HIGH-PERFORMANCE WORK SYSTEMS AND WORK ENGAGEMENT: THE ROLE OF FEELING TRUSTED BY SUPERVISOR

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Abstract

This study examines the role of feeling trusted within the linkage between high-performance work systems and work engagement. Feeling trusted by a supervisor is believed to be an indicator that employees are valued by an organization (Pfeffer, 1998), but that research has not been completed yet (Baer et al., 2015). Data were collected from 107 employees who work at financial services companies in Jakarta, Indonesia. Structural equation modeling (SEM) was used to explore the linkages between high-performance work systems to work engagement. Later, the Sobel test was used to examine the mediation role from feeling trusted. This research found that high-performance work systems have a positive relationship between feeling trusted and work engagement. Surprisingly, feeling trusted has a negative impact on work engagement. Last, this research revealed that feeling trusted cannot lead high-performance work systems to improve work engagement. Despite this research, being conducted in a multicultural country, it has a paucity of cultural aspects analysis. Accordingly, future research should consider the cultural aspects to advance this form of research further. The theoretical and practical contributions will be discussed later.

Keywords: Work Engagement, High-Performance Work Systems, Feeling Trusted

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1. INTRODUCTION

Work engagement (WE), some researchers used with term employee engagement (Rahmadani & Schaufeli, 2020; Robijn et al., 2020), is still a relevant topic in organizational studies (Juan et al., 2018; Sonnentag, 2011). Some previous studies have shown that work engagement has an important role to improve positive employee behavior that is oriented on working and organization effectiveness, high integrity and enthusiasm, and improving commitment to work (Aybas & Acar, 2017; Huang et al., 2018; Kahn, 1990; Kaya & Karatepe, 2020; Lee et al., 2016). Later, work engagement is believed able to produce a discretionary effort that leads to achieving organization forth maintaining organization continuity (Bailey et al., 2017; Bakker et al., 2011; Kodden & Groenveld, 2019; Mozammel & Haan, 2016; Naser et al., 2018).

Through human resources practices (HR practices), such as recruitment and selection, compensation and employee performance measurements, and also employee development programs, high-performance work systems (HPWS) are able to form a convenient and productive work environment (Huselid, 1995; Oliveira & Silva, 2015;
Zhu & Chen, 2014). Those mechanisms were accommodated with social exchange theory explaining that HPWS based on employee needs will produce positive outcomes in the form of work engagement as a mutually beneficial exchange (Bendickson et al., 2016; Huang et al., 2018). Employees will perceive HPWS as a representation of investment in them (i.e., they feel that they become an important asset that is owned by an organization (Suharnomo & Priyotomo, 2017). Hence, the human resources development function represents the core unit to implement HPWS optimally and then responsibly to the level of employee work engagement (Pierce, 2012).

From the interpersonal point of view, feeling trusted (FT) by a supervisor has a significant correlation with individual positive outcomes (Dirks & Ferrin, 2002; Lau et al., 2014). Several previous research also believed that feeling trusted becomes a signal that the employee is valuable, so it will increase commitment (Pfeffer, 1998) also employees’ work engagement (Kahn, 1990). Feeling trusted by a supervisor usually derives within the organization along with the differences between their capabilities and power (Lau et al., 2014). The dialectics will persist because the consensus regarding feeling trusted has not been completed yet and will be problematic, especially the positive or negative impact on the employee (Baer et al., 2015).

According to Gallup (2017), only 15% of Indonesian worker feels engaged (i.e., high engagement and high enthusiasm), 76% are not engaged (i.e., not engaged in their work), and the last 10% are actively disengaged (i.e., workers are merely unhappy in their organizations, but also peevish because their needs are not fulfilled and indeed showing their unhappiness). Those statistical numbers revealed the necessity of deepening the understanding of the work engagement topic in Indonesia considering the crucial role of work engagement in organizational sustainability. Furthermore, the topic regarding work engagement is critical, beside it is able to improve added value, work engagement also prevents indirectly the fraud behavior (Hasan et al., 2020; Mozammel & Haan, 2016).

