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Rethinking the Mediating Mechanism: HRM Practices and Employee Well-being

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Rethinking the Mediating Mechanism: HRM Practices and Employee Well-being

Cover Page Footnote

Rethinking the Mediating Mechanism: HRM Practices and Employee Well-being

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Abstract. The relationship between Human Resource Management (HRM) practices and employee well-being is complex and often contradictory. While HRM practices can enhance employee well-being through various mechanisms, they can also negatively impact well-being, especially in contexts of high-demand jobs. This study investigates the mediating roles of job crafting and work engagement in this relationship. Data from 100 hotel employees in Bandung, Indonesia, were analyzed using Partial Least Squares (PLS). While HRM practices did not directly influence well-being, they significantly impacted job crafting. Interestingly, job crafting, not work engagement, emerged as a strong mediator between HRM practices and employee well-being. These findings suggest that employee-oriented HRM practices promoting autonomy (e.g., flexible work arrangements) empower hotel staff to personalize their work, ultimately leading to greater well-being. The study challenges the traditional view of work engagement as the sole mediator and highlights the under-explored role of job crafting in this context. Future research should explore the influence of individual differences and organizational culture on this complex relationship.

Keywords: HRM practices, well-being, job crafting, job engagement, mediation, hotel industry

INTRODUCTION

The existing body of research explores how Human Resource Management (HRM) practices influence individual performance, organizational performance, and employee well-being. Studies have shown that HRM practices can impact a firm's intellectual capital, leading to higher innovation performance (Kianto et al., 2017). Guest (2017) and Zhang et al. (2020) described how HRM practices through training and development, mentoring, and career support improve employees' knowledge, skills, and abilities, which can contribute to positive feelings of well-being. Cooper et al. (2019) found that HRM practices enhance individual performance by fostering a positive social climate. Cheewakoset et al. (2023) stated that organizations with flexible HRM systems are more likely to encourage employees to engage in exploratory and exploitative behaviors, leading to increased ambidexterity. Employing social exchange and social identity theories, Vu (2022) found that HRM practices enhance job performance by building organizational norms and values and creating organizational identification. These integrated norms and values contribute to improved performance.

However, Kooij et al. (2013) highlight inconsistencies in the relationship between HRM practices and employee well-being. These conflicting findings can be attributed to two competing views of HRM practices. The first view, shared capitalism, emphasizes mutual gain. This suggests employers and employees benefit from HRM practices (Guest, 2017). HRM practices can improve workforce skills and fulfill employees' basic needs through various strategies and initiatives. For instance, career development initiatives such as mentorship programs and succession planning help employees see a clear career path within the organization. Adequate compensation ensures that employees' basic needs, such as financial security, are met (Boselie, 2014). The second view is the critical perspective; Ho & Kuvaas (2020) argue that HRM practices benefit only employers, not employees. This perspective implies that HRM practices may unintentionally contribute to a work environment where job performance is prioritized over employee well-being (Parent-Lamarche et al., 2023). As a result, these opposing views contribute to inconsistencies in the research findings.

To reimagine the complex mechanism between HRM and well-being, this relationship can also be explained by contingent factors (such as temporary staffing arrangements and project-based work) that are increasingly prevalent in modern workplaces. Companies strive to remain competitive by implementing changes in various aspects of their business process. While some changes are positive, leading to the automation of routine tasks, others erode work-related well-being with negative consequences for
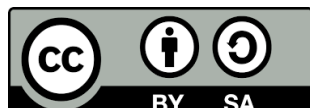
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employees and organizations. For example, technologies at work can increase work demand and lead to work overload (Derks et al., 2015; Fréour et al., 2021) and work-home interference (Ngo et al., 2023). Flexible employment, a result of digitalization, has also led to temporary and zero-hour contracts (Guest, 2017; Mehta, 2023; Murphy & Turner, 2023). These continuous changes have presented significant challenges to traditional HRM practices, compelling HR practitioners to adjust to a complex environment and facilitating employees' adaptation to new work paradigms. Organizations must urgently balance the pursuit of high-performance work systems (HPWS) with the critical need for employee well-being. This delicate balance requires a deep understanding of context and the implementation of agile, supportive HRM practices to navigate uncertain times.

