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August 2011

Thesis for Master Degree

High Performance HR Practices in Malaysia

Graduate School of Chosun University

Department of Business Administration

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High Performance HR

Practices in Malaysia:

**Its Impact on Employee Engagement, Proactive Behavior
& Job Performance**

말레이시아의 고성과 인사관리제도의 효과성에 관한 연구
- 종업원몰입, 선제적행동 및 직무성과의 관계성을
중심으로-

August 25, 2011

Graduate School of Chosun University

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High Performance HR Practices in Malaysia:

**Its Impact on Employee Engagement, Proactive Behavior
& Job Performance**

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**This thesis is submitted to the Graduate School of
Chosun University in partial fulfillment of the
requirements for the Master of Business
Administration**

April 2011

Graduate School of Chosun University

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April 2011

Graduate School of Chosun University

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요 약

말레이시아의 고성과 인사관리제도의 효과성에 관한 연구

-종업원몰입, 선제적행동 및 직무성과의 관계성을 중심으로-

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고성과 인사관행은 효과적인 인력관리를 위한 방안으로서 조직에서 매우 중요하게 운영되고 있다. 그 동안 수 많은 연구를 통해 고성과 인사관행은 조직 성과를 높이는데 긍정적인 영향을 미치는 것으로 실증 연구 되어져 왔다. 기존의 개념연구 및 실증연구들은 첫째, 고성과 인사관행의 제도적 실체를 파악하기 위한 노력과 함께, 둘째, 고성과 인사제도가 조직성과에 어떤 영향을 미칠 것인가를 규명하는데 초점을 두어 왔다. 이러한 연구를 통해 일반적으로 인식되고 있는 점은 고성과 인사제도가 기업의 경쟁력을 높이고 경쟁우위를 제고하는데 긍정적인 역할을 하는 것으로 증명되어 왔다. 하지만 이러한 제도적 타당성이 서구

중심의 논리에서 벗어나 과연 이문화의 아시아 지역의 인사관행으로서 적용 가능할 것인가의 의문점이 제기되어 왔다,

본 연구는 아시아적 가치관과 영국과 무슬림의 문화를 적당히 혼합한 말레이시아의 기업사회에 고성과 인사관행의 적용이 가능할 것인가를 검토하고 있다. 또한 본 연구는 기존의 연구들이 고성과 인사관행과 종업원 태도 및 행동과의 관계성을 설명하는데, 과연 어떠한 블랙박스를 통해 설명될 수 있을까 의문점을 해결하고자 한다. 따라서 본 연구에서는 종업원 전념(employee engagement)를 매개변수로 하여 어떻게 고성과 인사관행이 선제적 행동과 주관적 직무성과 인식에 영향을 미칠 것인지를 말레이시아 환경 맥락에 적용시켜 그 구조적 관계성을 규명하고 있다.

본 연구에서 제시하고 있는 연구모델을 실증하기 위해 말레이시아의 쿠알라룸푸르 주변의 기업들을 대상으로, 제조업체, 금융기관, 판매업체, 서비스업체 등을 중심으로 400 부를 배포하여 373 부를 수령하고 이를 연구분석의 데이터로 활용하였다. SPSS-Window 버전을 이용하여 실증 분석하였으며 실증분석 방법은 회귀분석을 통해 모델 변수들의 관계성을 검토하였다. 실증분석 결과 고성과 인사관행 및 제도는 유의성 있게 종업원의 전념에 영향 미치며 또한 선제적 행동과 주관적 직무성과 인식에도 긍정적으로 영향 미치고 있음을 발견할 수 있었다. 뿐만 아니라 종업원 전념은 부분적으로 결과변수에 매개역할을 하고 있는 것으로

조사되었다. 이와 같은 실증분석 결과는 고성과 인사관행의 아시아 지역에 대한 적용가능성을 검토한 것으로서 서구 중심의 인사제도가 아시아 지역에도 적용이 가능하다고 결론 내릴 수 있다.

CHAPTER 1

INTRODUCTION

The term Human Resources Management (HRM) or High Performance HR Practices has become an important aspect in any organization with the realization that the right way in managing people can actually create a healthy working environment and thus lead to competitive advantage towards the organization. Careful consideration of the HR practices is required in order to create competitive advantage through people (Becker, 1999; Huselid, 1995; Wright et al, 2003). Thus, organizations have started to pay more attention and invest in the human capital development. Pfeffer (1994) argued that human capital has long been held to be a crucial resource in most firms.

Besides, if the right high performance HR practices are being implied, it will help in developing the employees' attitude. Rozhan and Teh (2003) stated that elements of HRM practice such as performance appraisal, job design, recruitment and training play an important role in shaping employee job attitudes and behavior. Schuler (1989) also argues that HRM practice of an organization helps to shape the role behavior of employees.

Scholars and researchers have historically understood the practical importance of the high performance HR practices on the employee attitudes and work behaviors mainly in Western organizational context; however, there has rarely been applied onto different culture such as Malaysia which is known to possess Asian and Muslim values. Because effectiveness of the HR practices would be contingent on the degree of fit with the values of organization and employees, the HR practices should be reexamined the validity in the different cultural context (Choi, 2010).

Therefore, Malaysian companies too are not excluded in the efforts of developing the HR practices in ensuring success in this rapid, competitive business environment. Furthermore, according to Zawawi (1998), organizations require people who are able to think critically and solve problems, communicate and work in teams, be creative and proactive, and to bring diverse as well as newer perspective to their work in order to compete effectively in the global environment. Kuruvilla (1996) stated there was a shift in the Malaysian industrial relation/human resource (IR/HR) policy which was from an emphasis on cost containment to one putting more emphasis on human resource development due to the changes made in the industrial development strategy which from an emphasis on import substitution to one emphasizing export activities.

However, Rozhan and Teh (2003) argued that even though the Malaysian government reflected a determination to give more emphasis to human resource development, it seems that the limited professional ability of HR managers may become the barriers in realizing this ambition. Juhary and Saiyidan (1996) also found that the HR function tends to take up a low status in Malaysian companies. This is also reflected or can be seen in Hazman's (1998) finding that Malaysian HR managers tend to have little influence or power on the strategic management process. Nevertheless, it is still remaining to be debated whether public policy changes are sufficient to lead and support the development of high performance work system (Rozhan & Teh, 2003).

Although HRM practices have been considered as one of the influential variables to increase business performance (Batt, 2002; Wright et al., 2003), most of the Malaysian private business organization are still not really practicing HRM into their business (Chew, 2005). It is still unclear on how to change the mindset of the Malaysian business organization practicing HRM into their businesses (Zaini et al., 2009). Therefore, it is worth to find out the HR practices that influence business performance and employee attitudes in order to understand which factors will influence business performance and employee attitudes the most.

Previous human resource management research efforts have been directed to comprehend the HRM-Performance linkage since performance stands out as one of the major organizational goals (Savaneviciene & Stankeviciute, 2010; Bae & Lawler, 2000). There were many research been done regarding the HRM- Performance linkage (Delery & Doty, 1996; Boselie et al, 2005; Guest, 1997; Becker et al, 1997). Although there were some research being conducted in determining the mediating variables between high performance HR practices and organizational performance as well as employee attitudes for instance: information quality, (Preuss, 2003); quit rates, (Batt, 2002); affective commitment, (Kehoe and Wright, 2010); and organizational citizenship behavior (OCB), (Sun et al., 2007), there were still no specific answers regarding the “black box” issue or the mediating variable that will mediate the HR practices and its impacts. “Black box” is basically the existing gap between HRM-Performance linkage due to the lack of understanding on mediating variables and their effects (Boselie et al., 2005). Thus, this research suggests employee engagement as the mediating role between high-performance HR practices and proactive behavior as well as job performance.

Kahn (1990, 1992) suggested that employees vary according to the extent to which they feel able to express their preferred selves in their work

role in the working environment. Those who feel more supportive in their work conditions tend to be engaged in their work and feel more committed, which allows them to immerse fully in their work role. On the contrary, those who perceive less supportive in their work tend to be disengaged and demotivated which will leads to preservation of effort and eventually withdrawal. Salanova et al. (2005) stated that higher levels of employee engagement lead to a more friendly and healthy service climate. Macey and Schneider, (2008), stated that employee engagement is a desirable condition that has an organizational purpose as well as indicates involvement, commitment, passion, enthusiasm, focused effort, and energy, by which it has both attitudinal and behavioral components to encourage optimistic work culture.

Therefore, this paper attempts to discover the effects of employee engagement as a mediating role in linking the employees' perceptions of HR practices towards the employees' proactive behavior and job performance in the Malaysian companies. This is due to the lack of research been done on employee engagement in the academic literature (Robinson et al, 2004). Besides, several studies regarding work engagement had been done in countries such as China (Yi-Wen & Yi-Qun, 2005), Spain (Schaufeli et al., 2002) and Netherlands (Schaufeli & Bakker, 2003; Schaufeli et al., 2002)

while there is not yet research been done in the Southeast Asian countries. Consequently, it will try to explore the development of high performance HR practices in Malaysia. Specifically, this research also focuses on the impacts of the high performance HR practices towards employee engagement, proactive behavior and job performance. Thus, since this research has been conducted in Malaysia, it will bring a new insight towards the organizations in the Southeast Asian countries.

1.1 Problem Statement

The success of a company does not only lie on profits or sales but also lies within the company itself. This includes the internal affairs such as employee relations, behavior, engagement, commitment and job performance. The ability to understand the employees' needs and satisfy them will indirectly retain them in the organization as well as lead to lower turnover rates. Thus, HR department plays an important function in ensuring the employees' loyalty and welfare. The company can achieve its cost-efficiency by implementing effective HR practices.

Studies have been done in the HR issues and its importance towards the organizational performance (Sun et al., 2007; Wright et al., 2003; Huselid, 1995; Delaney & Huselid, 1996; Becker & Huselid, 1998) but more are

needed in order to understand the HR impacts towards employees engagement (Macey & Schneider, 2008; Saks, 2006); proactive behavior (Kehoe & Wright, 2010; Ohly et al., 2006); and job performance (Kwong & Cheung, 2003). Besides, the objective of this research is to examine the development of high performance HR practices being applied in the Malaysian organizational context, and is to find out the effects of the practices on the proactive behavior and job performance. As many organizations today realize the importance of not only having the HR department in the company but also ensuring the HR practices being performed accordingly and properly will definitely bring a great contribution to the organization itself. In addition, as the employees today are becoming more knowledgeable and aware of their rights and position in the company, the company should not take the HR matters lightly instead the company need to take a careful consideration in implementing its own HR practices.

1.2 Research Questions

The research questions in research are:

- 1.2.1 Does relationship exist between high performance HR practices perceptions and proactive behavior?

- 1.2.2 Does relationship exist between high performance HR practices perceptions and job performance?
- 1.2.3 Does relationship exist between high performance HR practices perceptions and employee engagement?
- 1.2.4 Does relationship exist between employee engagement and proactive behavior?
- 1.2.5 Does relationship exist between employee engagement and job performance?
- 1.2.6 Will employee engagement mediate the relationship between high performance HR practices and proactive behavior?
- 1.2.7 Will employee engagement mediate the relationship between high-performance HR practices and job performance?

1.3 Research Objectives

1.3.1 General Objective

Generally, this research attempts to determine the impacts of high performance HR practices perceptions on employee engagement, proactive behavior and job performance in Malaysian companies.

1.3.2 Specific Objective

Specifically, the objectives are:

- 1.3.2.1 To determine the employees' perceptions of high performance HR practices in the Malaysian companies.
- 1.3.2.2 To determine the relationship between high performance HR practices and proactive behavior.
- 1.3.2.3 To determine the relationship between high performance HR practices and job performance.
- 1.3.2.4 To determine the relationship between high performance HR practices and employee engagement.
- 1.3.2.5 To determine the relationship between employee engagement and proactive behavior.
- 1.3.2.6 To determine the relationship between employee engagement and job performance.
- 1.3.2.7 To determine whether employee engagement will mediate the relationship between high performance HR practices and proactive behavior.
- 1.3.2.8 To determine whether employee engagement will mediate the relationship between high performance HR practices and proactive behavior.

1.4 Significance of the Research

This research is considered as significant because studies regarding high performance HR practices and its impacts towards employee engagement, proactive behavior and job performance can contribute in two ways, theoretically and practically.

1.4.1 Theoretical Contributions

Theoretically, this research can contribute in understanding the terms of high performance HR practices according to the employees' perception. Besides, it can also contribute in improving the knowledge of employee engagement, proactive behavior and job performance. Furthermore, the impacts of high performance HR practices towards employee engagement, proactive behavior and job performance can also be discovered in this research. This is to prove that as the employees value the importance of high performance HR practices; employee engagement, proactive behavior and job performance will also be improved. By applying the measured variables in this research in a different target audience, the results can be a contribution to strengthen the existing high performance HR practices theory and concepts.

1.4.2 Practical Contributions

In this study, practical contributions can be seen for the HR managers. Managers can see a different point-of-view from Malaysian employees' perception on high performance HR practices. By knowing and understanding the perception of high performance HR practices from the employees' perception themselves will help in improving the HR system being practiced in the company as the employees are the ones who are working in the company on a routine basis. Statistics from the findings is important in assisting the HR managers to decide which elements or factors in high-performance HR practices will improve the employee engagement, proactive behavior and job performance. Apart from that, it will further help provide the knowledge for the upper level managers to pay more focus on the HR issues as it can contribute to improve the organizational performance as a whole. In addition, the findings can also become an example for other Asian region countries that shares the same cultural beliefs as Malaysia.

