

Bachelor thesis

Work and Organizational Psychology (290396)

The influence of the climate-strategy fit on strategic behaviors: mediated by affective commitment and moderated by HR climate

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Preface

This thesis is submitted in partial fulfillment of the requirements for a Dutch Bachelor's Degree in Work and Organizational Psychology. It contains work done from February to June 2008. My supervisors on the project have been Drs. Ivy Goedegebure, department HRD, and Prof. Dr. Karin Sanders, head of department HRD. The thesis has been made solely by the author; most of the text, however, is based on the research of others and on the work which the author conducted in collaboration with four co students.

In January 2007, I had the first contact with the field of work and organizational psychology and it attracted my interest so much that I decided to specialize in this field of psychology and to contribute my thesis to it.

The Aim of this Thesis

Since this thesis is written as the final thesis of the bachelor's degree in Work and Organizational Psychology, the text is primarily aimed at teachers of this psychological field of the University of Twente and students attending the courses there.

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Finally, I want to thank my group members, especially Carina Schott. The team work went smoothly and we all supported each other when problems emerged.

Abstract

The aim of this bachelor thesis is to make a contribution to the research about the relationship between the strategy-climate fit and strategic work behaviors by taking into account the mediating effect of affective commitment and the moderating effect of the strength of the HR climate. Stating that certain fits (e.g. the fit between service differentiation and developmental/groups climate) positively relate to knowledge sharing, customer orientation and innovative behavior, it is proposed that affective commitment mediates this relationship. Furthermore, it is proposed that the strength of the HR climate moderates the relationship between the fits and affective commitment. The study is conducted in two German organizations positioned in the industry and the service sector. By means of questionnaires the different variables are assessed. The results demonstrate a significant, positive correlation between affective commitment and strategic work behaviors. In addition, a significant, innovative behavior is found to positively correlate with customer orientation and knowledge sharing. Despite these supportive results, the proposed model including the mediating effect of affective commitment and the moderating effect of the strength of the HR climate cannot be confirmed. For this reason, the design of this study should be replicated using more data in order to apply all statistical tools properly.

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1. Introduction

HRM is necessary for an organization to encourage the strategic behaviors of employees which are crucial for the performance and success of an organization (Becker, Huselid & Ulrich, 2001). In the today's fast changing environment, organizations can gain a competitive advantage through strategic behaviors such as knowledge sharing (Bollinger & Smith, 2001), customer orientation (Williams & Attaway, 1996: 34, in: Rozell et al, 2004) and innovative behavior (Van de Ven, 1986). Knowledge sharing means that organizations acquire organizational wisdom through the transformation of collective experience and expertise (Bollinger & Smith, 2001). Innovative behavior can be defined as the intentional creation, introduction and application of new ideas within a work role, group or organization (Jannssen, 2000) and finally, customer orientation is the belief that customer needs and satisfaction are the priority of the organization (Saxe & Weitz, 1982).

Organizational climate is said to have an important influence on strategic behaviors (Ostroff & Bowen, 2000) if the climate, consisting of the employees' perceptions about the organization, fits to the strategy (Burton, Lauridson and Obel, 2004). Gibcus and Kemp (2003) defined organizational strategy as "a coordinated plan that gives outlines for decisions and activities of a firm and is focused on the application of the resources that a company has at its disposal in such a way that the activities have an additional value to the environment so that the firm can achieve its own goals".

The strength of the HR climate means the degree of within-group consensus about distinctiveness and consistency of the present HR practices. (Bowen & Ostroff, 2004). Granted that the strategy-climate-fit positively affects strategic behaviors, it can be proposed that the strength of the HR climate has an important influence on this relationship. It is possible to attribute a moderating effect of the strength of the HR climate on the relationship between the fit and another crucial variable: affective commitment. Affective commitment refers to employees' emotional attachment to, identification with and involvement in the organization (Allen & Meyer, 1990) and relates positively to strategic behaviors of the employees (e.g. Hall, 2001; Ring & Van de Ven, 1989; O'Hara et al., 1991) and firm performance (e.g. Meyer & Allen, 1997; Ring and Van de Ven, 1989). Furthermore, the organizational climate of an organization has an important influence on affective commitment (Ruppel & Harrington, 2000), which leads to the proposition that it can act as a mediating variable between the strategy-climate fit and the strategic behaviors.

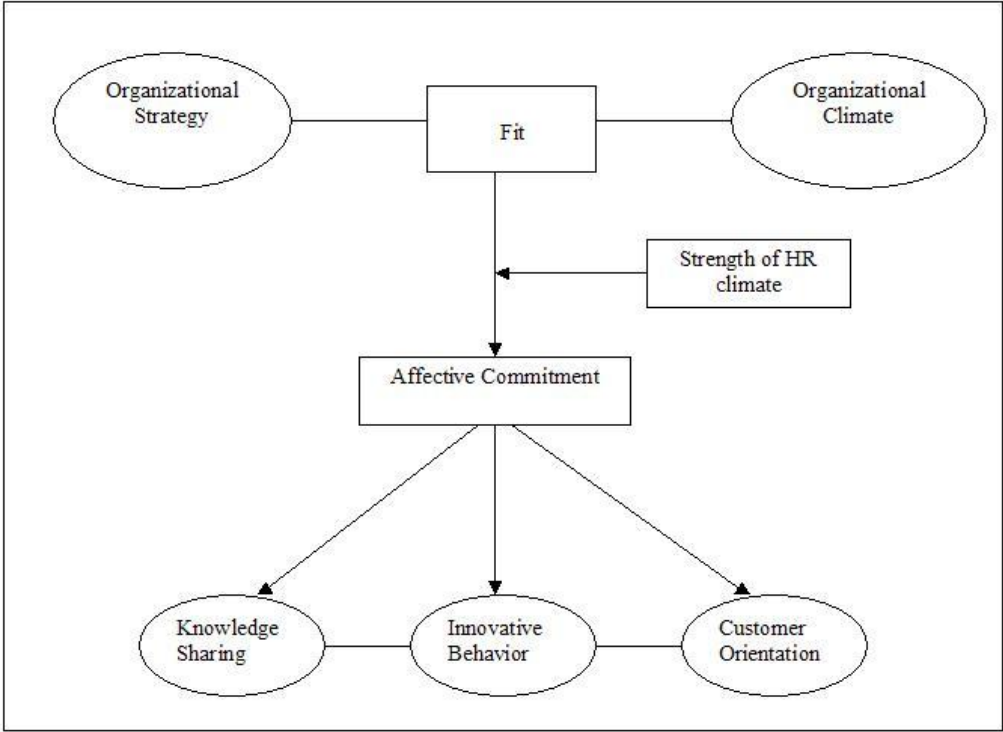
In the literature we see relationships made (theoretically and empirically) between affective commitment and performance (Meyer et l., 1989), climate and performance (Ostroff

and Bowen, 2000), or climate and strategy (Burton et al, 2004) etc. With this study we want to go a step further and put all the different variables into one theoretical framework in order to investigate their interrelationships. An integrative model which represents a realistic picture of the complex work environments is needed. The knowledge obtained will increase the possibility to influence one or more of the integrated concepts successfully and in turn might increase a firm's performance.

