HIGH PERFORMANCE WORK SYSTEM-PERFORMANCE NEXUS IN NIGERIAN SMEs: A MODERATED MEDIATION STUDY

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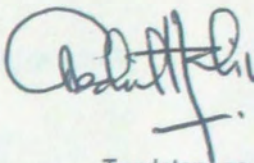

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ABSTRACT

Existing empirical evidence identifies research issues on the dwindling performance of Nigerian SMEs, the existence of vague processes (black box) between organizational inputs (high performance work system [HPWS]) and organizational output (organizational performance), inconsistent HPWS configuration, and the contingency theory's supposition that the context within which organizations operate matters most. In addressing these issues, this moderated mediation study, which was underpinned by the contingency theory and RBV, investigated the effect of HPWS on Nigerian SMEs' performance with the integration of the mediating role of employee creativity and the moderating role of management philosophy in the HPWS-SME performance nexus. Using the cross-sectional research approach, data were collected from a sample of 518 SME managers in Nigeria. The Partial Least Squares Method (PLS) algorithm and the bootstrapping technique were used to test the study's hypotheses. The results provided support for nine out of the twelve hypotheses. The overall findings signified a positive effect of HPWS on SME financial and non-financial performance. The results also indicated that HPWS positively influenced performance through employee creativity, and management philosophy was found to interact with employee creativity in enhancing performance. Going by these results, it can be asserted that this moderated mediation research has widened the scope of the extant business theories and facilitated response to the "when", "how" and "why" questions on the relationship between HPWS and organizational performance. Also, HPWS in the Nigerian SMEs is not enough to stimulate high performance until it induces employee creativity, and organizational performance hinges on the effective alignment of managerial attitudes and philosophies with HPWS. Thus, SME managers and other stakeholders need to entrench HPWS that is employee-oriented. Lastly, the implications, limitations and suggestions for future research were discussed.

Keywords: SME performance, HPWS, HRM, management philosophy, employee creativity, moderated mediation

ABSTRAK

Bukti empirikal yang sedia ada mengenal pasti isu-isu penyelidikan tentang prestasi PKS di Nigeria, kewujudan proses yang tidak jelas (kotak hitam) antara input organisasi (Sistem Kerja Berprestasi Tinggi [HPWS]) dan output organisasi (prestasi), konfigurasi HPWS yang tidak konsisten, dan teori kontingensi yang mengenengahkan konteks fungsi organisasi adalah yang paling penting. Dalam menangani isu-isu ini, kajian pengantaraan penyederhanaan telah digunakan dan disokong oleh teori kontingensi dan RBV, serta mengkaji kesan HPWS ke atas prestasi SME di Nigeria dengan mengambil kira peranan pengantaraan kreativiti pekerja dan peranan pengantaraan falsafah pengurusan terhadap prestasi HPWS-PKS. Melalui pendekatan penyelidikan keratan rentas, data dikumpulkan daripada 518 orang pengurus yang terlibat dalam sektor SME di Nigeria. Kaedah algoritma *Partial Least Squares Method* (PLS) dan teknik *bootstrapping* digunakan untuk menguji hipotesis kajian. Hasil kajian menunjukkan bahawa sembilan daripada dua belas hipotesis adalah diterima. Penemuan keseluruhan menunjukkan kesan positif HPWS terhadap prestasi kewangan dan bukan kewangan SME. Keputusan kajian juga menunjukkan bahawa HPWS mempengaruhi prestasi secara positif melalui kreativiti pekerja, dan falsafah pengurusan didapati berinteraksi dengan kreativiti pekerja dalam meningkatkan prestasi. Melalui penemuan kajian ini, dapat ditegaskan bahawa penyelidikan pengantaraan penyederhanaan telah meluaskan skop teori perniagaan sedia ada dan memudahkan maklum balas persoalan "bila", "bagaimana" dan "mengapa" tentang hubungan antara HPWS dan prestasi organisasi . Selain itu, HPWS dalam sektor SME di Nigeria adalah tidak mencukupi untuk merangsang prestasi yang tinggi sehingga ia mendorong kreativiti pekerja, dan prestasi organisasi bergantung kepada penjajaran yang berkesan antara sikap dan falsafah pengurusan dengan HPWS. Oleh itu, pengurus SME dan pihak berkepentingan yang lain perlu mengukuhkan HPWS yang berorientasikan pekerja. Akhir sekali, implikasi, batasan dan cadangan untuk penyelidikan pada masa hadapan turut dibincangkan.

Kata kunci: prestasi PKS, HPWS, HRM, falsafah pengurusan, kreativiti pekerja, pengantaraan sederhana

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Abdussalaam Iyanda Ismail.

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LIST OF ABBREVIATIONS

SMEs	Small and Medium-sized Enterprises
ADB	Asian Development Bank
SMEDAN	Small and Medium Enterprises Development Agency of Nigeria
HPWS	High Performance Work System
GDP	Gross Domestic Product
GNP	Gross National Product
SHRM	Strategic human resource management
HRM	Human resource management
OECD	Organization for Economic Cooperation and Development

CHAPTER ONE

INTRODUCTION

1.1 Introduction

This chapter is a concise sketch of the study, and it included nine subsections. The first subsection was an introduction to the chapter. The second subsection discussed the background of the study while the third subsection focused on problem statement. Research questions and research objectives made up the fourth and fifth subsections respectively. Scope of the study was expounded to form subsection six, and significance of the study was explicated in subsection seven. Then, definitions of the key terms were provided in the eighth subsection, and arrangement of thesis was presented to conclude the chapter.

1.2 Background of the study

This study is a moderated-mediation study with the aim to investigate the effect of High Performance Work System (HPWS) on Nigerian Small and Medium Enterprise (SME) performance, highlighting both mediating effect of employee creativity and moderating effect of management philosophy on HPWS-performance nexus. A strategic human resource management (SHRM)-based theoretical framework was proposed to explain the contributory role played by human resource management (HRM) in enhancing optimal performance of Nigerian SMEs, hoping that the cogs in the wheel of Nigerian SME performance will be removed, and consequently the economic development capacities at the organizational and national levels will be driven forward.

Recently, there have been a mushrooming research interests in SMEs. The interests were driven by the vibrant capabilities of SMEs for development and sustainability, despite the hostile and severely inhibited operating/environmental conditions (Okoya, 2013). Debatably and as a matter of fact, Nigeria, being a developing country, needs to focus more on things that can make SMEs thrive for speeding the level of economic development and integration into the global economy (Okoya, 2013).

The growth of countries of the world has been found to be contingent on SMEs. It plays a crucial role in the development of industry and economy, job creation and poverty reduction (Aremu & Adeyemi, 2011; International Finance Corporation [IFC], 2013; Mahmood & Hanafi, 2013; Eze, Eberechi, Chibueze, Osondu, & Ayegba, 2016; Terungwa, 2012; Tom, Glory, & Alfred, 2016). It is also a key to the economic development in the Asian and the Pacific countries (Asian Development Bank [ADB], 2014). The shattering upshot of the global financial crisis was believed to be bulwarked by SMEs (European Commission [EC], 2014).

Over time, SMEs constituted nearly 90 per cent of all enterprises in the globe and over 50 per cent of employment worldwide (IFC, 2013). SMEs has emerged to be a main business sector in the continents of the world. For instance, in the United State of America, SMEs remains the fundamental to the economy of the country, as it accounted for 63 per cent of the new jobs created between the period 1993 and 2013, totaling 14.3 million jobs (The Small Business and Entrepreneurship Council [SBE Council], 2015). SMEs constituted 99.7 per cent of the enterprises in Ireland (Central Statistics Office of Ireland [CSO], 2012).

In the Asian and Pacific countries such as China, Malaysia, Singapore, the Republic of Korea, Bangladesh, Indonesia, Thailand, Solomon Islands etc., SMEs forms 98 per cent of all businesses. It, on an average basis, contributed 66 per cent of the national workforce within the period of 2007 and 2012. It also contributed 38 per cent of the gross domestic product (GDP) within the same period. SMEs cum other micro businesses represent over 90 per cent of the entire businesses in each and every country that form Asia and the Pacific (Asian Development Bank [ADB], 2014).

Coming to Africa, SMEs accounted for over 95 per cent of all businesses in Nigeria, Angola, Burundi, Burkina Faso, Botswana, Benin, Cameroon and other countries in Sub-Saharan Africa (Fjose, Grünfeld, & Green, 2010). High economic growth has been recorded in the region since last two decades. The feat was achieved as a result of the increasing SMEs activities. Following this, there has been a rise in the prices of several commodities, which has attracted China and India to become significant investors and trading partners of the countries in the region. Additionally, Organization for Economic Cooperation and Development (OECD) countries have increased their demand for the commodities of the African countries and consequently enhance foreign investment, which was driven by high returns on capital (Fjose *et al.*, 2010).

Furthermore, in the Nigerian scenario, SMEs is a catalyst for the economic growth (Eniola & Ektebang, 2014; Ihua, 2009; Okoya, 2013; Shehu, 2014), a major provider of employment and a significant contributor to the GDP (Etuk, Etuk, & Baghebo, 2014; Shehu, 2014). SMEs in Nigeria constituted 97 per cent of the entire enterprises, it constituted 47 per cent of the national GDP (Anudu, 2016), and 47 per cent of the Gross

National Product (GNP); and provided more than 70 per cent job opportunities (Dauda & Akingbade, 2010; lrefin, Abdulazeez & Tijani, 2012).

Matzdorf (2012) put the total numbers of SMEs in Nigeria at 17, 284, 671, and the total number of employments generated from SMEs were put at 32,414,884. However, Small and Medium Enterprises Development Agency of Nigeria [SMEDAN] (2013), in its recent and latest survey report, has updated the facts and figure provided by Matzdorf (2012). It indicated that the official total numbers of MSMEs in Nigeria are 37,067,416; micro businesses stand at 36,994,578, small businesses stand at 68,168, while medium enterprises stand at 4,670.

SMEs activities, which have been in existence since the period of independence in Nigeria and regarded as a tool for economic and national development since 1970, experienced governmental interventions through various regulations, which were enacted for the purpose of guarding the small-scale businesses (Tijani-Alawiye, 2004). These regulations include Nigeria Enterprises Promotion No. 3 of 1977, Patent Right and Design Act No 60 of 1979 Custom Duties (dumped and subsided goods Act No. 9 of 1959), Industrial Promotions Act No. 40 of 1979, Industrial development Tax Act No. 2 of 1971 etc. (Tijani-Alawiye, 2004).

Despite the feat recorded by SMEs and the special support it enjoyed from the government, Nigerian SMEs is still facing a myriad of challenges that put its productivity and performance in downturn and plunge (Onugu, 2005; Nadada, 2013). Performance of Nigerian SMEs is a burning issue that calls for attentions (Ibru, 2013), because SME performance forms a crucial part upon which economic development of

rest (Eniola & Ektebang, 2014). There has been an enduring decline in the performance of the SME sector in Nigeria, as shown in its contribution to GDP in 2001, 2007, and 2012, the contribution declined from 62.1 per cent in 2001, to 50 per cent in 2007, and 47 per cent in 2012 (Okoya, 2013). SMEs' contribution to GDP remains 47 per cent till 2016 (Anudu, 2016), but slightly increases to nearly 48 per cent in 2017 (Egbesola, 2017). In addition, research (e.g. Adaramola, 2012; Apulu, Lathan & Moreton, 2011; Ayanda & Danlami, 2011; Ihua, 2009; Okpara, 2007; Onugu, 2005) has established the dwindling and awful performance of Nigerian SMEs.

In the same vein, most SMEs in Nigeria die within their first five years of existence, a smaller percentage goes into extinction between the sixth and tenth year, while only about five to ten percent survive, thrive and grow to maturity (Aremu, & Adeyemi, 2011). This problem has been attributed to absence of business strategy, poor recruitment exercise, lack of succession plan, cut-throat competition among others (Onugu, 2005). Consequently, this trend has aggravated unemployment, loss of market, and declined growth of entrepreneurship, and recessed economy (Centre for Research and Documentation, 2013; Elein, 2012; Oguntuga, 2013).

The challenges facing the Nigerian SMEs include insufficient manpower, low savings culture (Mwobobia, 2012a; Mwobobia, 2012b), shortage of technical savoir-faire, shortage of planning, ill-disposed government regulations, poor marketing strategies, and shortage of capital (Onugu, 2005; Ogechukwu, 2006). In addition, Nigerian SMEs have limited avenues for sourcing for the necessary fund, societal and transparency problems (Larry, 2011), and inability to access the required information (Tiemo, 2012),

globalization threat, unconducive environment, lack of security, waning productivity etc. (Nkechi, 2013).

While majority of the challenges facing SMEs are prompted by the operating environment such as policy of the government, effects of globalization, financial institutions etc., some are functions of the nature and SMEs' characteristics (Onugu, 2005). Part of SMEs' challenges are summed up by Eze *et al.* (2016) in Figure 1.1 below:

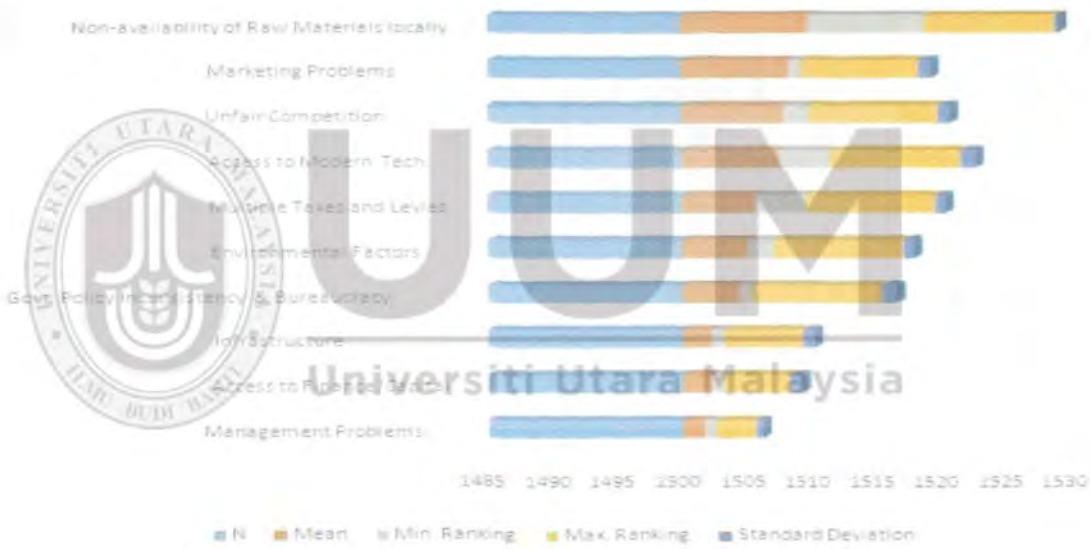

Figure 1.1
Ten Key Problem Issue Facing SMEs in Nigeria.
Source: Eze *et al.*, 2016.

Given the above facts and figures, the uncertainty that clouded the global economic environment and the supposed role to be played by SMEs by bulwarking the upshot of the global financial crisis, there is need for Nigerian SMEs to improve and upgrade its performance level and its competitive advantage in order to catch up with the SME performance levels of the advanced and other high middle income countries and, at

large, to be able to actualize the initiatives under the Nigeria's Vision 2020, which will in turn facilitate NV 2020's intent to ensure that Nigeria is enlisted among the world`s top 20 economies by year 2020.

Although past theories have identified economies of scale, access to capital, and regulated competition as competitive advantage determinants, recent research has emphasized strategic human resource management as a basis of competitive advantage (Bamberger & Meshoulam, 2000; Delery & Roumpi, 2017), and the consequent enhanced performance (Seidu, 2011). Human resource and its management form an indispensable part of the whole of competitive advantage (Allen, & Wright, 2007; Amarakoon, Weerawardena, & Verreynne, 2016; Boxall & Purcell, 2003; Delery & Roumpi, 2017; Pfeffer, 1998).

