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경영학 석사학위논문

Employee-Organization Relationship Based
HRM System and Organizational
Ambidexterity:
The Mediating Role of Organizational Trust
and Human Capital

조직-구성원 관계 기반 인사시스템과
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ABSTRACTS

**Employee-Organization Relationship Based
HRM System and Organizational
Ambidexterity:
The Mediating Role of Organizational Trust
and Human Capital**

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This study clarified two different mechanisms of how HRM systems developed on the basis of Employee-Organization Relationship (EOR) framework (Tsui, Pearce, Porter, & Tripoli, 1997) affect the organizational ambidexterity. After classifying the HRM practices into two dimensions, HRM inducements and investments and

HRM expectation-enhancing practices, this study clustered firms into four different groups based on the level of the two HRM dimensions. The study suggests that the firms adopting mutual investment EOR forms, referring to the clustered group with high level of both the HRM dimensions, would improve the explorative and exploitative performance through organizational trust and human capital. Using data from 319 Korean firms, clustered regression was executed to test the hypotheses. The results confirmed that the firms with mutual investment EOR forms have positive relationships with organizational trust and human capital. Furthermore, organizational trust and human capital are positively related to the firm's explorative and exploitative performance. Overall, organizational trust and human capital mediated the relationship between the mutual investment EOR form and the firm's explorative and exploitative performance. This study reveals that in addition to psychological path of organizational trust, firms adopting mutual investment EOR forms can enhance the organizational explorative and exploitative performances by attracting and retaining the highly qualified human resources, leading to achieve sustainable competitive advantages.

Keywords: Employee-Organization Relationship, HRM system, organizational trust, human capital, organizational ambidexterity, exploration and exploitation

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I. INTRODUCTION

In the strategic HRM literature, a plethora of studies corroborated the relationship between human resource management systems and firm performances (Arthur, 1994; Huselid, 1995; Jiang, Lepak, Hu, & Baer, 2012). Following the seminal work of Huselid (1995), researches on high-performance work systems (HPWS) (Becker & Huselid, 1998; Sun, Aryee, & Law, 2007; Patel, Messersmith, & Lepak, 2013), high involvement work practices (Guthrie, 2001; Zatzick & Iverson, 2006; Wood & Menezes, 2008), and high commitment HRM practices (McClellan & Collins, 2011; Collins & Smith, 2006) have burgeoned, underlining that firms must implement effective HRM systems in order to sustain their competitive advantages. However, prior studies in this line of researches possess two limitations. First, solid theoretical foundation for integrating each HRM practice into one holistic HRM system has been insufficient (Wright & McMahan, 1992). Second, horizontal fit or synergetic effects between idiosyncratic HRM practices are not guaranteed without empirical tests for the interaction effects.

To remedy these weaknesses of prior research, this study adopted Employee-Organization Relationship (EOR) framework suggested by Tsui, Pearce, Porter, & Tripoli (1997). This framework, developed on the basis of Blau's (1964) social exchange theory, distinguishes two different dimensions of HRM systems, which are HRM inducements and investments (HRMI) (e.g., competitive pay,

extensive training, education opportunities) and HRM expectation-enhancing practices (HRME) (e.g., pay-for-performance, performance appraisal, monitoring system) (Tsui et al., 1995; Shaw, Dineen, & Fang, 2009). Especially in the context of South Korea, EOR approaches present interesting implications, since radical changes in the form of employment relationships has taken place in Korea. Most companies had provided lifetime employment and chosen seniority-based compensation system, which implies that a great extent of job security had been given for employees. Firms had invested in the human resources for a longer period of time and the employees also had made enough contributions balancing with the firms' investments and inducements. However, as globalization has been accelerated, multi-national firms confront fierce competition. Moreover, development of external labor market has changed employment relationships dramatically. Under these circumstances, investigating the effects of EOR-based HRM system is expected to provide both academic and practical insights.

To date, most of the EOR researchers have concentrated on individual level outcomes, such as organizational commitment, individual performance, psychological empowerment, and trust (Tsui et al., 1995; Zhang, Tsui, Song, Li, & Jia, 2008; Zhang, Song, Tsui, & Fu, 2014; Shin, Taylor, & Seo, 2012; Hom, Tsui, Wu, Lee, Zhang, Fu, & Li, 2009). However, only a few studies examined the direct relationships between the EOR forms and the overall firm performance (Wang, Tsui,

Zhang, & Ma, 2003), and little is known about the effects of the EOR forms on the operational performances and the intervening processes of the effects (Coyle-Shapiro & Shore, 2007). Thus, the effects of the HRM systems based on the EOR approach on the organizational level outcomes, such as human capital and firm performances, should be closely examined.

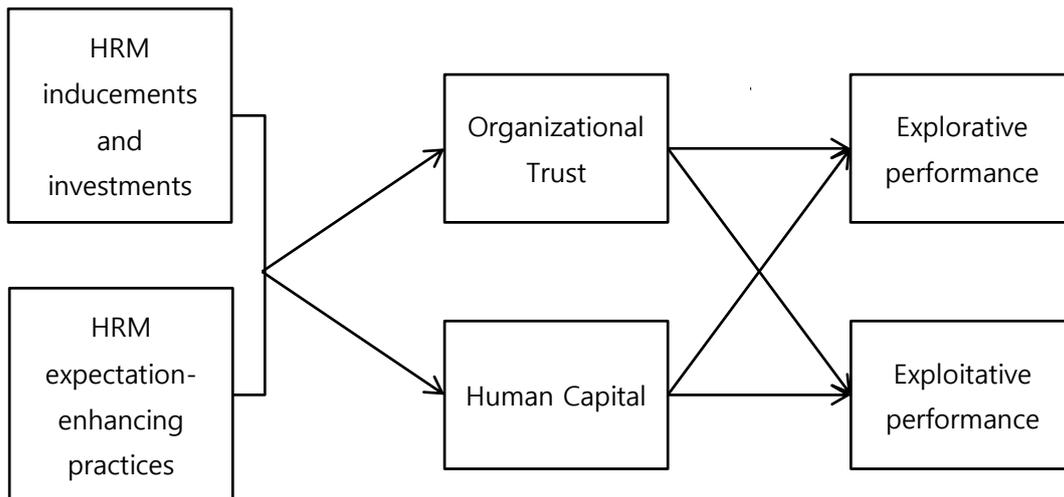
Previous research argues that measuring firm performance with global performance measures, such as productivity or profitability, might underestimate the effectiveness of the HRM practices (Collis & Montgomery, 1995; Crook, Todd, Gombs, Woehr, & Ketchen, 2011). Therefore, this study adopted the two operational performances, exploitation and exploration, as dependent variables in order to estimate the effectiveness of EOR-based HRM system in detail. In highly competitive markets, firms should be able to fulfill both demands of exploitation and exploration simultaneously in order to sustain their own competitiveness (Park & Kim, 2015; O'Reilly & Tushman, 2004; Raisch, Birkinshaw, Probst, & Tushman, 2009). However, how to pursue the organizational ambidexterity through the HRM systems remains obscure.

As intervening processes between the EOR-based HRM system and the firm's explorative and exploitative performance, I suggested dual routes of organizational trust and human capital. The first route is organizational trust, a critical component of the social exchange literature (Colquitt, Scott, & LePine, 2007).

