



HRM Perceptions and Organizational Citizenship Behavior: A Moderated and Mediation Model of Innovative Work Behavior and Hierarchical Position

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Abstract: The study examines the influence of employees' perceptions of Human Resource Management (HRM) practices on Organizational Citizenship Behavior (OCB), with Innovative Work Behavior (IWB) as a mediator and hierarchical position as a moderator, within the Indonesian banking sector undergoing digital transformation. A quantitative explanatory design was employed using survey data from 843 employees across top, middle, and lower managerial levels. The study applied Partial Least Squares–Structural Equation Modeling (PLS-SEM) to test the hypothesized relationships. The results reveal that employment security and performance assessment & reward significantly predict OCB, whereas job autonomy, recruitment, and training & development exhibit no direct effects. IWB partially mediates the relationship between HRM practices and OCB, particularly for job autonomy, training & development, and performance assessment & reward. Multi-group analysis further indicates that employment security exerts stronger effects among lower- and middle-level employees, while performance assessment & reward is more salient for top-level employees. The findings extend Social Exchange Theory and the Theory of Purposeful Work Behavior by elucidating the psychological mechanisms linking perceived HRM practices to OCB across hierarchical levels. Practically, the study highlights the need for contextually adaptive HRM strategies to enhance engagement and discretionary behaviors in organizations facing rapid change.

Keywords: HRM Perception; Organizational Citizenship Behavior; Innovative Work Behavior; Hierarchical Position, Indonesia Banking Sector.

1. INTRODUCTION

Human Resource Management (HRM) has long been recognized as a critical strategic lever for enhancing organizational performance and sustaining competitive advantage (Wright & Nishii, 2007). Beyond its administrative role, contemporary HRM focuses on aligning human capital with organizational strategy by shaping employees' skills, attitudes, and behaviors (Kehoe & Wright, 2013; Wang et al., 2020). In particular, HRM practices are expected to foster Organizational Citizenship Behavior (OCB)—voluntary, discretionary behaviors that are not formally rewarded but significantly contribute to organizational effectiveness (Organ, 1988; Podsakoff et al., 2016). OCB has been shown to improve team functioning, service quality, adaptability, and organizational performance across a variety of sectors and cultural contexts (Huang & He, 2022; Jain et al., 2014).

Much of the empirical evidence on HRM–OCB relationships has emerged from Western contexts, where formal HRM systems are well institutionalized and organizational structures are relatively less hierarchical (Snape & Redman,

2010). In contrast, less is known about how employees' perceptions of HRM practices influence their OCB in emerging economies, where institutional environments, cultural norms, and organizational hierarchies differ significantly (Giancaspro et al., 2021; Zhu & Warner, 2019). *Perceived HRM practices* refer to employees' subjective evaluations of HRM implementation within their organizations, which often diverge from intended or formal HRM policies (Wright & Nishii, 2007). Social Exchange Theory (SET) suggests that when employees perceive HRM practices as supportive, fair, and empowering, they reciprocate through positive attitudes and behaviors such as OCB (Alfes et al., 2013; Blau, 1964). Conversely, when HRM practices are perceived as inconsistent, unfair, or unsupportive, employees may withhold discretionary effort, leading to lower engagement and reduced extra-role behavior (Kuvaas, 2008; Snape & Redman, 2010).

The Indonesian banking sector provides a relevant and underexplored context for examining these dynamics. It consists of both state-owned and private banks that together employ hundreds of thousands of workers across multiple hierarchical levels. In recent years, banks in Indonesia have

placed growing emphasis on strategic HRM programs—including recruitment and selection systems, training and development initiatives, employment security policies, performance assessment mechanisms, and the promotion of job autonomy—to strengthen workforce capabilities and support organizational change. These programs aim not only to improve technical competencies but also to cultivate employees' willingness to engage in innovative and citizenship behaviors that go beyond formal job descriptions. Importantly, these HRM initiatives are implemented across top, middle, and lower organizational levels, where employees experience and interpret HRM differently due to variations in authority, resources, and expectations.