Strategic HR that enhances task and performance are formed through the effective adoption of high performance work system (HPWS). HPWS literature have reported a number of human resource (HR) practices that consistently lead to higher individual and organizational performance (Werner, 2011). In addition, good strategy gives rise to competitive advantage and then leads to improvement in industrial competencies, productivity and performances of organizations through the instrumentality of employees, who are equipped with the required skills, knowledge and competencies needed for the execution of organizational strategy and planning (Ismail, 2014; Ismail, Abdul-Halim & Joarder, 2015a).

It has been discovered by researchers and practitioners of human resource (HR) that organizational performance is greatly enhanced by a system of HR, which influences

human capital through acquisition, development, and motivation of the best talents (Posthuma, Campion, Masimova, & Campion, 2013). Also, enhanced organizational performance and organizational accomplishments are contingent upon adoption of a systematic combination of HR systems called HPWS (Choi, 2014; Choi & Lee, 2013; Demirbag, Collings, Tatoglu, Mellahi, & Wood, 2014; Fan, Cui, Zhang, Zhu, Charmine-Härtel, & Nyland, 2014; Fu, 2013; Shin & Konrad, 2014; Heffernan, 2012; Seidu, 2011).

Additionally, the internal dynamics which refers to the internal activities of the SMEs, the cognitive processes, the interpersonal relationship, and the interfaces within the organization are considered a proxy for growth, success and failure of organization (Okoya, 2013). Numerous studies (e.g. Onugu, 2005; Ogechukwu, 2006; Mwobobia, 2012a; Mwobobia, 2012b) have been conducted on the challenges facing Nigerian SMEs, however, little is known about the internal organization of Nigerian SMEs. Thus, to fully understand the impediments of Nigerian SMEs growth, there is need to look in to the internal system of the sector.

It is against the backcloth of the facts, figures and issues discussed above that this research investigated the effect of HPWS on Nigerian SME performance, with the aim to unravel the factors that ignite the development of Nigerian SMEs and to resolve the unresolved (i.e. black box) with regards to the theoretical foundation of HPWS-performance link. Thus, extending the understanding of the internal properties of these businesses that are emerging as economic catalysts in the countries of the world.

1.3 Problem Statement

Both current and potential contributions of Nigerian SMEs to the national economic development and national growth cannot be overemphasized (Aremu & Adeyemi, 2011; Eniola & Ektebang, 2014; Ihua, 2009; Mahmood & Hanafi, 2013; Masari, 2015; Okoya, 2013; Shehu, 2014; Terungwa, 2012). Nigerian SMEs and Micro businesses are a major provider of employment and a significant contributor to the GDP (Aganga, 2015; Dauda & Akingbade, 2010; Efetobore, 2015; lrefin, Abdulazeez & Tijani, 2012; Shehu, 2014).

Nevertheless, substantial proportions of SMEs in Nigeria fold up prematurely (Aremu, & Adeyemi, 2011). Within the period 2015-2016, 222 SMEs have folded up (Business Day, 2016). The problem of premature death of SMEs is connected with poor SME performance, and thus makes SME performance becomes a critical issue that calls for attentions (Ibru, 2013), because SMEs' contribution to GDP has declined from 62 per cent in 2001 to nearly 48 per cent in 2017 (Egbesola, 2017).

This problem has given rise to high rate of unemployment, loss of market, declined entrepreneurial growth, and recessed economy (Centre for Research and Documentation, 2013; Elein, 2012; Oguntuga, 2013). In the report provided by Olasinde (2017), Nigeran National Bureau of Statistics [NBS] revealed that 3.67 million Nigerians became jobless in the year 2016 alone. The upsurge in unemployment tide causes decline in Nigeria's economic growth (NBS, 2015).

Moreover, although there is no consensus on the measurement of firm performance (Okoya, 2013), Harif, Hoe and Ahmad (2013) and Ogunyomi and Bruning (2015) have highlighted that SME performance should be measured via financial and non-financial indicators, given that in today's business environment, firms need information on how they are performing across a broader spectrum of dimensions, not only financially, but also factors relating to non-financial aspects. The combination of both financial and non-financial indicators can lead to a balanced performance measurement in the business environment (Kaplan & Norton 2000). Thus, SME performance, in this study, would be measured via financial and non- financial indicators.

Besides, substantial numbers of studies (e.g., Choi & Lee, 2013; Demirbag, et al., 2014; Fan, et al., 2014 etc.) have established positive correlation between HPWS and firm performance, but lacunas (i.e. gaps, unresolved issues, black box, and mediator) in the relationship has been identified (Becker & Gerhart, 1996; Chadwick & Dabu, 2009; Messersmith, Patel, Lepak, & Gould-Williams, 2011, Boxall 2012), indicating the need for investigating the fundamental processes and mechanisms involved in HPWS-performance relationship (Becker & Huselid, 2006; Boxall, 2012; Guest, 2011; Lepak, 2007; Wright & Gardner, 2003).

Boxall (2012) reiterated the absence of issue in the 'direct' HRM-Performance relationship, but he claimed that a lot remain unknown about the chain of nexuses that are persistent inside the 'black box' of HRM. In addition, in the present economic situation, high quality and innovative products and services are regarded crucial (Martinaityte, 2014), Likewise, the current trends in the world of business today

underscore how creative and innovative employees should be to help companies achieve higher performance. Thus, employee creativity is logically and empirically fit to be the mechanism (mediator) through which the identified lacunas will be resolved.

HPWS, as a system, can be destructive or helpful because failure or success of HR system depends on internal and external boundary conditions (Chadwick, Way, Kerr, & Thacker, 2013). Management philosophy that is employee-oriented would reinforce the effectiveness of HPWS and in turn enhance performance (Marchington & Wilkinson, 2005). With this, and underpinned by contingency theory's supposition that the context within which firms functions matter most, it is therefore expected that management philosophy moderates the HPWS-performance nexus, HPWS-creativity nexus, and creativity-performance nexus.

Additionally, a comprehensive business research should include both mediator and moderator in its research model, because integration of moderating and mediating variables in a single model would widen the scope of the research models (Namazi & Namazi, 2016) and provide better understanding of what works, when and why, and enable them to rationalize allocation of resources to develop or implement HRM practices (Chowhan, 2016). Most SHRM studies (e.g. Osman, Ho, & Galang, 2011b; Othman, 2009; Rowley & Abdul-Rahman, 2007) focused on large organizations and overlooked small organizations. There is dearth of research on HRM-SMEs relationship, most especially in the context of Nigeria (Ojukuku, 2012). Also, HPWS research is largely conducted in the western contexts (Boxall & Macky, 2009; Godard,

2004), studies on HPWS in emerging economies (like Nigeria) are scanty (Gautam & Davis, 2007).

Methodologically, in the extant literature, there is very little accord about the measurement of HPWS and the constituent HR architectures (i.e. HR practices) (Posthuma, Campion, Masimova, & Campion, 2013). There are inconsistencies in the measurement of HPWS (Savaneviciene & Stankeviciute, 2010), and this is deemed to be methodological defect in the HPWS research. Thus, this study adopted a HPWS measurement approach that is underpinned by AMO model and the suppositions of Posthuma et al. (2013), Martinaityte (2014), and Agarwala (2003). This involves logical blend of the core HR practices and the neglected practices.

Given the discerned critical issues relating to theoretical, contextual, practical and methodological aspects of HPWS research in the above exposition, the current study examined the impact of HPWS on Nigerian SME performance, the mediating effect of creativity on HPWS-performance nexus, and the moderating effect of management philosophy on HPWS-performance nexus, HPWS-creativity nexus, and creativity-performance nexus.

1.4 Research Questions

Owing to the arguments in the study's background and problem statement, this research majorly attempted to answer questions regarding the contributory role of HRM in enhancing Nigerian SME performance. Therefore, the following questions were poised to give direction to the study:

1 Does HPWS impact Nigerian SME performance?

2 Does employee creativity mediate the HPWS-Nigerian SME performance nexus?

3 Does management philosophy positively moderate HPWS-Nigerian SME performance nexus?

4 Does management philosophy positively moderate HPWS-creativity nexus?

5 Does management philosophy positively moderate creativity-Nigerian SME performance nexus?

1.5 Research Objectives

In reference to the above research questions, this research mainly aimed at identifying the contributory role of HRM in enhancing the Nigerian SME performance. Therefore, the major objectives were subdivided below:

1 To investigate the impact of HPWS on Nigerian SME performance.

2 To investigate mediating effect of employee creativity on the HPWS-Nigerian SME performance nexus.

3 To investigate moderating effect of management philosophy on HPWS-Nigerian SME performance nexus.

4 To investigate moderating effect of management philosophy on HPWS-creativity nexus.

5 To investigate moderating effect of management philosophy on creativity-Nigerian SME performance nexus.

1.6 Scope of the Research

This study aimed to investigate the nexus between HPWS and Nigerian SME performance, highlighting the mediating effect of employee creativity on HPWS-performance nexus, and moderating effect of management philosophy on the nexuses. The scope of this study involved the owner/managers of the selected SMEs in Nigeria. Hence, the unit of analysis is organization. This will enable the investigation from the standpoints of owner/managers who hold the helms of SMEs' affairs in Nigeria.

The choice of Nigerian SMEs was informed by the motive to examine the role of HPWS in enhancing the performance of Nigerian SMEs to enable them to improve and upgrade their performance level and its competitive advantage, and to be able to overtake the SME performance levels of the advanced and other high middle-income countries. At large, this will facilitate actualization of the initiatives under the Nigeria's Vision 2020, which will in turn facilitate NV 2020's intent to ensure that Nigeria becomes one of the top 20 economies in the world by 2020.

Moreover, research (e.g. Browning, 2006; Gbolahan, 2012; Gyensare & Asare, 2012; Laosebikan, Oginni, & Ogunlusi, 2013; Ogunyomi, & Bruning, 2015; Ojokuku, 2012; Zakaria, 2013) has established the implementation of HPWS in SMEs. Specifically, Nigerian SMEs have been known for implementation of HPWS. There are mushrooming studies that established this. Those studies include Gbolahan (2012), Gyensare and Asare (2012), Laosebikan, Oginni, and Ogunlusi (2013), Ogunyomi, and Bruning (2015), Ojokuku, 2012 etc.

1.7 Significance of the Research

Going by the enumerated issues covering theoretical, contextual, practical and methodological issues in the background of the study and problem statement, this study stands out in its contribution to the extant body of knowledge.

In the first place, research abounds on Nigerian SMEs, but research on HPWS-SME performance nexus is scarce, most especially in the context Nigeria. This study was poised to add to the understanding of HPWS-Nigerian SME performance nexus and thus contributes to the extant body of knowledge. Also, it is among the very few studies that provided, in the context of Nigeria, a sophisticated and urbane explanation of the fundamental processes and mechanisms involved in HPWS-Nigerian SME performance nexus. Thus, it serves as a source of empirical evidence for future and mushrooming studies.

In addition, previous studies lack consistency on the measurement/configuration of HPWS, specifically in the context of SMEs. Hence, methodological defect. This gap is filled by adopting a HPWS measurement approach, after much conceptual argument has been put forth. The choice of the approach was underpinned by AMO model and the suppositions of Posthuma et al.'s (2013), Martinaityte's (2014), and Agarwala's (2003).

Furthermore, the extant research (with few exception) has neglected the investigation of the internal organization of Nigerian SME, as it largely focused on other challenges of Nigerian SMEs (Okoya, 2013). Thus, this study shed light on the impediments of

Nigerian SMEs growth via looking in to the internal system of the sector. While there is low level of awareness and understanding regarding the importance of research, this study will stimulate further interests in conducting research on that which can boost the economy of the nation.

It is a common knowledge that Nigerian SME performance has bearing on the nations' GDP and overall economy. Empirical evidences have indicated dwindling performance of Nigerian SMEs. If urgent step is not taken to arrest the situation, the consequence would be high rate of unemployment with the consequent high rate of crime. Also, economic recession would set in. Therefore, this study proffered solution to the dwindling performance of Nigerian SMEs by analyzing how HPWS can help enhance the dwindling performance to overtake the SME performance levels of the advanced and other high middle-income countries.

Nigeria is considered the business hub of Africa and a potential world super-power, as observed by Al Maktoum (2015). This feat is contingent on right investments, infrastructural developments, rapid economic growth, and improvement in industrial competencies and productivity. Good performance enhances rapid economic growth, but it cannot just come about, except through the investment in the human capital development. In this case, the findings are of benefit to the stakeholders as it explained how human capital development can be achieved through empirical evidences. In addition, government agencies such as Small and Medium Enterprises Development Agency of Nigeria (SMEDAN), the central bank of Nigeria (CBN) and the researchers

would also find the research beneficial as it serves as a useful guide for the policy and decision-making as well as for academic resources.

1.8 Definition of Key Terms

High Performance Work System: This refers to a harmonized combination of High Performance Work Practices (HPWPs) that creates synergistic effects, whereby particular practices strengthen one another to augment organizational efficiency and effectiveness (Horgan & Mühlau, 2006; Toh, Morgeson, & Campion, 2008). It also refers to a bundle of HR architectures (HR practices) configured to augment workers' skills, commitment, and productivity in such a way that workers become a source of viable competitive advantage (Datta, Guthrie, & Wright, 2005).

Strategic Human Resource Management: Strategic HRM means an arrangement of planned human resource deployments and activities designed to facilitate the accomplishment of organizational goals and objectives (Wright, & McMahan, 1992).

Nigerian SMEs: This refers to the businesses with total assets, including working capital but excluding land and building(s), ranging from five million Naira (equivalent of thirteen thousand nine hundred US dollar) to five hundred million Naira (equivalent of one million, three hundred and ninety thousand US dollar), and with a labor size of less than two hundred (SMEDAN, 2013).

Nigerian SME performance: This refers to the indicators that appraise how well the enterprise accomplishes its objectives (Ho, 2008). This involves financial and non-financial performance (Kaplan & Norton, 2000).

Employee Creativity: employee creativity denotes the extent to which employee develops ideas and demonstrates innovative behaviors in the accomplishment of his/her assigned tasks (Wang & Netemeyer, 2004). It also refers to the creation of a novel and fitting response, product, or solution to a flexible duty (Amabile, 2012).

Management Philosophy: Management philosophy refers to the managers' thinking, and managerial practices informed by managers' culturally-inherent belief regarding human nature and human behavior (Koprowski, 1981).

1.9 Organization of the Thesis

This research is made up of five chapters, of which chapter one is an introductory part. Chapter One, as the introduction to the study, houses nine subsections. The first subsection discussed the background of the study while the second subsection focused on problem statement. The other subsections are research objectives; research questions; significance of the study; scope of the study; and definitions of the key terms. Arrangement of the thesis concluded the chapter.

Chapter Two provided a general gestalt of the major variables of the research, namely; Nigerian SMEs and its performance, high performance work system, creativity, and management philosophy. Following this, emerging HPWS research issues were

discussed, and the theories that underpin the research and the theoretical framework were provided while the last section synopsized the whole chapter.

Chapter Three focused on research methodology of the research. It comprised research design, hypotheses development, population of the study, sample size and sampling technique, unit of analysis, operationalization and measurement of variables, instrumentation, control for measurement error, questionnaire design, data collection procedure. The other part is that of data analysis technique, involving reliability and validity as well as the pilot study. The last part is the synopsis of the chapter.

