High Performance Work Practices: Buffer in Times of Job Insecurity

Muhammad Waqas

School of Management, University of Science and Technology of China, Hefei, Anhui Province, P.R. China

Author email address: <u>mwaqas@mail.ustc.edu.cn</u>, <u>waqas.nbs10@yahoo.com</u>,

ABSTRACT

Job insecurity has become hot topic because of its adverse effects on employees and organizations. However, role of High Performance Practices has rarely been studied in job insecurity literature and less is known about how it could help employers to reduce negative effects of job insecurity. Blending insights from Social exchange theory and AMO theory, this study aimed to explore how organizations can reduce adverse effects of job insecurity by using High Performance Practices. The study also examined that which aspect among the two different (isolationist perspective or integrationist perspective) operationalized aspects of high performance practices is more effective in reducing negative effects of job insecurity. Self-reported data from 172 Chinese employees was analyzed. The structural equation modeling analysis resulted in favor of our proposed hypotheses. First, work engagement mediated the negative effect of job insecurity on job performance. Second, interactive effect of high performance practices buffered against adverse effect of job insecurity. Third, we concluded that integrationist perspective is more effective than isolationist perspective in reducing negative effects of job insecurity. The findings of this study can be helpful for managers who are interested to increase level of employee's work engagement particularly who survived during mergers and layoffs.

Keywords: Job insecurity, work engagement, performance, high performance work practices, social exchange theory, AMO theory

Introduction

During the last few decades, increased globalization, advancement in information technology and changes in business processes has changed the working conditions dramatically (Astarlioglu, Kazozcu, & Varnalia, 2011; De Witte et al., 2004). These changes have raised issues of increased economic dependency and rapid changes in consumer markets. As a result, organizations have shifted towards restructuring their workforce such as downsizing, layoffs, mergers and outsourcing for their

survival in market and become more profitable (Burke & Nelson, 1998; Van Vuuren, Klandermans, Jacobson, & Hartley, 1991). With increased level of mergers and layoffs, there is growing sense of instability among employees.

Job insecurity is well defined as "employee's overall concern about future existence of the job" (Rosenblatt & Ruvio, 1996). It also reflects the difference between experienced and expected level of job security (Heaney, Israel, & House, 1994). Insecure employees exhibit negative physiological and psychological responses (De Cuyper & De Witte, 2007; Laine, van der Heijden, Wickström, Hasselhorn, & Tackenberg, 2009; Mauno, Kinnunen, Mäkikangas, & Nätti, 2005).

As physical capital and technology are readily available to everyone and everywhere, the source for competitive advantage pointed towards strategic human resource management (Dyer, 1993). Moreover, it is accepted that effective management of employees is an influential way to deal with changing working environment and to attain organizational goals (Kehoe & Wright, 2013). Scholars from strategic human resource management (SHRM) attributed that organizations can use performance oriented practices to motivate their employees for better performance (B. Becker & Gerhart, 1996; Wright, Dunford, & Snell, 2001), this idea was further supported by large number of empirical studies (Combs, Liu, Hall, & Ketchen, 2006; MacDuffie, 1995; Messersmith & Guthrie, 2010; Wright, Gardner, Moynihan, & Allen, 2005).

Research has well documented the negative effects of job insecurity on organization related attitudes. However, less has been explored about effects of job insecurity on employee behavioral outcomes such as work engagement, job performance and organizational citizenship behavior (Sverke & Hellgren, 2002). In spite of growing interest to the study the effects of job insecurity, researchers in past have not explored the influence of HR system on reducing the effects of job insecurity.

Main objective of this study is to fill this gap and examine how job insecurity effects on workers performance. This research aims to test the moderating effect of high performance practices on employee related outcomes under perceived threat of insecure job. The study also seeks to examine mediating effect of work engagement. To the best of our knowledge, this is the first study that addresses importance of HR practices on reducing the effects of job insecurity. By testing mediating and moderating effects, this study will contribute to job insecurity and HRM literature First, from HRM literature, we identify HPWP as a critical moderator, which buffers against negative effects of job insecurity on work engagement. Our outcomes may shed light on inconsistent empirical effect of job insecurity on employee's job performance. Second, we further explored how HPWPs can help employers to reduce effect of job insecurity by testing mediating role of work engagement. Third, we provided empirical support for effectiveness of integrated HR practices compare to isolationists approach.

Job Insecurity

There are many people, who only had few jobs or even only one job during entire of their working life. If so, probably they are not part of government organization and they are probably to be at age of 50s, they are grown up in the era when loyalty and hard work provided a steady career growth. They might have spent major part of their career in only one organization, never made any try to find something better having any perception of layoffs. However, these days, working environment is totally different. Globalization, economic recession, outsourcing, rapid expansion in private sector and even natural disaster have made job security like a thing of past. New entrants into workforce during last few years may have experience of more than 10 jobs before they retire. Job insecurity is something that employee's face at one time or another time during his career.

Job insecurity has been considered as job stressor (Probst, 2000; Sverke & Hellgren, 2002), which effects negatively not only on physical and mental health, but has detrimental effects on work behavior. For instance, being insecure about their jobs, employees may report reduced motivation to perform well and may withdraw themselves from stressed working environment by being less committed to their job (Scheck, Kinicki, & Davy, 1997). Most frequent outcome of job insecurity has been impairment in job satisfaction and organizational commitment (Chirumbolo & Hellgren, 2003; Cuyper & Witte, 2006). Employee who perceives job insecurity; more likely to involve in counter productive work behavior and work withdrawal intention (Reisel, Probst, Chia, Maloles, & König, 2010).

