

**EMPLOYEE PERCEPTION ON COMMITMENT ORIENTED WORK
SYSTEMS: EFFECTS ON TRUST AND PERCEIVED JOB SECURITY**

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AND TON VAN DER WIELE**

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| Abstract | Human resource management (HRM) does matter! Prior empirical research, summarized and classified in the work of Delery and Doty (1996), Guest (1997) and Boselie et al. (2000), suggests significant impact of HRM on the competitive advantage of organizations. The mainstream research on this topic reveals encouraging results on organizational level. Further research on the perception of the individual employee may reveal new insights in the effectiveness of HRM in organizations. Now we have the opportunity to study recent empirical data of a Dutch employment agency. These data on individual employee level provide us new insights in the perception of commitment oriented HR systems and their relationship with perceived job security and employee trust. High scores on employee participation, payment system, training and development, information sharing, and support of the direct supervisor result in employee trust and high scores on perceived job security. | |
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**Employee Perception on Commitment Oriented Work Systems:
Effects on Trust and Perceived Job Security**

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Employee Perception on Commitment Oriented Work Systems: Effects on Trust and Perceived Job Security

Abstract

Human resource management (HRM) does matter! Prior empirical research, summarized and classified in the work of Delery and Doty (1996), Guest (1997) and Boselie et al. (2000), suggests significant impact of HRM on the competitive advantage of organizations. The mainstream research on this topic reveals encouraging results on organizational level. Further research on the perception of the individual employee may reveal new insights in the effectiveness of HRM in organizations. Now we have the opportunity to study recent empirical data of a Dutch employment agency. These data on individual employee level provide us new insights in the perception of commitment oriented HR systems and their relationship with perceived job security and employee trust. High scores on employee participation, payment system, training and development, information sharing, and support of the direct supervisor result in employee trust and high scores on perceived job security.

Key Words: human resource management, performance, commitment (versus control) systems, employee trust, perceived job security

Employee Perception on Commitment Oriented Work Systems: Effects on Trust and Perceived Job Security

Introduction

Human resource management (HRM) does matter! Prior empirical research, summarized and classified in the work of Delery and Doty (1996), Guest (1997) and Boselie et al. (2000), suggests significant impact of HRM on the competitive advantage of organizations. The mainstream research on this topic reveals encouraging results on organizational level (e.g. Arthur, 1994; Osterman, 1994; Huselid, 1995; MacDuffie, 1995; Banker et al., 1996; D'Arcimoles, 1997; Lahteenmaki et al., 1998; Ichniowski and Shaw, 1999). In practice this means sending questionnaires to HR managers of different organizations in order to analyze the data on organizational level. Further research on the perception of the individual employee may reveal new insights in the effectiveness of HRM in organizations. Amongst others Guest (1999^a) emphasizes the need for future research on how employees perceive human resource management practices and systems in order to understand the full potential of HRM. Now we have the opportunity to study recent (year 2000) empirical data (N = 2247) of a Dutch Flex Company (an employment agency). These data on individual employee level provide us new insights in the perception of commitment oriented HR systems and their relationship with perceived job security and employee trust. High scores on employee participation, payment system, training and development, information sharing, and support of the direct supervisor result in employee trust and high scores on perceived job security.

Control and Commitment Systems

The operationalization of commitment oriented systems in our study is based on the work of Walton (1985) and Arthur (1994). Walton's (1985) conceptual model hypothesizes that commitment work systems outperform traditional work systems in organizations. Traditional (control) work systems are characterized by narrowly defined jobs, specialization of employees, close supervision and monitoring of employees by management, hierarchical structure, centralization of power and a focus on cost reduction strategies. In contrast, the commitment work systems encompass broadly defined jobs, job rotation, evaluation by peers, non-hierarchical structure, decentralization of power and a focus on differentiation strategies (see table 1). Arthur's control- and commitment HR systems are based on the idea that "the closer an organization's HR practices resemble the correct prototypical system (for its business strategy), the greater the performance gains (Delery and Doty, 1996)". The two systems in Arthur's approach are labeled commitment- and control human resource systems. The correct HR system or bundle from a 'best practice approach' (e.g. Osterman, 1994; Pfeffer, 1994) is presumed to be the commitment variant.

