



ISSN: 2288-2766 © 2021 KODISA & EAJBE.
http://ejbe.jams.or.kr
doi: http://dx.doi.org/10.20498/eajbe.2021.9.4.1

Analysis of Organizational Effectiveness Antecedents: Focus on Human Resource Management Practice and Moderating Effect of Firms' the Status Quo*¹

Boine KIM¹, Myeong Hyeon CHO²

¹ First Author Associate Professor, Department of Global Commerce, Hoseo University, South Korea.
E-mail: bk130@naver.com

² Corresponding Author Professor, Business School of Korea University, South Korea.
E-mail: chom@Korea.ac.kr

Received: September 03, 2021. Revised: September 30, 2021. Accepted: October 30, 2021.

Abstract

Purpose – In a difficult time for a firm, it seems impossible to change circumstances by a firm. Nevertheless, the firm must do whatever it can do by however it can do. Therefore, the purpose of this study is to analyze the effect of HRM practice on organizational effectiveness with the status quo of the firm as a moderator. Based on the result of this study, the managerial implication could be suggested as a contextual response to each status quo of the firm in improving and managing organizational effectiveness by HRM practice.

Research design, data, and methodology – This study measured organizational effectiveness with employee satisfaction and organizational commitment. HRM practice includes two HR management areas, HR system, and HR attitude. HR system includes education & training and additional wage welfare. HR attitude includes employee stress and empowerment. As for the status quo of the firm, this study considered three construct; firm feature, strategic feature, environment change feature. This study analyzed 397 employees of 24 company data from the 7th HCCP of KRIVET.

Result – Hypothesis 1 through Hypothesis 3 were partially supported. The results of this study suggest that to increase organizational effectiveness(job satisfaction and organizational commitment), employee stress and education & training participation need to be managed. And circumstance of an organization as given the Status Quo of the firm needs to be managed differently like firm size, environment change in demand, and technology.

Conclusion – This study suggests best-practice implications based on the result between HRM practice and organizational effectiveness. And also suggest differentiation in management to increase the best-fit in management.

Keywords: Organizational Effectiveness, Job Satisfaction, Organizational Commitment, HRM practice

JEL Classification Code: M12, M14, M19.

* This research is supported by Korea University Business School Research Grant.

© Copyright: The Author(s)

This is an Open Access article distributed under the terms of the Creative Commons Attribution Non-Commercial License (<http://creativecommons.org/licenses/by-nc/4.0/>) which permits unrestricted noncommercial use, distribution, and reproduction in any medium, provided the original work is properly cited.

1. Introduction

Ever since 21 century started, the world economic situation and business environment were either difficult or more difficult. The representative words for the 21-century economy and business circumstances are New Normal and Industry 4.0 in which both concepts seem to put pressure on firms and businesses to change and adapt which is difficult. In a difficult time, as for a firm, it seems impossible to change circumstances by a firm. As blow and flow of time make circumstances, a firm should go along the current time-stream. Of course, despite its difficult time, a firm must do whatever it can do by however it can do to survive and continue the business. To do that, a firm needs to differentiate what a firm can do and what cannot do, also know how to do it in can-do situations. For a firm to survive and continue the business, managing and increasing organizational effectiveness are one of the important elements (Lee, 2013; Kim, 2014; Anwar & Balcioglu, 2016; Choi, Lee, & Kim, 2021; Frineses, Laba, & Reni, 2021; Ismael, Othman, Gardi, Hamza, Sorguli, Aziz, Ahmed, Sabir, Ali, & Anwar, 2021; Lannes, 2021).

HRM's utilization is to serve organization success is acceptable in the academic and business field. However, there is no unanimous optimum way and debate in the literature is ongoing. Paauwe & Boselie (2005) summarized debate into two main approaches, the best-practice and best-fit. best-practice approach is that there is the best-practice in managing human resource and if the organization adapt the best-practice way then organization performance will improve. The best-fit approach is that human resource management will be more effective if management considers the specific context of the organization and environment that business is going through (Alleyne, Doherty, & Greenidge, 2006). Therefore in this study, both best-practice and best-fit approaches are considered.

In this study, an antecedents analysis of the organizational effectiveness of Korean employees is conducted. In this study, organizational effectiveness included two concepts, employee satisfaction and organizational commitment. And six of the antecedents are included, which are divided into two big constructs, circumstantial variables and manageable variables. Circumstantial variable means variables which are difficult to change in short and immediate time, therefore, seems as given Status Quo of the firm. The Status Quo of a firm includes three concepts, firm feature, strategic feature and environment change feature. The manageable variable means variables that could relatively react and change immediately and fast therefore use as management and administrative tool in the field. Manageable variable which is HRM practice includes two HR management areas, HR system and HR attitude. The purpose of this study is to investigate the effect of HRM practice(system and attitude) on organizational effectiveness(job satisfaction and organizational commitment) with the status quo of the firm as moderator. In other words, this study analysis influence of the HR system and HR attitude on employee satisfaction and organizational commitment. Also, analysis w either differentiation of status quo of firm is in need during managing organizational effectiveness. Therefore each status quo of the firm is analysis cross-validation method to confirm w either group differentiation is needed or equivalent approach is enough. Based on the result of this study, the managerial implication could be suggested in both the best-practice and the best-fit as a contextual response to each status quo of firm in improving and managing organizational effectiveness by managing HR system and HR attitude.

2. Literature Review and Hypotheses

Numerous scholars have studied HRM practice and organizational effectiveness (Lam & Zhang, 2003; Humborstad & Perry, 2011; Savaneviciene & Stankeviciute, 2011; Atteya, 2012; Rahman, Rahman ,& Ali, 2015; Choi et al., 2021; Ismael et al., 2021). Based on their studies, the theoretical framework and hypothetical research model of this study are built and summarized in Figure 1.

