

High Performance Work Systems & Performance: The Mediating Role of Trust and Creativity

Abstract

Trust and creativity play a vital role in shaping employee attitudes and behaviors, yet few strategic HRM studies have investigated the nature of these characteristics or their implications for individual performance. Utilizing the AMO (ability, motivation and opportunity) theory, we develop and test a model of how HPWS experiences influence trusts in management and supervisor that foster employee creativity and in turn their service performance. A multi-source dataset (153 supervisors and their 526 employees nested within 56 firms) demonstrates that HPWS perception positively influences trusts in management and supervisor respectively. We also find that the HPWS perception-creativity relationship is mediated by these trusts. Finally, our findings indicate that employee creativity mediates the relationship between the trusts and service performance. We conclude by discussing both theoretical and practical implications.

Keywords: High-Performance Work Systems, AMO, Trust in Management and Supervisor, Employee Creativity, and Service Performance.

Over the past couple of decades or so, high performance work systems (HPWS) has drawn substantial attention from both management scholars and practitioners as it has been utilized by organizations as a high-performing system in order to foster more efficient management practices, personnel development, and firm competitiveness (Tsai, 2006). This underlying assumption echoes recent scholars' view that HPWS is considered as an important creation of contemporary management, and is believed to positively impact both organizational and individual performance (Wood & de Menezes, 2011; Zhang & Morris, 2014). That is, the more organizations implement HPWS, the higher levels of product, process and firm innovation they are likely to obtain (Messersmith & Guthrie, 2010). This is further supported by empirical evidence where HPWS has shown positive effects on different organizational outcomes (Aryee, Walumbwa, Seidu, & Otaye, 2013; Jensen, Patel, & Messersmith, 2013; Chang, 2015; Patel, Messersmith, & Lepak, 2013). For example, Chang (2015) found that the use of HPWS impacts organizational ambidexterity and Michaelis et al. (2014) demonstrated that HPWS utilization relates to employee productivity, among others.

Despite the growing number of new variables being utilized as mechanisms linking HPWS practices and individual performance, the role of trust and creativity on such relationships remains underexplored. To date, there have been few studies exploring the nature of trust and creativity on the HRM-performance relationship (e.g., Lollins & Smith, 2006; Jiang et al., 2012; Tzafirir, 2005; Zacharatos et al., 2005). Collins and Smith (2006), with a dataset of 136 technology firms found that HRM practices were positively correlated with trust. Furthermore, Zacharatos et al. (2005) positioned and found trust as a mechanism that mediated the relationship between HPWS and organizational safety. Also of note is that Jiang et al. (2012) used a sample of 106 Chinese firms and indicated that the relationships between staffing, reward, job design and teamwork, and firm innovation were fully mediated by employee creativity. In spite of their initial empirical establishment, these studies are said

to have only partially explored trust and creativity while they potentially play a vital role in shaping employee attitudes and behaviors – important mechanisms linking HRM practices and performance (see Collins & Smith, 2006). It is also important to highlight that prior strategic HRM scholars seem to have understudied the efficacy of HRM practices on trust in management and supervisor that facilitate individual outcomes. Only few have explored the effects of HRM practices on trust in management (e.g., Tzafrir et al., 2003; Zacharatos et al., 2005). Nonetheless, none of these studies has focused on the important link between HRM practices-trusts in management and supervisor-employee creativity (see also Amabile, 1996; Madjar & Ortiz-Walters, 2006) while other research domains suggest that trust is an important antecedent of creative performance (e.g., Barczak, Lassk, & Mulki, 2010; Li, 2012). This is construed as a gap in the strategic HRM literature that needs further empirical investigation. We therefore argue that trusts in management and supervisor, and creativity become increasingly important mechanisms underlying the HPWS –performance relationship. Also of interest is that existing literature has pointed to a number of issues that strategic HRM researchers need to take into account such as a lack of theories (Beugelsdijk, 2008; Guest, 1997; Michaelis et al., 2014); inconsistent measures used among reported studies and how to measure the practices themselves (see Jiang & Liu, 2015; Paauwe, 2009; Posthuma et al., 2013); and a lack of empirical evidence and studies explaining the HPWS - performance linkages (Guest, 2011; Werner, 2011). Taken together, strategic HRM studies should be embedded in exploring the role/nature of trust in management and supervisor, and creativity on the HPWS-performance relationship that is regularly called for further investigations in order to have a deeper understanding of such a relationship (see Guthrie, 2001; Werner, 2011).

Responding to such concerns, the current study develops and tests a conceptual model of how HPWS practices influence trusts in management and supervisor that act as important

drivers to motivate employees to innovate in their work, and subsequently contributes to their service performance. The mechanisms underlying this relationship are underpinned by the AMO theory. The study therefore aims to explore less studied but important variables such as trusts in management and supervisor, and creativity as new and meaningful mechanisms underlying the HPWS-performance linkage. The philosophy behind this idea is that employee perceptions of HPWS implementation (i.e., how effective is the implementation?) are viewed as positive indicators, thereby instilling not only trust in the management but also the supervisor because the direct implementers of HPWS practices are line managers or supervisors. These trusts will lead to employee creativity, and ultimately better service performance. We therefore develop and test theories that address the underlying mechanisms through which HPWS perception influences individual performance channelized through key intervening constructs (e.g., trusts in management and supervisor, creativity). By doing so, this study contributes both theoretically and empirically to the existing knowledge in a number of ways.

First, insights from AMO and relevant literatures are synthesized to develop the hypotheses, thereby providing less explored theoretical lens to the strategic HRM literature. Second, this study is designed to respond to the calls for examining the efficacy of HRM interventions on individual performance-related outcomes that might be deemed as an intermediate indicator in the linkage between HR practices and performance (e.g., Alfes, Shantz, Truss & Soane, 2013; Paauwe, 2009). This is because, “firm-level outcome variables may in fact be too distal to assess the impact of micro-level HRM interventions” (Alfes et al., 2013: 330). Relatedly, scholars suggest that ‘bringing back employees into the nexus between HRM practices and employee performance outcomes is a ‘*conditio sine qua non*’ for advancing the field as a respected discipline (Paauwe, 2009: 134). This study therefore investigates some of the important outcome variables such as trust and creativity in the

relationship between HRM interventions and individual-level performance. As such, the study contributes to the strategic HRM literature by highlighting the importance of individual-level outcome variables in the HRM-performance association (see Alfes et al., 2013, Guest, 1997; Paauwe, 2009). Finally, this study contributes to the extant HPWS literature by incorporating sub-dimensions of HPWS perception as a system rather than individual dimensions in order to examine the effects of HPWS on performance-related outcomes. This approach expands the view that when implemented as a bundle, HPWS may gain more added value than when separately employed (Boxall & Mackey, 2009; Mittal, 2011). For example, some combination of HR practices, to the extent they are in line with one another, can influence organizational outcomes more positively than when applied as a single HR practice (Choi, 2014). Scholars further back this that “the idea that there are systemic or synergistic effects in the cluster of chosen HR practices is a key part of the HPWS proposition” (Boxall & Mackey, 2009: 5). Therefore, researchers have recently focused on HPWS as a system to explore its effects on firm performance rather than a single HR practice (e.g., Aryee et al., 2013, Choi, 2014; Jensen et al., 2013). Figure 1 below illustrates our hypothesized model.