Using empirical data from two medium sized German technically aligned firms, this study attempts to achieve two primary objectives. In the first place, demonstrating managers of customer oriented and innovative organizations how important it is to have a strategy which is consistent with the organization's climate. Secondly, showing these managers how they can improve the strategic behaviors of their employees if certain variables are taken into account.

All together, this research examines whether affective commitment has a mediating influence between the fit and the strategic behaviors of employees and if these mediating influence is increased by the moderating effect of the HR climate strength. Figure 1 shows the conceptual framework underlying this study.

Figure 1. Conceptual framework



2. Theoretical framework

2.1 Organizational strategy and organizational climate

To begin thinking about a fit of organizational strategy and organizational climate we have to look separately at these different concepts. According to Gibcus and Kemp (2003), a strategy gives the direction a firm has in mind and implements the ways by which the management wants to achieve their goals by focusing on the application of present resources (Gibcus & Kemp, 2003). Hence, organizational strategy is claimed to be an important indicator for a firm's successes and performances which is supported by a lot of studies (Gibcus and Kemp, 2003, for a review).

There are different perspectives of strategy in the literature. The process perspective refers to how objectives and actions are selected or formulated (Hart, 1992). The outcome of this process refers to the second perspective: strategy content. Strategy content is "a pattern of action through which organizations propose to achieve desired goals, modify current circumstances and/or realize latent opportunities" (Rubin, 1988: 88). The process and the content perspective are two of three categories of different typologies of organizational strategy (Nijssen, 1992). In their studies on strategy many authors have developed typologies (e.g. Miles & Snow, 1978; Porter 1996; Barney, 1991; Mintzberg, 1990). The content perspective adheres to two of the most dominant typologies in the literature, the Miles and Snow typology and the generic strategies of Porter.

According to Miles and Snow (1978) there are four different strategy types. Prospectors try permanently to bring new and innovative products on the market. The second type, the defender, is an expert in a small niche trying to defend the section against other competitors on the market. The third type, the analyzer can be placed between the two other types because the organization with this type of strategy tries to have a stable base of products and selectively moves into new areas with demonstrated promise. Finally, the reactor is without a consistent strategy. It rather responds inappropriately and performs poorly (Hawes & Crittendan, 1984).

Beal (2000) originally identified five distinct strategies which are based on the three generic strategies of Porter. A further elaborated Porter typology (Dess and Davis, 1984) is used by Gibcus and Kemp (2003) in their study on the relationship between strategy and firm performance. These five distinct strategy types (the cost leadership strategy and four differentiation strategies) will be described and simultaneously compared with the Miles and Snow typology.

An innovation differentiator (ID) focuses on the production and implementation of new products. Obviously this strategy type can be compared with the prospector of the Miles and Snow typology because the ID, as well as the prospector, has the goal to create something new and innovative. Marketing differentiators (MD) create perceptions in the minds of their customers that the organization's products are distinctively different from those of their competitors and service differentiators (SD) emphasize customer service during the whole purchase process. Comparing these two types with the Miles and Snow typology we can refer to these as analyzers due to the fact that these strategy types have the goal to keep a stable base of products and selectively move into new areas with demonstrated promise which correspond to the needs of their customers. The process differentiators (PD) which focus on benchmarking their best manufacturing processes can be compared with the defender. Both, the PD and the defender, focus on one aspect (here process) and try to develop expertise within this niche. Finally, the cost leadership strategy (CLS) focuses on low cost production. Compared with the Miles and Snow typology, the defender is also the most similar type to the CLS. An organization with a CLS specializes in one niche and tries to reduce its costs within this niche. Porter (1996) refers in his typology to organizations which are "stuck-in-the-middle" meaning organizations with no consistent strategies. Obviously, it agrees with the reactor of Miles and Snow.

In conclusion, the typology implemented by Gibcus and Kemp agrees with the Miles and Snow typology which is the dominant typology used in research on strategies. Furthermore, the typology of Gibcus and Kemp allows making a finer distinction between different firms because the prospector is subdivided into three different types of Gibcus and Kemp (2003).

Psychological climate is an experiential based perception of what people "see" and report to happening to them as they make sense of their environment (Schneider, 1990, 2000). Within organizational psychology, a psychological climate is described as the perception of an employee of the practices, policies, procedures, routines, and rewards within his/her organization (Bowen & Ostroff, 2004; Burton et al, 2004). On the other hand, Forehand and Gilmer (1964: 362, in Sims & Lafolette, 1975) define organizational climate as: the set of characteristics that describe an organization and that (a) distinguish the organization from other organizations, (b) are relatively enduring over time, and (c) influence the behavior of people in the organization. By means of these definitions it is obvious that organizational climate is assessed from two different points of view: objective and perceptual (Johannesson, 1973, in Sims & Lafolette, 1975). In this study we will focus on organizational climate as the

“attitude of the individuals concerning the organization” (Burton et al, 2004: 69) at organizational level. Hence, it is chosen for the perceptual point of view due to the fact that behavior can be better understood if it is related to the behavioral environment (Koffka, 1935, in Sims & Lajolette, 1975)

But before dealing with the typology of the organizational climate we have to refer to organizational culture. According to Barker (1994), there is evidence that the two terms, climate and culture have frequently been used synonymously. Although climate and culture are similar concepts (Reichers & Schneider, 1990), culture differs in that it refers to the deeper, unconsciously held assumptions that help to guide organizational members (Schein, 1985). Deshpande and Webster (1989) define organizational culture as the pattern of shared values and beliefs that help individuals understand organizational functioning and thus provide them with norms for behavior in the organization. In conclusion, culture researchers are more concerned with the evolution of social systems over time (e.g. Schein, 1985, 1990), whereas climate researchers are generally less concerned with evolution but more concerned with the impact that organizational systems have on groups and individuals (e.g. Koyes & DeCotiis, 1991). As this study investigates the impact of the fit on the strategic behaviors of the individual employees it is obvious that we refer to climate and not to organizational culture.

In order to measure climate we use the competing values framework of Quinn and Rohrbaugh (1983, in Burton et al, 2004) combined with the three rules for dimensions of organizational climate (Koyes and DeCotiis, 1991, in Burton et al 2004) which result in four useful climate profiles, the group climate, the developmental climate, the rational goal climate and the internal process climate. The four climate types can be measured by the following seven climate measures implemented by Zammuto and Krakower (1991, in Burton et al, 2004): trust, conflict, morale, and equity of rewards, resistance to change, leader credibility and duty. Both, the study of Zammuto and Krakower and the study of Burton, resulted in the same four climate types suggesting that these seven climate measures are valid and stable.

The following description of the different climate types is based on Cameron and Quinn (1999) and combined with some of the seven climate measures (Burton et al, 2004). An organization with a group climate focuses on good internal and labor relations linked to flexibility, care for employees and customer orientation. Hence, a group climate is internally focused with high trust and morale. In a developmental climate a dynamic, entrepreneurial and creative work environment predominates. It is more externally focused than the group climate, also characterized by high trust and morale. Furthermore, it has a lower resistance to

change than the group climate. In an organization with a rational goal climate the employees are very competitive and goal-oriented. As a result the climate is externally oriented to succeed but has lower trust and morale and a high resistance to change. Finally, the internal process climate is a very formalized and structured climate where procedures determine what the employees have to do without allocating any kind of responsibilities to the workers. Hence, the internal process climate is more mechanical with a high resistance to change.