1.5 Scope and Limitations of the Research

This research covers only the employees in the Malaysian companies and focuses only on the high-performance HR practices being practiced in the Malaysian companies and further look into whether there is any positive and

significant impact towards the employee engagement, proactive behavior and job performance. This research caters only on the employees' perception of high performance HR practices being implemented in their respective companies according to their own judgment and its impact on the employee engagement, proactive behavior and job performance based on their knowledge while working in the company. From this point of view, managers can look at the employees as a valuable source in evaluating and improving the HR practices being applied in their companies.

1.6 Summary

This chapter covered the background of the research followed by the problem statement, the research questions and the research objectives. Next, the researcher explained the significance of conducting the research, and finally, the scope and limitations of the study.

CHAPTER 2

LITERATURE REVIEW

People are a means to organization success and high performance HR practices will create value for organizations (Pfeffer & Veiga, 1999). Many firms have increasingly acknowledged the potential for their people to be a source of competitive advantage (Pfeffer, 1994). Human resources management (HRM) can be justified as the policies, practices, and systems which can influence the employees' behavior, attitudes and performance (Noe et al., 2007). Thus, HRM is essential in managing the employees in order to encourage employees' engagement. This element is crucial in ensuring the employees to have positive proactive behaviors and improve job performance as well as retaining employees. Management of human resources (HRM) plays a critical role in shaping companies' success in meeting the intense challenge of a rapidly changing, highly competitive environment (Cascio, 1991). Nowadays, the right management of human resources can become a company's competitive advantage as it cannot easily be imitated (Wright & McMahon, 1992) and thus will increase the company's performance. Gaining competitive advantage through strategic

actions has become an essential attention of research and analysis in the human resource management (HRM) field (Cappelli & Singh, 1992).

2.1 High Performance HR Practices

Nowadays, most organizations emphasize on the importance of effectively managing the human resources of the organizations as it is believed to contribute to the organizations tremendously. There are many studies have been conducted regarding the HR practices matters. According to Delery and Doty (1996), “strategic HR practices are those that are theoretical or empirical related to overall organization performance”. High performance HR practices include hiring competent employees, providing effective training, incentive compensation, decentralized decision making, and developing and promoting people within the organization (Delaney & Huselid, 1996; Huselid, 1995; Huselid et al., 1997). There are seven practices being identified as the strategic HR practices which are internal career opportunities, training systems, results-oriented appraisal, profit sharing, employment security, participation and job descriptions which are in consistent to the theoretical works done by (Osterman, 1987; Sonnenfeld & Peiperl, 1988; Kerr & Slocum, 1987; Miles & Snow, 1984). According to Sun et al., (2007) as being adapted from Bamberger and Meshoulam, (2000)

the same seven practices were being included in measuring the high performance HR practices and include selective staffing as another element. Sun et al. (2007) also stated that high performance HR practices can be defined as “their combination of single practices that collectively affect organizational performance”. High performance HR practices can be considered as a set of “best practices” that can enhance firm performance by building up a more skillful and committed workforce (Becker & Huselid, 1998).

At a general level, organizations increase their ability levels through their recruitment and selection practices as well as through the training and development of their existing employees. The size and the qualifications of the selection pool of applicants are important to guarantee the quality of the recruitment process. Training and development of existing employees increases skills to perform current tasks and prepares them to take on additional tasks and responsibilities according to organizational needs. Incentive compensation is based on a motivational model that provides rewards according to tasks, responsibilities and level of performance. Equitable and performance related compensation is related to enhanced employee motivation (Delaney & Huselid, 1996). Decentralized decision making is also another element of high performance HRM practice.

Autonomy enhances employees control over their work environment, opportunities to assign employee tasks according to organizational needs and respond to challenges when they occur. The internal labor market is designed to give existing employees chances to enhance their careers through increased job mobility, and thus, motivate them to enhance their skills or knowledge that will increase their chances to realize their career goals.

These elements of HR practices lead to a positive financial performance (Delery & Doty, 1996). Consequently, as noted by Stewart (1996) HRM also contributed to organizational performance. Moreover, there was evidence that high performance HR practices are associated with organizational performance as being illustrated by (Appelbaum et al., 2000; Bae & Lawler, 2000). Besides, Delery and Doty (1996) mentioned three major perspectives of theorizing SHRM which are universalistic, contingency and configurational in relation to the organizational performance. Therefore, this research is basically taking the universalistic approach in seeing whether high performances HR practices being applied in other countries fit in the Malaysian context.

Previous studies have been done in determining the impacts of HR practices. Most of the studies focused on the effects of HR practices have on the firm performance. As expected high performance HR practices are related

to higher firm performance (Delaney & Huselid, 1996; Huselid, 1995; Huselid et al., 1997). The design of the human resource management system needs to be in line with the business strategic initiatives in order to create a potential competitive advantage (Becker et al., 1997). By understanding the business strategy, it will help the employees to understand the HRM strategy as well (Bae and Lawler, 2000). Furthermore, Becker et al. (1997) stated that HR practices influence the behavior of employees which then affect operational, financial, and share performance outcomes. Hence, it is crucial to understand the relationships between HR practices, HR performance and employee outcomes as a whole. Moreover, as illustrated by Guest (1997), high motivation will have a positive effect in influencing the behavior of the employees in generating greater outcomes. Therefore, it is essential for organizations to choose HR practices that can boost the spirit or motivation of the workers. In addition, employees' ability, motivation and opportunity mediate the relationship between HR practices and HR related outcomes, discretionary behavior and performance outcomes (Purcell et al., 2003). Moreover, Gurbuz, S. (2009), mentioned in his study that effective HR practices lead to employees' job satisfaction. Referring to Wright and Nishii (2006), intended HR practices, actual HR practices and perceived HR practices were tested to determine the employee reactions and performance.

2.1.1 Employees' perception on High Performance HR Practices in Malaysia

Few studies have considered the role of employees' perceptions of the HR practices (Kehoe & Wright, 2010) and thus there is a need to extend SHRM focus beyond HR system design to increase consistency and effectiveness in HR practice employment. According to Bowen and Ostroff (2004), HRM practices influence employee perceptions of psychological climate (individual-level perceptions) at the individual level. Thus, it is important to understand the perception of employees at the individual level in order to transform it into an organizational climate (collective perceptions). The same authors also explained that organizational climate will have a significant impact on the employees' behavior and attitudes as it acts as a strong situation when employees develop a shared interpretation of the organization's practices, policies and goals as well as develop shared perceptions about behaviors that are expected and rewarded in the organizations. The need for research on the knowledge of employees' perceptions of high performance HR practices will be beneficial in identifying the suitable HR practices need to be practiced. Furthermore, Becker et al. (1997) stated that HR practices influence the behavior of employees and therefore a comprehensive understanding of the relationships between HR practices and employee outcomes is essential to understand the

HR performance as a whole. For that reason, this study focuses on the significant of considering employees' perceptions of HR practices in use in promoting employee engagement, job performance and proactive behavior.

It was not until the 1990s that some of the management and organizations began to reassess their corporate philosophy in favor of regarding people not as 'costs' but as 'asset', one of the key underpinnings of HRM (Rowley et al. 2007). Malaysian HR practices, systems and regulations are largely influenced by the British colonization experience of the nineteenth century (Chew, 2005). Hirano (1991) classified Malaysian HR practices into two mainstreams, namely British oriented values and ethnic oriented values (e.g. Malay, Chinese and Indian values). In addition, the increased convergence of work related values and the expectations of Malaysian overseas graduates quicken the absorption of new Western ideas and reshape the value systems of Malaysians (Sheppard, 2001).

On top of that, Malaysia has launched the Malaysia's Look East Policy in 1982 (Kim, 2004). These were the attempts to imitate the East Asian countries such as Japan and Korea's success in terms of its work ethics, management system and close cooperation between government and private sector. However, research shown that overall Malaysian companies seemed to pick and mix Japanese and Western HRM practices to suit their needs

(Mellahi & Wood, 2004). According to (Chew, 2005), promotion based on seniority as a reward for loyalty is replaced with a performance and merit system. Furthermore, (Chew, 2005) also stated that, Malaysian firms often feel that it is too costly to train employees beyond the required skills and because of this factor government has intervened to promote the training skills. In addition, (Rowley et.al, 2007) mentioned that, local companies in Malaysia adopted the traditional people management system where companies have operated mainly on a low-cost strategy and have little concern for employee development. Furthermore, in the study, it is also stated that the HR function was seen as still dealing with the routine maintenance and regulation of employees and therefore one best way HRM has not been borne out. Nevertheless, some progressive Malaysian firms, which undertook a genuine effort to adopt Western HRM practices, have recognized the strategic importance of the HR department, evolving from a focus on employee welfare to one that emphasizes both human development and optimal activity (Chew, 2005). As Malaysian HR practices, systems, and regulations are largely influenced by the British colonization experience of the nineteenth century, it is commonly viewed that HR practices of Malaysia are the artifacts derived from an integration of Western and indigenous HR

practices. It is found that companies were managed either in more of the British or the indigenous way.

Hofstede (2001) noted that in Malaysia high power distance was reflected in unwillingness to make decisions without reference to the most senior executive, a high ratio of supervisory to non-supervisory personnel, strong uncertainty avoidance and low individualism. Therefore, it can be said that most of the Malaysian organizations imply autocratic type of management with a top-down management communication flow. Moreover, Malaysian companies also tend to act according to the bureaucratic behavior.

Furthermore, in Malaysia, according to the Islamic work values leaders are obliged to consult workers in making decisions by which it can be referred to participative management where employees involvement in the decision making process are highly encouraged (Tayeb, 1997). According to Junaidah (2008), Islam requires the person who is in charge of recruitment to be pious and just as favoritism and nepotism has always influencing hiring decisions. Further, she also stated that Muslim workers should work based on 4 principles which are justice, competency, honesty and completing assignment of work within capability. Training; which is the process of developing qualities in HR that will encourage employees to be more productive and thus contribute to organizational goal attainment should be

provided to the workers as it is an obligation for all Muslims to seek knowledge diligently and obtain excellence in performance. Moreover, appropriate and fair compensation plan should be allocated in order to recognize the performance value of employees and to establish ways to motivate them to work with full efficiency in an ever changing environment (Junaidah, 2008).

Other research describes Malaysians as being money oriented and inclined to job hop, with little hesitation for better financial offers (Kawabe, 1991). This tendency is traced back to the previous proactive introduction of Western management and education systems. In addition, the increased convergence of work related values and the expectations of Malaysian overseas graduates quicken the absorption of new Western ideas and reshape the value systems of Malaysians (Sheppard, 2001).

Nevertheless, Burton et al. (2003) concluded that human resource management practices vary depending on the context and the culture. Effectiveness of the countries respond to the global market place has implications for HRM practices at the organizational and individual level. All firms must recruit, select, train, motivate and reward their employees to accomplish the organization's goals. The means or methods the firms adopt to meet these challenges depend a great deal on the context and culture in

which the firms operate. The impact of religion will also play an important part (Tayeb, 1997). It is unlikely that the adoption of the HRM practices found effective in the west will be the best answer. Countries will need to identify and adopt practices that increase competitiveness while at the same time honoring the culture. Based on Lailawati, (2005), culture plays a big role in the development of human thoughts and behavior and thus by ignoring culturing differences in an interaction can potentially signal trouble. HRM practices that are unique to culture but which still allow companies to be competitive need to be identified.

2.2 Mediating Effects

2.2.1 Employee Engagement and Its Relations

Khan (1990, 1992) defines personal engagement as physically, cognitively and emotionally involve while employees performing their work performance. Engagement can also be defines as psychological presence which involves two essential components attention and absorption (Rothbard, 2001). Attention is the “cognitive availability and the amount of time one spends thinking about a role” whereas absorption means “being engrossed in a role and refers to the intensity of one’s focus on a role”. According to Schaufeli et al. (2002) engagement is a positive, work-related state of mind

that is classified by dynamism, dedication and absorption which is not only a temporary state instead a more persistent cognitive state that is not depend on any particular object, event or behavior.

Engagement is not an attitude by which it is “the degree to which an individual is attentive and absorbed in the performance of their roles” and it focus on one’s formal role performance rather than extra-role or voluntary behavior” (Saks, 2006). These are the reasons which differentiate engagement from organizational commitment and organizational citizenship behavior (OCB) respectively. In short, engagement revolves the concept of cognitive, emotional and behavioral components that are associated with individual performance (Saks, 2006).

Khan (1990) also stated meaningfulness, safety and availability were three psychological conditions related with engagement or disengagement at work. This shows that employees will feel more engaged with their work in situations where they perceived it is meaningful, rewarding and sufficient resources were provided. By looking at these components, it can be said that these antecedents or factors influencing employee engagement are basically related to the elements included in the HR practices such as job description, performance appraisal, rewards and recognition and perceived organizational support. HR practices can become an organization’s strategy for managing

the employment relationship. Hence, it is crucial for the organizations to select an appropriate HR practices that will support employees to be engaged in their work.