The inconsistent relationship between HRM practices and employee well-being is particularly evident in industries with demanding work environments, such as hotels. Hotel employees often face long hours, shift work, and high levels of customer interaction, all of which can lead to job stress and burnout. Therefore, understanding how HRM practices can mitigate these challenges and promote employee well-being in the hotel industry is crucial. This study draws on Social Exchange Theory (SET) to clarify these issues. According to SET, individuals weigh the costs and benefits of a relationship and decide whether to continue or end it based on perceived value. People interact with others based on the benefits they receive (Cropanzano & Mitchell, 2005). Suppose employees believe the organization meets their intrinsic and extrinsic needs through adequate resources. In that case, they are more likely to reciprocate with superior performance and willingness to surpass job limits. Guan & Frenkel (2018) suggested that HRM practices that are easy to understand, consistently applied, and implemented with leadership consensus create emotional bonds. Employees believe these practices are designed to satisfy their human needs, leading to passion, commitment, and enthusiasm for work. Additionally, well-being-oriented HRM practices can sustain employee well-being through employee development and empowerment (Ngo et al., 2023).

To understand the complex mechanism between HRM practices and employee well-being, this study investigates the mediating roles of work engagement and job crafting. Ideally, HRM practices should focus on employees' physical, psychological, and emotional needs. Such practices typically include selection procedures, job design (e.g., job autonomy and crafting), compensation packages, and development programs. These practices enhance employees' knowledge, skills, abilities, and opportunities for growth. In the long term, it fosters emotional bonds (engagement) and improves well-being. This mechanism explains why investing in HRM practices not only boosts productivity but also positively impacts employee well-being.

This study contributes to the literature in two ways:

First, it advances the knowledge of the critical role of HRM practices in maintaining employees' well-being. Second, it increases understanding of the possible black box between HRM practices and employee well-being. Third, it empowers HR managers to adjust existing HR practices in response to uncertain working conditions. By addressing these three key areas, this study offers valuable insights for both researchers and practitioners.

Human Resource Management (HRM) Practices

HRM is a strategic function that involves practices in attracting, developing, motivating, and retaining employees to achieve organizational objectives (Boselie, 2014). HRM practices represent an organization's commitment to its employees, and all policies, practices, and procedures can shape employees' attitudes and behaviors and ultimately impact organizational sustainability (Aktar & Pangil, 2018). Effective HRM practices encompass a range of functional areas, including recruitment and selection, training and development, performance management, compensation and benefits, health and safety, employee relations, and job design (Ho & Kuvaas, 2020). These practices work synergistically to create a positive work environment. For instance, effective staffing practices ensure a skilled and competent workforce by attracting and hiring individuals who align with the organization's job requirements, tasks, and values. Moreover, employee development programs equip employees with the necessary knowledge and skills to excel in their roles and cope with continuous change. Compensation and benefits packages designed to address employee needs increase job satisfaction and motivation (Aboramadan et al., 2020; Conway et al., 2016).

Social Exchange Theory, pioneered by Peter Blau (1964), provides a valuable framework for understanding the connection between HRM practices and employee well-being. This theory emphasizes the concept of reciprocity in social relationships. Interactions are built on a mutual exchange of resources, with benefits and obligations flowing in both directions. This theory emphasizes mutually dependent transactions in which one party offers resources. In contrast, the other party reciprocates favor from a sense of obligation, resulting in a new trade cycle (Cropanzano & Mitchell, 2005). Social exchange is grounded in both parties' dispersed responsibility to obey reciprocity rules. In the HRM context, effective practices function as investments for employees. HRM practices may foster positive attitudes and behaviors among workers (Vu, 2022). HRM practices indicate that employees are valued, supported, and cared for. This experience will also shape employees' perceptions of their roles and the organization (Guan & Frenkel, 2018; Vu, 2022). Employees who feel valued by their organization are more likely to exhibit positive behaviors and attitudes. This reciprocity can manifest in several ways, including motivation and engagement, reduced absenteeism and turnover intention, and increased

extra-role performance (Dechawatanapaisal, 2018).

Job Crafting

To deal with continuous changes at work. Employees have created mechanisms to cope with this working situation. These changes can be physical or cognitive. In a previous study, this mechanism, known as job crafting, refers to employees' proactive modification of their roles, tasks, and relationships to shape their work experience. Job crafting is a bottom-up approach to job design that gives individuals a sense of control and autonomy over their work (Tims et al., 2014). It goes beyond traditional job design and empowers employees to actively shape their work environment to enhance their motivation, satisfaction, and overall well-being. This involves employees taking the initiative to redefine aspects of their jobs to make them more meaningful, engaging, and fulfilling (Bakker et al., 2016; Bakker & Oerlemans, 2019; Oldham & Fried, 2016; Saragih, Margaretha, et al., 2021).

