

DOCTORAL THESIS

Multilevel linkages between HR practices and firm performance: evidence from the hotel industry in China

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Date of Award:
2005

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**Multilevel Linkages between HR Practices and Firm Performance:
Evidence from the Hotel Industry in China**

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**A thesis submitted in partial fulfillment of the requirements
for the degree of
Doctor of Philosophy**

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February 2005

ABSTRACT

In the last decade, numerous empirical examinations and theoretical treatments of the link between human resource (HR) practices and firm performance have been reported. Recent reviews, however, have highlighted conceptual and methodological limitations in the extant literature. Conceptually, lack of consensus in the configuration of HR practices has led to inconsistent findings. Furthermore, the mechanisms through which HR practices influence firm performance have not been clearly addressed, nor have researchers examined how organizations choose/ select particular HR practices configuration. Methodologically, although this stream of research generally includes organizational- and individual-level data, cross-level issues have not been adequately addressed. Failure to address cross-level issues threatens the statistical validity of reported findings.

Ferris et al. (1998) suggested that future development and evolution of research on the relationship between HR practices and firm performance is dependent upon better theory development, and carefully crafted empirical research that tests the full range of antecedent, intermediate linkage, and outcome variables. In response to Ferris et al.'s (1998) call and to address the preceding limitations, this study proposed and tested a model of the mechanisms through which HR practices affect firm performance. Specifically, this study examined: (i) the antecedents of HR practices; (ii) the mediating influence of organizational citizenship behavior (OCB) on the HR practices-firm performance relationship, and (iii) the mediating influence of perceived organizational support (POS) on the HR practices-OCB relationship. Data were obtained from top management (including HR managers), and subordinates and their

immediate supervisors of 81 hotels located in Jiangsu Province in the People's Republic of China.

Results of hierarchical regression analysis revealed that (i) HR values of management were positively related to HR practices and (ii) aggregated OCB mediated the relationship between HR practices and firm performance defined in terms of turnover and productivity. Furthermore, hierarchical linear modeling results revealed that individual-level POS partially mediated the relationship between HR practices and individual-level OCB. In general, the results provide support for the resource-based view of the firm and uncovered the hitherto black box regarding the HR practices-firm performance relationship. In an increasingly competitive global marketplace, the results provide some practical suggestions on how firms can configure their HR practices to serve as a source of competitive advantage.

TABLE OF CONTENTS

DECLARATION.....	i
ABSTRACT	ii
ACKNOWLEDGEMENTS	iv
LIST of TABLES	viii
LIST of FIGURES.....	ix
Chapter One	1
Introduction.....	1
1.1 Research Background	1
1.2 Research Purpose and Objectives	5
1.3 Research Contributions	6
1.4 Definition of Key Constructs	9
1.4.1 HR Practices Configuration	9
1.4.2 Firm Performance	14
1.5 Organization of the Thesis	17
Chapter Two	19
Literature Review and Hypotheses	19
2.1 Antecedents of HR Practices	19
2.2 HR Practices and Firm Performance.....	22
2.2.1 Theoretical Foundation	22
2.2.2 Empirical Evidence	23
2.3 HR Practices and Firm Performance: Indirect Relationships	27
2.3.1 Theoretical Foundation	27
2.3.2 Mediating Role of OCB in the HR Practices-Firm Performance Relationship	28
2.3.3 Mediating Role of POS in the High-commitment HR Practices— OCB Relationship	38
2.4 Chapter Summary	42

Chapter Three	44
Methodology	44
3.1 Research Context: The Hotel Industry in China	44
3.2 Sample and Data Collection.....	46
3.3 Development and Validation of the HR Practices Scale	49
3.4 Measures	54
3.4.1 HRM Values	54
3.4.2 Service Differentiation Strategy	54
3.4.3 High-commitment HR Practices	55
3.4.4 POS	55
3.4.5 OCB	56
3.4.6 Firm performance.....	56
3.4.7 Control Variables	57
3.5 Two Key Methodological Issues	58
3.5.1 Aggregation of Data.....	58
3.5.2 Common Method Variance.....	61
3.6 Data Analysis	62
3.6.1 Data Analysis Techniques.....	62
3.6.2 Multilevel Mediation	64
3.7 Chapter Summary	68
Chapter Four	69
Results.....	69
4.1 Descriptive Statistics and Zero-order Correlations.....	69
4.2 Antecedents of HR Practices	71
4.3 HR Practices-Firm Performance Relationship.....	72
4.3.1 Mediating Influence of OCB on the HR Practices -Firm Performance Relationship	72
4.3.2 Mediating Influence of POS on the HR Practices—OCB Relationship	74
4.4 Chapter Summary	79

Chapter Five	81
Discussion	81
5.1 Introduction.....	81
5.2 Antecedents of HR Practices	81
5.3 Direct Relationship between HR practices and Firm Performance	82
5.4 Indirect Relationships between HR practices and Firm Performance	83
5.5 Strengths of the Study	86
5.6 Limitations of the Study and Directions for Future Research	88
5.7 Implications for Theory and Practice.....	90
5.8 Summary	92
REFERENCES	93
APPENDIX I: QUESTIONNAIRE (ENGLISH)	117
APPENDIX II: QUESTIONNAIRE (CHINESE).....	129
CURRICULUM VITAE	137