Insert Figure 1 about [here](#)

The remainder of the paper proceeds as follows. First, we provide the theoretical background connecting HPWS practices with trusts in management and supervisor, employee creativity, and then service performance. This theoretical foundation subsequently constitutes the hypotheses that are tested by using a multi-rater sample of Vietnamese service firms. The paper then outlines the methods adopted for this analysis. Next, the results are presented, which is followed by discussion. Lastly, the implications, future research directions and conclusions are presented.

THEORETICAL BACKGROUND AND HYPOTHESES

The relationships between HPWS and organisational performance have been both theoretically and empirically established in the strategic HRM literature. A meta-analysis by Combs, Liu, Hall, and Ketchen (2006) and a recent literature review of HPWS practices by Posthuma et al. (2013) provide evidence in this regard. Due to its recognised role, a number of HPWS-related issues have emerged in the literature, such as its terminology, conceptualization and effects. By terminology, HPWS is interchangeably labelled as high-performance work practices (Combs et al., 2006; Karatepe, 2013; Karatepe & Vatankhah, 2014); high-performance HR practices (Sun et al., 2007); high involvement work systems (Edwards & Wright, 2001; Wood & de Menezes, 2011); high-commitment HRM (Sanders & Yang, 2015), among others. Although these terms are interchangeably used, they entail a system of HR practices such as training and development, information sharing, teamwork, job design, performance appraisals (see also Liao et al., 2009; Sanders & Yang, 2015). Taking the existing literature and research context into account, we decide to use the term HPWS here.

With respect to its conceptualization, scholars have offered a variety of definitions (e.g., Datta, Guthrie, & Wright, 2005; Guthrie, Flood, Liu, & MacCurtain, 2009). Scholars, for example, describe HPWS as a set of distinct but interrelated HR practices together with selecting, developing, upholding, and motivating a workforce with a view to gaining the perceived performance of organizations and sustainable competitive advantage (see Becker & Huselid, 1998; Guthrie, 2001; Huselid, 1995; Way, 2002). Another definition that has widely been cited views HPWS as a system of HR practices ‘designed to enhance employee’s skills, commitment and productivity in such a way that employees become a source of competitive advantage’ (Datta et al., 2005: 35). Likewise, Guthrie, Flood, Liu, and MacCurtain (2009) define HPWS as a set of management policies and practices thought to provide employees

with greater levels of skill, motivation and discretion. The key message of such definitions is to “create an organization based on employee involvement, commitment, and empowerment” (Sanders & Yang, 2015: 5) so that employees are likely to become an organization’s competitive advantage, thereby contributing to the success and prosperity of the organization.

As regards the effects of HPWS on firm performance, researchers have provided empirical evidence to support this underlying mechanism. For example, Combs et al. (2006) conducted a meta-analysis of 92 studies and found that the reviewed studies have established the linkages between HPWS and performance-related outcomes. Tregaskis et al. (2013) indicated that HPWS relates to productivity and safety performance. Additionally, Messersmith and Guthrie (2010) suggest that HPWS utilization positively influences sales growth and innovation. In a recent study, Patel et al. (2013) demonstrated that HPWS adoption is strongly associated with firm ambidexterity. Although established in the literature, the HPWS-performance relationship is still far from conclusive, due to a number of reasons presented above (i.e., lack of relevant conceptual lens, lack of evidence to clarify the HRM-performance linkage, and use of inconsistent measures). An attempt is therefore made in this study to address such concerns in order to provide new insights into the underlying relationship between HPWS and performance. To understand the processes and mechanisms underlying such a relationship, we need to explore each of these mechanisms in turn.

Efficacy of HPWS Perception on Trust

We begin our argument with the underlying assumption that employee perceptions of HPWS are one of the most important enablers to drive better individual performance. Accordingly, the effectiveness of HPWS may involve both the practices implemented at work and the related perceptions of them by HR managers or employees, who are influenced by such practices (Choi, 2014). However, it is noteworthy that how employees perceive the HR

practices utilized in their organizations is much more important than those of the HR practices themselves. This argument expands the notion that employees can “provide more accurate information on the HPWS implemented in their firm, thereby facilitating the examination of a more clear association between HPWS and firm performance” (Choi, 2014: 2668). We therefore argue that employee perceptions of HPWS are especially important because they may influence their attitudes and behaviors (Choi, 2014), which subsequently result in performance-related outcomes. In turn, empirical demonstrations have reflected that HPWS perception is positively related to employee outcomes (Jensen et al., 2013; Liao et al., 2009). Liao et al. (2009), for instance, found that employee human capital, psychological empowerment and perceived organizational support mediate the linkage between HPWS perception and employee service performance. Also of interest is the study by Jensen et al. (2013) indicated that the link between HPWS perception and turnover intentions is mediated by anxiety and role overload.

Although the above empirical evidence is initially established in the literature, questions concerning the mechanisms underlying the efficacy of HPWS on performance outcomes remain open. First, our literature review reflects that there is still a lot of research based mainly on managerial views of HPWS (Chang & Chen, 2011; Edgar & Geare, 2005b), neglecting the voices of employees (Edgar & Geare, 2005a; Edgar & Geare, 2005b; Qiao, Khilji, & Wang, 2009). Second, the findings of HPWS perception on individual behaviors and outcomes are still inconsistent (see Alfes et al., 2013; Aryee et al., 2012; Liao et al., 2009). Lastly, scholars suggest that we should gain insights into how individual employees perceive HPWS practices rather than using data provided by HR practitioners who design and implement such practices when investigating the efficacy of HR practices on individual attitudes and behaviors (e.g., Alfes et al., 2013; Nishii, Lepak, & Schneider, 2008). Taken together, this study furthers this stream of research by proposing HPWS perception as a key

predictor of different individual outcomes (e.g., trust and creativity). As argued earlier, employee perceptions of HPWS can provide more exact information about the efficacy of HR practices executed within their organizations than do managers (Choi, 2014). In this vein, HPWS perception is viewed as a plausible channel to evaluate the efficacy of HPWS utilization on individual-level outcomes.

As such, we argue that firms that adopt and implement HPWS practices “show employees that the organisation is investing in them as human resource assists” (Sikora, Ferris & Van Iddekinge, 2015: 1908). Consequently, according to the AMO theory, employees are going to reciprocate this investment with greater positive organisational behaviour such as commitment, loyalty, lower turnover intentions etc (e.g., Hom et al., 2009). Consistent with Sikora et al.’s (2015: 1908) idea, we argue that use of effective HR practices is thought to influence performance primarily by improving employees’ knowledge, skills and abilities and their motivation to apply those capabilities. Hence, HPWP can influence perceptions of workplace fairness, such as employees’ perceptions that the organisation involves them in decision-making. Accordingly, when employees are going to perceive that their organisation offers and implements HPWP they are likely to believe that the organisation is more professional, consistent and fair. This will result in higher trust in management as well as supervisor. We therefore posit that:

Hypothesis 1a: Perceived HPWS positively relates to employee trust in management.