Furthermore, the social exchange theory (SET) seemed to have the rationale in elaborating the aspect of employee engagement further (Saks, 2006). Based on the SET theory, relationships develop over time and will lead into trusting, loyal and mutual commitments as long as the parties involve abide by certain rules of exchange (Cropanzano & Mitchell, 2005). In other words, the employees will be more engaged if they feel their efforts being valued or appreciated especially in terms of monetary or non-monetary benefits. It is also in line with the description of engagement as two-way relationship between the employer and employee as being depicted by Robinson et al., (2004). High performance high practices if implemented effectively, are likely to cause employees to perceive that their exchange relationship with the organization is portrayed by a supportive environment based on investments in employee skills, regular unbiased performance feedback, availability of fair and attractive rewards for performance which include compensation and advancement opportunities as well as mutual efforts toward achieving meaningful goals (Wright et al., 2003). In summary, it can be seen that as the employees receive these resources they feel like they

are obligated to repay the organization with greater levels of engagement (Saks, 2006). In contrast, the employees will withdraw or disengage from their work if they perceived the organizations fail to provide these resources as predicted.

Engagement is an individual-level construct and thus it is expected to be related to individuals' attitudes, intentions and behaviors (Saks, 2006). Moreover, employees can engage in proactive activities as part of their in-role behavior in which they fulfill basic job requirements (Crant, 2000). If the organizations implement a proper HR practices, employees will tend to feel attached to the organization and thus act more proactively towards the organization. When the employees feel the sense of belonging in the organizations, every actions or tasks that they do is based on sincerity and come from the bottom of their hearts. Employees are likely to feel it is their obligation to meet the organization's goal and so develop an affective bond with the organization itself (Cohen, 2003).

A systematic HR practices will influence the employees' perspectives towards the company. If the employees perceive that the organization cares and concerns about their welfare, then they will try to be engaged and committed to the organization. Employees who are committed to the organization are likely to be more naturally behave in ways that reflect

affective or positive bond or affection (Kehoe & Wright, 2010). Likewise, employees who are committed to the organization are likely eager to contribute to the organization's goals and are more likely than others to extend their efforts beyond their required task performance to further the effectiveness of the organization, even if they do not expect to be directly rewarded for this behavior on the basis of formal HR practices (Scholl, 1981). Hence, it is essential for the organization to pay attention regarding the HR issues. Employees are the key to a company's success and can really become a competitive advantage towards the company. Investing in the HR practices can indirectly become the trades-off for the company. According to (Fiorito et. al, 2007), organizational practices and characteristics that provide sources in the light of worker interests are the strongest organizational determinants of employee commitment. Thus, HRM can indirectly encourage employees to instill their commitment and dedication towards the organizations.

Proactivity at work has been defined as a unique type of goal-directed behavior that it is self starting or initiator, anticipatory and change-oriented (Crant, 2000). Employees can be proactive in initiating better ways of conducting their tasks. Positive affect has been shown to help individuals engage with a more challenging future (Oettingen et al., 2005). A recent study by Foo et al., (2009), investigated entrepreneurs' daily behaviors and

found that positive affect at work may prompt a more future-oriented focus, which then helps to increase levels of efforts. Bakker and Demerouti (2008) explained that engaged employees perform better than those who are not because they are emotionally more positive (happy, joyful, and enthusiastic) and enjoy better health. Moreover, engaged employees are motivated to perform once they have got an access to the job resources sufficiently. According to Borman and Motowidlo (1997), employees' performance consists of their task or in-role behavior and their contextual or extra-role behavior. The in-role performance behaviors of employees could contribute either directly or indirectly to their personal and organizational productivity. However, their discretionary behaviors or extra-role performance may not contribute directly to their personal productivity but indirectly to the effective functioning of their organizations. Bakker et al. (2004) revealed that engaged employees scored higher in extra-role performance ratings than those who were not engaged.

In addition, employee engagement is also believed to have the impacts on work outcomes. For instance, Schaufeli and Bakker, (2004) reported that engagement has been illustrated as a fulfilling positive work-related experience and emotional state. Furthermore as been stated by the same authors above, employees who are engaged to the organizations have a lower

tendency to leave their organization and thus will remain in their organization as they feel the sense of belonging or attachment. By managing to retain the employees, indirectly it will lead to cost efficiency as lesser employees need to be employed. In addition, the turnover rate will be lower as well since engaged employees will feel more committed to the organization as compared to those who are disengaged (Schaufeli & Bakker, 2004). Affectively committed employees are likely to act in ways that are in the best interest of the employer specifically through demonstrating positive actions in their work behaviors, personal connection and devotion to the organization's activities and goals (Mayor & Schoorman, 1992; Mowday et al., 1982).

Engaged employees can help the organization achieve its mission, execute its strategy and generate important business results. Different HR practices, including job design, recruitment, selection, training, compensation and performance management can enhance employee engagement. Employees might engage in career management activities by identifying and acting on opportunities to change the scope of their jobs or move to more desirable divisions of the business.

2.3 Proactive Behavior

Behavior that is self-started and change-oriented in order to improve personal or organizational effectiveness is called proactive (Unsworth & Parker, 2003). Personal initiative is a specific form of proactive behavior that is defined as a behavior condition resulting in an individual's taking a vital and self-starting approach to do work and going beyond what is formally required in a given job (Frese et al., 1996). Personal initiative includes behaviors described by long-term focus, persistence, goal-directed, self-starting, and consistent with the organizational goals. (Ohly et al., 2006). Supervisor supporting creative and proactive behaviors makes it clear that this is a desired behavior in the organization, thus making it employees more prone to exhibit the behavior. In addition, supervisor support can promote employees' feeling of self-determination and thereby increase personal initiative (Oldham & Cummings, 1996). According to Bateman and Crant (1993), proactive personality can be defined as initiative taking and opportunity seeking. This shows that the employees are becoming more initiative and willing to bear the consequences of their own actions. The employees are being more independent in completing their tasks without being ordered so frequently. Individuals who are new to a job must acquire knowledge, learn the process in the new work environment and adapt their

behavior to fit the requirements of their new behavior as the tendency toward proactive behavior has been found to be beneficial in these events (Kemmeyer-Mueller & Wanberg, 2003).

Crant, (1996) mentioned that it is essential for the employees to possess with personal character toward proactive behavior as it intends to identify differences among people by which they take action to influence their environments. Thus, having proactive behavior can become a distinct characteristic for newcomers or fresh graduates as employers are looking for more proactive candidates. Proactive personality is intended to capture a behavioral inclination toward performing or changing one's environment (Bateman & Crant, 1993). As a result, employees having this kind of personality tend to be more creative and innovative in completing their tasks. This is in accordance with (Seibert et al., 2001) whose claimed that proactive individuals are supposed to “select, create, and influence work situations that increase the likelihood of career success”. Furthermore proactive behavior related to mobility construct such as organizational knowledge and learning orientation (Fuller & Marler, 2009). Therefore, employees who will personally take the initiate in identifying opportunities and anticipate problems can be extremely valuable to organization (Crant, 2000).

Conceptually individual with a proactive personality is more likely to seek out opportunities to apply his or her newly acquired knowledge and skills and is also more willing to face the challenges likely to occur during the transitional stages of the job (Gerhardt et.al). Proactive personality appears to be advantageous during earlier stage in one's tenure when the focus is on learning and proving oneself in the effort to improve job performance. However, during the maintenance phase of the tenure, proactive personality seems to be harmful as the employees are not as active as before in enhancing performance.

As mentioned by Batemen and Crant (1993), proactive personality by definition is basically referred to those who are likely to take action or control of the impact towards his or her environment or circumstances. The individual must still make choices about how or in which way he or she will take action. Employees who perceive to be managed with high performance HR practices are likely to express commitment towards the organization based on a sort of obligatory reciprocation in their exchange relationship as in accordance to the social exchange theory. Besides, as employees' levels of commitment increase they are likely to affect important work behaviors. First, the attitudinal response of increased commitment alone is not likely to provide a balance in terms of the benefits received by each party. Second,

employees who are committed to an organization are expected to be behaving more naturally in ways that reflect this commitment bond. In particular, committed employees are likely to act in ways that are in the best interest of the employer by being loyal and be more productive in achieving the organizational' goals. (Mayer & Schoorman, 1992). In sum, employees' creativity and proactive behavior are believed to be beneficial for organizations as a whole (Unsworth & Parker, 2003). Hence, HR professionals need to be proactive and flexible in their mindset as they should not think that they play only a supportive role but also their contributions can affect an organization performance (Choi & Khairuzzaman, 2008).

2.4 Job Performance

Job performance most commonly refers to whether a person performs his or her job well. Campbell (1990) described job performance as an individual level variable. This means that performance is something a single person does which differentiates it from more encompassing constructs such as organizational performance or national performance which are higher level variables. Another key feature of job performance is that it has to be goal relevant. Performance must be directed toward organizational goals that are relevant to the job or role. Another way to divide up performance is in terms

of task and contextual (citizenship and counterproductive) behaviors (Borman & Motowidlo, 1993). Task performance can be described as obligatory behaviors; contextual behaviors are behaviors that do not fulfill specific aspects of the job's required role. Citizenship behaviors are defined as behaviors which contribute to the goals of the organization through their effect on the social and psychological conditions (Rotundo & Sackett, 2002). Counterproductive behaviors, on the other hand, are intentional actions by employees which evade the aims of the organization (Sackett & DeVore, 2001). Job performance can also be defined as “the level of productivity of an individual employee, relative to his or her peers, on several job-related behaviors and outcomes” (Babin & Boles, 1998).

When organizations adopt the best practices, their organizational performance will be enhanced. Some of these practices are internal career opportunities, formal training, results oriented appraisals, and employment security (Colbert, 2004). Many studies revealed that there is a positive correlation between best practices and organizational performance in a variety of settings. Nadler and Tushman (1992) define high performance HR practices as “organizational architecture that brings the fit among them in order to produce high performance in terms of effective response to customer requirements and other environmental demands and opportunities”. Becker

and Huselid (1998) mentioned that high performance HR practices are referred as a set of “best practices”, with the potential to boost firm performance by developing a more skilful and committed workforce.

2.5 Research Framework

Research framework is a conceptual model of how one conceptualizes of the relationships among the several factors that have been identified as important to the problem (Sekaran, 1992). The research framework referred to in this study shows the relationship between an independent variable towards the dependent variables. The independent variable is high performance HR practices. The three dependent variables are employee engagement, proactive behavior and job performance. This research aims to determine the relationships between high performance HR practices towards employee engagement, proactive behavior and job performance as well as employee engagement as the mediating variable.

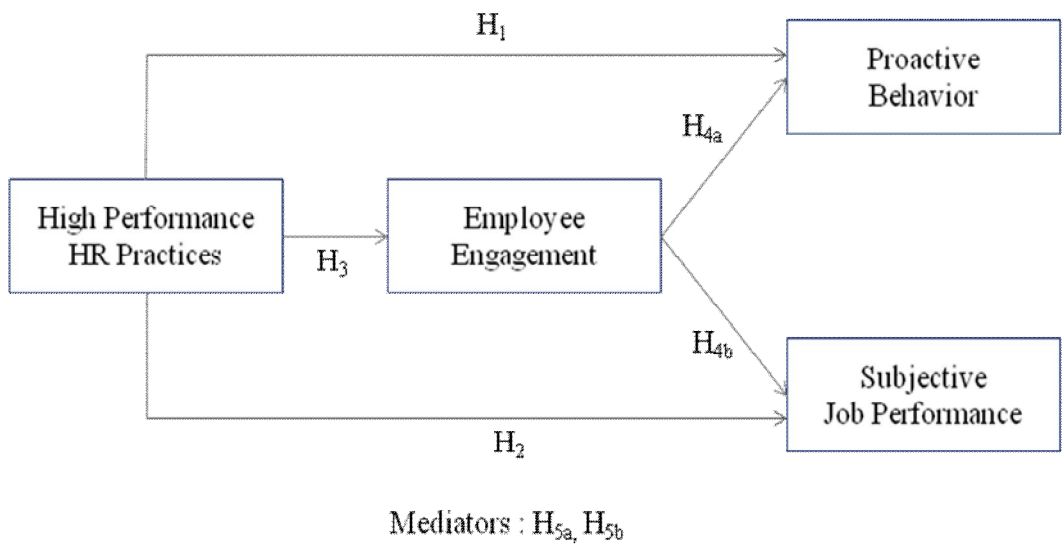


Figure 1

Research Framework

2.6 Research Hypotheses

Based on the literature reviews and the research objectives, the following hypotheses were created for this research:

Hypothesis 1: *There is a positive and significant relationship between High Performance HR Practices and Proactive Behavior*

Hypothesis 2: *There is a positive and significant relationship between High Performance HR Practices and Job Performance*

Hypothesis 3: *There is a positive and significant relationship between High Performance HR Practices and Employee Engagement*

Hypothesis 4a: *There is a positive and significant relationship between Employee Engagement and Proactive Behavior*

Hypothesis 4b: *There is a positive and significant relationship between Employee Engagement and Job Performance*

Hypothesis 5a: *Employee Engagement will mediate High performance HR Practices and Proactive Behavior*

Hypothesis 5b: *Employee Engagement will mediate High performance HR Practices and Job Performance*

2.7 Summary

This chapter discussed about the literature reviews done by the researchers regarding the studied variables. Based on the literatures, a research framework was presented for this research. Finally, based on the relationship among the variables, several hypotheses were derived.

CHAPTER 3

RESEARCH DESIGN AND METHODOLOGY

3. Introduction

This chapter describes the research design and methodology used in testing the hypotheses. The following sections that follow are devoted to describing the research design, questionnaire design, data collection, sample design, and data analyses.

