

Revisiting the SHRM–Employee Behaviour Relationship: A Social Exchange Perspective on the Mediating Role of Affective Commitment

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ABSTRACT

Organisational effectiveness and performance are influenced by employee behaviour, but the impact of Strategic Human Resource Management (SHRM) on this behaviour is not well understood. This study explores the mediating role of affective commitment, using Social Exchange Theory to analyse how SHRM practices foster emotional attachment among employees, which then enhances their behavioural performance. A quantitative research design was used with survey data collected on 408 employees working in medium enterprises in India. Partial Least Squares Structural Equation Modelling (PLS-SEM) was used to test the hypothesised relationships and mediation effects. The results indicate that SHRM does not have a significant direct effect on employees' behaviour. The SHRM however, has a great positive influence on the behaviour of employees who are greatly affected by affective commitment. The results prove that affective commitment is a complete mediator between SHRM and the behaviour of employees. The results imply that organisations need to go beyond the structural application of HR practices and concentrate on the promotion of emotional attachment to the employees. By focusing on fairness, organisational support and employee involvement can reinforce affective commitment and, therefore, enhance the behavioural and performance results. The work enhances SHRM research through a Social Exchange perspective, highlighting the role of affective commitment as a complete mediator. This approach shifts focus from direct effects to psychological processes, offering context-specific insights for medium enterprises in developing economies.

Keywords: Strategic Human Resource Management, Affective Commitment, Employees' Behaviour, Social Exchange Theory, PLS-SEM

1. Introduction

The modern competitive and dynamic business environment has led organizations to increasingly appreciate the role of human resources as a key source of lasting competitive advantage. The change in the traditional personnel management to Strategic Human Resource Management (SHRM) is an indication of the increasing focus on aligning the human resource policies and practices with the organizational strategies to enhance the performance of the individuals as well as the organizations (Wright and McMahan, 1992; Boxall and Purcell, 2011). In addition to administrative efficiency, SHRM is concerned with the development of a skilled, engaged and committed workforce that is able to support long-term strategic goals (Colbert, 2004). In this connection, the strategically aligned HR practices including training and development, performance appraisal, compensation and employee participation play a critical role in enhancing the capabilities of employees, motivation and opportunities to perform (Vanhala and Tuomi, 2006). Such practices are mostly conceptualized as High-Performance Work Systems (HPWS) which are meant to improve the cognitive skills, innovative capability and overall involvement of the employees (Suthiphan, 2010). Regardless of the considerable amount of research on SHRM, the correlation between SHRM and employee behaviour is at times difficult and inconsistent. Though previous research indicates that SHRM has a direct relationship with employee behavior by creating positive attitudes and work outcomes (Jiang et al., 2012; Guest, 2017), more recent findings suggest that this relationship is not as clear. As an example, Pinto et al. (2025) and Medina-Garrido et al. (2023) report that SHRM does not necessarily have a significant direct impact on employee behaviour, but instead functions through indirect mechanisms. Likewise, as noted by Marwan and Alhadar (2024), the weak or even negative direct correlations between HR practices and innovative behaviour may be of great importance. These inconclusive results indicate the necessity to investigate the underlying processes that elucidate how SHRM is converted into employee behaviour. In order to address this

problem, this study will rely on the Social Exchange Theory of Peter Blau (1964) that states that employees give back positive organizational treatment in the form of positive attitudes and behaviours. In this context, SHRM practices are indicators of organisational support, equity and investment in the employees, which lead to emotional attachment and commitment (Eisenberger et al., 2002; Allen et al., 2003). One of the most well-known issues that have been identified to be a determinant of positive workplace behaviour is affective commitment, which is defined as a sense of emotional attachment and identification of employees to their organization (Meyer and Allen, 1991). Strongly affectively committed employees have higher chances of engaging in voice behaviour, trust, loyalty, cooperation and proactive performance (Ribeiro et al., 2017; Ganji et al., 2021). In this regard, affective commitment can be a very important psychological process that connects SHRM practices and behavioural results. Whereas previous studies have recognized the mediating role of affective commitment, little empirical research has been conducted to investigate this mechanism, especially when it comes to developing economies. Available evidence indicates that HR practices have an indirect impact on employee outcomes via affective commitment (Alfes et al., 2013; Luu, 2018), and that employee perceptions about the practices of HR significantly influences their attitudes and behaviours (Vanhala and Tuomi, 2006). Nonetheless, the research in the context of how these relationships work in the environment with resource constraints, informal HR practices and various cultural influences lacks. Especially in countries like India where the context of organisations is much different compared to developed economies, these dynamics are of particular importance (Saini and Budhwar, 2008). It is against this background that the current study seeks to establish the relationship between SHRM and the behaviour of employees by including affective commitment as a mediating variable

2. Objectives

The study will add to the literature in three significant aspects. First, it conceptualizes anew the relationship between SHRM and behaviour by showing that it is indirectly mediated via psychological mechanisms, thus resolving the inconsistencies of earlier studies. Second, it empirically confirms affective commitment as a central mediating construct that elucidates the impact of SHRM in employee behaviour. Third, it gives context-specific information of medium enterprises in a developing economy where HR practices are in many cases informal and perception-driven.