2.1. Human Resource Management Practice and Organizational Effectiveness

2.1.1. Organizational effectiveness

Organizational effectiveness is well used in the research and practice field. In beginning, organizational effectiveness was used as a measurement tool of productivity and/or profits (Abdulla, Touean & Anwar, 2017). Yucnman and Seashore(1967) defined organizational effectiveness as the ability to use its environment in the possession of resources to maintain its functioning. In general, organizational effectiveness is an important criterion for evaluating organizational activities, it means the success of the organization and the degree of achievement of its goals, and it can be said to be an indicator of the soundness of the organization (Lee, 2013) it also indicates the ratio of the input and resource utilization to achieve the goal. However term organizational effectiveness lacks agreement

of framework, definition and measurement, therefore properties and characteristics depend on research and researchers (Anwar & Balcioglu, 2016; Hameed & Anwar, 2018).

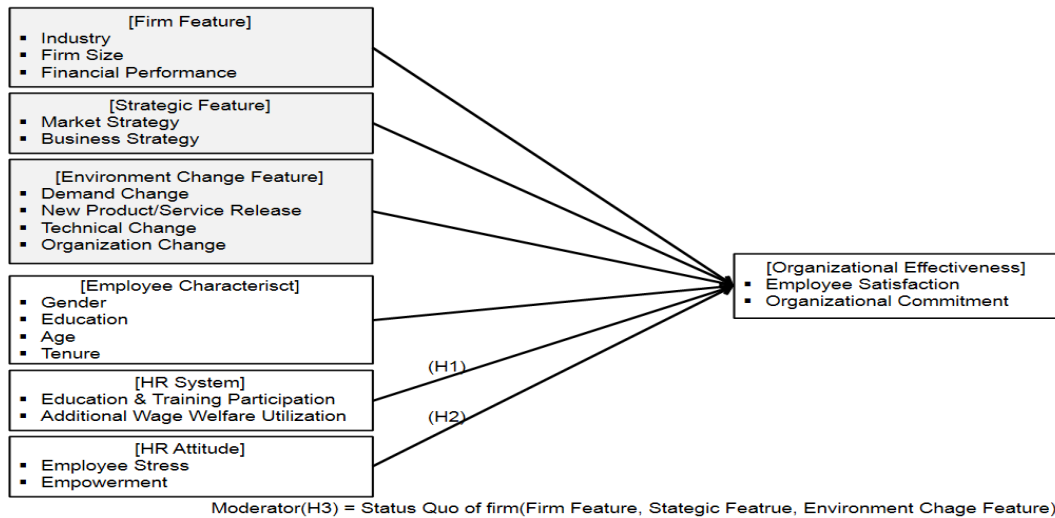


Figure 1: Research Model and Hypothesis

2.1.2. HRM Practice

According to HRM's best-practice approach, there is the best-practice in managing human resource and if an organization adapt the best-practice way then organization performance will improve (Pauwe & Boselie, 2005). Literature of HRM practice analysis has been analyzed as HRM practice by one unified measure (Atteya, 2012), by one employee development variable (Rahman et al., 2015). Other literature has analyzed HRM practice as a multi-structure construct(Lam & Zhang, 2003; Savaneviciene & Stankeviciute, 2011). However, still, each structure was a merged variable. Therefore each HRM practice influence is indistinguishable

Therefore in this study to find the best-practice, this study conceptualized HRM practice as a manageable variable, which businesses could relatively react and change immediately HRM tool in the field. And analyzed multi-construct approach, in this study manageable variable which is HRM practice includes two HR management area, HR system and HR attitude. First, the HR system is the policy and plan that an organization offers to manage HR. In which in this study include education & training which employee participate and additional wage welfare utilized in an organization (Lam & Zhang, 2003; Savaneviciene & Stankeviciute, 2011; Atteya, 2012; Rahman et al., 2015). Second, HR attitude is job/work relevant cognition of employee. In which in this study include employee stress and empowerment (Savaneviciene & Stankeviciute, 2011; Humborstad & Perry, 2011).

2.1.3. The Status Quo of Firm

According to HRM's best-fit approach, HRM will be more effective if management considers the specific context of the organization and environment that business is going through (Pauwe & Boselie, 2005; Alleyne et al. 2006). Generally, the literature showed that each analysis is conducted in specific and limited data like Hong Kong fast food industry employees (Lam & Zhang, 2003), service sector organization employees in Lithuania (Savaneviciene & Stankeviciute, 2011), the hotel employee in the Macau Special Administrative Region of China (Humborstad & Perry, 2011), Egyptian joint venture petroleum companies employee(Atteya, 2012), faculty of the public sector university in Khyber Pakhtunkhwa (Rahman et al., 2015), PT.PLN(Persero) employee of Gaddong in Indonesia (Frinses et al., 2021). Or in other studies rather broad but analyzed as a whole like small and medium enterprise (SME) employees in Kurdistan region of Iraq (Ismael et al., 2021), machine building company employees (Lannes, 2021) and manufacturing industry employees in Korea (Choi et al., 2021). However, Yang, Chen, Lee and Liu (2021) study of high-technology and traditional industry employee results were compared.

Therefore in this study to find the best-fit, this study conceptualized circumstantial variables as opposed to the manageable variable, circumstantial variables which is difficult to change for business in short and immediate time, therefore, seems as given Status Quo of the firm. To find best-fit in managing organizational effectiveness, this study

adds analysis whether differentiation of status quo of firm situation is in need or not. Therefore each status quo of firm is analysis cross-validation method to confirm whether group differentiation is needed or equivalent approach is enough. As shown in Figure 1, the Status Quo of firm includes three concepts in this study; firm feature, strategic feature and environment change feature.

2.2. Hypotheses Relation between HRM Practice and Organizational Effectiveness

2.2.1. Relation between HRM Practice and Organizational effectiveness

Prior studies which tried to find best-practice have continued and literature has shown a positive relation between HRM practice and organizational effectiveness (Humborstad & Perry, 2011; Lannes, 2021; Frinses et al., 2021), job satisfaction (Lam & Zhang, 2003; Savaneviciene & Stankeviciute, 2011; Atteya, 2012; Rahman et al., 2015; Choi et al., 2021; Yang et al. 2021) and organizational commitment (Lam & Zhang, 2003; Savaneviciene & Stankeviciute, 2011; Atteya, 2012; Rahman et al., 2015; Park & Seo, 2021).

