HR practices to Affective commitment: Through active knowledge and skill use.

Author: Harri Blankenstein University of Twente P.O. Box 217, 7500AE Enschede The Netherlands

Abstract

The link between HR practices and affective commitment is widely accepted by theorists, but the specifics of how they are connected are still weakly grounded. Theorists find differing results when empirically testing similar grounds, suggesting there are conditions that moderate this relationship that are yet to be determined. Through a combination of theories and ideologies including self-determination theory, need satisfaction, Service-dominant logic and Intellectual capital (IC), this paper attempts to answer the research question "*What Employee level variables moderate the positive relationship between HR practices and affective commitment?*" 4 hypotheses of moderating variables that attribute to the relationship at hand are proposed, drawing from IC theory resource typologies; *Human capital, Organizational capital* and *Social capital*, and a model is created to present their placement in the chain between HR practices and Affective commitment. The implications, limitations and opportunities further research are discussed.

Supervisor: Dr. Jeroen Meijerink

Keywords: HR Practice, Affective commitment, Need satisfaction, Servicedominant logic, Intellectual capital, Social capital, Human capital,

Permission to make digital or hard copies of all or part of this work for personal or classroom use is granted without fee provided that copies are not made or distributed for profit or commercial advantage and that copies bear this notice and the full citation on the first page. To copy otherwise, or republish, to post on servers or to redistribute to lists, requires prior specific permission and/or a fee. 4^{th} *IBA Bachelor Thesis Conference*, November 6^{th} , 2014, Enschede, The Netherlands.

Copyright 2014, University of Twente, Faculty of Management and Governance.

1. INTRODUCTION

A lot of studies have looked into the link between HR practices and commitment. Kehoe and Wright (2013) found that HR practices directly influence commitment of employees when studying perceived HR practices. Marescaux et al (2013) developed and carried out an empirical test of the link between HR practices (eg. development appraisal, training) and commitment but found inconsistent results with some practices being significantly related with commitment and others not. To explain these inconsistent results, Meyer and Smith (2000) argue that "although HRM practices can be valuable tools in the establishment ... of employee commitment, their effects are neither direct nor unconditional". This suggests there are moderating variables that affect the relationship between HR practices and Commitment, which is important to be studied as the importance of generating commitment in employees, for example to increase firm performance, is well founded and understood (eg. Meyer, Paunonen, Gellatly, Goffin & Jackson, 1989; Wright & Bonett, 2002). This paper will therefore focus on conceptualizing which contingencies the HRM commitment relationship holds. To find these variables this paper will focus on the suggestion by Meyer and Smith (2000), that there are conditions, ie. moderating variables, when HR practices are effective in creating commitment. To explore this the paper uses the concept of Affective commitment; "the emotional attachment to, identification with, and involvement in the organization" borrowing from Meyer et al. (2002). This definition was chosen over others because of its appearance in theories of this study area allowing for simpler correlations to be made, and the definition also clearly shows the benefit that the company receives from the increased affective commitment.

The link between HR practices and affective commitment can be explained from self-determination theory. The theory suggests that basic need satisfaction is needed to create positive HR outcomes (Baard et al, 2004), including affective commitment (Greguras and Diefendorff, 2009). This explains the basics of why HR practices lead to increased affective commitment; HR practices satisfy needs which employees reciprocate with increased commitment. Existing studies have build on this need satisfaction logic to propose an unconditional and linear relationship between HR and commitment. So effectively, more training would lead to more commitment, and that there are no conditions to the use of HR practices by employees. This contradicts Meyer and Smith's (2000) suggestion that the effect of HRM practices on affective commitment is unconditional., and also goes against the basics of Self-determination theory which assumes that people are active in their search towards psychological growth and development. This paper takes a view inline with selfdetermination theory and suggests that employees will actively look towards satisfying their own needs, and the satisfaction of these needs then will lead to increased affective commitment. Though this is determined it does not provide a better way towards undisclosing the variable. To expand on this further, and move towards the research question this paper refers to the Intellectual capital theory.