Chapter Four presented data analysis and the results of the study. The data analysis involved descriptive analysis and inferential analysis via SPSS version 21 and Smart PLS 2.0 M3 software respectively. Chapter Five explicated the results of the data analysis using pertinent previous studies and relevant theories. It also involved discussion of theoretical, managerial, methodological contributions of the study, limitations of the study and corresponding suggestions for future research directions.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This section of the research encapsulated the review of the past studies regarding Nigerian SMEs, SME performance, high performance work system, creativity, and management philosophy. The sections were arranged in the following order:

- Contextual background
- Addressing and disentangling the emerging HPWS research problems
- The underpinning theories and theoretical framework
- Recap and conclusion.

2.2 Contextual Background

In this section, general overview, contributions, definition, SMEs development cum government interventions, problems of the Nigerian Small and Medium Enterprises (Nigerian SMEs) were discussed. Following this, SME performance, evolution and metamorphosis of HPWS, creativity, and management philosophy were all described and discussed.

2.2.1 General Background of SMEs and Nigerian SMEs

Globally, as recognized by the facts and figures, Small and Medium Enterprises (SMEs) has become a mainstay of the world economic growth. The shattering upshot of the

global financial crisis is believed to be bulwarked by SMEs (European Commission, 2014). It plays a crucial role in the economic development, industrial development, job creation cum poverty reduction (International Finance Corporation [IFC], 2013; Mahmood & Hanafi, 2013). SMEs constitutes almost 90 per cent of all enterprises of the world and over 50 per cent of employment worldwide. Hence, SMEs becomes core business activities globally.

Locally, like what has been obtained globally, Nigerian SMEs represent a driving force to the national economy and the national growth cannot be overemphasized (Aremu & Adeyemi, 2011; Eniola & Ektebang, 2014; Ihua, 2009; Mahmood & Hanafi, 2013; Masari, 2015; Eze et al., 2016; Okoya, 2013; Shehu, 2014; Terungwa, 2012; Tom, Glory, & Alfred, 2016). Nigerian SMEs cum Micro businesses are a major provider of employment and a significant contributor to the GDP, through employment of 60 million people out of 37 million MSMEs and accounted for 48 per cent of the GDP (Aganga, 2015; Dauda & Akingbade, 2010; Efetobore, 2015; Irefin, Abdulazeez & Tijani, 2012; Shehu, 2014), and having constituted 97 per cent of the entire enterprises (MSME collaborative survey, 2010; Taiwo, Ayodeji, & Yusuf, 2012).

Although Nigeria has become the largest economy in the African continent due to its recent rebased Gross domestic product (GDP) which was snowballed to $509.9bn and 26th largest economy (Punch, 2014) an estimate of 70 per cent of her citizens (totaling 170 million citizens) live below the poverty line with an average per capital income of $300 (SMEDAN, 2012). Nigeria is the fourth largest producer of crude oil in the Organization of the Petroleum Exporting Countries (OPEC) and seventh largest

producer of crude oil in the world (ADB/OECD, 2006). Crude oil constitutes 36 per cent of the GDP while agriculture represents one-third of the GDP (ADB/OECD, 2006).

Also, development is recorded in the manufacturing sector, having snowballed to 10 per cent in 2005 (ADB/OECD, 2006). While the economy is of both oil and non-oil economic sectors, the agricultural sector is still the biggest contributor to Nigerian economy (SMEDAN, 2012). It is a fact that the greater part of Nigeria's foreign exchange and government budget revenues are contributed by oil export non-oil sectors play significant role in enhancing Nigerian GDP. Between July-September 2011, the non-oil sector account for a total contribution of 85.73 per cent of total GDP (Okoya, 2013). Non-oil sectors snowballed Nigeria's Gross Domestic Product (GDP) by raising it from 6.9 per cent from July 2012 to 7.1 per cent within the same year (Central Bank of Nigeria [CBN], 2012).

In 2013, the yields and earnings from industrial, manufactural, agricultural, minerals and food products amount to \$634.2million, \$322.6 million, \$89.9 million, \$67.9 million and \$21.7 million respectively, indicating that the contributions of industrial, manufactured, agricultural and food products as well as mineral and transport in non-oil export proceeds were 55.8, 28.4, 7.9, 6.0 and 1.9 per cents respectively (Premium Times, May 2013).

The above facts are indicating the crucial role being played by Nigerian SMEs in the development of the Nigerian economy. The report underscored the importance of the SME sector as pivot for transforming the economy.

Statistically, SMEDAN (2013), in its recent survey report, has updated the facts and figure provided by Matzdorf (2012). It said that, total number of MSMEs as at 2013 stood at 37,067,416 (Micro- 36,994,578, Small- 68,168, and Medium-4,670). Formal Nigerian SMEs covers twelve areas of business which include, among others, agriculture, hunting, poultry, forestry and fishing; mining and quarrying; manufacturing; building and construction; wholesale and retail trade; hotels and restaurants; financial intermediation, transport, storage and communication; real estate and renting; education; health and social works etc.

In terms of ownership of Nigerian SMEs, sole proprietorship, partnership, private limited liability, cooperative, faith-based organizations make up the form of Nigerian SMEs' ownership. 13, 169 SMEs are owned by individuals. This indicates that 57.5 per cent of the Nigerian SMEs are owned and managed by the sole proprietor. 6239 SMEs which correspond to 27.2 per cent of the total Nigerian SMEs are owned through private limited liability. 1898 SMEs which correspond to 8.3 per cent are established through partnership (SMEDAN, 2013).

Faith-based firms occupy fourth position as they amount to 108 1, representing 4.7 per cent. Cooperatives and other kinds of businesses amount to 298 and 233 representing 1.3 per cent and 1 per cent respectively. Furthermore, Lagos, Port Harcourt. Kano and the Federal Capital Territory (FCT) house a large number of Nigerian SMEs of large size while others spread over the villages in the country (SMEDAN, 2013).

Research regarding the contributions of Nigerian SMEs to Nigerian economy is abound. However, it is sufficed to concentrate on those analyzed by Kurfi (1997) as it

encompasses most of it. Cited in Shehu (2014), Kurfi (1997) enumerated the following contributions:

- Employment Generation
- Use of Local Resources
- Entrepreneurship Development
- Conservation of Foreign Exchange
- Equitable Distribution of Income and Wealth
- Preservation of Cultural Heritage
- Encouragement of Traditional Craftsmanship
- Production of 1ntermediate Goods
- Capital Formation
- Source or Income Earning

2.2.1.1 Definition of SME

Underpinned by the expected roles of SMEs in individual country, different perceptions of SMEs are held by individual country. In some countries, extents of industrial development and other economic factors are considered a yardstick in defining SMEs (Tiwari & Swarup, 2013). Definition of SME has been a disputatious issue and has made it seems elusive a universally-acceptable definition, given the many yardsticks being used by various researchers in different nations. The yardsticks are total numbers of employees, turnover and assets` value. Also, the definition may be different from one sector to another within the same country, contingent upon the purpose for which the definition is made. Going by this, small businesses in developed nations may be

considered medium or large-scaled firms in developing countries and thus definitional complexities and taxonomical problem.

In Nigeria, SMEs is defined and taxonomized based on the number of employees, sales turnover, asset base, and investment. More so, all/some of the mentioned yardsticks are sometimes used to define SMEs. SMEs, in the period before 1992, was given different definitions and descriptions by some Nigerian government agencies (e.g. Central Bank of Nigeria (CBN), Nigerian Bank of Commerce and industry, Centre for industrial Research and development and the National Economic Reconstruction fund took on different meaning of SMEs. However, one definition of SMEs was brought about by the National Council on Industry (NCI).

The current definition of SMEs was given by SMEDAN in the year 2012. The definition starts with micro businesses (otherwise known as cottage) which refers to a business establishment with a labor size of not more than ten employees, and the total cost, including working capital but excluding land and building(s), of not more than five million Naira (equivalent of thirteen thousand nine hundred US dollar). The business establishment that has employees of at least ten or whose employees are not more than forty-nine workers, with a total cost, including working capital but excluding land and building(s), of at least five million Naira (equivalent of thirteen thousand nine hundred US dollar), but not exceeding fifty million Naira (equivalent of one hundred and thirty-nine thousand US dollar) are referred to as small scale business.

Medium scale business is a business with a labor size between fifty and one hundred and ninety-nine, with a total cost, including working capital but excluding land and

building(s), of above fifty million Naira (equivalent of one hundred and thirty-nine thousand US dollar), but not exceeding five hundred million Naira (equivalent of one million, three hundred and ninety thousand US dollar). Hence, the above information is encapsulated in the table below:

Table 2. 1
Definition and Taxonomy of Nigerian SMEs

S/N	Size Category	Employment	Asset (=N= million) (excl. land and buildings)
1.	Micro enterprises	Less than 10	Less than 5
2.	Small enterprises	10 – 49	5 to less than 50
3.	Medium enterprises	50 – 199	50 to less than 500

Source: SMEDAN 2012; 2013.

2.2.1.2 Nigerian SMEs Activities, Problems and Nigerian Government Interventions

In this subsection, the activities of the Nigerian SMEs are provided to give a clear understanding and structure of SME activities in Nigeria. Quite a number of activities are engaged in by Nigerian SMEs as revealed by the Small and Medium Enterprises Development Agency of Nigeria (SMEDAN, 2012). This is reported in a joint report between SMEDAN and National Bureau of Statistics (NBS). These activities include source of capital, market channel of products, business association, skill gap by sector, a major government policy that affects SMEs business most favorably, most government policies that affect business most unfavorable, top priority areas of assistance. This is represented in the table below:

Table 2.2

Nigerian SMEs Activities: Owner/Manager Source of Income, Market Channel of Nigerian SMEs Products and Business Organization

Owner/Manager Source of Income		
Source	**Number**	**Percentage**
Personal savings	15;028	54.4
Loan	6.,091	22.0
Family source	5,121	16.7
Cooperative	1,405	5.1
Parents	259	0.9
Friends	243	0.9
Total	27.645	100%
Market Channel of Nigerian SMEs Products		
Market Channel	Number	Percentage
Same locality	7944	24.5
Same Town	6417	19.8
Same State	6895	21.2
Nigeria only	7701	23.7
ECOWAS state	1234	3.8
Africa only	667	2.1
World-wide	1625	5.0
Total	32,483	100%
Business Association		
Business Association	Number	Percentage
None	13975	61.0
Trade Association	4914	21.4
Professional Association	2919	12.7
Cooperative Societies	545	2.4
Faith Based Organizations	511	2.2
Others	54	0.2
Total	22918	100%

Source: SMEDAN (2012; 2013).

It is discernible from table 2.2 above that Nigerian SMEs source their capital from twenty-seven thousand, six hundred and forty-five sources. Out of these sources, personal saving constitutes 54.4 per cent as it records fifteen thousand and twenty-eight. This signifies that the major source of capital for Nigerian SMEs is personal savings.

Regarding market channel of products, most of Nigerian SMEs' products are distributed within the same area which represented the highest per cent of 24.5. Interestingly, while some (24%) Nigerian SMEs' products can be found in the nook and crannies of Nigeria, few of them can be found in the sixteen Economic Community of West African States (ECOWAS) and the world at large. Most of the Nigerian SMEs do not join any business association as also signified by Table 2.2.

Table 2.3
Nigerian SMEs Activities: Skill Gap by Sector

Skill Gap by Sector					
Sector	Qualified Artisans Readily Available		Qualified Artisans Not Readily Available		Total
	Number	Percentage	Number	Percentage	
Agriculture	461	60	307	40	768
Mining and Quarrying	136	80.6	33	19.4	169
Building and Construction	167	69.8	72	30.2	239
Wholesale and Retail Trade	2495	59.3	1715	40.7	4210
Hotels and Restaurants	1578	69.4	694	30.6	2272
Transport, Storage, Communication	549	65.6	288	34.4	838
Financial Intermediation	1300	55.9	1024	44.1	2323
Real Estate	568	57.5	420	42.5	987
Education	921	53.9	789	46.1	1709
Health and social works	1903	68.8	864	31.2	2769
Other community service	428	68.3	199	31.7	627
Total	14593	63.7	8325	36.3	22918

SMEDAN (2012; 2013).

The table 2.3 signifies that readily-available qualified artisans constituted larger percentage (64%) of the skill gap in the Nigerian SMEs sector. However, this informs that there is need for more efforts to guarantee a 100 per cent qualified artisans' readily

available for the sector to discharge its vital role for the accomplishment of capacity utilization.

Performance of Nigerian SME is a burning issue that calls for attentions (Ibru, 2013). The fact is that Nigerian SME performance forms a crucial part upon which the solidification and enhancement of the development of the national economy rest (Eniola & Ektebang, 2014). Coupled with the problem of dwindling performance of Nigerian SMEs, the uncertainty that clouded the global economic environment and the supposed role to be played by Nigerian SMEs by bulwarking the upshot of the global financial crisis, there is need for Nigerian SMEs to improve and upgrade its performance level and its competitive advantage.

Nigerian SMEs faces a myriad of challenges that put its productivity and performance in downturn and plunge (Onugu, 2005; Nadada, 2013). Performance of Nigerian SME is a burning issue that calls for attentions (Ibru, 2013). There has been an enduring decline in the performance of the SME sector in Nigeria as shown in its contribution to gross domestic production (GDP) in 2001, 2007, and 2012, the contribution declined from 62.1 per cent in 2001, to 50 per cent in 2007, and 46.54 per cent in 2012 (Okoya, 2013). Research (e.g. Adaramola, 2012; Apulu, Lathan & Moreton, 2011; Ayanda & Danlami, 2011; Ihua, 2009; Okpara, 2007; Onugu, 2005) has established the dwindling and awful performance of Nigerian SMEs.

Furthermore, Nigerian SME performance forms a crucial part upon which the solidification and enhancement of the development of the national economy rest. Performances and growth of these businesses in their various sectors are stimulus,

promoter and facilitator of the Nigeria economy. A well-oiled and well-off Nigerian SMEs have numerous advantages such as employment opportunities, tangible and intangible assets (investment) in the environment for the nation (Eniola & Ektebang, 2014).

The challenges facing the Nigerian SMEs include high rate of collapse of SMEs, insufficient manpower, low savings culture (Mwobobia, 2012a; Mwobobia, 2012b), shortage of technical savoir-faire, shortage of planning, ill-disposed government regulations, poor marketing strategies, and shortage of capital (Onugu, 2005; Ogechukwu, 2006).

In addition, Nigerian SMEs have limited avenues for sourcing for the necessary fund, societal and transparency problems (Larry 2011), and inability to access the required information (Tiemo, 2012), poor skills for entrepreneurship, and absence of market orientation (Oluboba, 2003), poor marketing skills, low entrepreneurial spirit, absence of access to funding, poor infrastructure, globalization threat, unconducive environment, lack of security, waning productivity etc. (Nkechi, 2013). While some of the challenges of the SMEs are prompted by the operating environment such as policy of the government, effects of globalization, financial institutions etc., some are functions of the character and nature of SMEs themselves (Onugu, 2005).

The incessant collapse of SMEs has been attributed to absence of business strategy, poor recruitment exercise, lack of succession plan, lack of focus, poor market research, overconcentration on one or two markets for finished products, inexperience, lack of proper record, cut-throat competition among others (Onugu, 2005). Consequently,

performance of Nigerian SMEs is increasingly dwindling and calls for attention of the stakeholders as well as researchers. This trend would aggravate unemployment, and lead to loss of market and unavoidably hamper the growth of entrepreneurship and overall economy of Nigeria (Centre for Research and Documentation, 2013; Elein, 2012; Oguntuga, 2013).

According to Okpara (2011), administrative, operational, strategic exogenous problems form the challenges bedeviling SMEs. The administrative problems involve accounting and finance, poor skills in management, inadequate planning, and absence of good research of the market.

