



HR Orientation and Employee Performance: The Mediating Role of Affective Climate and Recruitment Efficiency

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Abstract:

This study aims to examine the direct and indirect effects of Employee Human Resource Orientation (EHRO) on Employee Performance through Positive Affective Climate and Recruitment Efficiency in a service organization context. Drawing upon Strategic Human Resource Management (SHRM), Affective Events Theory, and Signaling Theory, this research proposes a dual mediation model explaining how strategic HR orientation translates into performance outcomes. A quantitative approach was employed using Partial Least Squares Structural Equation Modeling (PLS-SEM) with data collected from PT Pos Indonesia (Persero), Cirebon Branch. The findings reveal that EHRO does not significantly influence Employee Performance directly ($\beta = 0.181$, $p = 0.069$). However, EHRO significantly affects Positive Affective Climate ($\beta = 0.503$, $p < 0.001$) and Recruitment Efficiency ($\beta = 0.477$, $p < 0.001$), both of which significantly improve Employee Performance. Mediation analysis confirms full mediation through Positive Affective Climate and significant indirect effects through Recruitment Efficiency, with the affective pathway demonstrating stronger influence. The model explains 54.7% of the variance in Employee Performance. These findings suggest that strategic HR orientation enhances employee performance primarily through emotional and recruitment mechanisms rather than direct intervention. The study contributes to SHRM literature by validating a dual mediation framework in an emerging economy service setting.

Keywords: Employee Human Resource Orientation, Employee Performance, Positive Affective Climate, Recruitment Efficiency, Strategic Human Resource Management.

1. Introduction

In service-based sectors, where employees deal directly with customers, the quality of human resources is a key factor in how well employees do their jobs. (Hsu & Lai, 2024; Putri & Nasrudin Wibowo, 2025). In Strategic Human Resource Management (SHRM), human capital is regarded as a strategic asset that can yield competitive advantage when managed successfully. (Becker & Gerhart, 1996; Boon et al., 2019; Jiang et al., 2012). proposed Employee Human Resource Orientation (EHRO) as a strategic approach. This approach aligns human resource practices with organizational goals, emphasizing the importance of employees as the main source of value creation. (J. H. Coun et al., 2022; Tumasjan et al., 2020a). Found that a strong HR orientation positively influences recruitment success, emotional commitment, and employee engagement. These factors are all connected to better performance outcomes. (Alves et al., 2020; Kucherov et al., 2023).. Conversely, some shortcomings persist. A significant portion of the extant literature prioritizes micro-level results, including commitment and recruitment efficacy, while neglecting a comprehensive assessment of overall employee performance. (Kwon & Kim, 2020; Paauwe & Boselie, n.d.; Tumasjan et al., 2020b) Furthermore, positive affective climate and recruitment efficiency are frequently investigated independently, without the benefit of an integrated structural model that accounts for both processes (Huseynova et al., 2022; Menges et al., 2011; Zamani & Spanaki, 2023). The current scarcity of empirical data from service firms in emerging economies presents a challenge to the generalizability of findings across diverse contexts (Stavrou et al., 2023). Additionally, new technological changes like algorithmic management change the way HR policies affect employees by both limiting and allowing autonomy and value creation at the same time (Cumming et al., 2019; Meijerink & Bondarouk, 2023).

This study is to investigate the direct and indirect impacts of Employee Human Resource Orientation on Employee Performance via Positive Affective Climate and Recruitment Efficiency in service organizations. It specifically evaluates a dual mediation structural model using Partial Least Squares Structural Equation Modeling (PLS-SEM) to confirm these links in an Indonesian service organization. Recent advancements in Strategic Human Resource Management (SHRM) highlight that HR systems create value not through isolated practices, but through configurational alignment and systemic resilience (Boon et al., 2019). In multinational and institutionally intricate environments, HR practices are influenced by institutional duality, as subsidiaries navigate the requirements of both their home and host countries in the development of HR systems (Stavrou et al., 2023). These changes show that modern HR orientation works well in environments that are becoming more dynamic; so, it is important to look more closely at indirect and mediating mechanisms instead of just assuming that they have a direct effect on employee performance. This research enhances the SHRM literature by empirically substantiating a dual mediation model that integrates Affective Events Theory (Weiss, 1996) and Signaling Theory (Spence, 1973). It broadens the investigation of employer branding orientation to encompass employee performance outcomes and provides evidence from a service company in an emerging economy, thereby enhancing the applicability of the findings to diverse contexts and offering utility for managers.

