



RESEARCH PAPER

Examining the Link between Organizational Structure and Organizational Performance: A Serial Mediation Analysis

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ABSTRACT

The particular aim of this research was to examine the organizational structure as an antecedent of firms' performance relative to other competitors. In doing so, human resource related factors that may connect the performance and well-being output to organizational structure are also studied as mediators through survey research strategy. This study followed the quantitative survey based research strategy with multi-stage sampling technique. 344 Middle level managers serving currently in different export processing zones' firms of Pakistan constituted the sample of the study survey from these managers in three time lags. For this explanatory research, the current study assessed the serial mediation regression analysis was done by Hayes (2017) process model. Based on survey of employees working in the firms at export processing zones firms, this research confirms that the firms that have organic organizational structure along with better high performance human resource practices would yield more well-being for employees and better organizational performance in Pakistani context. In addition, the current study represents various future recommendations.

KEYWORDS Employee Well-being, High Performance HR Practices, Organizational Performance, Organizational Structure

Introduction

Today's business environment is categorized by technological advancement, innovation, corporate downsizing, flexibility, speed, and globalization, making it harder for managers to increase performance. In order to compete, survive, and flourish, organizations must be more entrepreneurial (Dess, Lumpkin, & McGee, 1999; Meyer, Neck, & Meeks, 2002). Continuously, organizations encounter both internal and external pressures. For improved performance, an organization must surmount these external and internal pressures (Abu-Jarad, Yusof, & Nikbin, 2010). In addition, the organization's performance must justify its existence to society. The term firm performance is defined as "a degree of overall success, market success, growth rate profitability, and innovativeness in comparison with major competitors" (Lee & Choi, 2003, p. 189). Performance of an organization is related to its effectiveness, efficiency, productivity, excellence, or quality, etc. (Jon & Randy, 2009). Some researchers have constructed firm performance as an operationalized relative construct at the firm level.

The performance of an organization has financial, social, and environmental implications. When organizations focus not just on material aspects such as money, buildings, equipment, technology, and various other resources, but additionally on their own firm structure, they are more likely to generate positive social outcomes, most notably

human well-being. The organizational structure has evolved to contribute to the firm's overall performance (financial and non-financial performance). Avdelidou-Fischer (2015, p. 175) emphasized the significance for assessing firm performance and the significance of an organizational structure as the "vehicle through which managers may organise the tasks of the numerous divisions or functions to maximize their knowledge and skills." In addition, Nene and Pillay (2019) indicated that an organization's structure is the formal method by which task requirements are divided, organized, and coordinated. For an enterprise to be powerful and efficient, its organizational structure have to coincide with its primary goals. According to a study by Khaleghi et al. (2013), "firm structure serves as a crucial part in the growth and success of a firm." Similar to what Khaleghi et al. (2013) stated, "a successful organization usually employs a horizontal and much less complex structure."

An established body of literature has investigated a number of factors that affect the performance of an organization, such as high performance work systems, organizational culture, and corporate governance (Fan et al., 2014; Abu-Jarad et al., 2010; Zaman et al., 2015). As a result of a healthy work environment, organizations ensure that their employees are well-off, committed, satisfied, less likely to abandon the organization, execute better extra- and in-role, and are more creative in order to boost performance (Joo, Park, & Lim, 2016). Well-being is defined as "more than happiness" (Marks & Shah, 2004, p. 2) and as "feeling happy and fulfilled, growing as an individual, and contributing to the community." Typically, a person's condition of wellbeing is one of positivity. The evolving business worldview makes it a priority to maintain the physical and mental health of the personnel in order to conduct efficient work and maintain a healthy work environment. As individuals spend more time on job-related activities within the organization, it becomes essential for employers to demonstrate a commitment to their employees' well-being (Ananthram et al., 2018). According to Kim et al. (2019), the antecedents of employee well-being in enterprises include workplace safety, nature of work and work environment. However, the impact of human resource practices on employee well-being remains understudied.