Lam and Zhang (2003) study showed the positive influence of job characteristics and training and development on job satisfaction and organizational commitment. In Savaneviciene and Stankeviciute (2011) study, skill-enhancing HRM practices and engagement-enhancing HRM practices increased affective organizational commitment. And skill-enhancing HRM practices, motivation-enhancing HRM practice and engagement-enhancing HRM practice increased intrinsic job satisfaction. However, to extrinsic job satisfaction, engagement-enhancing HRM practice was not shown. Humborstad and Perry (2011) study showed a positive correlation between empowerment and job satisfaction. Atteya(2012) study showed a positive correlation between HRM practice and job satisfaction also HRM practice and organizational commitment. Rahman et al. (2015) study showed employee development's positive effect on job satisfaction and organizational commitment. Choi et al. (2021) study showed a positive influence of education & training satisfaction on job satisfaction. Yang et al. (2021) study showed a negative correlation between job stress and job satisfaction in both high-technology and traditional industries. Park & Seo (2021) study showed a positive effect of empowerment on organizational commitment.

Hypothesis 1: The HR system has a significant effect on organizational effectiveness

Hypothesis 1-1: Education & training participation has a positive effect on employee satisfaction.

Hypothesis 1-2: Additional wage welfare utilization has a positive effect on employee satisfaction.

Hypothesis 1-3: Education & training participation has a positive effect on organizational commitment.

Hypothesis 1-4: Additional wage welfare utilization has a positive effect on organizational commitment.

Hypothesis 2: The HR attitude has a significant effect on organizational effectiveness

Hypothesis 2-1: Employee stress have a negative effect on employee satisfaction.

Hypothesis 2-2: Empowerment has a positive effect on employee satisfaction.

Hypothesis 2-3: Employee stress have a negative effect on organizational commitment.

Hypothesis 2-4: Empowerment has a positive effect on organizational commitment.

2.2.2. The Status Quo of Firm as moderator

Prior studies about best-fit have continued by analyzing specific and limited targets (Lam & Zhang, 2003; Savaneviciene & Stankeviciute, 2011; Humborstad & Perry, 2011; Atteya, 2012; Rahman et al., 2015; Frinses et al., 2021). Or analyzed as a separate group (Shahnawaz & Juyal, 2006; Yang et al. 2021) or as a control variable (Huselid, 1995; Chew & Chan, 2007). However, comparison or moderate analysis of circumstance or environment was limited. Therefore in this study, circumstantial variable means variables that are difficult to change in short and immediate time, therefore, seems as given Status Quo of firm. This means that circumstantial situations like the status quo of firm (firm feature, strategic feature, environment change feature) are given and difficult to change then the firm needs to differentiate or adapt management to each circumstantial situation like the status quo of firm. This means whether group differentiation between status quo of firm is in need or equivalent approach is enough in managing HRM practice. In this study, three Status Quo of firm concepts are included; firm feature, strategic feature and environment change feature.

Hypothesis 3: The status quo of firm is moderate between HRM practice and organizational effectiveness.

Hypothesis 3-1: The firm feature moderate between HRM practice and organizational effectiveness.

Hypothesis 3-2: The strategic feature moderated between HRM practice and organizational effectiveness.

Hypothesis 3-3: The environment change feature moderated between HRM practice and organizational effectiveness.

3. Methodology

3.1. Research Measurement

As shown in the research model in Figure 1, describe the relation among HRM practice(HR system, HR attitude) and organizational effectiveness(employee satisfaction and organizational commitment) and Status Quo of firm and demographic characteristic of the employee. This study focuses on two research questions. First, does HRM practice(HR system and HR attitude) influence organizational effectiveness(employee satisfaction, organizational commitment)? Which and how does influences it. HR system includes education & training participation and additional wage welfare utilization. And HR attitudes include employee stress and empowerment. Second, does the differentiation of each status quo of firm(firm feature, strategic feature, environment change feature) is needed or not? This means whether group differentiation between status quo of firm is in need or equivalent approach is enough in managing HRM practice.

To analyze each research question, first, this study analyzes relation among variables, to do that this research used frequency analysis, reliability analysis, correlation analysis, regression analysis using SPSS22. Second to analyze the moderating effect of the status quo as group differentiation is analyzed using AMOS22 cross-validation method analysis of MCFA (Multigroup Confirmatory Factor Analysis) by path analysis. This study used KRIVET(Korean Research Institute for Vocational Education & Training) 7th HCCP(Human Capital Corporate Panel) published in 2018. HCCP includes a survey by the firm's HR manager about the firm's HR-related status& system, employee cognition survey data by employee's self-measured and financial statements of the firm. Employee's self-measured survey items are measured by a five-point Likert score, from not at all to totally agree.

In this study, the dependent variable is organizational effectiveness which is measured by two concepts, employee satisfaction and organizational commitment and both are employee's self-measured surveys. Employee satisfaction is measured with four items like I am satisfied with my current work content, salary, work relation and overall job. Organizational commitment is measured with four items like I will consider moving if a favorable offer comes from any other firm, I feel this company's problems as my own, If I decide to quit this company, I'll lose a lot in life and This company deserves my loyalty. In this study, six independent variable concepts are divided into two constructs, circumstantial and management variables. Circumstantial variable means variables which are difficult to change in short and immediate time, therefore, seems as given Status Quo of firm.

The Status Quo of firm includes three concepts, firm feature, strategic feature and environment change feature. First, a firm feature is measured as a dummy variable that includes industry, firm size and financial performance of the firm. Industry includes service(banking and none banking) and manufacturing. Firm size includes SME(small & medium enterprise, under 300 employees), SSE(small but strong enterprise, between 300 to 999 employees) and MBE(middle & big enterprise, over 1000 employees). The financial performance of the firm is measured as year-on-year performance(increase/decrease) with six measurement assets, equity, sales, sales profit, net profit and employee number. Second, strategic features include market strategy and business strategy of the firm which is also measured as a dummy variable. Market strategy includes safe & sound strategy, leading strategy and initiative strategy. Business strategy includes quality improvement strategy, cost reduction strategy and develops new product/service strategy. And last, third, the Environment change feature includes employees' cognition of change in two years of demand, new product/service release, technology and organization. Manageable variable means variables that could relatively react and change immediately and fast therefore use as management and administrative tool in the field which is HRM practice.