This study aims to explain the cognitive process of how the employees trust the organization in the mutual investment EOR form and test the mediating role of organizational trust empirically. The second route is human capital. Besides the social exchange route, high level of human capital is consequential for the firm to pursue both exploitation and exploration simultaneously (O'Reilly & Tushman, 2004). Most studies demonstrating the relationship between HRM systems and organizational ambidexterity have not measured the level of human capital directly, as it is taken for granted, but whether HRM practices enhance the actual level of human resources should be verified.

In summary, this study provides theoretical contributions on finding out the black box between EOR-based HRM system and firm's explorative and exploitative performance by revealing the mediating process of organizational trust and human capital. Figure 1 demonstrates the overall research model investigated in this study.

Figure 1. Research model



II. THEORETICAL BACKGROUND AND HYPOTHESES

Employee-Organization Relationship framework

Tsui et al. (1997) suggested employee-organization relationship (EOR) framework based on the concept of inducement-contribution (March & Simon, 1958) and social exchange theory (Blau, 1964). EOR approach includes two components: “the employer’s expectations about specific contributions that it desires from employees and the inducements that it uses to affect the desired contributions” (Tsui et al., 1997: 1091).

Regarding how to measure EOR forms, some studies investigated EOR at individual level (Jia, Shaw, Tsui, & Park, 2014; Tsui et al., 1997; Zhang et al., 2008) and other studies collected EOR data at the firm level, such as utilizing HRM practices implemented by the firm (Hom et al., 2009; Shaw et al., 2009). Hom et al. (2009) pointed out that EOR data collected at individual level may overestimate EOR effects, considering that observations from the same firm are not independent, which results in inflating degrees of freedom. In addition, the concept of EOR is from the employer's perspective, which is differentiated from psychological contract including both side of the exchange between employer and employee (Robinson, 1996; Rousseau, 1989). Tsui et al. (1997) stated that since employment contracts are mostly decided and altered by the employer, analyzing EOR from the employer's perspective is better. Therefore, using the HRM practices implemented by the company reflects the original concept of EOR from the employer's perspective.

Tsui et al. (1997) derived four EOR forms based on two continua of offered inducements and expected contributions: Mutual investment, quasi-spot contract, overinvestment, and underinvestment. Mutual investment and quasi-spot contract are balanced EOR forms, meaning that the level of inducements offered by the employer matches with the level of contributions expected from the employee (Hom et al., 2009; Shaw et al., 2009). Mutual investment EOR refers to the

combination of a high level of expected contributions and a high level of offered inducements (Wang et al., 2003). The employer considers the employees' well-being and gives a long-term investment in the employees, and in turn the employees are expected to contribute to the organization beyond their individual jobs clarified in their job descriptions (Tsui et al., 1997; Wang et al., 2003). The opposite of the mutual investment EOR is a quasi-spot contract EOR, where the expected contributions and offered inducements are narrow or low (Wang et al., 2003; Tsui et al., 1997). This EOR type is based on a pure economic exchange model (Tusi et al., 1997). The exchange between the employer and the employee is specified and short-term (Tusi et al., 1997). The other two types of EOR are unbalanced EOR forms, which imply that the level of offered inducements mismatches with the level of expected contributions (Wang et al., 2003). Overinvestment EOR has high level of inducements offered to the employees with low level of expected contributions from the employees. Traditionally many government-owned companies in Korea adopted this type of EOR form in favor of employees. The employees in those companies were not expected to contribute beyond their narrowly-specified jobs, while receiving broad inducements and investments, such as job security and a considerable amount of remuneration. However, facing severe global competitions between firms nowadays, those firms are trying to convert into the underinvestment EOR form. Underinvestment EOR is a combination of a high level of expected

contributions from the employee and a low level of offered inducements, in favor of the employer. The employer does not provide long-term investment to the employees, and the employees are obliged to provide broad and open-ended performances.

EOR-based HRM system and organizational ambidexterity

According to literature on organizational ambidexterity, firms should keep refining the current internal systems or products, pursuing efficiency in cost, and improving the product quality. At the same time, firms should also put their efforts for the future opportunities, such as diversification of the products, attraction of new potential customers, and management of brand images. The former activities refer to ‘exploitation’ and the latter activities refer to ‘exploration’ (March, 1991).

To balance the conflicting demands on exploitation (or alignment) and exploration (or adaptation), researchers developed two possible ways, which are structural ambidexterity (Duncan, 1976) and contextual ambidexterity (Gibson & Birkinshaw; 2004). Structural ambidexterity refers to dividing the role of developing new future opportunities and enhancing current effectiveness or efficiency into dual structures, some aiming at exploration, others focusing on exploitation (Duncan, 1976). Contextual ambidexterity developed by Gibson and Birkinshaw (2004) is “the behavioral capacity to simultaneously demonstrate

alignment and adaptability across an entire business unit (Gibson & Birkinshaw, 2004)". This perspective is focusing on how to build the processes or systems that encourage individuals to manage the conflicting demands of aligning current opportunities and adapting to the fast changing environment for potentially profitable opportunities (Gibson & Birkinshaw, 2004; Tushman & O'Reilly, 1996). This study took a view of contextual ambidexterity, in that HRM practices are critical systems making employees motivated and skilled (Jiang et al., 2012). Highly motivated and skilled individuals have resource flexibility and they are driving forces of the balanced organizational performances of exploration and exploitation (Patel et al., 2013).

Ghohsal & Bartlett (1994) suggested four contexts for contextual ambidexterity: *Discipline* and *Stretch* for alignment, *Support* and *Trust* for adaptation. *Discipline* is a context that employees voluntarily fulfilling their working standards. Firms with clear performance standards, quick and open feedback systems, and consistency in the management system would form the context of discipline (Patel et al., 2013; Gibson and Birkinshaw, 2004). HRM practices in the expectation-enhancing (HRME) dimension, such as extensive feedback and monitoring system accompanied by pay-for-performance system would make the employees feel that the organization evaluates and compensates the employees in a consistent and reliable way, which in turn forming the context

of discipline. *Stretch* is “an attribute of context that induces members to voluntarily strive for more ambitious objectives” (Gibson & Birkinshaw, 2004: 213). Management by objectives in the HRME dimension can enhance the stretch context (Patel et al., 2013). *Support* means “the resources, care, and autonomy provided to employees” (Patel et al., 2013: 1423). Competitive pay and benefits and well-established training systems in the HRM inducements and investments (HRMI) dimension signal the employees that the organization cares their well-being (Tsui et al., 1997). *Trust* refers to an attribute related to procedural justice which induces employees’ commitment to the organization (Gibson & Birkinshaw, 2004). Internal labor market and job security in the HRMI dimension could enhance employees’ trust on organization. However, this is a narrow definition of trust. In this study, organizational trust used as the mediator between EOR-based HRM system and organizational ambidexterity includes not only the realm of procedural justice, but also other dimensions which can enhance ‘willingness to be vulnerable’ (Mayer et al., 1995).