3.1 Research Design

This research intends to investigate the relationship between high performance HR practices, employee engagement, proactive behavior and job performance in the Malaysian context. This research is a correlational research. Questionnaires are used to collect data in order to answer the research questions and achieve the research objectives. The study focuses on the individual or employees' perception towards the HR practices being implemented in their respective companies. Therefore, the unit of analysis is individual in this case is the employees.

3.2 Questionnaire Design

The questionnaire contains measures of respondents' perceptions regarding the impacts of high performance HR practices have towards employee engagement, proactive behavior and job performance. Besides that, background information of the respondents is also obtained such as gender, age, level of education, position and types of the organization they are working at. Appendix A shows a sample of the questionnaire used in this research.

3.2.1 Measurement of Variables/Instrumentation

3.2.1.1 High-Performance HR Practices

The instrument for high-performance HR practices measurements was adapted from Sun et al., (2007), which was referred to Bamberger and Meshoulam (2000). Table 3.1 depicts the items used in the Section A of the questionnaire. The scale items used was based on interval rating five-point Likert scale from a scale of one to five “to indicate the extent of participants” agreement or disagreement with a given statement, where five represents “strongly agree”, four represents “agree”, three neither agree nor disagree, which is “neutral”, two “disagree” and one “strongly disagree”. The purpose

of this method is to capture the respondents' thoughts towards the HR practices elements being practiced in their companies.

Table 3.1

Items for High-Performance HR Practices

No	Items	Author(s) and Year
	Selective Staffing	Sun et al., (2007)
1	Great effort is taken to select the right person.	
2	Long-term employee potential is emphasized.	
3	Considerable importance is placed on the staffing process.	
4	Very extensive efforts are made in employee selection.	
	Extensive Training	Bamberger & Meshoulam (2000)
1	Extensive training programs are provided for individuals in customer contact or front-line jobs.	
2	Employees in customer contact jobs will normally go through training programs every few years.	
3	There are formal training programs to teach new hires the skills they need to perform their jobs.	
4	Formal training programs are offered to employees in order to increase their promotion.	
	Internal Mobility	
1	Employees have few opportunities for upward mobility.	
2	Employees do not have any future in this organization.	
3	Promotion in this organization is based on seniority.	

4	Employees have clear career paths in this organization.	
5	Employees in customer contact jobs who desire promotion have more than one potential position they could be promoted to.	
	Employment Security	
1	Employees in this job can be expected to stay with this organization for as long as they wish.	
2	Job security is almost guaranteed to employees in this job.	
	Clear Job Description	
1	The duties in this job are clearly defined.	
2	This job has an up-to-date description.	
3	The job description for a position accurately describes all of the duties performed by individual employees.	
	Results-Oriented Appraisal	
1	Performance is more often measured with objective quantifiable results.	
2	Performance appraisals are based on objective quantifiable results.	
3	Employee appraisals emphasize long term and group-based achievements.	
	Incentive Reward	
1	Individuals in this job receive bonuses based on the profit of the organization.	
2	Close tie or matching of pay to individual/group performance	
	Participation	
1	Employees in this job are often asked by their supervisor to participate in decisions.	
2	Individuals in this job are allowed to make decisions.	
3	Employees are provided the opportunity to suggest improvements in the way things are done.	

4	Supervisors keep open communication with employees in this job.	
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3.2.1.2 *Employee Engagement*

The instrument for brand trust measurements was adapted from Aver et al. (2007) and was adapted from Gallup Q12 (also known as the Gallup Workplace Audit; Gallup Organization, 1993-1998). The research scale items were designed according to five-point Likert scale from scale of one to five, where one represents “strongly disagree” and five represents “strongly agree”.

Table 3.2 depicts the items used in the Section B of the questionnaire.

Table 3.2

Items for Employee Engagement

No.	Items	Author(s) and Year
1	I feel that I know what is expected of me.	Avery et al., (2007) Adapted from Gallup Q12
2	I have the materials and equipments I need to do my work right.	
3	At work, I have the opportunity to do what I	
4	In the last seven days, I received recognition or praise for doing good work.	
5	My supervisor, or someone at work, seems to care about me as a person.	
6	There is someone at work who encourages my development.	
7	At work, my opinion seems to count.	

8	The mission or purpose of my company makes me feel my job is important.	
9	My associates or fellow employees are committed to doing quality work.	
10000	I have a best friend at work.	
11	In the last 6 months, someone at work has talked to me about my progress.	
12	For the past one year, I have had opportunities at work to learn and grow.	

3.2.1.3 *Proactive Behavior*

This instrument was adapted from Bateman and Crant, (1993). The research scale items were designed according to five-point Likert scale from scale of one to five, where one represents “definitely not true” and five represents “definitely true”. Table 3.3 depicts the items used in the Section C of the questionnaire.

Table 3.3

Items for Proactive Behavior

No.	Items	Author(s) And Year
1	I am constantly on the lookout for new ways to improve my life.	Bateman and Crant (1993)
2	I feel driven to make a difference in my community and maybe the world.	
3	I tend to let others take the initiative to start new projects.	
4	Wherever I am, I have been a powerful force	
5	I enjoy facing and overcoming obstacles to my ideas.	

6	Nothing is more exciting than seeing my ideas turn into reality.	
7	If I see something I don't like, I fix it.	
8	No matter what the odds are, if I believe in something, I will make it happen.	
9	I love being a champion to my ideas, even if there are any objections.	
10	I excel at identifying opportunities.	
11	I am always looking for better ways to do	
12	If I believe in an idea, no obstacle will prevent me from making it happen.	
13	I love to challenge the <i>status quo</i> .	
14	When I have a problem, I tackle it head on.	
15	I am great at turning problems into	
16	I can spot a good opportunity long before others can.	
17	If there is trouble, I will help out in any way I	

3.2.1.4 *Job Performance*

This instrument was adapted from Karatepe & Tekinkus (2006) adapted from Babin & Boles (1998) to best measure job performance construct. The research scale items were designed according to five-point Likert scale from scale of one to five, where one represents “definitely not true” and five represents “definitely true”. Table 3.3 depicts the items used in the Section D of the questionnaire.

Table 3.4

Items for Job Performance

No.	Items	Author (s) and Year
1	I am a top performer.	Karatepe & Tekinkus (2006) adapted from Babin & Boles (1998)
2	I am in the top 10 percent of frontline employees here.	
3	I get along better with customers than others do.	
4	I know more about services delivered to customers.	
5	I know what my customers expect.	

3.3 Data Collection

Questionnaires are distributed to the employees in the Malaysian companies. The locations of the distributions are situated in some of the states in Malaysia such as Kuala Lumpur, Selangor, Penang and Perak. A cover letter attached to each questionnaire explained the objective of the survey and assured the confidentiality of the responses given by the respondents as well as the voluntary nature of participation in the survey. Some of the questionnaires were distributed to the company's manager and then the manager distributed them to the other employees while some of the questionnaires were emailed or given personally to the respondents. The questionnaires were constructed in English as Malaysians can understand

English well. The completed questionnaires were either emailed or sent directly to the researcher by postage. In addition, a small token of appreciation was given to the respondents for the time and effort spent to fill in the questionnaires.

3.3.1 Sample Design

The population of the research is the employees working in the product, services, manufacturing and financial sector. The employees can be rank from senior manager, assistant manager, deputy section chief, staff and others. Since the HR department is an essential department in the organization, the issue of sampling is made simple by taking a convenient random sampling which involves distributing the questionnaires to companies which have at least 50 employees or more and have a HR department in their organizations. This is consistent with studies done by Rozhan (1996) which stated that firms with smaller employment size are less likely to have HR departments. By doing so, the data being collected can be considered reliable since the companies being approached are well-established companies and in addition have HR department in the organizations. The respondents are being approached personally or by email thru their peers.

3.4 Data Analysis

This section describes how the data collected were analyzed using various statistical methods. The data were analyzed according to the usable questionnaires collected. The software used to get this analysis was from the SPSS 16.0. By using this software, it helps the researcher to analyze the data easier, faster and accurately for the discussion of the result.

The descriptive analyses included in this research such as frequencies distributions, mean, standard deviation and range of variables computed in order to understand the profile of the respondents. Next, factor analysis is done in determining the validity of the instruments. Consequently, the Cronbach alpha test is conducted to test for the reliability of the instruments. Then, Pearson correlation is conducted to examine the correlations between the variables. Finally, the regression analysis is conducted to test the relationship between the dependent variables and its antecedents.

3.5 Summary

This chapter has provided an overview of the design and methodology of the research. The objective is to discover the relationship between high

performance HR practices and its impact towards employee engagement, proactive behavior and job performance. Discussions in this chapter started with the research design, the research population and data sampling, and the questionnaire design. Formulation of research instruments to measure the constructs of interest in this research was also explained. This was followed with an explanation on the data collection method. Finally, the statistical analysis method to test the research hypotheses was explained.

CHAPTER 4

RESULTS AND DISCUSSION

4. Introduction

This chapter presents the result from the data analysis. This analysis is important to determine whether the result is in accordance with the objective of the research. This chapter's analysis starts with the respondent's background and followed by the factor analysis as well as reliability analysis of the instruments. Next, the presentation of the descriptive analysis of each variable is made (high performance HR practices, employee engagement, proactive behavior and job performance) and finally, correlation analysis and hypothesis testing results are presented.

4.1 The Respondent's Background

The majority of the respondents are female with 51.9%, while only 48.1% are male. As for the age, 14% of the respondents are basically between 18-24 years old while 32% is between the ages of 25-31. Consequently, for the ages between 32-38 years old and 39-41 years old, the percentages are 26.1% and 17.2% respectively. 10.8% of the respondents are 44 years old and above. As for the level of education, it can be seen that majority of the respondents are high school graduate which comprise of 35.3%. This might

be because most of the high school graduates tend to work in the manufacturing sector right after they have completed their high school education. 20.9% and 25.3% of the respondents are post-graduate and bachelor degree holder respectively. The remaining 18.5% are basically middle school graduate. As for the position, the results shows that the respondents who hold the position of senior manager, assistant manager and deputy section chief are 8.3%, 11.3% and 5.6% accordingly. Majority of the respondents are the staffs which consist of 66.2%. 8.6% of the respondents classify themselves as others (e.g. professionals, specialists, doctors and nurse) since the questionnaire were distributed to the health care sector. Regarding the type of organization, product and manufacturing sector share the same percentage of 26.8%. This shows that the researcher manage to receive all the questionnaires being distributed for both of the sectors whereas for the service and financial sectors, 9.1% and 26.5% of the respondents only were managed to be collected. 10.7% of the respondents categorize the industry that they are working as others (education and health care) since the questionnaires were distributed to the education and health care sector although the researcher consider both of the sectors as services sector.

Table 4.1

Background of Respondents

Characteristics	Frequency	Percentage (%)
1. Gender		
Male	179	48.1
Female	103	51.9
2. Age		
18-24	52	14
25-31	119	32
32-38	97	26.1
39-44	64	17.2
44 <	40	10.8
3. Level of Education		
Graduate or Similar	76	20.9
Undergraduate or Similar	92	25.3
High School	128	35.3
Middle School	67	18.5
4. Position		
Senior Manager	31	8.3
Assistant Manager	42	11.3
Deputy Section Chief	21	5.6
Staff	247	66.2
Others	32	8.6
5. Types of Organization		
Product	100	26.8
Services	34	9.1
Manufacturing	100	26.8
Financial Institution	99	26.5
Others	40	10.7

4.2 Measurement

A total of 400 sets of questionnaire were distributed with 100 sets for each industry namely product, services, manufacturing and financial sector. Specifically, 377 sets of questionnaire were received from product industry 100 respondents, services/others 77 respondents, manufacturing industry 100 respondents and finally financial sector 100 respondents. However, after deleting the uncompleted questionnaires a total of 373 questionnaires were analyzed. Factor analysis is conducted in order to verify the validity of the variables. Validation of any factor analysis result is essential particularly when attempting to define underlying structure among the variables (Hair J.F. et. al, 2010). Table 4.2.1 shows the number of items being included for each factor by using the Likert five-point scale. A total of twenty-seven items being investigated for high performance HR practices factor while twelve items are being tested for employee engagement variable. Both variables were tested by using the five-point likert scale which can be defined as 1: Strongly Disagree; 2: Disagree; 3: Neutral; 4: Agree; 5: Strongly Agree. For proactive behavior and job performance variables the number of items being included is seventeen and five items respectively by using the five-point likert scale 1: Definitely Not True; 2: Not True; 3: Neutral; 4: True; 5: Definitely True.

Table 4.2.1 Measurement of Variables

Variables	No. of items	Likert five-point Scale
High Performance HR Practices	27	1: Strongly Disagree; 2: Disagree; 3: Neutral; 4: Agree; 5: Strongly Agree
Employee Engagement	12	1: Strongly Disagree; 2: Disagree; 3: Neutral; 4: Agree; 5: Strongly Agree
Proactive Behavior	17	1: Definitely Not True; 2: Not True; 3: Neutral; 4: True; 5: Definitely True
Job Performance	5	1: Definitely Not True; 2: Not True; 3: Neutral; 4: True; 5: Definitely True

4.3 Factor Analysis

Originally, the elements being included in the high performance HR practices factor are being classified into eight categories which are participation, selective staffing, extensive training, clear job description, results-oriented appraisal, employment security, internal mobility and incentive reward which consist of twenty-seven items being examined. However, after factor analysis being run, a total of seven factors which

comprise of twenty-two numbers of items were considered valid. The results can be seen in table 4.3.1. As it shown in the table, incentive reward aspect and three items from internal mobility aspect have been removed from the study as the alpha value is .50. Although the relatively low reliabilities were acceptable according to (Nanually, 1978; Bae & Lawler, 2000), these factors were not being included in the research.