Despite these developments, empirical research on how perceived HRM practices affect OCB in the Indonesian banking sector remains scarce. Existing studies in Indonesia tend to focus on HRM and employee performance outcomes in isolation, without investigating the psychological mechanisms or contextual boundary conditions that shape discretionary behaviors such as OCB. Moreover, organizational structures in Indonesia tend to be hierarchical and collectivist, which may alter how employees perceive and respond to HRM systems compared to Western contexts (Huang & He, 2022; Morrison, 2006). This raises important questions about whether established HRM–OCB relationships hold in this setting and how these relationships may vary across hierarchical positions.

Building on Social Exchange Theory (SET) and the Theory of Purposeful Work Behavior (TPWB), this study provides a nuanced explanation of how perceived HRM practices influence OCB through psychological mechanisms and contextual moderators. SET posits that social relationships are governed by reciprocity norms: when organizations provide supportive, fair, and meaningful HRM practices, employees feel obligated to reciprocate with positive attitudes and discretionary behaviors (Blau, 1964). Perceived HRM practices serve as critical signals that shape employees' beliefs about how much the organization values their contributions and cares about their well-being (Wright & Nishii, 2007). In turn, these beliefs influence employees' engagement in behaviors that benefit the organization, including OCB (Podsakoff et al., 2016; Wang et al., 2020).

Complementing SET, TPWB offers insight into how job and contextual characteristics shape employees' higher-order goals and experiences of meaningful work, which then drive motivated behaviors (Barrick et al., 2013). According to TPWB, when work environments align with individuals' higher-order goals—such as purpose, autonomy, and competence—employees are more likely to internalize organizational objectives and demonstrate adaptive, innovative, and extra-role

behaviors. Perceived HRM practices are central to this alignment process: for example, job autonomy can foster intrinsic motivation and meaningful work; employment security can reduce uncertainty and build trust; training and development can enhance competence; and performance assessment and rewards can signal fairness and recognition. Thus, perceived HRM practices can stimulate not only compliance but also active, self-directed engagement in behaviors that benefit the organization.

One psychological mechanism that may explain how perceived HRM practices translate into OCB is Innovative Work Behavior (IWB). IWB involves the generation, promotion, and implementation of novel ideas to improve individual and organizational performance (Janssen, 2000). Supportive HRM practices have been found to foster a climate of psychological safety, learning, and empowerment, which in turn encourage employees to engage in innovation-related behaviors (Agarwal, 2016; Bos-Nehles et al., 2017; Waheed et al., 2018). Employees who perceive HRM practices positively may be more inclined to generate and implement creative ideas, and these innovative efforts often manifest in broader citizenship behaviors, such as helping colleagues, taking initiative, and advocating improvements thus serving as a mediating mechanism between HRM perceptions and OCB.

Another key factor is hierarchical position, which may act as a moderator in the HRM–OCB relationship. Employees at different organizational levels (top, middle, lower) differ in their degree of autonomy, strategic involvement, access to resources, and role expectations (Morrison, 2006; Theil, 2018). Top-level employees often have more discretion and strategic insight, enabling them to translate HRM signals into proactive and citizenship behaviors more easily. In contrast, lower-level employees may experience greater structural constraints, making their responses to HRM practices more dependent on perceived fairness, job security, and support. Understanding these hierarchical differences is particularly important in Indonesia's banking sector, where organizational structures are relatively formalized and hierarchical. Examining hierarchical position as a moderator allows for a more contextually sensitive understanding of how HRM perceptions shape OCB across organizational strata.

Taken together, these perspectives highlight the need for a more integrated framework that examines not only whether perceived HRM practices influence OCB but also how (through IWB) and under what conditions (moderated by hierarchical position) these relationships unfold. This integrated perspective is particularly relevant in emerging market contexts, where organizational hierarchies, cultural norms, and institutional settings

differ significantly from those in Western economies.