Tims et al. (2014) identified the following four dimensions: (1) increasing job resources and job resources, (2) increasing job challenges and challenging job demands, (3) reducing job demands and hindering job demands, and (4) increasing structural resources and increasing structural job resources. Based on the job demand–-resources (JD-R) model, increasing job resources is an employee's proactive action to find required resources, such as resources needed, development opportunities, and autonomy in completing work (Tims et al., 2012). For example, in a tight deadline for a critical project, a software engineer might request additional team members or leverage existing tools and automation to optimize their time. Meanwhile, increasing social job resources is defined as employees taking proactive action to change aspects of their work, such as seeking support and feedback. Employees might ask their supervisor for feedback on their performance and areas for improvement. The third dimension, decreasing job demand, refers to the possibility that employees will reduce their productivity if they believe their workload has become excessive (Crawford et al., 2010). The fourth dimension, increasing levels of challenging job demands, is the act of employees seeking challenges to eliminate boredom and dissatisfaction (Harju et al., 2021; Tims et al., 2016). For example, a project manager might volunteer to join a new project, even if it's outside their usual scope of work, to enhance skills and career prospects.

Work Engagement

Work engagement (WE) is a positive, satisfying, work-related state of mind characterized by strength, dedication, and absorption. WE are a strategic approach that cultivates a positive and productive work environment, empowering employees to fully invest their talents and align with organizational goals and values (Lu et al., 2014; Marinova et al., 2015; Saks, 2019). Previous research has demonstrated that work engagement is a key driver of positive attitudes and organizational performance. For example, Lu et al. (2014) found that work engagement is positively related to changes in demands–abilities fit through changes in physical job crafting and positively associated with changes in needs–supplies fit through changes in relational job crafting. Building on the model developed in 2006, Saks (2019) revised the model of work engagement. This revised model highlights the critical role of various antecedents, including job characteristics (for example, task variety, autonomy, skill utilization), organizational support (e.g., access to resources and development opportunities), supervisor support (e.g., recognition, constructive feedback), rewards (e.g., pay, benefits, promotions), procedural justice (fairness in work processes), and distributive justice (fairness in the allocation of resources and rewards).

Employees' Well-being

Well-being in the workplace transcends the simple absence of illness or injury. It encompasses employees' interconnected physical, mental, and emotional states within their work environment (Guest, 2017). This holistic perspective acknowledges that these dimensions are not isolated but influence each other significantly. A positive work environment that prioritizes well-being fosters not only physical health but also mental and emotional well-being, leading to a more engaged and productive workforce. Workplace well-being is a multifaceted concept with various dimensions that impact employee experience. Job satisfaction refers to employees' overall contentment with their job duties, responsibilities, and work environment (Ang et al., 2017). Feeling valued, respected, and supported by colleagues and supervisors significantly contributes to job satisfaction (Pradipto & Albari, 2021). Involvement describes how employees feel connected to their work and invest in success (Ho & Kuvaas, 2020). Supportive and collaborative work environments foster involvement, whereas negative experiences can lead to disengagement. Affective organizational commitment reflects an employee's emotional attachment to their organization and desire to remain employed there (Ngo et al., 2023). This emotional connection is strengthened when employees feel valued and supported by their organization. Work engagement captures employees' focus and dedication to their work tasks (Saks, 2019). Positive and negative emotions experienced at work, such as joy, frustration, and anxiety, also affect overall well-being (Saragih, Setiawan et al., 2021; Zhang et al., 2020).

Insightful findings on employee well-being have been reported in previous studies. According to Pradipto & Albari (2021), employee well-being is important because it is a relevant outcome in consumers' use of services. Positive workplace experiences can be described as feelings of value, respect, and support from colleagues and supervisors. These experiences foster a supportive, collaborative, and engaging work environment, whereas negative

experiences can lead to dissatisfaction, stress, and decreased performance (Cooper et al., 2019; Guest, 2017; Ho & Kuvaas, 2020). Therefore, organizational leaders who foster employee well-being are expected to be present.

Employee perceptions or perspectives on how HRM practices are designed, implemented, and communicated significantly impact employee attitudes and behaviors (Guest, 2017; Parent-Lamarche et al., 2023; Vanhala & Tuomi, 2006). Following social exchange theory, Cropanzano & Mitchell (2005) stated that employees are expected to respond and deliberately weigh costs and benefits according to what they receive or perceive from the organization. Guan & Frenkel (2018) suggest that if employees understand HRM practices, followed consistently, and implemented by managers' consensus, it will create an emotional bond because employees believe these practices are designed to meet their needs at work. HRM practices supporting ability, motivation, and opportunity lead to positive job and psychological well-being (Ang et al., 2013; Zhang et al., 2020). Conway et al. (2016) also found that HRM practices increase employees' willingness to share information and collaborate. HRM practices enhance employees' well-being by providing them with training and development, rotation, participation, empowerment, and opportunities to grow (Parent-Lamarche et al., 2023).