In previous studies, the influence of high-performance human resource (HPHR) practices on the organizational performance has been extensively investigated (Bae & Lawler, 2000). Appelbaum et al. (2000) define HPHR practices as "coherent practices that enhance the skills of the workforce, participation in decision making, and motivation to exert discretionary effort" (p. 26). Numerous studies have examined the relationship between HPHR practices, employee behaviors and attitudes, and organizational performance (Kehoe & Wright, 2013; Sun et al., 2007; Van Esch et al., 2018; Zhang & Li, 2009). However, very little research has been conducted on the link between organizational structure, HPHR practices, and employee well-being. Despite this, some studies (Naoum, 2001) investigate the relationship between organizational structure and employee job satisfaction. Prior research studies have demonstrated the correlation between organizational structure and employee job satisfaction. Job satisfaction is a vital component of employee well-being. It should be investigated further in a manner that includes other interconnected aspects of employee well-being. Consequently, the current study proposed a connection between organizational structures and employee well-being. HPHR practices that may have an impact on the well-being of employees are a neglected area in the existing literature.

Overall, the aim of this investigation is to analyze the likely organizational structure in the with respect to HPHR practices that translate to increased employee well-being and should ultimately lead to an increase in the firms performance of firms operating in Pakistan's export processing zones.

Literature Review

Social Exchange Theory

Social exchange theory proposed by Blau (1964) remains pertinent for comprehending the association between firms and employees. It suggests that when organizations invest in high-performance human resource practices while creating a supportive organizational structure, employees view these efforts as supportive acts. In exchange, employees demonstrate greater dedication, commitment, and performance, resulting in enhanced organizational outcomes. Employee wellbeing is anticipated to contribute to organizational performance, enabling an indirect connection between supportive organizational structure and organizational performance, thereby showing the mutual gains from viewpoint of human resources management and its positive effects for both the firm and its staffs (Van De Voorde et al., 2012). Social exchange theory as well as the principle of reciprocity support these kinds of interactions, as workers tend to reciprocate how they are handled in their organization; consequently, feeling satisfaction with work as result of the empowerment that they experience may motivate them to respond with enhanced performance, which contributes to the overall success of the organization. According to the majority of HRM literature (Jiang et al., 2012), employee attitudes are crucial to attaining organizational performance.

Organizational Structure and Organizational Performance

Organizational structure is defined by Teixeris et al. (2012) as "the network of relationships and roles existing throughout the organization." Organizational structure is the vehicle that links and organizes the roles, authority, and power of people within the framework. Organizational structure is a mechanism that directs the behavior of individuals based on the workplace's objectives and values (Tran Tian, 2013). However, it has been described as a method by which businesses differentiate and integrate themselves through the assignment of their jobs roles and responsibilities.

In recent years, researchers have endeavored to determine which organizational structure is most favorable to success, and they have asserted that the structure of a company must take into account the requirements of its employees (Holagh et al., 2014). According to scholarly research, Burns and Stalker (1961) structures are one of the most widely used mechanistic and organic structures. The mechanistic structure is distinguished by its formalization, standardization, and centralization. Therefore, in mechanistic organizations, employees have a clear comprehension of their job description and are expected to adhere to specific regulations, procedures and practices,

In contrast, organic organizations are flexible, less hierarchical, and responsive to environmental conditions, so that people's behaviors are guided by their shared values and desires. In addition, organic companies have an informal communication network, casual authoritative system, and collaboration opportunities during the hiring process (Danzfuss, 2012). Due to these factors, the organization's structure has significant and substantial effects on both individuals and organizations. Tata and Prasad (2004) assert that an organization's structure has a positive as well as negative impact on organizational performance and effectiveness. Many studies have found a significant relationship between organic structures and higher organizational performance (Tarigan, 2005; Enz, 2008). On the basis of above-mentioned literature we proposed that:

Hypothesis 1: Organic structure (mechanistic structure) has positive (negative) impact on organizational performance.