1.2 Research Objectives and Questions

This study seeks to address these theoretical and empirical gaps by investigating the following research objectives:

1. To examine the direct effects of perceived HRM practices—specifically job autonomy, recruitment, training and development, employment security, and performance assessment and reward on employees' OCB in Indonesian banks.
2. To analyze the mediating role of IWB in the relationship between perceived HRM practices and OCB.
3. To assess the moderating effect of hierarchical position (top, middle, lower levels) on the relationship between perceived HRM practices and OCB.

1.3 Contribution

This study makes several contributions to the HRM and organizational behavior literature. First, it extends Social Exchange Theory and TPWB by identifying IWB as a key psychological mechanism linking perceived HRM practices to OCB. Second, it advances the understanding of contextual boundary conditions by demonstrating how hierarchical position moderates these relationships in a non-Western, hierarchical organizational context. Third, by focusing on the Indonesian banking sector, the study contributes to the cross-cultural generalization of HRM–OCB models, offering insights into how strategic HRM programs operate in emerging economies. Practically, the findings provide guidance for bank managers and policymakers on how to design and implement HRM systems that foster innovation and citizenship behaviors across all organizational levels.

2. Theoretical Background

This study is grounded in two complementary theoretical perspectives: Social Exchange Theory (SET) (Blau, 1964) and the Theory of Purposeful Work Behavior (TPWB) (Barrick et al., 2013). Together, these frameworks provide a comprehensive explanation of how employees' perceptions of Human Resource Management (HRM) practices influence their Organizational Citizenship Behavior (OCB), both directly and through psychological mechanisms such as Innovative Work Behavior (IWB), as well as how these relationships may vary across hierarchical levels.

Social Exchange Theory (SET) has been widely applied to explain why supportive organizational practices lead to positive employee attitudes and behaviors. According to SET, social interactions are based on reciprocal exchanges: when employees perceive that the organization provides valuable socioemotional and instrumental resources through HRM practices, they feel a sense of obligation to reciprocate by engaging in positive behaviors that benefit the organization (Blau, 1964; Cropanzano & Mitchell, 2005). HRM practices—such as training and development opportunities, fair performance appraisal systems, employment security, and autonomy—serve as important signals of the organization's investment in employees ((Alfes et al., 2013; Kehoe & Wright, 2013). Employees interpret these signals and respond with higher levels of commitment, trust, and discretionary behaviors such as OCB (Snape & Redman, 2010). When these practices are perceived negatively (e.g., inconsistent implementation, unfairness), employees may withhold discretionary efforts, leading to lower engagement and citizenship behaviors (Kuvaas, 2008).

While SET emphasizes the reciprocity mechanism, it does not fully explain how employees cognitively and motivationally translate supportive HRM signals into concrete behaviors. This is where the Theory of Purposeful Work Behavior (TPWB) provides additional explanatory power. TPWB posits that employees' behaviors are influenced by the degree to which their work environment fulfills higher-order goals, such as purpose, autonomy, social affiliation, and competence (Barrick et al., 2013). When work characteristics and contextual factors align with these goals, employees experience greater meaningfulness and are intrinsically motivated to engage in adaptive and proactive behaviors. HRM practices play a key role in this alignment: job autonomy fosters feelings of control and self-determination; training and development enhance competence; employment security reduces uncertainty and builds trust; and fair performance assessment and rewards provide recognition and reinforce purpose. In short, perceived HRM practices shape employees' sense of meaningful work, which drives not only in-role performance but also extra-role behaviors such as OCB.

Combining SET and TPWB allows for a richer understanding of employee behavior in organizations. SET explains why employees reciprocate supportive HRM with citizenship behaviors (through perceived obligations and social exchange), while TPWB explains how HRM practices shape employees' motivational states and meaningful work experiences, leading to proactive and innovative behaviors. This dual-theory approach is particularly useful in non-Western, hierarchical organizational contexts, such as the Indonesian banking sector, where formal

hierarchies and collectivist cultural norms may shape how employees perceive and respond to HRM signals. Employees at different hierarchical levels may prioritize different higher-order goals and interpret HRM practices differently, influencing their engagement in innovative and citizenship behaviors.