HRM practices should also be adapted to the organizational context and environment. When an organization's external environment is constantly changing, HRM practices should be able to accommodate changes that employees must make. Employees tend to proactively adjust their job demands and resources to cope with continuous change, making their work more resourceful and challenging. They created their daily work activities based on their preferences, interests, and expertise. This proactive behavior has been well-documented as a mechanism by which employees enhance their well-being (Hakanen et al., 2018; Harju et al., 2021; van den Heuvel et al., 2015). Simultaneously, employees with a positive perception and experience of HRM practices tend to be more engaged in work and organization (Conway et al., 2016; Guan & Frenkel, 2018), which influences employee well-being. Effective HRM practices demonstrate that an organization invests in its employees. When employees feel valued and supported by their organizations, they are likelier to feel a sense of belonging and purpose at work. This, in turn, increases motivation and engagement. In addition, employees who perceive HRM practices as fair and supportive experience reduced stress and anxiety. This work situation contributes to improved well-being. Employees who feel supported and have a healthy work-life balance are more likely to be engaged and productive. Based on this explanation, the following hypothesis was developed:

H1: HRM practices affect employee well-being.

H2: HRM practices affect employee well-being through work engagement as a mediating variable.

H3: HRM practices affect employee well-being through job crafting as a mediating variable.

RESEARCH METHOD

Sample and Data Collection

To explore the relationship between HRM practices and employee well-being in the context of potential challenges, this study targeted employees in the hotel industry. The hotel industry is known for demanding work schedules, which can lead to stress, burnout, and health problems. Examining HRM practices in this context can provide valuable insights into how organizations can support employee well-being and mitigate these challenges. Purposive sampling was used to select the participants. This approach includes individuals who meet the specific criteria relevant to the research question. In this study, the participants were permanent employees employed for at least six months—the six-month employment criterion aimed to minimize bias in responses to organizational HRM practices. Data collection involved online questionnaires distributed to HR managers in Bandung, Indonesia. Participation was voluntary, and informed consent was obtained from all respondents before they began the survey. A total of 100 hotel employees participated in this survey. While a more significant number of respondents is beneficial, according to the central limit theorem, a sample of more than 30 respondents is sufficient (Saunders et al., 2018). An overview of the participant demographics is presented in Table 1. The respondents are comprised of 66% males and 34% females, and the majority are in the 30-year-old age group (30%), following the age group between 21-28 years old (27%). Thirty percent of the respondents had been working in the industry for less than three years, and twenty-five percent had more than seven years of work experience.

Measurement

All constructs and measurements used in this study are based on previous studies. Questions were graded on a Likert scale (5-point Likert scale), with one indicating strongly disagree and five indicating strongly

Table 1. Respondents demographic characteristics

No	Demographic Characteristics		Total Frequency	%
1	Gender			
		Male	66	66
		Female	34	34
2	Age			
		21-28	27	0.27
		29-34	24	0.24
		35-40	30	0.30
		41-46	9	0.09
		>46	9	0.09
3	Job tenure			
		0.5 years – 3 years	30	0.30
		>3 – 5 years	21	0.21
		>5 – 7 years	24	0.24
		>7 years	25	0.25

agree. The first part of the questionnaire asked about HRM practices. This variable was assessed using a questionnaire developed by Frenkel et al. (2012) that included 12 questions. One of the questions was whether HR practices in this company are communicated in this company. Work Engagement (WE) is a statement of positive emotions and thoughts toward work and is characterized by the willingness to invest energy in work. This study adopted the instrument Schaufeli (2013) developed, which consisted of nine questions. One of the questions was, 'I am very enthusiastic about my work.' Job crafting (JC) is defined as employees' proactive behavior in changing certain aspects of their work to suit their personal preferences and interests. This study adopted the instrument Tims et al. (2012) developed, which consisted of 21 questions from four job crafting dimensions. One question asked was, "I organize my work so that I do not have to concentrate for a long time to do my work." Well-being (WB) is defined as an individual's overall life experience and is reflected in happiness. This study adopted the Satisfaction with Life Scale (SWLS) developed by Pavot and Diener (2009), which consists of five questions. One of the questions is, "In many ways, my life is close to ideal."