Shehu (2014) summed the challenges up and enumerated them to include inadequate capital, absence of focus, inadequate market research, absence of proper record of business activities, overconcentration on one market, absence of succession plan, failure to detached business from family affairs, failure to acquiring the exact plant and machinery needed for the job, wrongly employ the right caliber of staff, poor management strategy, absence of patronage of locally-made products, dependence on foreign goods, erratic power supply, harsh government policies, inadequate water supply. erratic government policies, political instability, poor policy implementation, raw material sourcing problem, lack of proper preservation method, processing and storage facilities, lack of entrepreneurial spirit, competition with cheaper foreign imported goods, plan inadequacy, dumping of foreign goods, problem of inter-sectoral linkages given that most large-scale firms source their raw material from oversea

instead of sub- contracting SME, as well as lack of good resources utilization. Hence, there is need to find solution to these anomalies in the interest of the nation's economy.

SMEs activities which have been in existence since the period of independence in Nigeria and regarded as a tool for economic and national development since 1970 experienced governmental intervention by promulgating various regulations for the purpose of guarding the small-scale businesses. These regulations include Nigeria Enterprises Promotion No. 3 of 1977, Patent Right and Design Act No 60 of 1979 Custom Duties (dumped and subsided goods Act No. 9 of 1959), Industrial Promotions Act No. 40 of 1979, Industrial development Tax Act No. 2 of 1971 etc. (Tijani-Alawiye, 2004).

Many programs, policies and laws were devised by the government to encourage SME activities. Many agencies were formed to that effect. The policies and programs were introduced by different governments at different situations and circumstances. They are geared up to directly or indirectly enhance development and promotion of' the Nigerian SME sector (Aminu, 2009).

Among the policies and programs devised by the government include:

1. Industrial Development Centers (IDCs): IDCs was founded in 1964 in Owerri. Then, it was later sprung up in other locations such as Zaria, Oshogbo, Maiduguri, Abeokuta, Sokoto, Benin city, Uyo, Bauchi, llorin, Port Harcourt and Ikorodu. IDCs is saddled with the task in which it would provide technical, managerial and accounting assistance to Nigerian SMEs in woodworking, inetal

working, automobile repair, textile and leather work. In addition, practical assistance in management and technical areas, provision of on the job training facilities, business counseling services are among the tasks assigned to the center.

2. The Nigerian Industrial Development Bank (NIDB). It was in 1964 that the NIDB was officially established. The Bank is assigned the task of providing credit facilities to industrialists, particularly medium and large-scale enterprises. Numerous Nigerian SMEs have received financial advice, soft loans, and free consultation from this bank.
3. Central Bank of Nigeria (CBN): A program was created in 1970 by the CBN to support and improve the small firms. In this program, commercial and merchant banks are mandated to earmark certain amount of money for Nigerian SMEs. Among the functions expected of CBN to do for Nigerian SMEs are provision of sound financial system, articulating clear guidelines for implementation of the scheme, and capacity building.

Others are Small Scale Industries' Credit Scheme (SSICS) formed in 1971; Nigerian Bank for Commerce and Industry (NBCI) founded in 1973; World Bank I1 Loan Scheme established in 1987; The National Directorate of Employment (NDE)'s scheme formed in 1986; National Economic Reconstruction Fund (NERFUND) founded in 1989; International Financial Assistance solicited on many occasions by the Federal Government; Small and Medium Enterprises Equity Investment Scheme (SMEEIS) introduced by CBN in 2001; Technical and Extension Services Programs such as Industrial Training Fund (ITF), Raw material Research and Development Council

(RMRDC), Federal Institutes of Industrial Research, Oshodi (FIIRO), Project Development Agency (PRODA), and Centre for Management Development (CMD).

Small and Medium Enterprises Development Agency of Nigeria (SMEDAN) established in 2003 is the current initiative of government aiming to supporting small firms sector of the economy. Among the SMEDAN's goals employment creation, poverty alleviation, wealth creation, enhancement on the utilization of local raw materials, enablement of access to local and foreign markets, to motivate on the utilization of local technology, enablement of access to foreign technology, enablement of the development of rural areas, enablement of access to credit, enablement of access to other factors of production.

2.2.1.3 Repositioning Nigerian Economy via Non-Oil SMEs Sector

Although it is based on conservative statistics regarding Nigeria's initial conditions (GDP, Growth Environments Score), Nigeria, the most populous country in Africa, (see Global Economic Paper Nos 99, 134), is predicted to increasingly ascribe to the 20th and 12th largest economy in 2025 and 2050 respectively. Thus, overtaking Korea, Italy, Canada etc. For the next forty years Nigeria's economy is projected to occupy higher position in the world's topmost 'global growth generator' (3G) Nigeria has become the largest economy in the African continent due to its recent rebased Gross domestic product (GDP) which was snowballed to $509.9bn and 26th largest economy (Punch, 2014).

An estimate of 70 per cent of her citizens (totaling 170 million citizens) live below the poverty line with an average per capital income of $300 (SMEDAN, 2012). Nigeria is the fourth largest producer of crude oil in the Organization of the Petroleum Exporting Countries (OPEC) and seventh largest producer of crude oil in the world (ADB/OECD, 2006), yet it remains one of the poorest oil producing countries. Crude oil constitutes 36 per cent of the GDP while agriculture represents one-third of the GDP (ADB/OECD, 2006). Yet, it remains one of the poorest oil producing countries.

Apart from the BRICs countries such as Brazil, Russia, India and China, Nigeria is among the group of the "Next- 11" emerging economies forecasted to impact the global economy in the coming decades as it has favored forecast over and above that of South Africa, Egypt and the host of other African countries. Nigeria's main income and foreign exchange has been over the years through oil sector as about 80 per cent of federal government revenues, and 95 per cent of foreign exchange earnings come from oil dealings.

Given the incessant falling off in the per capita income of the country, flexibility of the world economy, the dwindling prices of crude oil in the world markets which has dealt a big blow on the economy of Nigeria and the quest of the world countries for alternative sources of energy, Nigeria government, since 1980s, has realized the need to create alternative sources of income for long-term economic sustainability and magnify the horizon of employment generation to mitigate the effect of diminishing oil demand and prices and to tackle the problems of mounting unemployment and social crisis.

Non-oil sector is a viable potential alternative source of income and avenue for employment generation. Consequently, at different periods, government has made numerous policies such as Protectionism policy, Trade liberalization policy and Export promotion policy. These policies have played positive roles in the growth of the sector (Onwalu, 2012).

Research such as Onwualu (2012), and Onodugo Ikpe and Anowor (2013) have underscored the inputs of non-oil business sectors to the growth of the Nigerian economy. Nigerian non-oil sector of the Nigerian economy refers to all the economic activities that are not directly related to the petroleum and gas industry and are not within the sector. The non-oil business involves telecommunication services; financial sector (banking and insurance) services; tourism service (hotels, restaurants, resorts/recreation parks, carnivals, movie industry, arts and crafts, comedy; wholesale and retail trade; Health services; export trade; agricultural activities; mineral activities; power (conventional and renewable); manufacturing; environmental services (cleaning, waste collection and recycling); R&D activities; ICT, etc.

These business sectors are largely SMEs establishments. These business sectors have provided jobs for ample fraction of the population and their inputs in the growth of the Nigerian economy cannot be overemphasized since last ten years (Soludo, 2007; Aigbakham, 2008; Olayiwola & Okodua, 2010).

Below are the tables that presented a list of non-oil sectors that are adding substantial inputs to the growth of the Nigerian economy.

Table 2.4
Potentials of non-oil sectors

S/N	Economic Group	Description of Activities
1.	Agriculture	Cultivation, harvesting, handling, processing, storage, circulation of various crops (cocoa, oil palm, sesame seeds, groundnut, maize), Rearing, processing and distribution of livestock, fishery and tame animals.
2.	Manufacturing	Numerous undertakings in the ten sectors of MAN: Production, packaging, distribution lines, marketing and export line.
3.	Environmental services	Cleaning of offices and homes, urban waste collection and recycling, street cleaning, energy generation from waste, etc.
4.	Building and construction	Metal works, supplies of building materials, block and roofing works, plumbing and electrical, finishing (tiling, paintings, decorations, gardening, etc.).
5.	Health services	Hospitals, Pharmacies, pharmaceutical industries, drug supplies, accessory services (equipment maintenance, equipment supplies, etc.).
6.	Mineral activities	Exploration, mining, processing, marketing, mineral testing, transportation, etc.
7.	Power	Power generation and distribution, meter reading, production and supply of electrical accessories, installations, maintenance, renewable energy investments (solar, wind and hydro) etc.
8.	Telecommunication services	Telecommunication engineering services, installations, telephone wholesale and retail services, marketing services, etc.
9.	Financial sector	Banking, insurance, installation maintenance, marketing services, transportation, etc.
10.	ICT	Business centers, corporate communication, defence, and security communication, installations and maintenance, satellite services, internet services, etc.
11.	Wholesale and retail	Warehouses, major distributors, Supermarkets, corner shops, kiosks, open market shops, various forms of retail (mobile trading, internet trading), etc.
12.	R&D activities	Contract R&D, market driven R&D, R&D management (commercialization of R&D results, linkage management, fund sourcing consultancy, etc.).

Source: Onwalu, 2012.

The economic repositioning embarked upon by the Nigerian government is first to be observed in the swift growth. With the observation that the non-oil sector contributes

more to Nigeria's GDP, there is need for augmented attention to those sectors that are facilitating economic growth.

2.2.1.4 Summary of the Subsection

This subsection has, so far, discussed the general background, definition, activities, and problems of Nigerian SMEs. Discussed was also the government intervention policies and programs and re-engineering of Nigerian economy towards Non-oil SME business sectors. Generally, SME are the indispensable business activities whose contributions to the economy of nations cannot be overemphasized and thus research worthy.

It is noteworthy that the development of SMEs is a crucial factor in the development strategy of many nations and holds certain significance. However, this chapter had discussed the problems facing the Nigerian SME performance and established the need to solve those problems in the interest of the nation's economy.

2.2.2 SME Performance

It has become common knowledge that organizational performance is the most vital issue for every organization, whether such organizations are profit-making oriented or otherwise. This has underscored the fact that managers/leaders should be aware of the factors that influence performance of organizations, as this will enable them to take proper steps to initiate them. Nevertheless, due to unanimity among the scholar regarding definition, conceptualization, and measurement of the concept performance, it has become a tedious task to have a unified definition, conceptualization, and

measurement of performance. Thus, remains a contentious issue among organizational researchers (Barney, 1997). The fundamental issue in this regard is connected with the suitability of numerous approaches to the concept utilization and measurement of organizational performance (Van der Stede, 2001).

The effort by the scholars to assist firms' managers in tackling the problem of shortfalls in the extant performance measurements systems dated back to 1980s. The extant performance measurement systems fall short of abetting managers to identify changes in the business environments and to recognize the factors critical to the success of firms (Ittner & Larcker, 1996). In the present competitive business environment, performance measurement is considered a key management control tool for business firms, and it is directly connected with design of firm's core competency. Performance measurement significantly and positively predicts the growth and development of organizations.

Moreover, accomplishing continuous competitive advantage has become imperative for the firms, given the powerful competition in both local and international markets, assertive customers, and swift technological development. Organizational performance measurement has become a necessity for the continued survival of today's companies due to the pressure of global competition. Firm's success depends on checking and measuring organizational performance, considering the pressure of incessantly changing and dynamic nature of the environment (Harif, Hoe & Ahmad, 2013). In the same vein, measurement of firm's performance plays a vital role in the enhancement of the performance of the firm (Sharma, Bhagwat, & Dangayach, 2005). Nevertheless, the

extant studies on performance measurement focus on large firms, as SMEs' organizational performance measurement remain elusive (Chong, 2008).

Moreover, organizational performance, given the fact that it is a most-widely used concept in the research, has become the most important benchmark in gauging firms. Nevertheless, little attention is paid to what performance is and how it is measured (Richard et al., 2009). The problems with the measurement of organizational performance are connected with the fact that organizational performance is multidimensional which makes it difficult to effectively understand its structure, scale, and scope (Devinney et al., 2005). In addition, organizational performance differs over time and it remains vague which measures differs in which ways (Devinney et al., 2005). Among the emerging issues regarding organizational performance is that of which measures should be used (e.g. whether subjective vs. objective measures or financial vs. non-financial measures) (Devinney et al., 2005).

Also, performance as a concept is replete with the problem relating to absence of unanimity regarding the selection of indicators (Combs, Crook, & Shook, 2005; Crook, Ketchen, Combs, & Todd, 2008; Richard, Devinney, Yip & Johnson, 2009). In addition, substantial stream of research has been dedicated to measuring organizational performance. Yet, issues pertaining to performance measurement remain unresolved. There is no consensus on the measurement of organizational performance and it therefore remains an issue of concern to both scholars and practitioners (Okoya, 2013).

Organizational performance entails the real organizational outcomes gauging against its projected goals and objectives. Organizational performance has been a concept

usually used as the final dependent variable (Richard, Devinney, Yip, & Johnson, 2009) in numerous fields of study fields (Cho & Pucik, 2005; Peloza & Papania, 2008; Sila & Ebrahimpuor, 2005; Wiklund & Shepherd, 2003). Thus, it becomes the most pertinent concept (Peloza & Papania, 2008; Rumelt, Schendel, & Teece, 1994). Although it is a relevant construct, there is no consensus among the researchers on the choice of indicators based on convenience and little concern for its dimensionality (Combs, Crook, & Shook, 2005; Crook, Ketchen, Combs, & Todd, 2008; Richard, Devinney, Yip & Johnson, 2009).

Devinney, Richard, Yip, and Johnson (2005) posited that operationalization of organizational performance as a dependent variable mostly involves three perspectives. The first perspective entails adoption of single measure believed to have close connection with organizational performance. The second perspective entails adoption of numerous varying measures but linking them independently to the same independent variables. The third perspective which is the most common entails of adoption and integrating numerous varying measures into a dependent variable (Devinney, et al., 2005).

Furthermore, it is noteworthy to observe that the concept of organizational performance is different from the broader construct of organizational effectiveness. Of the three interrelated concepts that constitute organizational effectiveness, business performance and financial performance form an important part (Venkatraman & Ramanujan, 1986). Others include lack of internal stress and faults, engaging in lawful activities, acquisition of resources and accomplishing laid down goals, all these enable the

organization to function well (Cameron, 1986a; Gronum, Verneye & Katselle, 2012). Business performance entails operational and financial outcomes (Gorondutse & Hilman, 2013a).

Substantial stream of research has been dedicated to organizational performance. Yet, performance measurement and performance framework and system remain unresolved issues. There is no consensus on the measurement of organizational performance and it therefore remains an issue of concern to both scholars and practitioners (Okoya, 2013). Organizational performance measurement provides enabling situation for focusing on enhancement by weighing the work process with regards to cost, quality, and time. Measurement is a common organizational phenomenon in which the measures of performance are codependent and their amassed contributions will impact the success of the organizational struggles (Zairi, 1993).

By way of illustration, Hoque and James (2000) adopted return on investment (ROI), margin on sales, capacity utilization, customer satisfaction, and product quality as the measures of organizational performance. in the study conducted by Evans (2004), customer satisfaction, market share, and financial performance were used to measure organizational performance. In the Govindarajan's (1984) questionnaire, 12 constructs were adopted to measure organizational performance.

These 12 constructs are: operating profits, ROI, growth rate in respect to sales, share of the market, flow of cash from operation, new product development, market development, R & D, cost reduction programs, personnel development, workplace relations, and health and safety of employee. Besides, the issue of measurement and

dimensionality of performance transcends to the sources from which the information are gathered; primary or secondary, and the types of performance measures; objective or subjective.

As discussed earlier, among the three approaches to performance measurement is the approach in which dependent variables are pooled with the assumption of convergent validity based on the correlation between the measures (Goerzin & Beamish 2003; Cho & Pucik, 2005). This is commonly adopted in the subjective performance measurement, and according to Richard (2009), it is acceptable that, with the existence of numerous organizational performance dimensions, researchers should select the dimensions that are most relevant to their research.