Despite the increasing research on job insecurity, an important gap still exists in literature. Most of research conducted till date has only focused on negative consequences of perceived job insecurity on individual and organizational outcomes. To best of our knowledge, only few studies have been done to explore some motivational factors that could help employers to reduce its undesirable influence on employee's working attitude.

Job Insecurity and Job Performance

Job performance indicates how effectively employee executes his assigned responsibilities and his useful contribution to social work environment. Technical performance shows how a worker handles job demands, makes right decisions and performs without making any mistake while social performance refers to employee's ability to get along with his colleagues, his compromises with people around him and how he avoids fighting or arguing at workplace. Employee's performance at work could be affected by the fact how much he feels secure about his employment. Many studies have tried to observe the effect of work stressors on job performance (McGrath, 1976; Welford, 1973), but only few of them have considered job insecurity as stressor.

Abramis (1994) reported inverted U-shaped relationship between job insecurity and performance. Two theories have well defined the relationship between stressor and performance, information-processing theory and expectancy theory. According to information- processing theory (Miller, 1956); workers usually mishandle the information under the threat of job loss, this mishandling of information leads towards improper functioning of employees. Expectancy theory (Vroom, 1964) states that three variables contribute to measure performance of a worker: attractiveness of worker towards his performance target, his expectations about probability of achieving his target by putting efforts and amount of motivational strength (Lewin, 1938). Previous research does not show any consistent relationship between job insecurity and job performance. Researchers who believe that job insecurity is a hindrance stressor have negative effects on employee's behavioral outcomes (Armstrong-Stassen, 1993; Heaney et al., 1994). One possible way to deal with hindrance stressor is to behaviorally withdraw from such situation. This behavioral withdraw will lead towards reduced performance and OCB as well as increase in voluntary turnover (King, 2000; Scheck et al., 1997). Lepline et al, (2005) confirmed the prediction that hindrance stressor was negatively linked with performance and the relationship was mediated by lowered motivation. However, other researchers (Borg & Elizur, 1992; Repenning, 2000) argued that effect of job insecurity on job performance and other behavioral outcomes might be in other direction. They proposed that fear of losing one's job could motivate employee to involve in individual action to cope with threat of job loss. Jacobsen (1991) conducted their research in Israel and The Netherlands. Around 500 employees in both countries stated that they believe higher level of personal output protect them best. Observing arguments of these researchers, job insecurity is reflected as challenge stressor that enhances employee's performance (Cavanaugh, Boswell, Roehling, & Boudreau, 2000). Job insecurity could also result in increased level of employee's efforts if they believe their efforts will improve organization's performance and thus their own job security (Gilboa, Shirom, Fried, & Cooper, 2008).

To conclude, we propose a model that integrates negative effect of job insecurity on job performance. Consistent with literature and theory our dependent variable is job performance. We tested our proposed model with sample of Chinese non-managerial employees.

Job Insecurity and Work Engagement

The effect of job insecurity on employee related outcomes can be clearly understood by theoretical support provided by literature on job stress. Existing literature has suggested that withdrawal from stressful environment is most common practice in response to tension (Chisholm, Kasl, & Eskenazi, 1983). Employees try to avoid deadly situations generated by job stress by engaging themselves in withdrawal behaviors such as job dissatisfaction, low work engagement and quitting (Gupta & Beehr, 1979). The experience of job insecurity has often been associated with high level of anxiety (Jacobson, 1987). This anxiety arises from uncertainty regarding when layoff will occur and who will be affected by this layoff. It is the ambiguity allied with job insecurity that generates highly stressful environment for workers. Since job insecurity is undesired stress among workers, job dissatisfaction, lower work engagement and other noncompliant behavior can be construed as employee's attempt to withdrawal from work.

Work engagement is defined as "persistent, positive and effective motivational state (Maslach, Schaufeli, & Leiter, 2001). Kahn (1990) attributed that of fulfillment" people ask three basic questions from themselves in each working environment: a) How meaningful is it for me to bring myself into this performance (Psychological meaningfulness)? b) How safe is it for me to do so (Psychological Safety)? c) How available am I to do so (Psychological availability)? He concluded that these three psychological attributes affect employee's engagement. Psychological availability refers to how secure employee feels about his work and status. Employees must feel secure so they can express themselves in a system (Gustafson & Cooper, 1985). Social exchange theory (SET) provides strong theoretical rationale for work engagement. SET describes relationships are generated on reciprocal interdependence, it evolves over time into trust and loyal as long as both parties abide by certain "rules" of exchange (Cropanzano & Mitchell, 2005). Rules of exchange involve repayment such that action of one party lead to reaction of other party, e.g. when employees receive resources from organization, they feel obliged and repay the organization. One way to repay the organization is high level of work engagement exhibited by employees. That means employees will choose to engage in their work in response to resources they receive from organization. Insecurity distracts employees from their working environment; generates anxiety that consumes energies that would have otherwise utilized into work engagement. Thus, job insecure employees experience greater stress, anger, frustration and anxiety (Kiefer, 2005), such employees are less engaged to their assigned tasks and have less positive effects (Wiesenfeld, Brockner, Petzall, Wolf, & Bailey, 2001). Previous studies concluded job insecurity is negatively linked with each dimension of work engagement (Luthans & Youssef, 2007; Mauno, Kinnunen, & Ruokolainen, 2007).