Intellectual capital theory as proposed by Youndt, Subramamiam and Snell (2004) suggests that competitive advantage is created through the use of resources by companies. This paper takes this to the individual level and suggests that employees must have the resources to be able to fully utilize HR practices in oreder to satisfy their needs. So for examples a training HR practice, the employee must have the skills, knowledge and abilities to utilize this training, or atleast access to such knowledge through the company or social network. If this is the case they will be active in using HR practices which will then, through self-determination theory, increase their affective commitment. This combination of theories suggests that the moderating variables called for by Meyer and Smith (2000) presides in the employee intellectual capitals, and therefore this leads to the research question:

"Which employee intellectual capitals moderate the positive relationship between HR practices and affective commitment?"

The motivation behind studying whether this concept of active employees can be used to uncover the variables that moderate the relationship between HR practices and affective commitment is clear; If confirmed it would revolutionize how HR practices are created through creating an understanding of what practices need to be successful. It would present that welldesigned practices that are created with specific employee groups abilities and needs in mind can be as, if not more, effective in improving affective commitment as many poorly designed ones. Furthermore it would save funds for companies; they can get the same performance out of employees while giving fewer HR practices. To do this the paper will initially explore existing studies explaining the linkages suggested, starting with need satisfaction and affective commitment. Thereafter the idea of employees actively consuming practices to meet their needs will be delved into. Finally, a theory will be introduced that, in combination with the other concepts presented, will explain why employees are able to utilize some HR practices better than others. This then leads to the creation of hypothesis in order to answer the research question.

2. PRODUCING AFFECTIVE COMMITMENT WITH NEED SATISFACTION

As mentioned, the common perception is that more HR increases commitment. The question that this raises is why would an increase in HR increase the affective commitment of the employees towards the company?

The self-determination theory referred to earlier stated this to be the case, but there is a theory that fully explains the relationship between the employee and the employer, and why satisfying needs increases the affective commitment of employees; it is called Social Exchange Theory (SET). According to SET, a set of interactions generate obligations, where one actor must give something in exchange for the others actions, returning benefits or favors to their exchange partners (Emerson, 1976; Blau, 1983). More specifically this paper draws on the reciprocity rules of SET, 'rules' which could be described as guidelines that form a "normative definition of the situation that forms among ... participants in an exchange relation" (Emerson, 1976, p. 351). Cropnanzano and Mitchell (2005) go further than this by definining 3 types of reciprocity; a transactional pattern of interdependent exchanges, reciprocity as a folk belief and, reciprocity as a moral norm. Reciprocity as interdependent exchanges works around the defining charesteristic of SET, being a bidirectional transaction where if a person provides a benefit, the other will respond in kind. This "Reciprocal Exchange" (Cropnanzano and Mitchell, 2005 p. 876) does not include explicit bargaining, but rather transactions are contingent on the others will to reciprocate. Reciprocity as a folk belief is seen to be developed in e.g. old fishing communities, where though single trades may have not been even, over time an equilibrium would be developed and those who are unhelpful would be punished. Lastly Reciprocity as a *moral norm* takes the view that there is a specific way that people 'should' behave, ie. people ought to reciprocate trades in a fair way. The issue with this type of reciprocity is that people do not have the same vision of what 'should' be, for instance cultural differences between parties can mean differences in what is a 'fair trade'(Cropnanzano and Mitchell, 2005).

This paper will use *Reciprocity as interdependent exchanges*; there is a standard of how one should behave, and therefore how they are obligated to reciprocate others behaviour (Cropanzano & Mitchell, 2005). This is chosen over folk belief and moral norm typeologies as it contains the core idea of SET theory without adding more variables. The implications to the HR relationship in discussion can be explored by simplifying an increase in need satisfaction as value to the employee, and an increase in affective commitment as value to the company. By placing the reciprocity rules into the situation suggested by selfdetermination theory; ie. HR practices create affective commitment, one finds that it explains the relationship. The company, by using HR practices provides the employee value by satisfying their needs, and by SET the employee must return this in equal value to the company, which they do by increasing affective commitment. This need satisfaction could be, according to self-determination theory, generated by fulfilling employee psychological needs or developmental needs. So for instance training could satisfy the need for personal improvement and development, therefore increasing affective commitment towards the company.