Manageable variables include two HR management areas, HR system and HR attitude. HR system includes two measures, number of education & training participation by employees and number of additional wage welfare utilization by the firm. HR attitude includes two measures, employee stress and empowerment, both are employee's self-measured survey. Employee stress is measured with three items like I think the opportunities for development and promotion are unfair now, I often feel helpless and tired in my current job and I'm very nervous about my present job. Empowerment is measured with eight items like how free and empowered one is in workload, how to work, work speed, work hours and work overtime, work distribution, work rotation, work training, and recruitment. Finally, employee characteristic is measured with gender(male, female), education(under high school, college, university, graduate school), age and tenure by year.

3.2. Research Data

To analyze relationships of variables, this study only included valid data of the 7th HCCP of KRIVET published in 2018. Therefore this study includes 397 employees who are employed among 24 companies. 397 employees' demographic characteristics are summarized in Table 1.

Table 1: Demographic Characteristics

N=397		No.	%			
Industry	Service(banking and none banking)	126	31.7			
	Manufacturing	271	68.3			
Firm Size	SME(under 300)	184	46.3			
	SSE(between 200-999)	107	27.0			
	MBE(over 1000)	106	26.7			
Gender	Female	78	19.6			
	Male	319	80.4			
Education	under Highschool	91	22.9			
	College	38	9.6			
	University	232	58.4			
	Graduate school	36	9.1			
	Mean	Middle	S.D.	Variance	Mini.	Max.
Age	39.95	39.00	8.90	79.27	22.00	65.00
Tenure	11.42	10.00	8.49	72.04	1.00	51.00

4. Empirical Findings

Before analyzing the relationships among variables, this research analyzed factor analysis and reliability analysis(Cronbach's alpha(α)) of each employee's self-measured survey items such as employee stress, empowerment, employee satisfaction and organizational commitment. To analyze common method bias, this study analyzed Harman's single factor test. While factor analysis, one of the items of employee stress showed low commonality there for that item was deleted and analysis continued. And results are summarized in Table 2. As the result shows, Cronbach's α show employee stress (.842), empowerment (.92), employee satisfaction (.748) and organizational commitment (.779) which all the results of Cronbach's coefficient α are larger than 0.6 therefore reliability of the measures is acceptable in this study.

Table 2: Result of Factor Analysis and Reliability Analysis

	Factor1.EMP	Factor2.OC	Factor3.Stress	Factor4.ES	Cronbach's alpha
stress1			.906		.842
stress2			.874		
empower1	.618				.920
empower2	.829				
empower3	.785				
empower4	.819				
empower5	.878				
empower6	.679				
empower7	.833				
empower8	.748				
stisfaction1				.559	.748
stisfaction2				.538	
stisfaction3				.749	
stisfaction4				.648	
commitment1		.515			.779

commitment2		.610			
commitment3		.639			
commitment4		.801			
total rotated^2 loading	4.84	1.69	1.58	1.58	
% of variane	25.586	16.909	15.956	15.679	

Note. EMP-empowerment, OC-organizational commitment, ES-employee satisfaction

Before analyzing the relationships among variables, this research analyzed the correlation between variables and the result is summarized in Table 3. The result shows that the highest correlation is .753 between 9 (Market Strategy) and 12 (EC: New product/service Release).

Table 3: Result of Correlation Analysis

	Mean	S.D.	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24
1	0.683	0.466	1																							
2	1.804	0.833	-.512**	1																						
3	4.841	0.730	-.0057	0.061	1																					
4	5.015	0.711	0.037	-.0033	.487**	1																				
5	4.846	0.864	0.017	0.011	.342**	.214**	1																			
6	5.081	2.175	0.063	-.0026	.145**	.177**	.384**	1																		
7	5.058	2.433	0.083	-.0063	.153**	.163**	.315**	.625**	1																	
8	4.511	0.777	0.003	-.0047	.224**	.155**	.204**	0.065	0.076	1																
9	2.040	0.776	-.0016	.259**	0.028	0.013	0.031	0.089	0.076	0.031	1															
10	1.730	0.703	0.018	-.448**	-.0029	0.054	0.011	.105*	0.053	0.08	-.0097	1														
11	2.960	0.667	-.0087	-.136**	-.0033	-.0031	0.025	-.0007	0.017	0.013	.242**	.264**	1													
12	2.060	0.839	-.142**	.488**	0.027	-.0014	0.033	0.024	0.023	0.018	.753**	-.159**	.171**	1												
13	2.050	1.087	0.01	0.038	0.061	0.058	.102*	0.044	0.091	0.085	.447**	.261**	.396**	.542**	1											
14	2.310	0.886	.297**	.185**	-.0045	-.0035	0.092	.158**	.108*	0.002	.395**	0.075	0.088	.222**	.158**	1	0									
15	0.804	0.398	.112*	.119*	0.066	-.0061	-.0022	-.0084	-.003	-.0034	0.04	-.269**	-.0095	0.078	0.004	0	1									
16	2.537	0.944	-.220**	.343**	0.047	-.0069	-.001	-.0045	-.0077	-.0031	.155**	-.134**	-.0004	.208**	0.022	.162**	.174**	1								
17	39.950	8.903	.115*	-.164**	-.0014	-.003	0.025	0.08	.128*	-.0038	-.0042	-.0079	0.057	-.120*	-.115*	-.160**	.173**	-.192**	1							
18	11.423	8.488	.104*	-.0066	-.0029	-.005	0.062	0.067	0.068	-.0006	0.057	-.137**	-.0068	0.046	-.0017	-.133**	.177**	-.206**	.716**	1						
19	1.705	1.151	-.147**	.155**	0.007	-.0029	0.013	0.005	-.0078	0.005	.205**	0.021	0.025	.318**	.100*	.136**	-.0022	.267**	-.122*	0.017	1					
20	7.076	1.333	-.152**	.368**	0.007	-.0031	0.014	0.039	0.027	-.0047	.551**	-.0046	.261**	.676**	.334**	.201**	-.0005	.160**	-.0063	.099*	.383**	1				
21	2.884	0.803	0.077	-.0087	0.022	0.058	-.0029	0.045	-.001	-.0024	-.210**	0.005	0.03	-.170**	-.0012	-.111*	-.123*	-.0053	0.037	0.017	-.150**	-.153**	1			
22	0.170	0.680	.171**	-.0076	0.008	-.0041	0.002	0.031	0.037	-.0046	0.045	-.0045	-.0047	0.02	0.039	0.031	.124*	-.177**	.283**	.280**	-.0016	-.0011	0.021	1		
23	3.538	0.685	-.0089	.162**	-.0064	-.0079	0.001	0.008	0.003	-.0029	.264**	-.0005	-.100*	.254**	-.0018	.134**	0.064	0.078	-.0081	0.062	.324**	.284**	-.492**	0.032	1	
24	3.300	0.718	-.157**	.192**	-.0057	-.0045	-.0029	-.0011	-.0055	-.0013	.245**	-.0035	-.113*	.263**	-.0003	0.074	.159**	.149**	0.075	.236**	.338**	.294**	-.432**	0.072	.721**	1