H1: Work engagement mediates the negative relation between job insecurity and job performance.

Role of HR Practices

Concept of HRM has remained focus of research in last two decades. Guest (2002) concluded that work force is important for organization's success and their outcomes are vital in the study of HRM. Examining the experience of HR practices from employee's perspective helps to evaluate effectiveness of HRM. There are two (hard, soft) versions of HRM; Storey (1995) well explained the difference between these two aspects. Whitener (2001) referred hard version as control approach. Control approach states that employees should be treated in a formal way with

effective management of employees at work and aligning HR practices with organization's goals (D. Guest, 2002). This approach depends on procedures, rewards and sanctions.

On contrary, soft version refers to commitment approach. It underlines to treat employees as valued individuals and works for their well-being. Soft version is focused on human relation and stresses the significance of winning employee's organizational commitment. It is also linked with high performing work practices instead of using rules, and sanctions. According to AMO theory, organization's ability to perform depends upon its employee's ability, motivation and opportunities available to them for participation and they will perform well when: (a) they have required knowledge and expertise to accomplish their assigned task (abilities); (b) they are sufficiently motivated and incentivized to do job (motivation); (c) they get enough support from their work supplies to perform their job (opportunity). HRM practices have significant influence on AMO variables (Boxall, Purcell, & Wright, 2008). These practices play vital role in enhancing employee's ability and motivation at workplace. Practices such as training and development assumed as enhancing abilities, whereas pay and promotion opportunities are seen as motivational factors. Autonomy, communication and involvement in decision making process are regarded as helpful for promoting opportunities to contribute more (Appelbaum, 2000).

Role of High Performance Practices

In recent decades, focus on HRM has witnessed trends from traditional working environment (task specialization, supervisory control over employees) to flexible working environment encompassing supportive managerial approach (Bauer, 2004; Edwards & Wright, 2001). This shift has resulted in wide acceptance of HRM practices as an important way of competitive advantage, built on resource-based view (RBV). According to RBV, HR practices itself is not the competitive advantage for the organizations; somewhat unique characteristics of workforce that actually matters (Delery, 1998; Wright et al., 2001). This concept has inspired researchers for exploration of High Performance Work Practices.

The concept of HPWPs has been defined differently by researchers. Studies show inconsistent definitions for this concept. Findings in literature (D. Guest, Conway, & Dewe, 2004; Macky & Boxall, 2008) allied these inconsistencies to the way in which scholars analyzed these practices without any strong theoretical background. Other researchers (Beltrán-Martín, Roca-Puig, Escrig-Tena, & Bou-Llusar, 2008; Gould-Williams, 2004) linked these inconsistencies on use of different terminologies describing one concept, e.g. high-involvement management (R. D. Mohr & Zoghi, 2008), high-commitment management (Whitener, 2001) and innovative work place practices. Generally, HPWPs are considered as combination of HRM practices implemented to develop highly motivated and well engaged workforce so they can

conduct their job roles in a better way (Julian Gould-Williams & Davies, 2005; Youndt, Snell, Dean, & Lepak, 1996).

HPWPs are implemented primarily to enhance employee's skills and motivation for organizational growth (Youndt et al., 1996). Research does not show any agreement about those HRM practices that should be included in HPWPs. Kehoe and Wright (2013) concluded that all practices included in HPWPs should promote employee's ability, motivation and opportunity. Most widely used practices in public and private sectors to motivate employees include training and development, job security, result based appraisal, job security, promotion, performance based salary, communication, procedural justice, involvement in decisions and autonomy (Leat & El-Kot, 2007; Teclemichael Tessema & Soeters, 2006).

Employment relations can be seen as social and economic exchanges (Snape & Redman, 2010). These exchanges are seen as norm of reciprocity *i.e.* people are obliged to give them back who have given to them (Tzafrir, 2005). When employees have enough abilities, motivation and opportunities they will perform more positively (Aryee, Budhwar, & Chen, 2002).

Training and development is a source to keep employee's knowledge, skills and competencies up-to-date so they can perform better. Such activities create sense of commitment and loyalty for the organization (Iverson & Zatzick, 2007). Performance based promotion opportunities shows how well employer is interested in well-being of his workforce and is willing to capitalize on them (McClean & Collins, 2011). Performance based pay increment creates sense of fair treatment among employees. Effective communication helps employees to clearly identify their roles and tasks that they are supposed to perform. It also helps to better understand the reasons for any organizational decision, which will ultimately enhance their trust on the organization. All these practices will contribute in strengthening the employee's commitment, work engagement and loyalty and will motivate them to do their best for their organization. High performance system helps to shape employee's attitude by developing strong psychological relationship between employee's behavior and organization's goals (lies et al., 1990). These practices show that organization is committed to provide better working environment and is concerned to wellbeing of its employees (Snape & Redman, 2010). Such practices signals to employees that organization wants to build social exchange relations with them and in return organization expects from them to exhibit positive attitudes and behaviors that will help organization to achieve its goals (Lee & Bruvold, 2003).