2.2. Organizational climate-strategy fit

As Burton et al. (2004) did, it is also proposed that an organizational strategy has to correspond to the organizational climate in order to have a competitive advantage on the market. This assumption is based on the contingency theory which suggests that the organization has to be formed in such a way that it fits to a set of contingencies (the factors which influence the organizational structure the most and produce the most uncertainty) (George & Jones, 2007). Linking each organizational climate to a particular organizational strategy we use the earlier mentioned organizational climate measure of Burton et al. (2004) who describe each climate by seven different items which are summarized into three variables; resistance to change, tension (composed of morale, trust, leader credibility and rewards equity) and conflict. Burton et al used in their research the typology of Miles and Snow (1978) in order to link the different strategies with the different climate types. As we earlier pointed out, the four different typologies of Miles and Snow can be compared with the typology of Gibcus and Kemp (2003) which we use in our study.

The internal process climate is rules oriented, inwardly focused and well suited for any strategy that focuses on the process. Hence, it is appropriate for a defender strategy where the focus on the internal process is important (Burton & Obel, 1998). It is pointed out earlier that the defender strategy can be compared with the process differentiation strategy (PD) and the cost leadership strategy (CLS). PD focuses on optimizing production processes. Stability and strict and consistent planning are crucial. Therefore, the appropriate climate needs to be highly resistant to change. Morale and trust do not play an important role.

In order to keep the costs as low as possible CLS needs a highly resistant climate, too. Standardization and consistency leads to the best efficiency of the present processes which in turn leads to a maximum of cost reduction. Again, the climate needs to be internally oriented and trust and moral are non-relevant. Thus, internal process climate fits to CLS and PD because it is rules-oriented and inwardly focused (Burton & Obel, 1998).

In contrast to the internal process climate, the developmental climate explores new opportunities readily and has low resistance to change (Burton & Obel, 1998). Furthermore, the developmental climate is very flexible and externally oriented. Consequently, the developmental climate is well suited for a strategy with a high need for change and an external focus on creativity and innovation (innovation differentiation). In order to develop new and innovative ideas, organizations with an innovation differentiation strategy (ID) have to be characterized by high trust and morale, because such a positive environment enhances knowledge sharing among employees and consequently the development of new and innovative ideas. Thus, ID fits to developmental climate.

The group climate is as well as the developmental climate characterized by high flexibility and high morale and trust but it is more internally focused than the developmental climate. An organization with a service differentiation strategy (SD) requires a climate with high trust and morale because in order to guarantee a good communication and to be on good terms with the clients. Resistance to change has to be on a medium level because it is important that the organizations are able to react to the changing needs of its customers. But the change is not as necessary to SD as to ID. Furthermore, high leader credibility is necessary guaranteeing that the employees follow the behavior of their leader and engage in the same customer oriented behavior as the leader does. Rewards equity is needed to avoid competitive behavior of the employees which might not lead to the best customer service. For these reasons, SD fits to the group climate and to the developmental climate.

The rational goal climate is externally oriented and highly stable. This is consistent with the externally oriented market differentiation strategy (MD) which does not require as much flexibility as an ID does. The main goal of an organization with a good functioning marketing strategy is to keep the profitability of this strategy and not to develop and create new marketing strategies with no demonstrated promise (as mentioned above this can be compared to the analyzer). Consequently, morale and trust are not as important for this strategy as for ID. Furthermore, resistance to change needs to be at a medium level because the marketing differentiator reacts if it is necessary but not if it is optional. With these insights the following hypotheses are developed.

Hypothesis 1: Cost-leadership and process differentiation are positively related to internal process climate.

Hypothesis 2: Innovation differentiation is positively related to developmental climate.

Hypothesis 3: Service differentiation is positively related to group/developmental climate.

Hypothesis 4: Marketing differentiation is positively related to rational goal climate.

2.3 Strategic behaviors

An organization distinguishes itself from its competitors by knowledge which is available within the organization (Bollinger & Smith, 2001). According to Williams and Attaway (1996: 34, in Rozell et al, 2004) “the marketing success of a firm is highly dependent upon its sales representatives since they have the most immediate influence on customers”. And finally, it is claimed that innovative behavior is crucial for the effective functioning and long-time survival of organizations (Van de Ven, 1986). Consequently, in the today’s fast changing environment, organizations can gain a competitive advantage through strategic behaviors such as knowledge sharing, customer orientation and innovative behavior. In order to enhance the strategic behaviors of their employees it is proposed that the managers of the organizations have to implement strategies and to stimulate a consistent organizational climate (create a fit). The following passages will support these propositions.

Knowledge sharing means that organizations acquire organizational wisdom through the transformation of collective experience and expertise (Bollinger & Smith, 2001). Bollinger and Smith (2001) base their view of knowledge management on the resource based view (RBV) which is an approach to the analysis of sustained competitive advantage (Gibcus & Kemp, 2003) According to this view, the organization should base its strategy on the available resources and capabilities. This is also what Bollinger and Smith (2001) propose when they describe managing organizational knowledge as a strategic asset. With regard to the strategies outlined above, it is reasonable that the three differentiation strategies (service, marketing and innovation differentiation) are strongly based on knowledge sharing otherwise they would not reach their specific goals. In an organization with a SD where the employees do not share their knowledge it would not be feasible to achieve the best possible service. But if every employee shares his/her knowledge about the customers it is possible to improve the service frequently. Furthermore, if every employee in an organization with an innovative strategy shares his view with the other employees it is more likely that they will come to new and innovative ideas because they broaden their perspectives. This is also the case for an MD organization to some extent. As earlier pointed out, a market differentiator’s goal is to keep the best functioning marketing strategy and to adapt if the marketing strategy does not work any longer. This adaptation is only possible if the employees share their knowledge with each other.

A strategic behavior that is based on knowledge sharing is innovative behavior. It can be defined as the intentional creation, introduction and application of new ideas within a work role, group or organization (Jannssen, 2000). Shipton et al (2006) argue that HR practices that

promote exploratory learning will predict organizational innovation. Thus, an organization will achieve more innovation if it enhances engagement of the employees with parties external of the organization or knowledge exchange within the organization. This can be defined as exploratory learning which in turn can be compared to knowledge sharing. It is obvious that the three differentiation strategies (service, marketing and innovation) rely heavily on innovative behavior otherwise they would not reach their goals and would not be able to react to a changing environment.

The strategic behavior customer orientation is in positively related to customer orientation (Lucas & Ferrell, 2000). According to Saxe and Weitz (1982), a salesperson is customer oriented when he or she engages in behavior that is designed to satisfy customer needs over the long term. The necessary requirement in order to fulfill the needs of the customers is to have new and extraordinary ideas in order to attract the customers' attention (Lucas & Ferrell, 2000). When creating, introducing and implementing new ideas (innovation differentiation), they have to match customer needs and wishes, or else customers will not use the new developed products or services and they will prefer the competitor. Obviously, customer orientation is important to the service differentiation strategy, too. But also it is important to an organization with a marketing strategy because the implemented marketing system has to match the customer's needs. With these insights we come to the following hypothesis:

Hypothesis 5: Innovative behavior is positively related to knowledge sharing and customer orientation.