2.1 Perceived HRM Practices and Organizational Citizenship Behavior

Perceived Human Resource Management (HRM) practices refer to employees' subjective interpretations of how HR policies and programs are actually implemented within their organizations (Wright & Nishii, 2007). These perceptions are often more predictive of employee attitudes and behaviors than the formal HR systems themselves, because they reflect employees' lived experiences rather than managerial intentions (Alfes et al., 2013; Kehoe & Wright, 2013). In the Indonesian banking sector, employees at all hierarchical levels interact with HRM programs—such as recruitment and selection, training and development, employment security initiatives, performance assessment and reward systems, and opportunities for job autonomy—that aim to build human capital and support organizational goals. How employees perceive these practices plays a critical role in determining their discretionary responses.

Drawing on Social Exchange Theory (SET), when employees perceive HRM practices as fair, consistent, and supportive, they develop a sense of organizational trust and felt obligation to reciprocate through positive behaviors (Blau, 1964; Cropanzano & Mitchell, 2005). Perceptions of developmental opportunities (e.g., training and recruitment) signal organizational investment in employees, whereas fair performance assessments and employment security convey organizational support and stability. Autonomy-related practices reflect confidence in employees' competence and decision-making. Collectively, these signals foster employees' willingness to go beyond their formal job requirements and engage in behaviors that contribute to organizational effectiveness—namely, Organizational Citizenship Behavior (OCB).

From the perspective of the Theory of Purposeful Work Behavior (TPWB) (Barrick et al., 2013), perceived HRM practices also influence OCB through their impact on employees' sense of meaningful work. When employees experience HRM practices that fulfill their higher-order goals—such as competence, autonomy, and purpose—they are more likely to internalize organizational objectives and display proactive, voluntary behaviors that benefit the organization. For example, training and development enhance employees' sense of competence, employment security fosters trust and reduces uncertainty, and fair reward systems provide meaningful recognition.

These factors shape employees' motivational states and contribute to sustained engagement in OCB. (Alfes et al., 2013; Wang et al., 2020).

Empirical evidence supports the positive relationship between perceived HRM practices and OCB. Studies across various sectors have shown that employees' positive perceptions of HRM systems are associated with higher levels of citizenship behavior, organizational commitment, and engagement (Alfes et al., 2013; Snape & Redman, 2010; Wang et al., 2020). In emerging economies, where formal HRM systems may be less institutionalized, employees' perceptions become even more salient in shaping behavioral outcomes Giancaspro et al., 2022; Zhu & Warner, 2019). Based on this reasoning, this study proposes the following hypothesis:

H1: Perceived HRM practices (job autonomy, recruitment, training and development, employment security, and performance assessment and reward) have a positive and significant effect on Organizational Citizenship Behavior.

2.2 Mediating Role of Innovative Work Behavior

While perceived HRM practices are expected to have direct effects on Organizational Citizenship Behavior (OCB), they may also operate indirectly through psychological mechanisms, particularly Innovative Work Behavior (IWB). IWB refers to employees' intentional behaviors aimed at generating, promoting, and implementing novel ideas to improve individual and organizational performance (Janssen, 2000). It consists of three stages: idea generation, idea promotion, and idea realization, each of which involves discretionary efforts that go beyond prescribed job roles (De Jong & Den Hartog, 2010). Engaging in innovation requires motivation, trust, and supportive work conditions—elements that are shaped by employees' perceptions of HRM practices.

Perceived HRM practices can foster IWB by creating an environment that supports learning, autonomy, and psychological safety (Agarwal, 2016; Bos-Nehles et al., 2017). For example, training and development practices enhance employees' competencies and problem-solving abilities, recruitment and selection processes bring in individuals who are open to new ideas, employment security reduces risk aversion by assuring employees that innovative efforts will not jeopardize their positions, and performance assessment and reward systems can incentivize creativity and innovation. Autonomy plays a particularly critical role by empowering employees to experiment, explore alternatives, and take initiative (Shipton et al., 2006). When employees perceive HRM practices as supportive, they are more likely to engage in innovative behaviors as part of their contribution to the organization.