HP Practices and Work Engagement

Many researchers claimed that work engagement predicts organizational success (Baumruk, 2004; Richman, 2006). However, work engagement has rarely been explored and less literature is available (Saks, 2006). It is important to note that work engagement is different to commitment. Saks (2006) concluded that work

engagement and commitment are two different concepts. Commitment is employee's wish to remain attached with particular organization that is taken as willingness to work for organization and put your best efforts for better performance (T. E. Becker, Randall, & Riegel, 1995). While, work engagement is "degree of absorption into one's role performance in an organization" (Saks, 2006). HR practices play an important role in engaging employees (Lockwood, 2007). To create high degree of work engagement, reward system is important, such as employee development programs and positive working environment (Higgs, 2007). He concluded that HR practices can engage employees in a better way by providing them with challenging job demands and available opportunities for their growth.

Work engagement is an important employee related outcome. For sustained competitiveness, employers should attract and retain their employees. One critical issue is to implement such HR practices that can help to create sense of high work engagement. May, Gilson and Harter (2004) suggested that psychological conditions are important for creating high degree work engagement. Job design is also helpful in creating high level of work engagement (Clinton, Woollard, & Martin, 2011). This suggests that when employees are placed effectively at right positions, their engagement tends to be high as there is good fit between job demands and their skills. Other HR practices could also be effective for work engagement, such as available internal mobility opportunities, compensation, training and development opportunities and participation in decisions. In other words, employer can earn high level of work engagement by implementing high- performance work practices.

H2: HPWPs moderate the negative effect of job insecurity on work engagement. Specifically, the negative effect of job insecurity on work engagement is less pronounced when high-performance practices are implemented in an organization.

The Integrationist and Isolationist Perspective

This paper is based on the integrationist and isolationist perspective of HPWPs. This is the idea that different HRM practices usually support each other and produce desirable effects when implemented together. This idea is major theme in HPWPs literature and form the basis of operationalization of HPWPs. The integrationist approach is focused on mutual implementation of HRM practices (Huselid, 1995; Wood & de Menezes, 2008). This perspective represents a comprehensive system of HR practices whose interactions are important determinant for desired organizational outcomes (Combs et al., 2006). Reason for bundling different HR practices into coherent system is straightforward. Since, employee's performance is based on their abilities and motivation, so it is important to have such system that could affect their abilities as well as motivation. Integrated practices seem to be more effective to any of individual practices in enhancing abilities, motivation and facilitating to produce positive changes in any organization (Ichniowski, Shaw, & Prennushi, 1993). Although there is inconsistency in terms of main HRM practices

organizing comprehensive integrationist HPWPs system (Barling, Kelloway, & Iverson, 2003; Macky & Boxall, 2008; Wood, 1999), but the leading view supports a unique system of HR practices including skill development programs, job security, flexible work arrangements, employee involvement practices, incentive schemes and information sharing mechanism (Combs et al., 2006; Harley, Allen, & Sargent, 2007).

The other approach for operationalization of HPWPs is isolationist perspective. This approach is focused on unique effects of individual HRM practices (Boxall, Ang, & Bartram, 2011). In this approach different HRM practices are assumed to produce unique effects (Kalmi & Kauhanen, 2008). When distinct HRM practices are examined in combination, their discrete properties may be underestimated, leading to inappropriate understanding of their exclusive effect (Bryson & White, 2008).

There has been a lot of criticism on isolationist perspective by researchers in favor of integrationist perspective (Beltrán-Martín et al., 2008; MacDuffie, 1995). These researchers argued that isolated perspective does not present strong theoretical and empirical support. Moreover, one may not fully understand the mechanism by which HRM practices interact with organizational gains without considering interdependencies (B. E. Becker, Huselid, Becker, & Huselid, 1998). By examining the isolated effects of HR practices, the real complex mechanism of organization process may reduce to only separate HR practices. Indeed, research has shown some useful advantages of isolationist perspective. Firstly, this approach advances our understanding about unique effect of each individual HRM practice and helps us on possible ways of combining different HRM practices into effective HPWPs system (Gould-Williams, 2004). Secondly, evaluating the independent effects helps us to understand whether combination of specific practices have desired outcomes (Combs et al., 2006; Delery, 1998). This follows the supposition that some HRM practices are substitutes of each other, combined effects of such practices is equal to effect of one practice.

Unfortunately, only few studies have tried to compare effects of two perspectives simultaneously. Combs et al (2006) noted that only 2 studies among 92 have simultaneously evaluated two different perspectives of HPWPs and their effects on organizational level outcomes. Lack of consistency in terms of combination of HRM practices sheds light on effective ways of combining different HRM practices into coherent HPWPs system (White, Hill, McGovern, Mills, & Smeaton, 2003). Moreover, not all combinations of HRM practices yield into effective HPWPs system (B. E. Becker, Huselid, Pickus, & Spratt, 1997). Becker et al. (1997) described the chances for bundle of HRM practices to produce "lethal system" in which distinctive HRM practices produce beneficial outcomes when analyzed in isolation. In such cases, the combined effect may result to no beneficial outcome. Therefore, it is important to have sufficient knowledge of insolent perspective of HRM practices in defining whether specific combination will have beneficial effect or not. This paper does not aim to disagree with supposed benefits associated with any of two

perspectives; rather we just want to expose true picture of two different perspectives of HPWPs by examining their effectiveness under perceived threat of job loss.