3. Scope and Methodology

3.1 Data Collection

This research design is a positivist research philosophy with a quantitative explanatory research design to understand the relationship between Strategic Human Resource Management (SHRM), affective commitment and the behaviour of employees. The study employed a structured questionnaire that included two parts: demographic items and measurement items of the study constructs. The sample population included workers in the medium-size companies in Punjab. A mixture of multistage and judgmental sampling methods was used to find the right organisations and respondents. In the first round, the medium enterprises were selected according to pre-determined criteria and in the second round, the employees in these organisations were selected based on their relevance and availability to give informed responses. This amount of 408 responses is sufficient to meet the sample size criteria in Partial Least Squares Structural Equation Modelling (PLS-SEM). The relevance of medium enterprises to be used as the study context is especially applicable, in developing economies, such as India, where the organisational structure, the availability of resources and HR practices generally differ between the large organisations and the developing ones. Data collection process was done with ethical considerations in mind. Participation was voluntary and respondents were assured of anonymity and confidentiality in order to ensure that respondents were honest and unbiased only.

3.2 Measures

The measures of all constructs in the study were based on the established scales used in previous literature, only with slight adjustments being made to suit the Indian context. The answers were measured using a five-point Likert scale, where 1 = strongly disagree and 5 = strongly agree.

Strategic Human Resource Management (SHRM)

The assessment of SHRM was conducted with the help of ten items that describe key human resource practices, including fairness in the work distribution, procedural justice, employee autonomy, recognition, transparency in communication and employee friendly policies. These items reflect the degree to which the HR practices are undertaken in a well-structured, fair and supportive way in line with organisational goals. The scale has been adapted based on existing measures (Heneman and Schwab, 1985; Green et al., 2001; Claycomb et al., 1999; Mowday et al., 1979).

Affective Commitment (AC)

Eleven items were used to measure affective commitment as they reflected the level of emotional attachment of the employees to the organization, the feeling of belonging and identification of the employees with the organization. The items are indicative of the feelings of pride, loyalty, alignment of personal and organisational goals and long-term attachment. There were also negatively worded items that were to check on the response bias. The scale was based on the previous research (Allen and Meyer, 1990; Meyer and Allen, 1991; Porter and Smith, 1970).

Employees' Behaviour (EB)

The measurement of behaviour among employees was conducted using ten items which captured both in-role and extra-role behaviours, such as effort, cooperation, responsibility, organisational goal orientation and proactive work practices. To provide validity of responses, reverse-coded items to capture disengagement or withdrawal behaviours are also included in the scale. These scales were modified based on the already existing scales (Rhodes, 1983; MacKenzie et al., 1991; Podsakoff and MacKenzie, 1994; Tsui, 1984)

3.3 Analytical Approach

The research used the Partial Least Squares Structural Equation Modelling (PLS-SEM) to test the hypotheses proposed because it is well-suited to both predictive research models and complex relationships including mediation. The analysis was done in two steps. Measurement model was tested in the first stage to determine reliability and validity. This included examining internal consistency reliability (Cronbach's alpha and composite reliability), convergent validity (average variance extracted) and discriminant validity. The structural model was evaluated in the second stage to test the hypothesized constructs relationships. This included path coefficient analysis, bootstrapping to determine the level of significance, effect size (f^2), predictive relevance (Q^2) and the mediation analysis to test the indirect effects of affective commitment.

