

THE INFLUENCE OF PERCEIVED HIGH-PERFORMANCE WORK SYSTEMS  
ON INNOVATIVE WORK BEHAVIOR THROUGH WORK ENGAGEMENT

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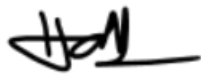
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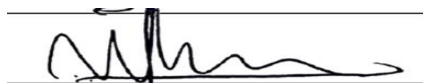
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THE INFLUENCE OF PERCEIVED HIGH-PERFORMANCE WORK SYSTEMS  
ON INNOVATIVE WORK BEHAVIOR THROUGH WORK ENGAGEMENT

NOOR HASSANAH BINTI HUSIN

A thesis submitted in fulfilment of the  
requirements for the award of the degree of  
Doctor of Philosophy

Azman Hashim International Business School  
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## DEDICATION

This thesis is dedicated to my husband Tijani Muhammad Asshobah bin Abd Mukti, my beloved mother Latifah binti Abd Rahim, my children Zulaykha, Khadeja Zunairah, Eiliyah Zahraa and Azman Habibie Al Baqeer. Their support, encouragement, and constant love have sustained me throughout this journey.

In loving memory of my late father Husin bin Mahmad.



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## ABSTRACT

The present study examined the influence of high-performance work systems (HPWS) on innovative work behavior through work engagement in medium-sized manufacturing enterprises. Although much has been done to investigate various outcomes of innovative work behavior, little is known about HPWS implementation amongst medium-sized manufacturing enterprises and more concentrated on large manufacturing enterprises in Malaysia. Also, empirical study about HPWS practice towards innovative work behavior is very limited. According to job demands-resources theory, organizational resources can be explained through seven dimensions of HPWS and its effect on innovative work behavior and how work engagement intervenes in the relationship. Applying the job demands-resources theory, the study attempts to investigate the dominant predictor of HPWS in medium-sized enterprises and identify the effect of HPWS practices towards innovative work behavior and work engagement. Further, the influences of HPWS on innovative work behavior through the support of work engagement as a mediator were also investigated. Using a sample of 170 middle management staff in medium-sized manufacturing enterprises in Klang Valley, Malaysia, this study tested the causal pathway between HPWS dimensions, namely selective staffing, extensive training, mentoring, job security, employee participation, performance appraisal and compensation for innovative work behavior and the possible influence of mediating effect of work engagement. Statistical Package for the Social Sciences (SPSS) and Smart Partial Least Square (PLS) softwares were used to conduct the analysis. Among the tested hypotheses, eight were accepted. The results showed that selective staffing was the dominant predictor of HPWS towards innovative work behavior in Malaysian medium-sized enterprises. It was also found that selective staffing, mentoring, and employee participation significantly related to innovative work behavior. The findings also showed that work engagement has a significant effect on innovative work behavior with a medium effect size. Furthermore, work engagement mediates the relationship between selective staffing, mentoring, and employee participation. The findings of this study add to the body of knowledge related to HPWS implementation, particularly in medium-sized manufacturing enterprises. In addition, it contributes to practice by giving the management, especially those involved in the decision making process related to innovativeness, some insight on HPWS practices that should be applied in enhancing innovative behavior for their employees.