Low scores on direct supervision, individual bonus or incentive payments in combination with high scores on decentralization, employee participation, general training, skill development, social activities, due processes, high wages and employee benefits represent commitment HR systems in this approach. The opposite applies for control HR systems (see table 2). Arthur's (1994) empirical results on the effectiveness of HR control- versus HR commitment systems suggest that commitment systems outperform control systems in USA steel mills. Organizations with a commitment oriented HR system have significant higher scores on productivity and lower scores on employee turnover than the control oriented steel mills. Arthur's (1994) analysis however is on organizational level. The study was based on data of 30 USA steels mills and the data stem from HR managers. The work of Wallace (1995) covers corporist control and organizational commitment among lawyers working in law firms, with the analysis on employee level. Activities in Wallace's research, that fit the commitment HR system of Arthur (1994) like coworker support, promotional opportunities and employee autonomy, have a positive effect on employee satisfaction.

The basic assumptions in these approaches have their roots in McGregor's (1960) theoretical distinction between Theory X and Theory Y. The traditional management view (Theory X) assumes

that employees dislike work, employees avoid responsibility, employees lack ambition, and the only way to motivate people is the application of external control and punishment. In this view bad performance of an organization is presumed to be a result of the human nature of an employee. Since the sixties this view is overruled, at least in contemporary science, by what McGregor (1960) calls Theory Y. This perspective has a different starting point. Bad performance of employees is not the result of their human nature but an outcome of an imperfect work system. In their nature each individual wants self-direction and self-control, seeks and accepts responsibility, perceives work as a source of satisfaction, and needs self-direction and self-control. In our opinion Theory Y incorporates a strong argument for the application of a commitment oriented work system.

Other theoretical and empirical research results support the former assumptions: Katz et al. (1983 and 1985) on 'participation in suggestion programs' and 'involvement'; Pfeffer (1994) on 'participation and empowerment', 'training and skill development' and 'high wages'; Godard (1998) on 'employee participation'; and Delbridge and Whitfield (1999) on 'participation and/or briefing group'.

Hypotheses

Perceived human resource systems and employee trust and perceived job insecurity. The premises of McGregor (1960), Walton (1985) and Arthur (1994) suggest universal employee preferences for autonomy, responsibility and self-control. The commitment HR system fits these assumptions better than the control HR system. In the Workplace Employee Relations Survey (WERS) analysis, held in the UK, significant relationships are found between HR practices and employee satisfaction and –commitment (Guest, 1999)^b. In the study of Delbridge and Whitfield (1999) a positive significant relationship is found between 'representative participation and/or briefing group' and employee satisfaction. Further analyses reveals that employee satisfaction has a positive effect on productivity (Guest, 1999)^b, reduced labor costs (Guest, 1999)^b, and organizational commitment (Wallace, 1995).

This leads to the hypothesis that employees with an high level of satisfaction on the commitment HR system reveal high scores on trust. Das and Teng (1998) state that "the deployment of formal control mechanisms will undermine the level of trust among partners." In this paper we consider 'a formal

control mechanism' to be similar to the control HR system. The opposite holds for a commitment HR system. 'Trust among partners' is represented in this paper by the employee trust in management decision making. Whitener et al. (1998) endorse this statement: "organizations that are highly centralized, formalized, hierarchical, and focused on efficiency will be less likely to generate managerial trustworthy behavior ... than will organizations that are more decentralized, less formal, less hierarchical, and focused on effectiveness."

Hypothesis 1a: Perceived commitment human resource systems will result in higher scores on employee trust than perceived control human resource systems.

Several authors emphasize the importance of job security for employees: 'employment security' as one of Pfeffer's (1994) sixteen 'best practices'; 'employment security' as one of seven key strategic human resource practices ("the degree to which an employee could expect to stay in his or her job over an extended period of time") mentioned by Delery and Doty (1996); 'status and security' as a human resource practice according to Guest (1997). Commitment HR systems as represented by Arthur (1994) create more room to maneuver for employees in terms of participation in decision making, responsibility, personal development through training and high wages. For the individual employee this means more security for the near future as a result of for example higher financial rewards, better personal development and higher value of the individual employee as a result of the fact that the person is difficult to replace (caused by the knowledge, skills and responsibilities of the individual).

Hypothesis 1b: Perceived commitment human resource systems will result in higher scores on perceived job security than perceived control human resource systems.

Human resource systems and functions. The study of Wallace (1995) is focused on a specific group of employees: lawyers. Other studies (e.g. Arthur, 1994; MacDuffie, 1995) incorporate all employee categories within a firm without a classification of employees on the basis of their function. Mintzberg (1998) suggests differences between employee groups within an organization based on their degree of professionalization. High professionals (e.g. judge, surgeon, pilot, general, and professor) need less management control than low professionals do. The possible explanation for this

phenomenon is that low professionals need management on content. In other words: more direct control on activities. High professionals do not need as much management on content, but management on the underlying processes. Although all people are presumed to prefer a commitment oriented system, the former remarks lead to the expectation that different types of commitment systems are required depending on the professionalization of an employee category. For this study we will make a distinction between employees on the shopfloor and management. Managers are more 'professionalized', as a result of their knowledge, skills and working experience, than employees on the shopfloor. Managers need less direct control and more commitment oriented systems for optimal performance than employees on the shopfloor. Thus, the effects of a perceived commitment oriented system will be stronger for managers than for employees.