Organizational Structure and High-Performance HR Practices

A number of practitioners desired to transfer the focus away from employees' attitudes and commitment so that job structure, skill formation, pay satisfaction, and performance management might be added to the list of HR practices that can impact performance. Recent emphasis has been applied to HPHR practices as a key success factor in today's complex environment (Peffer, 1998). HPHR practices seeks to improve the performance of an organization with the help of its employees (Armstrong, 2001). In addition, it is generally accepted that human resources/employees are of exceptional value for any organization.

The goal of executing HPHR practices is to establish open, adaptable and a compassionate management style that promotes workers not just to be motivated, but additionally establishes and supervises them so that they put extra effort to support the organization's missions (Marescaux et al., 2012). The organic firms' structure has an enviable connection with HR practices, according to prior research. Employees can easily create a job that best fits their abilities, requirements, and desires with their career when they work in organic organizations because they actively seek out feedback and support and take part in decision-making (Tims et al., 2013). In contrast, employees in mechanistic organizations do not participate in the decision-making process.

In light of the preceding debate; we suggested following hypothesis

Hypothesis 2: Organic structure (mechanistic structure) has positive (negative) impact on HPHR practices.

High-performance HR practices and employee wellbeing

In the well-being viewpoint, a healthy workforce can be described by the expression of good emotions in workers, which eventually leads to a more productive and content workforce (Harter, Schmidt, & Keyes, 2002). HPHR practices are put into place by organizations, such as ensuring training, rewards, job security, and compensation, and participation in decision-making, which helps to create happier and more productive workers.

Current research on HR practices shows that HR practices positively and significantly affect employee well-being. Employee well-being is positively impacted by some human resource policies, including performance review, training and development, fair compensation, and employment security (Deery et al., 2002). Browne (2000) investigated the link between organizational effectiveness, recognition, employee job satisfaction and HR strategies such employee communication, internal job opportunities, continuous growth and development. According to Kim et al. (2019), HR practices has a positive impact on employees. So, we hypothesized that:

Hypothesis 3: HPHR practices have a positive effect on employee well-being.

Employee Well-being and Organizational Performance

Theoretically and empirically, employee well-being and organizational performance frequently have a connection by the assumption that employee well-being results in a greater level of employee performance (Taris, 2006), which leads to improved organizational performance. Well-being is frequently interpreted as an affective as well as worldwide (Diener et al., 2009). Scholars in organizational psychology, on the other hand,

have deemed it appropriate to concentrate on work-related well-being as it happens in the context of organizations (Warr & Inceoglu, 2018).

Research on wellbeing suggested that job satisfaction as a motivating factor such as higher levels of person-level satisfaction and happiness, will contribute to improved effort and greater employee loyalty, resulting for better quality products and greater one's own productivity and (Bakker et al., 2008). As a result, there are more contented and dedicated workers, which improves organizational performance (Koys, 2001). Previous studies indicate that higher levels of employee wellbeing are commonly expected to boost employee motivation and performance, which would increase the performance of the firms (Taris, 2006).

According to the literature, firms with highly satisfied employees should be more productive compared to other organizations, as satisfied employees will work longer and exert more effort. In addition, their clients will have a favorable opinion of these companies because their employees are going to be motivated while working diligently, resulting in better quality goods. Employee costs for these firms will be minimal since happy workers put in more effort and finish jobs faster as compared to individuals for other organizations. As a result, organizations with happy employees will operate more effectively and productively. Employee well-being will therefore rise when they are satisfied with their jobs, which will improve the performance of the company. As such, it is hypothesized that:

Hypothesis 4: Employee well-being has a positive effect on organizational performance.

Mediating role of HPHR practices in the relationship between Organizational Structure and Organizational Performance

Studies that support the link between HR practices and organizational performance (Ho & Kuvaas, 2020; Farouk et al. 2016; Moideenkutty et al., 2011). HPHR practices make employees happier and more motivated at work (Hauff, Felfe & Klug, 2022). Positive psychology asserts, moreover, that happy people can cultivate attributes that lead to higher self-fulfillment and provide positive support for others. It can be concluded from the preceding argument that, based on psychological research, HPHR practices foster employee satisfaction with the organization, which in turn encourages them to participate in crucial organizational activities that ultimately increase the organization's performance.