4.3.1. *High Performance HR Practices*

Table 4.3.1

Factor Analysis of High Performance HR Practices Variables

Constructs and Items	1	2	3	4	5	6	7
<u>Participation</u>							
Employees in this job are often asked by their supervisor to participate in decisions.	.830						
Individuals in this job are allowed to make decisions	.805						
Employees are provided the opportunity to suggest improvements in the way things are done.	.832						
Supervisors keep open communication with employees in this job.	.764						
<u>Selective Staffing</u>							
Great effort is taken to select the right person.		.784					
Long-term employee potential is emphasized.		.746					
Considerable importance is placed on the staffing process.		.789					
Very extensive efforts are made in employee selection.		.748					
<u>Extensive Training</u>							
Extensive training programs are provided for individuals in customer contact or front-line jobs.			.735				

Employees in customer contact jobs will normally go through training programs every few years.				.733					
There are formal training programs to teach new hires the skills they need to perform their job.				.761					
Formal training programs are offered to employees in order to increase their promotion and advancement in this organization.				.748					
<u>Clear Job Description</u>									
The duties in this job are clearly defined.				.824					
This job has an up-to date description.				.820					
The job description for a position accurately describes all of the duties performed by individual employees.				.747					
<u>Results-Oriented Appraisal</u>									
Performance is more often measured with objective quantifiable results.							.860		
Performance appraisals are based on objective quantifiable results.							.782		
Employee appraisals emphasize long term and group-based achievements.							.804		
<u>Employment Security</u>									
Employees in this job can be expected to stay with this organization for as long as they wish.								.916	
Job security is almost guaranteed to employees in this job.								.895	
<u>Internal Mobility</u>									
Employees have clear career paths in this organization.									.794
Employees in customer contact jobs who desire promotion have more than one potential position they could be promoted to.									.827
Total Explained Variance									
Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	7.061	32.094	32.094	7.061	32.094	32.094	2.956	13.435	13.435
2	3.049	13.857	45.951	3.049	13.857	45.951	2.906	13.207	26.642
3	1.792	8.145	54.096	1.792	8.145	54.096	2.755	12.523	39.165
4	1.619	7.358	61.454	1.619	7.358	61.454	2.377	10.804	49.969

5	1.224	5.562	67.016	1.224	5.562	67.016	2.372	10.784	60.753
6	1.030	4.683	71.699	1.030	4.683	71.699	1.786	8.120	68.873
7	.873	3.970	75.669	.873	3.970	75.669	1.495	6.796	75.669

Fortunately, the validity of all the elements being included in the employee engagement and job performance factors can be considered valid without any omission. Thus, twelve items in the employee engagement factor and five items in the job performance variable are being tested throughout the research. Conversely, for proactive behavior, 3 items were being omitted in the research. This might be due to lower reliabilities of the alpha value. Table 4.3.2 shows the items being investigated.

4.3.2 Employee Engagement, Proactive Behavior and Job Performance

Table 4.3.2

Factor Analysis of Employee Engagement, Proactive Behavior and Job Performance Variables

Factor Analysis			
	Component		
	1	2	3
<u>Employee Engagement</u>			
I feel that I know what is expected of me.	.669	.186	.089
I have the materials and equipments I need to do my work right.	.641	.139	.266

At work, I have the opportunity to do what I do best every day.	.647	.207	.221
In the last seven days, I have received recognition or praise for doing good work.	.740	.045	.147
My supervisor, or someone at work, seems to care about me as a person.	.686	.117	.097
There is someone at work who encourages my development.	.664	.133	.338
At work, my opinion seems to count.	.714	-.135	.049
The mission or purpose of my company makes me feel my job is important.	.691	.108	.266
My associates or fellow employees are committed to doing quality work.	.695	.179	.151
I have a best friend at work.	.714	.097	.001
In the last six months, someone at work has talked to me about my progress.	.755	.132	.113
For the past one year, I have had opportunities at work to learn and grow.	.717	.157	.102
<u>Proactive Behavior</u>			
I feel driven to make a difference in my community and maybe the world.	-.018	.552	.097
Wherever I am, I have been a powerful force for constructive change.	-.111	.643	.045
I enjoy facing and overcoming obstacles to my ideas.	.055	.728	.038
Nothing is more exciting than seeing my ideas turn into reality.	.005	.656	.192
If I see something I don't like, I fix it.	.083	.585	.203
No matter what the odds are, if I believe in something, I will make it happen.	.097	.680	.114
I love being a champion to my ideas, even if there are any objections.	.101	.618	.207

I excel at identifying opportunities.				.135			.644		.175
I am always looking for better ways to do things.				.203			.625		.160
If I believe in an idea, no obstacle will prevent me from making it happen.				.280			.609		.132
I love to challenge the status quo.				.213			.603		.262
When I have a problem, I tackle it head on.				.261			.540		.299
I am great at turning problems into opportunities.				.314			.626		.149
I can spot a good opportunity long before others can.				.384			.519		.136
<u>Job Performance</u>									
I am a top performer.				.220			.275		.736
I am in the top 10 percent of frontline employees here.				.253			.372		.697
I get along better with customers than others do.				.199			.355		.734
I know more about services delivered to customers.				.266			.232		.769
I know what my customers expect.				.220			.229		.797
<i>Total Explained Variance</i>									
Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
		% of	Cumulative		% of	Cumulative		% of	Cumulative
	Total	Variance	%	Total	Variance	%	Total	Variance	%
1	10.674	34.432	34.432	10.674	34.432	34.432	6.611	21.326	21.326
2	3.891	12.550	46.982	3.891	12.550	46.982	6.048	19.511	40.837
3	1.698	5.478	52.461	1.698	5.478	52.461	3.603	11.624	52.461

4.4 Reliability of the Variables

Variables involved in this study are high performance HR practices and its impact towards employee engagement, proactive behavior and job performance. According to Nunnally (1978), it is recommended that instruments used in basic research have reliability of about .70 or better.

Table 4.4

Reliability of the Variables

Variables	Mean	Standard deviation	Cronbach alpha
<u>High Performance HR Practices</u>			
Participation	3.68	.64	.868
Selective Staffing	3.63	.62	.862
Extensive Training	3.59	.61	.850
Clear Job Description	3.75	.64	.866
Results-Oriented Appraisal	3.70	.64	.861
Employment Security	2.85	.99	.835
Internal Mobility	3.51	.60	.683
Total	3.53	.39	.881
Employee Engagement	4.03	.56	.916

Proactive Behavior	3.65	.46	.893
Job Performance	3.51	.67	.891

By referring to the Table 4.4, result from the reliability test shows that the Cronbach alpha is .881 for high performance HR practices, .916 for employee engagement while .893 for proactive behavior and .891 for job performance. It is clearly shown that every value of the Cronbach alpha has exceeded the basic .70 standard. These values are considered high as to indicate that the instruments are reliable to measure the variable.

4.5 Correlation Analysis

Correlation tells if a relationship exists between two or more variables (Hair et al., 2007). Pearson product moment correlation test was conducted to test the hypothesis for the relationship between the variables. Table 4.5 represents the correlation between all variables.

Table 4.5

Correlation

	1	2	3	4	5	6	7	8	9	10	11
1. High Performance HR Practices (Total)	1										
2. Participation	.591 ***	1									
3. Selective Staffing	.693 ***	.348 ***	1								
4. Extensive Training	.723 ***	.311 ***	.654 ***	1							
5. Clear Job Description	.654 ***	.421 ***	.268 ***	.385 ***	1						
6. Results-Oriented Appraisal	.560 ***	.408 ***	.279 ***	.281 ***	.552 ***	1					
7. Employment Security	.427 ***	-.065 .211	.174 ***	.256 ***	.081 .120	-.131 *	1				
8. Internal Mobility	.623 ***	.260 ***	.405 ***	.337 ***	.373 ***	.319 ***	.181 ***	1			
9. Employee Engagement	.278 ***	.462 ***	.208 ***	.199 ***	.398 ***	.553 ***	-.405 ***	.126 *	1		
10. Proactive Behavior	.617 ***	.436 ***	.377 ***	.393 ***	.390 ***	.388 ***	.083 .112	.388 ***	.395 ***	1	
11. Job Performance	.455 ***	.450 ***	.339 ***	.287 ***	.357 ***	.415 ***	-.129 *	.244 ***	.501 ***	.596 ***	1

* = $p < .05$, ** = $p < .01$, *** = $p < .001$, 2-tailed test

Table 4.5 revealed that proactive behavior was positively correlated with high performance HR practices ($r = .617, p < .001$) and employee engagement ($r = .395, p < .001$). Similarly it was found that job performance is also positively correlated with high performance HR practice and employee engagement with the value of ($r = .455, p < .001$) and ($r = .501, p < .001$) respectively. High performance HR practices and employee engagement also has a positive relationship ($r = .278, p < .001$). However, it is important to note that employment security factor is not significantly correlated with proactive behavior and has a negative relationship between employee engagement and job performance.

4.6 Hypothesis Testing: Regression Analysis

According to Hair et al. (2007), if the R square is significant, we can then evaluate the strength of the linear association between the dependent variable and the several independent variables. The larger the R square the more the dependent variable is associated with the independent variables. The regression results were shown below.

4.6.1 High Performance HR Practices and Proactive Behavior

Table 4.6.1

Regression Analysis: High Performance HR Practices and Proactive Behavior

Independent Variable	Dependent Variable: Proactive Behavior		
	Model 1	Model 2	Model 3
(Constant)			
Gender	-0.22	.000	.004
Age	.152**	.144***	.111**
Level of Education	-.176**	-.060	-.044
Position	-.338***	-.161**	-.184**
Types of Organization	-.213***	-.157**	-.104
High Performance HR Practices		.499***	
Participation			.105*
Selective Staffing			.061
Extensive Training			.147**
Clear Job Description			.124*

Results-Oriented Appraisal			.171***
Employment Security			.046
Internal Mobility			.169***
R Square	.278	.472	.496
Change in R Square		.194	.218
F	27.116***	50.953***	27.594***

* $p < .05$, ** $p < .01$, *** $p = .001$, 2-tailed test

Gender: Male=0, Female=1; Age: 18-31=0, 32 and above=1; Level of education: Graduate or similar & Undergraduate or similar= 0, High school & Middle school= 1; Position: Senior manager, Assistant manager & Deputy section chief= 0, Staff & others = 1; Types of Organization: Product & Manufacturing= 0, Services, Financial Institution & Others =1

Based on Table 4.6.1, it can be seen that the R square value from the analysis shows 47.2% of the variance in the proactive behavior is contributed by the high performance HR practices. There is a positive relationship between high performance HR practices and proactive behavior at a significant value of $p < 0.001$. Among the HR factors that have a positive impact towards proactive behavior are: participation, extensive training, clear

job description, results-oriented appraisal and internal mobility. As a whole, these results support Hypothesis 1.

4.6.2 High Performance HR Practices and Job Performance

Table 4.6.2

Regression Analysis: High Performance HR Practices and Job Performance

Independent Variable	Dependent Variable: Job Performance		
	Model 1	Model 2	Model 3
(Constant)			
Gender	-.012	-.004	.009
Age	.195***	.200***	.128**
Level of Education	-.186**	-.127*	-.132*
Position	-.366***	-.274***	-.294***
Types of Organization	-.112	-.093	.036
High Performance HR Practices		.258***	

Participation			.188***
Selective Staffing			.073
Extensive Training			-.017
Clear Job Description			.104*
Results-Oriented Appraisal			.197***
Employment Security			-.157***
Internal Mobility			.020
R Square	.297	.355	.473
Change in R Square		.058	.176
F	29.941***	31.630***	25.341***

* $p < .05$, ** $p < .01$, *** $p < .001$, 2-tailed test

Gender: Male=0, Female=1; Age: 18-31=0, 32 and above=1; Level of education: Graduate or similar & Undergraduate or similar= 0, High school & Middle school= 1; Position: Senior manager, Assistant manager & Deputy section chief= 0, Staff & others = 1; Types of Organization: Product & Manufacturing= 0, Services, Financial Institution & Others =1

By referring at Table 4.6.2, the results shows a positive relationship between high performance HR practices and job performance with a

significant value of $r^2 = 35.5\%$ and $p < 0.001$. Participation, clear job description and results-oriented appraisal also show a positive relationship towards job performance. However, there is a negative relationship between employment security and job performance. Nevertheless, these results support Hypothesis 2 as a whole.