With the basic premise in position, the idea of need satisfaction will be introduced by further discussing the essentials of the self-determination theory (SDT). SDT determines the need for growth and filling of psychological needs is the driver for individuals' motivation (Ryan and Deci, 2000). Further the theory discusses the differences between autonomous and controlled motivation, respectively differentiating between being motivated because they want to do something, versus having to do something (Gagne and Deci, 2005). For example one might be motivated because they want to reach a personal goal, which would be autonomous motivation, or because they have to meet deadlines, controlled motivation. Also one must notice that people are individuals and not necessarily motivated by the same things autonomously. Overall the extent that is needed is the understanding that people look to fill psychological needs, like reaching life goals, and therefore are active parts in determining what motivates them. More specifically employees are actively deciding to use HR practices to fill their own needs, which they then reciprocate with affective commitment to the organization.

Overall the idea of HRM being used to fulfill needs while producing benefits for the company is hardly new; "the purpose of HRM is to ensure that the employees of an organization are used in such a way that the employer obtains the greatest possible benefit from their abilities and the employees obtain both material and psychological rewards from their work" (Graham, 1978 in Hiltrop, 1996, p. 243), the above example is just vastly more explicit. The understanding of the collection of theories provides a crucial basis for explaining why employees choose to use some HR practices over others. For the sake of argument the whole linkage in existing literature could be simplified to the level that when the company offers the employee value in terms of improved need satisfaction, the employee reciprocates this by higher affective commitment, which is value for the company. Overall this leads to the following hypothesis:

Hypothesis 1: HR Practices are positively related to affective commitment, and is mediated by employee need satisfaction.

3. INTRODUCING ACTIVE CONSUMERS

Returning to the SET reciprocity rule; actors in an exchange circumstance are required to reciprocate a trade with the same value as they were provided. So in this papers case the specific value that the employee gains in need satisfaction will be of equal value to the increase in their affective commitment; value to the company. To clarify, a simple value-exchange between the employee and the organization, which leads perfectly to the new theory the service dominant logic (SD-logic) which intends to explain value or as just discussed: need satisfaction (Vargo & Lusch, 2004). Another link that can be called upon to solidify the placement of this theory is the similarity it shares with the presented self-determination theory, where individuals actively look to meet their needs.

Traditionally marketing and business has revolved around the idea that companies should produce goods in an efficient manner and distribute them to the customers that want the product, creating value for the company when the consumer buys the product (value-in-exchange) (Vargo & Lusch, 2004;

Vargo, Lusch & Akaka, 2010; Grönroos 2008). In this ideology derived from economics, the producer and consumer are in ideal cases separated in order to enable maximum manufacturing efficiency for the company (Vargo & Lusch, 2004). This put together is called the Good-Based view (G-D view) with the underlying premise that tangible, standardized outputs are used in order to create maximal efficiency and reduce costs to increase profits. The alternate perspective to this, as presented by Vargo and Lusch (2004) is the idea of 'Service-Dominant logic'. Here instead of simply making and distributing products firms focus on cultivating relationships with customers to develop their products. What is more they redefine organization outputs as product offerings, to be in line with the main ideology of the Service-dominant logic; value creation happens in co-creation with the customer. To explain, "value creation is only possible when a good or service is consumed. An unsold good has no value and a service provider without customers cannot produce anything" (Gummeson, 1998, p.247 as cited by Vargo & Lusch, 2004). So S-D logic has moved away from the concept of value-in-exchange, ie. When a product is bought is when it creates its value, and towards the view of value-in-use, ie. A product creates value when it is used by the customer. What this implies is that in order for a product to create value, the customer must be able to use, maintain, repair and adapt the product to their needs and usage situation (Vargo & Lusch, 2004). Therefore in order to create the most value by the service dominant view, companies must learn to appreciate that customers are not the passive consumers presented by the G-D logic, but are active co-creators of value.