4. Literature Review

4.1 SHRM and Employees' Behaviour

Strategic Human Resource Management (SHRM) has become an important field of organisational research because it helps to match the human resource practices to the long-term strategic objectives of the organization. In contrast to the traditional human resource management, which is mainly based on administrative effectiveness, SHRM is proactive and integrative in nature as it links HR policies with organisational strategy to enhance the overall performance (Wright and McMahan, 1992; Boxall and Purcell, 2011). SHRM entails a series of practices that include recruitment, training, performance appraisal, compensation and employee participation all geared towards developing a skilled, committed and high-performing workforce. SHRM is important because it is capable of creating human capital which acts as a major source of competitive advantage (Colbert, 2004). Empirical data indicate that organisations that have effective SHRM practices have increased employee commitment, accountability as well as enhanced performance of the firm (Vanhala and Tuomi, 2006). Moreover, SHRM is also frequently conceptualized in terms of High-Performance Work Systems (HPWS) which are aimed at improving the interactions between employees and between employees and employers (Suthiphan, 2010). These systems promote cognitive and behavioural abilities of employees so that they can be able to contribute more towards organisational objectives. Moreover, SHRM is critical in creating good employer-employee relationship through promotion of fairness, justice and well-being (Saini, 2011). Strong HR practices in organisations are associated with the better employee retention and reduced turnover intentions (Apascaritei and Elvira, 2021). Other recent

researches also emphasize the role of SHRM in dynamic capabilities and employee welfare, pointing to the fact that HR practices help employees to feel that the organization supports them, which in turn leads to better performance outcomes (Oh and Park, 2021; Van Beurden et al., 2021). Nevertheless, the correlation between SHRM and employee performance is sometimes not direct. Certain studies indicate that SHRM might have indirect effects on employee behaviour via psychological processes. Indicatively, Pinto et al. (2025) and Medina-Garrido et al. (2023) revealed that HR practices have few direct effects on behaviour, but have many indirect effects through other variables including well-being and commitment. This implies that there is a need to discuss mediating variables that elaborate on how SHRM is translated into behavioural results.

Employee behaviour is the behaviour and attitude of various people in an organization that leads to the realization of organisational objectives. These behaviours involve not only in-role behaviours, but also extra-role behaviours such as organisational citizenship behaviour, trust, loyalty and voice and proactive behaviour, so it is regarded as the behaviour of the employees in qualitative terms. SHRM systems are uniquely designed in the way that it influences such behaviours by balancing activities of its employees with its strategic objectives (Schuler and Jackson, 1987). Studies have shown that effective HR practices have a positive impact on employee behaviour by increasing motivation, role clarity and psychological empowerment (Jiang et al., 2012). HR practices even serve as cues that help employees form an idea of organisational support, and thus, influence their behaviour (Kehoe and Wright, 2013). When employees view HR practices as favorable, responsive and supportive, there are high chances of positive behaviours, including cooperation, innovation and commitment. In addition, SHRM helps to build a supportive organisational culture, which is characterized by trust and fairness and leads to employee engagement and reduced negative behaviours such as absenteeism and turnover (Guest, 2017; Boxall and Macky, 2009). The assumption of a direct relationship between SHRM and employee behaviour is however challenged in recent literature, which suggests that the relationship is often mediated by psychological factors. This underscores the need to investigate the underlying mechanisms which describe how HR practices can be converted to behavioural outcomes.

Strategic Human Resource Management (SHRM) is aimed at aligning the behaviour of employees with organisational goals by employing coherent and supportive HR practices (Schuler and Jackson, 1987). These practices define the skills of employees, their motivation and opportunities to perform and thus influence their behaviour at work (Jiang et al., 2012). In a signaling view, organisational expectations and values are communicated by the HR practices, which guide employees towards the desired behavioural outcomes (Kehoe and Wright, 2013). Once employees have the perception that the HR practices are consistent, fair and supportive, then they are more inclined to reciprocate with good behaviours such as cooperation, engagement and organisational citizenship. Moreover, SHRM creates an organisational culture where trust and fairness are the dominant factors, which not only decrease counterproductive behaviours such as absenteeism and turnover; but also improves discretionary efforts (Guest, 2017; Boxall and Macky, 2009). Even though some more recent studies indicate that the interrelationship between SHRM practices and employee behaviour may not necessarily be direct, the overwhelming view in the literature is that there exists a positive relationship between SHRM practices and employee behaviour.

H1: Strategic human resource management has a positive impact in shaping the behaviour of employees.

4.2 SHRM and Affective commitment.

Affective commitment is described as the emotional connection as well as recognition of the employees towards their organisation (Meyer and Allen, 1991). It indicates an internal need to stay in the organisation because of the emotional attachments and not the force or commitments. Affective commitment is vital in influencing the attitude and behaviours of employees and is therefore an important construct in organisational research. The practices in SHRM significantly contribute to development of affective commitment through creation of a supportive work environment, which is characterised by fairness, recognition and employee development (Allen et al., 2003; Eisenberger et al., 2002). Training, participation and performance appraisal practices increase the perception of employees that they are supported by the organisation, and this perception enhances emotional attachment of employees to the organisation. The results of the empirical studies are strong evidence of a positive relationship between SHRM and affective commitment. Indicatively, Gould-Williams (2007) discovered that equitable and

uniform HR practices improve employee trust and commitment. Equally, Meyer et al. (2002) proved that practices of SHRM positively impact on affective commitment in various cultural settings. In emerging economies, Nawaz and Pangil (2016) found out that SHRM practices are found to be significantly enhancing the affective commitment, which in turn leads to better organisational performance. Moreover, affective commitment has been found a key factor that correlates HR practices with employee engagement (Alfes et al., 2015).

