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Does best practice HRM only work for intrinsically motivated employees?

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The purpose of this study was to explore the relationships between perception of multiple best practice HRM and employee outcomes. Four cross-sectional surveys from different Norwegian service organizations of a total of 838 employees showed that several relationships between perceived empowerment and perceived information sharing and employee outcomes were moderated by intrinsic motivation. Implications for practice and directions for future research are discussed.

Keywords: affective organizational commitment; best practice HRM; intrinsic motivation; turnover intention; work performance

Introduction

Contemporary research on ‘best practice’, high-performance, high-commitment, high-involvement, progressive, or human-capital-enhancing human resource management (HRM) implies that organizations offer resources and opportunities that improve the motivation, skills, attitudes and behaviours of their employees (Kuvaas 2008). Pfeffer and Veiga (1999, p. 40) explain the effects of high performance management practices on organizational performance by the following:

Simply put, people work harder because of the increased involvement and commitment that comes from having more control and say in their work; people work smarter because they are encouraged to build skills and competence; and people work more responsible because more responsibility is placed in hands of the employees farther down in the organization.

Similarly, Combs, Liu, Hall and Ketchen (2006, p. 503) summarize three mediators through which high performance work practices (HPWP) affect organizational performance: ‘HPWPs operate by (a) increasing employees’ knowledge, skills, and abilities (KSAs), (b) empowering employees to act, and (c) motivating them to do so’. Accordingly, best practice HRM is assumed to increase individual employees’ motivation, skills, attitudes and behaviours and, subsequently, performance at the organizational level of analysis. Recent studies by Collins and Smith (2006) and Takeuchi, Lepak, Wang and Takeuchi (2007) provide empirical support for this chain of relationships. However, a closer look at micro HRM research suggests that the relationship between perception of HRM practices and employee outcomes is more complex than is often assumed. Accordingly, the overall purpose of the present study is to investigate the relationship between the perception of multiple best practice HRM, intrinsic motivation and employee outcomes in the form of work performance, affective organizational commitment and turnover intention.

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As an alternative to the widespread assumption that the influence of perceptions of HRM on employee outcomes is mediated by factors such as KSAs and motivation, there are also studies suggesting that this relationship may be prone to moderating influences. First, recent investigations of individual HR practices suggest that the relationship between performance appraisal reactions and work performance (Kuvaas 2006a) and the relationship between perceived training opportunities and organizational citizenship behaviour (Dysvik and Kuvaas 2008) are both *moderated* by intrinsic motivation. These findings suggest that there are positive relationships only for employees high in intrinsic motivation, while there are no or negative relationships for employees low in intrinsic motivation. Second, a recent study applying a multiple practice perspective suggests that the quality of the employee-organization relationship moderates the relationship between the employee perception of developmental HR practices and employee outcomes (Kuvaas 2008). For low levels on the indicators of the employee-organization relationship, a negative relationship between perceptions of developmental HR practices and work performance was observed. Kuvaas (2008) argued that best practice HRM involves flexible, autonomous and empowering work practices that depend on employees' self-regulated behaviour and discretionary effort, and that such work practices can be exploited by employees who act opportunistically because they experience a low quality employee relationship.

Taken together, these findings imply that in order for perceived best practice HRM to be effective, employees need to be motivated to respond to those practices in a manner that benefits the organization. Support for a such a 'micro contingency HRM model' is also provided by MacDuffie (1995), who argued that a necessary condition for a HRM-firm performance relationship is that employees are motivated to apply their skills and knowledge through discretionary effort. Such motivation may have its origin in a healthy employee-organization relationship that creates pro-social motivation (Kuvaas 2008), that is, employees desire to expend effort to benefit others (Batson 1987), such as the organization. It may, however, also originate from the job itself, where employees become intrinsically motivated because they experience pleasure, interest, and enjoyment in their jobs (Deci, Connell and Ryan 1989; Vallerand 1997), which is the type of motivation we are interested in for our research. Although employee's motivation represents a prominent facet in most HRM theories, these aspects are to date largely neglected in empirical tests of the HRM-performance relationship (Wood and Wall 2007). Accordingly, the purpose of this study is to investigate whether the relationship between perceptions of multiple best HRM practices and employee outcomes (work performance, affective organizational commitment and turnover intention) is moderated by intrinsic motivation. The main contribution of our study is to extend the micro contingency model of HRM (Kuvaas 2008) by way of replacing pro-social motivation emanating from employee-organization relationships with intrinsic work motivation. If a certain level of intrinsic motivation is a necessary condition for a positive relationship between perceptions of best practice HRM and employee outcomes, best practice HRM may be less functional than is typically assumed.

Theory and hypotheses

Most macro studies empirically assume invariability in HR practices across large groups of jobs within organizations (Wright and Boswell 2002; Boselie, Dietz and Boon 2005) when relating HR practices and employee and firm performance. Contrasting with such assumptions, recent research suggests substantial variance in an individual's perceptions of HR practices in organizations (Gerhart, Wright, McMahan and Snell 2000; Whitener 2001;

Wright et al. 2001). Beyond different HR configurations for different groups of employees (e.g., Lepak and Snell 1999, 2002), such variation can occur because different supervisors vary in their implementation and because individual employees interpret the practices differently (Wright and Haggerty 2005). Employees may therefore not perceive the objective existence of certain practices in the way that the organization intends (Truss, Gratton, Hope-Hailey, McGovern and Stiles 1997; Truss 2001; Allen, Shore and Griffeth 2003). Furthermore, Edgar and Geare (2005), found weak and mainly non-significant relationships between employer and employee assessments of HR practices. Similar findings were obtained by Khilji and Wang (2006), suggesting that a clearer distinction should be made between intended (i.e., the policies formulated by HR managers and senior management) and implemented (i.e., as experienced by the employees) HR practices (Arthur and Boyles 2007). Accordingly, studying HRM practices from the employees' point of view complements the macro approach where the members of the target group of an organization's HR are not investigated.