Hypothesis 1b: Perceived HPWS positively relates to employee trust in supervisor.

Mediating Role of Trust in Management and Trust in Supervisor

Existing literature provides evidence that trust is a contributor towards employee creativity. For example, Barczak et al. (2010) found that trust promotes a collaborative culture, which improves team creativity and Brattström et al. (2012) indicated that trust could increase creativity. Grounding in the creativity and innovation literatures, May, Gilson, and

Harter (2004) and Scott and Bruce (1994) suggest that there is an equally strong link between trust in supervisor and creativity. Also of note is that HRM practices are found to positively influence individual creativity (Jiang et al., 2012). Based on such developments, we predict that trust is a potential construct that mediates the relationship between HPWS perception and employee creativity. As employees experience a level of perceived organizational support through the role of their immediate supervisors' support and deeds, they are more likely to gain more trust in their leaders. Having a level of trust can have employees think that their leaders also trust them and trust what they do. Employees are therefore willing to take risks to experiment new ways of doing their jobs with the hope that they will work more productively to repay their organizational support and trust. This explicitly and/or implicitly becomes a source of employee creativity that an innovative organization aims to pursue so that it can achieve the set goals.

It is noteworthy that the AMO framework highlights performance as being a function of employee ability, motivation and opportunity (e.g., Appelbaum, Bailey, Berg, & Kalleberg, 2000; Gardner, Wright, & Moynihan, 2011). This study attempts to extend this theoretical lens in order to fully explain the HRM-performance relationship that has been criticized for its lack of solid theoretical base to do so. Our theorizing is that AMO is particularly relevant to our analyses that help unfold the mechanisms through which the linkages between HPWS and performance occur. As such, we draw on this perspective to gain insights into such linkages. In the first place, the AMO framework 'focuses on the importance of taking into account variables at the individual level like employees' skills and competences (A = abilities), their motivation (M = motivation) and their opportunity to participate (= O)' (Paauwe, 2009: 133). This framework is further detailed in Datta et al.'s (2005) definition that reflects three dimensions: (a) skill-enhancing practices, which include rigorous and selective staffing; (b) motivation-enhancing practices, such as having a

compensation system that is contingent on service quality; and (c) empowerment-enhancing opportunities, such as participation in decision making and service discretion (see also Gerhart, 2005). These dimensions are said to combine synergistically to result in employees who have the requisite KSAs, motivation, and opportunities to engage in strategically appropriate behaviors leading to sustained competitive advantage (see also Aryee et al., 2013). We therefore rely on the AMO framework and argue that by adopting skill-enhancing HR practices such as training, employees' abilities and competences are accordingly improved. This is deemed as an important channel to enable individual employees to trust in management and supervisor. Similarly, by utilizing motivation-enhancing HR practices such as performance appraisals and higher pay, employees are likely to be more motivated to favourably and positively interpret HR practices within their firms. Lastly, by executing opportunity-enhancing HR practices such as teamwork, information sharing, job design, employees are empowered to activate their skills, abilities and motivation to perform their job demands productively and creatively (e.g., employee creativity and service performance will be enhanced). The underlying assumption of the AMO framework is that "every HR system works through its impact on the skills and knowledge of individual employees, their willingness to exert effort and their opportunities to express their talents in their works" (Boxall & Mackey, 2009: 7). HPWS is therefore viewed as the consequence of a firm's willingness to favour its workers to work productively in supportive environments (Lee, Lee, & Kang, 2012). Working in such environments will likely make employees think that they are valued and supported by employers, thereby trusting more in their supervisor and management.

From this angle, we would argue that once individual employees are enhancingly skilled, knowledgeable and motivated along with the opportunity provided by the firm via the strength of an HRM system, they are likely to trust more in their management, thereby

innovating in their work. As such, the AMO theory is thought to be able to provide a basis for explaining how HPWS impacts employee perceptions of workplace fairness and support, which, in turn can influence employee perceptions of trust in management and supervisor, and subsequently their creativity. Within the workplace, when an employee and her/his supervisor demonstrate their mutual trust, each party tends to do his/her best for the sake of the other party (Lomnitz & Sheinbaum, 2004). For example, once employees trust their supervisor, they are willing to generate new ideas to improve their labor productivity because they believe that their supervisor trusts them to do so. Also of note is that trust can facilitate an exchange of ideas and updated information among employees (Chang, 2015), thereby becoming a salient source of creativity formation. We therefore argue that trust acts as a driver of employee creativity, and thus it is hypothesized as a mediator linking HPWS perception and employee creativity.

Following this logic, trust is conceptualised 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’ (Mayer, Davis, & Schoorman, 1995: 712). Therefore, trust is a generalized behavioral intention to take risk, whereas its outcome is actually taking risk (Mayer & Gavin, 2005). Mayer et al. (1995) further support that making oneself vulnerable is taking risk, and trust is not taking risk per se, but rather it is a willingness to take risk. This is aligned with the AMO framework that HPWS practices are designed to influence the skills, competences, knowledge of employees, their willingness to perform at the highest potential, and their opportunity to pursue their work on their own ways (Boxall & Mackey, 2009). Once employees’ abilities, motivation and opportunities conditions are satisfied, they are likely to trust more in their organizations, thereby being willing to take risks in order to find new and better ways of performing their work duties. In other words, when employees are competent,

motivated and given the opportunity to do their jobs on their ways, they feel obligated that they need to be more innovative to perform best in order to express their trust in their employers.

Therefore, trust that derives from HR practices and/or management support is viewed as one of the important sources that enables and motivates employees to be more innovative. By this logic, Freeman, Isaksen, and Dorval (2002) suggest that organizations should create an environment in which people can trust each other. In doing so, the utilization of workers' creative potential can be promoted (Baer & Frese, 2003). Taken together, we argue that because trust is of importance to employee creativity, employees are required to trust more in their management in order to innovate and perform best in their work. As such, HR practices which help develop the skills, knowledge and motivation of employees, and provide the opportunity to contribute are considered as "important tools through which signals on what the organization values and expects from workers are send to employees" (Van De Voorde & Beijer, 2015: 63). Doing so will make employees happy with HR practices, thereby placing their trust in management, which is conducive for their creativity. We therefore hypothesize:

Hypothesis 2a: Trust in management mediates the relationship between HPWS perception and employee creativity.

Also of note is that trust is assumed to play a critical part in the successes, and mistrust, a vital part in the failures of HR activities (Whitener, 1998). Accordingly, trust in supervisor is described as subordinate's willingness to be vulnerable to their supervisor based on expectations that the intentions, words, or actions of their supervisor can be relied upon (Poon, 2006: 520). It refers to a dyadic or interpersonal trust between a subordinate and his or her supervisor (Wong, Wong, & Ngo, 2002). Supervisors are most likely to be trusted if they are noticed to take a caring, mentoring approach towards their employees while still being considered as capable and worthy of their authority (Willemyns et al., 2003).