Affective commitment can be described as emotional attachment of employees to their organisation which is developed when employees feel that they are being supported, treated fairly and taken care of by their organisations (Meyer and Allen, 1991). Training, development, performance appraisal and participation, are some of the SHRM practices that contribute to the creation of such perceptions (Allen et al., 2003; Eisenberger et al., 2002). Under Social Exchange Theory, which is proposed by Peter Blau (1964), workers give good attitudes and emotional attachment in return to positive organisational treatment. Empirical research will always show that properly executed HR practices will improve affective commitment by fostering trust as well as strengthening the sense of belonging in employees (Gould-Williams, 2007; Meyer et al., 2002). This relationship is also supported by evidence in developing economies, which shows that SHRM practices enhance the emotional attachment of employees to the organisation, as well as employee loyalty (Nawaz and Pangil, 2016).

H2: There is a positive correlation between strategic human resource management and affective commitment.

4.3 Affective Commitment and Employees' Behaviour

Affective commitment is a key factor that influences the behaviour of employees by enhancing the congruence between individual and organisational goals. High affective commitment employees have a higher likelihood of internalizing organisational values and performing behaviours that lead to organisational success (Meyer et al., 2002). These behaviours are increased engagement, cooperation, organisational citizenship and proactive performance (Ribeiro et al., 2017; Ganji et al., 2021). Also, affective commitment lowers the adverse workplace behaviours like absenteeism and turnover intentions since employees with affective commitment are more motivated to stay with and benefit the organisation (Rhoades et al., 2001; Tillman et al., 2018). Based on the Social Exchange Theory, employees that feel appreciated and encouraged gain a feeling of obligation to repay through positive behavioural performance.

H3: Affective commitment positively impacts employees' behaviour.

4.4 Mediating role of Affective commitment.

Although the effects of SHRM practices are likely to be mediated by the influence of psychological processes such as affective commitment. According to Social Exchange Theory, the employees form emotional attachment to organisations that treat them fairly and supportively and these attachments later lead to positive behaviours (Blau, 1964). Empirical studies give a powerful backing to the mediating effect of affective commitment. As the research on the topic by Alfes et al. (2013) and Luu (2018) indicates, HR practices have an indirect impact on employee performance, which is mediated by affective commitment. On the same note, Ribeiro et al. (2018) discovered that affective commitment is a critical mechanism that connects HR practices to behavioural and performance outcomes. Further evidence of the role of affective commitment in mediating the relationship between SHRM and employee performance is provided by developing countries (Nawaz and Pangil, 2016; Singh, 2020). This implies that the practices of SHRM in isolation would not necessarily translate into desirable employee behaviour unless the employees are strongly emotionally attached to the organisation. Thus, affective commitment is an important intervening variable explaining how and why SHRM has an impact on behavioural outcomes.

H4: Affective commitment mediates the relationship between strategic human resource management and employees' behaviour.

The hypotheses are presented in the conceptual model of the study (see Figure 1 below).

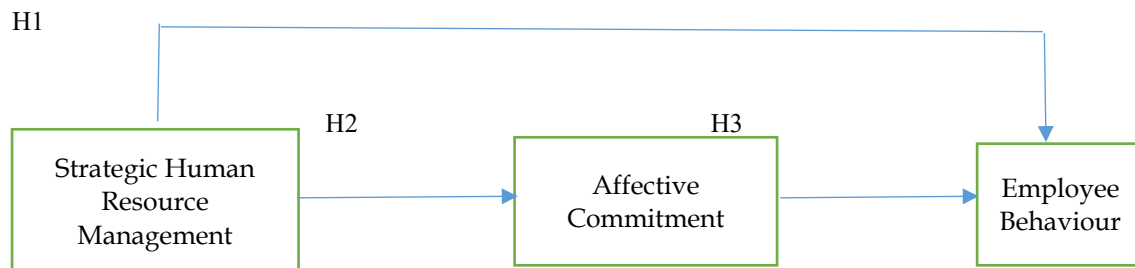


Figure 1.