Intrinsic motivation is defined as the motivation to perform an activity for it self in order to experience the pleasure and satisfaction inherent in the activity (Deci et al. 1989; Vallerand 1997). Intrinsic motivation theories focus on fulfilment of the basic psychological needs for autonomy, relatedness and competence (Gagné and Deci 2005), or intrinsically motivating work characteristics (Hackman and Oldham 1976). Empirical findings suggest that highly intrinsically motivated students are more persistent, self-driven and autonomous (Deci and Ryan 2000). Furthermore, the review by Gagné and Deci (2005) shows that intrinsically motivated employees are more involved in their jobs, and demonstrate greater effort and goal attainment than those less intrinsically motivated. These characteristics suggest that intrinsically motivated employees will respond more actively and positively to HR practices that depend on employees' self-regulated behaviour and discretionary effort (Kuvaas 2006a; Dysvik and Kuvaas 2008).

In accordance with prior conceptualizations (Lawler 1986; Pfeffer 1998; Pfeffer and Veiga 1999) and empirical micro level research (Paré and Tremblay 2007) of best practice HRM, we investigate employees' perceptions of empowerment, information sharing and fair compensation – perceptions of HR practices or functions that are present in every organization and that are aimed at increasing employees' skills, commitment, motivation or productivity.

The concept of empowerment refers to increased individual motivation at work through the delegation of authority to the lowest level in an organization at which a competent decision can be made (Seibert, Silver and Randolph 2004), as employees are then allowed to assume a larger number of roles and responsibilities. Empowerment should therefore, in turn, lead to higher work performance, lower turnover intention and higher affective organizational commitment. A larger number of roles and responsibilities may be welcomed by employees with high levels of intrinsic motivation that see more meaning in their work, are more persistent, self-driven and autonomous, and therefore result in increased work performance and affective commitment and reduced turnover intention. Employees with low levels of intrinsic motivation, on the other hand, may not have the drive and engagement to work more independently because they lack purpose and meaning in their jobs and have less persistence and are less self-driven. Therefore, empowerment may be less positively, or even negatively, related to work performance among employees with low levels of intrinsic motivation. Similarly, if employees with low intrinsic motivation do not value empowering work characteristics, they will probably not reciprocate by way of higher affective commitment and will exhibit lower turnover intention:

Hypothesis 1: Intrinsic motivation moderates the relationships between perceived empowerment and: (a) work performance; (b) turnover intention; and (c) affective commitment in such a way that they are stronger for higher than for lower levels of intrinsic motivation.

Information sharing involves: practices and arrangements ensuring that individuals have the right information (Wood and Wall 2007), providing information regarding quality, customer feedback and business results, and is regarded as a central tenet for 'best practices'. Information sharing should enable employees to make high quality decisions regarding how best to complete their work and to make sensible decisions regarding the improvement of products, services and processes. In addition, information sharing should ideally lead to feelings of mutual trust and make the employees feel important to their employer (Pfeffer 1998; Paré and Tremblay 2007). However, employee responses to information sharing practices may differ in terms of their levels of intrinsic motivation. Employees with high levels of intrinsic motivation may respond more positively towards being provided with information, since they are more engaged and involved in their jobs. Therefore, they will probably use such information more actively and use it to increase work performance and to increase their understanding of how their own work relates to organizational goals. The latter will probably increase their identification and emotional attachment to the organization which results in higher affective organizational commitment and lower turnover intentions.

Employees with low intrinsic motivation may to a greater extent perceive the information provided as less meaningful and relevant, given lower levels of involvement in their work. Therefore, perceived information sharing should be less strongly related to work performance, affective commitment, and turnover intention than for highly intrinsically motivated employees:

Hypothesis 2: Intrinsic motivation moderates the relationships between perceived information sharing and: (a) work performance; (b) turnover intention; and (c) affective commitment in such a way that they are stronger for higher than for lower levels of intrinsic motivation.

Fair compensation involves employee's perceived fairness of organizational compensation conditions (Paré and Tremblay 2007). This facet of micro HRM best practice may signal to employees that the organization supports them and has their well-being at heart. A burgeoning of research suggests that fairness perceptions exert a strong influence on how employees will react to a variety of aspects of organizational life (Cohen-Charash and Spector 2001; Colquitt, Conlon, Wesson, Porter and Yee Ng 2001). Furthermore, social exchange theory suggests that if employees perceive fair treatment by their employer they should reciprocate in terms of positive work attitudes and behaviours (Coyle-Shapiro, Taylor, Shore and Tetrick 2004). Accordingly, perceived fair compensation should increase employees' work performance and affective commitment and reduce their turnover intention because it implies that employees are involved in and care about the performance of their organization (Wood and Wall 2007).