Hypothesis 2a: There will be a stronger positive relationship between perceived commitment human resource system and trust for managers than for employees on the shopfloor.

Hypothesis 2b: There will be a stronger positive relationship between perceived commitment human resource system and perceived job security for managers than for employees on the shopfloor.

Methods

The data (N = 2247) used for this study stem from questionnaire responses by employees of a flex company (an employment agency) in the Netherlands (response rate ~ 50%). Data were gathered in 2000. The Flex Company incorporates over 600 establishments and more than 4500 employees in the Netherlands¹. This makes the company one of the most important players in the Dutch flexwork business. The organization is an intermediary for temporary work, detachment and recruitment and selection. Furthermore, the organization has a department specialized in outplacement, reintegration activities² and education. The questionnaire was sent to all employees of the Flex Company, so that both managers and shopfloor personnel give their opinion on human resource management issues. The questionnaire was filled in by the employees of the flex company and not by temporary employees.

Measures

Human resource systems. The questionnaire contains information on employee participation, wages, training and skill development, information sharing, and supervision. High scores on employee participation, wages, and training and development, information sharing, and supervisor support represent a commitment oriented HR system and have a positive relationship with the performance of the organization (Arthur, 1994; Kalleberg and Moody, 1994; Pfeffer, 1994; Wallace, 1995). Principal component analysis was used to determine underlying factors. We applied varimax rotation and the final components were based on an eigenvalue > 1.000 . The analysis resulted in five factors:

1. Payment System³; represented by three items (cronbach $\alpha = 0.727$)
2. Employee Participation; represented by four items (cronbach $\alpha = 0.715$)
3. Training and Development; represented by three items (cronbach $\alpha = 0.715$)
4. Information Sharing; represented by six items (cronbach $\alpha = 0.820$)
5. Support of Supervisor; represented by thirteen items (cronbach $\alpha = 0.939$)

All concepts are constructed from items that represent the perception of an individual. See table 3a and 3b for a detailed description of the items, the five factors, and the descriptive statistics.

Control variables. Employee age (in years), type of employee contract (definite versus indefinite), gender (male/female), and type of work within the organization (routine versus specialized) were included as control variables. 50% of the respondents work as an intermediary for 'traditional' flexwork. Traditional flexwork is focused on temporary work, mainly for low educated individuals. The other 50% of the respondents work on more specialized issues within the Flex Company like:

- functional activities focused on medical jobs, jobs in the construction building, jobs in transport and logistics, and jobs on management and staff level
- activities focused on employability (career intervention, training and development, and reintegration after being ill or in case of disability)
- management and staff of the headquarters of the company (financial affairs, HRM department, information systems, facilities, and international activities)

Further, employee function was included to categorize employees of the organization. We distinguish five employee categories in the organization: employee, manager of an establishment, manager of a district, manager of a region, and others. 75% of the respondents are younger than 36 years old and 74% of the respondents works less than 5 years for the Flex Company. 82% of the employees in the sample have an indefinite contract, and 68% are male. (see table 4 for operationalization of the items).

Dependent variables. Trust is represented by three items that focus on the decision taken by managers of different levels of the organization. Principal Component analysis (with varimax rotation) is used to reduce the three items to the concept of trust in the analysis (cronbach $\alpha = 0.664$). Perceived job insecurity is represented by five items (cronbach $\alpha = 0.762$). (see table 5 for operationalization of the items) We did not include regular HRM outcomes like employee turnover and absence due to illness. Employee turnover is a problematic item, because of possible non-linear relationships with independent variables (see for example the comments of Arthur, 1994). Together with absence due to illness, employee turnover is a typical performance indicator used in analyses on organizational level. This study is focused on individual level.