RESULT AND DISCUSSION

Before proceeding with the model and structural testing, a descriptive test was conducted to explore the relationships between variables. The average values (means), standard deviations, and correlations between variables were analyzed. The results are shown in Table 2, and they reveal a positive zero-order correlation between HRM practices, employee well-being, task crafting, and work engagement, supporting our theoretical assumptions. The data also showed that overall, respondents perceived a strong perception of their organization's HRM practices (mean = 3.79) and reported good well-being (mean = 4.77).

Partial Least Square (PLS) Analysis

Hypothesis testing was conducted using the Smart PLS program analysis. According to Gaskin & Lowry (2014), PLS-SEM is strong, flexible, and superior for building statistical models to test and predict theories. Two types of testing were performed in the PLS analysis: the outer and inner models (Gaskin & Lowry, 2014). The outer model test was conducted to test the validity and construct reliability of all indicators in the tested model. In the inner model, an analysis was performed to test the hypothesis based on the significance value and path coefficient between the tested variables.

Outer Model Testing (Measurement Model)

An outer model evaluated the relationships between constructs and their measurement indicators. At this stage, reliability and validity (Hair et al., 2022) tests included convergent validity (i.e., validity,

Table 2. Means, Standard deviation, and correlation between variables (n = 100)

	Mean	St. Dev	Skewness	HRP	EWB	JC	WE
HRMP	3.79	0.327	0.079	1	**0.443**	0.473	0.343
EWB	4.32	0.442	0.056		1	**0.788**	0.656
TC	4.60	0.449	0.154			1	**0.758**
WE	4.77	0.553	-0.218				1

(HRMP: Human Resources Management Practices; EWB: Employee Well-being; JC: Task Crafting; WE: Work Engagement)

reliability, and average variance extracted/AVE) and discriminant validity (i.e., examining the cross-loading value). A convergent validity assessment was conducted by analyzing each indicator based on its loading factor and outer loading value. The question was considered valid if the loading factor value was more significant than 0,7. However, according to Hair et al. (2022), an indicator with an outer loading value between 0,5 – 0,6 is deemed to meet the requirements of convergent validity. Indicators not meeting these requirements should be removed from the subsequent test. The results were obtained from the data processing (Table 3).

Table 3 lists all questions that met the standard (loading factor > 0.5). While 15 indicators were eliminated due to not meeting the standard, the remaining questions provide a strong foundation for assessing the constructs under investigation. In addition, to evaluate the loading factor value, convergent validity was also performed by looking at the average variance extracted/AVE value. AVE indicates the amount of variance in the indicators that can be explained by the underlying construct they are supposed to measure. An AVE value greater than 0.5 means a construct meets the validity criteria (Hair et al., 2022). Table 3 also shows that each construct's AVE (Average

Table 3. Loading Factor Value

Latent Variable	AVE	Indicator	Loading Factor	Conclusion
HRP	0.501	HRP1	0.824	Valid
		HRP5	0.606	Valid
		HRP6	0.607	Valid
		HRP7	0.791	Valid
		HRP8	0.683	Valid
EWB	0.522	EWB1	0.692	Valid
		EWB2	0.672	Valid
		EWB3	0.635	Valid
		EWB4	0.834	Valid
		EWB5	0.787	Valid
		EWB6	0.744	Valid
		EWB7	0.670	Valid
WE	0.513	WE1	0.805	Valid
		WE2	0.894	Valid
		WE3	0.747	Valid
		WE4	0.826	Valid
		WE5	0.783	Valid
		WE6	0.724	Valid
		WE8	0.900	Valid
JC	0.676	CC1	0.837	Valid
		CC3	0.719	Valid
		CC4	0.827	Valid
		CC5	0.686	Valid
		TC1	0.758	Valid
		RC1	0.657	Valid
		RC2	0.663	Valid
		RC3	0.546	Valid
		RC4	0.707	Valid