Though Patel et al. (2013) revealed the relationship between HPWS and contextual ambidexterity, there are three limitations in this study. First of all, they used HPWS which is a composite index of all the practices enhancing performance to investigate the effect on organizational ambidexterity. However, as HPWS is the mixture of HRM practices containing different characteristics and implications, the

relationship between HPWS and firm performance of alignment and adaptation only gives us marginal implications. In order to understand the underlying mechanism of how HRM practices influence the firm's outcome, using the typology based on EOR framework is appropriate by linking the inducement-expectation dimensions to the four contexts for organizational ambidexterity. Second, they didn't measure the mediating elements between organizational ambidexterity and HRM practices. They assumed that HPWS would increase the context for ambidexterity conceptually, but didn't measure the context empirically. Third, they didn't measure if the alignment-enhancing HRM practices and adaptation-enhancing HRM practices are interacting with each other, as they integrated all the practices into one index of HPWS. Therefore, I introduced organizational trust and human capital as a mediator between EOR-based HRM system and firm performances of exploration and exploitation.

Mediating role of organizational trust

Mayer, Davis, and Schoorman (1995: 712) defined trust as “the willingness of a party to be vulnerable to the actions of another party based on the expectation that the other will perform a particular action important to the trustor, irrespective of the ability to monitor or control that other party.” Trust is the core element forming the social exchange relationship (Colquitt et al., 2007), as the social

exchange relationship encompasses an open-ended and vaguely specified roles or duties between the parties, necessarily admitting vulnerability of the trustor. As trust has been used as an indicator of social exchange relationship in the previous literature (Aryee, Budhwar, & Chen, 2002; Shore, Tetrick, Lynch, & Barksdale, 2006), this study also utilized organizational trust to indicate the social exchange route in the relationship between EOR-based HRM system and organizational performances.

Some scholars distinguished trust in two perspectives, which are cognition-based and affect-based trust (McAllister, 1995; Dirks & Ferrin, 2002; Lewis & Wiegert, 1985). Cognition-based trust is focusing on the perception of the trustee's trustworthiness, such as competence or expertness (Butler, 1991; Giffin, 1967), reliability or integrity (Butler, 1991; Johnson-George & Swap, 1982; Ring & Van de Ven, 1992), and benevolence (Solomon, 1960; Larzelere & Huston, 1980). Affect-based trust consists of emotional attachment (McAllister, 1995; Lewis & Wiegert, 1985), more proximal to the social exchange perspective (Dirks & Ferrin, 2002). If the trustor believes that the trustee is sincerely caring and considering the welfare of the trustor, the trustor is willing to reciprocate and form emotional ties toward the trustee (McAllister, 1995). However, in fact, those two dimensions are overlapping with each other in some respects. 'Benevolence' is a factor constructing trustworthiness in cognition-based trust, implying how much the trustee is oriented

toward the trustor's interests, but is analogous to the nature of affect-based trust. Moreover, it is difficult to establish strong emotional bonds without knowing credibility of the trustee, especially when the trustee is not a person but an organization. The link between the employees and the organization is created on the basis of the HRM system provided by the organization, and if the employee cognitively appreciate that the organization is supportive to them, they trust the organization. Therefore, I integrated cognition-based trust and affect-based trust into a single dimension of trust, and analyzed how EOR-based HRM system increases the trustworthiness of the organization.

According to Mayer et al. (1995), trustworthiness has three components. The first component is ability. Ability is defined as “skills, competencies, and characteristics that enable a party to have influence within some specific domain (Mayer et al., 1995: 717)”. Ability has been considered as a critical antecedent of trust in many studies (Cook and Wall, 1980; Deutsch, 1960; Sitkin & Roth, 1993), but little is known about how specific HRM practices enhance trustworthiness of the organization. Employees can estimate the ability of organization by referencing diverse HRM practices, such as higher materialistic and developmental rewards compared to other competing companies, implying the organization retains enough resources. The second component is benevolence, defined as how much the trustor believes that the trustee is willing to do good to the trustor apart from egocentrism

(Mayer et al., 1995). HRM practices in the HRMI dimension, such as competitive pay and abundant educational opportunities by which general human capital is developed, would make the employees feel the organization is benevolent and caring, in turn, fostering a sense of positive affect (Colquitt et al., 2007; McAllister, 1995). Last component of trustworthiness is integrity, defined as the extent to which a trustee is believed to adhere to sound moral and ethical principles, such as fairness, justice, consistency, and promise fulfillment (Colquitt et al., 2007). In the literature of compensation, pay-for-performance enhances the employees' perception of distributive justice (Greenberg, 1990). Performance appraisal systems, such as Balanced Scorecard, MBO, or multisource evaluation system, also build up the reliability of the firm (Mayer & Davis, 1999). If the organization has the pay-for-performance system in the absence of reasonable performance appraisal systems, the employees would not be motivated to put much effort on their work, based on the expectancy theory (Vroom, 1964). Monitoring systems, such as executing feedback systems and utilizing the appraisal results for the opportunities of promotion, transfer, or training, also have positive effects on the perceived fairness (Alder & Ambrose, 2005). In short, HRME such as pay-for-performance, performance appraisal, and monitoring enhance the perceived justice or fairness, referring to integrity. To sum up, the level of trustworthiness can be maximized in the mutual investment EOR forms, the combination of high level of HRMI and

HRME, forming stable and robust organizational trust.

Hypothesis 1: Organizational trust is highest when the organization adopts the mutual investment EOR approach, relative to other EOR approaches.

To explore the future opportunities, the organization should take a risk deviating from the existing routines. A risk taking behavior is a function of trust and perceived risk of the behavior (Mayer et al., 1995). If the perceived risk of the behavior is above the level of trust, the trustor is reluctant to engage in the risk taking action, whereas if the perceived risk is below the level of trust, the trustor is prone to take a risky action (Mayer et al., 1995). As the returns of explorative performances are uncertain, distant, and often negative (March, 1991), implying high risk, high level of trust is vital to exceed the level of perceived risk of exploration. Accordingly, trustworthiness of the trustee becomes a requisite factor to be considered.

However, exploitative performances, such as pursuing efficiency of the current procedure and making an incremental improvement of the existing product line, are less risky, in that the returns are predictable, proximate, and positive (March, 1991). Therefore, the link between trust and exploitative performance is relatively weak, compared to that of explorative performance. Indeed, the relationship between trust and job performance (relevant to exploitative performance in the organizational level) has been inconsistent, as some studies

showing a positive relationship between trust and job performance (Podsakoff, MacKenzie & Bommer, 1996; Mayer & Gavin, 2005; Colquitt et al., 2007; Dirks, 2000), while others having no significant relationship (Konovsky & Cropanzano, 1991; O'Reilly & Anderson, 1980). Thus, beyond the risk-focused explanation, other perspectives should be complemented to clarify the relationship between trust and exploitative performance. Mayer and Gavin (2005) proposed that trust in management makes the employees stay focused on their in-role job performances, as they don't need to lavish their limited resources on monitoring the management (Kanfer & Ackerman, 1989). If the employees believe that the organization holds adequate abilities to survive in the market and is supportive and benevolent to the employees with a sense of fairness or integrity, they would not be distracted by other unnecessary worries and would be willing to work for the organization beyond their own interests. Combined with Hypothesis 1, organizational trust will have the mediating effect between EOR-based HRM system and the firm's performances of exploration and exploitation.