Past literature on HR practices has demonstrated that implementing HR practices can reduce stress levels (Gould-Williams & Mohamed, 2010). In addition, Kehoe and Wright (2013) examined the effect of HPHR practices on worker behaviors as well as attitudes. This study demonstrates that HPHR practices affect employee behaviors and attitudes positively. According to the study done by Shantz et al. (2016), HR practices are able to decrease employee fatigue if they improve their performance. This will eventually contribute to an improvement in the organization's performance. Thus we hypothesized that:

Hypothesis 5: HPHR practices plays a mediating role between organizational structure and organizational performance.

Mediating role of Employee well-being in the relationship between organizational structure and organizational performance

Kanter (1993) explains that a company can be described in a way that enables workers to readily access the necessary information and resources, as well as support and improvement opportunities, such as a company that empowers and decentralizes its

employees, which, in turn, increases employee job satisfaction (Willem, Buelens, and De Jong, 2007). In recent years, scholars have endeavored to identify the corporate structures that provide the most benefits. Organizational structures, according to Conner and Douglas (2005), must take into account the varying individual requirements of employees. To achieve this, we can place all organizations on a continuum ranging from mechanistic to organic. The characteristics of mechanical organizations are standardization and hierarchy. In this regard, Max Weber's concept of bureaucracy represents a mechanical organization. Organic organization, on the other hand, denotes a lack of standards (Mintzberg, 1983, p. 35) and can be explained by mutual dependence of the individuals, diffusion of power, and dedication to the organization's objectives.

The organizational structure appears to serve as a strong indicator of the behaviors and responsibilities of employees. Excellent organizations, for instance, follow an organic structure by enabling their staff and enabling them to participate in the process of making decisions (Grunig et al., 2002), which increases employee job and organization satisfaction. In previous decades, well-being was viewed through the lens of psychological pressure and job satisfaction (Winefield et al. (2003). However, job satisfaction is viewed as an outcome variable in more recent studies of employee well-being (Rodwell & Munroe, 2013). As a result, if workers are happy in their current position, their general well-being will increase. Hence we hypothesized that:

Hypothesis 6: Employee well-being plays a mediating role between organizational structure and organizational performance.

Serial Mediation of High-Performance Human Resource Practices and Employee Wellbeing

In today's business world, most of the companies are starting to give their workers the autonomy they need to create the organic structure and develop the critical adaptability and flexibility reaction. Given the positive relationships mentioned by Kirkman and Rosen (1999) and the fact that a company becomes more flexible and adaptable as a result of increasing employee involvement and empowerment in decision-making, self-managing teams appear to be a fantastic innovation for coping with the changing environment. The biggest and most widespread effects of this innovation, though, seem to be related to HRM's general position. When an organization moves from a centralized, operational structure into a more decentralized one, the role of the department of human resources must change (Banner, Kulisch, & Newman, 1992).

The majority of researchers today link performance to high-performing work environments, which in turn promote employee happiness. However, societal and workplace developments are continuously putting employee well-being in jeopardy (Guest, 2017). As a result, it is imperative to concentrate on HRM methods that address the needs of employees' well-being. According to studies (Huettermann & Bruch, 2019; Yang et al., 2019), the idea of employee wellness is a broad notion with too many implications. The idea of well-being and HRM were also addressed in the substantial body of literature in terms of HPWP and organizational performance. Marimuthu, Arokiasamy, and Ismail (2009) analyzed the relationship between human resource development and company performance in the context of developmental economics. They argued that human capital development is a fundamental solution for developing economies to join the global economy, and therefore it is necessary to invest time and resources in acquiring the knowledge, skills, and education that will result in what is known as human capital investment (Pamela, Umoh & Worlu, 2017). It is expected that if an organization invested in their human resource development strategies it will affect the employees attitude and

behavior (such as employees wellbeing), which has a positive effect on the performance of the firm.

Based on the literature reviewed, we proposed the following hypothesis:

Hypothesis 7: HPHRP and employee wellbeing jointly mediates the relationship between organizational structure and organizational performance.