Results

A major problem in this type of analysis is related tot the size of the dataset (N=2247). In the analysis every relationship between items or variables tends to become significant (see for example table 6 correlations). We should be careful with the interpretation of the outcomes as a result of this statistical limitation. In table 6 we find some strong correlations between:

- employee age and contract (positive); employee age is positively related to indefinite contracts
- employee age and tenure (positive); employee age is positively related to employee tenure
- employee age and shopfloor level (negative); managers are older than employees
- employee age and type of work (negative); employees working on the 'traditional' flexwork are younger than employees in more specialized functions
- contract and tenure (positive); employee tenure is positively related to indefinite contracts
- tenure and shopfloor level (negative); managers score higher on employee tenure than employees
- employee participation and trust in decision making (positive)

- employee participation and perceived job insecurity (negative)
- information sharing and trust in decision making (positive)
- support of supervisor and trust in decision making (positive)
- trust in decision making and perceived job insecurity (negative)

The first six of these effects are not very spectacular, but the latter five are interesting. The results of OLS (ordinary least squares) are presented in table 7. The adjusted R^2 of both model 1 (Adj. $R^2 = 0.410$) and model 2 (Adj. $R^2 = 0.409$) are acceptable. Employee participation, payment system, training and development, information sharing, and support of the supervisor have a positive relationship with the employee's trust in management decision making (see model 1). Employees on the shopfloor have less trust in management decisions than managers have in (top)management decisions. Tenure reveals a positive relationship with trust. Hypothesis 1a is accepted. The independent variables are standardized, so we can compare the values of the parameters.

The factor 'employee participation' ($\beta = 0.36$), 'information sharing' ($\beta = 0.31$) and 'support of the supervisor' ($\beta = 0.35$) seem to be the key factors for trust in this study. 'Payment system' has a β of 0.14 in model 1. The factor 'training and development' has a β of 0.13 in model 1. The variable 'shopfloor level' is a dummy with value 1 for employees on the shopfloor and value 0 for all managers. A hypothesis 2a presumes differences between groups of employees within the organization. In the analyses we used a division between two groups: employees on the shopfloor versus managers. The group 'managers' in the analyses incorporates managers of an establishment, managers of a district, and managers of a region (see table 4). Model 2 includes interaction effects to test hypotheses 2a (see table 7). The variables 'participation x shopfloor level', 'payment system x shopfloor level', 'training and development x shopfloor level', 'information x shopfloor level', and 'support of supervisor x shopfloor level' are used to test for differences between employees on the shopfloor and managers of the Flex Company. In model 2 we find no significant relationship between the five interaction variables and the dependent variable. We conclude that hypothesis 2a is rejected (see table 7).

In table 8 we present the results for perceived job insecurity in model 3 and model 4. Although the adjusted R^2 's are relatively low for both models, we do find some interesting significant relationships.

'Employee participation', 'payment system', 'training and development', 'information sharing', and 'support of supervisor' reveal a negative significant relationship with perceived job insecurity. High scores on participation, payment, training and development, information sharing, and support of the direct supervisor result in less worries about the employee's job and related issues. Employees on the shopfloor tend to worry more about their job than managers. This also counts for employees who have an indefinite contract. The latter is remarkable, because one would expect the opposite result. Employees with a higher score on company tenure are also less worried about their job. So hypothesis 1a is accepted.

'Employee participation' ($\beta = -0.25$) is the key factor for perceived job insecurity, although the differences with 'payment system' ($\beta = -0.20$) and 'information sharing' ($\beta = -0.20$) are not very big. If we look more closely to model 4 we can make the same conclusion with respect to hypothesis 2b as we made for hypothesis 2a. Interaction effects do not reveal any significant relationship with the dependent variable. In other words: both hypothesis 2a and 2b are rejected, implicating that there are no significant differences between employees on the shopfloor and managers in this study with respect to the impact of perceived work systems on trust and job insecurity.

Limitations

There are some limitations in this study. First, the analysis is cross-sectional, so we have to be very careful with statements concerning causal relationships. Second, analyses of large datasets usually result in a large number of significant relationships between the individual variables. Only strong relationships should be taken into account. Third, the data come from one large company in the Netherlands. We should be aware of the limitations with respect to generalization of the results. Finally, this study focuses on the perception of individual employees. There is no information of what actually happens in the company with respect to human resource management practices and systems. This poses an interesting question for future research in the field of HRM. What's more important with respect to research on the effectiveness of human resource management: (a) focus on the HRM practices actually performed in the organization and collected from key informants mostly HR managers (an approach used by amongst others Arthur, 1994; Huselid, 1995; and MacDuffie, 1995) or (b) focus on the perception of individual employees on HRM practices and systems (an

approach used by amongst others Guest, 1999^{a,b})? Both approaches probably contribute to academic inquiries, although the latter seems to be under-exposed.