Hypothesis 2: Organizational trust is positively related to explorative performance.

Hypothesis 3: Organizational trust is positively related to exploitative performance.

Hypothesis 4: The relationship between mutual investment EOR approach

and explorative performance is mediated by organizational trust.

Hypothesis 5: The relationship between mutual investment EOR approach and exploitative performance is mediated by organizational trust.

Mediating role of human capital

In the literature of EOR, the social exchange theory and human capital theory have been compounded (Shaw et al., 2009; Tsui et al., 1997; Hom et al, Wang et al., 2003), and as Coyle-Shapiro and Shore (2007) indicated, the former perspective dominated in explaining the effects of EOR on various outcomes (Shore, Bommer, Rao, & Seo, 2009; Shin et al., 2012). But the underlying cognitive processes of social exchange view and human capital view are not identical. The former process is based on the norm of reciprocation, so that if the organization gives a lot of benefits to the employee, the employee feels indebtedness to the organization. However, the latter process does not necessarily imply psychological engagement. Actually individuals have self-serving bias (Campbell & Sedikides, 1999; Bradley, 1978) in many respects. For example, individuals who get paid above their ability or performance would rather enhance their self-concept by thinking that ‘I deserve that pay.’ than endeavor to solve cognitive dissonance (Kanfer, 1990). Therefore, it is plausible that some employees who received a considerable amount of investment may not feel strong obligation to the

organization.

This perspective is more based on the economic perspective, assuming rationality, in that the only concern of individuals is the maximization of their own interests. From this point of view, in order to attract the superior human capital, the employer needs to consider specific HRM practices inducing high-quality employees. Researchers demonstrated that efficiency wage policy (Akerlof & Yellen, 1986) and tuition reimbursement program (Manchester, 2012) in HRMI dimension, as well as pay-for-performance (Cadsby, Song, & Tapon, 2007; Rynes, Gerhart, & Parks, 2005) and performance evaluation (Rynes et al., 2005) in HRME dimension are effective to attract superior human resources respectively. Hom et al. (2009) demonstrated that in terms of attraction, assimilation, and attrition processes (Goldstein & Smith, 1995), the high performers would maximize their person-job fit in the firm with mutual investment EOR form, because demanding and broad expectations matches well with the employee's high ability and skills.

Retaining the superior human resources in the organization is another momentous issue to enhance firm performances. The HRM system should provide continuous incentives for high performers to retain them in the organization. From the perspective of social comparison theory (Festinger, 1954), individuals determine where to work by taking into consideration of what others are doing (Kilduff, 1990). High performers compare their pay level within the organization

and among other alternative jobs. High level of HRME dimension, such as a strict pay-for-performance system abided by fair performance evaluation systems make them feel receiving reasonable amount of pay compared to other mediocre people within the organization. High level of HRMI dimension, such as competitive pay or benefits, also gives much incentive for them not to transfer to other alternative workplaces.

In addition, Hom et al. (2009) suggested that mutual investment EORs increase links between the employees in the organization by requiring wider range of team and corporate responsibilities. Especially for star performers or high-quality human capital, because they occupy the core of the social network in the organization (Tichy and Tushman, 1979), they have more links than other employees (Groysberg et al., 2008). Thus, because of the broad and robust network and the following firm-specific skills accumulated by the networking process, the superior human resources might be more hesitant to transfer to other firms compared to other employees. As a result, the superior human resources in the firms adopting mutual investment EOR forms would inevitably abandon more potential benefits if they decide to exit the organization, and would be more likely to stay in the organization.

The relationship between high level of human capital and organizational ambidexterity have been verified in a myriad of studies (Patel et al., 2013;

Subramaniam and Youndt, 2005; Kang and Snell, 2009; Prieto et al., 2012). Superior human resources are necessary for the incremental and radical innovations of organization.

Hypothesis 6: Human Capital is highest when the organization adopts the mutual investment EOR approach, relative to other EOR approaches.

Hypothesis 7: Human Capital is positively related to explorative performance.

Hypothesis 8: Human Capital is positively related to exploitative performance.

Hypothesis 9: The relationship between EOR-based HRM system and explorative performance is mediated by Human Capital.

Hypothesis 10: The relationship between EOR-based HRM system and exploitative performance is mediated by Human Capital.

III. METHOD

Data and Sample

To test the hypotheses, the Human Capital Corporate Panel (HCCP) data collected by the Korea Research Institute of Vocational Education and Training (KRIVET), a government-funded agency, was used. Firms were classified according to firm size and ownership types, and samples were selected by using a

stratified, random sampling method. Small firms with less than 100 employees were excluded from the survey. A total of 482 firms and 10,043 employees participated in the survey in 2013.

The HCCP survey data includes multiple sources of respondents. The senior executives or directors for strategy and the HRM directors responded to the survey items within their managerial sphere, such as HRM inducements and investments, HRM expectation-enhancing practices, the number of total employees, firm age, market strategy, management/ownership structure, selective staffing, discharge rate and labor-management relationship. The department directors answered the survey items about the corporate competitiveness, including human capital, explorative performance and exploitative performance. The employees answered the questions that were related to organizational trust. After eliminating missing data on the focal variables of this study, I included 319 manufacturing companies and 9,998 employees for my final analysis. On average, 26 employees ($SD = 13.47$) from each firm answered to the questions regarding organizational trust. 79.5% of the respondents were male, and the average age of employees was 37.78 ($SD = 10.826$). Regarding the education level, 29% of the respondents finished high school or less, 17.1% finished vocational school, 47.3% finished a bachelor's degree, 6.1% finished a master's degree and 0.4% earned a doctoral degree.

Measures

Independent variables

I combined the individual HRM practices into additive indexes following previous research (Hom et al., 2009; Arthur, 1994). Before aggregating, I standardized the HRM practice measures and then aggregated them into the HRM inducements and investments index and HRM expectation-enhancing practices index independently.

HRM inducements and investments. I used HRMI dimension from previous research of Shaw et al. (2009), but modified specific items. First, I dropped 'job security' and 'procedural justice' items in HRMI. Although job security is considered to be significant for employees to get involved in the organization and commit to the organization (Yousef, 1998), it is ambiguous to define the job security at the organizational level as an HRM practice, because systems providing job security for employees are different in terms of characteristics of industries and firms. I also deleted procedural justice item for discriminant validity, because procedural justice items are overlapping with the organizational trust items. In the literature of organizational trust, an important component constructing the organizational trust is perceived procedural justice

(Colquitt & Rodell, 2011; Dirks & Ferrin, 2002). Also, Tsui et al. (2007) pointed out that employees' perception of fairness is distinguished from EOR approach. Second, pay level was measured by the competitive salary of employees. The top HRM officers responded to the degree of pay competitiveness with five-point scale. As the pay structure within the organization would be different based on the job level, I averaged three types of employee salary competitiveness; the 1st year new employee, the 1st year junior manager and the 1st year senior manager. Third, I used the benefits competitiveness to assess the benefits level. Corresponding with the competitive pay level, the competitive benefits was evaluated from the same respondents with five-point scale and averaged the benefits competitiveness of three job level as an overall benefits competitiveness. Fourth, I operationalized training as the extent of utilizing the human resource development programs (1 = not at all, 5 = a great deal), such as tuition assistance for external education, college, and graduate school, succession planning, career development planning, paid leave for education and training, mentoring or coaching, and learning groups. The ratings of each development programs were averaged to create an overall training item.