2. Literature Review

2.1 Employee Human Resource Orientation

Employee HR attitude is based on Strategic Human Resource Management (SHRM), which sees human resources as strategic assets that can give a corporation a long-term edge. (Becker & Gerhart, 1996). Employee Human Resource Orientation (EHRO) is, at its core, a comprehensive strategy. It places a premium on both the welfare of employees and their professional development, all while making sure HR practices are in sync with the company's overall objectives. When an organization embraces a robust EHRO, it's better positioned to build HR systems that effectively draw in, keep, and inspire its workforce. This, in turn, boosts the organization's overall capacity and its performance over time. (Azhar et al., 2024; Kucherov et al., 2022). But the real-world link between HR orientation and employee performance is still up for debate in theory. SHRM theory posits that strategic HR systems enhance performance; however, numerous studies suggest that the impact of HR orientation on performance is frequently indirect rather than direct. (Tumasjan et al., 2020a), whereas others propose that HR orientation affects outcomes indirectly via recruitment efficacy, employee commitment, or emotional mechanisms (Alves et al., 2020; Combs et al., 2006; Kucherov et al., 2022). This divergence underscores a theoretical conflict between direct-effect assumptions and mediated-performance perspectives in SHRM research (Meijerink & Bondarouk, 2023). Consequently, analyzing EHRO within a structured mediation framework is essential to elucidate the translation of strategic HR orientation into employee performance outcomes. (Wright & Nishii, 2005)

2.2 Employee Performance

Employee performance is a measure of an employee's capacity to achieve organizational goals through the effective execution of their duties and the provision of high-quality service. From a resource-based point of view, performance is dependent on valued internal resources, especially human capital. (Agustina et al., 2022). Employee performance is a measure of how well employees can help the firm attain its goals by executing their jobs well and giving good service. From a resource-based perspective, performance relies on valuable internal resources, particularly human capital. (Dantyo et al., 2014). From a resource-based perspective, performance depends on valuable internal resources, particularly human capital, that are strategically managed to enhance productivity (Becker & Gerhart, 1996). Meta-analytic evidence shows that HR systems affect the performance of both employees and the organization as a whole through indirect means like human capital, motivation, and operational outcomes, rather than through direct linear effects (Combs et al., 2006; Jiang et al., 2012).

2.3 Positive Affective Climate

A positive affective climate is when everyone in an organization has good feelings, such as enthusiasm, pride, and hope. The Affective Events Theory says that company rules and practices determine how employees feel, which together produce an affective atmosphere. (Weiss, 1996) A good emotional climate boosts motivation, cooperation, and discretionary actions, all of which lead to higher performance in the workplace. (Barsade & Gibson, 2012; Menges et al., 2011). Even though there is proof, many SHRM studies see affective climate as a contextual predictor instead of a structural mediator between HR orientation and employee performance. Past studies have shown that emotional mechanisms play a role in connecting HR systems to performance (Tumasjan et al., 2020a). However, affective climate is not often looked at as a main reason for this at the employee level. This gap in understanding shows that we need to include positive affective climate in a mediation framework that links EHRO and employee performance (Zamani & Spanaki, 2023).

2.4 Recruitment Efficiency

Recruitment efficiency represents a structural mechanism through which HR orientation strengthens organizational capability and enhances employee performance. From the perspective of Signaling Theory (Spence, 1973), HR practices communicate organizational quality and expectations, thereby improving person–job fit and workforce quality. Effective recruitment systems contribute to improved task performance and service delivery (Kucherov et al., 2023). Prior research validates the correlation between recruitment effectiveness and performance outcomes (Huseynova et al., 2022; Tumasjan et al., 2020a) however, recruitment efficiency is frequently analyzed independently from internal affective mechanisms. This division constrains comprehension of the concurrent impact of HR orientation on emotional climate and talent acquisition processes in shaping employee performance. Thus, it is theoretically imperative to integrate recruitment efficiency with affective climate within a cohesive structural model (Wang et al., n.d.). The SHRM literature highlights that HRM systems impact employee performance through indirect and convoluted processes rather than straightforward and linear connections (Becker & Gerhart, 1996; Jiang et al., 2012). Some researchers have found that there is a direct positive relationship between HR orientation and performance (Combs et al., 2006), while others stress the significance of mediating mechanisms including affective climate and recruiting efficiency (Alves et al., 2020; Tumasjan et al., 2020a). The contradictory results imply that scholars still have not reached consensus on whether HR orientation is directly linked to employee performance or serves as a mediator. Under an integrated framework, affective climate and recruiting efficiency are two complementary approaches that help to explain how HR orientation affects employee performance. Nevertheless, previous research tends to focus on the impacts of one mediating factor at a time without considering their combined effects. Also, the association between HRM activities and employee performance appears to be context-dependent and unclear in terms of theory (Guest, 2011). Hence, this study seeks to establish a dual-mediator model to offer a better explanation of the performance outcomes from the E-HRO.