2.5 Affective commitment as a mediator

The important question is now how an organization with one of the three differentiation strategies, ID, SD and MD, can enhance the necessary strategic behaviors. The mediating variable which comes into consideration is affective commitment because affective commitment is identified as an influential component with regard to employee behaviors (Allen and Smith, 1987) and performance (Meyer et al, 1989). Hence, we can propose that by improving affective commitment an organization receives knowledge sharing, innovative behavior and customer orientation according to their implemented strategies.

“Commitment is a force that binds an individual to a course of action which is of relevance to a particular target” (Meyer & Herscovitch, 2001, p. 301). Organizational commitment is, in a general sense, the employee's psychological attachment to the

organization. Affective commitment refers to employees' emotional attachment to, identification with and involvement in, the organization (Allen & Meyer, 1990).

A climate based on trust and morale is necessary because these concepts lead to affective commitment (Ruppel & Harrington, 2000). In conclusion, a fit between a strategy depending on the earlier mentioned strategic behaviors and the developmental climate, the group climate respectively, will result in highly committed employees. These two climate types are based on the concepts of trust and morale which are responsible for the development of affective commitment.

The fit between MD and a climate of medium trust and morale (rational goal climate) will also result in affectively committed employees but not to the same extent as a climate with high trust and morale will influence affective commitment. Accordingly, the fits between the process differentiation or the cost leadership strategy and the internal process climate which are not based on trust and morale, will not lead to affectively committed employees.

It might be possible that an organization has a strategy which does not fit the climate. If this climate is based on high trust and morale it might have a positive influence on affective commitment of the employees. But the mediating effect might not be observable if the organization has a strategy which does not require one of the strategic behaviors under study, such as it is the case for process differentiation or cost leadership. Consequently, it is also possible that an organization has implemented the strategies which require the included strategic behaviors but without a climate of high trust and morale. This will also result in an unobservable mediating effect of affective commitment. Hence, the model of figure 1. is only mentioned for the "best" fits which mean the fits including one of the three differentiation strategies innovation, service or marketing.

So far, a mediating influence of affective commitment between the fit and the three strategic behaviors has been proposed. Now it is necessary to support this proposition by recent literature. Meyer and Allen (1997) argue that affective commitment is positively related to an individuals' willingness to commit extra effort to their work. This is the kind of commitment that can be expected to be related to knowledge sharing. Furthermore, Hall (2001) argues that people are more willing to share their knowledge if they are convinced that doing so is useful—if they have the feeling that they share their knowledge in an environment where this is appreciated and where their knowledge will actually be used. Hinds and Pfeffer (2003) sum up motivational factors affecting knowledge sharing; one of these is the relationship between the individual and the organization. An individual who is more committed to the organization and has more trust in both management and coworkers is more

willing to share their knowledge. In conclusion, affective commitment has a positive influence on knowledge sharing.

Ring and Van de Ven (1989) argue that where members of innovation efforts lack affective commitment, innovation efforts fail which leads to the conclusion that processes leading to commitment, as well as commitment itself, are critical to the process of innovation.

Research has also uncovered a positive relationship between customer-oriented selling and organizational commitment (Hoffman & Ingram, 1991; Kohli & Jaworski, 1990). It has been concluded that salespeople who are committed to their organization would be more willing to support the organization's goals regarding the development of customer satisfaction (O'Hara et al., 1991). Furthermore, research indicates that individuals who score high on organizational commitment also tend to have higher scores on customer-oriented selling scales (Hoffman & Ingram, 1991). Thus, one can anticipate that committed employees will be more customer oriented.

The most studies investigated organizational commitment in general, but as we mentioned earlier, affective commitment is said to be the most influential type of organizational commitment. Furthermore, there are different kinds of affective commitment: affective commitment to the organization, the supervisor, and the work group (Vandenberghe et al, 2004). In this study these different types are all taken into account in order to have a broader view of affective commitment. According to the literature we come to the following hypotheses:

Hypothesis 6: A fit between strategy and organizational climate is positively related to affective commitment.

Hypothesis 7: Affective commitment is positively related to the strategic work behaviors knowledge sharing, innovative behavior and customer orientation.

Hypothesis 8: Affective commitment has a mediating influence between the fits including the three differentiation strategies (innovation, service and marketing) matched with climates of medium to high trust and morale and the strategic behaviors knowledge sharing, innovative behavior and customer orientation.

2.6 HR climate as a moderator

Delery (1998) argues that a combination of HR practices, influences employees' skills, attitudes and behaviors and in turn affects the overall business performance. Bowen and Ostroff (2004; Ostroff & Bowen, 2000) provide a detailed theoretical framework for these linkages between HRM systems, attitudes and organizational performance. They propose that when the HRM system is perceived as high in distinctiveness, consistency and consensus, it will create a strong organizational climate. Furthermore, they theorize that HRM systems affect business performance through developing a strong situation (Mischel, 1977) in which the ideas, beliefs, attitudes and objectives of employees are in agreement. In comparison to Burton et al (2004), Bowen and Ostroff see organizational climate more in terms of strength than of content. Bowen and Ostroff concentrate on the HR policies, practices, and procedures, routines and rewards and call the shared perception of this organizational climate. In this study it will be referred to *HR climate* when talking about the climate Bowen and Ostroff applied.

In contrast to Bowen and Ostroff who state a mediating effect of the HR climate strength on the relationship between HRM and firm performance, this study concentrates on the moderating effect of the HR climate strength, conceptualized as the degree of within-group consensus about the HR climate, on the relationship between the fit and affective commitment. The suggestion of Bowen and Ostroff to attribute a mediating effect of HR climate has not been confirmed in research. Instead, a moderating effect of the strength of HR climate has been supported (e.g. Bosma & Sanders, 2007; Chen et al., 2007). Thus, the HR climate can be seen as a necessary requirement for a good functioning organization.

A strong HR-climate that matches the intended climate content of trust and morale and high consensus about the goals and strategies leads to affective commitment and organizational effectiveness (Ruppel and Harrington, 2000). The HR practices result out of the strategy an organization has. So, for example, an organization with a fit between service differentiation strategy and developmental climate will emphasize customer oriented behavior in its HR practices through training or modeling within a climate of high trust and morale. The fit between the climate and the strategy will only have a highly positive influence on affective commitment if the HR climate is strong which means if the HR practices are perceived by all of the employees as distinct, consistent and the employees agree with the HR practices. With these insights we attain the following hypothesis:

Hypothesis 9: The HR climate strength moderates the relationship between strategy-climate fit and affective commitment.

