to participate and stay in a company. As a result, cultural individualism is pertinent for commitment formation by applying HR bundles aimed to empower employees, but not in the presence of skills enhancement practices.

The results for power distance were more pronounced and straightforward. In cultures in which the hierarchy between superiors and subordinates is perceived as a valuable relationship, implementation of autonomy and skills enhancement practices decreases the level of organizational commitment. In such cultures, high-performance HR practices aimed at giving more power to employees to plan and coordinate their jobs as well as developing their work-related skills decreased employees' attachment to the organization. Khandewal and Dhar (2003) emphasized the importance of fit between organization and individual in order for commitment to be built. By enforcing autonomy and skill enhancement in cultures characterized by high power distance, organizations create a frustrating situation for employees due to the mismatch between their cultural mind-set of authority and the organizational environment. As a result of possible frustration, employees develop less commitment toward organizations. Researchers agree that a negative perception of organizational structures and practices diminishes commitment (Wu & Chaturvedi, 2009).

The overview of results presented in this study suggests that cultural features such as power distance and individualism affect organizations at different levels. The outcome of this study indicates that power distance is a more pertinent trait for the functioning of organizations. Every organization is based on some sort of power allocation between managing coalitions and other members of the organization. Given the essence of organizations, in a broad sense, to control the behavior of their members (Hofstede, 1985), the relevant dispersion of power is a key component to achieve objectives for companies. Because every structure is based on power relationships to some extent, the fit between the nationally valued power distribution and organizational environment is necessary. On the other hand, individu-

alism is related to societal relationships, therefore the transcendence of this value into business organizations may affect relationships among colleagues more than it does commitment to an organization. Another explanation for the stronger effect of power distance could be more data-related. HR practices aimed at creating autonomy and enhancing skills might be more vulnerable to moderating effects of power distribution than individualism, due to their nature the fact that they are weakened by power distance.

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

A few practical implications can be drawn from this study. Firstly, it is evident that in order to achieve a higher level of organizational commitment, employers should take into account the context of national culture when creating the HR strategy. More specifically, in countries in which power distribution is lower, the im-

plementation of HR practices increases the likelihood of having committed employees. However, in countries in which traditions of strong hierarchical relationships play a role, HR practices will not result in higher commitment; thus, HR professionals might consider the implementation of relevant single HR practices rather than bundles of autonomy or skills enhancement practices. In addition, it seems that HR practices aimed at empowering employees are more affected by national culture and require more consideration before application in a workplace if the final goal of organization is to achieve employee commitment.

Finally, this study is not free of limitations. Firstly, the analysis was based on cross-sectional data and consequently cannot be interpreted in terms of causality mechanisms. In order to eliminate this flaw, future research in this area ideally should be based on data collected using a longitudinal study. Secondly, the data in this analysis did not include organizational-level measures, for instance, the financial performance of the organization or productivity. The inclusion of this data could provide better understanding of the importance of organizational commitment for companies. In order to eliminate this limitation, future research should consider collecting data at individual, organizational, and national levels. Lastly, items that were used to determine bundles of HR practices were limited in this study, due to the secondary data used in the analysis. As a result, a limited scope of HR practices was investigated in this study, which prevents generalizing the results for a broader range of HR practices. To overcome this flaw, more-extensive data on HR practices applied in an organization should be collected in future research.

EXTENDED SUMMARY / IZVLEČEK

Predhodno opravljene raziskave so pokazale, da se povezava med kadrovskimi praksami in pripadnosti zaposlenih do organizacije razlikuje med državami. Pričujoča študija raziskuje in pojasnjuje varianco v slednjih preko vpliva nacionalne kulture. V članku sta analizirani dve kulturni razsežnosti Hofstedejevega modela, in sicer (1) individualizem ter (2) razdalja moči. Na podlagi teoretičnega koncepta management človeških virov-kulturna ustreznost, so avtorji predpostavili, da učinek prej omenjenih kulturnih razsežnosti vpliva na to, kako kadrovske prakse spodbujajo avtonomijo in izboljšanje veščin zaposlenih ter s tem posledično tudi na pripadnost zaposlenih. Hipoteze so bile preverjene s pomočjo uporabe podatkov zaposlenih iz 25 evropskih držav. Z uporabo modelov na več ravneh se pokaže, da na povezavo med avtonomijo in predanostjo zaposlenih vpliva predvsem individualizem. Rezultati so prav tako pokazali, da razdalja moči vpliva tako na avtonomijo kot na izboljšanje spretnosti.

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