IWB is conceptually and empirically linked to OCB. Both involve discretionary behaviors that are not formally required but contribute to organizational functioning (Atatsi et al., 2019). Employees who engage in innovative behaviors often display complementary citizenship behaviors, such as helping colleagues implement new ideas, voluntarily contributing to process improvements, or taking initiative in problem solving. Innovation can therefore be viewed as a proximal mechanism through which supportive HRM practices translate into broader forms of OCB (Agarwal, 2016; Waheed et al., 2018). Empirical studies have found that innovative behaviors mediate the relationship between HRM practices and performance-related outcomes, suggesting that innovation is a key behavioral pathway (Bos-Nehles et al., 2017; Shanker et al., 2017).

In the context of Indonesian banking organizations, where employees operate within structured hierarchies but are increasingly expected to adapt to change and improve processes, IWB represents an important means of aligning individual initiative with organizational goals. Supportive HRM practices can motivate employees across hierarchical levels to generate and implement novel solutions, which subsequently manifest in OCB. For example, employees who receive adequate training and perceive fair rewards may be more inclined to develop innovative solutions to operational challenges, then voluntarily help coworkers adopt these solutions—behaviors that reflect both innovation and citizenship. Based on this reasoning, the following hypothesis is proposed:

H2: Innovative Work Behavior mediates the relationship between perceived HRM practices and Organizational Citizenship Behavior.

2.3 Moderating Role of Hierarchical Position

While perceived HRM practices may influence employees' Organizational Citizenship Behavior (OCB) both directly and indirectly, these effects are unlikely to be uniform across different hierarchical levels. Employees at top, middle, and lower levels of an organization occupy distinct structural positions that shape their autonomy, access to resources, responsibilities, and role expectations (Morrison, 2006; Theil, 2018). These structural differences influence how employees perceive and respond to HRM practices, potentially moderating the strength of the relationships between perceived HRM practices and OCB.

Top-level employees typically enjoy greater decision-making authority, strategic involvement, and access to organizational resources. They are more likely to perceive HRM practices such as autonomy and performance assessment as aligned with their strategic roles, which may amplify their

engagement in citizenship behaviors. For example, when performance assessment and reward systems are perceived as fair and strategically oriented, top managers may feel empowered to take initiative, champion organizational changes, and support others—behaviors that reflect high levels of OCB.

Middle-level employees play a bridging role between top management and operational staff. They often translate strategic directives into operational actions, which gives them both some autonomy and constraints. HRM practices such as training and employment security may have particularly salient effects on this group, as they depend on developmental support and stability to navigate their dual responsibilities (Floyd & Wooldridge, 1997). Positive HRM perceptions at this level may foster both innovative behaviors and citizenship actions aimed at improving coordination and communication across organizational layers.

Lower-level employees, in contrast, often operate within more rigid structures and have less discretion in their daily tasks. Their responses to HRM practices may depend more on perceived fairness, employment security, and supportive treatment. For example, employment security can reduce feelings of vulnerability and encourage employees to engage in discretionary helping behaviors, while fair performance evaluations can enhance trust and willingness to contribute beyond job descriptions ((Huang & He, 2022). Conversely, if HRM practices are perceived as inconsistent or biased, lower-level employees may be less likely to display OCB.

In the Indonesian banking sector, these hierarchical distinctions are particularly pronounced. Banks—both state-owned and private—tend to maintain formal hierarchies and structured reporting systems. As a result, the same HRM practices may be interpreted and acted upon differently depending on hierarchical position. For example, job autonomy may have stronger effects on OCB among top-level employees who can act on their discretion, whereas employment security may be more influential among lower-level employees who face greater job vulnerability. Such differences underscore the importance of hierarchical position as a boundary condition in the HRM–OCB relationship. Based on this reasoning, the following hypothesis is proposed:

H3: Hierarchical position moderates the relationship between perceived HRM practices and Organizational Citizenship Behavior, such that the effects are stronger for employees at higher hierarchical levels compared to those at lower levels.