Still, fair compensation may be more important for some employees than for others and it should be particularly important for employees with low levels of intrinsic motivation (Malka and Chatman 2003). More specifically, fair compensation may compensate for relatively less inherently motivating work and may be the main driver for work performance and for organizational attachment and, in turn, for higher affective commitment and lower turnover intention. Employees with higher levels of intrinsic motivation, on the other hand,

may to a larger extent be motivated by the work itself, and also base their attachment to the organization more on the tasks performed at work. This is not to say that organizations can underpay intrinsically motivated employees, but that those employees may be more inspired by work that is interesting, challenging and enjoyable than the instrumentality of work (Kuvaas 2006b). Accordingly, we suggest that fair compensation is less salient and important for higher than for lower levels of intrinsic motivation:

Hypothesis 3: Intrinsic motivation moderates the relationships between perceived fair compensation and: (a) work performance; (b) turnover intention; and (c) affective commitment in such a way that they are stronger for lower than for higher levels of intrinsic motivation.

Methodology

Sample and procedure

Respondents were drawn from four Norwegian organizations, one governmental research institution (Organization 1), one organization in the maritime industry (Organization 2) and two large organizations in the financial industry (Organizations 3 and 4). Based on samples provided by the HR departments in the organizations, a questionnaire was distributed to 1416 employees using a web-based tool (QuestBack) that resulted in data from 902 employees and 838 complete records, representing a response rate of approximately 64% (varying from 51.5% to 78%). Of the respondents, approximately 45% were women, and approximately 55% men. The average age was 45 years, and about 76% of them had an undergraduate degree or less, while approximately 24% had a master's degree or higher. Approximately 3% of the respondents held upper level managerial positions, and 20% middle management positions.

Measures

Unless otherwise noted, all items were on a 5-point Likert response scale ranging from 1 (strongly disagree) to 5 (strongly agree).

Perceived best practice HRM

The items used to measure perceived best practice HRM were those developed by Paré and Tremblay (2007). In addition, we added two perceived empowerment items to the original three. Their scale is developed to measure perceptions of recognition and competence development in addition to empowerment, information sharing and fair compensation. Initial factor analysis, however, revealed several cross-loadings, where most of the competence development items and several of the recognition items loaded on the information sharing factor. We therefore ended up with the three cleanest factors, that is, empowerment, information sharing and fair compensation where the five items measured perceived empowerment. Example items are: 'Employees in my part of the organization are trusted by the top management to decide on how to organize our work', and 'Employees in my part of the organization have a lot of discretion in deciding how to accomplish our tasks.' Eight items were used to measure perceived information sharing. Example items are: 'Employees in my unit are continuously informed about new products and services', and 'Employees are continuously updated on the performance of their unit.' Finally, five items measured perceived fair compensation, for instance: 'I think that the compensation I receive

(pay and other benefits) is fair compared to what other organizations offer', and 'I feel that the pay level in my part of the organization is fair'.

Intrinsic motivation

Intrinsic motivation was assessed by six items used by Kuvaas (2007). Example items include: 'My job is so interesting that it is a motivation in itself', and 'My job is meaningful'.

Dependent variables

Work performance was measured by six items based on prior work (Brockner, Tyler and Cooper-Schneider 1992; May, Korczyński and Frenkel 2002) and used by Kuvaas (2007). Example items are: 'I often expend extra effort in carrying out my job', and 'The quality of my work is top-notch'. Affective organizational commitment was measured by six of the items reported in (Meyer and Allan 1997). Example items are: 'I really feel as if this organization's problems are my own', and 'I do not feel like "part of the family" at my organization' (reversed). Finally, turnover intentions were assessed by five items used by Kuvaas (2006a), such as: 'I will probably look for a new job next year', and 'I will likely actively look for a new job within the next three years'.

Control variables

Age, gender, and educational level may be associated with the level of affective commitment (e.g., Meyer, Stanley, Herscovitch and Topolnysky 2002): position level may be associated with perceptions of best practice HRM, intrinsic motivation and the dependent variables. Accordingly, age, gender, educational level and position level were included as control variables. Age was measured in years and gender was measured as a dichotomous variable coded such that 1 was male and 2 was female. Level of education was measured by seven categories ranging from a bachelor degree or less, four or five years of postgraduate education, and more than five years of postgraduate education. Position level was measured by three categories coded such that 1 was operational employee, 2 was middle manager, and 3 was upper level manager. Finally, dummy variables were used in order to control for organizational affiliation.

Analyses

The data were analyzed in several phases. First, factor analysis (principal component analysis with varimax rotation) was performed on all multiple scale items to determine item retention (e.g., Coyle-Shapiro, Kessler and Purcell 2004). In order to avoid confounded measures of the closely related constructs, relatively stringent rules-of-thumb were applied, i.e., retaining only items with a strong loading of .50 or higher (Nunnally and Bernstein 2007), a cross-loading of less than .35 (Kiffin-Petersen and Cordery 2003), and a differential of .20 or higher between factors (Van Dyne, Graham and Dienesch 1994).

To test the hypotheses, we used hierarchical moderated regression (Cohen and Cohen 1983). Interaction terms often create multicollinearity problems because of their correlations with main effects. We thus computed the interaction terms by centring the variables before multiplying them with each other.

Results

The principal component analysis revealed that the items used to measure perceived best practice HRM practices loaded on three components (see the Appendix), but one fair

Table 1. Descriptive statistics, correlations and scale reliabilities.