H3: Integrated HR practices have stronger moderation effect on negative relationship between job insecurity and work engagement. Specifically, negative effect of job insecurity on work engagement is less pronounced when integrated HR practices are implemented than isolated practices.

Methodology

Convenience sampling technique was used to collect data from Chinese employees working in two different provinces of China. In total, we received 172 (out of 511) responses with response rate of 33.6 percent. As we used the scales developed in English and translated them into Chinese, for back translation we took help from two Chinese bilingual academicians to confirm the quality and accuracy of translation (Brislin, 1980). The participants filled the questionnaires during their office hours. The questionnaires were accompanied by a cover letter explaining the survey was being conducted solely for academic purpose and stressing voluntary participation to increase participant's truthfulness. The sample was comprised of 53 percent (N= 92) men and 47 percent (N= 80) of women, with an average age of 30years (SD=0.47); 27 percent were younger than 27 years of age, 72 percent were between 27 and 31years, 1 percent were between 32 and 36years old. With respect of education, 58 percent (N= 100) of total respondents were graduate, compared to 40 percent (N= 69) who had done post graduate studies and 2 percent (N= 3) had other qualification. The mean tenure was 6years (SD. 0.69); 20percent had tenure for less than 3years, 52 percent had tenure for 3 to 6years, 28 percent had worked in current organization for 7 to 10years.

Measures

Control Variables: Existing literature has pointed out individual characteristics have detrimental effects on perception of job insecurity. Specifically, gender, age, education, contract type and organizational tenure have been highlighted so far. Research shows inconsistent effect of job insecurity on gender. On one side, men are considered as sole breadwinner in the family, loss to their job will affect their source of income as well also their identity (Rosenblatt, Talmud, & Ruvio, 1999), while on the other hand, females could also be more affected by job insecurity, men usually have higher employability and it is comparatively easy for them to find new job (Greenhalgh & Rosenblatt, 1984). Women often have less influence in the labor market; they experience less control over their job future (Johnson, Bobko, & Hartenian, 1992), insecure job will lead them to further stressful situation (Bellou, 2009).

Regarding age, older employees have been assumed to have lower occupational mobility, they are less likely to find new jobs (Kuhnert & Vance, 1992). Henceforth,

fewer chances to find new job leave them more vulnerable compared to their counterparts (G. B. Mohr, 2000). Being insecure about their jobs, older employees feel better well-being (Kuhnert & Vance, 1992). Difference in attitude between young and old employees can be attributed to fact that older employees consider job loss as early retirement, thus have low impact compared to young employees (Witte, 1999).

Age and organizational tenure are closely linked with each other. Employees with old age usually have longer tenure compared to young employees. So, their moderating effect should be in line with each other (Kuhnert & Palmer, 1991). Conversely, influence of job insecurity is intense among employees who are new in organization, since young employees are more likely to involve in work withdraw behavior compared to older employees who have spent long time in one organization. That's why they are supposed to react more strongly.

Employee's perceptions and actions are effected by one's educational level (D. E. Guest, 2004). Employees with higher level of education experience high job security and satisfaction, because they are appointed on high status jobs (Burris, 1983; Spector, 1997) with increased salary, more autonomy and empowerment (Spector, 1997; Spreitzer, 1996). Educated employees feel more secure in their jobs compared to less educated (Hellgren & Sverke, 2003; Moore, Grunberg, & Greenberg, 2004), though some researchers have concluded opposite results (Kinnunen, Mauno, & Siltaloppi, 2010). Research also attributed that highly educated employees possess greater expectations from employers which may lead them to greater dissatisfaction if their expectations are not met (Coyle-Shapiro & Kessler, 2000).

Sex was measured as a dichotomous variable: (1=male, 2=female). Age was coded in years with six response options: (1= less than 27, 2= age 27 to 31, 3= age 32-36, 4= Age 37-41 and 5= age greater than 41). Qualification of employees was coded with four response option: (1= undergraduate, 2= Graduate, 3= Postgraduate and 4= other). Similarly organizational tenure was also coded on 4 response scale: (1= less than 3years, 2= 3-6years, 3= 7-10years, 4= more than 10years).

Work Engagement: Work engagement was assessed by using UWES items established by (Schaufeli, Salanova, González-Romá, & Bakker, 2002). Items included in UWES are grouped into three subscales that show 3 different dimensions of work engagement: 6 items for vigor (e.g., While doing my work, I feel strong and vigorous), 6 items for dedication (e.g., I am proud of the work that I do), and 5 items for Absorption (e.g., It is hard for me to detach myself from my job). All items were scored on 7-point Likert scale ranging from 0 (never) to 6 (always).

Job insecurity: Global view of Job insecurity was taken into consideration. De Witte developed 4-itmes scale (2000; see also (Cuyper & Witte, 2006; Schreurs, Van Emmerik, Notelaers, & De Witte, 2010). Items include questions like; I think I will lose

my job in near future. Responses were scored using 5-point Likert scale ranging from 1(strongly disagree) to 5(strongly agree).