2.5 Research Gap

While the literature on Strategic Human Resource Management (SHRM) acknowledges the significance of HR systems in influencing performance outcomes, the theoretical frameworks connecting Employee Human Resource Orientation (EHRO) to employee performance are still inadequately developed. Previous research

either posits a direct correlation between HR orientation and performance or investigates discrete mediating variables devoid of structural integration (Jiang et al., 2012; Combs et al., 2006). Affective research underscores the impact of the collective emotional climate on performance (Weiss, 1996; Barsade & Gibson, 2012), while recruitment studies stress the significance of organized talent acquisition systems (Kucherov et al., 2023). However, these mechanisms are generally examined in isolation. As a result, a cohesive employee-level explanation that concurrently incorporates internal emotional and external structural pathways especially in service organizations within emerging economies has yet to be fully developed. While SHRM literature recognizes the importance of HR systems, the correlation between HR practices and performance continues to be theoretically contested and empirically intricate (Guest, 2011)

2.6 Novelty

This study advances SHRM research by shifting the way employee human resource orientation is understood in relation to employee performance. Rather than treating EHRO as a direct driver of performance, this study positions it as a strategic foundation that enables performance to emerge through organizational mechanisms. Specifically, employee performance is shaped through two interconnected processes: the development of a positive affective climate that strengthens collective emotional engagement and the effectiveness of recruitment efficiency that enhances workforce quality and alignment. By combining these internal emotional factors and external structural elements into one framework focused on employees, this study offers a clearer and more step-by-step understanding of how a strategic HR approach leads to important performance results in service organizations in developing countries.

Based on the literature, the following hypotheses are proposed:

H1: Employee Human Resource Orientation positively affects Employee performance.

H2: Employee Human Resource Orientation positively affects positive affective climate.

H3: Employee Human Resource Orientation positively affects recruitment efficiency.

H4: Positive affective climate positively affects Employee performance.

H5: Recruitment efficiency positively affects Employee performance.

H6: Positive affective climate mediates the relationship between Employee Human Resource Orientation and Employee performance.

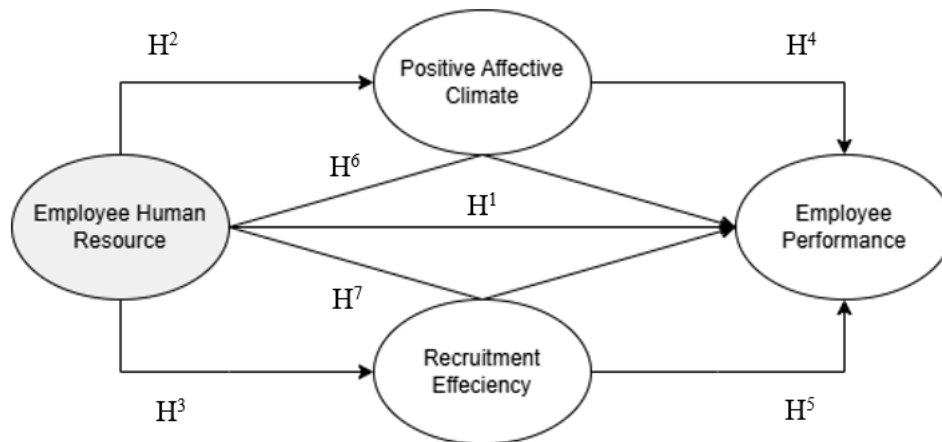
H7: Recruitment efficiency mediates the relationship between Employee Human Resource Orientation and Employee performance.