Conclusions

Perceived commitment oriented HR systems, in this study represented by 'employee participation', 'payment system', 'training and development', 'information sharing', and 'support of supervisor' outperform perceived control oriented HR systems on both employee trust in management decision making and perceived job insecurity. The impact of 'employee participation' overrules the other factors in all models presented in this study. 'Support of supervisor' and 'information sharing' are particularly important for employee trust, while 'payment system' and 'information sharing' are important for perceived job insecurity. The overall conclusion is that employee participation results in employee trust in management and a good feeling of job security of the employee. Both hypothesis 1a and 1b are accepted. We didn't find any significant relationship between the interaction variables and the dependent variables. We reject both hypothesis 2a and 2b. There are no significant differences between managers and employees in this study. Commitment oriented HR systems are important for both employees on the shopfloor and managers. The Flex Company in this study operates in an highly competitive market in the Netherlands⁴. We find that 'employee participation', 'information sharing', and 'support of the direct supervisor' reveal a larger effect on the outcome variables than 'payment system' and 'training and development'. These findings are especially interesting for an organization in an highly competitive market, since cost reduction is crucial and participation, information sharing and a coaching leadership style are relatively inexpensive in comparison to payment and training and development. This argument may not only count for organizations in an highly competitive market, but also for small- and medium enterprises who have limited (financial) resources to shape 'new forms' of human resource management. Further research on this issue is desirable and necessary.

Notes

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1. On average an establishment in the Flex Company employs five individuals as an intermediary. Every establishment is run by a manager. Several establishments together operate within one district with a district manager as responsible person. There are about 26 (geographical) districts within the Netherlands. These districts belong to four regions (North, East, South, and West). Each region is managed by a regional manager. In this survey there are three types of managers: manager of an establishment, manager of a district, and regional manager.
2. Reintegration activities are based on a legal scheme aimed at reintegrating individuals who have been ill (or who are disabled) back into the labor process.
3. The construct 'payment system' in this study is the perception of individuals on the fairness and distributive justice of the reward system in the Flex Company. This construct fits the theoretical concept of equity.
4. The competitiveness is mainly the result of the positive legal climate for flexwork in the Netherlands and related to this issue the maturity of the sector.

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Table 1 Traditional- versus High-Commitment Work Systems

| ‘Traditional Work System’ | ‘High-Commitment Work System’ |
|--|---|
| narrowly defined jobs | broadly defined jobs |
| specialization of employees | rotation of employees through jobs |
| pay by specific job content | pay by skills mastered |
| evaluation by direct supervision | evaluation by peers |
| work is under close supervision | evaluation by peers |
| assignment of overtime or transfer by rule book | team assigns members to cover vacancies in flexible fashion |
| no career development | concern for learning and growth |
| employee as individuals | employee in a team |
| employee is ignorant about business | teams runs a business; business data shared widely |
| status symbols used to reinforce hierarchy | status differences minimized |
| employees have input on few matters | broad employee participation |

Source: Walton in Beer et al. (1984)

Table 2 Control- versus Commitment HR Systems

| ‘Control HR Systems’ | ‘Commitment HR Systems’ |
|---|--------------------------------------|
| centralization | decentralization |
| no participation | participation |
| no general training | general training |
| no skills training | skills training |
| no social activities | social activities |
| no due process | due process |
| low wages | high wages |
| no employee benefits | employee benefits |
| direct supervision | no direct supervision |
| individual bonus or incentive payments | group bonus or incentive payments |

Source: Arthur (1994)

Table 3a Independent HRM Variables^a (part I)

| | Means | s.d.^b |
|--|--------------|-------------------------|
| Payment System(cronbach $\alpha = 0.727$)^c | | |
| 1. I am not getting underpaid for my work | 2.70 | 1.40 |
| 2. In comparison to my colleagues I get well paid | 2.59 | 1.16 |
| 3. As far as I know our salary is as high or even better than the salaries of comparable organizations | 2.65 | 1.21 |
| Employee Participation (cronbach $\alpha = 0.715$) | | |
| 1. There is a lot of effort done to get to know the opinions and ideas of employees in my business unit | 3.07 | 1.33 |
| 2. Management is willing to do something with my recommendations | 3.11 | 1.16 |
| 3. Employees are encouraged to bring forward new solutions for problems | 3.64 | 1.22 |
| 4. I am satisfied with my participation with decision making related to my function | 3.64 | 1.25 |
| Training and Development (cronbach $\alpha = 0.715$) | | |
| 1. I am well prepared for my work because of the training I got from my business unit | 3.54 | 1.21 |
| 2. I get enough opportunities to attend skills training for improvement of my current function | 3.72 | 1.28 |
| 3. I get enough opportunities to attend skills training for improvement of my opportunities to a better function | 3.13 | 1.29 |

^aN= 2247. Respondents were asked to indicate importance, with 1 = disagree, 5 = agree

^bs.d. = standard deviation of the item

^cA value of cronbach α between 0.65 and 0.90 is usually acceptable for further analysis.