As such, a trusted supervisor is viewed as one who could be relied on to support the employee's personal and professional welfare, i.e., as one who takes a mentoring approach (Willemyns et al., 2003). Workers who rely on their supervisor will experience a perceived high-quality bond with their supervisor and will perceive the obligation to interchange with behaviors that will foster the supervisor's goals (Poon, 2006). Hence, employees' trust in supervisor then creates a psychologically safe environment which, in turn, inspires their creativity (Madjar & Ortiz-Walters, 2009). Going forward, employee innovative behaviors (i.e., finding new ways of doing their jobs, suggesting creative ideas) are an answer to meet their supervisor's goal and expectations. This is construed as being the best source of shaping employee creativity. Following this logic, Zeffane and Connell (2003) suggest that some level of workplace trust is necessary for efficient leadership and HR management, and each party needs to believe that the other is reliable, in order for one to impact the other or to be impacted. Consistent with this argument, we argue that when employees positively perceive that their organization adopts and execute HPWS practices, they are likely to believe that the organization is more professional, consistent and fair, thereby instilling trust in supervisor (see also Sikora et al., 2015). It is for this reason that line managers or supervisors are those who represent their organization directly implement such HR practices. By positive perceptions of HPWS implementation, employees believe that their supervisors will "provide necessary resources, support, and backing for unpopular ideas" (Madjar & Ortiz-Walters, 2009: 130). As a result of trust in supervisor, employees are likely to be more innovative in their work as a positive response to their organization's investment and support. Relying on the above discussion, we position trust in supervisor as an important mechanism that mediates the HPWS perception – employee creativity relationship. We thus posit that:

Hypothesis 2b: Trust in supervisor mediates the relationship between HPWS execution and employee creativity.

Mediating Role of Employee Creativity

With the increasing pressure of competition and today's market turbulence, service firms require their employees to innovate in their work to provide better service quality for customers, and subsequently result in higher overall firm performance (see also Hon, 2013). The demands for service firms have been for not only higher quality of services, but also more creativity in fulfilling them (Madjar & Ortiz-Walters, 2009). Accordingly, organizational researchers and business employers highlight the role of possessing a creative laborforce to create and retain a source of competitive advantage, and have proposed recommendations for ensuring service quality that improve customer satisfaction and loyalty (Hon, 2013). Although it is widely acknowledged that employee creativity is construed as an important antecedent of general job performance, few studies have explored the potential mediating role of employee creativity on the HPWS - service performance linkage. Only one notable exception is the work by Jiang et al. (2012) who indicate that individual creativity can help develop innovative services at work. This study is an attempt to provide a more comprehensive picture of the role of employee creativity on such a relationship.

Drawing on the customer driven approach to employee performance, Liao and Chuang view employee service performance as 'their behaviors of serving and helping customers' (2004: 42). Service performance is thus differentiated from service effectiveness, which involves the results of service performance such as customer satisfaction and retention. According to Schneider et al. (2005: 1017), 'a key way in which the production and provision of services can differ from similar processes with regard to goods concerns the presence of customers and their interactions with employees'. It is also important to note that in service contexts, the quality of the interaction between employee and customer is important in deciding customer satisfaction (Liao & Chuang, 2004). Hence, employees' behavior has a vital role to play in forming the customer's perception of service quality (Liao & Chuang,

2004; Schneider et al., 2005). Also of interest is that the provided service might entail risk, complexity and customization (Madjar & Ortiz-Walters, 2009), thereby requiring employees to have higher levels of creativity to tackle such challenges. This is well aligned with the view that creativity is needed for any kind of job (e.g., Shalley & Gilson, 2004; Oldham & Cummings, 1996). We therefore argue that creativity is a must for employees in the service context in order to allow them to perform their job demands and achieve their expected service performance.

On the basis of the above presented theoretical foundations, and further extending the AMO framework, we argue that HPWS practices that effectively invest in developing the skills, knowledge, motivation of employees, and their opportunity to perform their jobs on their own ways are more likely to foster their innovative behaviors channelized through features of the HR environment and strong HR system (e.g., trust, perceived organizational support). It is for this reason that ‘features of the strong HRM system can lead employees to appropriately interpret and respond to the information conveyed in HRM practices’ (Paauwe & Boselie, 2005: 23). As such, the strong HRM system can help increase employees’ trust in their employer to contribute to employees’ innovative behaviors because they believe that their employer values and supports them by investing effectively in them. Consequently, individual trust in their employer will turn their creativity capabilities into higher levels of service performance as their positive response to firm investment and support. This is because innovative behaviors channelized by perceptions of trust are expected to “make individuals work more, produce higher quality work, and feel more comfortable engaging in behaviors that put them at risk, such as suggesting creative ideas that violate expected norms” (Madjar & Ortiz-Walters, 2009; 130). We therefore postulate that trusting in their supervisors and employers can enable employees to work creatively by finding new and better ways of

dealing with, and providing higher service quality for customers which, in turn, enhance their service performance. Thus, the following hypotheses are tested:

Hypothesis 3a: Employee creativity will mediate the relationship between trust in management and employee service performance.

Hypothesis 3b: Employee creativity will mediate the relationship between trust in supervisor and employee service performance.

METHODS

The research context for this study came from the Vietnamese service industries including: telecommunication, banking, pharmaceuticals and insurance. Before proceeding to the survey, we conducted pilot interviews with managers and/or HR managers of service firms. Our goal in the pilot was to detect whether HR practices were commonly practiced within firms, and to what extent they were universally applicable and Vietnam-specific. Based on the inputs from interviews, we selectively adopted the HR practices that were widely implemented within Vietnamese firms. Therefore, we adapted HR practices that have been empirically examined and validated by recent scholars (Liao et al., 2009). Once the whole survey questions had been translated into Vietnamese and then back-translated into English, we consulted the final Vietnamese version with Vietnamese academic researchers and service firm managers to assess the face and content validity of the scales in the Vietnamese context (Patel et al., 2013). Using feedback from these participants, we made necessary changes in the wording of survey items before sending out the survey. An additional pilot study of HR practices in service firms was also undertaken (discussed later).

The data for the main study were collected via a questionnaire survey of service branches in the cities of Ha Noi, Thanh Hoa and Da Nang between April and June 2014. Using the list of firms provided by the Vietnam Chamber of Commerce and Industry (VCCI),

300 branches were contacted and 80 agreed to participate in the survey. Each survey package contained two separate questionnaires administered to supervisors, and employees. A cover letter attached to each questionnaire explained the purpose of the survey and assured that respondents' participation was voluntary and they had the right to withdraw at any time without repercussions. To avoid common method bias, we collected the data from different sources (see Podsakoff, MacKenzie, & Podsakoff, 2012). For each branch, the supervisor questionnaire was administered to the immediate supervisors who provided data on employee creativity and service performance. The employee questionnaire asked the frontline employees to rate HPWS perception, trust in management and trust in supervisor. To ensure that supervisor and employee questionnaires would be matched, each employee questionnaire was labeled with running numbers from 0001-1000. Also, the supervisor questionnaire had the same running numbers, and the employee matching codes were kept with the researchers. Separate envelopes with prepaid postage were provided for the HR managers to return completed surveys to the given address. Of the 80 survey packages distributed, 61 were returned. More specifically, we received questionnaires from 164 supervisors and 576 employees from 61 branches, representing a response rate of 87 percent. After deleting non-usable questionnaires, we obtained a final sample of 56 branches (153 supervisors and corresponding 526 employees). On average, an immediate supervisor rated at least 3 subordinates (ranging from 3 to maximum 5).