	Mean	SD	1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	12.	13.	14.	15.												
1. Organization 1	.32	.47	—																										
2. Organization 2	.12	.32	-.25	***																									
3. Organization 3	.30	.46	-.44	***	-.24	***																							
4. Organization 4	.27	.44	-.41	***	-.22	***	-.40	***																					
5. Age	45.07	10.15	.05	-.15	***	-.05	.11	***																					
6. Gender	1.45	.50	-.17	***	-.21	***	.35	***	-.04																				
7. Education	4.13	1.65	.31	***	-.10	***	.09	**	-.34	***	-.28	***	-.27	***															
8. Pos level	1.26	.51	.04	.00	.03	-.07	-.14	***	-.18	***	-.07	*.19	***	-.07	*.16	***													
9. Fair compensation	2.83	.77	-.18	***	.10	***	.02	.00	.15	***	.17	***	.43	***															
10. Information sharing	3.18	.78	-.51	***	-.10	***	.27	***	.33	***	.04	.15	***	-.15	***														
11. Empowerment	3.51	.70	.00	.09	**	.13	***	-.19	***	-.01	-.10	***	.13	***	.29	***	-.42	***											
12. Intrinsic motivation	3.80	.63	-.04	.02	.05	-.03	.08	*.08	*.05	-.04	.05	.13	***	.27	***	.30	***	.42	***										
13. Affective commitment	3.32	.71	-.19	***	-.03	.12	***	.09	**	.12	***	.25	***	.24	***	.25	***	.37	***										
14. Turnover intention	2.58	.97	.32	***	-.08	*.13	***	-.15	***	-.20	***	-.03	-.03	.21	***	-.11	**	-.38	***										
15. Work performance	3.66	.49	-.11	**	-.02	.10	**	.03	-.05	-.02	.04	.19	***	-.01	-.28	***	-.38	***	-.44	***									
																				.14	***	.07	*.38	***	.24	***	-.08	*.38	***

N = 840-902; * p < .05; ** p < .01; *** p < .001.

compensation item was deleted because it loaded on the information sharing component, and one of the empowerment items was deleted owing to a cross-loading on the information sharing component. These operations resulted in an eight-item information sharing scale ($\alpha = .87$), a four-item fair compensation scale ($\alpha = .76$), and a four-item empowerment scale ($\alpha = .77$). Furthermore, one of the items used to measure work performance cross-loaded on the intrinsic motivation component, two of the intrinsic motivation items loaded on a separate component, and one of the affective commitment items loaded on the turnover intention component, and one had a too low loading. These items were deleted, which resulted in a five-item turnover intention scale ($\alpha = .90$), a five-item work performance scale ($\alpha = .75$), a four-item intrinsic motivation scale ($\alpha = .84$), and a four-item affective organizational commitment scale ($\alpha = .74$).

Means, standard deviations and bivariate correlations for all the variables are reported in Table 1. Pairwise and multiple variable collinearity were inspected by collinearity diagnostics in SPSS prior to analyses. The lowest tolerance value was .76, which is far above the common cut-off threshold value of .10 (Hair, Anderson, Tatham and Black 1998).

The regression analysis used to test the moderation hypotheses revealed that intrinsic motivation significantly moderated the relationship between perceived empowerment and work performance, affective organizational commitment, and turnover intention. In addition, intrinsic motivation significantly moderated the relationship between information sharing and both affective organizational commitment and turnover intention (see Tables 2a, 2b and 2c). To probe the form of these interactions, we followed the procedure recommended by Aiken and West (1991) and plotted low versus high scores on empowerment and intrinsic motivation, and on information sharing and intrinsic motivation (one standard deviation below and above the means using standardized scores). The results are presented in Figures 1 and 2.

First, with regard to Figure 1, the regressions and slopes imply that the relationship between perceived empowerment and work performance is negative for employees with

Table 2a. Regression results testing the moderating role of intrinsic motivation on the relationship between perceived best practice HRM and work performance.

Variables	Step 1		Step 2		Step 3		Step 4	
Organization 1	-.15	**	-.11	*	-.12	*	-.13	**
Organization 2	-.07		-.05		-.06		-.08	*
Organization 3	.02		.03		.03		.02	
Age	-.07		-.07		-.10	**	-.10	**
Gender	-.03		-.03		-.04		-.04	
Education	.02		.02		.00		-.01	
Position level	.14	***	.13	***	.06		.04	
Fair compensation (FC)			-.09	*	-.11	**	-.12	**
Information sharing (IS)			.09		.02		.01	
Empowerment (EM)			.03		-.10	**	-.09	*
Intrinsic motivation (IM)					.42	***	.44	***
FC x IM							.05	
IS x IM							-.01	
EM x IM							.17	***
ΔR^2	.050		.008		.131		.031	
Total R^2	.048		.056		.187		.218	
ΔF	5.96	***	2.26		132.91	***	10.98	***

^aStandardized regression coefficients are shown; $N = 838$; * $p < .05$; ** $p < .01$; *** $p < .001$.

Table 2b. Regression results testing the moderating role of intrinsic motivation on the relationship between perceived best practice HRM and affective organizational commitment.

Variables	Step 1		Step 2		Step 3		Step 4	
Organization 1	-.18	***	-.07		-.08		-.09	
Organization 2	-.05		-.03		-.05		-.04	
Organization 3	.03		.00		.01		.01	
Age	.07		.07		.04		.05	
Gender	.04		.03		.02		.02	
Education	-.06		-.06		-.07	*	-.07	*
Position level	.26	***	.18	***	.12	***	.12	***
Fair compensation (FC)			.06		.04		.04	
Information sharing (IS)			.21	***	.14	**	.14	**
Empowerment (EM)			.16	***	.05		.05	
Intrinsic motivation (IM)					.36	***	.37	***
FC x IM							.02	
IS x IM							.12	**
EM x IM							-.11	**
ΔR^2	.119		.087		.098		.014	
Total R ²	.119		.206		.304		.318	
ΔF	16.03	***	30.21	***	115.89	***	5.84	**

^aStandardized regression coefficients are shown; $N = 838$; * $p < .05$; ** $p < .01$; *** $p < .001$.