4.6.3 High Performance HR Practices and Employee Engagement

Table 4.6.3

Regression Analysis: High Performance HR Practices and Employee Engagement

Independent Variable	Dependent Variable: Employee Engagement		
	Model 1	Model 2	Model 3
(Constant)			
Gender	.000	-.005	.016
Age	.161**	.178**	.041
Level of Education	-.024	.002	.010
Position	-.100	.021	-.018
Types of	.148*	.116	-.107*

Organization			
High Performance HR Practices		.246***	
Participation			.269***
Selective Staffing			.028
Extensive Training			.037
Clear Job Description			.175***
Results-Oriented Appraisal			.305***
Employment Security			-.393***
Internal Mobility			-.046
R Square	.067	.111	.531
Change in R Square		.044	.464
F	4.946***	7.032***	31.331***

* $p < .05$, ** $p < .01$, *** $p < .001$, 2-tailed test

Gender: Male=0, Female=1; Age: 18-31=0, 32 and above=1; Level of education: Graduate or similar & Undergraduate or similar= 0, High school & Middle school= 1; Position: Senior manager, Assistant manager & Deputy section chief= 0, Staff & others = 1; Types of Organization: Product & Manufacturing= 0, Services, Financial Institution & Others =1

Table 4.6.3 shows the relationship revolving the mediating variable which is the employee engagement. The R square value is 11.1% and p value <0.001. This shows there is a positive relationship between high performance HR practices and employee engagement and thus support Hypothesis 3. Consequently, participation, clear job description and results-oriented appraisal have a positive effect towards employee engagement. However, again it can be seen that employee security has a negative impact towards employee engagement. This shows that by improving employment security will not help in improving employee engagement aspect.

4.6.4.1 High Performance HR Practices, Employee Engagement and Proactive Behavior

Table 4.6.4 (a)

Regression Analysis: High Performance HR Practices, Employee Engagement and Proactive Behavior

Variable	Step		Beta	R Square	F
High Performance	Step 1	HPHRP → EE	.246***		
	Step 2	HPHRP → PB	.499***		

HR Practices	Step 3	HPHRP → PB	.438***	.526	53.285***
		EE → PB	.238***		

* $p < .05$, ** $p < .01$, *** $p < .001$, 2-tailed test

Gender: Male=0, Female=1; Age: 18-31=0, 32 and above=1; Level of education: Graduate or similar & Undergraduate or similar= 0, High school & Middle school= 1; Position: Senior manager, Assistant manager & Deputy section chief= 0, Staff & others = 1; Types of Organization: Product & Manufacturing= 0, Services, Financial Institution & Others =1

4.6.4.2 High Performance HR Practices Dimensions, Employee Engagement and Proactive Behavior

Table 4.6.4 (b)

Regression Analysis: High Performance HR Practices Dimensions, Employee Engagement and Proactive Behavior

Variable	Step		Beta	R Square	F
Participation	Step 1	Par → EE	.269***	.407	33.503***
	Step 2	Par → PB	.105*		
	Step 3	Par → PB	.156**		
		EE → PB	.261***		
Selective Staffing	Step 1	Staffing → EE	.028	.388	31.144***
	Step 2	Staffing → PB	.061		
	Step 3	Staffing → PB	.188***		

		EE → PB	.256***		
Extensive Training	Step 1	Training → EE	.037	.413	34.432***
	Step 2	Training → PB	.147**		
	Step 3	Training → PB	.262***		
		EE → PB	.235***		
Clear Job Description	Step 1	Jobdes → EE	.175***	.383	30.491***
	Step 2	Jobdes → PB	.124*		
	Step 3	Jobdes → PB	.173***		
		EE → PB	.222***		
Results-Oriented Appraisal	Step 1	Resapr → EE	.305***	.377	29.666***
	Step 2	Resapr → PB	.171***		
	Step 3	Resapr → PB	.169**		
		EE → PB	.191***		
Employment Security	Step 1	Security → EE	-.393	.397	32.409***
	Step 2	Security → PB	.046		
	Step 3	Security → PB	.221***		
		EE → PB	.373***		
Internal Mobility	Step 1	Mobility → EE	-.046	.406	33.287***
	Step 2	Mobility → PB	.169***		
	Step 3	Mobility → PB	.222***		
		EE → PB	.269***		

* $p < .05$, ** $p < .01$, *** $p < .001$, 2-tailed test

Gender: Male=0, Female=1; Age: 18-31=0, 32 and above=1; Level of education: Graduate or similar & Undergraduate or similar= 0, High school & Middle school= 1; Position: Senior manager, Assistant manager & Deputy section chief= 0, Staff & others = 1; Types of Organization: Product & Manufacturing= 0, Services, Financial Institution & Others =1

Based on Baron and Kenny (1968), 3-step regression analyses were taken place. Table 4.6.4 (a) shows the mediating effects of employee engagement between high performance HR practices towards proactive behavior. From the results, it shows that employee engagement has a positive impact on proactive behavior with $\beta=.238$ at a significant value of $p<.001$. Hence, this supports hypothesis 4a. On the contrary, employee engagement only partially mediates the relationship between high performance high practices and proactive behavior with $R^2= 52.6\%$ and $p< 0.001$. In addition as referred to Table 4.6.4 (b), it can also be seen employee engagement seems to only partially mediate the HR practices dimensions of clear job description and results-oriented appraisal. Other HR practices seem not to be significant or have any impact with regard to employee engagement. Thus, for Hypothesis 5a, employee engagement will only partially mediate high performance HR practices and proactive behavior.

4.6.5.1 High Performance HR Practices, Employee Engagement and Job Performance

Table 4.6.5 (a)

Regression Analysis: High Performance HR Practices, Employee Engagement and Job Performance

Variable	Step		Beta	R Square	F
High Performance HR Practices	Step 1	HPHRP → EE	.246***	.506	49.325***
	Step 2	HPHRP → JP	.258***		
	Step 3	HPHRP → JP	.138**		
		EE → JP	.404***		

* $p < .05$, ** $p < .01$, *** $p < .001$, 2-tailed test

Gender: Male=0, Female=1; Age: 18-31=0, 32 and above=1; Level of education: Graduate or similar & Undergraduate or similar= 0, High school & Middle school= 1; Position: Senior manager, Assistant manager & Deputy section chief= 0, Staff & others = 1; Types of Organization: Product & Manufacturing= 0, Services, Financial Institution & Others =1

4.6.5.2 High Performance HR Practices Dimensions, Employee Engagement and Job Performance

Table 4.6.5 (b)

Regression Analysis: High Performance HR Practices Dimensions, Employee Engagement and Job Performance

Variable	Step		Beta	R Square	F
Participation	Step 1	Par → EE	.269***	.501	49.987***
	Step 2	Par → JP	.188***		
	Step 3	Par → JP	.149**		
		EE → JP	.370***		
Selective Staffing	Step 1	Staffing → EE	.028	.459	41.737***
	Step 2	Staffing → JP	.073		
	Step 3	Staffing → JP	.062		
		EE → JP	.386***		
Extensive Training	Step 1	Training → EE	.037	.458	41.344***
	Step 2	Training → JP	-.017		
	Step 3	Training → JP	.036		
		EE → JP	.388***		
Clear Job Description	Step 1	Jobdes → EE	.175***	.459	41.833***
	Step 2	Jobdes → JP	.104*		
	Step 3	Jobdes → JP	.069		
		EE → JP	.371***		

Results-Oriented Appraisal	Step 1	Resapr → EE	.305***	.468	43.213***
	Step 2	Resapr → JP	.197***		
	Step 3	Resapr → JP	.124*		
		EE → JP	.332***		
Employment Security	Step1	Security → EE	-.393	.456	41.382***
	Step 2	Security → JP	-.157***		
	Step 3	Security → JP	-.033		
		EE → JP	.381***		
Internal Mobility	Step 1	Mobility → EE	-.046	.462	42.003***
	Step 2	Mobility → JP	.020		
	Step 3	Mobility → JP	.042		
		EE → JP	.395***		

* $p < .05$, ** $p < .01$, *** $p < .001$, 2-tailed test

Gender: Male=0, Female=1; Age: 18-31=0, 32 and above=1; Level of education: Graduate or similar & Undergraduate or similar= 0, High school & Middle school= 1; Position: Senior manager, Assistant manager & Deputy section chief= 0, Staff & others = 1; Types of Organization: Product & Manufacturing= 0, Services, Financial Institution & Others =1

The same results can also be seen between high performance HR practices, employee engagement and job performance variables. Employee engagement has a positive significant relationship towards job performance with $\beta = .404$ and $p < .001$. Thus, this results support hypothesis 4b. In

contrast, employee engagement only mediates the relationship between high performance HR practices and job performance partially with the value of R square=50.6%, $p<0.01$. Therefore, for hypothesis 5b employee engagement will only play a partial mediating role between high performance HR practices and job performance. Based on Table 4.6.5 (b), it can also be noted that participation and results-oriented appraisal are the only factors that have an impact towards this relationship whereas other dimensions do not have any significant effect.

In summary, based on the results obtained in this research, Table 4.6 depicts that hypothesis 1, 2, 3, 4a and 4b are supported while hypothesis 5a and 5b are partially supported.

Table 4.7

Summary of Hypothesis Testing

Hypothesis	Results
H1: There is a positive and significant relationship between high performance HR practices and proactive behavior.	Supported
H2: There is a positive and significant relationship between high performance HR practices and job performance.	Supported

H3: There is a positive and significant relationship between high performance HR practices and employee engagement.	Supported
H4a: There is a positive and significant relationship employee engagement and proactive behavior.	Supported
H4b: There is a positive and significant relationship employee engagement and job performance.	Supported
H5a: Employee engagement will mediate the relationship between high performance HR practices and proactive behavior.	Partially supported
H5b: Employee engagement will mediate the relationship between high performance HR practices and job performance.	Partially supported

CHAPTER 5

CONCLUSION AND RECOMMENDATION

5. Introduction

This chapter presents discussion on research finding as presented in previous chapter. All variables that had been analyzed in the research finding are presented in this chapter to highlight the relationship between high performance HR practices, employee engagement, proactive behavior and job performance in the Malaysian companies. This chapter also gives a brief overview of the introduction, review of related literature, methodology and findings of the research. Furthermore, the implications from the findings are also discussed in this chapter and finally, recommendations for future research are suggested.

As already been discussed in Chapter 2, HR practices has emerge in becoming the main conception in evaluating the competitive assets of organizations. Besides, in enabling a company to choose the right employees, provide them with proper responsibilities, support their growth and respect their needs in order to accomplish the organization's strategic goals and objectives, HR needs to play a more active and guiding role (Choi and Wan

Khairuzzaman, 2008). Many researchers have highlighted the importance role of HR in the Asian context (Burton et al, 2003; Khatri & Budhwar, 2002; Sun et al, 2007, Wang et al., 2007; Bae & Lawler, 2000), HR-Organizational-performance linkage (Harris and Ogbonna 2001; Bowe & Ostroff, 2004). HR has now transform as a strategic form in which individual HR functions such as recruitment, selection, training, compensation and performance appraisal are not only closely aligned with each other but also with the overall strategy of the company (Lawler & Mohrman, 2003). Even though high performance HR practices are being considered as a bundle rather than single practices, it is worth the effort to determine which factor of HR practices that can be considered significant according to the employees' perceptions. Edgar and Geare (2005) discovered that a significant relationship between HRM practices and employees' attitude does exist by emphasizing the importance of employee voice in HRM research. Perceptual differences between employers' view and employees' perception towards HRM systems and practices seemed to differ (Rozhan et al., 2001). Thus, thus this research tends to explore the impact of high performance HR practices towards employee engagement, proactive behavior and job performance with the light of employees' perceptions.

The main objective of this research is to determine the employees' perception towards high performance HR practices and whether employee engagement will mediate the relationship between high performance HR practices and proactive behavior as well as job performance. Hence, this research will bring a new insight in determining which dimension of the HR practices will affect the employee behavior. It is crucial to further examine the different dimensions of the HR systems that will affect different type of employee behavior besides quitting behavior (Batt, 2002). In addition to achieve this objective, eight specific objectives were formulated as follows:

- 1) To determine the employees' perceptions of high-performance HR practices in Malaysian companies.
- 2) To determine the relationship between high performance HR practices and proactive behavior.
- 3) To determine the relationship between high performance HR practices and job performance.
- 4) To determine the relationship between high performance HR practices and employee engagement.
- 5) To determine the relationship between employee engagement and proactive behavior.

- 6) To determine the relationship between employee engagement and job performance.
- 7) To determine whether employee engagement will mediate the relationship between high performance HR practices and proactive behavior.
- 8) To determine whether employee engagement will mediate the relationship between high performance HR practices and proactive behavior.

In order to capture the perceptions of the respondents on the variable tested, the researcher used the instruments done by Sun et al., (2007) as being developed by Bamberger and Meshoulam (2000) for high performance HR practices measures, Avery et al., (2007) adapted from Gallup Q12 for employee engagement measures, Bateman and Crant (1993) for proactive behavior and Karatepe and Tekinkus (2006) adapted from Babin and Boles (1998) for job performance measures in developing the questionnaire.

5.1 Research Finding

According to the first objective of this research, which is, to determine the employees' perceptions of high performance HR practices in

Malaysian companies, it can be seen that there are seven factors that can be considered as essential in establishing the HR practices in the organization. These seven factors are participation, selective staffing, extensive training, clear job description, results-oriented appraisal, employment security and internal mobility. Based on Hair et. al (2010) factor analysis is conducted in order to measure the validity of the variables. Measure of sampling adequacy (MSA) indicates the correlations as well as patterns between variables and therefore variables that have MSA value under 0.50 were being deleted in this research. As a result, these seven factors above have been verified and it is important to note that incentive reward factor has been omitted. This is in consistent with the previous research done by Zaini et.al (2009) which discovered that the relationship between incentives and business performance is not significant in the private companies in Malaysia. Furthermore, there are increasing research-based evidence suggest that employees do not consider money as the only important aspect in order for them to work (Senge et al., 1994).