Performance: Self-rated in-role performance was gauged by scale developed by Farh& Chang (1997). This scale consists of four questions including:

- (1) I make significant contribution to the overall performance of my work unit;
- (2) I always complete my assignments on time;
- (3) I am one of the best employees in my work unit; and
- (4) My performance always meets my supervisor's expectations

High-performance work practices: We assessed perception of high performance practices using 19 items compiled from previous studies in the HR literature. We tapped into perceptions concerning training and development by asking employees about training programs conducted by their organizations in order to improve skills of their workforce. We measured opportunities available to employees for taking part in formal participation process, because only those employees who perceive their voice counts in organization are likely to have greater motivation. We measured the opportunities for internal vertical mobility (motivation to perform for promotion; Huselid, 1995) within the organization by asking employees to rate the promotion opportunities available to them. Performance appraisal is important to analyze assigned tasks performed by the employees; performance appraisal is to provide feedback to employee's performance. We assessed use of result oriented appraisal (to motivate the employees and aid in development; Huselid, 1995) practices by asking employees to rate frequency and criteria of appraisal they have to gone through. All these items, training and development, internal mobility, participation and result oriented appraisal were measured by items developed by Sun et al., 2007. Additional practice that we measured included pay for performance (Way, 2002), because high pay motivates employees to perform better for sake of raise in their salary.

Respondents were asked to score all these 19 items on 5 point likert scale ranging from 1 (strongly disagree) to 5 (strongly agree).

Results

Descriptive Statistics*:* The mean, standard deviation, intercorrelations, and estimated reliabilities among the key variables of the study are shown in Table 1.

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Table 1. D	escript	ive stat	tistics, re	liabilitie	s and Inter	-correlatio	ns among v	ariables							_
Variables	М	SD	1	2	3	4	5	6	7	8	9	10	11	12	13
1. Gender	1.73	.46													
2. Age	1.46	.50	.04												
3. Level of education	2.43	.53	.13	04											
4. Tenure with organization	2.08	.68	.15*	.05	01										
5. Job insecurity	3.19	.51	00	01	03	.15*	(.90)								
6. Work engagement	2.46	.76	04	.04	.05	.10	11*	(.88)							
7. Job performance	2.21	.88	21	05	.06	07	17*	.50**	(.72)						
8. Training & development	1.49	.16	.03	06	.09	.01	03	.01	.07	(.38)					
9. Internal Mobility	1.46	.15	.01	.09	.04	03	03	.12	.23**	.03	(.70)				
10. Result oriented appraisal	2.36	.80	16*	.06	12	03	.03	.48**	.20**	05	.14	(.71)			
11. Participation	1.47	.23	01	.00	00	.03	.10	0.39**	.21**	08	.05	.29**	(.75)		
12. Pay for performance	2.68	.71	.02	.04	07	13	17*	.01	.30**	.09	.00	09	06	(.77)	
13. HPWP	2.12	.29	04	.15*	01	02	23**	0.40**	.16*	.01	.14	.47**	.37**	.25**	

Note: Significant at: **p*<.05; ***p*<.01; *p*<0.001; *n* = 172

Analytical Approach: Moderated mediation method (Preacher, Rucker, & Hayes, 2007) was used to test full hypothesized model. Specifically, extension of SPSS macro; PROCESS macro for SPSS developed by Hayes (2013) was used to test all Hypotheses. We formally hypothesize a mediation relationship, and in accordance with existing research testing similar pattern of hypotheses e.g., (Cole, Walter, & Bruch, 2008), we did two sets of analyses. First, we tested a simple mediation model (Hypothesis-1) by utilizing Model 4 of the PROCESS macro. Then, we combined the two moderatos into our model (Hypothesis 2) and tested an overall moderated-mediation model by utilizing Model 9 of the PROCESS.

Tests of Mediation: Table 2 presented our findings for hypothesis 1. The findings supported our hypothesis, Job insecurity was negatively linked with work engagement (B=-0.04, t= -0.54, p=0.001). Similarly, work engagement was found to be positively associated with job performance (B=0.52, t=07.19, p=0.001). Sobel test with a bootstrapped 95% confidence interval (C1) was used to check the indirect effect of job insecurity which revealed to be significant (Sobel z=-0.53, p<0.001) and validated that the bootstrapped C1 did not contain zero (-.11, -.05). These results provide support for Hypothesis 1.

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						00000	.ponsterpub.	com		
		I	Mediator		Dependent Variable					
		Work	Engagement		Job Performance					
Antecedents	В	SE	t	R^2	В	SE	t	R^2		
				.02				.30		
Constant	55	.53	-1.50		.37	.45	83			
Work engagement					.52	.07	7.19***			
Job insecurity	04	.08	54**		14	.07	-2.15*			
Gender	15	.17	90		.04	.14	.26			
Age	.09	.15	.57		15	.13	-1.16			
Level of education	.13	.15	.87		.05	.12	.41			
Tenure with organization	.18	.11	1.58		16	.10	-1.6			
					Effect	SE	LLCI	ULCI		
Indirect effect of JI on JP					02	.04	11	05		
					Effect	SE	z			
Normal theory tests for indirect effect					02	.04	53**			