Table 2c. Regression results testing the moderating role of intrinsic motivation on the relationship between perceived best practice HRM and turnover intention.

Variables	Step 1		Step 2		Step 3		Step 4	
Organization 1	.32	***	.21	***	.22	***	.23	***
Organization 2	-.02		-.04		-.03		-.03	
Organization 3	.00		.02		.02		.01	
Age	-.19	***	-.18	***	-.16	***	-.17	***
Gender	.00		.01		.02		.02	
Education	.08	*	.08	*	.09	*	.09	**
Pos level 1	-.12	***	-.05		.00		.01	
Fair compensation (FC)			-.12	**	-.11	**	-.10	**
Information sharing (IS)			-.18	***	-.12	**	-.12	**
Empowerment (EM)			-.11	**	-.02		-.02	
Intrinsic motivation (IM)					-.29	***	-.30	***
FC x IM							-.05	
IS x IM							-.09	*
EM x IM							.08	*
ΔR^2	.178		.075		.064		0.11	
Total R ²	.178		.253		.317		.328	
ΔF	25.61	***	27.97	***	77.08	***	4.48	**

^aStandardized regression coefficients are shown; $N = 838$; * $p < .05$; ** $p < .01$; *** $p < .001$.

low levels of intrinsic motivation and insignificant for those with high levels of intrinsic motivation. Second, the relationship between perceived empowerment and affective organizational commitment is positive for employees with low levels of intrinsic motivation and insignificant for those with high levels of intrinsic motivation. Finally, the relationship between perceived empowerment and turnover intention is insignificant for both groups of employees, although the slopes are in the hypothesized direction. Accordingly, hypotheses 1a, 1b, and 1c were not supported.

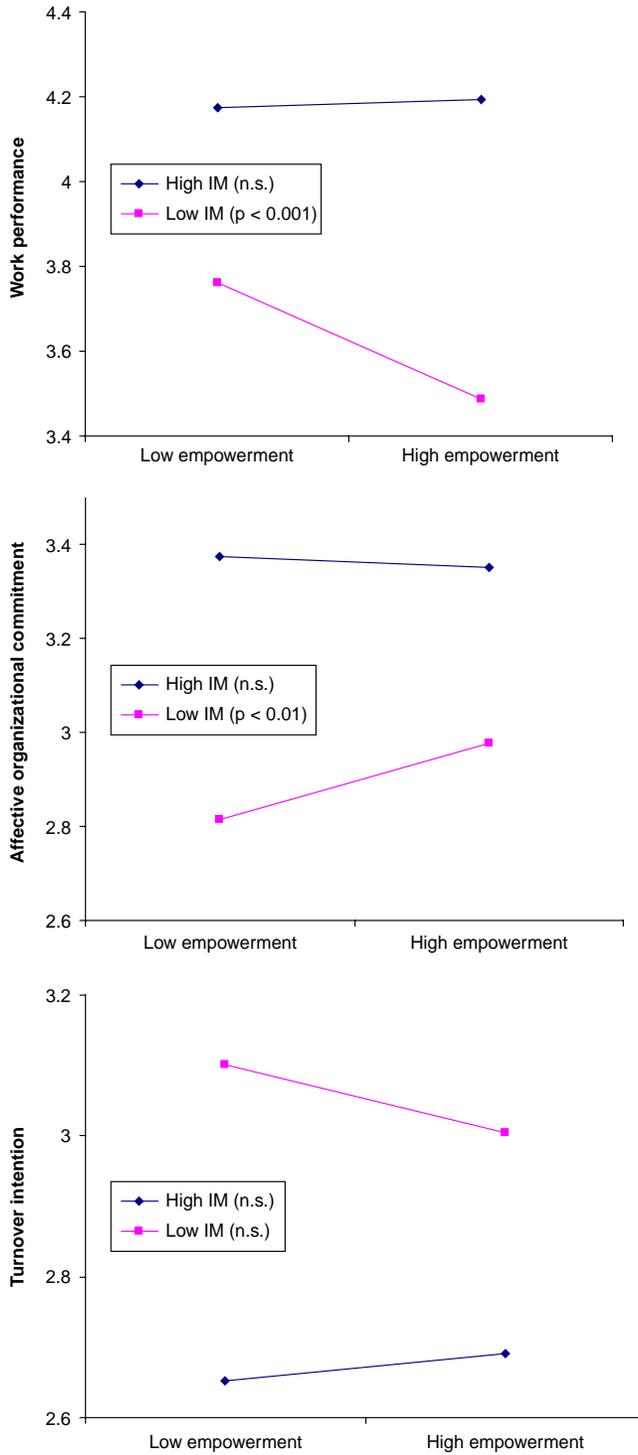


Figure 1. The moderating role of intrinsic motivation on the relationship between perceived empowerment and employee outcomes.