3. Method

3.1 Research Design and Sample

The questionnaire was used in a survey carried out through the distribution of a structured questionnaire, which was distributed both through traditional means such as print-outs and through modern electronic means. A census sample method was used, and 86 of the 90 questionnaires that were sent out were useful.

Figure 1. Research Design



3.2 Measurement

Each construct was measured using multi-item scales adapted from prior studies and assessed on a five-point Likert scale (1 = strongly disagree; 5 = strongly agree). The study specifies the number of items used for each construct, namely Recruitment Efficiency (9 items), Firm Performance (9 items), Employee Human Resource Orientation (9 items), and Positive Affective Climate (9 items), and provides representative sample items to illustrate the measurement indicators. EHRO was measured using strategic HR focus and employee value indicators (Tumasjan et al., 2020a). Positive Affective Climate captured shared positive emotions at work (Menges et al., 2011). The quality of the candidates and the effectiveness of the recruitment process were used to measure recruitment efficiency. (Huseynova et al., 2022; Kucherov et al., 2023). Employee Performance was measured using task and service performance indicators (Agustina et al., 2022; Dantyo et al., 2014).

Table 1. Characteristics Of Respondents

Measure	Items	Frequency	Percentage (%)
Age	< 25 Years	20	23.26%
	25–30 Years	31	36.05%
	31–35 Years	23	26.74%
	> 35 Years	11	12.79%
Work Tenure	< 1 Year	17	19.77%
	1–3 Years	17	19.77%
	4–6 Years	16	18.60%
	> 6 Years	36	41.86%
Employment Status	Permanent Employee	50	58.14%
	Contract Employee	32	37.21%
	Outsourced Employee	4	4.65%
Total Respondents		86	100%

Source: Primary data processed from questionnaire results (2026).

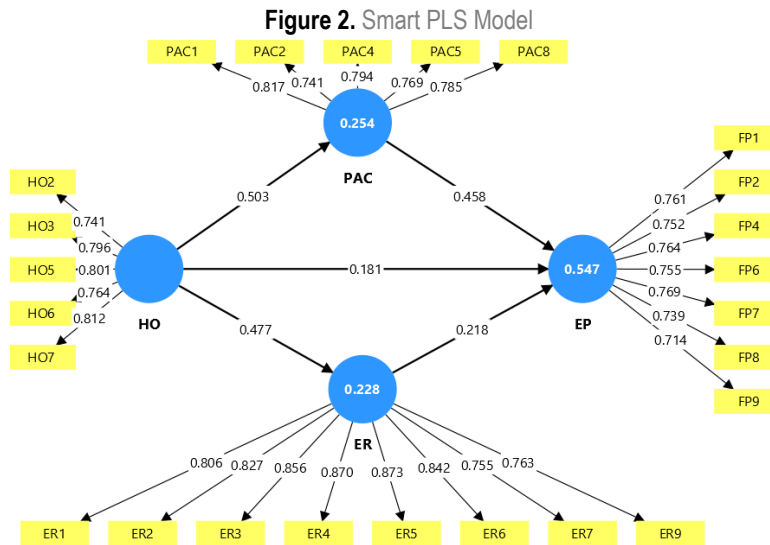
3.3 Data Analysis

We used SmartPLS 4 software to do Partial Least Squares Structural Equation Modeling (PLS-SEM) on the data. PLS-SEM was chosen because it can be used for predictive research, it works with small to medium-sized samples, and it can handle complicated mediation models. (Hair, 2014a) The study had two parts: measuring the outer model and the inner model. First, the measurement model was checked for validity and reliability. This included checking for convergent validity (outer loadings > 0.70, AVE > 0.50) and discriminant validity. (Fornell-Larcker criterion), and internal consistency reliability (composite reliability > 0.70, Cronbach's alpha >

0.70) (Fornell & Larcker, 1981). Second, the structural model was evaluated using path coefficients (β), t-statistics, and p-values derived from a bootstrapping procedure with 5,000 resamples.