The second objective, which is, to determine the relationship between high performance HR practices and proactive behavior, leads to the formulation of hypothesis 1 which is to discover whether there is a positive

relationship between high performance HR practices and proactive behavior. The result supported the first hypothesis with the correlation result between the two variables to be .617 and significant at the 0.001 level (2 tailed). However, employment security factor is not significant towards proactive behavior. This result is in accordance with the research done by Zaini et.al (2009) which found that employee security has no significant relationship to business performance. It is also in line with findings found in Rozhan and Teh (2003) stated that HRM practices such as performance appraisal, job design and training have an important function in influencing employee behavior and job attitudes. This result supports the findings from (Hassan, 2007) which states that due to globalization and technological advancement, organizations need to evolve new strategic paradigm and thus employees are required to be ready for accepting new tasks and must think of employability over job security.

The third objective, which is, to determine the relationship of high performance HR practices and job performance, leads to the formulation of hypothesis 2 by which to find out whether there is a positive relationship between high performance HR practices and job performance. The results also support the second hypothesis with the correlation of .455 and

significant at the 0.001 level (2-tailed). On the other hand, employment security factor has a negative relationship with job performance with the correlation of -.129 at the significant level of .05 (2-tailed). Although this is contradict with the hypothesis being proposed, according to Zaini et.al (2009), based on the results showed in their research the negative sign on the figure shows that the relationship between employee security factor and business performance is negative if it was significant. This indicates that higher security being provides will lower the job performance. This might due to the fact that the employees are always looking forward for continuous improvement. Asnell (2006), pointed out meaningfulness of work and job variety are the two parts that employees value more and more significant as compared to other HR practices. Hence, HR seemed to overemphasize the relationship with the supervisor and the recognition that management gives regarding job performance.

Next, the fourth objective, which is to determine the relationship between high performance HR practices and employee engagement derives the formulation of hypothesis 4, which is to discover whether a positive relationship exists between high performance HR practices and employee engagement. The results support the fourth hypothesis with the correlation

of .278 at the significant level of 0.001 (2-tailed). Nevertheless, again a negative relationship can be seen between employment security and employee engagement with the correlation of -.405 and significant at .01 level (2-tailed). This shows that even sufficient employment security being given to the employees, they will not tend to be engaged. Ng and Tay (2010) stated management still try to search for the reasons why some employees are not engaged or involved in doing their work even though fair compensation policies and HR practices being implemented to motivate and retain them in the organization. The authors also highlighted the importance of providing employees with appropriate job resources so that they would be engaged and perform actively well in their respective jobs based on the study done on Malaysian workers. Moreover, the cultural factor will also have an influence towards this phenomenon. Malaysian employees are not keen to sacrifice their family or private/leisure time for the company as they are willing to spend time with their families (Hooi, 2006). Besides, according to Perry-Smith and Blum (2000) work-family human resource bundles lead to positive organizational outcomes.

Moreover, for the fifth and sixth objectives, which is to determine the relationship between employee engagement and proactive behavior as well as job performance respectively, help in developing hypotheses 4a and 4b,

which is to indicate whether positive relationship exist between employee engagement and proactive behavior along with job performance. The results show positive relationships between these variables and thus support 4a and 4b hypotheses. The correlation value between employee engagement and proactive behavior is .395 while .501 for job performance. Both variables are significant at value of .001. Sonnentag (2003) stated that once the employees are dedicated to their work they will tend to be engaged in proactive actions in order to create a positive working environment. Employee engagement will have a positive impact towards the job performance if they receive sufficient resources and support from their supervisors (Ng & Tay, 2010). Mutuality that exists between the employer and employee creates trust and willingness to engage in cooperative behavior (Malhotra & Murnighan, 2002). Besides, employees are satisfied once they are working with friendly people, receiving fair rewards, and having opportunities for mobility within organization as well as working for supervisors who actively assist their subordinates to address job-related problems.

Finally, seventh and eight objectives determine whether employee engagement will mediate the relationship between high performance HR practices and proactive behavior as well as job performance which formulate

hypotheses 5a and 5b which is to indicate whether employee engagement mediates the relationship between high performance HR practices and proactive behavior as well as job performance respectively. Based on the results, employee engagement will only partially mediate the relationship between high performance HR practices and proactive behavior with R square value = 52.6% and $p < 0.001$. It is also crucial to note that only clear job description and results-oriented appraisals elements of high performance HR practices will mediate these variables. Clear job description is necessarily important in providing information fairly to the employees so that they can evaluate and match well the job suitability with their competency, capability, interest and rewards (Junaidah, 2008). Consequently, it will also partially mediate the relationship between high performance HR practices and job performance with R square value of 50.6% and $p < 0.01$. In this case, particularly participation and results-oriented appraisal seemed to be the only facets in high performance HR practices that mediate these variables. It is also important to note that participation has the impact towards proactive behavior, employee engagement and job performance. Participation means employee involvement in HR in the process of defining business strategy and not simply responding to the strategy edicts being presented by senior management (Ulrich, 1997). Moreover, research has examined the influence

of high performance HR practices which are consistent practices that enhance the skills of the workforce, participation in decision making and motivation will improve the organizational performance (Appelbaum et al., 2006). Fiorito et al., (2007) mentioned participation leads to commitment. Therefore, participation can be seen as a vital dimension in formulating the HR practices.

Interestingly, results-oriented behavior is the only feature that will partially mediate both high performance HR practices and proactive behavior and job performance. This shows that results-oriented appraisal is a vital element in determining the HR practices. According to (Chew, 2005), promotion based on seniority as a reward for loyalty is replaced with a performance and merit system in the Malaysian companies. Performance appraisal is related to the concept of responsibility and accountability according to the Islamic perspectives and thus managers must be fair in treating their employees (Junaidah, 2008). Hooi (2007) stated that appropriate remuneration policies is needed in order to attract, retain and motivate quality people to lead, manage and serve the company in a competitive environment. The same author also mentioned it is an advantage for companies to understand remuneration policies that can enhance employee satisfaction and improve performance as satisfied, motivated employees will create higher customer satisfaction and in turn will influence

organizational performance positively. Besides, Chew (2005) also mentioned performance orientation in the pay and promotion system also plays crucial roles in reinforcing commitment and loyalty. By having pay and promotion decisions upon performance, organizations are signaling to employees that high performing staffs are recognized and distinctively rewarded. Hence, performance based-promotions plays important role in staff retention and job motivation.

Competitive packages can attract employees to stay in the company and thus complimentary strategic HR practices are intensely significant in reducing staff turnover. In most organizations in Malaysia, relevant experience is a main factor in the deriving the remuneration package and the companies will try to match the pay according to type of experience as well as the skills being offered (Hooi, 2007). In addition, the negative relationship between employment security and job performance might be because of the job hopping trend among the Malaysian workers. The Malaysian wage system to certain extent seemed to encourage job hopping and thus organizations find it difficult to provide training due to job hopping issue. There is no fixed pattern in the salary scale and therefore it is so difficult to anticipate the pay increase by which the employer needs to emphasis on skills and performance level. In order to overcome this matter, the government has

set new guidelines- wage reform system that comprise of a (fixed component basic wage, annual increment, bonus) and component variable wage increase for the year based on productivity profit-sharing formula (Hooi, 2006).

5.2 Implications of the Research

There are several implications from the result of this research. The implications can be viewed from the theoretical and practical perspective.

5.2.1 Theoretical Implications

From the theoretical view, this research has proved that high performance HR practices can independently influence employee engagement, proactive behavior and job performance.

Moreover, it is theoretically implicate that this research can be considered as an additional new data to the research findings. The additional data from the same variables study implemented from a different view of respondents. This research is conducted based on employees' perceptions among Malaysian companies and thus might give useful insights related to the issues of HR in the Asian context as well as Muslim context.

Additionally, this research contributed as another research on employee engagement as the mediating variable between high performance HR practices and proactive behavior as well as job performance although it plays only partial mediating role. Besides, this research has proven that more data can be added to determine and if can, compare local findings with international findings such as comparative studies between two countries.

5.2.2 Practical Implications

Practically, this research has showed that proactive behavior and job performance can be improved by understanding and providing appropriate high performance HR practices to the employees. Moreover, employee engagement will partially mediate these relationships. The findings contribute to the strategic human resource management literature by partially enlightening the influence of high performance HR practices on employee attitudes (proactive behavior) and job performance.

In this research, from the employees' perspective, the managers can know what and how to use the findings to help them easily initiate new HR practices that can improve employee attitudes and work performance. Apart from that, the results can further provide knowledge for different types of organization in determining the HR practices that will give tremendous

benefits to the employees and thus create a healthy work environment. As mentioned above, HR managers should emphasize more on participation, clear job description and results-oriented appraisal dimensions of HR practices as these factors are believed to have a great impact towards employee behavior and work outcomes. It is also important to note that while incentive rewards will have no significant impact towards employees' attitude, employment security will have a negative relationship towards employees' behavioral outcomes. As been discussed before, Malaysian employees do not consider pay as everything since other HR factors are being perceived more beneficial. According to (Ministry of Human Resource, Malaysia which is available at

(http://www.mohr.gov.my/pdf/tab04_april2011.pdf), it shows the statistics of active registrants by state, work experience and employment status in April, 2011. It can be seen that Malaysian employees are actively looking for other opportunities in enhancing their career as working experience plays an important role in determining career promotion. Besides, Malaysian employees are known to be easily job hopping from one company to another.

5.3 Recommendation for Future Research

Some limitations exist regarding this research. It is essential to note that the research being conducted at an individual level. Thus, response bias might be occurred. Employees' perceptions of HR practices are most probably to influence or be influenced by the employees' own experiences and perceptions of their coworkers (Kehoe and Wright, 2010). Furthermore, employees tend to differ in how they experience and they interpret the HR practices based on how they and their coworkers are managed (Nishii et al., 2008). Hence, in order to avoid perceptual biasness, a comparison research between employers and employees' perceptions need to be considered.

Next, this research is only being done in the Malaysian context. Thus, all data and findings being collected are based on Malaysian employees' perspectives. Although, this research might contribute some valuable insights towards other Asian contexts that share the same Asian values, in terms of work values, culture, lifestyle and other related factors, it might create different results due to different context. According to (Budhwar & Sparrow 2002), cross national HR practices highlights the main determinants of HR in different contexts and settings such as national factors, organizational

strategies and policies. Therefore, further studies need to be done in other part of the countries.

Besides, the data were collected from product, services, manufacturing and financial sectors. Further research can be carried out from other industry such as public sector, agriculture sector, logistic and others. In addition, different variables can be tested in determining the factors in high performance HR practices such as elements related to work family bundles. Different factor in determining the mediating effects can be taken into consideration also. Factors such as organizational culture, organizational strategy, organizational commitment and other related factors can be worth investigated. Lastly, other behavioral or attitudes factors can be tested for dependent variables such as job satisfaction, organizational commitment and so on.

5.4 Conclusion

From the findings, it can be seen that some Malaysian firms have begun to focus considerable attention towards HRM as managers realize that people are capable of generating competitive advantages and become more aware of the integral role of HRM in organizations (Rowley & Saidah, 2008).

Furthermore, it could be also concluded that all the objectives in this research has been achieved. Based on the hypothesis testing, the results show that there are positive and significant relationships between high performance HR practices, employee engagement, proactive behavior and job performance although employee engagement only play a partial mediating effect. Therefore, as this research applied to the managerial context, it is found that, the appropriate HR practices being practiced will create a positive impact towards employee engagement, proactive behavior and job performance. Thus, it is critical to revise the existing HR practices that have been practiced in the companies' especially with regard to results-oriented appraisal aspect. High performance HR practices namely skills training, promotion, results-oriented and broad career paths can act as a signal to organization's intention to establish long term relationship between employees. Besides, high performance HR practices can foster employees' shared perceptions of a supportive organizational environment that motivate positive behavior and will then contribute to organizational performance.

Employees' perceptions towards the significant of high performance HR practices are relevantly important in determining which factor is being most highly valued. By doing so, the managers or employers can provide HR

practices that are expected and wanted by the employees rather than having HR practices that are not being desired by the employees. Hence, by providing the desired HR practices, these can help employees improve their work performance as they feel the companies respond to what they have to say and appreciate their efforts. Based on (Tsui et al., 2007; Sun et al., 2007), they consider high performance HR practices as an organization's strategy for managing the employment relationship. It is a long term investment that suggests relational view of the employment relationship that obligates employees to reciprocate the organization's support with discretionary role behavior or contributions that will benefit the organizations. Hence, employees are expected to be engaged and mediate the relationship between high performance HR practices and proactive behavior as well as job performance.

According to Leana and Van Buren (1999), if individuals believe that their efforts are integral part of a collective, they are more likely to spend time doing things the organization find useful for example by engaging in extra role behavior or working cooperatively. High performance HR practices suggest that employees will use their skills to enhance job performance and assist others to improve organizational functioning. It can also be seen as a

way of investing knowledge and skills in the workforce. In the effort to encourage proactive behavior which can lead to positive work outcomes, high performance HR practices need to satisfy employees' goals as by satisfying the employees' goals then only it can foster the perception of the work environment as being supportive (Sun et al., 2007).