Figure 1. Conceptual model. (Source: Developed by the author based on the reviewed literature)

5. Result and Discussion

5.1 Demographic Profile of Respondents

The following table is a representation of the demographics of the respondents to this research. The created table reveals that (77.9%) out of 408 respondents were males and (22.1) were females hence the sample was male dominated. In terms of age, (53.4%) of the respondents were in the age category 35-45 years, (30.0%) in the age category 25-35 years. The remaining (11.7%) of the respondents were in the age category 45-55 years, (4.9%) in the 55-65 years. Regarding marital status, (55.4%) of the respondents were married and (44.1%) were not married with (0.5%) divorced and separated. In regard to the level of education, most of the respondents (57.8%) are graduates, (22.1%) are postgraduates and (20.1) of the rest fall under the other category of education. In relation to the designation, greater number of the respondents (51.9%) were general managers followed by (26.4) of the HR managers. The proportion of respondents who were the production and sale managers (5.8%), the finance managers (4.9%) and the supervisors (10.7%). With regards to mode of employment, a big percentage (73.5%) of the respondents asserted that they were permanent employees and (26.5) asserted that they were contractual employees. Finally, it can be concluded that a majority of the respondents were men, between the ages of 35- 45, married and with a degree, were employed as general managers and were permanently employed.

Table 5.1: Demographic Profile of Respondents

Particulars	Categories	Count	Percentage (%)
Gender	Male	318	77.9
	Female	90	22.1
Age	25–35 years	122	30.0
	35–45 years	218	53.4
	45–55 years	48	11.7
	55–65 years	20	4.9
Marital Status	Married	226	55.4
	Unmarried	180	44.1
	Divorced/Separated	2	0.5

Educational Qualification	Graduate	236	57.8
	Postgraduate	90	22.1
	Others	82	20.1
Designation	General Manager	212	51.9
	HR Manager	108	26.4
	Production & Sales Manager	24	5.8
	Finance Manager	20	4.9
	Supervisor	44	10.7
Employment Status	Permanent	300	73.5
	Contractual	108	26.5

(Source: Primary Data Collected through Structured Questionnaire).

5.2 Measurement Model Assessment

Confirmatory Composite Analysis was used to assess the measurement model according to the guidelines (Hair et al., 2022). The results indicate acceptable levels of internal consistency with the Cronbach alpha, rho A and composite reliability (CR) of all the constructs lying between 0.897-0.926, above the acceptable level of 0.70 and less than 0.95. The loading of items was mainly above the recommended cut-off of 0.70, with some items between 0.60 and 0.70. These were retained, because the Average Variance Extracted (AVE) values of all constructs were higher than 0.50, which signified acceptable convergent validity. Indeed, the AVEs were 0.505-0.532, indicating that more than 50% of the variance is explained by the respective constructs. See below table no. 5.2. In order to achieve discriminant validity, we took into consideration a number of criteria. The Fornell-Larker criterion showed that the square root of the AVE of each construct was more than its correlations with other constructs. Moreover, the discriminant validity was supported by less than the conservative value of 0.85 in the values of the HTMT ratios. Last, cross-loading analysis established the highest loading of each indicator on each construct respectively. Overall, the measurement model was valid and reliable. The figures in table no. 5.3 and table no. 5.4.

Table 5.2: Outer Loadings, Cronbach's Alpha, Composite reliability and AVE

Latent Construct	Indicators	Outer Loadings	Cronbach's Alpha	Rho- A	Composite Reliability	Average Variance Extracted (AVE)
Strategic Human Resource Management	SHRM1	0.729	0.897	0.898	0.915	0.518
	SHRM2	0.733				
	SHRM3	0.756				
	SHRM4	0.733				
	SHRM5	0.729				
	SHRM6	0.737				
	SHRM7	0.697				
	SHRM8	0.731				
	SHRM9	0.660				

	SHRM10	0.688				
Affective Commitment	AC1	0.738	0.912	0.913	0.926	0.532
	AC2	0.713				
	AC3	0.734				
	AC4	0.758				
	AC5	0.742				
	AC6	0.757				
	AC7	0.743				
	AC8	0.740				
	AC9	0.684				
	AC10	0.730				
	AC11	0.677				
Employees Behaviour	EB1	0.765	0.901	0.903	0.918	0.530
	EB2	0.738				
	EB3	0.770				
	EB4	0.710				
	EB5	0.701				
	EB6	0.764				
	EB7	0.699				
	EB8	0.735				
	EB9	0.719				
	EB10	0.670				