There are a few interesting aspects in Service-dominant logic that can be implemented into the ongoing HR discussion for explaining why HRM satisfies employee needs and thus generates affective commitment. The predominant idea at the current moment is that the more HR practices companies offer, the better the need satisfaction of the employees will be. Referring to Vargo and Lusch (2004), essentially in the above example the employees are passive consumers. When presented the idea of an active consumer this whole premise changes, when employees, as active consumers, can decide for themselves what practices to use. This is inherently similar to the self-determination theory discussed earlier. The more important input that SD-logic in the HR perspective has is that increased need satisfaction is created when the practices are used. Though a seemingly simple concept it is also the core of how HR practices increase affective commitment. Lastly, the S-D logic suggests that the employees –as consumers of HRM practices – need to be able to use and adapt the HR practices to their personal needs in order for the practice to satisfy their needs effectively. This ties in with the Intellectual capital theory presented earlier, which suggests areas where resources can be drawn from in order for them to be able to utilize practices.

4. INTRODUCING INTELLECTUAL CAPITAL

As established the more HR practices are used by employees to fill their needs, the more affective commitment is created. SD logic added to this with the suggestion that employees need to be able to use and adapt the practices to their own needs, in order for the practices to be used effectively. The question is raised as to what affects the ability of employees to use these practices. Intellectual capital theory offers an answer to this by presenting the knowledge and abilities that exist in firms; this paper draws from this theory and shows it can be utilized on the employee level to answer the research question, *"What Employee level variables moderate the positive relationship between HR practices and affective commitment?"*

Intellectual capital (IC) can be defined the sum of knowledge and capabilities that an organization can utilize for competitive advantage (Stewart, 1997). According to the theory these knowledge and capabilities are drawn from the human capital, organizational capital and social capital that are available to the firm (Youndt, Subramamiam, & Snell, 2004). Though these constructs are built on the organizational level, I propose they can be used to explain the capital/resources available to the individual employee due to their nature, which will now be explored and this proposition justified..

Youndt et al. (2004) introduce 3 Intellectual capital (IC) knowledge resource typologies, from where knowledge can be utilized from; *Human capital, organizational capital* and *Social capital. Human capital* refers to the knowledge, skills and abilities that the individual has (Becker, 1964; Schultz, 1961), whereas *Organizational capital* is the institutionalized and stored knowledge available in databases, manuals and routines (Youndt, Subramamiam, & Snell, 2004). The easy way to comprehend the difference between these typologies is that *Organizational capital* is the knowledge that stays behind at the

organization when the employees' knowledge, Human capital, leaves and goes home at the end of a day. The third typology is the Social capital, considering the knowledge available in groups of people. So therefore it refers to the knowledge resources available through the people within the network that the individual is a part of (Youndt, Subramamiam, & Snell, 2004). To return to the proposition that these constructs can manifest at the employee level, consider each individually; Human capital is the skills and knowledge an individual has, Organizational capital is the knowledge accessible at the organization to the individual, and social capital is the knowledge available through the social networks. Though Youndt et al (2004) conceptualized these on the organizational level as resources that can be leveraged, when presented in this way it can be argued that all the same typologies of IC are also available to the individual.

Overall IC provides 3 typologies from where the resources for using practices effectively can be taken from. This paper proposes with the help of IC theory that the individual employee can draw resources from their *human capital*, the *organizational capital* or their surrounding *social capital*, in order to be able to utilize HR practices effectively. This then completes the chain leading from HR practices to affective commitment, and what remains is the identification of the moderating variables, which can be done with the IC theory typologies.

5. DEVELOPMENT OF MODERATING VARIABLES

In order to develop the moderating variables each of the typologies of IC will be separately discussed as to their potential effect to the employees' use of HR practices to meet their needs. As aforementioned this use of HR practices is positively linked to the level of need satisfaction which in turn affects the level of affective commitment. This will then lead to creation of the hypothesis for the moderating variables.