More so, it is of significance to vet variety of organizational performance measures and their individual benefits and weaknesses, as this will aid the selection of best measures that are apposite to the research. Using subjective performance measures, the dimensions of organizational performance can be shaped and customized according to the context of interest because the supposedly well-informed respondents are asked about organizational performance. It has been documented by the numerous studies that subjective performance measures enable the scholar to concentrate on underlying performance indicators directly.

In addition, subjective measures of performance do not only make use of self-report questions that directly address the underlying performance construct, it also recognizes indirect performance indicators such as employee productivity, customer satisfaction

and customer retention. Given these reason, the research gave preference to subjective measures of performance over that of objective measures of performance.

More so, in some studies (e.g. Eltinay, & Masri, 2014; Harif, Hoe, & Ahmad, 2013; Ogunyomi & Bruning, 2015), performance has also been theorized to involve financial and nonfinancial measures from both objective and subjective sources. In fact, Kaplan and Norton (1992), while trying to operationalize performance measurement, defined it as a means to evaluate firm's financial and nonfinancial goals. The measures sourced from an objective way is of secondary source, and this involves return on assets, return on investment, and profit growth. Although these kinds of measures are nonbiased, it is just useful for single-industry studies, given the uniformity in the measurement.

Furthermore, from the research report of Richard, Devinney, Yip, & Johnson (2009), it was demonstrated that out of the analyzed 231 studies in five of the top business academic journals within the period of 3 years (2005-2007), 104 studies contain 207 organizational measures. Similar to this was the findings of March and Sutton's (1997) 10 years' survey.

The survey identified a good number of performance measures. From the meta-analytic research carried out by Combs, Crook, and Shook (2005), a total number of fifty-six different indicators were discerned to have been used in the research from 1980 through 2004. Financial performance was mostly-used in these studies. Similarly, financial performance was also found to be mostly-used above other performance indicators in the subsequent analysis of research of different journals which was done by Gorondutse and Hilman (2013a); Richard *et al.* (2009); and Carton and Hofer (2006).

More so, organizational sustainability is an indicator of organizational success (Maltz, Shenhar, & Reilly, 2003), as customer satisfaction, stakeholders' relationship, sales growth, markets share, and profitability and other short-term financial measures constitute financial and market performance (Wong & Wong, 2007; Prajogo, 2007). Also, firms' all-inclusive performance and creativity should be involved in the overall organizational performance (Hanvanich, Sivakumar, Tomas, & Hult, 2006). Equally, time frame and reference point are important when it comes to delineation of performance.

This is underscored by the fact that good performance of the past period may not necessarily remain in the future of the organization (Gronum et al., 2012). In the same vein, duration of the interval in terms of short, medium and long-term performances, industry average, the results of main competitors, an established target are also important is also germane in the performance measurement (Carneiro, Silva, Rocha & Dib, 2007).

Some research, despite the acknowledgement of multi-dimensionality of organizational performance, still adopt one indicator to symbolize the concept (Miller, Washburn, & Glick, 2013). While there are numerous dimensions of organizational performance, the selection of the dimensions should be informed by the context of the research (Richard *et al.*, 2009). Specifically, Peloza and Papania (2008) observed that profit and growth should be included in the components of firm performance, given their roles as the pertinent drives for the existence of firms. Likewise, Maskell (1992) advocates for adopting non-financial performance measures. He also recommended change over time

since every firm needs change. Scholars (e.g. Kaplan & Norton 1996; Neely, 2002; Neely, Adams, & Kennerley, 2002) included customer service and satisfaction, product quality, learning and innovation as qualitative pointers of performance.

Interestingly, since over a decade, considerable research (e.g. Gronum *et al.*, 2012; Kaplan & Norton, 1992; Hilman, 2009; MacDougall & Pike, 2003) have suggested both financial and non-financial performance to form organizational performance measurement.

2.2.2.1 Financial and Non-Financial Organizational performance

There are numerous performance measurement research fields, but the field of research which is connected with the effect of people's behaviour on their satisfaction level of and therefore on the long-term success of companies is of importance (Otley, 1999). This research field is a valuable objective when achievement of the desired organizational outcomes is considered (Chenhall, 2003). Streams of research have come up with effective frameworks of performance measures in which financial and non-financial measures are incorporated. The reason is that financial information alone cannot be relied upon. An aggregation of financial and non-financial information is indispensable to give a more balanced impression of the overall performance of the firm (Hoque & James, 2000; Laitinen, 2002).

As mentioned under the section of SME performance, three approaches are generally employed to operationalize organizational performance as a dependent variable. The approach, which is the most widely used, involves usage, configuration and

combination of numerous varied measures into a dependent variable (Devinney et al., 2005). This approach has made subjective measures of performance become well-known among researchers.

In subjective performance measurement, the dimensions of organizational performance can be shaped and customized according to the context of interest because the supposedly well-informed respondents are asked about organizational performance. it has been documented by the numerous studies that subjective performance measures enable the scholar to concentrate on underlying performance indicators directly. This has made some researchers (e.g. Okoya, 2013; Lawal, 2011; Harif, Hoe, & Ahmad, 2013; Ogunyomi & Bruning, 2015) prefer subjective performance measure to objective measures.

According to Richard et al. (2009), there is considerable empirical evidences that established connections between financial performance measures and non- financial measures. In fact, the concept of the strategy map or business model in the literature is also underpinned by this assumption. Research such as that of Porter (1992) has shown that a blend of financial and non-financial measures to constitute performance measurement has become a widespread framework in many fields of study such as economics, strategy, finance and accounting. However, there is ongoing debate among scholars regarding performances measurement since it is not all the performance benchmarks are appropriate to all settings (Santos & Brito, 2012).

Performance measurement has progressed from concentrating on financial approach to involve a non-financial approach too. Monitoring and measuring performance has been

a productive organizational activity for the purpose of remaining competitive in an incessantly fluctuating and dynamic environment. Thus, performance measurement remains crucial to the enhancement of firm's performance (Sharma, Bhagwat, & Dangayach 2005).

Considering the aspect of competitive advantage, extant research (e.g. Gronum *et al.*, 2012; Hilman, 2009; Hilman & Mohamed, 2011; MacDougall & Pike, 2003) has underscored the aptness of measuring performance via non-financial benchmark. In addition, while it is almost impossible to offer a universal list of measures that can be realistic for all SMEs or organizations in the same industry (Brown & Laverick, 1994; Pawar & Driva, 1999; Morgan & Daniels, 2001), financial benchmark, in situations where emphasis is laid on adopting other measures, can be realistic and applicable (Bhimani, 1994; Richard et al., 2009).

It was observed by Malina and Selto (2004) that substantial research evidence has demonstrated that both the financial benchmark and non-financial benchmarks have been adopted as indicators of organizational performance in the large organizations, but only financial measures are favored by the organizations. However, research (e.g. Chadwick, Way, Kerr, & Thacker, 2013; Faems, Sels, De Winne, & Maes, 2005; Georgiadis & Patelis, 2012; Messersmith & Guthrie, 2010; Michie, Zubanov, & Sheehan, 2008; Ogunyomi & Bruning, 2015) has indicated that both the financial benchmarks and non-financial benchmarks are aptly adopted and favored in small businesses.

It was contended by Venkatraman and Ramanujam (1986) that focusing on financial measures (e.g. sales growth or profitability) is a constricted way of defining performance. They claimed further that the scope of the performance measurement should be broaden by including non-financial measures (e.g. product quality, marketing effectiveness). Furthermore, Kaplan and Norton (2000), supported by Neely (1999), emphasized that a stable and balance performance measurement in the business environment can be achieved when both monetary and non-monetary performance indicators are combined for the performance measurement.

Eltinay and Masri (2014) posited, while reacting to the Shah's (2009) and Hoque's (2004) description of performance whereby performance is described to denote the sum of accomplishments of entire firms' units and departments with a given organizational goal(s), set either in stages or on the overall extent, that firms should not solely depend on financial approaches for meeting strategic targets, but they should have recourse to both financial and non-financial approaches.

Moreover, Harif, Hoe and Ahmad (2013), and Ogunyomi and Bruning (2015) have highlighted that SME performance should be measured via financial and non-financial indicators. In today's business environment where firms contest on the basis of non-financial indicators, firms need information on how they are performing across a broader spectrum of dimensions, not only financially but also factors on the non-financial aspects. Therefore, the combination of both financial and non-financial indicators can lead to a balanced performance measurement in the business

environment (Kaplan & Norton 2000). Thus, SME performance, in this study, would be measured via financial and non- financial indicators.

In addition, review of extant literature has demonstrated that a number of indicators constitute the monetary and non-monetary measures of both large and SME performances. Among the common financial indicators of performance are profitability, cash flow position, return on investment, inventory turnover etc. (Luther, Fortuin, & Wouters, 2005; Matsumoto, Shivaswamy, & Hoban, JP Jr., 1995; Sun & Li, 2006). The common non-financial indicators of performance are customer satisfaction, product or service quality, market shares and employee efficiency (Zaman, 2004; CIMA, 1993; Cho & Pucik, 2005).

Khan (2010) identifies the financial measures as including profit, sales and market share, the non-financial measures comprise productivity, quality, efficiency, and attitudinal and behavioral measures such as commitment, intention to quit and satisfaction.

Given the above discussion and the fact that firms profit from performance measurement systems that integrate a wide range of financial and nonfinancial performance measures (Zuriekat, Salameh, & Alrawashdeh, 2011), this study adopted non-financial and financial measures as the indicators of SME performance in the context of Nigeria.

Furthermore, the review of the extant studies on financial performance has recognized certain financial indicators for the performance measurement used in the firms. These

indicators include profitability, cash flow position, return on investment, inventory turnover and budget versus the actual performance (Nelly, 2002; Harif, Hoe & Ahmad, 2013; Sun & Li, 2006). Also, the extant literature has signified certain non-financial indicators which can be used as a performance measurement for firms. The indicators include customer satisfaction, product or service quality, market shares and employee efficiency (Zaman, 2004; CIMA, 1993; Fitzgerald et al., 1991; Cho & Pucik, 2005). However, measures of both financial and non-financial performance were adapted from Ogunyomi and Bruning (2015) and Lawal (2011).

The financial indicators include: profitability, financial strength, operating efficiency, performance stability, ability to raise capital, and level of indebtedness while non-financial indicators involve: public image and goodwill, employees' morale, adaptability, innovativeness, customers' patronage, and growth rate of number of employees. The measures of both financial and non-financial performance have since been tested and validated by Nigerian researchers including Christopher (2013a; 2013b), and Ogunyomi and Bruning (2015).

From the above exposition, it is crystal clear that measuring organizational performance using financial and non-financial is viable, ample, and effective, particularly, when the organizations under study are of different industries. The next subsection dealt with evolution, metamorphosis, and composition of HPWS.

Besides, literature survey has identified numerous factors that can influence SME performance. For example, Baronchelli and Cassia (2010) in their research, identified six broad categories of factors, involving firm size and age; resources; characteristics

of industry/segment; entrepreneur characteristics; innovation and capabilities; and access to network links and market segment knowledge. Anggadwita and Mustafid (2014) identified four broad drivers of SME performance: entrepreneurial aspects, competence of human resource, innovativeness, and sustainability. Entrepreneurial aspects connote motivation, optimism, self-efficacy, and self-management. Competence of human resource includes knowledge, skills, and ability. While innovativeness comprises product creativity and technology, sustainability contains growth and profitability.

In addition, Kemayel (2015) recognized internal and external factors as success factors of SME performance. According to the author, SME characteristics, manager characteristics, and ways of doing business constitute internal factors affecting the performance, but the external factors have two measures: proximity environment which consists of market share, customer, suppliers, competitors, relation with employees and banks and investment environment which is related to the national environment.

However, nowhere is the problem about human capital more severe than in SMEs Africa, there is shortage of managerial expertise and resources has constrained many firms intending on pursuing high-growth strategies to compete for scarce skilled personnel available, and acquiring resources and expertise is not only fundamental to a firm's survival, but it also enhances its ability to navigate the business environment (Amankwah-Amoah & Debrah, 2011).

Establishing it further, good strategy gives rise to competitive advantage of an organization over another and it is connected with the improvement in industrial

competencies, productivity and performances of such organization. Such feat cannot just come about except through the instrumentality of employees who are equipped with the required skills, knowledge and competencies needed for the execution of organizational strategy and planning (Fu, 2013; Ismail, 2014; Ismail, Abdul-Halim & Joarder, 2015a; Mansour, Gara, & Gaha, 2014).

HPWS formed a part of numerous resources which give rise to sustainable competitive advantages for the organizations, and consequently enhance organizational performance (Choi, 2014; Choi & Lee, 2013; Chuang & Liao, 2010; Demirbag, et al., 2014; Fan, et al., 2014; Fu, 2013; Shin & Konrad, 2014; Seidu, 2011). Furthermore, HPWS literature have reported a number of human resource (HR) practices that consistently lead to higher individual and organizational performance (Werner, 2011) indicating a linear causal relationship between HPWS and performance.

Strategic human resource management is a key foundation of competitive advantage (Bamberger, & Meshoulam, 2000), and that will consequently enhance performance (Seidu, 2011). Human resources and its management form an indispensable part of the whole of competitive advantage (Allen, & Wright, 2007; Boxall, & Purcell, 2003; Pfeffer, 1998). Strategic HR that enhance task, targets and performance are formed through the effective adoption of HPWS.

Given this justification, HPWS could be held to be the strategic driver of SME performance. In the last decades, people have been considering HPWS a tool that enhances organizational competitive advantage which is capable of creating differentiation and at the same time contributing to organizational overall performance.

Consequent upon this, a mushrooming number of research has emerged in the recent years that emphasize the strategic value of human capital to organizations' performance and effectiveness (Fereira, 2012).

2.2.3 HPWS: Evolution, Metamorphosis and Composition

In this subsection, evolution cum metamorphosis of HPWS was discussed. This was followed by the problems (i.e. theoretical, methodological, and black-box-related problems) with HPWS in the extant literature. The subsection is wrapped up with discussion that disentangle the emerging problem of HPWS research and solid argument that the approaches of HPWS composition are not antithetical to each other, it is rather complimentary and combinational.

2.2.3.1 Evolution and Metamorphosis of HPWS

Tracing the genesis of HPWS term by explaining its historical and social context is of substantial value. It has been long that interest in the accomplishment of organizational performance via HRM has emerged. This gave rise to Taylorism, the human relations movement, socio-technical work systems, industrial democracy, and job enrichment (Boxall, 2012).

Much of the extant studies on HPWS have indicated that the main idea and principal theme of HPWS are developed in the recent past years. Yet, interest in this aspect of research is historical and has been in existence for long (Cappelli & Neumark, 2001). Management in the organization has metamorphosed over time and has shaped and

reshaped the structure of the organization and design of work towards enhancement efficient, effective and performance at high level.

Modern management emerged in the early twentieth century when the social and industrial engineers were preoccupied with struggle to accomplish efficiency and performance (Friedman, 1977; The Economist, 2009; Zareen, Razzaq, & Mujtaba, 2013). Scientific management which was propounded by F.W. Taylor came into being when the workers reduced their efforts at work as they began to organize and considered their efforts at work as negotiable (Friedman, 1977; The Economist, 2009). Then, work re-organization and new incentive pay system were introduced to mitigate workers' poor performance (Frenkel, Korczynski, Shire & Tam, 1999; Zareen, Razzaq, & Mujtaba, 2013). Scientific management otherwise known as Taylorism was characterized with routine works, bureaucratic processes, and stringent distinction between management and workers with regards to planning and work execution.