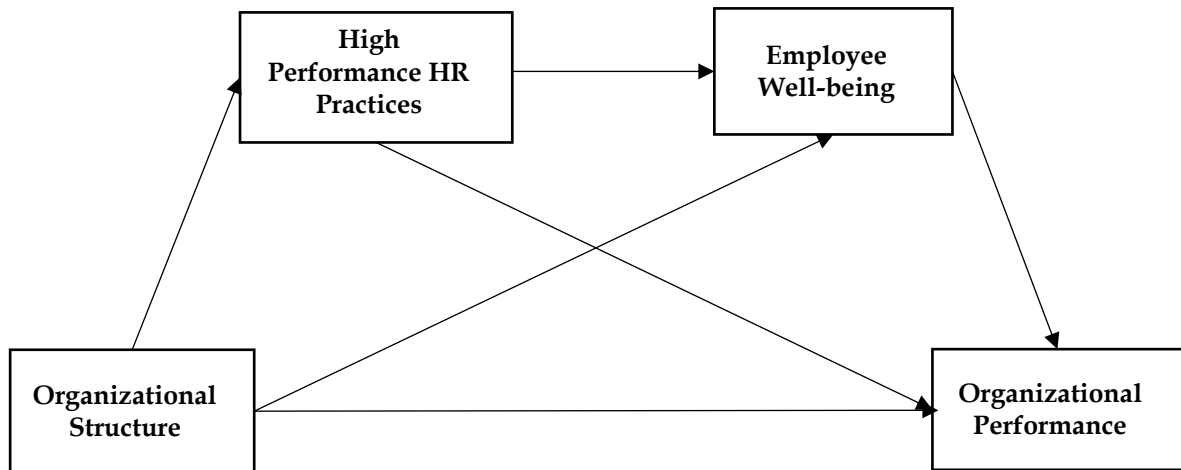


Figure 1: Theoretical Framework

Material and Methods

Participants and Data Collection

Current research work used a quantitative method. Middle level managers working in various companies in Pakistan's export processing zones represented the study's population. Middle level managers have been selected because top level managers are more difficult to reach and middle level managers are more ready to share data than top level managers. Middle-level managers serve as a vital link between upper-level supervisors and lower-level workers. Top level managers design the strategy, which are executed by middle level managers (Johnson, Whittington, & Scholes, 2011). Middle level managers should be aware of whether or not the organization's structure are being implemented effectively. Due to the fact that data was gathered at several points in time, the present investigation was longitudinal in nature.

Data for this investigation was gathered utilizing a panel in three stages (lags). Potential participants were found ahead of the initial movement after data were used to identify export processing zones. We were able to match data from three lagged periods of data collection because we gave each eligible middle level manager a special code. Data for the independent variable was gathered in the first movement. The same respondents were used to collect the data for the mediator variable a second time, and the same respondents were used to gather the data for the dependent variable in the final movement. 500 questionnaires were distributed and 361 were received back having after three time lags. The response rate was 72%. After the data cleaning process the outliers, unengaged response and missing data was identified and handled accordingly. After the data cleaning process 344 questionnaires were usable and response rate was 69%.

Measures

Measures used in this research work were well-established scales. The questionnaires were responded by middle level managers of firms in export processing zones of Pakistan. It was administered in English which is easily understood by the respondents. For measuring organizational structure, Nandakumar et al. (2010) scale of 6 items was used. A four-item scale by Brunetto et al. (2011) was used to assess employee well-being. HPHR practices were assessed by using a 27-item scale created by Sun et al. in 2007. Organizational performance scale was taken from Lee & Choi (2003). It has a five-item scale.

Sample Characteristics

In Table 1, we describe the characteristics of the sample. These characteristics consists of gender, age, qualification and experience of the individuals of understudied sample. Table 2 represents the percentage and frequency of the demographic variables.