Human capital IC is the individual skills, knowledge and abilities available to the employee (Youndt, Subramamiam, & Snell, 2004). In order for employees to be able to use practices effectively, these will likely be the first to be considered as their resources to do so; Individuals will try to do things themselves before looking outside for help, which will be discussed with

the other typologies. Coming back towards the creation of the hypothesis the main idea behind the human capital typology is that these resources come from the individuals themselves. To explore by the use of example, consider mid-level IT training, in means that some foundation knowledge is needed in order to take full use of it. So, as established individual must have the basic knowledge to use the IT training practices effectively. Personal skills and knowledge can fill this gap, but if the individual does not have these skills then they are not able to use the training to its fullest effectiveness to meet their need of self-improvement. As another example consider performance goals set as part of a reward HR practice. These performance goals are set by the company with some sort of reward to entice employees, this reward will fulfil the employees need and they will reciprocate commitment to the company. Where Human capital comes in is that although there are performance goals that will provide this need satisfaction, in order to be able to perform at the given level the employee needs knowledge and skills. Not having access to the sufficient skillset will mean that the employee is less likely to reach the performance goal, and less likely to satisfy their need.

Overall human capital evidently positively moderates the relationship between HR practices and need satisfaction, as the knowledge and skills of the individual can mean the difference of not being able to use a practice, to fully utilizing it. Concluding in the hypothesis:

Hypothesis 2: The level of human capital of an employee is a moderator in the positive relationship between HR practices and need satisfaction, such that the relationship strengthens with higher levels of human capital.

Organizational capital is nicely explained as the knowledge left at the workplace when the employee leaves work at the end of the working day. For instance this is the knowledge within the protocols, manuals and information in databases that the organization controls. When it comes to the use of HR practices these can play a powerful role; for example if an employee does not know the protocol to using a HR practice, they will not be able to fully utilize it. Therefore, *Organizational capital* is the availability of resources, from the organization towards the employee. Similar to the *Human capital* typology the level of knowledge that the employee has access to utilize in order to use HR practices effectively to satisfy their personal needs. With this said hypothesis cannot be rushed. Remember that this paper suggests that practices provided by the company need to be used by the individual. This same principle can be applied to Organizational capital. As discussed employees need Organizational capital in order to be able to utilize practices, but as also discovered, OC consists of information like protocols and databases. Overall it would be odd for this paper to suggest that HR practices need to be utilized by using resources available to the employee, and then state that information that the company provides is passively consumed by the employees. Therefore leading up to the hypothesis it needs to be said that the level of Organizational capital moderates the relationship between HR practices and need satisfaction, but this relationship is further moderated by Human capital as the individual must be able to use Organizational capital. To put this into an example the individual needs to have knowledge (HC) of the IT system used at the company in order to access the protocols and databases (OC) that are necessary to use a HR practice; for example to apply for time off from work. This leads to the two-fold hypothesis:

Hypothesis 3a: The level of organizational capital is a moderator in the positive relationship between HR practices and need satisfaction, such that the relationship strengthens with the level of available organizational capital.

H3b: The level of human capital of an employee is a moderates the level of organizational capital, such that the level of Organizational capital increases with the level of Human capital.

Finally there is the *Social capital*. Similar to *organizational capital* it comes from the outside of the individual, more specifically from the social network that one has built around them. To explain this let us return to the example about the IT training used while exploring *human capital*. The basic knowledge that is needed to utilize the training practice to its maximum potential, if not available from the individual themselves could be received from their social network. So for instance one might ask for their friend to teach the basics so that they could effectively take part in this training, and use it to satisfy their needs. Therefore the positioning of *Social capital* is in strengthening the individual has a lack of knowledge for