Note: 1-Industry, 2-Firm Size 3-Financial Performance(FP):Asset, 4-FP:Equity, 5-FP:Sales, 6-FP:Sales Profit, 7-FP:Net Profit, 8-FP:Employee Number 9-Market Strategy, 10-Business Strategy, 11- Environment Change(EC):Demand, 12-EC:New Release, 13-EC:Technology, 14-EC:Organization, 15-Gender, 16-Education, 17-Age, 18-Tenure, 19-Education&Training Participation, 20-Additional Wage Welfare Utilization, 21-Employee Stress, 22-Empowerment, 23-Employee Satisfaction, 24-Organizational Commitment

To fulfill the first purpose of this study which is to investigate the influence of HR practices (HR system and HR attitude) on organizational effectiveness (employee satisfaction and organizational commitment). This study analyzed the relationships among variables are analyzed with step-wise regression analysis. Step-wise regression was analyzed by seven steps, from step 1 to step 6, each step includes each of 6 variables shown in Figure 1, firm feature(M1), strategic feature(M2), environment change feature(M3), employee characteristic(M4), HR system(M5) and HR attitude(M6). And finally, in the 7 step, all variables are included(M7) as final. The regression result of employee satisfaction is shown in Table 2 4 and the regression result of organizational commitment is shown in Table 5.

4.1. Result of Employee Satisfaction

To analyze factors affecting employee satisfaction, this study applied step-wise regression analysis and results are summarized in Table 4. First, the effect of firm feature(M1) is statistically significant as F value is 2.119(*) and explains employee satisfaction 2.5%. However, the firm size of MBE(.171) dummy was the only statistically significant variable, meaning, an employee of MBE shows higher satisfaction compare to SME and SSE. The result shows firm size and financial performance are statistically not significant. Second, the effect of strategic feature(M2) is statistically significant as F value is 7.612(**) and explains employee satisfaction 6.3%. The result shows that market strategy gives a statistically significant influence on employee satisfaction however business strategy was statistically not significant. The result of market strategy influence shows that safe & sound(-.313) and leading(-.212) give a negative effect on employee satisfaction. This means safe & sound strategy firm employee's satisfaction is lower than leading and the initiative firm also leading firm employee's satisfaction is lower than safe& sound and initiative firm.

Both results implicate that initiative market strategy firm's employee shows higher satisfaction compare to safe & sound and leading. Third, the effect of environment change feature(M3) is statistically significant as F value is 12.660(**) and explains employee satisfaction 10.5%. Environment change feature which is employee cognition of change in two years, the result shows that demand and organization were statistically not significant. However new product/service release(.350) and technology(-.185) were statistically significant. Meaning, an employee satisfaction is high when employee recognizes firm with a new product/service release. And employee satisfaction is low when employees recognize technology change in the field. Forth, the effect of employee characteristic(M4) is statistically significant as F value is 4.655(**) and explains employee satisfaction 3.6%. The result shows that gender and education were statistically not significant. However age(-.256) and tenure(.251) yet show opposite result. Meaning, younger the employee higher the employee satisfaction and the longer the tenure of the employee higher the employee satisfaction. Fifth, effect of HR system(M5) is statistically significant as F value is 30.688(**) and explains employee satisfaction 13.0%.

The result shows that both education & training participation(.252) and additional wage welfare utilization(.187) give a positive influence on employee satisfaction. Sixth, effect of HR attitude(M6) is statistically significant as F value is 63.672(**) and explains employee satisfaction 24.0%. The result shows that stress(-.493) give statistically negative significance however empowerment was statistically not significant. And finally, in 7 step, all variables are included(M7) is statistically significant as F value is 9.206(**) and explain employee satisfaction 34.1%. The result shows that statistically significant influence variables are, from biggest to lowest, employee stress(-.402), market strategy of safe & sound(-.261) and leading(-.202), education & training participation(.191), technology(-.159) change of environment and age(-.149) of the employee. Therefore Hypothesis 1-1 and Hypothesis 2-1 are supported yet Hypothesis 1-2 and Hypothesis 2-2 are rejected. And all of the firm feature and business strategy variables were statistically not significant. Empirical result implicates that to increase employee satisfaction, HRM needs to decrease employee stress and increase education & training participation.

As market strategy results showed that both safe & sound and leading are negative which imply employee of initiative market strategy show higher job satisfaction than safe & sound and leading. And as environment change results showed that when employee recognize high technology change then employee satisfaction decrease. However, strategy nor environmental change is not something an organization could react or change immediately or/and easily. If it is so, doesn't organizations need to manage by firm situation fit? Therefore additional analysis of cross-validation method to confirm whether group differentiation is needed or equivalent approach is continued later.