3 Methods

3.1 Procedure (sample and design)

The research is conducted in two German technically aligned organizations with an employee amount of at least 100. It is well known from experience that a response rate of employees or people in general is not quite high. Therefore, organizations with such an amount of employees were used in order to guarantee a representative data sample. The two organizations are located in the west of Germany and are part of two different sectors. One company is part of the non-productive sector (logistics, organization A) while the other is positioned in industry (engine construction, organization B). A reason for this is the small response rate (8%) of firms who felt up to participate in the present study. All data is collected by means of questionnaires which every employee of the organization A (140) and every third employee (due to administrative reasons of the firm) of organization B (130) receives. Finally, there is an employee response rate of altogether 34.44% (20.71% for A and 49.2% for B). The subjects were 15 (16.1%) female and 73 (81.1%) male employees, 8 employees did not specify their sex. The percentages of women are nearly equal (17.2% in organization A and 15.6% in organization B) for the groups of the two organizations. The employees in the response groups of both organizations are predominantly fulltime employees (92.5%) and are permanently employed (91.4%). This is consistent with what the CEO of organization B says but not with the information of the authorized representative of organization A who said that a lot of employees of the organization are not permanently employed. It could be assumed that fulltime employees are more committed to their organization. Therefore, they rather participate in a study which concentrates on the interests of the organization.

There are differences made between the positions of the employees and the departments of the firms. By this means it is possible to measure concepts such as strategy which are usually implemented by an organization's CEO. The employees as well as the members of the board were asked to fill out the questionnaire. In organization A, no member of the board filled in the questionnaire while in organization B four members of the board (the CEO, the chief of the quality management, and two members of the head administration) did.

3.2 Measurements and reliabilities

In order to measure the different hypotheses a questionnaire is used, composed of different scales. The first scale measures *organizational strategy*. As mentioned above, the operationalization of Gibcus and Kemp (2003) is used consisting of questions about the

differentiation strategies and the cost leadership strategy. The scale includes 22 items with a 5 point scale on which the employees have to rate how often the organization engaged in or drew attention to the mentioned activities in the past few years (1 = no attention at all, 5 = a lot of attention). The items refer to the five different strategy scales. Innovation differentiation is measured by 4 items with a reliability of $\alpha = .781$. Cost leadership is assessed by three items with $\alpha = .553$. Because of the low reliability item three is deleted, which results in an α of $.769$. Service differentiation is measured by six items ($\alpha = .863$). Process differentiation is assessed by 3 items with a reliability of $\alpha = .786$. Finally, marketing differentiation is assessed by 6 items ($\alpha = .814$). Sample items are: "Improve existing organizational processes" (process differentiation), "To reduce the total amount of costs" (cost leadership strategy), "To sell high priced products" (marketing differentiation), "To accurately control the quality of the products" (service differentiation), or "To implement new products on the market" (innovation differentiation).

The *organizational climate* measure is based on the seven climate scales of Burton et al. (2004). Each of the seven items refers to one of the climate measures trust, morale, and conflict, resistance to change, reward and duty. Every employee has to rate on a 5 point scale how he or she experiences the mentioned aspects within the organization (1 = very applicable, 5 = not applicable at all).

Affective commitment is assessed by 28 items from different scales. Different types of affective commitment are measured in order to have a broader view on affective commitment by using a 5-point scale (1 = totally disagree, 5 = totally agree). The different types of affective commitment are: affective commitment to the supervisor (Vandenberghe et al, 2003), the organization (Allen and Meyer 1990), the work (Torka, 2003), the occupation (Meyer, Allen and Smith, 1993) and the team (Ellemeers et al. 1997). Sample items are: "My work is interesting" (work), "I want to stay the rest of my career with this organization" (organization), "I regret that I have chosen for this career" (occupation), "I am proud to work with my supervisor" (supervisor) or "I try to invest in a good atmosphere within my team" (team). The reliability of the overall scale, assessed by Cronbach's α , is $.883$ and the reliabilities of the subscales range from $.69$ to $.906$.

Innovative behavior is assessed with items based on the three stages of innovation: idea generation, idea promotion and idea realization (Janssen, 2000). The employees have to rate on a 5-point scale (1= never, 5 = always) how often they self engage in innovative behavior. Sample items are: "How often do you create new ideas for difficult problems?" (generation), "How often do you activate other people to support your new ideas?" (promotion) or "How

often do you elaborate new problems to efficient uses?" (realization). Cronbach's alpha of this scale is .849.

Customer orientation is measured with 12 items from the SOCO scale (Saxe and Weitz, 1982). Originally the SOCO scale contains 24 items, which measure selling orientation and customer orientation. In this study only the items focusing on customer orientation are applied. A 5 point scale (1 =never, always=5) is used in which the employees have to rate how often they engage in customer oriented behavior. Due to the fact that the reliability of this scale is low ($\alpha=.793$) in comparison to the scale without the sixth item ($\alpha= .941$) this item is not embedded in the analysis.

Knowledge sharing is measured by 10 items on which the employees have to rate how much they agree with these items (1 = totally disagree, 5 = totally agree) (Sanders and Woerkem, 2008). The items deal with knowledge sharing within the team, knowledge sharing with the supervisor and the degree to which the employee values knowledge sharing. Sample items are: "The quality of knowledge sharing within our team is appropriate" (team), "Colleagues frequently ask my advice" (team), "I ask my supervisor's advice frequently" (supervisor) or "I value my colleagues' knowledge shared with me" (value). The reliability of the scale, assessed by Cronbach's α , is .779.

Finally, the *HR climate* is measured with ten items on which the employees have to rate how much they agree with these (1 = totally disagree, 5 = totally agree) (Dorenbosch, Sanders and Reuver, 2006). The items deal with the HRM within the organization. Sample items are: "The organization pays a lot of attention to further education of the employees" or "The appraisal of my functioning is linked to promotion". The reliability of this scale is $\alpha= .891$.

3.3 Statistical treatments and analyses

In order to measure the correlation between different variables (e.g. the correlation between knowledge sharing and innovative behavior) Spearman's rank correlation coefficient (ρ) is used for organization A because of the small amount of employees who filled out the questionnaire. ρ is a statistical dimension to measure a relation between the ranks of two variables (Baarda et al, 2003) and it has been proofed to be highly reliable, even when applied among small samples (Kutner et al, 2005). For organization B Pearson correlation is used because the amount of respondents of this organization is greater than 30.

Furthermore, the mediating effect of affective commitment on the relationship between the strategy-climate fit and the strategic behaviors has to be investigated. Usually, this is done by applying a hierarchical linear regression analysis. According to Baron and Kenny (1986)

in this case the mediating variable affective commitment has to meet the following conditions: a) differences in the fit are significantly related to differences in affective commitment c) differences in the fit are significantly related to differences in the strategic behaviors b) affective commitment affects the strategic work behaviors and d) when path a) en b) are controlled, the previously significant relation between the fit and affective commitment vanishes. As mentioned above, only two organizations participated in this study, which leads to the fact that there is too little variance in the strategy-climate fit variable to apply regression analysis successfully.

Correspondingly, the moderating effect of the HR climate strength cannot be assessed with regression analysis. A moderator effect is present when it is shown that the relationship between the independent variable (strategy-climate fit) and the dependent variable (affective commitment) is dependent on the moderator variable (strength of HR climate) (Baron and Kenny, 1986). For these reasons, alternative ways of analysis had to be applied which will be described more in detail in section 4.