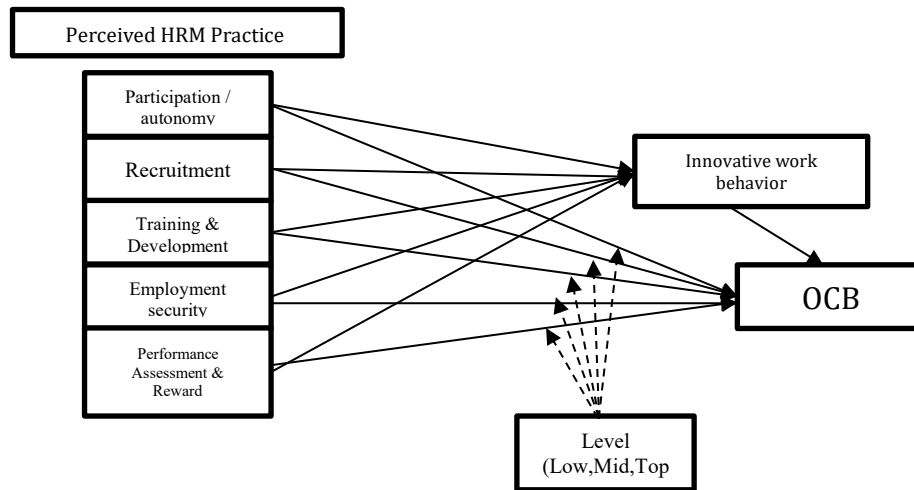


Figure 1. Theoretical Framework

3. Methodology

3.1 Research Design

This study adopted a quantitative explanatory design to examine the direct, indirect, and moderated relationships among perceived HRM practices, Innovative Work Behavior (IWB), and Organizational Citizenship Behavior (OCB). A cross-sectional survey was conducted among employees in Indonesian banking institutions.

3.2 Population and Sampling

The population comprised employees from state-owned and private banks in Indonesia. A stratified random sampling technique was employed to ensure proportional representation across three hierarchical levels: top, middle, and lower. Stratification was based on formal organizational positions, after which random sampling was applied within each stratum. The sample allocation reflects the actual structural distribution within participating banks, ensuring representative coverage of different hierarchical strata and enabling robust multi-group analysis.

3.3 Data Collection Procedure

Data were collected using a self-administered questionnaire distributed both online and in paper format. Participation was voluntary and confidential. Ethical approval was obtained from the Faculty of Economics and Business, Universitas Lampung. A pilot test confirmed the clarity and reliability of the instruments before full deployment.

3.4. Measurement

Validated instruments were adapted to the Indonesian context using a seven-point Likert scale ranging from 1 (strongly disagree) to 7 (strongly agree). Perceived Human Resource Management (HRM) practices were measured using 29 items developed by Boon et al. (2011), covering five dimensions: job autonomy, recruitment, training and development, employment security, and performance assessment and reward. Organizational Citizenship Behavior (OCB) was assessed using 24 items from Podsakoff et al. (1990), representing five dimensions: altruism, conscientiousness, sportsmanship, courtesy, and civic virtue. Innovative Work Behavior (IWB) was measured with nine items adapted from De Jong & Den Hartog (2010) and Kleysen & Street (2001), encompassing idea generation, championing, and application activities. Hierarchical position was self-reported and categorized into three levels—top, middle, and lower—which were used as a moderating variable in the analysis.

3.5 Data Analysis

Data were analyzed using Partial Least Squares–Structural Equation Modeling (PLS-SEM) with SmartPLS. A two-stage approach was applied: First we assessment of the measurement model (reliability and validity), and the second we evaluation of the structural model (path coefficients, R^2 , and effect sizes). Mediation effects were tested using bootstrapping with 5,000 resamples, while moderation by hierarchical position was examined through multi-group analysis (MGA) comparing top, middle, and lower strata.

4. Results and Discussions

4.1 Data Description and Respondent Profile

A total of 1,232 questionnaires were collected through online surveys distributed to employees of banking institutions in Indonesia between December 2024 and September 2025. After screening for eligibility, 843 valid responses were retained for analysis. Stratified random sampling was applied across three hierarchical levels (top, middle, and lower), with a minimum of 200 respondents per stratum to ensure balanced representation and reduce the risk of Simpson's Paradox (Kievit et al., 2013).