Note;y = 172; Significant at: *p < 0.05; * *p < 0.01; and ***p < 0.00; Unstandardized regression coefficients are displayed; Bootstrap sample size = 5000; LLCI = Bias corrected lower limit confidence interval; ULCI = Bias corrected upper limit confidence interval

Test of Moderated Mediation. As discussed earlier, SPSS macro developed by Hayes (2013) was used to test the entire Hypothesized model by integrating all of the study variables concurrently into the model. The finding of hypothesis 2 is presented in Table 3. Consistent with the Hypothesis 1, job performance was negatively affected by job insecurity (B= -0.14, t= -2.15, p<0.01). The results from Table 3 also indicate that high performance practices (B= 0.43, t= 6.41, p<0.001) moderated the link between job insecurity and work engagement. As expected, the link between job insecurity and work engagement was weaker when high performance practices were high. Hence, Hypothesis 2 was supported.

	Outcome Work Engagement					
Antecedents	В	SE	t	R^2		
				.24		
Constant	26	.47	55			
Job insecurity (JI)	13	.07	-1.82*			
HPWP	.43	.07	6.41***			
JI X HPWP	19	.07	2.80**			
Gender	08	.15	56			
Age	10	.14	71			
Level of education	.08	.13	.63			
Tenure with organization	.18	.10	-1.80			

Table 3. Regression analysis results for overall model

Notes: Unstandardized regression coefficients are shown; n = 172; Bootstrap sample size = 5000; Significant at: *p < 0.05; * *p < 0.01; and ***p < 0.001.

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	Moderators	Dependent Variables Job Performance						
—	HPWP							
Mediator		Boot indirect	Boot SE	Boot LLCI	Boot			
		effect			ULCI			
Conditional indirect effect	ts at M+1 <i>SD</i>							
Work Engagement	-1 SD	.03	.04	04	.12			
Work Engagement	M	07	.03	14	01			
Work Engagement	+1 SD	02	.06	28	07			

Table 4. Results of Moderated-mediation model across levels of moderators

Notes: Unstandardized regression coefficients are shown; n = 172; Bootstrap sample size = 5000; LLCI = Bias corrected lower limit confidence interval; ULCI = Bias corrected upper limit confidence interval. Range of values shows an abbreviated version of the output produced by the SPSS macro

Discussion

The current research was proposed to investigate the buffering effect of high performance practices in reducing the adverse effects of job insecurity. We also examined how work engagement mediates the negative relation between job insecurity and job performance. Findings of this study supported our hypothesis. That is, job insecurity is negatively linked with job performance. Moreover, our results also supported that work engagement; a persistent motivational state of mind plays a mediating role between job insecurity and job performance. Results suggested that job insecurity first affects negatively on work engagement and then on job performance. Next, we tested interactive effect of job insecurity and HPWP on work engagement.

In support of hypothesis 1, our results identified negative association between job insecurity and job performance with mediating effect of work engagement. Employee who perceives high job insecurity experiences low job performance. These findings provide empirical evidence support to previous research (Cheng & Chan, 2008; Sverke, Hellgren, & Näswall, 2002). However, existing literature on the relationship between job insecurity and job performance have shown inconsistent results. In last two meta-analyses, job insecurity was found to affect negatively on job performance, but their correlation was very small (Cheng & Chan, 2008; Gilboa et al., 2008). Working in insecure environment, employees face performance dilemma. On the one hand, they feel motivated and exert more efforts and maintain performance so that they can be considered as valuable employees to the organization (Sverke & Hellgren, 2002); on the other hand, they may also be worried that working hard may not be beneficial for them. Our results support the notion that employees perform less when they perceive their job insecure (Silla, Gracia, Angel Mañas, & Peiró, 2010).

Hypothesis 2 stated that HP practices moderate the negative effect of job insecurity on work engagement. Job insecurity is anticipated as unfavorable element in working conditions; our findings support the literature on the interaction between favorable outcomes and high performance practices by providing empirical support to the fact that negative relationship between job insecurity and work engagement is stronger when there is less implementation of HP practices. High performance practices help to reduce the detrimental effect of job insecurity on work engagement, as expected. The interactive relation between job insecurity and HPWPs was significant and up to expectation: job insecurity affects less negatively on work engagement when implementation of HPWP is high.

Well engaged work force with sufficient skills and expertise is important for any organization which wants comparative advantage over other firms. In current competitive and globalized environment, training and development has never been more important to keep employees engaged. Skill enhancing practice significantly moderates the negative effect of job insecurity on work engagement. We took training and development as skill enhancing practice and proposed that this practice has potential to buffer against negative effect of job insecurity and can act as supplementary knobs for enhancing employee's work engagement. Through training employees acquire the skills necessary for better performance. Well trained employees feel they are more valuable for the organization for the part they play as well as they have higher employability compared to less trained workers (Dysvik & Kuvaas, 2008). Employees are more committed to the organizations who invest in training and development of their employees than those who do not invest (Iverson & Zatzick, 2007). Training and development at right time and in right direction can help employers to enhance employee's work engagement by nurturing employee's talent (Katou & Budhwar, 2010).