Measures

The questionnaires were administered in Vietnamese, as it is the official language of commerce and administration in Vietnam. As noted earlier, we employed the back-translation method (Brislin, 1970) to ensure its consistency of meaning (Chang & Chen, 2011) and accuracy (Akhtar, Ding, & Ge, 2008) between the English and Vietnamese versions.

Following this, we compared the original version and the back-translated version, and did not view cross-cultural construct validity as a problem in our analysis (cf. Kearney et al., 2009).

HPWS perception. This scale was measured using a 44-item scale adopted from Liao et al. (2009). The index was based on eight distinct dimensions for HPWS: (1) information sharing (i.e., ‘I have enough information to do my job well’; (2) job design (i.e., ‘My job is simple and quite repetitive’; (3) pay (i.e., ‘Part of my compensation is based on how well I do on my job’; (4) performance appraisal (i.e., ‘Your ability to resolve customer complaints or service problems in an efficient manner’; (5) training (i.e., ‘The training programs I went through in this firm effectively prepare me to provide high quality customer service’ (6) teamwork (i.e., ‘I feel I am really part of my work group’; (7) internal service (i.e., ‘I get the needed materials for my job from other departments in a timely fashion’; (8) service discretion (i.e., ‘I have the authority to resolve customer complaints on my own.’ To ensure that the scale was relevant to the researched context, we first undertook a pilot study, and followed it with an exploratory factor analysis (Patel et al., 2013). Based on the pilot survey results, we discarded seven items that yielded weak factor loadings (below .40) and that correlated only weakly with other items. The remaining items (n = 37) that were above .40 loading were used for the main survey (see Table A1 in Appendix A). The Cronbach alpha score for the scale is .88.

Trust in management. We adopted a six-item scale from Ellis and Shockley-Zalabak (2001) to measure employee trust in management. Its sample items are ‘I trust management,’ ‘Those in management keep their word to employees.’ The Cronbach alpha score for this scale is .77.

Trust in supervisor. This was measured using a 14-item scale adopted from Ellis and Shockley-Zalabak (2001). The sample items are ‘I trust my immediate supervisor,’ ‘My

immediate supervisor behaves in a consistent manner from day to day.’ Its Cronbach alpha score is .82.

Employee creativity. The employee creativity was measured via a 13-item scale adopted from Zhang and Bartol (2010). The sample items are ‘Often has new and innovative ideas,’ ‘Suggests new ways to increase quality.’ Its Cronbach alpha score is .73.

Service performance. This was measured using an eighteen-item scale adopted from Liao et al. (2009). The items were rated on a seven-point scale, from 1 = ‘Highly Unsatisfactory’ to 7 = ‘Highly Satisfactory’. Its sample items are ‘Providing services as promised,’ ‘Willingness to help customers.’ Its Cronbach alpha score is .91.

Controls. We control for (1) employee age, (2) gender, and (3) tenure. By including these factors, we control for the potential impacts of employee demographic differences, such as gender and tenure (Jensen et al., 2013), which may influence the way an employee feels about trust and innovative behaviors. Age and gender were measured using a single item asking research respondents to indicate their age at last birthday, and indicate their sex as a dummy variable (1 = male, 0 = female). By tenure, we requested respondents to indicate how many years they had worked for their firm.

Statistical Analysis

The advantages of using SEM with Mplus in this study are to (1) allow for testing a variety of models (i.e., measurement model, multiple linkages model in HR systems; see also Boxall, Hutchinson & Wassenaar, 2015; Guest, 2011), and dealing with complex data (i.e., nested data, employees are nested within firms); (2) provide fit indices that allow researchers to measure the absolute and relative fit of models (Preacher et al., 2010); (3) produce bootstrap confidence intervals for the immediate indirect effect - which inference is made (Hayes & Preacher, 2010); and (4) allow us to utilize a full information maximum likelihood estimator for all analyses (Jensen et al., 2013).

We therefore adopted Mplus Version 7.13 (Muthén & Muthén, 1998-2014) to conduct the analyses. We first tested the correlations among the variables of the study (Beltrán-Martín et al., 2008). We then ran a number of confirmatory factor analyses in order to provide a more robust test of these variables. We finally tested the structural models corresponding to the proposed hypotheses. The results that follow are explained in detail.

RESULTS

Table 1 shows the descriptive means, standard deviations and correlations of the study variables.

 Insert Table 1 about [here](#)

Measurement Models

In order to ensure the reliability and validity of the measurement scales, we first confirmatory-analyzed the fit of HPWS perception index via the construction of a second-order factor from 8 dimensions that compose it. The result indicated an acceptable data fit with indices of fit ($\chi^2 = 54.89$; $df = 14$; $p < .01$; $\chi^2/df = 3.80$; $CFI = .93$; $TLI = .90$; $RMSEA = .07$; $SRMR = .05$). We further investigated the underlying factor structure of the 8 HPWS practices by conducting another one-factor model. The one-factor model demonstrated a better fit than the second-order eight-factor model ($\chi^2 = 66.85$; $df = 20$; $p < .001$; $\chi^2/df = 3.34$; $CFI = .94$; $TLI = .92$; $RMSEA = .08$; $SRMR = .04$). Because the eight HPWS practices constituted a single factor, we combined all 8 subscales to construct a single index measuring the HPWS (Zacharatos et al., 2005). Once the discriminant validity of the HPWS dimensions had been established, we conducted a series of confirmatory factor analyses to examine whether

HPWS perception, trust in management, trust in supervisor, employee creativity and service performance were distinct from one another.

The results indicated that the one-factor model demonstrated a poor fit with the data, ($\chi^2 = 60.20$, $df = 5$; ($p < .05$); $\chi^2/df = 12.05$; CFI = .77; TLI = .54; RMSEA = .20; SRMR = .09). By contrast, the hypothesized five-factor measurement model demonstrated a good fit with the data ($\chi^2 = 352.72$, $df = 142$; ($p < .01$); $\chi^2/df = 2.48$; CFI = .92; TLI = .91; RMSEA = .07; SRMR = .08), and significantly better than one-factor model, better than an alternative four-factor model items combining trust in management and trust in supervisor into one factor ($\chi^2 = 176.76$, $df = 18$; ($p < .05$); $\chi^2/df = 9.82$; CFI = .81; TLI = .64; RMSEA = .11; SRMR = .07); better than an alternative three-factor model trust in management and trust in supervisor into one factor; and employee creativity and service performance into one factor ($\chi^2 = 234.17$, $df = 29$; ($p < .05$); $\chi^2/df = 9.09$; CFI = .57; TLI = .79; RMSEA = .23; SRMR = .09). The results revealed that all the alternative models fit the data significantly worse than the five-factor model. Together, the results demonstrated that the discriminant validity of our supervisor and employee self-rated constructs was substantiated and the five factors were distinct from one another (Liao et al., 2009).