Scientific management considered low skilled or semi-skilled workers as impediments to organizational productivity, and it did not give training of such employees due attention. It did not care about the welfare, motivation and psychology of workers but it gave attention to machine and methods (Blackford & Newcomb, 1914, quoted in Delbridge & Lowe, 1997a). Scientific management is criticized by the scholars such as Braverman (1974), Burawoy (1979), Caldari (2007), Friedman (1977), Edwards (1979) etc., it was claimed that scientific management is basically a system of job design, a channel through which estranged labor is dominated (Braverman, 1974), and sophisticated direct labor through the division of labor (Friedman, 1977). The interest

in Taylorism got declined after some periods of time because it nurtures industrial ideals and was unable to bring down waste and reduce cost. This gave rise to the emergence of human relation school.

Human relation school is seen as antithetical to the principles of Taylorism which believed in rationalism and individualism. Proponents of Human relations approach to management portends that effectiveness of employees can be enhanced in concentrating on the workers' needs culminated in assigning more demanding jobs and providing enabling work environment to workers. It metamorphosed over the time to feature bureaucratization of management (Gouldner, 1954; Markert, 2008; Perry, 2011); stratification and social systems (Warner & Low, 1947), good treatment of workers and liberal environment in an autocratic scenery (Perrow, 1984; Perry, 2011); enshrined work group and production know-hows (Trist & Bamforth, 1951); cohesive unification of organization and management work groups for management's benefits, emphasis on the motivational prospects of work redesign and the small work group success (Appelbaum, Bailey, Berg, & Kalleberg, 2000); design of organizational structures required for directing the optional employee efforts stimulated by opportunities for self-actualization (Bailey, 1993).

However, human relations approach was criticized and accused of focusing less on power sharing in the organization. Although it lays emphasis on employee welfare, it is basically a kind of compassionate authoritarianism. It was also labelled managerial sociology which seeks to help the organization (Simpson, 1989). Human relation school

focused much on the achievement of cohesive organization at the expense of sacrificed individualism and a homogenizing mediocrity (Mills, 1951).

Alongside the human relation was the Quality of Working Life approach (QWL). QWL emerged during the period human relation was initiated. It sought to transform work organization and work relations. As against Taylorism, QWL portends that organizations whose structure toe the classical line would not be considered a motivating workplace (Blauner, 1964; Goldthorpe, Lockwood, Bechhofer, & Platt, 1968). A good number of QWL research is underpinned by the human relations theories and thus both approaches shared some similar element. Like in QWL approach, Maslow, Herzberg and McGregor who are among the proponents of human relation school stressed on employee participation and employee autonomy as the catalyst for meeting the employees needs such as self-actualization (Watson, 1995).

The main assumption of QWL approach is that workers that are intrinsically motivated would definitely enjoy job satisfaction. QWL also emphasized the enrichment and enlargement job. It portended that job enrichment can be attained by reintegration of maintenance tasks and giving rooms for making of decision (Herzberg, 1966). Enrichment of Job can be a substitute to work pattern by giving meaningful tasks to the workers with some amount of control over the job and feedback on the performance of the job (Buchanan, 1979). Job enlargement seeks to broaden the scope of the job (Filley, House & Kerr, 1976), through the provision of assortment of better work (Hales, 1987). Hence, QWL approach focused much on the nexus between management, people and

performance with emphasis on the fact that improved job design, structure and expected autonomy help enhance efficiency and lessened worker estrangement.

Nonetheless, QWL approach was accused of toeing the line of Taylorism as job enrichment which is an ideal of QWL was evidently Taylorist in its effect (Braverman, 1974; Kelly, 1985). Despite that QWL encouraged organizational programs that involve workers' participation, there is possibility that much managerial control would characterize them (Braverman 1974; Ramsey, 1980) in which workers in the participative team would ironically end up partaking in the upsurge of their own misuse, marshaling in-depth firsthand information regarding labor process to assist management accelerate production and reduce wasteful work practices. Thus, the so called 'humanization of work' is jeopardized and 'rationalization of work' and managerial control are enshrined (Milkman, 1997).

According to Heffernan (2012), HPWS practices and studies are prominently influenced by the many participation-based ideals of QWL approach and, as a result, the obscurities and arguments that were embedded in the QWL research realm have floated up in the HPWS research realm too.

In 1960s when qualitative-based research on workers in the organizations are considered not capable of dealing with issues regarding sampling, reliability and validity, research on issues that have to do with values, motivation, loyalty, commitment, meanings assigned to work, militancy in the workforce or cooperation, autonomy and enrichment of job as emerged in the performance of management research. Later, the issue in which workers' participation is considered workers right

came up most especially in Europe. Hence, the term 'industrial democracy'. In 1980s, another concept of employee participation surfaced. This concept of participation focus much on employee involvement in terms of quality circles, team briefings and profit sharing, forming the portion of a broader set of restructurings in working practices. In addition, unlike industrial democracy approach, this new form of employee participation did not stress much on joint negotiation (Wilkinson, 1998).

The transformation that occurred globally in the 1970s has challenged the feasibility of methods of production as entrenched in the principles of scientific management (e.g. Fordist mass production). This gave rise to the introduction of new and bendable work organization model. It was given different nomenclatures. It was termed 'new-Fordism', 'post-Fordism' and flexible specialization (Legge, 2005). As against industrial democracy approach, this kind of new participation involved forms of empowerment; negotiation demoted to consultation; and consultation which is more or less superficial communication (Marchington & Parker, 1990).

Concurrently, vital HR practices floated up as a means through which competitive advantage of the organizations are accomplished (Pfeffer, 1994). These HR practices are rigorous selection, training, involvement of employee, empowerment, employee ownership and performance-related pay and these practices are regarded to be antecedents of organizational effectiveness as far as workers-performance nexus is concerned. Thus, the emergence of HRM which was progressively toeing the line of unitarist approach and managerialist approach (Legge, 1995; 2001; Marchington & Grugulis, 2000).

Management of human resource generally denotes the activities connected with those nexuses related to employment management (Grant & Shields, 2002). Diverse meanings were given to HRM (Boxall & Purcell, 2003). However, in this research, HRM refers to the management of workers via the strategic configuration of a highly dedicated and talented workforce, by means of an integrated collection of cultural, structural and personnel procedures for the purpose of attaining competitive advantage (Storey, 1995).

In the early 1980s, HRM was dichotomized in to two concepts in the works of the US academics. They are soft HRM and hard HRM. According to Storey (1992), soft HRM highlights the human resource part of the concept. This is translated to denote that strategic HRM focus is a kind of humanist scheme that is progressive (Grant & Shields, 2002; Legge, 2005). In soft HRM, HR policies are incorporated to the business objectives. Employees are committed and dedicated, adaptable and highly qualified in terms of skills, knowledge etc. (Guest, 1987). Thus, employees, in the soft HRM, are not regarded as mere other resource but as valued and value-adding resources (Beer, Spector, Lawrence, Quin-Mills, & Walton, 1984; Storey, 1992; Guest, 1999). Human relations and the concept of 'high commitment work systems' are perceived to relate to soft HRM (Walton, 1985).

On the other hand, hard HRM denotes incorporation of HR policies, systems and activities in to organizational strategy and strategic decision making for the purpose of safeguarding all-out input to organizational performance. The term 'management' which form a part of 'human resource management' is the main focus of hard HRM.

This epitomizes the model of utilitarian instrumentalism (Legge, 2005). In hard HRM, human resource is handled the same way other resources are treated in the organization. Employees are hired and managed as cheaply as possible in order to accomplish organizational goals. Hard HRM considers that measurable and organizational strategic aspects of managing the human resource as a rational way as for any other economic factor (Storey, 1987).

Keenoy (1999) and Legge (2005) have criticized the classification of HRM into soft and hard. Reminiscence of QWL literature can be discerned from soft HRM approach while the imprint of Taylorism can be traced in hard HRM. Consequently, an all-inclusive broaden definition of HRM which would yield enhanced theory and facilitate better practice was advocated by Boxall and Purcell (2003). HRM has a duty to recognize and assess the range of management styles that are found in the contemporary business organizations (Boxall & Purcell, 2003).

Scholars such as Edwards and Heery (1989); Millward and Stevens (1986); and Richardson and Wood (1989) are of divergent opinions regarding whether the new management procedures espoused in the 1980s have deeply changed the climate of management of labour nexus. Although HRM might be perceived to be manipulative, it was constantly desired by workforce to situations whereby few HR practices were available (Guest, 1999). The above discussion has indicated that vagueness and debates abound in HRM and in the fact that HRM can induce competitive advantage.

2.2.3.2 HPWS in the Extant Research and the Evolving Problems

Heffernan (2012) opined that many new nomenclatures have been given to HRM among which are high management commitment; high management involvement; best practice HRM; best fit etc. Basically, these concepts and nomenclatures form the elements under the rubric HPWS, and call for more explanation and ampler critical analysis to help enhance further understanding of management-performance discourse.

Historically, the use of the concept 'HPWS' began around 1970s and came to view in the US as a result of the deterioration of competitiveness suffered by the manufacturing firms. The concept was used in the prominent report tagged '*America's choice:* High skills or low wages! [Commission on the Skills of the American Workforce 1990].' (Cappelli & Neumark, 2001). The initial focus in the US, was on the employee management approach that would enhance employee competitive performance in the manufacturing sector. Then it extended to service sector. There has been an angst regarding the position of service in the international production environment, stimulating concern regarding the way of utilizing HPWS to enhance competitive advantage (e.g. Batt 2002).

HPWS's emergence was as a result of some factors. The mass production system in the US was characterized with low level of responsibility and discretion, and low level of investment in better workforce skills and incentives. The need for improvement was stressed by the foremost research, like those in auto-mobile, steel, clothing and medical electronics' manufacturing (Appelbaum et al. 2000; MacDuffie 1995). In 1970s and 1980s, there was upturn of Japanese 'lean production' systems, comprising the

techniques such as quality circles, just-in-time inventory, and team-based production, which assisted in the development of quality, cost, flexibility and delivery (Womack, Jones & Roos, 1990). Likewise, there was upturn in Sweden's 'socio-technical systems', Germany's 'diversified quality production' and Italy's 'flexible specialization' (Appelbaum & Batt, 1994).

The work system in US has defects in some vital areas. Such defects include constrained use of abilities employees and discretionary effort. Also, since past three decades, it came to light the invention of manufacturing technology that is advanced (AMT), which comprises robotics, computer-aided design (CAD), computer numerical control (CNC) machine tools, and electronic data interchange (EDI) systems (e.g. Snell & Dean 1992), recent emergence of 'offshoring' to China, India and other low-cost producers are part of the factors to the emergence of HPWS (Boxall, 2012).

Moreover, perusal of stream of research HPWS has demonstrated that HPWS attracted various tags among which are advanced human resource management practices (Shin & Konrad, 2014); high commitment management (Wood & Albanese, 1995; Walton, 1985); high management involvement or systems of work (Lawlor, 1992; Guthrie, Spell, & Nyamori, 2002); high investment HR systems (Lepak, Taylor, Tekleab, Marrone & Cohen, 2007); flexible work practices (Osterman, 1994); employee involvement (Handel & Levine 2004); high performance work organization (Osterman 2006); flexible production systems (MacDuffie, 1995); alternative work practices (Godard 2010); and people management (Purcell, Kinnie & Hutchinson, 2003).

Extant research uses the terms High Commitment Management (HCM) and HPWS interchangeably (Legge, 2005). Heffernan (2012) consider HPWS an umbrella term that connote HCM and high involvement management. However, some researchers such as Guest (1997), and Bowen and Ostroff (2004) did not specifically utilized the above terms in their HRM-performance based research.

HPWS symbolizes an assertion that higher performance can be accomplished through a set of work practices for core workers in an organization (Boxall & Macky, 2009). Commonsensical analysis of HPWS concept signifies the existence of a bundle of work practices that stimulate, in many ways, higher organizational performance. HPWS is a fuzzy concept that connotes three loosely-fused terms; performance, systemic effects, and practices of work of some sort (Boxall, 2012; Boxall & Macky, 2009).

Performance is the first element of HPWS. Thus, performance is a multifaceted concept (Ostroff, & Bowen, 2000) and has been varyingly theorized, studied and measured (Boxall & Macky, 2009). Four performance measures are suggested by Dyer and Reeves (1995) to be suitable for the SHRM research: human resource outcomes such as absenteeism, turnover, and individual or group performance; organizational outcomes such as productivity, quality and service; financial or accounting outcomes such as profitability, return on assets, and return on invested capital; and stock market performance (stock value or shareholder return). A lot of HPWS studies conceptualizes organizational performance from the economic angle and concentrates on economic performance benchmarks. This was revealed in the HPWS research done by Godard

(2004). This signifies that effective HPWS should develop cost effectiveness in which fiscal gains should surpass the cost.

The second component of HPWS concept is systemic effects. This concept is found in many HPWS studies such as Dyer and Reeves (1995); Becker and Gerhart (1996); Delery and Shaw (2001). This concept denotes that practices should be bundled up to influence the shape of manager-employee relationship (MacDuffie, 1995). According to Ichniowski Shaw and Prennushi (1997) and Appelbaum et al. (2000) productivity can be augmented if complimentary practices are bundled up in a systemic way.

Bundling up certain HR practices has synergistic effects and has been a crucial part of HPWS phenomenon but discrepancies about the level at which the synergistic notion extend beyond HRM to companion components of an organization; the technology or propriety knowledge, product or service mix, financing, supply chain and governance in the organization, abound in the literature. The bundling issue is broadened beyond the scope of HRM, like in the concept of training which is narrowly conceived to be consistent with a change to self-directed teams, whereas it is just a part of the puzzle in the strategic management lexis.

Work system is deeply ingrained within production in a wider form or strategies of operation (MacDuffie, 1995; Purcell, 1999). Thus, the narrow conception of synergy is too restrictive. Complementarity does not only need to be considered within the purview of HR policies and practices but also needs to be understood within the broader management system of the organization (Boxall & Macky, 2009).

Scholars in the operations management field have analyzed the synergistic connections across business functions. One of these scholars is Shah and Ward (2003) who opined that organizational performance of a business that makes use of sophisticated manufacturing technology depends on the corresponding developments in the human 'infra- structure'. The reason is that; it is the employees that would make the technology function well. Likewise, in the research of De Menezes, Wood and Gelade (2010), it was revealed that British businesses investing in Japanese-style lean manufacturing systems, such as integrated computer-based technology and total quality management, record more success when they hold up production expensive changes strategy with a more empowering style of HRM and extensive employee training.

Work practices 'of some kinds' as put by Boxall and Macky (2009), is the third component of HPWS. It has attracted debates among the writers in the HPWS research realm. Which kind of practices can form HPWS has generated a lot of controversies. For example, Legge (2001) observed that while 15 high-commitment practices were recognized in the UK WERS 98 research, only seven of them surfaced in the US research. This and other issues will be treated in the subsequent subsections.

Furthermore, it is commonly premised by research such as Godard (2004), and Macky and Boxall (2007) that success of HPWS is contingent on employee attitudes. Scholars are of divergent opinions regarding the impacts HPWS on employees' behaviors. Some scholars such as Appelbaum et al. (2000) see positive outcome for workers while others such as Godard (2004) and White, Hill, McGovern, Mills and Smeaton (2003) do not

see it that way. Hence, investigating the perception of employee regarding HPWS system in the organization remain indispensable.

Employee performance which is offshoot of connections between employee ability, discretionary effort and performance opportunities, and team performance are factors influencing organizational performance. Much of the leading HPWS literature such as Vandenberg et al. (1999) and Appelbaum et al. (2000) have indicated that investigation of the performance effects of HPWSs is contingent upon collecting pertinent data on both company and worker outcomes.