The remainder of this paper is structured as follows. Section 2 will explain some constructs that are used for this paper, and then explain the development of the hypotheses based on the literature review from previous studies. Section 3 will explain the research methodology used. Section 4 will explain the findings of the test data. Section 5 will explain some conclusions, limitations, and recommendations for further research in regard to this paper.

2. LITERATURE REVIEW

2.1. Work engagement

Kahn (1990) introduced the construct of engagement and defined that as a voluntary attachment from the organization member toward each work in their organizations. Shortly, engagement means being psychologically present when taking a role in the organization. Therefore, organization members can express themselves physically, cognitively, and emotionally while taking out work roles. Many previous scholars assumed that engagement highly depends on and contains the same elements as organizational citizenship behavior (OCB). However, both have different points of view. OCB is the individual behavior and involvement in their organizations, while engagement is not about individual attitude, but the level of individual attention and involvement in their work. Furthermore, OCB involves an informal and volunteer attitude that is able to help colleagues and the organization, whereas engagement weighs the formal job roles (Perdhana & Dewi, 2017; Saks, 2006; Shi, 2021).

2.2. High-performance work systems and work engagement

High-performance work systems (HPWS) are tools of HR practices designed to develop employees that are impactful to the company’s performance through developing employee competencies and well-being in the work environment. HPWS is able to allow employees to contribute and encourage them to obtain high motivation and effort (Huselid, 1995). On the other hand, HPWS also aims to produce positive employee outcomes by designing and organizing incentive programs for employees (Becker & Huselid, 1998). Consequently, employee perceptions toward HPWS present an important role because it related to the employee discretionary effort (Den Hartog et al., 2013). So that when an organization obtains a positive discretionary effort from their employees, the organization will have the capabilities to encounter a dynamic business environment (Bendickson et al., 2016) and be ready to compete in the global market (Suharnomo & Priyotomo, 2017).

Capabilities development programs and motivation enhancement can provide a competitive work environment, thus the organization possibly to obtain an engaged employee. So that organizations are able to enhance employees' work performance, high work commitment, and well-being, and reduce turnover rate (Aybas & Acar, 2017). Accordingly, Oliveira and Silva (2015), human resource (HR) practices are designed to improve employees' knowledge, capabilities, motivation, effort, and willingness to contribute more to the organization. Employee knowledge particularly becomes an important aspect to maintain the organization toward continuous development (Prapti et al., 2021). Those are relevant to the premise that HR practices can enhance employee performance. So that, this research states a formula:

H1: High-performance work systems (HPWS) have a positive relationship with work engagement (WE).

2.3. High-performance work systems and feeling trusted

Employee trust in their organizations can be developed through HPWS implementations, because HPWS, which is the embodiment of HR practices perceived as a signal of rust from organizations that gave to their employees. Those happened because the ideal of HPWS practices is represented as one of the organizational concerns on psychological security for their employees so that it can encourage an environment of mutual trust (Searle et al., 2011;
Zhu et al., 2019). Employees perceive being trusted by a supervisor because they depict HPWS as an investment that is given by supervisors to employees, so that feeling trusted by a supervisor may be a consequence of HPWS practices. However, the practice of HPWS is not the most important entity to increase feelings of trust by supervisors, but the extent to which supervisors apply HPWS by creating a fully-trusted work environment (Kloutsiniotis & Mihail, 2018). Based on this statement, the formula can be drawn as follows:

\[ H2: \text{High-performance work systems (HPWS)} \text{ have a positive relationship with } \text{feeling trusted (FT)}. \]

2.4. Feeling trusted and work engagement

Feeling trusted also becomes an important instrument to maintain performance development. According to Lau et al. (2014), feeling trusted positively impacted organizational behavior. Moreover feeling trusted able to increase the sense of responsibility for each employee’s taxes (Salomon & Robinson, 2008), because perceived trust from supervisors may increase the confidence level of the employee (Suharnomo & Kartika, 2018). Based on this statement, the formula can be drawn as follows:

\[ H3: \text{Feeling trusted (FT)} \text{ has a positive relationship with work engagement (WE)}. \]