Table 4. Cross-loading Value

Indicator	HRP	EWB	TC	WE
HRMP1	**0.824**	0.449	0.491	0.330
HRMP5	**0.606**	0.347	0.381	0.154
HRMP6	**0.607**	0.063	0.135	0.128
HRMP7	**0.791**	0.277	0.182	0.197
HRMP8	**0.683**	0.217	0.269	0.315
EWB1	0.255	**0.692**	0.311	0.416
EWB2	0.397	**0.672**	0.592	0.551
EWB3	0.627	**0.635**	0.589	0.368
EWB4	0.383	**0.834**	0.743	0.574
EWB5	0.184	**0.787**	0.634	0.524
EWB6	0.169	**0.744**	0.544	0.510
EWB7	0.073	**0.670**	0.352	0.257
WE1	0.087	0.531	0.612	**0.805**
WE2	0.223	0.502	0.667	**0.894**
WE3	0.582	0.495	0.647	**0.747**
WE4	0.358	0.565	0.661	**0.826**
WE5	0.224	0.382	0.381	**0.783**
WE6	0.131	0.350	0.400	**0.724**
WE8	0.256	0.713	0.758	**0.900**
CC1	0.273	0.694	**0.837**	0.837
CC3	0.273	0.624	**0.719**	0.719
CC4	0.333	0.518	**0.827**	0.827
CC5	0.428	0.343	**0.686**	0.686
TC1	0.362	0.472	**0.758**	0.758
RC1	0.173	0.462	**0.657**	0.657
RC2	0.564	0.648	**0.663**	0.663
RC3	0.221	0.467	**0.546**	0.546
RC4	0.321	0.683	**0.707**	0.439

Variance Extracted) value falls in the range of 0.501-0.676. This suggests adequate convergent validity, implying that most of the variance in each indicator is captured by its intended construct rather than by measurement error or other constructs.

Discriminant validity was observed for the cross-loading value of each indicator. An indicator item is declared valid if the value of the cross-loading indicator is higher than that of the cross-loading indicator for other constructs (Hair et al., 2022). Table 4 provides the results for discriminant validity. It can be concluded that all indicators of the construct have a higher cross-loading value than those of the other constructs. This suggests that the survey questions effectively measured the specific dimensions they were designed to assess.

In addition to the cross-loading value, discriminant validity testing was performed using HTMT values. Using Smart PLS, if the HTMT value of a construct is < 0.9, it can be concluded that the construct meets the discriminant validity standard (Hair et al., 2022). Table 5 shows that all constructs had HTMT values lower than 0.9; thus, all constructs met HTMT standards. This result ensures that the constructs (HRM Practices, Employee Well-being, Task Crafting, and Work Engagement) are distinct and not overlapping.

Composite reliability testing can be performed by analyzing Cronbach's alpha (CA) and alpha composite values. A variable was considered to meet the reliability requirements if its CA value was more

Table 5. HTMT Value

Indicator	HRP	EWB	TC	WE
HRMP				
EWB	0.498			
TC	0.512	0.839		
WE	**0.362**	**0.689**	**0.523**	

Table 6. R-Square Testing

Variable	R Square	Adjusted R Square	Criteria
EWB	0.636	0.624	strong
TC	0.224	0.216	moderate
WE	0.118	0.109	weak

significant than 0.6. The test results indicated that all constructs met the required reliability values. The Cronbach's alpha values for the scales were as follows: Human Resource Practices (HRP) 0.762 and 0.943 (composite); Employee Well-being 0.849 and 0.903 (composite); Task Crafting 0.879 and 0.883; and Work Engagement 0.931 and 0.832.

Inner Model Testing (Goodness of Fit)
An inner model test was conducted to analyze the structural suitability of the model by examining the path coefficient, testing the significance between variables, and analyzing the coefficient of determination. First, the goodness of fit was tested using an R-squared value. The R-squared value indicates how well exogenous variables predict endogenous variables (Table 6).

EWB/employee well-being had an R-squared value of 0.636 (indicating a strong relationship), task crafting (TC) 0.224, and work engagement 0.118 (indicating a weak relationship). The Q-Square value of 0.76 (or 76%) suggests that the model can explain 76% of the variance in the endogenous variables, with the remaining 24% attributed to other factors not included in this study.

$$Q \text{ Square} = 1 - (1 - R^2 1) \times (1 - R^2 2) \times (1 - R^2 3)$$
$$= 1 - (1 - 0.636) \times (1 - 0.224) \times (1 - 0.118)$$
$$= 1 - 0.24$$
$$= 0.76 \text{ or } 76.6\%$$

To assess model fit, the SRMR values were examined. An SRMR value below 0.08 indicates a perfect model fit, while a good fit is achieved between 0.08 and 0.10. The obtained SRMR value in this study is 0.214 (Table 7), though not ideal, suggesting a reasonable model fit. Similarly, the NFI value of 0.338 falls within the marginal fit range (0.08-0.90) according to Hu and Bentler's (1999) criteria. While this value indicates a less-than-ideal fit, it's important to note that NFI is a more conservative fit index. Considering the overall model fit and the substantive significance of the findings, the model can be regarded as acceptable for predicting personal well-being.

