

ABSTRACT

Employee engagement is a critical human resource management (HRM) concern in contemporary business organizations worldwide. Despite the global attention and efforts through adoption of sound HRM practices, engagement levels in many countries even at the best of times are observed to be generally poor, in addition to the deepening levels of disengagement among employees. This leads to an incongruity as to why employees fail to demonstrate a significant level of engagement in their work despite the adoption of a range of consistent high commitment HRM practices, which are theoretically expected to predict and boost engagement. Hence, the study attempts to provide a plausible explanation to the problem as to why and under what conditions would the high commitment HRM practices adopted by the organization influence employees' engagement at work within the Sri Lankan business setting.

The social exchange theory (SET) had been used to explain employee engagement through its exchange rule of reciprocity as an 'interdependent transaction pattern' by way of favourably responding to the economic and socioemotional resources provided by the organization. However, the study surfaced that SET would not adequately explain why the degree of these reciprocal exchanges vary among individuals resulting in varying levels of engagement, even within the same organizational context that is open to the same high commitment HRM practices. The study attempted to address this lacuna by exploring the conditions under which organizational HRM practices would lead to high levels of engagement. Accordingly, the study postulated that perceived organizational support (POS) would mediate the relationship between high commitment HRM practices and employee engagement. Further, based on the dualistic exchange structure of relational and contractual governance, it argued that the 'norm of reciprocity,' another main form of reciprocity, and self-efficacy would moderate the relationship between POS and employee engagement. This conceptualization highlights the individual difference conditions under which reciprocal exchange is most likely to occur.

Based on such an integrated model, the study tested six hypotheses that accounted for the proposed relationships. Cross sectional data was collected from 68 high performing organizations in the country that consisted of a hierarchical data structure with two levels in which employees were considered to be nested within the organizations. Accordingly,

506 valid employee level responses were considered, and a multilevel modeling data analysis procedure was adopted using Mplus software. The study findings confirm that high commitment HRM practices (a bundle of three consisting: training and development, employee involvement, and teamworking practices) are a sound predictor of employee engagement, a relationship that largely becomes more profound with the intervention of POS as a mediator. Further, by introducing a contextual perspective to the main HRM-engagement nexus, individual difference factors self-efficacy and norm of reciprocity, would also act as catalysts to positively enhance employee engagement through their interaction with POS. Through this framework and with the overall modeling of the intervening and boundary spanning variables, the study enhances the explanatory power of SET by integrating two distinct representations of reciprocity within the same theoretical framework and expands the current knowledge by making a more nuanced understanding of employee engagement with its theoretical and practical implications. The study also involved advanced methodological adaptations when analyzing mediation and moderation analysis. The 2-1-1 moderated mediation model called for unique multilevel modeling approaches, especially the second stage dual moderation, which would provide useful insights to researchers analyzing complex models consisting of the combination of mediations and moderations. Further, the study revealed several managerial implications especially in the HRM domain, where it specially surfaced the need for managers to become more concerned about how the employees will perceive the organizations efforts when planning any HRM allocations, rewards, or applying employee treatment mechanisms irrespective of the actual valence of such actions. As a whole, the study expresses insights into HRM practices where human resource managers and line managers should focus on, in collaborating among themselves to ensure that their routine interactions with employees create a positive and supportive atmosphere so that organizational HRM practices can yield higher levels of engagement.