Table 1
Sample Characteristics

Gender	Frequency	Percentage
Male	288	83.7
Female	56	16.3
Age		
25-30	89	25.8
31-35	130	37.7
36-40	111	32.5
41-45	14	04
45 or above		
Qualification		
Bachelors	98	28.5
Masters	145	42.2
Mphill	97	28.2
PhD	04	0.01
Experience		
< 3 years	51	14.8
3 to 6 years	174	50.6
6-9 years	94	27.3
9-12 years	25	7.3
12 or above	0	0

Results and Discussion

Descriptive Statistics and Correlation Analysis

Reliability, correlation, Mean and standard deviation of the variables are given in Table 2. Organizational performance shows maximum mean score of 5.54 and SD of 0.65, predicting a higher level of organizational performance in the organizations of Pakistani export processing zones. Table 2 also indicates that organizational structure is positively and significantly correlated with HPHR practices ($r=.332$, $p<.01$) and organizational performance ($r= 0.411$, $p< 0.01$). The findings of correlation analysis also predict that HPHR practices are positively and significantly correlated with employee wellbeing ($r=.308$, $p<.01$), organizational performance ($r=.258$, $p<.01$). The results also depicts that employee

wellbeing show significant and positive relation with organizational performance ($r=.258$, $p<.01$). Findings of correlation table give us a go ahead to conduct further statistical analyses because most of the results are aligned with the hypothesized relationships.

Table 2
Mean, Standard Deviation, Reliability and Correlation Analysis

	Mean	SD	1	2	3	4
Organizational Structure	5.11	0.87	(0.85)			
High Performance HR Practices	4.97	0.93	0.332**	(0.89)		
Employee Well-being	5.28	0.81	0.310**	0.308**	(0.76)	
Organizational Performance	5.54	0.65	0.411**	0.258**	0.561**	(0.92)

** . Correlation is significant at the 0.01 level (2-tailed).

* . Correlation is significant at the 0.05 level (2-tailed).

Path Analysis

Findings of the current study indicates that the organizational structure is positively and significantly related to organizational performance ($\beta = 0.22$, $p < 0.001$), effect of organizational structure is positively related to HPHR practices ($\beta = 0.28$, $p < 0.001$), HPHR practices is significantly related to employee well-being ($\beta = 0.19$, $p < 0.001$) and employee well-being is positively related to organizational performance ($\beta = 0.52$, $p < 0.001$). Hence, hypothesis 1 to hypothesis 4 were accepted (see **Table 3**).

Table 3
Evaluation of Direct Relationships and Serial Mediation

	Paths	Estimates		95% CI LLCL, ULCL	Result
H1	OS-OP	0.32	$p < 0.001$	0.34, 0.53	Supported
H2	OS- HRHRP	0.28	$p < 0.001$	0.29, 0.48	Supported
H3	HRHRP -EW	0.18	$p < 0.001$	0.12, 0.25	Supported
H4	EW-OP	0.52	$p < 0.001$	0.40, 0.60	Supported
H5	OS-HRHRP- OP	0.04	$p < 0.001$	0.01, 0.07	Supported
H6	OS -EW-OP	0.10	$p < 0.001$	0.06, 0.17	Supported
H7	OS-HRHRP-EW-OP	0.05	$p < 0.001$	0.02, 0.09	Supported
	Total Indirect Effect	0.19	$p < 0.001$	0.14, 0.27	
	Total Effect (direct/indirect)	0.51	$p < 0.001$	0.40, 0.60	

OS= Organizational Structure; **HRHRP=** High Performance HR Practices; **EW=**Employee Wellbeing; **OP=** Organizational Performance

Furthermore, the analyses examined the mediating effect of organizational structure on organizational performance via HPHR practices and employee well-being. The analysis of the current research work represents that the effect of organizational structure on organizational performance was mediated by HPHR practices effect ($\beta = 0.04$; 95% CI= 0.01, 0.07), supporting Hypothesis 5. Additionally, the results shown in **Table 3** depicts that employee wellbeing significantly mediates the relationship between organizational structure and organizational performance, with indirect effect ($\beta = 0.10$; 95% CI= 0.06, 0.17). Hence, hypothesis 6 was supported by the results. The findings of this study also indicates that HPHR practices and employee well-being significantly mediate the effect of organizational structure on organizational performance as the direct effect between these variables is significant ($\beta = 0.22$; 95% CI = 0.16, 0.20) and indirect effect

between these variables is also significant ($\beta = 0.05$; 95% CI = 0.01, 0.06), as 95% confidence interval does not include zero. Therefore, Hypothesis 7 was also accepted (see **Table 3**).