Like the other work practices, internal mobility, involvement in decision making, result oriented appraisal and pay for performance policies are assumed to aid motivation among employees (Delery & Shaw, 2001; Huselid, 1995). Our findings concluded that motivation enhancing work practices have significant impact to minimize undesirable effect of job insecurity. HP practices work as helping hand to enhance abilities, and motivation among employees. These practices also create opportunities for employees to use their skills in a better way, associated with increased level of job performance, work engagement and job satisfaction. Our findings are consistent with rationale of AMO theory and with findings of previous research in Western world context (Innocenti, Pilati, & Peluso, 2011; Katou & Budhwar, 2010; Kehoe & Wright, 2013; Messersmith, Patel, Lepak, & Gould-Williams, 2011). Thus, the present research's results add weight to the argument that effect of HPWP is not only confined for western countries, but are also evident across different cultures and labor markets (J Gould-Williams & Mohamed, 2010).

Hypothesis 3 stated that integrated effect of HPWP on employee's engagement is stronger compared to their isolated effects. In data analysis phase 3, we examined whether the isolationist perspective or integrationist of HPWP is more vital in moderating the negative effect of job insecurity. Our findings show evidence for strong integrated effects of HPWP on moderating the negative effect. This result implies that employees working in workplace with integrated HPWP are more likely to experience better working attitude.

We concluded that implementation of integrated HR practices is more helpful for employers to manage relationship between organization and its work force through high quality employment relationship. Perception of high quality employment relation among employees produces relational view of employment defined by mutuality and interdependency; this view compels employees to reciprocate with high level of work engagement and performance. This conducive work environment may also fulfill interpersonal needs of employees and increase their OCB behavior.

Implications

As stated above, this research contributes to the existing literature in several ways. First, job insecurity has been increasing over last few decades as a result of globalization, financial and economic crisis. Thus, more research is needed to find possible ways to help employees to be less affected by negative outcomes of job insecurity and at same time help them to boost their motivation and performance. More specifically, researchers have suggested that more research is needed to find some moderators because existing research has inconsistency in their findings about moderating effects on job insecurity-performance relationship (Rosen et al., 2010). In current study we studied moderating effect of HPWP. The findings of our study help to clarify previous ambiguous findings on job insecurity-performance relationship by introducing HPWP as potential moderating variable.

The verdicts of current study have some important practical implications. Our results support the idea that employers which manage with more HPWPs can expect to gain better performance from their employees. First, the study provides insight into how undesirable effects of job insecurity could be reduced by implementation of HPWPs. HRM researchers have argued for possible useful outcomes of HPWPs, but research has been lacking that examines how these practices could be beneficial to minimize effects of job insecurity. The arguments indicate that implementation of HPWPs is effective as these practices directly affect the human capital of employees, as well as improve the quality of social exchange within organizations.

Second, indicating the relationship between HPWP practices and work engagement provides insights into the contingency perspective of HRM. Previous research has encountered several issues while examining buffering effect of HPWPs.

The findings of this study may also be helpful for managers who are interested to increase level of employee's work engagement during organizational restructuring. Our findings show that negative effects of job insecurity are less severe if organizations implement HPWPs. The quality of HR practices is important for the success of organization, especially when employees are uncertain about their job. Today's rapidly changing business environment, organizations expect and demand their workers to be more dedicated and engaged in their assigned tasks, even though it is hard for organizations to promise job security. To deal with this issue, managers should pay attention to some other alternatives to motivate their employees, especially during time of organizational changes and economic crisis when employees tend to feel more insecure. It has been recommended that employer should increase participation of employees in change related decisions; announce some monetary rewards for better performance, opportunities available for internal promotion, fair treatment and unbiased procedures. These all practices may help employees to increase work engagement and perform better. To conclude, implementation of integrated HPWPs could motivate employees to stay engaged and perform better even during mergers or layoffs.

Limitations and Future Research

The finding must be interpreted against a back drop of limitations of the study. First, our study only examined cross-sectional data whereas longitudinal data is more reliable for clear understanding of any moderation effect.

Second, this study relied on self- reported employee's engagement and performance. Multiple level data could have been obtained from concerned supervisors or managers; however we were unable to take any kind of help from managers and HR departments. Third, the study was conducted only in service sector, question of generalizability arises. We know that generalizability is not the goal of our study, this research is mainly aimed at theoretical predictions rather than develop generalize results. Fourth, we assessed limited number of HPWPs compared to other researches that have used broad range of practices; it is possible that other HR practices are more helpful in reducing negative effect of job insecurity, so one can include other HR practices for future research. Fifth, current study is based on sample drawn from one culture; future research may wish to include diverse cultures to confirm robustness of our findings. Moreover, our research has reported moderation effect of HPWPs on employee related outcomes; it would also be useful to examine its effects on organizational related outcomes.

Conclusion

The study observed how high performance practices moderated the effect of job insecurity on work engagement among Chinese workers. Job insecurity is considered as work related stressor with undesirable outcomes. When employees feel insecure, they have tendency to decrease their work engagement. However, this

effect appears to be weaker when high performance practices are implemented. Employees who perceive motivation to perform well will experience higher level of work engagement.

In conclusion, when organization is going through mergers or layoffs, it becomes important for employers to manage their workforce efficiently. Employees show stronger reaction by reducing their work engagement when they are insecure about their job. If employers feel that work engagement diminishes during times of layoffs, they should introduce high performance work system to boost employee's motivation.

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