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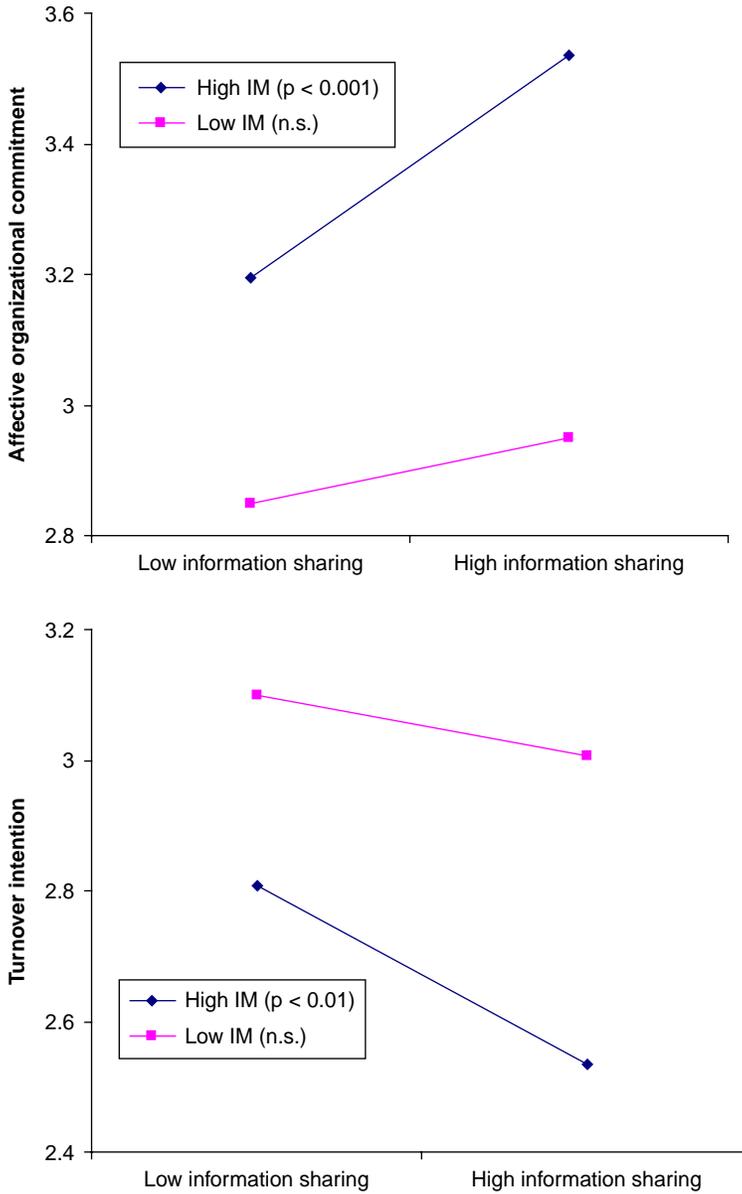


Figure 2. The moderating role of intrinsic motivation on the relationship between perceived information sharing and employee outcomes.

Figure 2 displays the regressions and slopes for perceived information sharing. These imply that the relationship between perceived information sharing and affective organizational commitment is positive for employees with high levels of intrinsic motivation and insignificant for employees with low levels of intrinsic motivation. Furthermore, the relationship between perceived information sharing and turnover intention is negative for employees with high levels of intrinsic motivation and insignificant for employees with low levels of intrinsic motivation. Thus, hypotheses 2b and 2b were supported, while 2a was not. Finally, since the relationships between perceived fair

compensation and the dependent variables were not moderated by intrinsic motivation, no support was obtained for hypotheses 3a, 3b and 3c.

Discussion

The results of our study suggest that employee intrinsic motivation may be critical for the relationship between multiple best HRM practices and employee outcomes. More specifically, both perceived empowerment and perceived information sharing seem to be moderated by intrinsic motivation with regard to their relationship with work performance, affective organizational commitment and turnover intention. Accordingly, our study may offer three particular contributions to micro HRM research. First, it suggests that there are alternatives to the mediational model of the relationship between perceived HR practices and employee outcomes. Second, it implies that best practice HRM may be better for some employees than for others. Third, and more specifically, it suggests that whether perceived best practice HRM is good or not for employees high versus low in intrinsic motivation depends both on the particular practice under investigation and the type of employee outcome that is sought.

The negative relationship between empowerment and work performance for employees reporting low levels of intrinsic motivation clearly nuances the widespread assumption that empowerment practices should lead to increased work performance. These employees may lack the drive and engagement needed to work independently because they lack purpose and meaning in their jobs, or because they lack persistence and are less self-driven. Accordingly, employees with low intrinsic motivation may need higher levels of structure, assistance by supervisors, and external regulation in order to perform well (e.g., Kuvaas 2006a). Furthermore, since perceived empowerment is not significantly related to work performance before intrinsic motivation is entered into the equation; intrinsic motivation does not mediate the relationship perceived empowerment and work performance. Nonetheless, when predicting intrinsic motivation with the control variables and perceived best practice HRM, perceived empowerment ($\beta = .31, p < .001$) and perceived information sharing ($\beta = .18, p < .001$) are positively related to intrinsic motivation, whereas fair compensation ($\beta = .05, ns.$) is not. These analyses suggest that there is an indirect relationship between perceived empowerment, intrinsic motivation, and work performance.

The relationship between perceived empowerment and affective organizational commitment was moderated by intrinsic motivation. Contrary to our expectations however, this interaction suggests that perceived empowerment is more important in relation to affective organizational commitment for employees reporting low levels of intrinsic motivation. This observation may imply that perceived empowerment can, to some extent, compensate for low levels of intrinsic motivation by facilitating a trusting work environment. Based on arguments from the trust literature (Lewicki, Tomlinson and Gillespie 2006), empowerment practices may represent a trusting work environment as perceived by its employees, with fewer systems for monitoring and control of employee behaviours. For employees with low levels of intrinsic motivation then, such signalling may lead to higher levels of affective commitment. In addition, the relationships between perceived empowerment and both affective commitment and turnover intention seem to be mediated by intrinsic motivation, since those relationships are significant before intrinsic motivation is included in the model, but not after.