HRM expectation-enhancing practices. I operationalized HRME dimension according to previous research of Shaw et al. (2009), but modified specific items. Pay-for-performance is measured by the number of pay-for-performance forms (i.e., individual incentive, team incentive, department incentive,

corporate incentive, profit sharing, and gain sharing). The maximum score of the pay-for-performance dimension is 6, and the minimum score is 0. I measured performance appraisal by the number of appraisal system utilized. It includes 6 items of Balanced Scorecard (BSC), Management by objectives (MBO), ability appraisal, leadership appraisal, multi-source appraisal, and other performance appraisals. The maximum score of the performance appraisal dimension is 6, and the minimum score is 0. I measured monitoring in two dimensions and aggregated it into an index. One is “Does your company implement the performance feedback? (1 = yes, 0 = no)”, and the other is the extent of utilizing the appraisal result (i.e., “promotion (1 = yes, 0 = no)”, “transfer / arrangement (1 = yes, 0 = no)”, “poor performer management (1 = yes, 0 = no)”, “discharging (1 = yes, 0 = no)”, “training and development (1 = yes, 0 = no)”, “career development (1 = yes, 0 = no)”, “core-employee management (1 = yes, 0 = no)”). Full score of the monitoring dimension is 8, and the lowest score is 0.

Organizational Trust. I measured organizational trust using three items. The items are “Our company has a fair evaluation and compensation system (1 = not at all, 5 = a great deal).”, “Executives of our company are trustworthy in all respects (1 = not at all, 5 = a great deal).”, “Our company is worth to be loyal (1 = not at all, 5 = a great deal).”. As the items were responded by individual employee, I used r_{wg} and ICC statistics to justify the organizational-level aggregation of the

organizational trust. The mean within-organization agreement (r_{wg}) was .84, which exceeds the usual cutoff value of .70 recommended by George (1990) and James (1982), indicating that the employees of the same organization share the perceptions of organizational trust. Also, intra-class correlations were acceptable ($ICC(1) = .18$, $ICC(2) = .81$, $F = 6.38$, $p < .001$). Therefore, I aggregated the ratings of organizational trust to the organizational level. This measure had a Cronbach's alpha of .74, which exceeds the .70 criterion suggested by Nunnally (1978).

Human Capital. Human Capital was measured by two items of the company's competitive positioning in the firm's industry with five-point scale: "The overall competence of human resources" and "Acquisition of good human resources". As the department directors completed the survey items related to the level of human capital, I also used r_{wg} and ICC statistics to justify the organizational level aggregation of the human capital. The mean within-organization agreement (r_{wg}) was .86, surpassing the usual cutoff value of .70, which represents that the perceptions of organizational competitiveness of human capital among the directors in the same organization are comparable. Also, intra-class correlations were acceptable ($ICC(1) = .21$, $ICC(2) = .61$, $F = 2.60$, $p < .001$). Thus, I aggregated the ratings of human capital into the organizational level. A Cronbach's alpha of this measure was .89, which was acceptable when referencing the .70 criterion recommended by Nunnally (1978).

Dependent variables

Firm performances indicating organizational ambidexterity were measured in two dimensions: Explorative and exploitative performance. Explorative performance was measured using 3 items about the company's competitive positioning in the industry with five-point scale: "Diversity of the products", "Attraction of new customers" and "Enhancement or management of brand image". Exploitative performance was assessed by 3 items with the same scale as explorative performance: "Effectiveness of working procedures", "Competitive advantage through the cost reduction of products" and "The Quality of the products". An exploratory factor analysis with Varimax rotation resulted in a two-factor solution. The eigenvalues for the two firm performances were 2.39 for explorative performance and 2.08 for exploitative performance. Explorative performance had a Cronbach's alpha of .82, and exploitative performance showed a Cronbach's alpha of .83, which are reliable. All the items loaded on the hypothesized factors. Confirmatory factor analysis also confirmed the two-factor model (CHI-SQUARE = 129.20, CFI = .980, RFI = .955, RMSEA = .039 (90% CI = [.033, .045])).

As the department directors completed the survey items related to firm performances, I used r_{wg} and ICC statistics to justify the organizational level aggregation of the firm performance. The mean within-organization agreement (r_{wg})

was .89 for explorative performance and .90 for exploitative performance, exceeding the usual cutoff value of .70, indicating that the employees of the same organization share the perceptions of organizational competitiveness of firm performance. Also, intra-class correlations were acceptable for both explorative performance (ICC(1) = .25, ICC(2) = .67, $F = 3.03$, $p < .001$) and exploitative performance (ICC(1) = .20, ICC(2) = .59, $F = 2.46$, $p < .001$). Therefore, I aggregated the ratings of firm performance to the organizational level.

Control variables

I controlled for several variables that might have potential confounds for independent and dependent variables. Firm size was measured by the natural log of the number of employees. Industry was grouped into three categories: manufacturing, financial, and non-financial industry. Firm age was measured as the number of years from the foundation date of the firm. Market strategy was controlled because it might influence the relationship between EOR-based HRM and firm performance (Wang et al., 2003). Market strategy was categorized into three groups: first-mover, fast-follower, and stability. Management system was operationalized as four categories: complete owner management system, CEO management system with great intervention from the owner, CEO management system with a little intervention from the owner, and complete CEO management system. Selective staffing was the number of HRM practices implemented for

securing the core-employee or good human resources, such as internal development, utilization of external headhunting company, having a distinct recruiting team, establishment and utilization of the database of the high performers, and paying signing bonus. Discharge rate was the size of employment adjustment in the last year divided by the total number of employees, times 100. Labor-management relations were controlled following previous research (Kizilos and Reshef, 1997), and measured with five-point scale from “1” (very conflictive) to “5” (very cooperative).

Analysis and measurement check

Cluster analysis was used to identify employee-organization relationship (Wang et al., 2003; Zhang et al., 2009) using the HRM practices. The k-means clustering procedure suggested a four-cluster solution to be most meaningful. Overall, the conceptual typology of EOR (Tsui et al., 1997) fits well with the suggested cluster profiles. Table 1 shows the mean scores on each HRMI and HRME dimension for each of the four clusters. As both dimensions are the aggregated indexes of standardized scores of HRM practices, I only suggested the raw scores of the four clusters. The first cluster has the scores for both HRMI and HRME above the average, which represents the mutual investment EOR. The second cluster shows that the score for HRMI is higher than sample average, but

for the HRME dimension the score is below the sample average, which represents over-investment EOR. In the third cluster the score for HRMI is under the sample average, whereas the score for HRME dimension is over the sample average, which is consistent with the under-investment EOR. In the last cluster, the scores on both dimensions were below the sample average, aligning with the quasi-spot contract EOR.