In order to determine the different strategies of the two organizations the mean score of the strategy is calculated and ranked on a scale from 1 to 5. In organization A the strategy is assessed with the data of the employees due to the lacking data of the members of the board in this firm. In organization B, the strategy is determined by using the responses of the board.

Organizational climate is assessed by comparing the means of the seven climate measures of the two organizations with each other. Thus, it is measured within the present population whether one organization scores higher on a given climate measure than the other. Then, these ratings are compared to Burton's climate types, who assigned each type to certain combinations of the climate measure.

The hypotheses of the present study include fits between strategy and climate. The "best" fit is normally calculated by first using rank scores of climate and strategy according to the fits outlined in the theoretical framework. Then the difference scores between the rank scores are determined and finally, this difference score is multiplied with the rank of the strategy. But the strength of the fit is not relevant in this study due to the small sample. Furthermore, the hypotheses, proposing that the fit has an impact on another variable, only include climates of medium to high trust and morale and the three differentiation strategies innovation, service and marketing. The other two fits are said to have no impact on affective commitment. Therefore, these are non-relevant fits and fixed to zero. The strength of the best fits are only relevant if there are more than two of the "best" fits which is not given in this study.

Finally, the strength of the HR climate is assessed by comparing the within-group consensus of the HR climate scale (standard deviations) for the two organizations. It is the smaller the standard deviations the stronger the HR climate.

4. Results

4.1 Descriptives and Correlations

All means (and SD) and correlations of the variables under study and the reliabilities of the scales are reported in Tables 1 and 2 (appendix). Interesting correlations and correlations regarding the hypotheses are discussed separately and more in detail in the next paragraphs.

4.2 Tests of hypotheses

4.2.1 Fits

As mentioned above, in order to assess the fit the first step was to determine the sequence of the strategies in the two organizations. The results are given in Table 3. Service differentiation (mean: 3.69) is the most prominent strategy in organization A followed by a cost leadership (3.57) strategy while in organization B CLS (3.67) is followed by SD (3.66). As one can see, in organization B the difference between the two most prominent strategies is very small, which might lead to the conclusion that this organization perhaps has features of both strategies. In order to test this thesis the ratings of the board are compared with the ratings of the employees. The results are supportive, according to the employees CLS is the most prominent strategy (3.293), closely followed by SD (3.291).

Table 3. Sequence of perceived strategy of the employees in the two organizations (Mean score (ranking))

	ID	SD	MD	PD	CLS
Organization A	3.33 (2)	3.69(5)	3.43(3)	3.25(1)	3.57(4)
Organization B	3.50(2)	3.66(4)	3.54(3)	2.58(1)	3.67(5)

Organizational climate was assessed by comparing the two organizations with Burton's assessment of the different climate types. The results (Table 4) show that organization A predominantly has a developmental climate, followed by a group climate. Six out of the seven variables are in agreement with the developmental climate. For instance, scores of trust

(mean: 3.45) and leader credibility (mean: 3.83) are high; scores of conflict are low (mean: 2.72). And four out of seven variables are in agreement with the group climate. On the other hand, organization B more closely resembles Burton's profile of rational goal climate or internal process climate. This is supported by five out seven variables e.g. low trust (mean: 3.34), high conflict (mean: 3.11), and low leader credibility (mean: 3.22).

Table 4. Climate types of the two organizations in comparison with Burton (2004)

	Trust	Conflict	Morale	Rewards E.	Resistance to change	Leader credibility	Duty
<i>Burton:</i>							
Group	H	L	H	H	M/H	H	L
Develop	H	L	H	H	L	H	M
Rational	L	H	M	L	H	LM	H
Internal	L	H	L	L	H/M	L	H
<hr/>							
A	3,45	2,72	3,17	2,76	3,25	3,83	3,34
	H	L	L	H	L	H	M
Group	G	G		G		G	
Develop	D	D		D	D	D	D
Rational			I				
Internal							
<hr/>							
B	3,34	3,11	3,46	2,53	3,75	3,22	3,34
	L	H	H	L	H	L	M
Group			G		G		
Develop			D				D
Rational	R	R		R	R	R	
Internal	I	I		I	I	I	

Finally, the fit between the strategy and the climate was assessed. The results (Table 5) show that organization A has a fit between the combination of the developmental climate and the group climate and the service differentiation strategy. Organization B has a fit between the internal process climate and the cost leadership strategy. As outlined above, the fit of organization B is not relevant in this study and therefore fixed at zero. Thus, according to the theoretical framework it can be concluded, that the fit of organization A is much better than that of organization B. However, this fit variable is not appropriate for further analysis due to the fact that two different fit scores reveal too little variance for applying regression analysis. In alignment with the theoretical framework it is expected that in organization A SD is significantly, positively related to the variables trust, moral, rewards equity, and leader

Table 5. Assessment of the fit for the two organizations (Sequence score strategy/climate)

	ID/Develop.	SD/Group+ Develop.	MD/Rational Goal	PD/Internal Process	CLS/Internal Process
A	2/4	5/3.5	3/1	1/2	4/2
B	2/1.5	4/1.5	3/3.5	1/3.5	5/3.5

credibility, because according to Burton those measures form the basis for developmental climate, groups climate respectively (*hypothesis 3*). In contrast, organization B whose strategy has been identified as cost leadership is expected to be significantly positively related to conflict, and resistance to change (*hypothesis 1*) and negatively to trust and morale rewards equity etc. (internal process climate). For both organizations ratings of all employees are used in order to assess the correlations. For organization B this can be justified by the fact that the employees as well as the members of the board see CLS as the main strategy. The results are summarized in Table 6. The data does not support the two fits. Only one significant relation between the CLS and leader credibility could be found. This correlation is even contradictory to what has been hypothesized. Due to the known fact of the small sample the other fits cannot be tested.

Table 6. Correlations of strategy and organizational climate scales

	Service Differentiation Organization A	Cost leadership Organization B
Trust	.127	-.099
Morale	.068	.131
Conflict	-.038	-.192
Leader credibility	.255	.328*
Rewards Equitability	.218	.243
Resistance to change	-.117	-.190
Duty	.080	.012

* Correlation is significant at the 0.05 level (2-tailed).

4.2.2 Strategic work behaviors

Hypothesis 5 states that innovative behavior is positively related to knowledge sharing and customer orientation. According to the theoretical framework the assumed correlation is not dependent on the strategy or other factors. Thus, the correlations for the strategic behaviors are not analyzed apart for the two organizations. The results show that the hypothesis is supported by the data (Table 7). In addition, it is worth mentioning that customer orientation and knowledge sharing are not related at all.