Table 7. SRMR Model

The goodness of fit Parameter	Saturated Model	Estimated Model
SRMR	0.142	0.214
NFI	0.357	0.338

Table 8. Hypothesis Testing

Path	Original Sample	Sample Mean(M)	Standard Deviation (STDEV)	T-Statistic	P-value
HRMP → EWB	0.093	0.091	0.064	1.447	0.149
HRMP → TC	0.473	0.497	0.057	8.305	0.000
HRMP → WE	0.343	0.357	0.099	3.472	0.001
TC → EWB	0.636	0.638	0.097	6.570	0.000
WE → EWB	0.143	0.147	0.105	1.355	0.176
HRMP → WE → EWB	0.049	0.051	0.040	1.209	0.227
HRMP → TC → EWB	0.301	0.317	0.060	5.001	0.000

Figure 1. The mediating effect of work engagement and job crafting on HRM practices and well-being
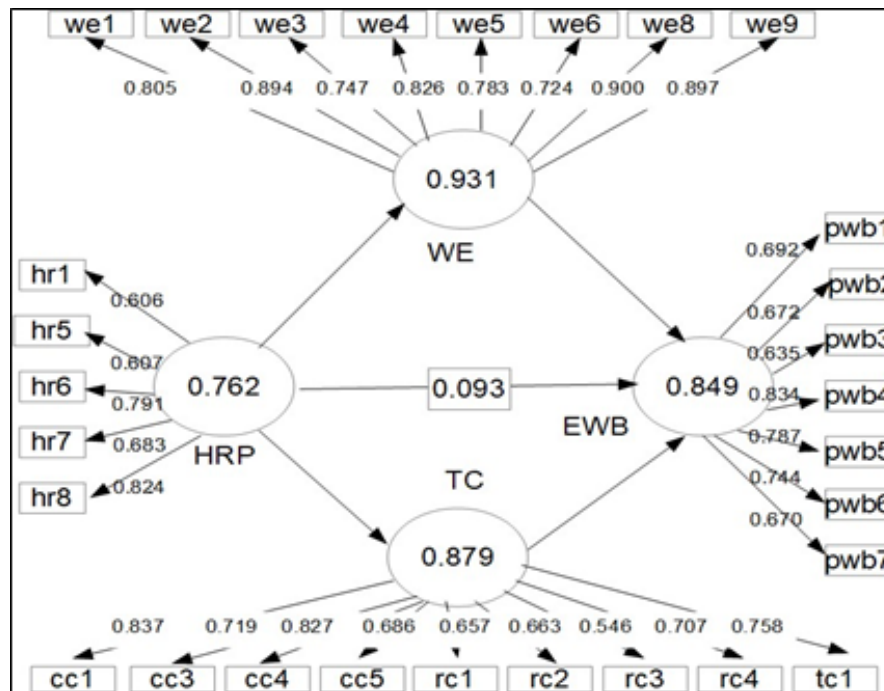
Hypothesis testing was conducted using bootstrapping with an alpha level of 0.05. As shown in Table 8, the results indicate that HRM practices do not directly impact employee well-being (p = 0.149). Additionally, work engagement did not significantly mediate the relationship between HRM practices and well-being (p = 0.227). However, job crafting mediated considerably this relationship (p < 0.05). Therefore, the first and second hypotheses were rejected, while the third hypothesis was supported.

In this study, additional tests were also conducted to test the direct effects of the variables under investigation. The results show that HRM practices affected job crafting (p-value 0.00 < 0.05) and engagement (p-value 0.01 < 0.05). This indicates that employees who perceive their workplace to have effective HR practices are more likely to actively shape their work tasks (job crafting) and feel dedicated to and invested in their jobs (engagement). Then, it was discovered that job crafting had a significant impact on personal well-being (p-value 0.00 < 0.05), whereas work engagement had no significant effect on employee well-being (p-value 0.176 > 0.05). This finding suggests that having more autonomy and tailoring one's

work to one's strengths and preferences contributes to a better emotional and mental state. Testing of the entire model is shown in Fig. 1.

HRM practices reflect an organization's strategies and policies. Therefore, employees' perceptions of HRM practices affect their views of the organization. According to previous studies, HRM practices that focus on employees and are implemented consistently will increase employee engagement and improve individual and group performance and employee well-being (Ang et al., 2013; Conway et al., 2016; Dechawatanapaisal, 2018). Therefore, HRM practices that support employees' needs will motivate employees to take ownership of the organization's goals (Guan & Frenkel, 2018; Vu, 2022).