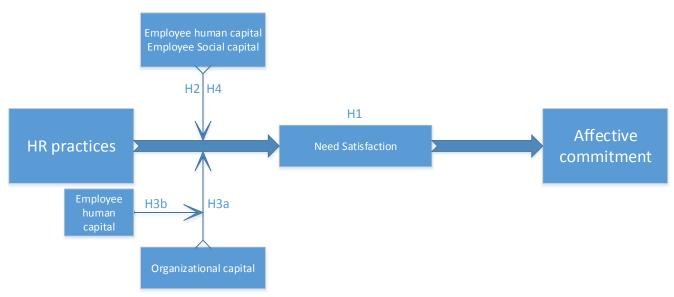


Figure 1

the use of a practice, they are able to draw from their social network to fill these gaps in individual *human capital*. In terms of moderating variables this means that *Social capital's* role is the same as *Human capital*; the individual can easily draw knowledge and skills from their social capital in order to be able to use a HR practice effectively to meet their needs. This leads to the hypothesis:

H4: The level of Social capital is a moderator in the positive relationship between HR practices and need satisfaction, such that the relationship strengthens with the level of Social capital.

6. DISCUSSION

This paper has utilized 4 main theories in order to come up with the hypotheses. Firstly we know that HR practices have a link to affective commitment (Kehoe & Wright, 2013). To explain this link the paper utilized the reciprocation rule of social-exchange theory, suggesting that affective commitment was the reciprocation of the employees for value that they received from the company. Using self-determination theory we discovered that the value that the company exchanges with the employee for affective commitment is need satisfaction through fulfilling psychological and growth needs of the employee. This compilation leads to the first hypothesis.

As discussed self-determination theory suggests that employees actively look to fulfil their needs. This paper expanded on this idea with the Service-dominant logic ideology, which suggests that employees need to be able to use and adapt practices in order for them to fulfil these needs, and in order to be able to do this they need resources like skills and knowledge. Finally, the paper used the Intellectual capital theory to expand on what these resources are and to develop the hypothesis 2-4. The hypotheses developed have been combined into 1 model (figure 1) in order to clarify their position in explaining the link between HR practices and affective, through mediating (H1 – need satisfaction) and moderating effects (H2, H3ab,H4).

7. IMPLICATIONS

7.1 Theoretical implications and future research

A number of scholars (eg. Kehoe & Wright, 2013; Marecaux et al., 2013) have attempted to find the link between HR practices and affective commitment, but come up with differing results, and in general the link has been left undetermined. Meyer and Smith (2000) suggested that there were conditions that moderated this link, and through utilizing this idea this paper has attempted to fill this gap in theory.

Theoretically this manuscript offers an alternate view to a commonly discussed issue of how HR practices lead to affective commitment. The theories and authors discussed are a small part of all the research in this area and to suggest that the effects of this single paper are vast would be counterproductive. With this said it is unarguably a unique composition of theories that has the potential, through further research, to push out new ideas that can be used to determine the real relation between HR practices and affective commitment, whilst readjusting existing theories in the field of HR.

To do this I would firstly propose research into *Human capital* as the cornerstone of these propositions, more specifically into determining the specific knowledge and skills that affect the use of HR practices. In the building of this paper I only discussed hypothetical situations of what kind of knowledge and skills can effect given HR practices, a survey developed to compare

different employee skillsets and their use of a HR practice could be very enlightening in this regard. With this said the definition of these concepts into measurable variables will likely cause difficulties. Secondly further research should be directed towards the use of social capital, more specifically how is it used and how often do employees draw from it. A simple survey should suffice in creating a basic overview of whether or not social capital is used in the workplace to the extent this paper suggests, as a vast supporting factor to human capital. Thirdly I would suggest looking into the active consumerism suggested. Empirical research into how employees use in HR practices should help to expand on this ideology of employees being active in choosing what practices to utilize. Evidently it is also possible that the opposite is true, that practices are passively consumed. Regardless of the outcome the implications of these findings for the area of study would be enormous.