Table 4: Result of Employee Satisfaction Regression Analysis

B(t)Sig		M1	M2	M3	M4	M5	M6	M7
Firm	Industry	-.039 (-.660)						-.014 (-.203)
	Firm Size	SME	del					del
		SSE	-.027 (-.453)					.093 (1.225)
		MBE	.171* (2.774)					.092 (.971)
	Financial Per.	Asset	-.061 (-1.009)					-.042 (-.841)
		Equity	-.049 (-.857)					-.030 (-.632)

		Sales	.027 (.466)					.008 (.166)	
		Sales Profit	.001 (.018)					.005 (.097)	
		Net Profit	.020 (.315)					.029 (.530)	
		Employee Number	-.009 (-.171)					-.026 (-.613)	
Strategy	Market	Safe & Sound		-.313** (-4.857)				-.261* (-2.398)	
		Leading		-.212** (-3.491)				-.202* (-2.044)	
		Initiative		del				del	
	Business	Quality Improvement		-.027 (-.457)					-.101 (-1.434)
		Cost Reduction		del					del
		Develop New P/S		.007 (.124)					.062 (.828)
Environ.	Environment Change Demand				-.095† (-1.837)			-.102† (-1.879)	
	New P/S Release				.350** (6.091)			-.052 (-.444)	
	Technology				-.185* (-3.035)			-.159* (-2.164)	
	Organization				.094 (1.918)			-.025 (-.355)	
Employee	Gender				.052 (1.000)			.030 (.644)	
	Education				.072 (1.380)			-.037 (-.748)	
	Age				-.256** (-3.605)			-.149* (-2.275)	
	Tenure				.251** (3.521)			.125† (1.888)	
sys.	Education & Training Participation					.252** (4.973)		.191** (3.948)	
	Additional Wage Welfare Utilization					.187** (3.686)		.094 (1.326)	
att.	Employee Stress						-.493** (-11.262)	-.402** (-9.245)	
	Empowerment						.042 (.959)	.041 (.933)	
Ad.R ²			.025	.063	.105	.036	.130	.240	
F			2.119*	7.612**	12.660**	4.655**	30.688**	63.672**	

Note: ** < 0.001, * < 0.01, † < 0.05, † < 0.1 *** † P/S=Product/Service, SME=small & medium enterprise, under 300 employee, SSE=small but strong enterprise, between 300to 999 employee, MBE=middle & big enterprise, over 1000 employee

4.2. Result of Organizational Commitment

To analyze factors affecting organizational commitment, this study applied step-wise regression analysis and results are summarized in Table 5. First, the effect of firm feature(M1) is statistically significant as F value is 2.471(*) and explains organizational commitment 3.2%. However, none of the variables were statistically significant. Second, effect of strategic feature(M2) is statistically significant as F value is 6.289(**) and explains organizational commitment 5.1%. The result shows that market strategy gives a statistically significant influence on organizational commitment however business strategy was statistically not significant like in employee satisfaction. The result of market strategy influence shows that safe & sound(-.285) and leading(-.171) give a negative effect on organizational commitment. This means safe & sound strategy firm organizational commitment is lower than leading and the initiative firm also leading firm organizational commitment is lower than safe& sound and initiative firm. Both results

implicate that initiative market strategy firm's employee shows higher organizational commitment compare to safe & sound and leading. Third, effect of the environment change feature(M3) is statistically significant as F value is 12.197(**) and explains organizational commitment 10.2%. Environment change feature which is employee cognition of change in two years, the result shows that organization was the only not significant one and others were statistically significant. Demand(-.115) and technology(-.158) gave negative influence, new product/service release(.350) gave positive influence on organizational commitment. Meaning, organizational commitment is higher when an employee recognizes the firm with a new product/service release. And organizational commitment is lower when employees recognize demand change and technology change in the field. Forth, effect of employee characteristic(M4) is statistically significant as F value is 13.210(**) and explains employee satisfaction 11.0%. As the result shows, gender is the only not statistically significant. Age(-.185) gave negative effect however education(.178) and tenure(.389) gave positive effect on organizational commitment. Meaning, younger the employee higher the organizational commitment and higher the education and the longer the tenure of the employee higher the organizational commitment. Fifth, effect of HR system(M5) is statistically significant as F value is 33.728(**) and explains organizational commitment 14.2%. The result shows that both education & training participation(.264) and additional wage welfare utilization(.193) give a positive influence on employee satisfaction. Sixth, effect of HR attitude(M6) is statistically significant as F value is 47.164(**) and explains organizational commitment 18.9%. The result shows that stress(-.434) gives statistically negative significance however empowerment was statistically not significant. And finally, in 7 step, all variables are included(M7) is statistically significant as F value is 9.790(**) and explain organizational commitment 35.7%. Result shows that statistically significant influence variables are, from biggest to lowest, employee stress(-.342), tenure(.265), education & training participation(.177), demand(-.133) and gender(.094) of employee. Therefore Hypothesis 1-3 and Hypothesis 2-3 are supported yet Hypothesis 1-4 and Hypothesis 2-4 are rejected. And all of the firm feature and strategy feature variables were statistically not significant. Empirical result implicates that to increase organizational commitment, HRM needs to decrease employee stress and increase education & training participation. As environment change results showed that when employee recognize high demand change then organizational commitment decrease. Like in employee satisfaction, additional analysis of cross-validation method to confirm whether group differentiation is needed or equivalent approach is continued later.

Table 5: Result of Organizational Commitment Regression Analysis

B(t)Sig		M1	M2	M3	M4	M5	M6	M7
Firm	Industry	-.094 (-1.593)						-.120† (-1.702)
	Firm Size	SME	del					del
		SSE	-.001 (-.020)					.036 (.484)
		MBE	.168 (2.732)					.025 (.267)
	Financial Per.	Asset	-.067 (-1.117)					-.067 (-1.343)
		Equity	-.001 (-.018)					.047 (.996)
		Sales	-.006 (-.102)					-.031 (-.658)
		Sales Profit	.036 (.549)					.034 (.613)
		Net Profit	-.052 (-.811)					-.055 (-1.028)
	Employee Number	.011 (.216)					.033 (.079)	
Strategy	Market	Safe & Sound		-.285** (-4.401)				-.159 (-1.439)
		Leading		-.171* (-2.979)				-.117 (-1.196)
		Initiative		del				del
	Business	Quality Improvement		.002 (.030)				-.086 (-1.239)
		Cost Reduction		del				del