Table 7. Correlations between the strategic work behaviors

	1	2	3
Innovative Behavior	1		
Knowledge Sharing	.385(**)	1	
Customer Orientation	.351(**)	.098	1

** Correlation is significant at the 0.01 level (2-tailed).

4.2.2 Affective commitment as a mediator

Hypothesis 6 predicts a positive relationship between the fit and affective commitment. Due to the fact that only two organizations participated in the present study, not all correlations according to the different fits can be assessed. But in accordance to these hypothesis, it is predicted that organization A (fit between SD and developmental/groups climate) must have a higher affective commitment than organization B (fit between CLS and internal process climate). The results of the independent sample t-test show that affective commitment is significantly higher in organization A than in organization B, $t(82) = 2.961$, $p < .01$. Substantially, this is not a support for the hypothesis that fit 3 is positively correlated to affective commitment. But this result supports the consequences which would be present if granted that hypothesis 6 was true.

Hypothesis 7 states that affective commitment is positively correlated to the strategic work behaviors knowledge sharing, innovative behavior and customer orientation. The results support this hypothesis. In almost all cases, affective commitment was significantly, positively related to strategic work behaviors. See Table 8 for more detail.

Furthermore, *hypothesis 8* predicts that affective commitment mediates the relationship between the fit of the three differentiation strategies (innovation, service and marketing) matched with climates of medium to high trust and morale and the strategic behaviors knowledge sharing, innovative behavior and customer orientation. As mentioned earlier, this

Table 8. Correlations between affective commitment and strategic work behaviors

	Organization A	Organization B
Innovative Behavior	.682(**)	.471(*)
Customer Orientation	.521(**)	.361(**)
Knowledge Sharing	.350 (p= .08)	.397(**)

** Correlation is significant at the 0.01 level (2-tailed).

* Correlation is significant at the 0.05 level (2-tailed).

sample only includes an organization with a fit between SD and the developmental/group climate which leads to the fact that only this organization is integrated in testing the mediating effect. Because of the small sample it is not appropriate to conduct a regression analysis as suggested above. But nevertheless, it is possible to try to apply the rules of Barney and Kenny described earlier. The results of the independent sample t-test of affective commitment suggests that requirement a (a positive correlation between the fit and affective commitment, *hypothesis 6*) might be met. Furthermore, requirement b is met because there is a positive correlation between affective commitment (the mediator) and the strategic behaviors (*hypothesis 7*). Requirement c cannot be assessed by the usual approach of applying a correlation analysis between the fit and the strategic work behaviors due to the known reason. Thus, it is tried to approach this path differently. As above, an independent sample t-test is conducted to compare the strategic work behaviors of the two companies. In accordance with requirement c it is expected that the strategic work behaviors are significantly higher for organization A than for organization B. The results do not support this hypothesis; there are no significant differences between the two organizations with respect to innovative behavior ($t(85) = .038, p = .970$), customer orientation ($t(84) = .097, p = .923$) and knowledge sharing ($t(84) = -1.05, p = .295$). Thus, it is not necessary to test the last requirement of Barney and Kenny.

4.2.3 Moderator effect of the HR climate strength

Hypothesis 9 predicts that a strong HR climate moderates the relationship between the fits (including climates of medium to high trust and morale and one of the three differentiation strategies innovation, service and marketing) and affective commitment. The results indicate that organization B has a stronger HR climate than organization A because the deviation from

the mean of the HR climate scale is smaller for organization B (7.05) than for organization A (9.48). Thus, the within-group consensus about the HR climate is stronger in organization B. But this strength variable is not appropriate for further analysis due to the mentioned fact of the small sample which reveals too little variance. Therefore, the necessary measurement of the interaction between the strategy-climate fit and the strength of the HR climate substantially contributes to the variance of the dependent variable (affective commitment) cannot be conducted.

5. Summary and discussion

The aim of this study was to investigate the interrelationships between organizational strategy, organizational climate, HR climate and strategic behaviors in one single model. Until now no literature can be found which include all these variables. But this is necessary in order to get a more realistic view and to be able to make valid generalizations. Thus, it is important that as many variables as possible are investigated at once.

In general, the results did not support the model outlined in the theoretical framework. First, there were only two organizations which were classified into certain fits. Organization A was said to have a service differentiation strategy/developmental (group) climate fit while organization B was classified into a cost leadership strategy /internal process climate fit. The hypothesized positive correlations between the strategy and the fitted climate could not be supported by the data. This might be due to the fact that in both organizations these correlations were assessed by using the strategy data of the employees of each organization. Few (organization B) or no data (organization A) of the members of the board were available. In general, it should be assumed that the directors of an organization develop and implement the strategy of an organization. So, if more data of the members of the board had been available it could have been possible to get better results according to the correlation between the climate and the strategy.

It could be criticized that the non-supportive results of the fits do not legitimate a further analysis. But with regard to the theoretical framework and the fortification with the research of Burton et al (2004), the theoretical fits should be used anyway.

As expected, innovative behavior was positively correlated to knowledge sharing and customer orientation. This supports the general assumption that knowledge sharing contributes to innovative behavior. Furthermore, a correlation between customer orientation and innovative behavior has been assessed. But customer orientation was not significantly correlated to knowledge sharing. A possible explanation might be that employees engaging in

customer oriented behavior need ad hoc innovative behavior. They have to apply new and innovative ways directly in order to satisfy the customer needs. There is no time to engage in extensive knowledge sharing and thus, it is not necessary. Hence, it might be possible that innovative behavior has a positive influence on customer oriented behavior while knowledge sharing does not a crucial play a role. This aspect has to be further investigated.

The hypothesis concerning the relation between affective commitment and the strategic work behaviors was supported by the data. In both organizations there was a significant positive correlation between affective commitment and the strategic work behaviors customer orientation and innovative behavior.

The data did not support the hypothesis that the fit positively correlates with affective commitment. But granted that the hypothesis was true, an organization with a fit between service differentiation strategy and group climate the employees would have been more committed than the employees of an organization with a cost leadership strategy / internal process climate fit. Exactly this aspect was possible to demonstrate. Within organization A with a fit between service differentiation and developmental (group) climate the affective commitment was significantly higher than within organization B with a cost leadership / internal process climate. This is not a support for the hypothesis that the fit positively correlates with affective commitment. But it might be a step in the right direction although one can find other diverse explanations for this result. For example, the decisive variable according to affective commitment is the climate and the fitted strategy does not even play a role. Or it depends on the sector; employees of an organization within a logistic sector might be in general more committed than employees in the industry sector. All alternative explanations have to be further investigated before it is possible to contribute a crucial meaning to the results.

According to the two significant results, it was further tried to approach the mediating effect of affective commitment differently than with regression analysis. Beside the two requirements that the fit is positively related to affective commitment and affective commitment in turn is positively related to the strategic work behaviors it had to be shown that the fit was positively related to the strategic work behaviors. Again, an assumption in alignment with the hypothesis was made and tested for the two organizations. This assumption- organization A scores higher on the strategic work behaviors than organization B- could not be verified. The results suggested that even both organizations score equally on these variables. Thus, it was not possible to further investigate the mediating effect of affective commitment. These results do not mean that affective commitment does not work as

a mediator between the fit and the strategic work behaviors. Due to the restricted sample it was not possible to investigate this effect properly in this study but it might be possible to assess this effect in a study with more data. On the other hand, these results might suggest that affective commitment is always correlated positively to the strategic work behaviors regardless of the fit of the organization. If this conclusion was true, the present model could be rejected. But again, more data is used to measure the model completely.