Hypotheses Testing

The results of the estimation are presented in Table 2. We follow Jensen et al.'s (2013) idea to use the residual covariance matrix, which is derived after removing the effects of control variables. Hypotheses 1a and 1b proposed that HPWS perception is positively associated with trust in management and trust in supervisor. We tested these hypotheses, controlling for employee gender, age and tenure. The results demonstrate that HPWS perception positively relates to trust in management and trust in supervisor ($\beta = .21$ and $.22$, respectively; $p < .01$), thus supporting hypotheses 1a and 1b.

For hypotheses 2a and 2b, we predicted that trust in management and trust in supervisor mediates the HPWS perception - employee creativity relationship. Since we proposed two mediators (e.g., trust in management, trust in supervisor), we followed the procedures proposed by Preacher and Hayes (2008) to test multiple mediators. To establish mediation, we first regressed the effect of the predictor on the mediators and the outcome, and the mediators on the outcome after accounting for the predictor. Table 2 showed that HPWS perception significantly relates to trust in management ($\beta = .29, p < .001$); trust in management has a positive and significant effect on employee creativity ($\beta = .15, p < .001$); and HPWS perception has a positive and significant effect on employee creativity ($\beta = .11, p < .05$). Likewise, results demonstrated that HPWS perception has a positive and significant effect on trust in supervisor ($\beta = .12, p < .05$); trust in supervisor has a positive and significant effect on employee creativity ($\beta = .29, p < .001$). Results suggested that the linkage between HPWS perception and employee creativity is initially established through the mediating components of trust in management and trust in supervisor. We then tested mediation, including employee age, sex and tenure. The indirect effect of HPWS perception on employee creativity as partially mediated by trust in management and trust in supervisor was significant ($\beta = .04$ and $.02$, respectively; $p < .05$), thus supporting hypotheses 2a and 2b.

To provide a more robust test of these mediated effects, we employed the bootstrapping procedure suggested by Preacher and Hayes (2008) to assess indirect effects in multiple mediators. Specifically, we conducted the bootstrapping with 10,000 random samples using a 95 percent confidence level. The bootstrapping results suggested that the 95 % bootstrapping confidence interval for trust in management lies between $.02$ and $.06$; and trust in supervisor lies between $.01$ and $.05$. Since zero is in the 95% of confidence intervals, we concluded that the indirect effect is significantly different from zero ($p < .001$) (Preacher & Hayes, 2008; Aryee et al., 2012). Lastly, we employed the method proposed by Preacher

and Hayes (2008) to test multiple mediators to yield the sum of indirect effects. The total indirect effects further supported the above mediation models ($\beta = .04$; $p < .01$; 95 % of confidence interval = .01 to .07).

Finally, hypothesis 3 stated that employee creativity would mediate the relationship between trust in management, trust in supervisor and employee service performance. Consistent with the steps proposed in hypotheses 2a and 2b, we first regressed the effect of the predictor on the mediators and the outcome, and the mediators on the outcome after accounting for the predictor. Table 2 demonstrated that trust in management and trust in supervisor have positive and significant effects on employee creativity ($\beta = .09$ and $.39$, respectively, $p < .05$); employee creativity has a positive and significant effect on service performance ($\beta = .46$, $p < .001$); and trust in management and trust in supervisor has a positive and significant effect on service performance ($\beta = .06$ and $.31$, respectively, $p < .05$). Results suggested that the linkage between trust and service performance is initially established through the mediating role of employee creativity. We then tested mediation, including employee age, sex and tenure. The indirect effect of trust in management and trust in supervisor on service performance as partially mediated by employee creativity was significant ($\beta = .04$ and $.10$, respectively; $p < .05$), thus supporting hypotheses 3a and 3b.

Coupled with hypotheses 2a and 2b, we employed the bootstrapping procedure proposed by Preacher and Hayes (2008) to assess indirect effects of employee creativity in the link between trust and service performance. The bootstrapping results suggested that the 95 % bootstrapping confidence interval for employee creativity lies between .01 and .09; and .20 and .34; respectively. Since zero is in the 95% of confidence intervals, we concluded that the indirect effect is significantly different from zero ($p < .001$) (Preacher & Hayes, 2008; Aryee et al., 2012).

Insert Table 2 about [here](#)

DISCUSSION

Our goal in this study is to address the calls for further understanding the mechanisms through which HPWS practices influence performance-related outcomes. We therefore developed and tested an individual-level HPWS, utilising the AMO framework. The findings demonstrate that all the proposed hypotheses are supported, and thus the positive effects of HPWS on employee outcomes are empirically confirmed. To some extent, the results are in line with prior research that HPWS utilization is positively associated with individual performance (see Jensen et al., 2013; Van De Voorde & Beijer, 2015). However, this study departs from prior research in different ways.

For hypotheses 1a and 1b, we tested the direct relationship between HPWS perception and trusts in management and supervisor. Although it is widely acknowledged that employees' views of HPWS are regarded as a salient channel by which researchers are able to assess the effects of HPWS on performance outcomes via employees' voice and experiences rather than the data provided by managers or HR professionals who design and implement HRM practices (see Choi, 2014), this study is among a few ones to employ such employees' experiences of HPWS as an antecedent to drive individual outcomes. By doing so, this study provides reliable empirical evidence to gain insights into the HPWS-performance linkage. More importantly, this study deviates from prior research by the AMO model to explain the relationship between HPWS perception and trust. We adopt this theory to serve two purposes: (1) to relate the central tenet of AMO to the strengths of HRM systems and/or the HR environment features derived from firms' appropriate HR practices in order to influence employee ability, motivation and give them the opportunity so that they are able to

contribute and perform best for the sake of the firm; and (2) to respond to the criticism that the SHRM field has lacked a solid theoretical base to explain the HRM-performance association (see Beugelsdijk, 2008; Guest, 1997; Michaelis et al., 2014).

With respect to hypotheses 2a and 2b, we postulated trusts in management and supervisor as mechanisms that mediate the relationship between HPWS perception and employee creativity. Although strategic HRM scholars have called for examining new mediators to unveil the intermediate relationships between HPWS and performance, trusts in management and supervisor seem to have been understudied in this literature. To date, there have been a few studies investigating the relationships between HRM practices and trust or creativity (see Collins & Smith, 2006; Jiang et al., 2012; Zacharatos et al., 2005). However, it is important to note that although trust and creativity are increasingly important constructs shaping employee attitudes and behaviors – being arguably key psychological mechanisms that underlie the HPWS-performance linkage, the aforementioned studies have not explored these constructs at their fullest potential. In particular, the studies only stop at examining trust and creativity separately as the outcomes of HRM practices. The current study goes beyond such studies by incorporating and positioning trust and creativity as serial mediators of the HPWS-performance nexus. Also of interest is that our study uses AMO theory to channelize the HRM-trust relationship in response to a lack of theoretical lens in the strategic HRM field (see Beugelsdijk, 2008; Colbert, 2004; Guest 1997). This theory is arguably a relevant framework in the study because empirical evidence demonstrates that some of the organizational factors that are associated with performance-related outcomes can be explained by the AMO theory (see Paauwe, 2009). This study therefore departs from existing literature by linking organizational factors such as trust in management, trust in supervisor and employee creativity via the lens of such a theory. The findings provide initial support for

applying this theory to explain the relationship between HPWS and employee creativity, and echo the HR environment features as a salient source of shaping employee creativity.