From the overall results, there is still much to be learned in order to fully understand the high performance HR practices inputs. Nevertheless, this research finding has contribute in finding out the relationships between independent variable (high performance HR practices) as the antecedents of dependent variables (proactive behavior and job performance) and not to mention the mediating variable (employee engagement) for the HR managers who would want to develop appropriate HR practices based on which factors have been perceived as important according to the employees' perceptions.

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APPENDICES

Appendix A

The Work Life Survey

Dear Respondents,

My name is Nadiyah Hanim Munir and I am conducting a survey for my research towards completing my *Master of Human Resource Management* thesis. The title is ***High Performance Human Resource (HR) Practices in Malaysia: Its Impact on Employee Engagement, Proactive Behavior & Job Performance.***

The objective of this research is to understand the impact of High Performance HR Practices towards employee engagement, proactive behavior and job performance among Malaysian organizations.

Your answers will be treated with utmost confidentiality and utilized for academic purposes only. I sincerely hope you will answer these questions with utmost honesty.

Thank you for your cooperation.

Conducted by
Nadiyah Hanim Munir

(Department of Business Administration at Chosun University, Republic of Korea)



*For further enquiries, please contact Dr Jung Jin Chul at jjung@chosun.co.kr (Academic Advisor)

Respondent's Demography

1. Gender: ☐ Male ☐ Female
2. Age: ☐ 18 – 24 ☐ 25 – 31
☐ 32 – 38 ☐ 39 – 44
☐ > 44
3. Level of Education: ☐ Graduate or Similar ☐ Undergraduate or Similar
☐ High School ☐ Middle School
4. Position: ☐ Senior Manager ☐ Assistant Managers
☐ Deputy Section Chief ☐ Staff
☐ Others: _____
5. Types of Organization ☐ Product ☐ Services
☐ Manufacturing ☐ Financial Institution

☐ Others: _____

SECTION A : HIGH-PERFORMANCE HR PRACTICES IN YOUR COMPANY

Listed below are series of statements that represent the perception towards the High Performance HR practices being practiced in the organization. With respect to your own perception about the HR Practices being practiced, please answer the following statements by circling one of the number in the scale which best reflects the strength of your agreement or disagreement in relation to that statement.

1	2	3	4	5
Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
SELECTIVE STAFFING				
1	Great effort is taken to select the right person.			1 2 3 4 5
2	Long-term employee potential is emphasized.			1 2 3 4 5
3	Considerable importance is placed on the staffing process.			1 2 3 4 5
4	Very extensive efforts are made in employee selection.			1 2 3 4 5
EXTENSIVE TRAINING				
1	Extensive training programs are provided for individuals in customer contact or front-line jobs.			1 2 3 4 5
2	Employees in customer contact jobs will normally go through training programs every few years.			1 2 3 4 5
3	There are formal training programs to teach new hires the skills they need to perform their job.			1 2 3 4 5
4	Formal training programs are offered to employees in order to increase their promotion and advancement in this organization.			1 2 3 4 5
INTERNAL MOBILITY				
1	Employees have few opportunities for upward mobility.			1 2 3 4 5
2	Employees do not have any future in this organization.			1 2 3 4 5
3	Promotion in this organization is based on seniority.			1 2 3 4 5
4	Employees have clear career paths in this organization.			1 2 3 4 5
5	Employees in customer contact jobs who desire promotion have more than one potential position they could be promoted to.			1 2 3 4 5
EMPLOYMENT SECURITY				
1	Employees in this job can be expected to stay with this organization for as long as they wish.			1 2 3 4 5
2	Job security is almost guaranteed to employees in this job.			1 2 3 4 5
CLEAR JOB DESCRIPTION				
1	The duties in this job are clearly defined.			1 2 3 4 5
2	This job has an up-to-date description.			1 2 3 4 5
3	The job description for a position accurately describes all of the duties performed by individual employees.			1 2 3 4 5
RESULTS-ORIENTED APPRAISAL				
1	Performance is more often measured with objective quantifiable results.			1 2 3 4 5

2	Performance appraisals are based on objective quantifiable results.	1	2	3	4	5
3	Employee appraisals emphasize long term and group-based achievements.	1	2	3	4	5
INCENTIVE REWARD						
1	Individuals in this job receive bonuses based on the profit of the organization.	1	2	3	4	5
2	Close tie or matching of pay to individual/group performance	1	2	3	4	5
PARTICIPATION						
1	Employees in this job are often asked by their supervisor to participate in decisions.	1	2	3	4	5
2	Individuals in this job are allowed to make decisions.	1	2	3	4	5
3	Employees are provided the opportunity to suggest improvements in the way things are done.	1	2	3	4	5
4	Supervisors keep open communication with employees in this job.	1	2	3	4	5

SECTION B : EMPLOYEE ENGAGEMENT

Listed below are series of statements that represent **perception towards employee engagement**. With respect to your own knowledge about the employee engagement, please answer the following statements by circling one of the numbers in the scale which best reflects the strength of your agreement or disagreement in relation to that statement.

1		2		3		4		5				
Strongly Disagree		Disagree		Neutral		Agree		Strongly Agree				
1	I feel that I know what is expected of me.							1	2	3	4	5
2	I have the materials and equipments I need to do my work right.							1	2	3	4	5
3	At work, I have the opportunity to do what I do best every day.							1	2	3	4	5
4	In the last seven days, I received recognition or praise for doing good work.							1	2	3	4	5
5	My supervisor, or someone at work, seems to care about me as a person.							1	2	3	4	5
6	There is someone at work who encourages my development.							1	2	3	4	5
7	At work, my opinion seems to count.							1	2	3	4	5
8	The mission or purpose of my company makes me feel my job is important.							1	2	3	4	5
9	My associates or fellow employees are committed to doing quality work.							1	2	3	4	5
10	I have a best friend at work.							1	2	3	4	5
11	In the last 6 months, someone at work has talked to me about my progress.							1	2	3	4	5
12	For the past one year, I have had opportunities at work to learn and grow.							1	2	3	4	5

SECTION C : PROACTIVE BEHAVIOR

Listed below are series of statements that represent the perception towards the proactive behavior. With respect to your own discretion regarding the proactive behavior, please answer the following statements by circling one of the numbers in the scale which best reflects the strength of your agreement or disagreement in relation to that statement.

1	2	3	4	5
Definitely Not True	Not True	Neutral	True	Definitely True
1	I am constantly on the lookout for new ways to improve my life.			1 2 3 4 5
2	I feel driven to make a difference in my community and maybe the world.			1 2 3 4 5
3	I tend to let others take the initiative to start new projects.			1 2 3 4 5
4	Wherever I am, I have been a powerful force for constructive change.			1 2 3 4 5
5	I enjoy facing and overcoming obstacles to my ideas.			1 2 3 4 5
6	Nothing is more exciting than seeing my ideas turn into reality.			1 2 3 4 5
7	If I see something I don't like, I fix it.			1 2 3 4 5
8	No matter what the odds are, if I believe in something, I will make it happen.			1 2 3 4 5
9	I love being a champion to my ideas, even if there are any objections.			1 2 3 4 5
10	I excel at identifying opportunities.			1 2 3 4 5
11	I am always looking for better ways to do things.			1 2 3 4 5
12	If I believe in an idea, no obstacle will prevent me from making it happen.			1 2 3 4 5
13	I love to challenge the <i>status quo</i> .			1 2 3 4 5
14	When I have a problem, I tackle it head on.			1 2 3 4 5
15	I am great at turning problems into opportunities.			1 2 3 4 5
16	I can spot a good opportunity long before others can.			1 2 3 4 5
17	If there is trouble, I will help out in any way I can.			1 2 3 4 5

SECTION D : JOB PERFORMANCE

Listed below are series of statements that represent perception towards job performance. With respect to your own judgment about the job performance, please answer the following statements by circling one of the numbers in the scale which best reflects the strength of your agreement or disagreement in relation to that statement.

1	2	3	4	5
Definitely Not True	Not True	Neutral	True	Definitely True
1	I am a top performer.			1 2 3 4 5
2	I am in the top 10 percent of frontline employees here.			1 2 3 4 5
3	I get along better with customers than others do.			1 2 3 4 5
4	I know more about services delivered to customers.			1 2 3 4 5
5	I know what my customers expect.			1 2 3 4 5

Appendix B

Regression Analysis

Independent Variable: High Performance HR Practices

Dependent Variable: Employee Engagement

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.333 ^a	.111	.095	.52320

a. Predictors: (Constant), HPHRP, dummy coded gender, dummy coded age, dorg, dummy coded pot, dummy coded edu

ANOVA^b

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	11.549	6	1.925	7.032	.000 ^a
	Residual	92.522	338	.274		
	Total	104.071	344			

a. Predictors: (Constant), HPHRP, dummy coded gender, dummy coded age, dorg, dummy coded pot, dummy coded edu b. Dependent Variable: EE

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.630	.337		7.794	.000
	dummy coded gender	-.006	.059	-.005	-.101	.920
	dummy coded age	.196	.059	.178	3.334	.001
	dummy coded edu	.002	.076	.002	.026	.979
	dummy coded pot	.026	.087	.021	.299	.765
	dorg	.129	.073	.116	1.756	.080
	HPHRP	.347	.084	.246	4.108	.000

a. Dependent Variable: EE

APPENDIX C

Regression Analysis

Independent Variable: High Performance HR Practices and Employee Engagement

Dependent Variable: Proactive Behavior

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.725 ^a	.526	.516	.31684

a. Predictors: (Constant), EE, dummy coded edu, dummy coded age, dummy coded gender, HPHRP, dorg, dummy coded pot

ANOVA^b

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	37.443	7	5.349	53.285	.000 ^a
Residual	33.730	336	.100		
Total	71.173	343			

a. Predictors: (Constant), EE, dummy coded edu, dummy coded age, dummy coded gender, HPHRP, dorg, dummy coded pot b. Dependent Variable: PB

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.101	.222		4.952	.000
	dummy coded gender	-.1730E-5	.036	.000	.000	1.000
	dummy coded age	.098	.036	.108	2.723	.007
	dummy coded edu	-.057	.046	-.062	-1.236	.217
	dummy coded pot	-.174	.053	-.165	-3.280	.001
	dorg	.123	.045	.134	2.754	.006
	HPHRP	.511	.052	.438	9.732	.000
	EE	.196	.033	.238	5.963	.000

a. Dependent Variable: PB

APPENDIX D

Independent Variable: High Performance HR Practices and Employee Engagement

Dependent Variable: Job Performance

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.711 ^a	.506	.496	.47647

a. Predictors: (Constant), HPHRP, dummy coded gender, dummy coded age, dorg, EE, dummy coded pot, dummy coded edu

ANOVA^b

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	78.384	7	11.198	49.325	.000 ^a
	Residual	76.506	337	.227		
	Total	154.890	344			

a. Predictors: (Constant), HPHRP, dummy coded gender, dummy coded age, dorg, EE, dummy coded pot, dummy coded edu b. Dependent Variable: JP

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.973	.334		2.916	.004
	dummy coded gender	-.007	.054	-.005	-.133	.894
	dummy coded age	.183	.054	.137	3.376	.001
	dummy coded edu	-.165	.069	-.122	-2.375	.018
	dummy coded pot	-.459	.080	-.295	-5.764	.000
	dorg	.073	.067	.054	1.085	.279
	EE	.493	.050	.404	9.950	.000
	HPHRP	.238	.079	.138	3.021	.003

a. Dependent Variable: JP

ABSTRACT

High Performance HR Practices in Malaysia: Its Impact on Employee Engagement, Proactive Behavior & Job Performance

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The term Human Resources Management (HRM) or High Performance HR Practices has become an important aspect in any organization with the realization that the right way in managing people can actually create a healthy and effective working environment in the organization. Thus, organizations have started to pay more attention and invest in this area. Countries in the Asian region such as Malaysia also have taken a step forward in initiating their own HR practices in the country. This paper attempts to discover the affect of employee engagement as a mediating role in linking the employees' perceptions of HR practices towards the employees' proactive behavior and subjective job performance in the Malaysian companies. Therefore, this research determines to further analyze the employees' perceptions of high performance HR practices in Malaysia

and its impacts towards the employee engagement, proactive behavior and job performance.

Keywords: High performance HR practices in Malaysia, employee engagement, proactive behavior, job performance

ACKNOWLEDGEMENT

I begin in the name of Allah, Most Beneficent and Most Merciful. Praise to Allah S.W.T for providing me with great health, strength and emotional support in completing this thesis.

It is with great appreciation that I acknowledge the contributions and support of my supervisor, Dr Jung Jin Chul, whose time, effort and guidance were highly beneficial throughout my Master's study. I would like to express my sincere gratitude and appreciation to my co-advisors, Dr Chang Yoong Sun and Dr Cho Yoon Hyung, for their invaluable guidance and assistance.

My special appreciation to my dearest family and relatives, whose endless pray, love, caring, and support throughout my life can never be repaid. I also like to take this opportunity to convey my special thanks to my friends in Korea for their continuous moral support. I am also indebted to my friends in Malaysia for their endless love and encouragement in helping me completing my thesis.

Not to forget, I would like to thank NIIED, Korean Government Scholarship Program for supporting my Master's studies in Chosun University. The knowledge and experience gained throughout my three years stay in Korea can never be replaced and will always be treasured.

Last but not least, for those who have had helped me in any way in completing this thesis, I would like to say thank you.