Discussion

The result of current study depict that organizational structure positively and significantly affect employees' wellbeing. It represents that the organizations in export processing zones follows organic structure. Organizational structures have been studied in earlier literature in two continuums: organic and mechanistic structures. According to earlier research, organizational structure has an impact on how effectively and efficiently a company operates (Tata & Prasad, 2004). The key characteristics of organizations with a mechanistic structure are centralization and formalization. Employee work satisfaction typically declines in these businesses. As a result, prior research indicates that organizations focused on structured processes and regulations, as well as centralized decision-making, discourage employees from performing their jobs effectively. Therefore, in businesses with a highly centralized decision-making process and formal structure, it is exceedingly challenging to attain greater job performance (Johari & Yahya 2019).

For a business to succeed, employees need a decentralized organizational structure that is adaptable. This is as a result of the employees' abilities being strengthened by a decentralized and flexible structure. In their investigation, Campbell et al. (2004) found a positive relationship among vertical engagement and worker well-being and job satisfaction. Previous studies have demonstrated the value of empowerment and decision-making participation, which entail greater decentralization, for improving employee well-being. According to research by Flanagan and Flanagan (2002), organizational structure has a direct and indirect impact on how satisfied employees are with their jobs. In particular, the structure affects how satisfied employees are with various aspects of their jobs, such as autonomy and interaction, which are connected to their wellbeing.

Employees' perception that they might lose their jobs if they do not perform well at work is a source of stress with detrimental effects on well-being (Gallie, 2013). However, the wellbeing of the workforce would be improved by the implementation of high-performance HR strategies. So it is expected that this will also have an effect on organizational performance.

Conclusion

A clear understanding of organizational structure can help firms to achieve competitive advantage and prosper. This research work aims to accomplish this goals as knowing if organizational structure effects the organizational outcomes – e.g., employees' wellbeing and performance of the organization in this case – is quite important.

Few studies have been done that thoroughly explored the relationship between organizational structure, performance, and employees' wellbeing, according to the prior literature. More crucially, there has been little research into human resource-related aspects that might link organizational structure and performance. The present research expands the focus of attention to analyzing this essential relationship by adding into scholarly debate, the consequences of organizational structure on human resource management practices that leads to higher employees' wellbeing, which results in improved performance of an organization, this study moves the focus of attention to analyzing this essential link.

We found that the more the organic organizational structure the more is the employee wellbeing. While the more the mechanistic organizational structure, less is the employee wellbeing. Not surprisingly, firms at export processing zones were found high on HPHR were equally good in terms of employees' wellbeing. The findings of the current study also confirm that HPHR practice also plays a mediating role between organizational structure and organization performance via employee well-being.

Recommendations

This study has some future recommendations. Current study is based on few Pakistani EPZs which limits the generalizability of this research. In future all Pakistani EPZs may be included to conduct large survey. Moreover, present study has included only middle level managers, future studies may include employees working at all hierarchical levels to broaden the scope. This have also relied on managerial perception to record the firm's performance level; more proven alternative ways can be used in future research in this regard. The strategy-action-outcome framework was employed in this research can be used with different set of mediators to further our understanding of the phenomenon. This research relies on self-reported data so problem of common method bias may seep in. To avoid this problem temporal separation was employed as predictors (configuration variables), mediator (high performance work systems) and outcome variables (social – employee wellbeing; financial – performance) were separated in time. Moreover, validated scales were used in current study and fully ensured the privacy and anonymity of respondents. It is believed that self-reported data are highly suitable for this research work as middle level managers constitute a good source to operationalize the constructs of this study.

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