Taken together, empowerment may reduce performance for employees with low intrinsic motivation, but increase their affective commitment. The reason that perceived

empowerment is not related to any of the dependent variables for employees high in intrinsic motivation may be that these employees experience sufficient empowerment as it is, and that empowerment may be an important source for their intrinsic motivation, as predicted by both self-determination theory (Gagné and Deci 2005) and job design theory (Hackman and Oldham 1976). Similarly, the indirect and mediated relationships between perceived empowerment and the dependent variables supports the best practice status of empowerment, even though it may harm performance for employees low in intrinsic motivation.

The positive relationship between perceived information sharing and affective organizational commitment, and the negative relationship with turnover intention only for employees reporting high levels of intrinsic motivation questions the uniform positive influence of keeping employees up-to-date with the current affairs of the organization. However, the positive relationship between perceived information sharing and intrinsic motivation suggests that also this facet of best practice HRM is indirectly related to work performance (i.e., perceived information sharing > intrinsic motivation > work performance).

Finally, perceived fair compensation was negatively related to work performance, unrelated to affective commitment, but negatively related to turnover intention. In addition, perceived fair compensation was not related to intrinsic motivation when the control variables and perceived empowerment and perceived information sharing were included in the regression analysis. Accordingly, there is no mediated or indirect relationship between perceived fair compensation and the dependent variables. However, these findings do not necessarily imply that fair compensation is not important. According to a 'best practice' view in terms of internal fit or match between HR practices (e.g., Pfeffer and Veiga 1999), fair compensation may still constitute an important part of a system of best practice HRM. The correlation matrix reveals that the perceptions of empowerment, information sharing and fair compensation are strongly positively correlated, lending implicit support for such a perspective.

Limitations and research directions

The contributions of this research should be viewed in the light of several limitations. First, the data were gathered at one point in time, making it impossible to draw inferences of causality or rule out the possibility of reverse causality. Consequently, longitudinal or experimental studies are needed in order to approach more closely causality inferences on the relationships examined in the present study. Another limitation is the reliance on self-reported questionnaire data, causing concerns about possible mono-method bias and percept-percept inflated measures (e.g., Crompton and Wagner 1994). The principal component analysis, however, generated eight factors with eigenvalues of 1 or more, and an explained variance of the factors ranging from 25% (factor 1) to 2.6% (factor 8). Although this analysis, the Harman's one-factor test (Podsakoff and Organ 1986), is nothing more than a diagnostic technique to assess the extent to which common method variance may be a problem (Podsakoff, Mackenzie, Lee and Podsakoff 2003), it seems to indicate that mono-method variance was not a serious threat in this study. Finally, if the usual suspects to blame for common method variance, such as social desirability, negative affectivity, and acquiescence (Spector 2006), had been a serious concern we would probably observe fewer strong negative relationships between turnover intention and several of the other study variables.

Research among salespeople suggests that self-rated performance tends to be upward-biased, but also that the amount of bias does not seem to vary across performance levels (Sharma, Rich and Levy 2004). Accordingly, the respondents in the present study may

have overestimated their levels of work performance and affective organizational commitment, without necessarily affecting the results. However, the mean value for self-reported work performance was 'only' 3.66, compared with 3.80 for intrinsic motivation. Furthermore, whereas performance ratings by supervisors help to rule out the validity threats of self-report and mono-method, performance appraisal research suggests that performance ratings conducted by supervisors may be even more biased than self-report measures (Levy and Williams 2004; Murphy 2008). Thus, it is not obvious that the extra effort involved in gathering performance data produced by supervisors or peers would have resulted in better performance data. Perhaps the ideal solution would be to gather both self-report *and* supervisor or peer measures of task and contextual performance.

Beyond conducting similar studies with longitudinal designs and data from several sources, an interesting avenue for future research would be to investigate the moderating role of intrinsic motivation on the relationship between comparable conceptualizations of best practice HRM and employee outcomes. Taking an HR system approach in micro research, one could use measures that are less closely related to particular practices, for instance by operationalizing perceptions of HR practices in terms of investigating employee perception of investment in employee development (Lee and Bruvold 2003). Furthermore, a recent single HR practice study observed that the relationship between performance appraisal reaction and work performance was moderated by the autonomy orientation of employees (Kuvaas 2007). Accordingly, it may also be interesting to investigate alternative moderators in multiple HR practice research.

Implications for practice

If the associations between perceptions of multiple best HRM practices, intrinsic motivation, and the dependent variables represent causal relationships, our results may have important implications for managers. We think that the most important implication is that a 'one size fits all' perspective may be detrimental to individual employee outcomes. Furthermore, and beyond moderation, the strong positive relationship between intrinsic motivation and employee outcomes suggests that organizations may use our findings to tailor their HR policies in general, and their selection and work design practices in particular, toward intrinsic motivation. Whereas intrinsic motivation may have a global or dispositional component (Vallerand 1997), its primary influence is probably situational (e.g., Gagné and Deci 2005; Humphrey, Nahrgang and Morgeson 2007). With respect to work design then, close attention should be paid to intrinsically motivational job characteristics such as job autonomy, skill variety, task identity, task significance and feedback from the job (Hackman and Oldham 1976; Humphrey et al. 2007). As far as selection practices are concerned, organizations should try to hire employees with the potential and capacity to find meaning and enjoyment in their work. Following Pfeffer, we add to the importance of selection: 'Organizations serious about obtaining profits through people will expend the effort needed to ensure that they recruit the right people in the first place' (1998, p 100). Finally, and from a HR policy standpoint, research on 'best practice' HRM often views the fulfilment of employee needs as an end in itself (e.g., Guest 1997) and pertains to flexible, autonomous and empowering work systems that rest primarily on employees' self-regulated behaviour and discretionary effort (e.g., MacDuffie 1995; Truss et al. 1997). Such a view fits nicely with self-determination theory (Gagné and Deci 2005) and job design research (Humphrey et al. 2007) and the positive effect of autonomy supporting work environments on intrinsic motivation, which can be observed by the strong positive correlation between perceived empowerment and intrinsic motivation in

the present study. Accordingly, organizations should pay attention to autonomy support and empowerment when they design and implement HR practices.