Table 5.3: Discriminant validity- Fornell and Larcker Criterion

	AC	EB	POS	SHRM
AC	0.729			
EB	0.498	0.728		
POS	0.348	0.469	0.710	
SHRM	0.467	0.408	0.544	0.720

Table 5.4: Discriminant validity- Heterotrait-Monotrait (HTMT) ratio

	AC	EB	POS	SHRM
AC				
EB	0.546			
POS	0.380	0.515		

SHRM	0.513	0.449	0.603	
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5.3 Controlling for common method bias

To tackle common method bias (CMB), procedural and statistical methods were used to address the issue (Podsakoff et al., 2003). Procedurally, anonymity and confidentiality were guaranteed to respondents, who were also advised that there were no correct or incorrect answers to the questions which minimized evaluation apprehension and respondent bias. Furthermore, the measurement items were derived based on the existing scales in order to increase the response reliability. The one-factor test provided by Harman was statistically that the first factor explained 39.13% of the total variance, which is lower than the recommended value of 50, indicating that CMB is not a major concern. To further confirm this, a full collinearity analysis was performed according to Ned Kock (2015). The variance inflation factor (VIF) values were less than the critical (3.3) value and this confirmed the absence of multicollinearity and common method bias. On the whole, these findings suggest that CMB cannot present a serious threat to the validity of the study.

5.4 Hypothesis Testing

The findings of the structural model provide information on the direct and indirect relationships between strategic human resource management (SHRM), affective commitment (AC) and employee behaviour (EB). First, the results show that there is no direct relationship between SHRM and employee behaviour ($\beta = 0.078$, $t = 1.536$, $p = 0.125$). Moreover, zero is within the confidence interval $(-0.020, 0.177)$, which means that this effect is not significant. As such, H1 is not supported, and suggests that SHRM alone cannot directly affect employee behaviour. But SHRM has been found to have a large positive impact on affective commitment (0.393 , $t = 7.686$, $p < 0.001$) with the confidence interval $(0.294, 0.491)$ not including zero. Although the effect size ($f^2 = 0.142$) is considered as a small relationship is strong, and thus H2 is accepted. This indicates that SHRM is important in fostering employees' emotional identification with the organisation. Moreover, AC has a significant effect on EB ($\beta = 0.365$, $t = 8.604$, $p < 0.001$) with a confidence interval $(0.283, 0.445)$ that excludes zero. The effect size ($f^2 = 0.158$) is average, which indicates that AC has a significant impact on EB. Therefore, H3 is valid, with employees having higher affective commitment being more likely to have positive behaviour. In respect of the mediation analysis, it is established that affective commitment completely mediates the impact of strategic human resource management on employee behaviour. In this research, the direct relationship between SHRM and EB is not significant ($p = 0.125$) whereas the indirect relationship between SHRM and AC and EB is significant (0.143 , $p = 0.001$). Thus, it can be said that the effect of SHRM on employee behaviour is completely mediated by affective commitment, suggesting that full mediation (indirect-only mediation) exists (Zhao et al. (2010). Moreover, all the relationships have a smaller value of the Variance Inflation Factor (VIF) in comparison to the cutoff value of 5, implying that there is no problem of multicollinearity between the constructs. Finally, findings show that while SHRM has no direct effect on employee behaviour, it has indirect effect via affective commitment. This brings out the important role of affective commitment in transforming HR practices in order to obtain positive results of employee behavioural change.

Table 5.5: Structural Model Results (Direct and Indirect Effects)

Hypothesis	Path	β	t-statistics	95% CI (LB, UB)	p-value	VIF	f2	Effect Size	Decision
H1	SHRM -> EB	0.078	1.536	$(-0.020, 0.177)$	0.125	1.613	0.006	Weak	Not Supported
H2	SHRM -> AC	0.393	7.686	$(0.294, 0.491)$	0.000	1.413	0.142	Small	Supported
H3	AC -> EB	0.365	8.604	$(0.283, 0.445)$	0.000	1.297	0.158	Medium	Supported

INDIRECT EFFECTS

H4	SHRM - > AC -> EB	0.143	5.544	(0.098, 0.198)	0.000				Supported
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[Note: CI- Confidence Interval, LB- Lower Bound, UB- Upper Bound]