Further research would be of ease to suggest as there are many avenues to pursue the propositions made by this paper. For instance there are other theories that can explain parts of this chain of theories created in different ways. An example of this is the AMO-framework, consisting of *Abilities, motivation* and *opportunities* (eg. Savaneviciene & Stankeviciute, 2011). This could be used in place of IC theory, explaining what employees need in order to be able to use HR practices to satisfy their needs. Overall this paper makes a vast number of suggestions from linkages between theories to adaptions of others, so as much as it is to attempt to explain the HR practice – affective commitment link by itself, it is also to open new avenues of thinking which should also be researched so that the correct linkage is determined.

7.2 Practical implications

The underlying goal of HR practices is to increase affective commitment. As explained in this paper, a popular view to HR practices is that employees passively use them to satisfy their needs, and this then leads to affective commitment. Simplified this means that there is a belief that by providing more HR practices to the employee; their affective commitment will increase in a specific way. This paper offers a totally alternate view, that there are moderating variables that alter the extent to which HR practices increase affective commitment. Organizations, and more specifically managers, could utilize these moderators in order to be more efficient with their HR practices. By knowing what variables moderate the relationship between HR practices and affective commitment the HR manager make more informed decisions of what HR practices to offer in order to keep all parties involved satisfied, whether it be the employee needs or the organization performance through the reciprocated affective commitment. With this said it must not be forgotten that this composition of theories is, as yet, without empirical proof, and prior to getting some validity the propositions should be handled with care. Nevertheless the future potential in terms of practical implications is good.

8. CONCLUSION

This paper set out to answer a question that has lingered and only been answered to an unsatisfactory degree, how are HR practices and affective commitment linked? Through studying papers surrounding this area a research question *""What Employee level variables moderate the positive relationship between HR practices and affective commitment?"*, was answered through 4 hypotheses, presented in figure 1. As discussed in the further research and implications, the propositions made are vast and should be taken lightly before more research into their validity is made. Nonetheless, through combining ideologies from HR, marketing and company resource management and bringing them to an employee level, I believe the paper has provided a useful starting point for future efforts in the field.

LIMITATIONS

The first thing that needs to be addressed in terms of limitations is that fact that this paper has chosen specific theories that fill the roles necessary to respond to the research question. Evidently there are more theories and different definitions of the ones used, for instance the AMO-framework like discussed. Serving as an example of different definitions for the same theory, the Intellectual capital theory has multitudes of authors (eg. Nahapiet & Ghoshal, 1998), with the main differences being in the sub-categories. Though the theories and authors chosen have been the outcome of extensive background research, it does not make any other theorists views any less valid.

Secondly the generalised concept of HR practices could be considered a limitation. The paper concludes that there are specific moderators in the relationship the HR practices have to commitment, but to suggest that all HR practices behave the same seems absurd. To address this, the paper argues that these moderators affect this relationship, but does not take a stance on the level of effect between the variables themselves, ie which moderator has more weight in the relationship, compared to the others. This could also be added to the list of future research.

Thirdly the concept of *Organizational capital* has to be discussed. If we consider it mainly consists of information and protocols the company provides to the individual, could it not then also encompass specific HR practices, like training, as simple tools of providing this information to the employees. The paper simplified *OC* to refer to only the information that individual can access themselves, but this argument could be made and it would also be valid.

Lastly examine the relationship between the intellectual capitals; *Human capital, organizational capital* and *Social capital* in the employee context presented. It is not considered in this paper what kinds of resources they consider, and what is their relationship after the individual uses *organizational* or

social capital. As an example, consider an employee uses Organizational capital as their resource to be able to use a practice, does this piece of knowledge they used thereafter become *Human capital*, as the employee has this knowledge now, or does it remain as organizational capital as effectively this knowledge is still available at the organization? Due to this grey area in the types of resources and knowledge that each of the intellectual capital typologies contains, the examples within this manuscript have been weaker at specifically explaining the relationships then what would be desired. Even through this greatest weakness of the paper, its validity in a theoretical sense, in providing routes for further research is still strong, as it provides new ideas that have yet to be explored.