To test if there is a significant difference between HRMI and HRME dimensions across the four clusters of EOR, I performed a multivariate analysis of variance (MANOVA). Results showed that there was a significant difference between clusters (Hotelling's $T = 5.693$, $F_T = 215.372$; Wilks' $\lambda = .100$, $F\lambda = 164.723$; $p < .001$). Univariate F-tests also indicated a significant difference on the four clusters of EOR ($p < .001$).

Table 1. Four clusters of Employment-Organization Relationship

| | Total Sample | Mutual Investment | Over-investment | Under-investment | Quasi-spot Contract | F Value |
|-----------------|--------------|-------------------|-----------------|------------------|---------------------|------------|
| Number of firms | 233 | 49 | 64 | 52 | 68 | |
| HRMI | .12 | 2.45 | 0.69 | -1.16 | -1.29 | 135.68*** |
| HRME | .12 | 2.79 | -0.48 | 1.54 | -2.32 | 264.228*** |

*** $p < .001$

To test the hypotheses, regression analysis was used. I treated underinvestment approach as the referent group of EOR type, non-financial industry as the referent group of Industry, stability market strategy as the referent group of market strategy, complete CEO management system as the referent group of management system.

IV. RESULTS

Table 2 shows means, standard deviations for, and correlations among all the variables. Table 3 presents the clustered regression results of predicting organizational trust and human capital as the dependent variables (Hypothesis 1 and 6). In Model 1 of Table 3, control variables were entered. Model 2 showed that firms adopting mutual investment ($\beta = .16, p < .05$) and overinvestment ($\beta = .12, p < .05$) EOR forms were significantly and positively related to organizational trust as expected. EOR-based HRM system increased R^2 by 2% of organizational trust ($\Delta R^2 = .02, p < .05$). Hence, Hypothesis 1 was supported. This result corroborated the previous research of Zhang et al. (2008) studied in the Chinese context. The relationship between EOR-based HRM system and human capital was shown in Model 2 of human capital. Mutual investment ($\beta = .19, p < .01$) was significantly related to human capital in a positive direction. EOR-based

HRM system explained an additional 3% of the variation in human capital ($\Delta R^2 = .03, p < .05$). Thus, Hypothesis 6 was supported.

Table 2.

Means, Standard Deviations, and Correlations

| | M | s.d. | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 |
|--------------------------------|-----------|-----------|------------|------------|------------|------------|----------|------------|------------|------------|------------|------------|------------|------------|----------|----------|----|----|----|----|----|----|----|----|
| 1. Firm size | 5.9 2 | 1.0 3 | | | | | | | | | | | | | | | | | | | | | | |
| 2. Industry 1 ¹ | 0.7 7 | 0.4 2 | - | | | | | | | | | | | | | | | | | | | | | |
| 3. Industry 2 ² | 0.0 5 | 0.2 1 | 0.0 4 | -.21* * | -.41 ** | | | | | | | | | | | | | | | | | | | |
| 4. Industry 3 ³ | 0.1 8 | 0.3 9 | 0.0 8 | - | -.87 ** | 0.1 1 | | | | | | | | | | | | | | | | | | |
| 5. Firm age | 34. 01 | 17. 53 | .13* | .30* * | - | -.30 ** | | | | | | | | | | | | | | | | | | |
| 6. First mover ⁴ | 0.3 1 | 0.4 6 | .13* | - | 0.0 1 | 0.0 4 | -.02 | 0.0 3 | | | | | | | | | | | | | | | | |
| 7. Fast follower ⁵ | 0.3 7 | 0.4 8 | 0.0 3 | 0.0 2 | 0.0 2 | .01 | 0.0 3 | -.51 ** | | | | | | | | | | | | | | | | |
| 8. Stability ⁶ | 0.3 2 | 0.4 7 | -.15 ** | 0.0 3 | - | 0.0 6 | .00 | 0.0 0 | -.46 ** | -.53 ** | | | | | | | | | | | | | | |
| 9. Management 1 ⁷ | 0.4 5 | 0.5 0 | -.29 ** | .17* * | -.14 * | -.11 * | 0.0 1 | 0.0 5 | - | 0.0 5 | 0.0 0 | | | | | | | | | | | | | |
| 10. Management 2 ⁸ | 0.1 6 | 0.3 7 | 0.0 7 | 0.0 3 | - | 0.0 6 | -.01 | 0.0 9 | -.13 * | 0.0 2 | 0.1 0 | -.39 ** | | | | | | | | | | | | |
| 11. Management 3 ⁹ | 0.1 9 | 0.3 9 | 0.0 4 | 0.0 7 | 0.0 5 | .05 | 0.0 2 | 0.0 3 | 0.0 9 | -.12 * | -.43 ** | -.21 ** | | | | | | | | | | | | |
| 12. Management 4 ¹⁰ | 0.2 1 | 0.4 1 | .26* * | -.18 ** | .18* * | .10 | 0.1 1 | 0.0 2 | - | 0.0 4 | 0.0 2 | -.46 ** | -.23 ** | -.25 ** | | | | | | | | | | |
| 13. Selective staffing | 1.4 6 | 0.7 6 | .21* * | 0.1 0 | .14* * | .03 | - | 0.0 1 | .20* * | 0.0 2 | -.22 ** | - | 0.0 9 | 0.0 1 | 0.0 4 | 0.0 7 | | | | | | | | |
| 14. Discharge rate | 1.5 2 | 6.2 5 | -.16 ** | -.14 * | 0.0 4 | .13* * | -0.1 | 0.0 4 | 0.0 8 | 0.0 4 | 0.0 5 | 0.0 1 | 0.0 6 | 0.0 1 | 0.0 1 | | | | | | | | | |

Table 3.

Regression Results Predicting Organizational Trust and Human Capital
(Hypothesis 1 and 6)

| | Organizational trust | | Human capital | |
|----------------------|-----------------------------|---------|----------------------|---------|
| | Model 1 | Model 2 | Model 1 | Model 2 |
| Firm size | .18** | .14* | .29** | .23** |
| Industry 1 | -.01 | -.08 | -.14* | -.21** |
| Industry 2 | -.05 | -.04 | -.02 | .00 |
| Firm age | .00 | .00 | -.09 | -.09 |
| First mover | .26** | .25** | .10 | .08 |
| Fast follower | .11 | .10 | -.10 | -.11 |
| Management 1 | -.26** | -.26** | -.12 | -.11 |
| Management 2 | -.14* | -.12 | -.13* | -.12 |
| Management 3 | -.10 | -.11 | -.09 | -.11 |
| Selective staffing | -.10 | -.14* | .00 | -.04 |
| Discharge rate | -.10 | -.11* | -.03 | -.04 |
| Union relationship | .15** | .14** | .07 | .06 |
| Mutual investment | | .16* | | .19** |
| Overinvestment | | .12* | | .07 |
| Quasi-spot contract | | .00 | | .00 |
| Total R ² | .18** | .20** | .18** | .21** |
| ΔR^2 | .18** | .02* | .18** | .03* |

Note. $n = 319$ (firms), Standardized coefficients (β) are reported.