Conclusion

This study has introduced intrinsic motivation as a moderating influence on the relationship between perception of best practice HRM and employee outcomes. Although the results are mixed, our findings suggest that intrinsic motivation moderates the relationship between empowerment and information sharing and employee outcomes. These findings may contribute to micro HRM research by demonstrating: (a) that there are alternatives to the mediational model of the relationship between perceived HR practices and employee outcomes; (b) that best practice HRM may be better for some employees than for others; and (c) that whether perceived best practice HRM is or is not good for employees high versus low in intrinsic motivation depends both on the particular practice under investigation and the type of employee outcome that is sought.

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Appendix

Principal component analysis with varimax rotation.

Items	Components							
	IS	TI	EM	WP	IM	FP	AC	-
Employees in my unit are continuously informed about new products and services (IS)	<u>.81</u>							
Employees are continuously updated on the performance of their unit (IS)	<u>.78</u>							
Employees in my unit are continuously updated on the criteria that are used in individual performance appraisal (IS)	<u>.74</u>							
Top management frequently informs the employees in my unit about the level of customer satisfaction concerning our products and services (IS)	<u>.71</u>							
In my unit we are regularly informed about technological updates (IS)	<u>.67</u>							
Employees are regularly updated on the financial performance of the organization (IS)	<u>.63</u>							
Employees in my unit are regularly updated on future projects in the organization (IS)	<u>.61</u>							
Top management delegates power, including the opportunity to receive extra benefits, in a fair way (FC)	.49					.36		
I will probably look for a new job next year (TI)		<u>-.90</u>						
I will likely actively look for a new job within the next three years (TI)		<u>-.87</u>						
I may quit my present job this year (TI)		<u>-.86</u>						
I often think about quitting my present job (TI)		<u>-.81</u>						
I would be very happy to spend the rest of my career in this organization (AC)		<u>.60</u>						
I do not see much prospect for the future in this organization (TI)		<u>-.59</u>						
Employees in my part of the organization are trusted by the top management to decide on how to organize our work (EM)			<u>.79</u>					
Employees in my part of the organization have a lot of discretion in deciding how to accomplish our tasks (EM)			<u>.70</u>					
Managers in my part of organization show that they trust the judgement of each individual employee (EM)			<u>.68</u>					
I feel that managers in my part of the organization trust the dispositions I make at work (EM)			<u>.65</u>					
Top management expresses confidence in the qualities of the employees of my unit to make independent decisions (EM)	.42		.60					
I perform better than what can be expected (WP)				<u>.77</u>				
I almost always perform better than what can be characterized as acceptable performance (WP)				<u>.76</u>				
The quality of my work is top notch (WP)				<u>.69</u>				
I often expend extra effort in carrying out my job (WP)				<u>.61</u>				

Appendix – continued

Items	Components							
	IS	TI	EM	WP	IM	FP	AC	–
I try to work as hard as possible (WP)				<u>.53</u>				
I intentionally expend a great deal of effort in carrying out my job (WP)				<u>.52</u>	.42			
The tasks that I do at work are themselves representing a driving power in my job (IM)					<u>.77</u>			
The tasks that I do at work are enjoyable (IM)					<u>.71</u>			
My job is so interesting that it is a motivation in itself (IM)					<u>.65</u>			.38
My job is meaningful (IM)					<u>.61</u>			
I think that the compensation I receive (pay and other benefits) is fair compared to what other organizations offer (FC)							<u>.85</u>	
I feel that the pay level in my part of the organization is fair (FC)							<u>.83</u>	
In my part of the organization the pay rises and any variable payouts reflect the results we have achieved (FC)							<u>.63</u>	
Employees in my part of the organization think that their level of compensation matches the responsibility they have (FC)							<u>.50</u>	
I do not feel 'emotionally attached' to this organization ^a (AC)							<u>.67</u>	.36
I do not feel like 'part of the family' at my organization ^a (AC)							<u>.65</u>	
I do not feel a strong sense of belonging to my organization ^a (AC)							<u>.64</u>	
This organization has a great deal of personal meaning for me (AC)							<u>.51</u>	.44
I really feel as if this organization's problems are my own (AC)							.45	.36
The job is sometimes like a hobby to me (IM)								.66
I almost feel lucky being paid for a job I like this much (IM)						.36		.55
Initial eigenvalues	10.02	3.44	2.91	2.43	1.77	1.51	1.21	1.03
Pct. of variance	25.07	8.60	7.27	6.07	4.43	3.77	3.03	2.58
Coefficient alpha for final scales	.87	.90	.77	.75	.84	.76	.74	n.a.

^a Reverse coded; factor loadings less than .30 are not shown; values shown underlined are those included in the final scales; some of the items are shortened due to limited space; IS = information sharing; TI = turnover intention; EP = empowerment; WP = work performance; IM = intrinsic motivation; FC = fair compensation; AC = affective commitment.