Finally, hypotheses 3a and 3b proposed that employee creativity mediates the relationship between trust and employee service performance. We focus on this mechanism on the basis of a solid grounding that creativity is needed for any kind of job (Shalley & Gilson, 2004); and trust that stems from features of the strong HRM system is more likely to motivate employees to innovate at work. Organizations therefore need to learn how to invest effectively in employees and support them to shape their trust in employer in order that they will exert their extra effort to work more creatively and then contribute to firm outcomes. Our findings provide empirical support for this underlying assumption. Taken together, our findings offer more insightful implications for both strategic HRM scholars and practitioners.

Theoretical Implications

Our results emphasize the importance of employee perceptions of HPWS as a key ingredient to explain individual outcomes (e.g., trust and creativity), which is consistent with prior research (see Aryee et al., 2012; Jensen et al., 2013). It is clear from the findings that when organizations invest more effectively in HR practices, together with creating a supportive work environment, employees are likely to trust more in their employer – a salient source of initiating their creativity and subsequently contributing to their higher job performance. This is because when properly implemented, HR activities will equip employees with necessary skills, knowledge, motivation, and their opportunity to carry out their jobs. In doing so, employees can feel that they have more job competence, autonomy and support to fulfil their tasks. Being competent, motivated and supportive can motivate employees to resolve problems creatively, thereby becoming a source of employee creativity. The findings also highlight the importance of HPWS perception as an important predictor of individual performance-related outcomes. This is in line with increasing interest about

exploring the efficacy of HRM interventions on individual level outcomes (e.g., Alfes et al., 2013; Paauwe, 2009).

Our findings also confirm that trust and creativity are important constructs in exploring the relationship between HPWS and individual outcomes. It can be clearly seen from the results that trust in management and supervisor, and creativity can act as particularly important mediators in this relationship. To our knowledge, however, the use of trust and creativity have been underexplored in the HPWS literature in comparison with their role and potential underlying the mechanisms through which HPWS practices affect performance. To advance this stream of research, our results underscore the importance of these constructs as they link with individual performance. We therefore recommend that researchers should pay more attention to trust and creativity that function differently in exploring the mechanisms underlying the linkages between HPWS and organisational performance. Also of note is that by positioning trust and creativity as serial mediators in the HPWS perception-performance relationship, we promptly respond to the calls that we need to test new mediators at the individual level (Jensen et al., 2013; Wang & Verma, 2012; Werner, 2011). It is for this reason that exploring potential mediators can yield further understandings of why organizations need to enhance employee creativity through the investment of HR practices and development of a supportive work environment for creativity. This research provides initial evidence that trust and creativity, in turn, partially mediate the linkages between HPWS and employee creativity and service performance.

Furthermore, our results sharpen SHRM scholars' perspective that HPWS utilization can be a potential contributor to shape employee creativity (Jiang et al., 2012), which consequently contributes to service performance channelized through effective investment in features of the HR environment for creativity.

Lastly, but most importantly, this study deviates from prior research by extending the AMO theory as an appropriate channel to explain the HPWS-employee performance relationship. Our theorizing is that this theoretical lens can be particularly relevant to underlie such a relationship for the following reason. While the key tenet of the AMO framework focuses on the skills, knowledge, motivation of individual employees, and their opportunity to contribute, this model really makes sense only when organizations invest in, value, support and take care of employees through the strength of the HR system and/or features of the HR environment. It is for this reason that the strength of the HR system enables employees with necessary skills and knowledge to get motivated and have a chance to mobilize their abilities to perform at their highest potential. Hence, once all the factors are well interacted (e.g., employee abilities, motivation and well-being conditions are satisfied), they are likely to influence employees' attitudes and behaviors. i.e., employees are likely to trust on their organizations. Consequently, employee trust can enable and encourage them to perform best and innovate in their work as a reciprocal exchange to firm support and investment. As such, we argue that employee trust becomes an important source of individual creativity and performance. Also of note is that by gaining insights into the theory, the study endeavors to respond to the call for advancing theory to explain the HRM-performance relationship (e.g., Guest 1997; 2011). We also help address the criticism that the strategic HRM domain lacks a robust theoretical lens to mediate such an association. Our findings provide strong empirical evidence to support our underlying arguments.

Practical Implications

Our empirical evidence demonstrated that HPWS could be a source of competitive advantage for organisations if optimally implemented. This means that when organisations design and practise HPWS, they should pursue superior performance via the strategies to enhance positive behaviours rather than through a process of work intensification, which may

lead to negative responses from workers (Zhang, Di Fan, & Zhu, 2013). To do so, management should support and invest more effectively in employees by ‘defining metafeatures of an overall HRM system that can create strong situations in the form of shared meaning about the content that might ultimately lead to organisational performance’ (Bowen & Ostroff, 2004: 206). By this logic, ‘features of the HRM process can lead employees to appropriately interpret and respond to the information conveyed in HRM practices’ (Paauwe & Boselie, 2005: 23). Relatedly, the strong HRM system can contribute to increasing employee perceptions of a supportive work environment and trust between management and subordinates. With such positive consequences, employees are more likely to increase their creative performance, and then contribute to their service performance. This study is therefore viewed as a starting point for Vietnamese managers in general, and HR managers in particular, to utilise ‘best practices’ or innovative HRM practices as a win-win solution to contribute to their enhanced performance.

Our findings also reveal that trust in management and trust in supervisor can contribute to employee creativity. Therefore, organizations should create a supportive work environment via the strengths of an HRM system in which management and immediate supervisors act as representatives of the organization to cultivate such an environment. Specifically, firms are arguably advised to design and implement HPWS practices that facilitate trust between employees, and their supervisor and management by utilizing teamwork activities and job design, and providing training and development opportunities for greater communication and interaction between employees and their immediate supervisor (see also Collins & Smith, 2006). Once employees have experienced the perceived nature of organizational support, they are likely to increase their levels of trust in management and trust in supervisor. Consequently, such kinds of trust will influence and initiate employee

creativity, which subsequently turn their creativity capabilities into higher levels of job performance.

Limitations and Future Directions

This study has some limitations that should be acknowledged, and accordingly recommendations are made for future research. First, our analysis is based on a cross-sectional data collected at one point of time to explore the linkages between HPWS and performance-related outcomes, hence, it may impact inferences about causal linkages between variables (Harley, Allen, & Sargent, 2007). Future research should therefore adopt a longitudinal design to explore the linkages between HPWS and firm performance. However, the strengths of the study lie in the fact that the hypothesized model is tested via both mediated mechanisms, and more importantly, employee creativity and service performance are obtained by their immediate supervisors. Doing so helps explain causal relationships between variables and overcome the methodological limitations of self-assessed measurements of employee performance. Second, the generalizability of this study may be restricted to Vietnamese service organizations or organizations that are exposed to Vietnamese management styles (Chang & Chen, 2011). Hence, it could be recommended that future research should be conducted in various research settings (Takeuchi et al., 2007), and multiple industry contexts (Arthur, 1994) to address this drawback. A third limitation of this study is the adoption of only subjective measures of employee creativity. This imperfection has been accepted from prior research (Aryee et al., 2012; McClean & Collins, 2011; Takeuchi et al., 2007) as it very difficult to access objective measures of performance in research contexts like Vietnam where research culture is largely missing (also see McClean & Collins, 2011). In order to address this limitation, future research should aspire to employ both subjective and objective measures of employee creativity so as to replicate and extend the finding of this study.