6. Findings

In increasingly competitive and performance-oriented organisational contexts, understanding how Strategic Human Resource Management (SHRM) translates into desirable employee behaviour remains a central concern. Although previous studies have tended to assume a direct relationship between HR practices and behavioural outcomes, the current study takes it a step further by identifying the mechanism underlying such effects. In particular, it elucidates how organisations transition between the practice of SHRM practices and visible employee behaviour through the mediating role of affective commitment. This pathway is significant to understand because the practices of HR are structural in nature and do not necessarily result in behavioural change. Their power plays out in the perceptions of employees and their emotional reactions. On this note, the current study will be valuable to ongoing research activities to unpack the black box of SHRM research (Jiang and Messersmith, 2018; Cooke et al., 2023) by showing that the effectiveness of SHRM is not directly dependent on its actions but indirectly through intervening psychological processes. First, the results indicate that SHRM is not directly significantly influential on the behaviour of employees, which leads to rejecting H1. This finding is in contrast to prior research (Jiang et al., 2012; Kehoe and Wright, 2013; Guest, 2017; Boxall and Macky, 2009) suggesting that SHRM has a positive impact on behaviour in terms of increased motivation, engagement and clarity. But the results are in line with more recent findings (Pinto et al., 2025; Medina-Garrido et al., 2023; Marwan and Alhadar, 2024), which points to the possibility that the SHRM-behaviour relationship is indirect. This disjuncture indicates that earlier studies might have overemphasized the imminence of the HR effects alongside the underemphasis on the importance of the psychological interpretation of employees. Therefore, SHRM, in itself, might be not enough to directly impact behaviour unless it is internalized by employees. Second, the study concludes that SHRM has strong and significant positive influence on affective commitment and, thus, supports H2. This is in line with previous studies (Allen et al., 2003; Eisenberger et al., 2002; Gould-Williams, 2007; Meyer et al., 2002; Nawaz and Pangil, 2016; Alfes et al., 2015) which underscore the importance of supportive and fair HR practices in enhancing the emotional attachment of employees to the organisation. This observation supports the argument that SHRM practices are relational cues that determine how employees view organisational support and equity. It implies that the effectiveness of HR practices is not only dependent on how they are designed but also on how they are received by employees (Farndale et al., 2024). Third, the results reveal that affective commitment positively influences the behaviour of employees significantly and thus supports H3. This finding is in line with past researchers (Meyer et al., 2002; Ribeiro et al., 2017; Ganji et al., 2021; Rhoades et al., 2001; Tillman et al., 2018), who reveal that emotionally attached employees have a higher propensity to exhibit positive behaviours (including cooperation, engagement and organisational citizenship) and reduce negative behaviours (absenteeism and turnover intentions). This implies that employee behavioural outcomes are directly influenced by internalized attitudes of the employees as compared to formal HR systems. Above all, the mediation analysis validates that the relationship between SHRM and the behaviour of the employees is a fully mediated relationship as confirmed by the mediation analysis. This non-significant direct effect and significant indirect-only mediation indicates that the mediation is indirect-only (Zhao et al., 2010). This observation gives good grounds to believe that SHRM has an effect on behaviour based on the emotional attachment of the employees as opposed to direct structural processes. Although previous studies (Alfes et al., 2013; Luu, 2018; Ribeiro et al., 2018; Nawaz and Pangil, 2016; Singh, 2020) have identified the mediating role of affective commitment, they have not consistently demonstrated its full mediating effect. Thus, the current study contributes to the literature by placing affective commitment as the key explanatory factor. In theory, these results can be correlated with the Social Exchange Theory (Blau, 1964) that hypothesizes that employees will respond to positive organisational treatment with positive attitudes and behaviours. The findings however narrow down this view by demonstrating that such reciprocity is not instant but rather takes place through the evolution of emotional attachment. Therefore, HR practices should be initially

perceived as helpful and internalized by the employees prior to becoming behavioural outcomes.

All in all, the research questions the prevailing belief of a direct SHRM-behaviour relationship and rather shows that its efficacy relies on the psychological reactions of employees. This redefines SHRM as a structural approach and a more perceptual and relationship approach where affective commitment becomes a central factor in influencing employee behaviour.

6.1 Theoretical Implications

By taking a mechanism-based approach, this paper has a number of key contributions to make to SHRM literature. First, it questions the existing assumption that SHRM has a direct effect on employee behaviour by offering empirical data that there exists no significant direct relationship. This observation necessitates a re-thinking of simplified models that imply instant HR impacts and underscores the necessity of including facilitating mechanisms. Second, the study helps to understand the black box relationship between HR practices and employee outcomes better. Contrary to the previous studies that have treated mediators as secondary variables, this study has shown that psychological processes play a very central role in explaining how SHRM works. Third, the paper builds on the Social Exchange Theory in that it emphasizes the sequential dynamics of the exchange processes. It demonstrates that employees do not directly reciprocate HR practices with behaviour; they initially develop emotional attachment which in turn drives behavioural responses. This gives a more sophisticated use of the theory in HRM situations. Lastly, through the emphasis on medium enterprises within a developing economy, the study provides the SHRM research with a contextual depth. It implies that in these settings where HR systems might be informal and resources constraints are common, employee perceptions and attitudes are even more important in shaping the outcomes.