* $p < .05$

** $p < .01$

Table 4.
 Regression Results Predicting Firm Performances with Organizational Trust
 (Hypothesis 2, 3, 4, & 5)

| | Exploration | | Exploitation | |
|----------------------|--------------------|---------|---------------------|---------|
| | Model 1 | Model 2 | Model 1 | Model 2 |
| Firm size | .26** | .21** | .16** | .09 |
| Industry 1 | .06 | .09 | -.06 | -.02 |
| Industry 2 | -.01 | .00 | -.03 | -.01 |
| Firm age | -.03 | -.03 | -.09 | -.09 |
| First mover | .14* | .03 | .29** | .15** |
| Fast follower | -.05 | -.09 | .15* | .10 |
| Management 1 | -.12 | -.01 | -.09 | .05 |
| Management 2 | -.19** | -.13* | .00 | .06 |
| Management 3 | -.06 | -.02 | -.01 | .05 |
| Selective staffing | -.13* | -.07 | -.02 | .06 |
| Discharge rate | -.02 | .03 | .01 | .07 |
| Union relationship | .09 | .03 | .14** | .07 |
| Mutual investment | .05 | -.01 | .19** | .10 |
| Overinvestment | .06 | .01 | .12 | .05 |
| Quasi-spot contract | -.04 | -.04 | -.06 | -.06 |
| Organizational trust | | .43** | | .54** |
| Total R ² | .17** | .32** | .23** | .46** |
| Δ R ² | .17** | .15** | .23** | .24** |

Note. $n = 319$ (firms), Standardized coefficients (β) are reported.

* $p < .05$

** $p < .01$

Table 5.
Regression Results Predicting Firm Performances with Human Capital
(Hypothesis 7, 8, 9, &10)

| | Exploration | | Exploitation | |
|----------------------|--------------------|---------|---------------------|---------|
| | Model 1 | Model 2 | Model 1 | Model 2 |
| Firm size | .26** | .13** | .16** | .10 |
| Industry 1 | .06 | .18** | -.06 | .00 |
| Industry 2 | -.01 | -.01 | -.03 | -.03 |
| Firm age | -.03 | .02 | -.09 | -.07 |
| First mover | .14* | .09 | .29** | .27** |
| Fast follower | -.05 | .01 | .15* | .18** |
| Management 1 | -.12 | -.05 | -.09 | -.06 |
| Management 2 | -.19** | -.12* | .00 | .03 |
| Management 3 | -.06 | .00 | -.01 | .02 |
| Selective staffing | -.13* | -.11* | -.02 | -.01 |
| Discharge rate | -.02 | .01 | .01 | .02 |
| Union relationship | .09 | .05 | .14** | .13* |
| Mutual investment | .05 | -.06 | .19** | .13* |
| Overinvestment | .06 | .02 | .12 | .10 |
| Quasi-spot contract | -.04 | -.04 | -.06 | -.06 |
| Human capital | | .59** | | .29** |
| Total R ² | .17** | .45** | .23** | .29** |
| Δ R ² | .17** | .28** | .23** | .06** |

Note. $n = 319$ (firms), Standardized coefficients (β) are reported.

* $p < .05$

** $p < .01$

Table 4 shows the relationship between organizational trust and the firm's ambidextrous performances (Hypothesis 2 and 3). As shown in Model 2 of exploration, when EOR-based HRM system and other control variables were controlled, there was a significant positive relationship between organizational trust and firm's explorative performance ($\beta = .43, p < .01$). Organizational trust explained an additional 15% of the variation in explorative firm performance ($\Delta R^2 = .15, p < .01$). Thus, Hypothesis 2 was supported. The results shown in Model 2 of exploitation showed that organizational trust had a positive and significant relationship with firm's explorative performance ($\beta = .54, p < .01$) and explained an additional 24% of the variation in exploitative firm performance ($\Delta R^2 = .24, p < .01$). Thus, Hypothesis 3 was supported.

I tested the mediation hypotheses (Hypothesis 4 and 5) using the mediation process suggested by Preacher and Hayes (2008). Compared to Baron and Kenny's conservative method of verifying mediation effects, Preacher and Hayes's (2004) mediation process method can overcome the shortcomings of the old method and utilize potentially valuable data efficiently (Zhao, Lynch, & Chen, 2010). Preacher and Hayes (2008) proposed three conditions to test the mediation effects. First, the independent variable and the mediator should have a significant correlation. Second, after controlling for the independent variable, the mediator and the dependent variable should be significantly correlated. Third, the indirect effect of the

independent variable on the dependent variable should be significant. As the first and second condition was satisfied through the regression models, the indirect effects of mutual investment on exploration and exploitation were identified using Hayes's (2013) SPSS process model. The bootstrapping test revealed that the indirect effects of mutual investment on both exploration (95% CI = [.01, .08]) and exploitation (95% CI = [.01, .13]) were significant. Therefore, Hypothesis 4 and 5 were supported.

The effects of human capital on organizational performances of exploration and exploitation (Hypothesis 7 and 8) are demonstrated in Table 5. In Model 2 of exploration, human capital was significantly and positively related to exploration ($\beta = .59, p < .01$) and explained an additional 28% of the variation in the firm's explorative performance ($\Delta R^2 = .28, p < .01$). Hence, Hypothesis 7 was supported. Also, Model 2 of exploitation supported Hypothesis 8, as human capital had a significant positive correlation with exploitation ($\beta = .29, p < .01$) and an additional 6% of the variation in the explorative performance was explained by human capital ($\Delta R^2 = .06, p < .01$).

The mediation effect of human capital (Hypothesis 9 and 10) was tested through the method of Preacher and Hayes (2003), as well. The bootstrapping test revealed that the indirect effect of mutual investment on exploration was significant (95% CI = [.04, .18]), but not on exploitation (95% CI = [-.00, .04]). Thus,

Hypothesis 9 was supported, but Hypothesis 10 was not.

V. DISCUSSION

This study contributes to SHRM literature by providing theoretical explanations on the link between HRM system and the organizational ambidexterity. Based on social exchange theory (Blau, 1964) and inducement-contribution concept of March and Simon (1958), the study classified HRM practices into two dimensions, inducement and expectation-enhancement. It, further, verified the synergistic effects between the two dimensions by revealing that the organizations allocated to four different EOR types had different effects on organizational trust, human capital, and the firm's explorative and exploitative performances. The results showed that the firms with mutual investment form perform best, in that high level of HRMI and HRME dimension would make synergistic effects on both explorative and exploitative performances. This contradicts the previous researches on contextual ambidexterity discriminating HRM practices necessary for exploration and exploitation (Patel et al., 2013).