4. Findings and discussion

4.1 Measurement Model Result



The SmartPLS results in the model reveal that there are important links between Employee Human Resource Orientation (EHRO), Positive Affective Climate (PAC), Recruitment Efficiency (ER), and Employee Performance (EP). EHRO has a good effect on PAC ($\beta = 0.503$) and ER ($\beta = 0.477$). PAC ($\beta = 0.458$) and ER ($\beta = 0.218$) This means that H1 is not true. The direct impact of EHRO on EP is not significant ($\beta = 0.181$; $p > 0.05$), demonstrating the lack of a direct correlation. Nonetheless, both indirect pathways via PAC ($\beta = 0.231$) and ER ($\beta = 0.104$) are statistically significant. These results show that HR orientation indirectly improves employee performance by creating a favorable emotional atmosphere and making it easier to hire new people. The measurement model was used to make sure the constructs were valid and reliable. The outer loadings were all higher than 0.70, which meant that the indicator was trustworthy. (Hair, 2014b) Table 2 reveals that the average variance extracted (AVE) for each construct was more than 0.50. This means that convergent validity is true. (Fornell & Larcker, 1981)

Table 2. Construct Reliability and Validity

	ER	EP	HO	PAC
ER1	0.806			
ER2	0.827			
ER3	0.856			
ER4	0.870			
ER5	0.873			
ER6	0.842			
ER7	0.755			
ER9	0.763			
EP1		0.761		
EP2		0.752		
EP4		0.764		
EP6		0.755		
EP7		0.769		
EP8		0.739		
EP9		0.714		
HO2			0.741	
HO3			0.796	
HO5			0.801	
HO6			0.764	

	ER	EP	HO	PAC
HO7			0.812	
PAC1				0.817
PAC2				0.741
PAC4				0.794
PAC5				0.769
PAC8				0.785

Source: outer loading pls algorithm Smart PLS 4

With all indicator loadings over the 0.70 criterion, the measurement model exhibits strong convergent validity. The robustness of the constructs is confirmed by the reliable measurement of Employee Human Resource Orientation (HO), Positive Affective Climate (PAC), Recruitment Efficiency (ER), and Employee Performance (EP) by their respective indicators.

Table 3. Discriminant Validity

	ER	EP	HO	PAC
ER	0.825			
EP	0.613	0.751		
HO	0.477	0.516	0.783	
PAC	0.672	0.696	0.503	0.782

Source: discriminant validity Smart PLS 4

The Fornell–Larcker criterion confirms discriminant validity, as the square root of AVE for ER (0.825), EP (0.751), HO (0.783), and PAC (0.782) exceeds their inter-construct correlations. This indicates that each construct is empirically distinct and the measurement model demonstrates adequate discriminant validity.

Table 4. Construct Validity and Reliability

	Cronbach's alpha	Composite reliability (rho a)	Composite reliability (rho c)	AVE
ER	0.933	0.937	0.945	0.681
EP	0.872	0.875	0.900	0.564
HO	0.843	0.849	0.888	0.613
PAC	0.841	0.841	0.887	0.611

Source: Construct Reliability and Validity Smart PLS 4

Table 4 shows that all of the conceptions meet the standards for reliability and validity. Cronbach's alpha ranged from 0.841 to 0.933, and composite reliability (rho_c) values were between 0.887 and 0.945; both metrics exceeded the recommended threshold of 0.70. Furthermore, the Average Variance Extracted (AVE) values for ER (0.681), EP (0.564), HO (0.613), and PAC (0.611) surpassed 0.50, indicating robust convergent validity. Consequently, these findings suggest that the measurement model demonstrates reliability and is suitable for subsequent structural research endeavors.

4.2 Structural Model and Hypothesis Testing

Testing the Structural Model and Hypothesis To evaluate the structural model, bootstrapping with 5,000 resamples was utilized. The proposed correlations were assessed by examining path coefficients (β), t-values, and p-values.

Table 5. Value of Coefficient of Determination (R^2)

Endogenous Variable	R^2	R^2 Adjusted	Q^2 Predict	Model Interpretation
Recruitment Efficiency (ER)	0.228	0.218	0.176	Weak predictive power

Endogenous Variable	R ²	R ² Adjusted	Q ² Predict	Model Interpretation
Positive Affective Climate (PAC)	0.254	0.245	0.211	Weak predictive power
Employee Performance (EP)	0.547	0.530	0.210	Moderate predictive power

Source: value of coefficient of determination (r²) smart pls 4

Table 5 displays the R² (coefficient of determination) and Q² (predictive relevance) for the endogenous variables. The model explains 22.8% of the variance in Recruitment Efficiency (ER) and 25.4% of the variance in Positive Affective Climate (PAC), which means that it doesn't do a good job of explaining these areas. On the other hand, 54.7% of the differences in Employee Performance (EP) can be explained, which means that it has some predictive power. The model is good at making predictions because all of the Q² values are greater than zero. These results show that the model can explain a lot about how well employees do their jobs, but the differences in how well they are hired and how happy they are at work are still limited.