Table 3a Independent HRM Variables^a (part II)

| | Means | s.d.^b |
|--|--------------|-------------------------|
| Information Sharing (cronbach α = 0.715) | | |
| 1. I am well informed on the vision and mission of the company | 3.93 | 1.13 |
| 2. I am well informed on the future plans of the company | 3.51 | 1.26 |
| 3. I am well informed on the business results of the company | 3.39 | 1.26 |
| 4. I am well informed on the full service package of the company | 3.33 | 1.25 |
| 5. I am well informed on the activities of other establishments and units of the company | 2.80 | 1.24 |
| 6. I am well informed on the service standards of the company | 2.93 | 1.34 |
| Support of Supervisor (cronbach α = 0.939) | | |
| 1. My direct supervisor shows appreciation for a job well done | 3.71 | 1.35 |
| 2. The leadership style within my unit encourages us to do our best | 3.30 | 1.38 |
| 3. My direct supervisor is available when you need him/her | 3.97 | 1.20 |
| 4. My direct supervisor communicates effectively | 3.53 | 1.37 |
| 5. My direct supervisor understands the technical aspects of my work | 4.08 | 1.15 |
| 6. My direct supervisor stimulates teamwork | 3.80 | 1.28 |
| 7. My direct supervisor sets clear goals | 3.66 | 1.31 |
| 8. My direct supervisor motivates and inspires me | 3.44 | 1.38 |
| 9. My direct supervisor involves me in the planning of my work | 3.58 | 1.37 |
| 10. My direct supervisor is open minded with respect to my suggestions | 4.09 | 1.08 |
| 11. My direct supervisor applies the ideas and suggestions from me | 3.57 | 1.15 |
| 12. My direct supervisor lets me know how I perform on a regular basis | 3.30 | 1.36 |
| 13. My direct supervisor takes good care for the development of skills of employees | 3.22 | 1.28 |

^aN = 2247. Respondents were asked to indicate importance, with 1 = disagree, 5 = agree

^bs.d. = standard deviation of the item

^cA value of cronbach α between 0.65 and 0.90 is usually acceptable for further analysis.

Table 3b Factor Loadings of the Independent HRM Variables

| | Support of Supervision | Information Sharing | Employee Participation | Payment System | Training and Development |
|-------------------|-------------------------------|----------------------------|-------------------------------|-----------------------|---------------------------------|
| Pay (1) | 0.03 | 0.05 | 0.01 | 0.85 | 0.01 |
| Pay (2) | -0.01 | 0.03 | 0.11 | 0.76 | 0.05 |
| Pay (3) | 0.04 | 0.14 | 0.04 | 0.76 | 0.05 |
| Participation (1) | 0.22 | 0.15 | 0.62 | 0.10 | 0.07 |
| Participation (2) | 0.21 | 0.11 | 0.75 | 0.05 | 0.06 |
| Participation (3) | 0.40 | 0.14 | 0.58 | 0.00 | 0.14 |
| Participation (4) | 0.34 | 0.12 | 0.56 | 0.06 | 0.16 |
| Training (1) | 0.16 | 0.21 | -0.02 | -0.04 | 0.67 |
| Training (2) | 0.20 | 0.08 | 0.16 | 0.06 | 0.84 |
| Training (3) | 0.21 | 0.06 | 0.26 | 0.14 | 0.74 |
| Supervision (1) | 0.73 | 0.04 | 0.18 | 0.07 | 0.07 |
| Supervision (2) | 0.63 | 0.13 | 0.43 | 0.07 | 0.11 |
| Supervision (3) | 0.69 | 0.03 | 0.16 | 0.03 | 0.03 |
| Supervision (4) | 0.82 | 0.06 | 0.13 | 0.04 | 0.02 |
| Supervision (5) | 0.63 | 0.10 | 0.06 | 0.07 | 0.15 |
| Supervision (6) | 0.81 | 0.06 | 0.14 | -0.05 | 0.05 |
| Supervision (7) | 0.74 | 0.13 | 0.06 | -0.01 | 0.11 |
| Supervision (8) | 0.86 | 0.08 | 0.16 | 0.05 | 0.06 |
| Supervision (9) | 0.68 | 0.04 | 0.18 | -0.06 | 0.09 |
| Supervis. (10) | 0.69 | 0.02 | 0.36 | 0.00 | 0.11 |
| Supervis. (11) | 0.64 | 0.02 | 0.38 | -0.03 | 0.07 |
| Supervis. (12) | 0.73 | 0.12 | 0.02 | 0.02 | 0.13 |
| Supervis. (13) | 0.80 | 0.06 | 0.12 | 0.06 | 0.18 |
| Information (1) | 0.09 | 0.70 | 0.15 | -0.02 | 0.11 |
| Information (2) | 0.09 | 0.72 | 0.13 | 0.01 | 0.15 |
| Information (3) | 0.07 | 0.69 | 0.03 | 0.04 | 0.07 |
| Information (4) | 0.09 | 0.76 | 0.00 | 0.04 | 0.04 |
| Information (5) | 0.05 | 0.67 | 0.03 | 0.09 | -0.01 |
| Information (6) | 0.04 | 0.72 | 0.16 | 0.08 | 0.04 |