The restricted data also limited the analysis of the moderating effect of the HR climate strength. This was mainly due to the fact that the two variables fit and HR climate strength did not reveal enough variance. Even if appropriate data were available, *hypothesis 9* would be contradictory to *hypothesis 6* because the strength of the HR climate has been found to be higher in organization B. But, in alignment with *hypothesis 6*, Organization A has been identified to have the „better” fit and a higher affective commitment. If more data had been available, it could have been possible to get data consistent to the two hypotheses.

In order to get more variance, one could assess the HR climate strength on another level, for example by dividing the employees into the different departments they work in. But for both organizations, the departments are so diverse and numerous (9 departments in organization A and 13 departments in organization B) that it would not be possible to get a consistent picture of the within-group consensus of the HR climate in each department. Furthermore, this alternative way would not correspond properly to the hypotheses of the theoretical framework. Therefore, there was no other possibility to assess the strength of the HR climate differently in order to get more than only two different indications (high and low).

In sum, it can be concluded that innovative behavior is significantly related to customer orientation and knowledge sharing. Furthermore, affective commitment is positively related to these strategic behaviors. However, the relation between the fit and affective commitment, the mediating effect of affective commitment and the moderating effect of the HR climate could not be confirmed. Therefore, the model outlined in the theoretical framework is not supported.

In alignment with the literature of the theoretical framework, a practical implication for organizations can be proposed. It might be reasonable to focus on the enhancement of affective commitment in order to get employees who execute more strategic work behaviors. Affective commitment can be increased by e.g. focusing on trainings which increase the trust among the employees or by training of the supervisors in order to practice more intensive employee support (Ng & Sorenson, 2008)

5.1 Restrictions and recommendations

The main limitation of this study is the fact that the sample is restricted to two organizations (with a total number of 93 subjects). Furthermore, the organizations do not even come out of the same sector and therefore are hardly comparable. For this reason, the external validity of the findings approaches zero. In addition, not all statistical techniques could be applied due to the limited set of data.

Furthermore, the questionnaire consisted of 98 items. The amount of time needed to fill in the questionnaire might be a cause for the low response rate of organizations. Therefore, alternative ways must be found to make the participation to this study more attractive. It might be possible to work with a professional organizational psychologist who could support the work of the researcher and provide a more professional consultancy to the organization as a reward for participation.

One explanation of many organizations who did not want to participate in the study was that they do not want to make the employees insecure about their workplaces. According to these organizations, the questionnaire contains items which might lead to felt job insecurity. Thus, it is necessary to throw light on the questionnaire to all respondents and to insure that the content of the questionnaire is only dependent on the researchers. On the other hand, this action could influence the employees of the organization due to the fact that they know more about the background of the study than is beneficial.

The low participation can also be explained by the fact that the organizations around the University of Twente get a lot of requests to participate in different researches. This might lead to some kind of resignation of the different organizations. Asking organizations farther apart could lead to an increased response rate. This also explains the fact that the two participating organizations are positioned in Germany.

In conclusion, the main aim of this study (testing a complex model) might have become the main limitation. In order to be able to generalize research results it is necessary to test quite complex models. But as this study demonstrates, testing complex models is a lot of more difficult than including only view variables. The evaluation of the complexity of a model is necessary previously to the testing phase. Perhaps it is even more tactical to predetermine the amount of the organizations and accordingly, adapt the complexity of the model.

Appendix

Table 1. Means, standard deviations, Cronbach's Alpha, and Spearman's rank correlations for all variables under study. Coefficients for organization A

Scale/Variable	Mean	(SD)	Alpha	Correlations														
				1	2	3	4	5	6	7	8	9	10	11	12	13		
1. Affective commitment (overall)	101.33	(12.71)	.883	1														
2. Service differentiation strategy	22.64	(5.37)	.863	.465*	1													
3. Innovation	27.29	(6.32)	.849	.682**	.355	1												
4. Customer-orientation	44.58	(10.78)	.941 ^a	.538**	.240	.526**	1											
5. Knowledge sharing	35.81	(5.76)	.779	.350	.078	.217	.331	1										
Climate variables:																		
6. Trust	3.45	(.632)		.058	.127	.125	.004	.011	1									
7. Morale	3.17	(.805)		.231	.068	.332	.315	.198	.257	1								
8. Conflict	2.71	(.797)		-.312	-.038	-.089	-.040	-.336	.073	-.133	1							
9. Leader Credibility	3.83	(1.0)		.283	.255	.184	.257	.293	.234	.525**	-.104	1						
10. Rewards Equitability	2.76	(.83)		.544**	.218	.327	.144	-.007	.094	.399*	-.354	.265	1					
11. Resistance to Change	3.25	(.928)		-.491**	-.117	-.282	-.291	-.375	-.170	-.209	.378*	-.189	-.365	1				
12. Duty	3.34	(.769)		.01	.080	-.110	.090	.268	-.170	.244	-.280	.595**	.044	-.237	1			
13. HR climate	20.64	(7.05)		.318	.168	.357	-.009	.388	-.150	.497**	-.237	.425*	.283	-.173	.235	1		

a if item 6 is deleted

* Correlation is significant at the 0.05 level (2-tailed).

** Correlation is significant at the 0.01 level (2-tailed).

Table 2. Means, standard deviations, Cronbach's Alpha, and Pearson correlations for all variables under study. Coefficients for organization **B**

Scale /Variable	Mean	(SD)	Alpha	Correlations													
				1	2	3	4	5	6	7	8	9	10	11	12	13	
1. Affective commitment (overall)	91.37	(15.13)	.883	1													
2. Cost Leadership strategy	6.825	(1.80)	.863	.397**	1												
3. Innovation	27.24	(5.13)	.849	.471*	.210	1											
4. Customer-orientation	48.75	(11.39)	.941 ^a	.361*	.229	.296*	1										
5. Knowledge sharing	35.7	(5.14)	.779	.397**	.356**	.273**	.013	1									
Climate Variables																	
6. Trust	3.34	(.93)		.532**	-.099	.389**	.253	.176	1								
7. Morale	3.46	(1.01)		.419**	.131	.314*	.116	.142	.363**	1							
8. Conflict	3.11	(.838)		-.021	-.192	-.036	.031	-.183	.053	.053	1						
9. Leader Credibility	3.22	(1.03)		.423**	.328**	.183	.234	.214	.185	.447**	.156	1					
10. Rewards Equitability	2.53	(.942)		.422**	.243	.202	.316*	.135	.205	.258*	.046	.483**	1				
11. Resistance to Change	3.75	(1.11)		-.150	-.190	-.194	-.107	-.088	-.10	-.003	.20	-.035	-.114	1			
12. Duty	3.34	(1.08)		.395**	.012	.349**	.026	.148	.352**	.574**	.115	.243	.144	.033	1		
13. HR climate	20.64	(7.05)		.287*	.258*	.369**	.042	.114	.048	.314*	-.136	.045	.204	-.265*	.197	1	

a if item 6 is deleted

* Correlation is significant at the 0.05 level (2-tailed).

** Correlation is significant at the 0.01 level (2-tailed).

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