Table 6. effect size (f²)

	ER	EP	HO	PAC
ER		0.055		
EP				
HO	0.295	0.052		0.340
PAC		0.234		

Source: effect size (f²) smart pls 4

Table 6 displays the magnitudes of the effects (f²) of the interrelations among the structures. Human Resource Orientation (HO) for employees has a big effect on both Recruitment Efficiency (ER) (f² = 0.295) and Positive Affective Climate (PAC) (f² = 0.340). This means it has a big effect on both mediators. But HO doesn't do much to make Employee Performance (EP) better (f² = 0.052), and ER doesn't do much to make EP better either (f² = 0.055). PAC has a moderate effect on EP (f² = 0.234), which means it is more important for making performance better. These findings indicate that HO primarily affects performance indirectly through PAC, rather than through a direct mechanism.

Table 7. Path Coefisien

Hypothesis	Path	β	t-value	p-value	Decision
H1	EHRO → Employee Performance	0.181	1.818	0.069	Not Supported
H2	EHRO → Positive Affective Climate	0.503	6.222	0.000	Supported
H3	EHRO → Recruitment Efficiency	0.477	5.974	0.000	Supported
H4	Positive Affective Climate → Employee Performance	0.458	5.220	0.000	Supported
H5	Recruitment Efficiency → Employee Performance	0.218	2.151	0.032	Supported

Hypothesis	Path	β	t-value	p-value	Decision
H6	EHRO → PAC → Employee Performance	0.231	4.011	0.000	Supported
H7	EHRO → RE → Employee Performance	0.104	2.108	0.035	Supported

Source: Path Coefisien Smart PLS 4

The results show that EHRO has significant positive effects on Positive Affective Climate ($\beta = 0.503, p < 0.001$) and Recruitment Efficiency ($\beta = 0.477, p < 0.001$). However, the direct effect of EHRO on Employee Performance is not significant ($\beta = 0.181, p = 0.069$). Both Positive Affective Climate ($\beta = 0.458, p < 0.001$) and Recruitment Efficiency ($\beta = 0.218, p = 0.032$) significantly influence Employee Performance. Furthermore, mediation analysis confirms that PAC ($\beta = 0.231, p < 0.001$) and RE ($\beta = 0.104, p = 0.035$) significantly mediate the relationship between EHRO and Employee Performance.

4.3. Discussion

4.3.1. The Effect of Employee Human Resource Orientation on Employee Performance (H1)

The main results show that Employee Human Resource Orientation (EHRO) does not have a statistically significant direct effect on Employee Performance ($\beta = 0.181; p = 0.069$). This means that H1 is not true. Although the relationship is positive in direction, the absence of statistical significance suggests that strategic HR orientation alone is insufficient to directly enhance employee performance. From an interpretative standpoint, this implies that EHRO functions as a foundational strategic philosophy rather than an immediate performance driver, requiring intervening organizational mechanisms to translate HR intentions into measurable outcomes. Theoretically, this finding aligns with Strategic Human Resource Management (SHRM), which posits that HR systems create value through internally consistent bundles of practices and capability-building processes rather than isolated direct effects (Becker & Gerhart, 1996). Within the broader scholarly context, prior empirical studies similarly demonstrate that the impact of HR orientation on performance tends to operate indirectly through mediating variables such as affective climate and recruitment effectiveness (Tumasjan et al., 2020a), thereby reinforcing a mediated-performance framework in explaining how EHRO contributes to employee-level performance.

4.3.2 The Effect of Employee Human Resource Orientation on Positive Affective Climate (H2)

The results demonstrate that Employee Human Resource Orientation (EHRO) exerts a positive and statistically significant influence on Positive Affective Climate ($\beta = 0.503; p < 0.001$), thereby corroborating H2. This suggests that strategic HR practices emphasizing employee development and recognition foster a shared positive emotional environment. Analytically, the strong coefficient confirms that HR orientation substantially shapes workplace affective dynamics. The result aligns with Affective Events Theory (Weiss, 1996), which posits that organizational practices influence collective emotions and behavior. In the broader scholarly context, this finding reinforces prior research highlighting the importance of positive affective climate as a key mechanism linking HR systems to performance, particularly in service organizations.