This study provides several insights for the fields of employee-organization relationship. First, the study investigated the effects of EOR-based HRM at the organizational level, which has been neglected in the context of EOR. While most of prior studies have focused on the individual level outcomes, this study extended

the understanding by illustrating how the EOR-based HRM system fosters the organizational effectiveness. Second, the study adopted two different kinds of operational performance, exploitation and exploration, as dependent variables, allowing to estimate more proximal outcomes of HR effectiveness than other financial measures. Moreover, Tsui et al. (1997) argued that the employees' performances on core tasks, which may be considered as exploitative performance at organizational level, are highest in quasi-spot contract EOR forms, since employees fully concentrate on the narrowly-defined specific tasks when given the specified amount of contingent rewards. However, the results from this study contradicts this assumption that both exploration and exploitation can be encouraged when both the level of HRMI and HRME dimensions are high. Third, the study suggested two different processes to explain the effectiveness of EOR. One is a social exchange route, which has been a dominated explanation in the context of EOR. This highlights the psychological perspective that individuals are willing to reciprocate what they received from the organization. The other perspective, which this study newly suggests, is about how the mutual investment EOR firms attract and retain superior human capital. It assumes more ego-centric and rational person rather than scrupulous and benevolent person. The high-quality human resources favor organizations that provide abundant rewards and fair appraisal system that compensate their high abilities, thereby leading to sort into

and remain in the organization. Contrary to Shaw et al. (2009) , which suggested that good performers enjoy overinvestment EOR forms, this study demonstrated that people who settle in prominent positions could be detrimental for performance of the organization and driven out in the long run. Finally, this study clarified the conceptual distinction between psychological contract and employee-organization relationship by adopting HRM practices as a measure for EOR. This corresponds with the employer's perspective classification of employee-organization relationship.

The results also provide practical implications for managers. An increasing number of organizations try to implement HRM practices forming underinvestment or quasi-spot contract EOR approaches as makeshifts for current financial difficulties. However, in order to weather crises and attain incremental and radical innovation, firms are required to possess HRM system forming the mutual investment EOR forms. In the mutual investment EOR firms, the existing employees are possible to enhance their performance since they cognitively trust the organization. Moreover, the high-quality human resources would be willing to sort into the organization and commit to the organization for a longer period of time. Lastly, HRM practices in HRMI dimension, such as competitive pay and developmental opportunities, are insufficient to attract the star or high performers. As the employees socially compare their rewards with others in the organization,

extensive performance evaluation with diverse pay-for-performance systems should be supplemented.

Limitations and Future Research

Although this study provides a number of contributions and practical implications, it still has some limitations which future research may address. First, hypotheses were tested using a data sample of Korean firms. Since cultural effects play a significant role in organizations, the results may not be generalized. However, many other studies regarding EOR approaches have been done in the context of China or Western countries (Tsui et al., 1997), investigating the effects of EOR approaches in diverse cultural contexts contributes to the stream of research. Second, clustered regression does not allow to differentiate firms in the same categories. Even though the MANOVA tests was performed to validate the significant differences between the clusters, each firm within the same category may have diverse characteristics. Third, owing to the limitation of cross-sectional data set, the interpretation of results is limited to a certain time period. Since the return of exploration is distant and uncertain (March, 1991), the effectiveness of HRM practices with high inducements and expectations on the explorative performance might appear in the long run. In future research, longitudinal research should be done in order to fully observe the relationship between EOR-based HRM

system and firm performance. Forth, general human capital was measured in this study. As Crook et al. (2011) pointed out, firm-specific human capital has a stronger relationship with firm performance, since firm-specific human capital is hard to exchange, forming the imperfectly competitive market. Future research can investigate the effect of EOR-based HRM system on the attraction and retention of firm-specific human capital. Fifth, the study concentrated on the positive effects that mutual investment EOR firms have. However, future studies are encouraged to analyze other EOR approaches, such as quasi-spot contract, underinvestment, and overinvestment approaches, having positive or negative effects on the firm performances through other mechanisms. Generally, quasi-spot contract or underinvestment lead negative attitudes toward the organizations and result in negative individual performances or increase voluntary turnover intentions (Tsui et al., 1997). However, some internal or external contingencies, such as market strategy (Wang et al., 2009), supervisory support (Zhang et al., 2009), traditionality of middle managers (Zhang et al., 2014), or task complexity (Jia et al., 2014) might moderate the relationships between EOR forms and the outcome variables. Therefore, future research should uncover some other contingent variables affecting the influence of different types of EOR approaches.

VI. CONCLUSION

Researches focusing on employee-organization relationship have been on the rise, yet little is known about the underlying process of how it ensures the ambidextrous organization. This research verified the mediating role of organizational trust and superior human capital on the relationship between EOR-based HRM system and explorative and exploitative performances. In addition to social exchange route which has been emphasized, individuals with great knowledge, skills, and abilities make decisions on whether they enter or stay in the organization by comparing one's potential and realized benefits with others internally and externally. I anticipate that future researchers extend these findings by examining other factors explaining the link between EOR-based HRM system and various organizational performance.

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요약 (국문초록)

조직-구성원 관계 기반 인사시스템과 조직양면성: 조직신뢰와 인적자본의 매개효과

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기업이 지향하는 고용관계는 그 기업의 인사시스템에 투영된다. 급변하는 경영환경에 대응하기 위해 많은 한국 기업들이 연공주의에 기반한 경직된 고용관계에서 유연한 고용관계로 이행하고자 인사시스템의 변화를 추구하고 있다. 그 인사시스템의 조직 성과에 대한 영향은 조직의 인적자본 수준과 조직 구성원들의 조직에 대한 인식을 통해 달라질 수 있다.

고용관계와 인사시스템은 본질적으로 연결되어 있으나, 기존에 인사시스템을 ‘조직과 구성원의 관계’라는 관점에서 분석한 연구는

드물었다. 이에 본 연구는 조직-구성원 관계 분석법에 기반한 인사시스템이 어떻게 조직의 양면적 성과에 영향을 끼치는지 그 메커니즘을 밝히고자 한다. 조직-구성원 관계 분석법은 인사시스템에 관한 기존 논의에 이론적 기반을 제공하고, 고용관계 변화를 추구하는 조직이 활용과 탐색의 양면적 성과를 동시에 달성하기 위해서 어떠한 인사 전략을 선택해야하는가에 관해 실무적 시사점을 제공한다는 점에서 의미가 있다.

조직-구성원 관계 분석법에 따르면, 조직의 인사제도를 ‘유인과 투자 기반 인사제도’와 ‘기대 증진 인사제도’의 두 가지 차원으로 분류할 수 있다. 이 두 가지 차원의 인사제도 시행 수준에 따라 기업은 네 가지 인사시스템 (상호 투자, 과대 투자, 과소 투자, 준지점 계약) 중 하나의 형태를 가진다. 사회적 교환 이론, 사회적 비교 이론, 인적자본이론을 바탕으로, 유인과 투자 기반 인사제도와 기대 증진 인사제도의 시행 수준이 모두 높은 상호 투자 인사시스템을 가진 기업이 조직 신뢰, 인적 자본과 긍정적 상관을 가지고, 이것이 궁극적으로 조직의 활용과 탐색적 성과와 긍정적 상관을 가진다는 가설을 설정하였다.

인적자본기업패널 2013년도 조사자료를 활용하여, 319개 국내 기업을 위의 네 가지 인사시스템으로 군집화하여 군집회귀분석을 시행하였다. 그 결과 가설이 전반적으로 지지되었다. 본 연구는 기존에 개인 수준에서 이루어졌던 조직-구성원 관계에 관한 논의를 조직 수준으로 확장하고, 조직-구성원 관계 기반 인사시스템이 조직의 활용과 탐색적 성과를 향상시키는 두 가지 다른 경로를 통합적으로 살펴보았다는 점에서 의미가 있다.

주요어: 조직-구성원 관계, 인사시스템, 조직 신뢰, 인적 자본, 조직 양
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