## ABSTRAK

Kajian ini mengkaji pengaruh sistem kerja berprestasi tinggi (SKBT) terhadap kelakuan kerja inovatif melalui penglibatan kerja dalam sektor pembuatan di perusahaan pembuatan bersaiz sederhana. Walaupun banyak kajian telah dilakukan untuk mengkaji pelbagai hasil kelakuan kerja inovatif, hanya sedikit yang diketahui mengenai pelaksanaan SKBT di kalangan perusahaan pembuatan bersaiz sederhana dan ia lebih tertumpu kepada perusahaan pembuatan bersaiz besar di Malaysia. Selain itu, kajian empirikal mengenai SKBT terhadap kelakuan kerja inovatif adalah sangat terhad. Menurut *job demands-resources theory*, sumber organisasi dapat diterangkan melalui tujuh dimensi SKBT and kesannya terhadap kelakuan kerja inovatif dan bagaimana penglibatan kerja mengantara hubungan tersebut. Menggunakan *job demands-resources theory*, kajian ini berusaha untuk mengkaji amalan dominan SKBT dalam perusahaan pembuatan bersaiz sederhana dan mengenal pasti kesan amalan SKBT terhadap kelakuan kerja inovatif dan penglibatan kerja. Selanjutnya, pengaruh SKBT terhadap kelakuan kerja inovatif melalui sokongan penglibatan kerja sebagai pengantara juga dikaji. Dengan menggunakan sampel 170 kakitangan pengurusan pertengahan dalam perusahaan pembuatan bersaiz sederhana di Lembah Klang, Malaysia, kajian ini menguji hubungan antara dimensi SKBT iaitu pengambilan selektif, latihan yang meluas, bimbingan, jaminan pekerjaan, penyertaan pekerja, penilaian prestasi dan pampasan terhadap kelakuan kerja inovatif dan kemungkinan pengaruh kesan pengantara penglibatan kerja. Perisian Pakej Statistik Sains Sosial (SPSS) dan Separa Kedua Terkecil (SmartPLS) digunakan untuk menjalankan analisis. Melalui hipotesis-hipotesis yang diuji, lapan daripadanya diterima. Hasil kajian menunjukkan bahawa pengambilan selektif merupakan peramal utama SKBT terhadap kelakuan kerja inovatif kerja di perusahaan pembuatan bersaiz sederhana di Malaysia. Hasil kajian mendapati bahawa pengambilan selektif, bimbingan, dan penyertaan pekerja mempunyai hubungan yang signifikan dengan kelakuan kerja inovatif. Seterusnya, hasil kajian juga menunjukkan bahawa penglibatan kerja mempunyai pengaruh yang signifikan terhadap kelakuan inovatif kerja dengan ukuran kesan sederhana. Tambahan pula, penglibatan kerja juga dapat menjadi pengantara antara hubungan pengambilan selektif, bimbingan, dan penyertaan pekerja. Penemuan kajian ini menambah pengetahuan dalam kajian berkaitan dengan pelaksanaan SKBT khususnya di perusahaan pembuatan bersaiz sederhana. Di samping itu, secara praktikal ia menyumbang dengan memberikan pandangan mengenai amalan SKBT yang harus diterapkan kepada pihak pengurusan terutama mereka yang terlibat dalam proses membuat keputusan bertujuan untuk meningkatkan kelakuan kerja inovatif di kalangan pekerja mereka.



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## LIST OF ABBREVIATIONS

AVE	-	Average Variance Extracted
BCI LL	-	Bias Corrected Interval Lower Level
BCI UL	-	Bias Corrected Interval Upper Level
CMV	-	Common Method Variance
EOA	-	Expert Opinion Analysis
HPWS	-	High-Performance Work Systems
HTMT	-	Heterotrait-monotrait
IWB	-	Innovative Work Behavior
MD	-	Mahalanobis Distance
SEM	-	Structural Equation Modeling
SME	-	Small and Medium Enterprises



## LIST OF SYMBOLS

$\alpha$	-	Cronbach's Alpha
$\beta$	-	Standard Beta
$R^2$	-	Coefficient of Determination
$f^2$	-	Effect Size
$Q^2$	-	Predictive Relevance
$D^2$	-	Mahalanobis Distance



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# CHAPTER 1

## INTRODUCTION

### 1.1 Introduction

This chapter explains about the issue and gaps and the motivation of study and further described in more detail in the problem statement section. Based on the problems and gaps identified, this chapter will address the issues and further develop the objective of the study of the phenomenon of interest. Significant of study, scope of study and limitations are also discussed in this chapter. To give a clear picture of the framework for this study, research hypothesis is also included.

### 1.2 Background of Study

Over the last few decades, creativity and innovation have been increasingly popular as significant contributors to corporate performance (De Spiegelaere, Van Gyes, and Van Hootegem, 2016; Fu, Flood, Bosak, Morris, and O'Regan, 2015; Huselid, 1995; Shahriari, Abzari, Isfahani, and Kianpour, 2017). The importance of innovation in the organization's success cannot be denied. Organizational managers find solutions to company problems and challenges through innovation, which create the foundation for the firm's long-term existence and success. Organizations that achieve a competitive advantage in the marketplace through creativity and innovation have seen business success because they understand how to generate new ideas and then use them to create distinctive products, services, and work processes through maximizing human capital (De Jong and Den Hartog, 2007a). Utilizing employees' ability to innovate and develop creative ideas and solutions to improve products and services is one way for firms to develop their innovative capacity (Donate, Peña, and Sánchez de Pablo, 2016).