Most respondents were female (71%) and held a bachelor's degree (77%). In terms of tenure, 61% had worked for more than 10 years, reflecting a mature workforce familiar with organizational practices. Regarding hierarchical level, 233 respondents were from top-level positions (e.g., Executive VP, Senior VP), 282 from middle-level positions (e.g., Manager), and 328 from lower-level positions (e.g., Officer, Assistant).

4.2 Measurement Model Evaluation

The measurement model was evaluated by examining reliability and convergent validity following Hair et al. (2018). All constructs achieved Cronbach's alpha ≥ 0.70 and rho_A ≥ 0.70 , indicating good internal consistency. Average Variance Extracted (AVE) values exceeded the 0.50 threshold, confirming convergent validity.

Table 1. Measurement Model Evaluation

Construct	Cronbac h's α	rho_A	AVE
Employment Security	0.700	0.719	0.767
Job Autonomy	0.867	0.875	0.532
Recruitment	0.947	0.949	0.950
Training & Development	0.889	0.910	0.541
Performance Assessment & Reward	0.916	0.919	0.633
Innovative Work Behavior (IWB)	0.895	0.935	0.578
Organizational Citizenship Behavior (OCB)	0.960	0.965	0.534

Source: Processed data (2025).

All indicators exceeded the recommended thresholds, confirming that the instruments were both reliable and valid for further structural analysis.

4.3 Structural Model Evaluation

The structural model tested both direct and indirect effects between perceived HRM practices, innovative work behavior (IWB), and organizational citizenship behavior (OCB).

Table 2. Structural Model (Direct and Indirect Effects)

Path	Direct β (p)	Indirect β via IWB (p)
Employment Security \rightarrow OCB	0.181 (0.001)	0.023 (0.191)
Job Autonomy \rightarrow OCB	0.070 (0.149)	0.058 (0.002)
Performance Assessment & Reward \rightarrow OCB	0.128 (0.017)	0.046 (0.040)
Recruitment \rightarrow OCB	0.069 (0.103)	-0.002 (0.893)
Training & Development \rightarrow OCB	-0.065 (0.260)	0.089 (0.001)

Source: Processed data (2025).

Direct effect analysis revealed that employment security ($\beta = 0.181$; $p = 0.001$) and performance assessment & reward ($\beta = 0.128$; $p = 0.017$) significantly influenced OCB, whereas job autonomy, recruitment, and training & development did not show significant direct effects. This shows that hypothesis 1 is partially supported.

For indirect effects via IWB, significant mediation occurred for job autonomy ($\beta = 0.058$; $p = 0.002$), performance assessment & reward ($\beta = 0.046$; $p = 0.040$), and training & development ($\beta = 0.089$; $p = 0.001$), while employment security and recruitment did not exhibit significant mediation. thus indicating that Hypothesis 2 is partially supported, as is Hypothesis 1.

4.4 Multi-Group Analysis

Multi-group analysis (MGA) was conducted to examine whether the effects of HRM practices on OCB differ across hierarchical levels. Table 3 shows the p-values for each path across lower, middle, and top groups.

Table 3. Multi-Group Analysis by Hierarchical Level (p-values)

Path	Lower	Middle	Top
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Employment Security → OCB	0.002	0.015	0.833
Job Autonomy → OCB	0.378	0.965	0.297
Performance Assessment & Reward → OCB	0.044	0.683	0.001
Recruitment → OCB	0.966	0.200	0.203
Training & Development → OCB	0.091	0.248	0.192

Source: Processed data (2025).

Results partially support H3. Significant differences were found primarily for employment security (lower and middle levels) and performance assessment & reward (lower and top levels). These findings indicate that the effectiveness of HRM practices varies across organizational hierarchies.