6.2 Practical Implications

The results present some practical recommendations that managers should use to improve employee behaviour using SHRM. Most importantly, they point to the fact that organisations cannot afford to solely use the structural implementation of HR practices to drive behavioural outcomes. To start with, organisations need to establish HR practices that focus on fairness, transparency and employee involvement. Training, performance appraisal and participation practices should be instituted in a manner that conveys organisational support since such perceptions are key in promoting affective commitment. Second, the managers must become more concerned with developing the emotional attachment of the employees to the organisation. This could be done by supportive leadership, recognition and open communication. As affective commitment directly affects behaviour, endeavours to enhance the commitment may result in better organisational performance. Third, organisations must make sure that there is uniformity in the application of HR practices. The perceived inconsistencies or unfairness can diminish trust and decrease the effectiveness of SHRM initiatives. Lastly, in the resource-limited environment like medium enterprises, the results indicate that advanced HR systems are not necessarily required. Rather, well-communicated and continually applied simple practices may be effective in promoting affective commitment and influencing positive employee behaviour. On the whole, the study highlights that the success of SHRM is not only in how it is implemented, but rather its capacity to influence the perceptions and emotional attachment of employees, which, in turn, leads to the behaviour.

7. Limitations and Research Gaps

This paper is liable to a number of limitations which open up research opportunities in the future. To start with, cross-sectional design does not allow establishing causal relationships between Strategic Human Resource Management (SHRM), affective commitment and employee's behaviour. Even though the hypothesized relationships are theoretically based, future studies need to utilize longitudinal or experimental designs to enhance the ability to capture temporal dynamics and causal ordering. Second, the research is based on self-reported data, which can create common method bias and social desirability effects, although statistical tests indicate that this is not of serious concern. It is also recommended that future research should use multi-source data, e.g., supervisor ratings, organisational records, etc., and that this data should be combined with objective performance measures in order to increase robustness and decrease perceptual bias. Third, the model only considers the affective commitment as a mediating mechanism. Although this gives theoretical clarity, it perhaps oversimplifies the

multifaceted processes by which SHRM impacts behaviour. According to the previous studies, job satisfaction, employee engagement and well-being are some of the variables that might also be used as important intervening variables (Alfes et al., 2013; Luu, 2018). Future research must take a more integrative approach by considering multiple mediators and moderators at the same time to capture in more depth the complexity of the SHRM-behaviour relationship. Fourth, the empirical context of the medium enterprises in India, even though it may provide valuable insights into a poorly studied setting, limits the generalizability of the findings. The size of an organisation, the institutional environment and culture might affect the way employees perceive and react to HR practices (Johns, 2018). This research needs to be replicated in other industries, organisation sizes, nationalities to test the robustness and boundary conditions of the proposed relationships. The results also pose significant, yet under researched questions on the heterogeneity of HR practices. Various SHRM practices, training, participation and performance management, can have a varied impact on affective commitment and behaviour. Further studies are needed to disaggregate SHRM into specific practices to investigate their differing contributions and possible complements (De Prins et al., 2014; Mariappanadar, 2022). Lastly, little has been done to investigate how employees react to potentially conflicting organisational cues. To illustrate, employees can find themselves in a scenario where formal HR practices indicate fairness and support, whereas informal norms point otherwise. Future studies will focus on how this lack of consistency contributes to affective commitment and behavioural outcomes and whether employees give more weight to organisational expectations or to personal attitudes. All in all, a more detailed analysis of how SHRM is mapped onto employee behaviour in various contexts will help overcome these limitations.

8. Conclusion

Companies are currently under pressure to utilize human resources efficiently to achieve sustainable performance. This research is significant because it shows that Strategic Human Resource Management (SHRM) does not have a direct impact on human behaviour but rather works through affective commitment. The results reveal that the emotional attachment of employees by the SHRM practices contribute towards the positive behaviours that include engagement and cooperation. The identification of this indirect pathway allows the study to emphasize the critical role of psychological responses of employees in the translation of HR practices into behavioural outcome. It highlights the significance of developing HR systems that focus on the notions of fairness, support and employee involvement especially in resource constrained settings such as in medium enterprises. On the whole, the research contributes to the existing knowledge of SHRM behaviour relationship and offers valuable insights to be applied by managers to build a loyal workforce and eventually increase organisational performance.

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