Extraction method: Principal component analysis; Rotation Method: Varimax

Table 4 Independent Control Variables^a (part I)

| | Frequency | Percentage | |
|--|------------------|--|----------------------|
| Function | | | <u>Group:</u> |
| employee | 1556 | 69.2% | 'shopfloor level' |
| manager of an establishment | 386 | 17.2% | 'management level' |
| manager of a district | 66 | 2.9% | 'management level' |
| manager of a region | 22 | 1.0% | 'management level' |
| others | 192 | 8.5% | |
| <u>Total:</u> | 2222 | 98.9% (system missing 25 observations) | |
| | | | |
| Employee Age | | | |
| < 25 years | 335 | 14.9% | |
| 26-35 years | 1354 | 60.3% | |
| 36-45 years | 376 | 16.7% | |
| 46-55 years | 150 | 6.7% | |
| > 55 years | 21 | 0.9% | |
| <u>Total:</u> | 2236 | 99.5% (system missing 11 observations) | |
| | | | |
| Company Tenure | | | |
| How many years are you working for the company? | | | |
| < 1 year | 415 | 18.5% | |
| 1-2 years | 356 | 15.8% | |
| 2-5 years | 881 | 39.2% | |
| 5-10 years | 321 | 14.3% | |
| > 10 years | 260 | 11.6% | |
| <u>Total:</u> | 2233 | 99.4% (system missing 14 observations) | |

^aN = 2247.^bs.d. = standard deviation of the item

Table 4 **Independent Control Variables^a (part II)**

| | Means | s.d.^b |
|---|--------------|-------------------------|
| Contract (dummy) indefinite = 1, definite = 0 | 0.82 | 0.38 |
| Gender (dummy) Male = 1, Female = 0 | 0.68 | 0.46 |
| Type of Work (dummy) 'traditional flexwork' = 1, Specialized work = 0 | 0.50 | 0.50 |

^aN = 2247.

^bs.d. = standard deviation of the item

Table 5 **Dependent Variables**

| | Means | s.d.^c |
|---|--------------|-------------------------|
| Trust in Decision Making (cronbach α = 0.664)^{a, c} | | |
| - I trust the decisions taken by my direct supervisor | 3.84 | 1.20 |
| - I trust the decisions taken by the management of my business unit | 3.21 | 1.18 |
| - I trust the decisions taken by the management of the company | 3.05 | 1.14 |
| Job Insecurity (cronbach α = 0.762)^{a, c} | | |
| - I am worried a lot that I will loose my job | 1.90 | 1.26 |
| - I am worried a lot that I can not make a career | 2.53 | 1.43 |
| - I am worried a lot about the future of my establishment | 3.05 | 1.50 |
| - I am worried a lot about the future of my unit | 2.82 | 1.46 |
| - I am worried about the future of the company | 3.00 | 1.40 |

^aN = 2247. Respondents were asked to indicate importance, with 1 = disagree, 5 = agree

^bs.d. = standard deviation of the item

^cA value of cronbach α between 0.65 and 0.90 is usually acceptable for further analysis.