2.5. The mediation role of feeling trusted between high-performance work systems and work engagement

Previous studies proved that HPWS is able to drive the organization toward enhancing work engagement and then improving organizational competitiveness (Aybas & Acar, 2017; Mihail et al., 2013; Oliveira & Silva, 2015). Feeling trusted also triggers work engagement from employees. According to Lau et al. (2014), the enhancement of the work engagement mechanism occurs when supervisors assign some important work and depends on subordinates when in a difficult situation. Hereinafter, feeling trusted is capable to enhance individual positive outcomes through responsibility feelings at work (Salomon & Robinson, 2008). Based on this statement, the formula can be drawn as follows:

\[ H4: \text{Feeling trusted (FT)} \text{ has a role to mediate the relationship between high-performance work systems (HPWS) and work engagement (WE)}. \]

3. RESEARCH METHODOLOGY

3.1. Procedure

The key respondents were contacted first to ask about their availability to join the survey. After that, they were asked about another potential respondent who met the survey criteria that could join this survey. Furthermore, due to COVID-19 restrictions, the questionnaire was distributed via electronic messages between the period of October 2020 and January 2021. Respondents in the study were voluntary and they were confidential. This study conducted exponential non-discriminative snowball sampling with the reason that minimizing cost and time consumed (Etter & Perneger, 2000); it was also optimally used during the pandemic condition.

3.2. Participants

This study used electronic messages to distribute a total of 200 questionnaires. A total of 129 respondents agreed to be included. Unfortunately, 22 respondents were excluded, because they did not complete the mandatory content. Our final sample was 107, representing a response rate of 46.50%. The composition of gender is 49.53% female and 50.47% male, later their mean age was 32.74% (SD = 5.28).

Table 1. Descriptive features

<table>
<thead>
<tr>
<th>Features</th>
<th>F</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age</td>
<td></td>
<td></td>
</tr>
<tr>
<td>&gt; 36 years</td>
<td>29</td>
<td>27.1</td>
</tr>
<tr>
<td>31–36 years</td>
<td>32</td>
<td>29.9</td>
</tr>
<tr>
<td>25–30 years</td>
<td>40</td>
<td>37.5</td>
</tr>
<tr>
<td>&lt; 25 years</td>
<td>6</td>
<td>5.6</td>
</tr>
<tr>
<td>Gender</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Female</td>
<td>53</td>
<td>49.5</td>
</tr>
<tr>
<td>Male</td>
<td>54</td>
<td>50.47</td>
</tr>
</tbody>
</table>

Note: N = 107. Source: Authors’ elaboration.

3.3. Measurements

This study used three self-reported scales to measure work engagement, feeling trusted, and HPWS. All indicators within variables were translated from English into Bahasa Indonesia to gain simple sentences, avoid repetition of nouns, and avoid dual analogy (Brislin, 1970). This study used a Likert scale to measure all indicators ranging from 1 (= completely disagree) to 7 (= completely agree). Furthermore, work engagement was assessed with the three-item version of the Utrecht Work Engagement Scale (UWES) (Schaufeli et al., 2019). Those items summarize all the dimensions of UWES from the previous work engagement studies, namely, vigor, dedication, and absorption. Supervisors assign some important work and depends on subordinates when in a difficult situation. Hereinafter, feeling trusted is capable to enhance individual positive outcomes through responsibility feelings at work (Salomon & Robinson, 2008). Based on this statement, the formula can be drawn as follows:

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<table>
<thead>
<tr>
<th>Variable</th>
<th>CR</th>
<th>AVE</th>
<th>MSV</th>
<th>ASV</th>
<th>WE</th>
<th>HPWS</th>
</tr>
</thead>
<tbody>
<tr>
<td>WE</td>
<td>0.95</td>
<td>0.88</td>
<td>0.08</td>
<td>0.08</td>
<td>0.72</td>
<td></td>
</tr>
<tr>
<td>HPWS</td>
<td>0.75</td>
<td>0.28</td>
<td>0.11</td>
<td>0.09</td>
<td>0.20</td>
<td>0.51</td>
</tr>
</tbody>
</table>

Note: ASV is average shared variance; MSV is maximum shared variance; AVE is average variance extracted; CR is composite reliability; HPWS is high-performance work systems; FT is feeling trusted; WE is work engagement. The inter-item correlations among constructs are represented by diagonal (bold values). Source: Authors’ elaboration.