In contrast to previous research, this study shows that HRM practices (focused on employees and implemented consistently) do not directly affect employee well-being but are mediated by other factors. This finding is consistent with that of previous studies. For example, Ho & Kuvaas (2020) and Vanhala & Tuomi (2006) argue that well-being is influenced by factors both inside and outside the workplace. The relationship between HRM practices and well-being is

non-linear. Consequently, HRM practices are thought to have a long-term impact on well-being, which requires other mediating factors to complement and strengthen. The observed results can be attributed to several key factors, particularly within the hotel industry context. A high-demand working environment characterizes the hotel industry. Employees often face various guest service requests, and the workload is not evenly distributed between weekdays and weekends. Thus, this working situation may overshadow the potential benefits of HRM practices.

Concerning work engagement, previous studies found that work engagement mediated HRM practices and employee well-being. However, this study revealed that work engagement did not significantly mediate the relationship between HRM practices and employees' well-being (p = 0.227 > 0.05). This was also demonstrated by the coefficients of work engagement and employee well-being, which were insignificant (p= 0.176 > 0.05). In the hotel industry, employees are required to meet immediate operational demands and provide customer service. To deliver the best services, engaged employees may prioritize meeting customer needs over their psychological well-being. Therefore, they might lose the meaning of work because they might be involved in extra-role behaviors, even though they are committed to providing excellent service to guests. High-demand working conditions may diminish the positive effects of HRM practices.

The third hypothesis posited that task crafting significantly mediates the association between HRM practices and employee well-being. This study supports this hypothesis. HRM practices that prioritize employees and are consistently implemented enable employees to adapt their roles and find meaning in their work. It follows the findings of Luu (2018), who argued that HRM practices should actively promote extra-role behaviors, creativity, and innovation within the workplace. Management can achieve this by allowing employees to tailor their roles in alignment with their abilities, values, motivations, and passions. This approach is called job crafting (Tims et al., 2015; Wrzesniewski & Dutton, 2001). In the hotel industry, service quality is paramount. Thus, promoting autonomy to enable employees to shape their tasks can build a sense of ownership over their work. This alignment enhances well-being and performance. Moreover, practices that support job crafting create a culture of supportiveness. Employees feel valued and understood, which boosts morale and work ethics and also enhances employee well-being.

This study provides several theoretical and practical contributions. First, it challenges the assumption that HRM practices universally lead to improved employee well-being. This highlights the complexity of this relationship and the importance of considering various contextual and mediation variables that can influence the outcomes. Second, this study confirmed that job crafting is an essential mediating variable in the relationship between HRM practices

and well-being. Our findings empower HR managers to adjust existing HRM practices to uncertain working conditions (e.g., seasonal tourism trends and economic conditions). Providing training programs that upskill employees can prepare them for unexpected challenges. This initiative can create a supportive workplace ambiance that enhances well-being.

CONCLUSION

Our study aimed to explore the relationship between HRM practices and employee well-being and the moderating role of work engagement and task crafting. Although we did not find a direct positive effect of HRM practices on well-being, task crafting emerged as a significant mediator in this relationship. By contrast, work engagement did not significantly mediate this relationship, indicating that fostering job crafting may be a more effective strategy for improving employee well-being.

This study offers a fresh perspective on the complex relationship between HRM practices, employee well-being, and mediating factors. While past research has often emphasized work engagement as a key mediator, our findings suggest that job crafting plays a more significant role in the hotel industry. HRM practices prioritizing employee autonomy and control over their work tasks (e.g., flexible work arrangements and job crafting initiatives) appear to be more impactful on employee well-being than practices focusing solely on fostering engagement.

These findings challenge traditional models and highlight the importance of considering job crafting as a potential mediator in future research. This shift in focus suggests that empowering employees to shape their work experiences rather than solely motivating them within predefined structures may be a more effective way to promote well-being. Additionally, the study underscores the need to explore the influence of contingent factors (e.g., temporary staffing and project-based work) that are increasingly prevalent in modern work environments. Future research can investigate how these factors, individual differences, and organizational culture interact with HRM practices, job crafting, and employee well-being.

This study has several limitations. First, it employs a broad concept of HRM practices and does not provide specific data on individual HRM practices (e.g., recruitment, training, and compensation) that affect employees' well-being. This aspect should be considered in future research. Second, as a cross-sectional study, it limits the ability to explain the mechanisms involved in the relationship between HRM practices and employee well-being. Longitudinal studies could offer deeper insights into how these relationships evolve and whether job crafting and work engagement change as employees adapt to varying HRM practices. Third, the reliance on self-report questionnaires may introduce potential biases. While we have taken steps to ensure respondent suitability, future research could consider incorporating multiple data

sources, such as observer ratings or archival data, to mitigate self-report bias.

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