Table 6 Correlations

| | Age | Contract | Gender | Tenure | Shopfl. Level | Work Type | Particip. | Payment | Training | Informat | Support Supervis. | Trust | Insecurit y |
|--------------------------|----------|----------|---------|----------|---------------|-----------|-----------|----------|----------|----------|-------------------|----------|-------------|
| Age | 1.00 | | | | | | | | | | | | |
| Contract | 0.28*** | 1.00 | | | | | | | | | | | |
| Gender | -0.19*** | -0.05* | 1.00 | | | | | | | | | | |
| Tenure | 0.43*** | 0.61*** | -0.06** | 1.00 | | | | | | | | | |
| Shopfl. Level | -0.30*** | -0.21*** | 0.23*** | -0.33*** | 1.00 | | | | | | | | |
| Work Type | -0.30*** | -0.06** | 0.09*** | 0.09*** | 0.14*** | 1.00 | | | | | | | |
| Particip. | -0.05* | 0.00 | 0.03 | 0.03 | 0.20*** | 0.02 | 1.00 | | | | | | |
| Payment | 0.10*** | 0.09*** | -0.05* | -0.05* | -0.03 | -0.16*** | 0.00 | 1.00 | | | | | |
| Training | -0.07** | 0.04 | 0.02 | 0.02 | 0.10*** | 0.07** | 0.00 | 0.00 | 1.00 | | | | |
| Informat | 0.03 | 0.00 | 0.00 | 0.00 | 0.13*** | -0.14*** | 0.00 | 0.00 | | 1.00 | | | |
| Support Supervis. | 0.14*** | 0.09*** | -0.05* | -0.05* | -0.15*** | -0.02 | 0.00 | 0.00 | 0.00 | 0.00 | 1.00 | | |
| Trust | 0.12*** | 0.15*** | 0.00 | 0.00 | -0.04 | -0.10*** | 0.35*** | 0.15*** | 0.11*** | 0.29*** | 0.38*** | 1.00 | |
| Insecurit y | -0.11*** | -0.04 | 0.00 | 0.00 | 0.03 | 0.09*** | -0.24*** | -0.21*** | -0.11*** | -0.19*** | -0.20*** | -0.45*** | 1.00 |

* p < 0.05, ** p < 0.01, *** p < 0.001 (2-tailed)

Table 7 Perceived HR System and Employee Trust in Decision-Making

| | Model (1) | Model (2) |
|--------------------------------------|------------|-----------|
| Constant | 0.05 | 0.05 |
| Contract | 0.05 | 0.05 |
| Employee Age | 0.01 | 0.01 |
| Gender | 0.08* | 0.08* |
| Company Tenure | 0.10*** | 0.10*** |
| Shopfloor level | -0.17*** | -0.17*** |
| Type of Work | -0.06 | -0.06 |
| Employee Participation | 0.36*** | 0.35*** |
| Payment System | 0.14*** | 0.17*** |
| Training and Development | 0.13*** | 0.14*** |
| Information Sharing | 0.31*** | 0.29*** |
| Support of Supervisor | 0.35*** | 0.37*** |
| Empl.Participation x Shopfloor level | | 0.01 |
| Payment S. x Shopfloor level | | -0.03 |
| Training/Dev. x Shopfloor level | | -0.02 |
| Information x Shopfloor level | | 0.02 |
| Support Supervisor x Shopfloor level | | -0.02 |
| N | 2247 | 2247 |
| R ² | 0.413 | 0.414 |
| Adj.R ² | 0.410 | 0.409 |
| F | 133.541*** | 91.900*** |

* p < 0.05, ** p < 0.01, *** p < 0.001

Independent variables are standardized

Table 8 Perceived HR System and Perceived Job Insecurity

| | Model (3) | Model (4) |
|--------------------------------------|-----------|-----------|
| Constant | -0.28*** | -0.28*** |
| Contract | 0.25*** | 0.24*** |
| Employee Age | -0.05* | -0.05* |
| Gender | -0.06 | -0.06 |
| Company Tenure | -0.11*** | -0.11*** |
| Shopfloor level | 0.14** | 0.14** |
| Type of Work | 0.04 | 0.04 |
| Employee Participation | -0.25*** | -0.27*** |
| Payment System | -0.20*** | -0.25*** |
| Training and Development | -0.14*** | -0.13*** |
| Information Sharing | -0.20*** | -0.22*** |
| Support of Supervisor | -0.18*** | -0.18*** |
| Empl.Participation x Shopfloor level | | 0.02 |
| Payment S. x Shopfloor level | | 0.06 |
| Training/Dev. x Shopfloor level | | -0.01 |
| Information x Shopfloor level | | 0.03 |
| Support Supervisor x Shopfloor level | | -0.01 |
| N | 2247 | 2247 |
| R ² | 0.214 | 0.215 |
| Adj.R ² | 0.209 | 0.209 |
| F | 51.223*** | 35.452*** |

* p < 0.05, ** p < 0.01, *** p < 0.001

Independent variables are standardized

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