CONCLUSION

This study focused on the investigation of the underlying mechanisms through which HPWS practices influence individual job performance within Vietnamese service firms. Specifically, it provides empirical demonstrations on the efficacy of firms' HPWS practices fostering employee trust in their leaders that nurtures and motivates employees to innovate in their work, and subsequently contributes to their service performance. The results reveal that employees' positive perceptions of HPWS practices were positively correlated with employee trust in management and supervisor. The results also highlight the importance of the salient constructs, trusts in management and supervisor, and creativity as meaningful mediators, to the relationships between HPWS experiences and service performance. Our findings suggest that in order for creativity to occur in organisations, employees should be optimally invested and supported by firms in order that they will trust more in their leaders to innovate and contribute to the success of their firm because employees believe that their leaders trust them to do so. Following this logic, managers should pay more attention to capitalizing on features of the strong HRM system that is a 'linking mechanism that builds shared, collective perceptions, attitudes and behaviors among employees' (Paauwe & Boselie, 2005: 23). By doing so, employees are more likely to appropriately interpret and positively perceive HPWS practices within their organizations. To this end, employees are more motivated to trust in their leaders, thereby feeling the need to innovate in their work in order to contribute to their firm's overall performance and success as a positive response to their firm support and investment. Taken together, by investing in employees, organisations will benefit from their returned contributions, thereby leading to individual job performance and subsequent firm performance as a whole.

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APPENDIX A1

TABLE A2

Standardized Factor Loadings for HPWS Perception

Item	F1	F2	F3	F4	F5	F6	F7	F8
<i>1. Information Sharing</i>								
Insh1	.55							
Insh2	.61							
Insh3	.54							
Insh4	.56							
Insh5	.53							
Insh6	.46							
<i>2. Job Design</i>								
Job1		.75						
Job2		.39						
Job4		.77						
Job5		.80						
<i>3. Pay</i>								
Pay1			.57					
Pay2			.50					
Pay3			.55					
Pay4			.49					
Pay5			.58					
Pay8			.62					
<i>4. Performance Appraisals</i>								

Persa1	.40
Persa3	.45
Persa4	.60
Persa5	.53

5. Training

Train1	.72
Train2	.71
Train3	.55
Train4	.47
Train5	.63
Train6	.62

6. Teamwork

Team1	.49
Team2	.85
Team3	.50
Team4	.44
Team5	.33

7. Interdepartmental Service

Inser1	.66
Inser2	.61

8. Service Discretion

Discr1	.56
Discr2	.72
Discr3	.61
Discr4	.47

Eigenvalue	7.79	2.67	2.43	1.94	1.77	1.46	1.43	1.26
Percentage of Variance	18.55	6.34	5.79	4.63	4.23	3.48	3.42	3.01
AVE	.50	.54	.51	.57	.51	.54	.62	.55

Note: N = 112; All item loadings are statistically significant $p < .001$. Coefficient alpha values of each factor are presented in italics along the diagonal; HPWS Perception = Employees' Perceptions of High-Performance Work Systems; the KMO score of .86 is considered to be meritorious (Kaiser, 1974); Coefficient alpha value of the whole HPWS is .85.

TABLE 1 (click [here](#) to go back!)
Means, Standard Deviations and Correlations of Study Variables

Variable	Mean	SD	1	2	3	4	5	6	7	8
1. Employee gender	1.36	.48	-							
2. Employee age	1.60	.64	.02	-						
3. Employee tenure	2.27	.89	.06	.68**	-					
4. HPWS Perception	3.79	.38	.08	-.03	-.03	.88				
5. Trust Man	3.91	.63	.08	-.08*	-.07	.48**	.91			
6. Trust Sup	3.82	.53	.04	-.11*	-.07	.51**	.58**	.74		
7. Employee creativity	3.64	.63	.016	-.04	.02	.12**	.10*	.03	.75	
8. Service Performance	5.41	.71	.039	-.032	.01	.15**	.10*	.08*	.52**	.91

Note: Coefficient alpha values are presented in italics along the diagonal; HPWS Perception = Employees' experiences of High-Performance Work Systems; Employee age coded 1 = under 30 years, 2 = 30-39 years, 3 = 40-49 years, 4 = 50-60 years; Employee gender coded 1 = male, 0 = female; Employee tenure coded 1 = under 3 years, 2 = 3-6 years, 3 = 7-10 years, 4 = over 10 years.

* $p < .05$; ** $p < .01$.

TABLE 2 (click [here](#) to go back)**Multilevel Path Analysis Results**

	Standardised betas	SE	tValue	p
HPWS Perception → TM (<i>H1a</i>)	.43	.09	5.85	.00
HPWS Execution → TS (<i>H1b</i>)	.49	.10	8.56	.00
HPWS Perception → CR	.11	.05	2.28	.02
HPWS Perception → TM	.29	.04	6.39	.00
TM → CR	.15	.04	3.75	.00
HPWS Perception → TM → CR (<i>H2a</i>)	.04	.01	2.72	.01
HPWS Perception → TS	.12	.04	2.53	.01
TS → CR	.29	.04	7.27	.00
HPWS Perception → TS → CR (<i>H2b</i>)	.02	.01	2.01	.04
Sum of Indirect effect of H2a + H2b	.04	.02	1.99	.04
TM → Service Performance	.07	.05	1.41	.05
CR → Service Performance	.52	.08	6.84	.00
TM → CR	.09	.04	1.99	.04
TM → CR → Service Performance (<i>H3a</i>)	.04	.03	1.91	.05

TS → Service Performance	.31	.05	0.33	.03
CR → Service Performance	.46	.08	9.26	.00
TS → CR	.39	.04	9.39	.00
TS → CR → Service Performance (<i>H3b</i>)	.10	.04	6.84	.00
Covariance				
HPWS Perception, Trust in Management	.08	.02	4.54	.00
HPWS Perception, Trust in Supervisor	.09	.02	4.28	.00
Trust in Management, Trust in Supervisor	.06	.02	4.16	.00
Trust in Management, Employee creativity	.04	.02	1.74	.00
Trust in Supervisor, Employee creativity	.13	.04	3.89	.01
Employee Creativity, Service Performance	.09	.02	4.05	.00

Note: $\chi^2 = 352.72$, $df = 142$; ($p < .01$); $\chi^2/df = 2.48$; root mean square error of approximation (RMSEA) = .07; standardized root mean square residual (SRMR) = .08; comparative fit index (CFI) = .92; Tucker-Lewis index (TLI) = .91. HPWS = high-performance work systems, TS = Trust in Supervisor; TM = Trust in Management; CR = Employee Creativity.

APPENDIX B

FIGURE 1 (click [here](#) to go back)

Hypothesized Model