The CR value of WE, HPWS, and FT exceed 0.60 which indicates that it includes the minimum recommended value (Fornell & Larcker, 1981).
However, two variables have an AVE value below ideal (i.e., 0.50), those are HPWS (0.28) and FT (0.34). The AVE value, based on Fornell and Larcker (1981), was considered a prudent estimation, so basically, following the CR value, the study is competent to determine the sufficiency of convergent validity. As a result, the CR values of HPWS and FT exceed minimum requirements, and the internal reliability of estimation items is accepted.

Table 3. Structural model value

<table>
<thead>
<tr>
<th>Description</th>
<th>$\chi^2$</th>
<th>df</th>
<th>$\chi^2$/df</th>
<th>p</th>
<th>NFI</th>
<th>GFI</th>
<th>TLI</th>
<th>CFI</th>
<th>RMSEA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Structural model</td>
<td>26,089</td>
<td>24</td>
<td>1.09</td>
<td>0.35</td>
<td>0.92</td>
<td>0.94</td>
<td>0.99</td>
<td>0.99</td>
<td>0.03</td>
</tr>
</tbody>
</table>

Source: Authors' elaboration.

This study also reveals the fit indices results are exceeding the recommendation threshold value. The proper chi-square and degree of freedom ($\chi^2$/df) for the good fit model must not pass from five (Bentler, 1985), as a result provided in Table 3 reveals the number 1.09 or $< 5$. Furthermore, the Tucker-Lewis index (TLI), the goodness-of-fit index (GFI), and the comparative fit index (CFI) have to outpace 0.9 (Bentler, 1985; Browne & Cudeck, 1992), while this study displayed good results (i.e., $> 0.9$) from the structural model, that are TLI = 0.99, CFI = 0.99, and GFI = 0.94. Moreover, the root mean square error of approximation (RMSEA) value ought not to surpass 0.05 (Browne & Cudeck, 1992). Fortunately, Table 3 also reveals a convenient value of 0.03 showing that $< 0.05$, so the fit value of the structural model which is shown in Table 3 reveals the sufficient GFI.

3.4. Data analysis

The direct relationship between HPWS and WE as well as whether FT mediates the direct relationship in this study was conducted by structural equation modelling (SEM). A one-step mediation process to test the hypotheses from the mediator was recommended by Hair et al. (2010). First, this study employed the direct effect between HPWS and WE later than the second to use mediation analysis (HPWS $\rightarrow$ FT $\rightarrow$ WE). The mediation analysis using SEM path analysis was used to determine whether the mediation exists or not, and more than that to examine the type of mediation (i.e., fully, or partially). A Sobel-based mediation test was used in this study to assess the criteria of mediation, as follows:

- If $a$, $b$, and $c$ are significant but the result of direct coefficient value is $c < b$, entitled partial mediation;
- If $a$ and $b$ are significant but $c$ is not, entitled full mediation;
- If $a$ significant, $b$ is significant, and also $c$ is significant, but the value of the coefficient is $c = b$, entitled not mediation;
- If $a$ or $b$ or both are insignificant, entitled not mediation.

3.5. Hypotheses test

The results of SEM analysis are displayed in Figure 2, which reveals that HPWS is associated directly with WE ($\beta = 2.19$, $p < 0.01$), indicating that the implementation of HPWS in the organization will encourage the level of work engagement. In addition, HPWS also positively affected FT ($\beta = 1.05$, $p < 0.05$), indicating that HPWS will improve the feeling trusted by the supervisor. These results have proved hypotheses (H1 and H2), which indicates that there is a direct effect of HPWS on WE and FT. Furthermore, Figure 2 also reveals that FT is negatively and not significantly associated with WE ($\beta = -0.45$, $p > 0.05$), meaning that the feeling trusted by the supervisor instead potentially diminish their work engagement. Those results have rejected H3.

Source: Authors' elaboration.