4.3.3. The Effect of Employee Human Resource Orientation on Recruitment Efficiency (H3)

The findings indicate that Employee Human Resource Orientation (EHRO) positively and significantly impacts Recruitment Efficiency ($\beta = 0.477; p < 0.001$), thereby corroborating H3. This indicates that strong HR orientation enhances structured and effective recruitment systems. Analytically, the substantial coefficient highlights the strategic importance of HR orientation in strengthening talent acquisition and person-organization fit. The finding is theoretically consistent with Signaling Theory (Spence, 1973) which explains how HR practices signal organizational quality to applicants. In the broader scholarly context, this result reinforces prior research identifying recruitment efficiency as a key mechanism linking strategic HR orientation to organizational capability and performance.

4.3.4. The Effect of a Positive Affective Climate on Employee Performance (H4)

The results indicate that Positive Affective Climate exerts a positive and statistically significant influence on Employee Performance ($\beta = 0.458; p < 0.001$), thereby corroborating H4. The moderate effect size ($f^2 = 0.234$)

indicates that shared positive emotions meaningfully enhance productivity, cooperation, and service quality. Analytically, this suggests that collective emotional dynamics function as a substantive performance driver rather than a peripheral organizational factor. Theoretically, the result is consistent with prior work highlighting the performance implications of group affect and emotional climate ((Barsade & Gibson, 2012; Menges et al., 2011) Within the broader scholarly context, the finding reinforces the argument that collective positive emotions strengthen engagement and contribute significantly to employee-level performance outcomes, particularly in service environments..

4.3.5. The Effect of Recruitment Efficiency on Employee Performance (H5)

The results indicate that Recruitment Efficiency exerts a positive and statistically significant influence on Employee Performance ($\beta = 0.218$; $p = 0.032$), thereby corroborating H5. Although the effect size is small ($f^2 = 0.055$), the result indicates that efficient recruitment improves person–job fit, accelerates adaptation, and enhances task execution. Analytically, recruitment functions as a supportive but meaningful performance mechanism. Theoretically, this finding aligns with SHRM literature emphasizing recruitment as a strategic lever for performance improvement (Becker & Gerhart, 1996) and is consistent with prior studies linking effective HR practices to enhanced employee outcomes (Agustina et al., 2022; Dantyo et al., 2014). Within the broader scholarly context, the result reinforces the role of structured talent acquisition systems in strengthening organizational capability and employee-level performance.

4.3.6 The Mediating Role of Positive Affective Climate (H6)

The results show that Positive Affective Climate has a big effect on the link between Employee Human Resource Orientation (EHRO) and Employee Performance ($\beta = 0.231$; $p < 0.001$), which supports H6. Since the direct effect of EHRO on Employee Performance is not statistically significant, the mediation can be categorized as complete mediation. This analysis shows that HR orientation improves performance mainly by creating a supportive emotional climate, not by changing the structure directly. In theory, the outcome corresponds with the dual-path framework suggested by (Tumasjan et al., 2020a), emphasizing the pivotal function of internal affective mechanisms in converting strategic HR orientation into employee performance outcomes. In the larger academic context, this finding supports the idea that emotional climate is an important link between HR philosophy and measurable performance outcomes, especially in service organizations.

4.3.7. The Role of Mediation in Recruitment Efficiency (H7)

The results show that Recruitment Efficiency has a big effect on the link between Employee Human Resource Orientation (EHRO) and Employee Performance ($\beta = 0.104$; $p = 0.035$), which supports H7. The indirect effect is statistically significant, even though it is smaller than the affective climate pathway. This means that there is some indirect influence. This implies that an HR orientation enhances performance by fortifying recruitment systems that improve person–job fit and talent quality. This outcome aligns with the principles of Strategic Human Resource Management (SHRM), which underscores recruitment as a strategic tool that connects HR philosophy to organizational capacity and performance (Becker & Gerhart, 1996). In the larger academic context, the finding fits with earlier empirical studies that show that recruitment efficiency works as a middle ground between employer branding orientation and performance outcomes. (Huseynova et al., 2022; Tumasjan et al., 2020a)