P-value of $\Delta\chi^2$.296	.006	.377
---------------------------	------	------	------

To analyses moderating effect of the status quo, this study applied group differentiation analysis using cross-validation method analysis of MCFA and results are summarized in Table 6. Analysis was conducted by path analysis using AMOS22. Among the three status quo of firm, only statistically significant variables from Table 4 and Table 5 were continued analyzing cross-validation method. Therefore a group of firm size, business strategy, and environment features (demand, new product/service release, technology) were analyzed. Out of these, firm size and business strategy is categorical data however environment features were not therefore to variable environment feature(demand, new product/service release, technology), each environment feature was revariabalize into dummy variable as centered around the mean(lower than mean as 0, higher than mean as 1). As shown in Table 6, firm size, demand and technology results show P-value of $\Delta\chi^2$ were not statistically significant which means there is no group differentiation and this means that homogeneity of the group is secured therefore comparing group is meaningful. However, business strategy and new product/service release show P-value of $\Delta\chi^2$ were statistically significant which means there is group differentiation and homogeneity of the group is not secured therefore comparing group is meaningless. Therefore Hypothesis 3-1 and Hypothesis 3-3 are partially supported yet Hypothesis 3-2 is rejected. Therefore in Table 7, results of meaningful group comparison of status quo which is firm size, demand and technology's group comparison are summarized.

Table 7: Result of Group Comparison Analysis

D	IN	Firm Size			Demand		Technology	
		SME	SSE	MBE	Low	High	Low	High
ES	Education & Training Participation	.169*	.220*	.275**	.269*	.160*	.187**	.253**
	Additional Wage Welfare Utilization	.084	.143	.261*	.065	.246**	.177*	.099
	Employee Stress	-.490**	-.412**	-.368**	-.466**	-.457**	-.446**	-.451**
	Free Expression of Opposite View	.069	-.093	.076	.098	.028	-.004	.137†
OC	Education & Training Participation	.227**	.254*	.199*	.265*	.189**	.236**	.221*
	Additional Wage Welfare Utilization	.179*	-.044	.212*	.147	.231**	.149*	.174*
	Employee Stress	-.333**	-.413**	-.431**	-.353**	-.400**	-.420**	-.283**
	Empowerment	.116†	-.039	.117	.168†	.056	.048	.192*

Note: ** < 0.001, * < 0.01, † < 0.1 D=Dedendent variable(Organizational Effectiveness), ES=Employee Satisfaction, OC=Organizational Commitment, IN=Independent variable, SME=smal & medium enterprise, under 300 employee, SSE=small but strong enterprise, between 300to 999 employee, MBE=middle & big enterprise, over 1000 employee

According to cross-validation method analysis of MCFA in Table 6, among the status quo, firm size, business strategy, demand and technology's group differentiation seem meaningful therefore comparisons are summarized in Table 7. First, in firm size, education & training participation influence positively employee satisfaction and organizational commitment in all firm sizes. Also employee stress influence negatively to employee satisfaction and organizational commitment in all firm sizes. However, additional wage welfare utilization was positively influenced employee satisfaction only in MBE. To organizational commitment, additional wage welfare utilization was significantly positive in SME and MBE. Second, in environment change of demand, education & training participation influence positively employee satisfaction and organizational commitment in both groups. Also employee stress influence negatively to employee satisfaction and organizational commitment in both groups. However, additional wage welfare utilization was positively influenced employee satisfaction and organizational commitment only in the high-demand change group. Third, in environment change of technology, education & training participation and additional wage welfare utilization influence positively to employee satisfaction and organizational commitment in both groups. Also employee stress influence negatively to employee satisfaction and organizational commitment in both groups. However, additional wage welfare utilization was positively influencing employee satisfaction only in the low technology change group. And empowerment was positively influencing organizational commitment only in

high technology change groups and this empowerment influence is the only statistically significant influence shown in this study.

5. Conclusion

5.1. Discussion of the Findings

This study focused on the antecedent analysis of the organizational effectiveness of Korean employees. Organizational effectiveness is measured with job satisfaction and organizational commitment. And two research questions were answered. The first is based on the best-practice approach, which is focused on manageable variables. This analysis relationship between HRM practice and organizational effectiveness. To confirm the relation, regression analysis was conducted. This study includes two HRM practice concepts, HR system and HR attitude. HR system is measured with education & training participation and additional wage welfare utilization. HR attitude is measured with employee stress and empowerment. The second is based on the best-fit approach, which is focused on circumstantial variables. This analyses whether differentiation of status quo of firm situation needs to be considered during managing organizational effectiveness. To confirm the moderating effect of each status quo of firm, cross-validation method analysis continued.

Base on the empirical findings, managerial implications are as follows. First, as for manageable variable influence on employee effectiveness, to increase both employee satisfaction and organizational commitment, HRM needs to decrease employee stress and increase education & training participation. Therefore to decrease employee stress, organizations need to manage opportunities for development and promotion fairness, manage employee's tyre, help employees feel like helplessness and nervousness. To increase education & training participation, the organization should improve and promote their education & training system like whether to diversify or/and motivate to participate or/and give the incentive to participate. Second, as for circumstantial variables influence, employee satisfaction was affected by market strategy and technology environment change and age of the employee. And organizational commitment was affected by demand environment change, employee's gender and tenure. Third, the result of moderating role of circumstantial variables, among various status quo of firm, firm size, demand change and technology change was a statistically significant moderator. This implicates organization managers need to manage differently by firm size, demand change and technology change. The overall direction of influence seems accord however significant effect levels and figures differ by group.

This study serves three academic contributions. First, this study tried to apply both the best-practice and the best-fit approach of HRM. Most literature was inclined to the best-practice approach of HRM practice (Lam & Zhang, 2003; Humborstad & Perry, 2011; Savaneviciene & Stankeviciute, 2011; Atteya, 2012; Rahman et al., 2015; Choi et al., 2021; Yang et al. 2021; Lannes, 2021; Frinses et al., 2021; Park & Seo, 2021). A few included the best-fit approach (Pauwe & Boselie, 2005; Alleyne et al., 2006). Second, this study analyzed the best-fit approach by analyzing moderating effect analysis which is exploratory. Third, most literature analyzed HRM practice as a combined variable (Atteya, 2012; Rahman et al., 2015). However, this study tried to analyze each HRM practice as an independent variable so that concrete and practical implication could be suggested in managing HRM practice.