Strategic HRM scholars consider performance-enhancing HR practices as the elements that should constitute HPWS (Huselid, 1995). Strategic HRM seeks to disentangle the process through which HR practices impact organizational outcomes (Combs, Liu, Hall & Ketchen, 2006; MacMillan & Schuler, 1985). HPWS research has failed to reach consensus on a particular definition of HPWS, although there are some commonalities in those researches (Osterman, 1994; Appelbaum et al., 2000; Wall & Wood, 2005). Majority of the HPWS researchers stressed the inclusion of urbane selection methods, appraisal, training, teamwork, communications, empowerment, performance related pay and job security in the formation of HPWS (Wall & Wood, 2005).

From the perspectives of Appelbaum and Batt (1994), HPWS should involve four constructs namely; management methods (e.g. workers' participation in quality improvement), work organization (e.g. independent work teams and vertical task work), human resource management practices (e.g. cross training, job security and performance-based reward system), and industrial relations which lays emphasis on the

HPWS. However, one fact remains, in the research that configured relevant practices do work better (MacDuffie, 1995) or operate as a 'system' (Ichniowski et al., 1996).

This reflects in Wright and McMahan's (1992) definition of HR system that HR system is the configuration of strategic human resource activities anticipated to enable an organization to accomplish its objectives. The argument is that each HR practice can be helpful in their own right but configuring such relevant practices would work better than individual practices would do (Purcell, 1999). The idea is that business outcome is best achieved by the methodical interactions among the practices. Individual practices in their own right might not be more effective in terms of performance (Combs et al. 2006; Subramony, 2009).

Thus, HR practices will not individually enhance competitive advantage but rather as part of a broader HPWS bundles which, when pooled together, has a positive influence on organizational performance. To date, a growing number of studies and amassed empirical evidences since 1990's has established positive correlation between HPWS (a systematic and synergistic combination of HR systems) and organizational performance (e.g., Bae & Lawler, 2000; Choi & Lee, 2013; Chuang & Liao, 2010; Demirbag, et al., 2014; Fan, et al., 2014; Shin & Konrad, 2014; Werner, 2011 etc.).

Despite the abounding and amassed empirical evidences regarding positive HPWS-performance nexus, there exists significant methodological and theoretical defects (black box) with regards to understanding the relationship.

Research and empirical evidences that established positive correlation between HPWS and organizational performance are abound. However, there persist important glitches or weaknesses in a number of crucial areas. Scholars have identified 'black box' in the HPWS-Performance relationship and suggested using mechanism through which the 'black box' in the HPWS-Performance nexus will be unpacked (Becker & Huselid, 2006; Becker & Gerhart, 1996; Chadwick & Dabu, 2009; Fong, Ooi, Tan, Lee, & Chong, 2011; Messersmith et al., 2011; Purcell et al., 2003). Thus, adding value and facilitating the evaluation of mutuality and sustainability issues in employment relationships (Boxall, 2012).

More so, arguments exist around the measurement/composition of HPWS. Previous studies on bundling-up HRM best practices in the context of SMEs are devoid of consistency. For instance, Kwang et al. (2008), Vlachos (2008), Carlson et al. (2006), and Cardon and Stevens (2004) adopted four practices; six practices; five practices and six practices in their studies respectively. Subramaniam et al. (2011), Nasution et al. (2011) Osman et al. (2011a), Daud and Mohamad (2010) adopted different practices. In addition, the suggestion of Posthuma et al. (2013) indicated inclusion of neglected HR practices (although promising) to form the systematic bundles of HPWS.

Theoretically, HPWS research are inconsistent (Legge, 2005, Hesketh & Fleetwood, 2006). There has been a serious debate in the research on HPWS regarding universalist versus contingency theory. Research such as Becker and Gerhart (1996) and Purcell (1999) demonstrate that the debate focuses on whether HPWS generally perform better than every other system (this is referred to as best practice debate) or whether optimal

system is contingent upon situations and circumstances in the organization, this is referred to as best fit debate. The argument is whether particular bundles of HR practices can outperform and be applied in all situation throughout the world or the bundling of HR practices should be contingent on sector and/or business strategy (Arthur, 1994; MacDuffie, 1995; Youndt Snell, Dean, & Lepak, 1996, Guthrie et al., 2002).

Universalist theory otherwise known as one-style-fits-all theory posits that organizations would be able to live on if they recognize and apply the most effective 'best' policies and practices. Consequently, organizations would look alike. Huselid's seminal research posits that 'all else being equal, the use of high performance work practices and good internal fit should lead to positive outcomes for all types of organizations (Huselid, 1995). This is reinforced by Delery and Doty (1996)'s research findings which demonstrated strong support for the universalistic argument with regard to some practices. From their perspectives, only certain practices had a positive effect on performance all of the time, thus having universal effects.

The assumption of the universalist theory has been criticized by Marchington and Grugulis (2000) on the ground that the definitions of best practice are adapted from industrial psychology which has a tendency to be weak or keep mum on the joint issues of work organization and employee say. In the word of Purcell (1999), universalist approach can lead to what he described as 'down a utopian cul-de-sac' and pays no attention to the dominant and highly important changes in work, employment and society visible inside organizations and in the wider community. Among the criticism

meted out to the one-style-fits-all approach is that it does not recognize the interest of workers and the need to align workers interest with prevailing social norms and legal requirements and with the organization (Boxall, 1996).

Besides, it has been held that highly successful businesses may not be those in which workers give preference for work (Guest, 1992), and companies focusing on a low-cost strategy may also attain high performance through low road HR polices (Guest & Conway, 1999). Furthermore, HPWS research is defective. The essence of HPWS is not uncommon but lack of agreement among scholars on the HR components of HPWS remain elusive (Guest, 2001; Guest, 1997).

Thus, becoming most difficult issues in HPWS research (Guest, 2001). For example, in the Workplace Employment Relations Survey (WERS98)'s study which was carried out by the department for Business, Innovation and Skills National Institute of Economic and Social Research Advisory, Conciliation and Arbitration Service Policy Studies Institute, fifteen high-commitment practices were mentioned but in the US research, only seven of them were identified. Writers such as Posthuma et al. (2013), Pfeffer (1998) have underscored the importance of job security but it was not included in many research. In the US where HPWS firstly emerged, highly developed internal labor markets characterized the traditional, scientific management form of work organization. In this system, internal promotion systems are well entrenched, although some US writers regard it as an element of HPWS (Ashton & Sung, 2002).

unitary perspective that there is no clash of interest between management and workforces. These practices if bundled up can synergistically expedite employee commitment and involvement and subsequently enhance organizational performance outcomes (MacDuffie, 1995).

Some writers such as Wood (1999) and Guthrie (2001) included in the HPWS formation some elements such as skill formation, work structuring, performance management and pay satisfaction. It is perceived that a mix of strategic practices namely, more arduous selection and improved training systems to upsurge ability levels, all-inclusive incentives (e.g. employee bonuses and internal career ladders) to improve motivation and participative structures (such as autonomous teams and quality circles) that develop opportunity to contribute are high-performance enhancing (Appelbaum et al., 2000). Based on the proposition of Pfeffer (1998), HPWS components should contain job security and internal labor markets, selective hiring and urbane selection, extensive training, learning and development, employee involvement, teamwork, performance-based reward system and reduction in status disparities.

Tens of practices have surfaced in the stream of HPWS research and this has polarized HPWS research. The meta-analytic work of Posthuma et al. (2013) came up with an all-inclusive High-Performance Work Practices (HPWPs) taxonomy under which 61 specific practices were identified. This work is really a comprehensive work ever in the HPWS research realm as the authors analyzed 193 peer-reviewed articles that have been published since 1992. Some studies are pro-HPWS while some others are critics of

Inclusion of some number of practices in HPWS components still remains vague. Capelli (1995) observed that inclusion of contingent pay in HPWS components is not clear because it cannot be ascertained whether it is 'control' or 'motivator'

The reason for having certain practices as part of HPWS components is not given. Likewise, the reason for not considering some practices among the elements of HPWS remains vague. This refers back to the theoretical defects in the HPWS research. Also, it is unclear whether job flexibility mirror a utilitarian instrumentalist approach or a developmental humanist HRM strategy (Boselie et al., 2005). Some studies lack theoretical framework that describe the how-and-why of the HPWS conceptualization. Hence, no consensus exists among the scholars (Boselie et al., 2005; Guest, 2001).

From the work of Wall and Wood (2005) which took a critical look at the previous research, there is an indication of existence of divergence in HRM dimensions. However, the researchers have identified the areas of convergence. Research are convergent on adopting the dimensions such as: sophisticated selection, appraisal, training, teamwork, communication, job design, empowerment, participation, performance-based pay/promotion, harmonization, and job security to form HPWS. Despite that numerous practices constitute HPWS, it does not solve the theoretical problem bedeviling the HPWS research, rather it offers a ground for determining what to include or exclude and also leaves open the likelihood of empirically driven theory improvement (Fleetwood & Hesketh, 2006).

Contextually, HPWS research is largely conducted in the western contexts (Boxall & Macky, 2009; Godard, 2004). Studies on HPWS in emerging economies (like Nigeria)

are scanty (Gautam & Davis, 2007). In addition, the available studies conducted in the context of SMEs do not focus on the effect of HPWS practices on performance (e.g. Chelliah, Sulaiman, & Yusoff, 2010; Farinda, Kamarulzaman, Abdullah, & Ahmad, 2009; Hashim & Zakaria, 2010; Hilmi & Ramayah, 2008; Jajri & Ismail, 2009; Radam, Abu, & Abdullah, 2008),

Also, most HRM studies have been focused on large organizations, and overlooked small organizations (e.g. Becker & Huselid, 1998; Huselid, 1995; Daud, 2006; Hemdi, 2005; Osman, Ho, & Galang, 2011b; Othman, 2009; Othman, Abdul-Ghani, & Arshad, 2001; Rowley & Abdul-Rahman, 2007). There is dearth of research on HRM-SMEs relationship, most especially in the context of Nigeria (Ojukuku, 2012). The extent at which HRM theories are applicable to SMEs is yet unclear (Subramaniam, Shamsudin, & Ibrahim, 2011).

In the aspect of methodology, it forms part of the defects of HPWS research field the issues of measurement of HRM practices. There is misperception in the research approaches to the measurement of HPWS practices (Legge, 2001). By way of illustration, contingency pay was measured differently by different scholars. In the work of Huselid (1995), contingency pay was measured by using the percentage of the workers covered by sharing of profit, sharing of gain and pay merit. However, in the work of Arthur (1992), it was measured to be the percentage of employment costs accounted for by bonus or incentive payments.

This kind of issue demands more research that would disentangle it (Gerhart, 1999). Also, some research adopted various measurements for certain HR practices ranging

from dichotomous scale indicating the existence of such practices in the organization to continuous scale indicating the intensity of the effectiveness of the practices. The way some practices are measured are questionable.

Using dichotomous scale which adopts a simple yes or no or present or absence type of measurement is no more applicable because it is no more an issue; the issue lies in how those practices are used and what effect they exert on the workers. When training in the workplace is designed exclusively to teach the workers how to firmly abide by the rules and procedures, it may be inappropriate to ask questions related to numbers of training hours per employee as it may not fully explain training effectiveness.

2.2.4 Employee Creativity

Research on creativity has been in existence since four decades ago. Four level of analysis that cut across different fields of study in the management sciences were discerned from this research: the individual, the work team, organizational, and multilevel approaches (Anderson, Potočnik, & Zhou, 2014). Likewise, creativity has attracted different approaches among which are person, process, product, and press approaches (Runco, 2004).

Based on the person approach, creativity refers to quality of individual intellectual endowments and personalities (Hennessey & Amabile, 2010; Runco, 2004), the process approach posits that idea generation is a process that has different phases (Runco, 2004). In press approach, it is believed that creativity at both individual and organizational level is driven by cultural forces and organizational forces (Hennessey

& Amabile, 2010; Hunter, Bedell, & Mumford, 2007; Runco, 2004). Furthermore, from the product perspective, creativity is a product of individual forming a team; this perspective has been extensively recognized and accredited by theories and research construct (Hennessey & Amabile, 2010; Shalley Zhou, & Oldham, 2004).

Creativity entails creation of original, new and valuable ideas in any sphere (Amabile, 1996). Creativity entails production, and development of novel and valuable ideas, processes, or techniques by an individual or by a group of individuals working as a team in an organization (Amabile, 1988; Madjar, Oldham, & Pratt, 2002; Zhou & Shalley, 2003). Some researchers including Martinaityte (2014); Shalley et al. (2004) believed that creativity is a domain-based construct and that ideas are considered novel if they are exceptional compared to other ideas presently existing in the organization. Also, ideas are believed to be useful if they have the potential of being beneficial directly or indirectly to the organization, in either the short or long term.

Creativity is always going with innovation. In some research, both concepts are used interchangeably. However, scholars including Amabile (1996); Runco (2004); Shalley et al. (2004); and Vehar (2008) opined that creativity and innovation are not one and the same but interdependent as the latter is driven by the former. Innovation is believed to entail fostering and executing a novel, valuable ideas and their implementation and thus encompassing creativity (Baer, 2012; Gong, Law, Chang, & Xin, 2009).

However, this research seeks to concur with Martinaityte (2014) regarding the conceptualization of creativity. She conceptualized creativity to involve innovation claiming that the line between the two concepts is fuzzy. From the interview she

conducted, it was gathered that creativity has to do with proffering solution to the customers' problems, that creativity is not limited to the generation of ideas only but also turning the idea into new behaviors. Among the interviewees is a sales manager who is working in an international insurance company noted that creativity involves offering solution to customer's problems, treating them exclusively, testing new sales technique, suggesting the best way to work better and enhancing job effectiveness.

This view is also held by scholars such as Chen, Farh, Campbell-Bush, Wu, and Wu (2013); Yuan and Woodman (2010). Hence, creativity and innovation refer to the same thing in this study. Moreover, research (e.g. Florida, 2002) has demonstrated that creativity is part of the drivers of economic growth in the 21st century. In this exposition, the focus is individual employee creativity. Employee creativity is becoming more and more indispensable in the organization given the increasingly stormy environments, high levels of competition, and erratic technological change.

Empirical evidences regarding the impacts of employee creativity on the organizational innovation and success are abound (e.g. Amabile, 1996; Shalley et al., 2004). Organization with an intent of becoming innovative would create enabling environment for creative and innovative workforce, engage the workers in the developmental tasks (Axtell, Holman & Wall, 2006; Bessant, 2003; Buur & Matthews, 2008), it would also encourage creativity and innovation all over the organization (Shalley, Gilson & Blum, 2000).

Creativity can be subdivided into radical creativity and incremental creativity. Radical creativity reflects in blockbusters and technological developments (e.g. invention of

android phones). On the other hand, incremental creativity is small in terms of scope. It reflects in crafting exceptional customers experiences by implementing changes at the time delivery of service. The example is the effort of airlines employees in reading out the safety instructions to the passengers before boarding the plane. It is discerned from the academic and practitioner literatures that the first creativity (i.e. radical creativity) is represented by big "C" while little 'c' stands for incremental creativity (Hennessey & Amabile, 2010).

It has been found by Martinaityte (2014) that individual features play roles in employee creativity, but these features are of either inborn or acquired. Employee personality, his traits and his cognitive style are all inborn but skills in creative thinking experience, domain-specific knowledge and intrinsic motivation are acquired in the enabling environment.