4.5 Discussion

This study contributes to the growing literature on strategic human resource management (HRM) by examining how perceived HRM practices influence organizational citizenship behavior (OCB) both directly and indirectly through innovative work behavior (IWB), while also considering differences across hierarchical levels. Drawing on Social Exchange Theory (SET) (Blau, 1964) and the Theory of Purposeful Work Behavior (TPWB) (Barrick et al., 2013), the findings confirm that HRM practices function as important contextual signals shaping employees' attitudes and extra-role behaviors.

The results show that employment security and performance assessment & reward exert direct effects on OCB. This indicates that when employees perceive fair job protection and transparent reward systems, they reciprocate by exhibiting voluntary behaviors that support organizational goals. This is consistent with SET, which posits that perceived organizational support generates a sense of obligation and positive reciprocal behavior.

In contrast, job autonomy, training & development, and performance assessment & reward stimulate OCB indirectly through IWB. These practices enhance employees' psychological meaningfulness and autonomy, creating fertile ground for innovation, which then translates into higher levels of citizenship behavior. This finding extends TPWB by empirically demonstrating that HRM practices can foster meaningful work

experiences that catalyze innovative behaviors — a mechanism especially relevant in knowledge-intensive sectors like banking.

The multi-group analysis reveals that hierarchical level moderates the HRM–OCB relationship, with employment security being more salient for lower- and middle-level employees, and performance assessment & reward being particularly influential at the top level. This suggests that employees at different levels respond to HRM practices differently depending on their role expectations, perceived risks, and motivational structures. For lower levels, job security may reduce anxiety and increase willingness to engage in supportive behaviors. For top management, strategic incentives and performance recognition are more critical in eliciting extra-role behaviors.

From a practical perspective, these findings suggest that banking institutions in emerging markets such as Indonesia should adopt differentiated HRM strategies that account for hierarchical differences. Strengthening job security mechanisms and transparent reward systems at operational levels may build trust and organizational commitment, while strategically designed incentive systems for top managers can align individual and organizational objectives. Furthermore, providing meaningful autonomy and development opportunities can cultivate innovation, which in turn drives OCB

5. CONCLUSIONS

In conclusion, this study highlights the critical role of perceived HRM practices in fostering organizational citizenship behavior (OCB) both directly and indirectly through innovative work behavior (IWB). The findings reveal that employment security and performance assessment & reward exert immediate and significant influences on employees' willingness to engage in discretionary, prosocial behaviors that support organizational objectives. At the same time, job autonomy, training and development, and supportive reward systems encourage innovation, which then mediates the relationship between HRM and OCB.

These dual mechanisms underscore the importance of HRM not only as a tool for shaping employee–organization exchange relationships, as emphasized by Social Exchange Theory, but also as a means of creating meaningful work contexts, consistent with the Theory of Purposeful Work Behavior. The moderating role of hierarchical level further demonstrates that employees at different organizational levels respond differently to HRM practices, reflecting variations in role expectations and motivational structures.

Overall, the study advances theoretical understanding by integrating relational and meaning-based perspectives on HRM, while also offering practical insights for banking institutions in emerging economies. Specifically, managers should adopt differentiated HRM strategies tailored to hierarchical levels, simultaneously enhancing security and reward systems while fostering autonomy and developmental opportunities to stimulate innovation and citizenship behaviors across the workforce.

Despite its contributions, this study has several limitations that open avenues for future research. First, the use of cross-sectional survey data limits causal inference. Future studies could adopt longitudinal or experimental designs to better establish temporal relationships between HRM practices, IWB, and OCB.

Second, the study relies on self-reported perceptions, which may introduce common method bias. Future research could combine employee surveys with supervisor ratings or objective performance data to triangulate results.

Third, this study focuses on the banking sector in Indonesia, which may limit generalizability. Comparative studies across different industries or countries could provide deeper insights into how institutional and cultural contexts shape the HRM–IWB–OCB relationship.

Finally, future research could incorporate additional mediators (e.g., psychological safety, organizational identification) or moderators (e.g., leadership style, team climate) to build a more comprehensive understanding of the mechanisms through which HRM influences employee behavior.

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