According to the method from Hair et al. (2010), two statements reveal no mediation if $a$ significant, $b$ is significant, and $c$ is significant as well as if $a$ or $b$ both are insignificant. This draws evidence from the results in Figure 2, that feeling trusted failed mediates both schemes that the effect of HPWS to work engagement and feeling trusted to
work engagement. Those results present that HPWS directly positively affected work engagement. Moreover, feeling trusted impacted negatively and not significantly work engagement, hence these results have rejected H4.

4. FINDINGS

This research aims to propose a model that analyzes the influence of HPWS and feeling trusted on work engagement through the knowledge-sharing behaviors (KSB) mechanism. Moreover, this study used employees as respondents from financial services companies.

4.1. Theoretical implications

The result shows that HPWS positively impacted work engagement, which proves previous studies that draw HPWS aims to improve employees' positive mood within several programs that adhered to boost employee work engagement (Huang et al., 2017). Furthermore, HPWS created a supportive work environment that eases the employee to adapt to work and organization dynamics finally affected to the improvement of work engagement (Cooke et al., 2016). Well-supported work environment due to the existence of motivation based further impacted the work engagement that is full of trust (Kloutsiniotis & Mihail, 2018), hence becoming more committed to the organization's aims and goals. Employee trust toward the organization is encouraged by HPWS because HPWS is considered to become such a form of investment from the organization to their employees that the employee believes that there is trust from the supervisor or management (Searle et al., 2011; Ugwu et al., 2014). That mechanism has clearly been accomplished through social exchange theory between supervisor-subordinate relationships. Employees tend to oblige their organization where it becomes a mutual response from employees because HPWS is considered one of the human resources motivation-based tools that results in some positive impact, such as work engagement (Almadana et al., 2022; Kloutsiniotis & Mihail, 2020) which is also found in this study.

Statistics show that the relationship between feeling trusted by the supervisor and work engagement is negative and not significant, which means that the enhancement of feeling trusted potentially reduces work engagement. Feeling trusted by the supervisor was also found cannot mediate the mechanism of HPWS-work engagement. Those results indicated that when the supervisor encounters difficulties and depends on their subordinate, it potentially decreases the employee enthusiasm toward each job. According to Lau et al. (2014), that mechanism is caused when subordinates felt trusted by their supervisor, which will result in the emergence of workload enhancement, whereas the reciprocity gap (inequity) between supervisor and subordinate will emerge. The lack of reciprocity at the interpersonal or organizational level will provide emotional resources depletion and then responded by burnout and lastly employee exhaustion as discretionary effort. At the same time, the trust of the supervisor will increase the employee's reputation, which directly impacted the subordinate's responsibilities to maintain reputation, those two essential human activities in society (Perdhana, 2014). Some statements before nudging the blueprint that comes from equity theory, which influences a lot to social exchange theory (Schaufeli et al., 1996).

4.2. Practical implications

According to the results of this study, several recommendations may be proposed regarding HPWS, feeling trusted by the supervisor, and work engagement mechanisms. First, organizations through their managers need to conduct HPWS maturely. For example, the more clearly human resource management (HRM) manages employees' job descriptions, the more employees work optimally, so they can maintain their engagement. Second, employees' supervisors need to fairly organize their relationship level and workload with each employee. Those strategies are needed to anticipate employee exhaustion from several employees. It follows Baer et al. (2015) that the more managers spread their trust with their employees equally, the more decreasing the significance of the negative impact of feeling trusted by the supervisor.

5. CONCLUSION

This research has several limitations. First, this study used a convenience sampling method, it potentially obtains data that were not matched with the study's concept. For example, this research used the employees' perceptions of HPWS, but we assumed that HPWS is appropriate for managers and top positions in which they have a better understanding of performance through HR practices. Secondly, electronic questionnaires potentially acquire biased data. It emerges the opportunity to obtain irrelevant respondents. Based on the statement before, future research should concern the preparation according to sampling methods. Furthermore, although this study was conducted in a multicultural country, unfortunately, it excluded the cultural point of view, even though culture is an inevitable aspect to deepen the understanding of human behavior (Suharnomo & Syahrumdhan, 2018). Furthermore, a cultural point of view is also related to feeling trusted by the supervisor. In the current era, organizations have diverse cultures, so the study regarding trust mechanisms between supervisor-subordinate between different cultures is worth emphasizing.

REFERENCES