Bibliography

- Baard, P. P., Deci, E. L., & Ryan, R. M. (2004). Intrinsic Need Satisfaction: A Motivational Basis of Performance and Weil-Being in Two Work Settings. *-journal of applied Social Psychology*, 2045-2068.
- Beer, M., Spector, B., Lawrence, P., Quinn Mills, D., & Walton, R. (1984). *Managing human assets*. New York: Free press.
- Cropanzano, R., & Mitchell, M. (2005). Social exchange theory: An Interdisciplinary review. *Journal of management*, *31*(6), 874-900.
- Emerson, R. (1976). Social-Exchange theory. Annual Review of Psychology, 335-362.
- Gagne, M., & Deci, E. L. (2005). Self-determination theory and work motivation. *Journal of Organizational behaviour*, 331-362.
- Greguras, G. J., & Diefendorff, J. M. (2009). Different fits satisfy different needs: Linking personenvironment fit to employee commitment and performance using self-determination theory. *Journal of Applied Psychology*, 465-477.
- Grönroos, C. (2008). Service logic revisited: Who Creates Value? And Who Co-creates? *European business review*, 298-314.
- Hiltrop, J.-M. (1996). A framework for diagnosing human resource management practices. *European Management Journal*, 243-254.
- Kehoe, R. R., & Wright, P. M. (2013). The impact of High-performance human resource practices on employees' attitudes and behaviours. *Journal of management, 39*(2), 366+391.
- Marescaux, E., De Winne, S., & Sels, L. (2013). HR practices and HRM outcomes: the role of basic need satisfaction. *Personnel Review*, 42(1), 4-27.
- Meyer, J. P., & Smith, C. A. (2000). HRM practices and organizational commitment: Test of a mediation model. *Canadian Journal of Administrative Sciences*, *17*(4), 319-331.
- Meyer, J. P., Paunonen, S. V., Gellatly, I. R., Goffin, R. D., & Jackson, D. N. (1989). Organizational Commitment and Job Performance; It's the Nature of the commitment that counts. *Journal of Applied Psychology*, *74*(1), 152-156.
- Meyer, J., Standly, D., Herscovitch, L., & Topolnytsky, L. (2002). Affective, continuance and normative commitment to the organization: a meta-analysis of antecedents, correlates, and consequences. *journal of vocational behavious, 61*(1), 20-52.
- Nahapiet, J., & Ghoshal, S. (1998). Social capita, intellectual capital, and the organizational advantage. *Academy of Management review*, 242-266.

- Ryan, R. M., & Deci, E. L. (2000). Self-determination theory and the facilitation of intrinsic motivation, social development, and well-being. *American Psychologist*, 68-78.
- Savaneviciene, A., & Stankeviciute, Z. (2011). HUMAN RESOURCE MANAGEMENT PRACTICES LINKAGE WITH ORGANIZATIONAL COMMITMENT AND JOB SATISFACTION. *ECONOMICS AND MANAGEMENT*, 921-928.
- Stewart, T. (1997). Intellectual capital. New York: Doubleda-Currency.
- Vargo, S., & Lusch, R. (2004). Evolving to a New Dominant Logic For Marketing. *Journal of marketing*, 1-17.
- Vargo, S., Lusch, R., & Akaka, M. (2010). Advancing service science with service-dominant logic. In M.
 P. al., Handbook of Service science, Service science: Research and innovations in the Service economy (pp. 133-156). Springer Science+Business Media, LLC.
- Wright, P. M., Gardner, T. M., Moynihan, L. M., & Allen, M. R. (2004). The relationship between HR practices and firm performance: Examining causal order. *Personnel Psychology*, 406-446.
- Wright, P., & McMahan, G. (1992). Theoretical perspectives for strategic human resource management. *Journal of Management, 18*(2), 295-320.
- Wright, T. A., & Bonett, D. G. (2002). The moderating effects of employee tenure on the relation between organizational commitment and job performance: A meta-analysi. *Journal of applied Psychology*, *87*(6), 1183-1190.
- Youndt, M., Subramamiam, M., & Snell, S. (2004). Intellectual capital profiles: An examination of Investments and Returns. *Journal of Management Studies*, 335-361.