The findings indicate that strategic HR orientation operates through organizational mechanisms rather than direct performance effects, as Employee Human Resource Orientation (EHRO) does not significantly influence Employee Performance directly ($\beta = 0.181$; $p > 0.05$). Consistent with prior research (Tumasjan et al., 2020a) EHRO significantly affects Positive Affective Climate ($\beta = 0.503$) and Recruitment Efficiency ($\beta = 0.477$), aligning with Affective Events Theory and Signaling Theory, respectively. This suggests that organizations emphasizing HR values foster supportive emotional environments and strengthen recruitment systems. In service-based firms, where employee interaction drives outcomes, these mechanisms become critical in translating HR strategy into improved performance. Moreover, both Positive Affective Climate and Recruitment Efficiency significantly mediate the relationship between EHRO and Employee Performance, with stronger mediation through affective climate ($\beta = 0.231$) than through recruitment efficiency ($\beta = 0.104$). This dual mediation confirms that EHRO enhances performance through complementary internal and external pathways. The stronger affective pathway underscores the importance of emotional dynamics in service settings, where morale and collective enthusiasm influence work quality. Meanwhile, the recruitment pathway highlights the strategic role of talent acquisition in ensuring person–job fit and effective task execution. Together, these findings clarify how HR orientation translates into employee-level performance through structured organizational processes. However, contradictory evidence exists in the literature, as some studies suggest that HR orientation and HR systems can directly enhance employee and organizational performance without the need for mediating mechanisms (Combs et al., 2006; Jiang et al., 2012). Moreover, (Guest, 2011) argues that the relationship

between HRM practices and performance remains theoretically ambiguous and highly context-dependent. These inconsistencies indicate that the EHRO–performance relationship is not universally linear, thereby reinforcing the relevance of a mediated framework as proposed in this study.

5. Conclusion and recommendation

Conclusions

This study confirms that Employee Human Resource Orientation (EHRO) does not exert a direct influence on Employee Performance but operates through dual mediating mechanisms: Positive Affective Climate and Recruitment Efficiency. The stronger mediation through affective climate highlights the central importance of emotional and relational dynamics in service organizations, where collective positivity and employee morale significantly shape performance outcomes. At the same time, recruitment efficiency serves as a strategic external mechanism that ensures the acquisition of capable talent, thereby supporting sustained performance improvement. This research is plagued by certain limitations, such as the cross-sectional nature of the research design and the fact that the data was collected from one source only in the form of a single organization. As a result, it is suggested that the future researchers consider the longitudinal approach to research design along with using multiple data sources for their analysis.

Implications and Future Research

The findings generate meaningful theoretical and managerial implications. Theoretically, this study advances Strategic Human Resource Management (SHRM) by empirically validating a dual mediation framework integrating Affective Events Theory and Signaling Theory. The results confirm that Employee Human Resource Orientation (EHRO) functions as an enabling strategic orientation rather than a direct determinant of Employee Performance, operating through internal emotional mechanisms and external recruitment effectiveness. By providing empirical evidence from a service organization in an emerging economy, this research addresses contextual limitations in prior studies and strengthens the understanding of how HR philosophies translate into performance outcomes. Practically, the results suggest that service companies should strengthen HR orientation while intentionally cultivating a positive affective climate through supportive leadership, open communication, and employee recognition systems. Simultaneously, organizations should enhance recruitment efficiency through structured selection processes, digital recruitment tools, and systematic onboarding practices to secure high-quality talent. An integrated HR approach that simultaneously reinforces emotional workplace dynamics and recruitment systems is essential for improving employee performance in service contexts.

Longitudinal methodologies are suggested for subsequent investigations to assess the causal and temporal relationships between EHRO, mediating factors, and performance results. To improve the applicability of findings, it would be beneficial to broaden the scope of samples to encompass various sectors, including hospitality, healthcare, and finance, and to include diverse cultural settings. Furthermore, future research endeavors might integrate objective performance metrics or data from multiple sources to mitigate common method bias. Exploring additional mediators, such as employee innovation or organizational agility, alongside moderators like leadership style or firm size, could yield a more comprehensive understanding of the contextual factors influencing the EHRO performance connection.

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