5.2. Limitations and Future research

Despite its managerial implications and academic contributions, this study has three limitations. And based on limitations, future research could be suggested. First, this study is applied a few variables therefore expand research is needed. For example, this study only applied education & training participation however in Choi et al.(2021) applied education & training satisfaction and HR department's strategic role. Lannes(2021) analyzed organizational communication and organizational climate. Frinses et al. (2021) analyzed organizational culture and organization strategy. Second, mystery or black-box remains between HRM practice and organizational effectiveness therefore mediator analysis could apply. For example, Savaneviciene and Stankeviciute (2011) studied mediating effect of AMO framework between HRM practice and HR reaction. Frinses et al.(2021) studied mediating effect of knowledge management between organizational culture, organization strategy and organizational effectiveness. Park & Seo (2021) analyzed mediating effect of managerial coaching. Third, this study analyzed organizational effectiveness(job satisfaction and organizational commitment) as a dependent variable however another organizational outcome could be considered like job performance (Yang et al.,2021), service effort (Humborstad & Perry, 2011) and turnover intention (Humborstad & Perry, 2011; Rahman et al., 2015; Park & Seo, 2021), financial performance (Huselid, 1995).

References

- Abdullah, M.S., Touean, M., & Anwar, K. (2017). The cost readdiness of implementin e-learning. *Costos e Agronegocio*, 13(2), 156-175.
- Alleyne, P., Doherty, L., & Greenidge, D. (2006). Human resource management and performance in the barbados hotel industry. *International Journal of Hospitality Management*, 25(4), 623-646.
- Anwar, K., & Balcioglu, H. (2016). The relationship between transformational leadership characteristics and effectiveness: a case study of construction companies in Erbil. *International Jouranl of Science Technoogy and Management*, 5(2), 250-256.
- Atteya, N. M. (2012). Testing the impact of the human resource managment practices on job performance: an epirical study in the Egyptian joint venture petroleum compnies, *International Journal of Business and Social Science*, 3(9), 105-118.
- Chew, J., & Chan, C. C. (2007). Human resource practices, organizational commitment and intention to stay. *International Jouranl of Manpower*, 29(6), 503-522.
- Choi, J. W., Lee, S. K., & Kim, S. D. (2021). The influence of HR department's strategic role on organizational effectiveness through education and traing stisfaction: focusing on the manufacturing industry. *Journal of Digital Convergence*, 19(6), 175-184.
- Frinses, K. E., Laba, R., & Reni, A. (2021). Effect of organizational culture and organizational strategy towards organizational effectiveness with knowledge management as an intervening variable. *HJBS*, 3(1), 65-78.
- Hameed, A. A., & Anwar, K. (2018). Analyzing the relationship between intellectual capital and organizational performance: a study of selected private banks in Kurdistan. *International Jouranl of Social Sciences & Educational Strudies*, 4(4), 39-52.
- Humborstad, S. W., & Perry, C. (2011). Employee empowerment, job satisfaction and organizational commitment an in-depth empirical investigation. *Chinese Management Studies*, 5(3), 325-344.
- Huselid, M. A. (1995). The impact of human resource managment practices on tunover, productivity, and corporate financial performance. *The Academy of Management Journal*, 38(3), 635-672.
- Ismael, N. B., Othman, B. J., Gardi, B., Hamza, P. A., Sorguli, S., Aziz, H. M., Ahmed, S. A., Sabir, B. Y., Ali, B. J., & Anwar, G. (2021). The role of training and deveopment on organziational effectiveness. *International Journal of Engineering, Business and Management*, 5(3), 14-24.
- Kim, J. H. (2014). The role of HR's a strategic partner: the effects of human resource management and human resource deveopment on the organizational effectiness. Master's Thesis. Ewha Womans Universit.
- Lam, T., & Zhang, H. Q. (2003). Job satisfaction and organizational commitment in the Hong Kong fast food industry. *International Journal of Contemporary Hospitality Management*, 15(4), 214-220.
- Lannes, H. (2021). Effect of organizational communication on organizational climate and organizational effectiveness. *Undergraduate Journal of Psychology*, 31(1), 31-39.
- Lee, B. D. (2013). A study on the efect of organizational culture ad leadersip on organizational effectiness in Korean police: focusing on the mediating effect of social capital. Doctoral Dissertation. Korea University.
- Paauwe, J., & Boselie, P. (2005). HRM and performance: what next? *Human Resource Management Jouranl*, 15(4), 68-83.
- Park, E. M., & Seo, J. H. (2021), The effect of psychological empowerment on organizational commitment and turnover intention: focusing on the mediating effect of job stress and managerial coaching behavior, *Journal of the Korea Convergence Society*, 12(7), 181-191.
- Rahman, W., Rahman, H., & Ali, F. (2015). Interrelationship of employee development, organizational commitment, job satisfaction and their impact on tunover interntions, *City University Research Journal*, 5(2), 301-314.
- Savaneviciene, A., & Stankeviciute, Z. (2011). Human resource management practces linkage with organizational commtment and job satisfaction. *Economics and Managment*, 16(1), 921-928.
- Shahnwaz, M. G., & Juyal, R. C. (2006). Human resource managment practices and organizational commtiemtn in different organizations. *Journal of the Indian Academy of Applied Psychology*, 32(3), 171-178.
- Yang, S. Y., Chen, S. C., Lee, L., & Liu, Y. S. (2021). Employee stress, job satisfaction, and job performance: a comparison between high-technology and traditional industry in Taiwan, *Journal of Asian Finance, Economics and Business*, 8(3), 605-618.

Yuchman, E., & Seashore, S. (1967) A system resource approach to organizational effectiveness. *American Sociological Review*, 32(6), 891-903.