Research including Shalley et al. (2004), and Zhou and Oldham (2001) have discerned variety of antecedents of employee creativity. Personality of the employee determined how creative he/she would be. An employee with a good personality would be highly creative (Zhou & Oldham, 2001). Such kind of employee would be open to experience (Feist, 1998, 1999; Scratchley & Hakstian, 2000). In the context of organization, nature and complexity of job can bring about high level of creativity in the employee (Tierney & Farmer, 2002, 2004). Also, supervisors' support and their non-controlling behaviors are drivers of creativity in employees (Amabile, Schatzel, Moneta, & Kramer, 2004; Shalley & Gilson, 2004; George & Zhou, 2001). Other antecedents of employee creativity discerned by research (e.g. Shalley, 1995; Zhou & Oldham, 2001) include

development-based appraisal, supportive coworkers, few time deadlines, absence of contingent financial reward, and the presence of production goals.

In the componential theory of creativity, it has been agreed upon that being creative is an individual and environmental product that causes an interaction between the two forces (Amabile, 1983, 1996; Hennessey & Amabile, 2010; Woodman, Sawyer, & Griffin, 1993). This has been a consensus of researchers in the field of organizational behavior.

Componential theory of creativity which was propounded by Amabile (1983, 1996) posited that three environmental acquired forces drive development of novel and valuable ideas. It was observed that employee creativity in the organization is driven by three intra-individual forces: domain-relevant skills, intrinsic motivation, and creativity-relevant process. Domain relevant skills denotes employee's knowledge of the area within which he works and the pertinent expertise with which he innovatively processes information in order to produce novel and valuable feedback. Knowledge and skills in this context denotes the capability of the employee to identify and handle the potential problems given a large amount of information (Shalley, 1991).

The level of employee's enthusiasm, interest and fascination towards the work and employee's engagement in the job for the sake of job itself is what is called intrinsic motivation (Utman, 1997). Despite that personality, abilities, and knowledge of the employee play roles in enhancing his creativity, it all depends on intrinsic motivation (Amabile, 1983). The rationale behind this is that intrinsic motivation induces exertion of more effort on the part of employee. It also can induce risk taking and persistence

during difficult situation and consequently expedite generation of creative ideas (Zhou & Shalley, 2003). Intrinsic motivation as it influences employee creativity is crucial to organizational creativity (Amabile, 1979, 1987, 1996; Taggar, 2002). Based on cognitive evaluation approach, some social or contextual drivers of creativity such as reward can be harmful to creativity sometimes as they can divert attention of employee form the task assigned to him (Deci & Ryan, 1985).

Creative response from employee, otherwise known as creativity-relevant process (Amabile, 1988), denotes recognition of problem, environmental scanning, data collection, unconscious mental activity, solution creation and assessment, and application of solution (Simon, 1966; Shalley, 1991).

Discernible from the numerous theoretical research such as Amabile (1996); Reiter-Palmon and Illies (2004) is the fact that creative response involves some vital elements among which are recognition of opportunity or recognition of problem, collection of information or resources, development of ideas and alternatives, and appraisal and adjustment of ideas. This employee's creative response is found by Taggar (2002) to have positive relationship with employee creativity. The access to vital information that is useful for problem-solving would be blocked when the cognitive processing is disrupted. Then this will lead to low creativity (Shalley, 1995). Cognitive style and knowledge of heuristics are useful in solving problem and developing novel ideas respectively According to strategic HRM selection practices as well as related HRM practices are crucial to enhancement of employee creativity.

Creativity, based on Unsworth's (2001) taxonomy, is of four types: expected/anticipated, proactive, responsive, and contributory types of creativity. Expected/anticipatory kind of creativity entails workers innovative way-out to a situational or work challenges discovered by employee in the organization. This also involves worker's discretion employed in his choice of work-related challenges. Total Quality Management practices are typical examples of expected creativity. Proactive creativity denotes worker's motivation to comb problems and spawn ideas to find solution to a self-discovered problem or a problem identified by the stakeholders of the organization. Responsive creativity refers to the creativity that is stimulated by the external factors to solve a closed work-related problem upon which worker has least choice. The creativity employed by the worker to resolve the problems recognized by the stakeholders of the organization and tabled before the worker for solution are an example of responsive creativity. Contributory creativity means a self-determined reaction to an expressed problem. It encompasses voluntary behaviors on the part of employees in finding solution to a problem in another department.

Closed examination of Unsworth's (2001) taxonomy of creativity indicates that the types of creativity are either internally-driven or externally-driven; proactive and contributory creativity are internally-driven reactions to discovery of self /anticipated work-related issues. Expected and responsive creativity are externally-driven reaction to the work-related problem

Martinaityte (2014), while extending the stream of research on creativity, underscored the importance of creative deeds and conducts in service delivery, and understanding

the process of smoothing such conducts. Creativity is a crucial conduct required to promote outstanding customer experience (Coelho Augusto, & Lages, 2011). She concluded that internally-driven creativity is the most suitable for the workers in the service delivery. Hence proactive and contributory creativity.

Table 2.5
Matrix of creativity types

Problem-Solving	**Driver for engagement**	
	Internal	**External**
Open	**Expected** Entails proffering solution to identified problem ***Example***: A web-designer comes up with a creative solution to improve client's brand.	**Proactive** Voluntary solution to detected problem ***Example***: a sales person discovers an issue and suggests ideas for service delivery, effective operation, or new product.
Closed	**Responsive** Proffering necessary way-out to stated problem ***Example:*** Responses produced by think tank (designers, architects).	**Contributory** Voluntary way-out to stated problem ***Example:*** a service delivery employee voluntary contributes to the experience of onl-ine customer

Source: Martinaityte (2014).

Going by the present economic situation, high quality and innovative products and services are regarded crucial (Martinaityte, 2014). Likewise, the current trends in the world of business today, emphasis has been laid on creativity and innovation as a strategic objective of majority of organizations. Research has noted creativity-performance nexus (e.g. Coelho, Augusto, & Lages, 2011; Gilson, 2008). Likewise, studies have established HRM-creativity interconnection (e.g. (Binyamin & Carmeli, 2010; Byron & Khananchi, 2012; Chang, Jia, Takeuchi, Cai, 2014; Martinaityte, 2014); HRM-performance connection is pinned down too (e.g. Demirbag, et al., 2014; Fan, et

al., 2014; Shin & Konrad, 2014). Based on this exposition, emphasis has been laid on creativity as a strategic objective of majority of organizations. However, development and validation of HPWS system in relation to creativity has evaded the concern of scholars in the HPWS research field. Hence, the research on HPWS-creativity nexus is imperative.

In addition, Baron and Kenny's (1986) supposition indicates that creativity is logically and empirically fit to be the mechanism (mediator) through which the identified lacunas will be resolved. It is portended that there is possibility of having a particular construct as a mediator if there is nexus between the construct, independent variable and dependent variable, and there is nexus between the independent variable and dependent variable. Going by this, it can be proposed that creativity can play the role of mediator in HPWS-performance link, HPWS-creativity nexus, and creativity-performance nexus; research has established the links between variables.

2.2.5 Management Philosophy

Management philosophy refers to managers' thinking, and managerial practices informed by managers' culturally-inherent belief regarding human nature and human behavior (Koprowski, 1981). Management philosophy is dynamic which can metamorphose over time by means of the managerial role. In addition, management philosophy is a complex process adopted to change nature, society and life. Although management philosophy is considered part of the main management functions (Lee, 2005b; Rich, 1959; Senguder, 2001); it is not commonly researched by the scholars in the management research field. This, as posited by Tam (2013), may partly be due to

typically negative connotation of the term "philosophy" and nature of philosophy which is the theory of knowledge (epistemology) and the essential nature of reality (metaphysics) (Shand, 2002).

Management philosophy, which borders on values, attitudes and beliefs entrenched by a culture with respect to work behavior and as an essential factor in influencing behaviors in the organization, differs from one setting to another, and each firm may have its own management philosophy. HR practices of firm can be underpinned by the traditional management philosophy that holds in the context within which the firm exists Tam (2013).

The context within which firm operates and the situation in which firm finds itself determine the kind of strategies, policies, aims etc. that will be adopted by such firm. The internal and external environments in which the organization operates determine to a large extent the HR policies and practices (Huselid & Rau, 1997). Researchers have come to recognize that the context within which a plan is executed influence the execution itself and the outcome (Harrison et al., 2014). Research (e.g. Kaplan, Provost, Froehle, & Margolis, 2012; Taylor et al., 2011) has called for cautious investigation of organizational context in the researches relating to execution of program in the organizations. Specifically, internal organizational context has influence on success of implementation of evidence-based practices (Damschroder & Lowrey, 2013).

Moreover, organizational context which involves the operating environment of firms are determined internally and externally. Posited by Pojasek (2013) is the fact that organizational strategic planning should be guided by the internal and external contexts.

The context connotes internal and external elements that should be taken into cognizance in managing the risks. The external context of the organization contains external stakeholders, polity, market situation, law etc. whereas internal contexts include internal stakeholders, management style, contractual nexus with customers, culture, management philosophy/values/ ideologies etc.

Management philosophy which can also be referred to as managerial values or ideologies is included among the abstruse terms in the stream of management research. The term has been variedly described. It denotes a theory as well as a goal. It is also known to be a technique or a way of life fraught with specific implicit values (Litzinger, & Schaefer, 1966).

Leadership style of the top management, the existing corporate culture and values and the vision of the organizational leadership constitutes what is known as management philosophy. It also refers to the values that are central, unique and lasting to the organization (Margolis, 2015).

In line with the earlier supposition, internal contexts of firms, specifically management philosophy, and external contexts play bigger role in the determination of firms' HR policies and practices (Huselid & Rau, 1997; Schuler & MacMillan, 1984). The strategic orientations of firms also have bearing on the application of HR practices and effect on the firm's performance (Teo, Le Clerc, & Galang, 2011). According to Chadwick, Way, Kerr, & Thacker (2013), success or otherwise of HPWS systems hinges on internal and external boundary conditions (Chadwick, Way, Kerr, & Thacker, 2013). This is consistent with contingency theory.

In relation to SMEs, it should be noted that SMEs should focus more on their human resources and design their firm strategies, organizational policies, industry business practices, and human resource management in such a way that will reflect, enable and enhance highly-motivated, highly committed, knowledgeable, skillful, and creative workforce, as this would consequently enhance human capital capabilities and boost the SME performance. The reason is that employee roles as well effective employee management forms the basis for the survival and sustainability of small business and research evidence demonstrates heavy reliance of organizational success on employees' contributions (Ojokuku, 2012).

In HPWS research, it is normal to see scholars that affirm the nexus between investment in HPWS and fundamental organizational philosophies or values (e.g. (Roche, 1999; Wood, 1999). This implies that HPWS program in the organization is shaped by the philosophies adopted by the management and values considered useful. It is assumed that HPWS reflect unitarist belief which means that management and the employee should share common interest, there shouldn't be any divergent interests between the two. HPWS also recognizes pluralist values by providing mechanism such as employee involvement schemes that gives more opportunity for employee voice.

It is also assumed that philosophy of management that is employee-oriented would reinforce the effectiveness of HPWS and in turn enhance performance (Marchington & Wilkinson, 2005). It has also been found that management ideologies or philosophies regarding employees have influence on the effectiveness of HPWS (Osterman, 1994). In the research conducted by Alas, Papalexandris, Niglas, & Galanaki (2011) signifies

that employee commitment hinges on managerial values elements. The implication is that top management to see to the welfare of employees as employees, in turn will show commitment to their respective jobs.

Moreover, it is discerned from the literature reviewed so far that the studies that have examined the moderating effect of management philosophy are very few. In fact, only one research was discovered to have examined the moderating effect of the construct in the HPWS research field. The research is that of Heffernan (2012). She found that management philosophy has no moderating effect on the nexus between HPWS and organizational performance in the context of Ireland. It is noteworthy here that this finding may not be generalized, and there is need for more research to solidify the finding if at all it can hold water in other contexts.

2.3 Addressing and Disentangling the Emerging HPWS Research Problems

So far, both theoretical and methodological issues have been discerned from the review of HPWS literature. The HRM 'black box' issue, the issue revolving around synergistic and systematic configuration of HPWS architectures and HPWS in the context of SMEs are all identified as theoretical issues while the measurement of HR architectures is considered methodological issues in the HPWS research field. The following subsections are designated to address and disentangle the issues.

2.3.1 Filling up the HPWS Research Lacunas

As demonstrated in the previous discussion that researchers black box has been identified by the researchers in the HPWS-Performance relationship and suggested using some mechanisms through which the 'black box' in the HPWS-Performance will be unpacked (Boselie, Dietz, & Boon, 2005; Chadwick & Dabu, 2009; Messersmith et al., 2011). Boxall (2012) reiterated the absence of issue in the linear (direct) HRM-Performance relationship but a lot remain unknown about the chain of nexuses that are persistent inside the 'black box' of HRM. The so called "black box" refers the vague processes that frequently arise when inputs are transformed into useful output. It is also defined as "gap" (Lytras, Ordonez, & de Pablos, 2008), it is also described to be what is mostly unsolved (Edgar, & Geare, 2009). In the "black box", inputs are transformed into outputs, with no description of what happens within.

Firstly, the craving for persistent competitive advantage (Barney, 1991), and the influence of some early leading research that endeavored to expound the way and the rationale behind some firms that perform better than others (e.g. Huselid 1995; Appelbaum, et al., 2000), has given rise to a lot of empirical research on the performance-enhancing effects of HRM. Among the crucial concepts is that of the high-performance work system (HPWS) which posits that organizations which adopt fitting HRM configurations will accomplish higher performance (Godard, 2004; Paauwe, 2004).

Numerous studies on HRM-performance nexus have underscored the significance of human resource management in enhancing organizational value. Nevertheless, these

studies are of two perspectives (Chand & Katou, 2007). First perspective posits that HRM-performance nexus is direct (Schuler & Jackson, 1999). The second perspective however stressed that the nexus between HRM and organizational performance is indirect (Ferris et al., 1998; Edwards & Wright, 2001). From the first perspectives, three major approaches came up: universalistic, contingency and configuration while the second perspective subscribes to the notion the HR practices do not relate directly to performance (Katou & Budhwar, 2007). Thus, the significance of mechanism and intermediate outcomes to drive home the HRM-performance link (Becker & Gerhart, 1996). Savaneviciene and Stankeviciute (2010) added that recognition of the particular mechanisms that mediate between HRM practices and organizational performance as a crucial issue in HRM literature is of high significance.

Furthermore, Becker and Huselid (2006) reiterate that complexities and nuances emphasize the requirement to consider in more depth the relationship and exact mechanisms shaping the nexus between HRM and performance. There are numerous empirical studies that have attempted opening the "black box" by explaining the mechanisms through which HRM-Performance relationship works. Yet, the question raised by Wright and Gardner (2003) regarding the number of the so called "black boxes" should considered when investigating HRM-Performance relationship remain unanswered. This means that the issue about what kind of mediating variable would fit into the HRM-performance relationship and how many of them would unravel the "black box" remains unresolved. As a result, Becker and Huselid (2006) posits that this issue remains the most burning theoretical and empirical challenge in the Strategic HRM literature.

In their bid to resolve the issue regarding the quantity and content of "black box", Savaneviciene and Stankeviciute (2010) posit that putting too many boxes in the model will not unlock the "black box" and putting too much items in the boxes will not make the model more astute but appropriateness and logical soundness of the items in the "black box" are what matters.

Guided by the observation of Savaneviciene and Stankeviciute (2010) and the position of Wright and Gardner (2003) that the number of mediating variables specified in any theoretical or empirical attempt to unlock the so called "black box" does not matter, this study is poised to unlock one "black box" with mediating effect of employee creativity.

Escaping the economic crisis and accomplishing the employment and growth targets of countries like Nigeria demands competitive businesses that construct their competitiveness on creativity. Creativity involves the development of unique and valuable ideas and innovation which means the application of these ideas into new products and processes (Martinaityte, 2014).

2.3.2 Synergistic Measurement and Configuration of HPWS Architectures

Systematic bundling of HR practices for the purpose of attaining a shared strategic objective to accomplish higher levels of configuration is the preoccupation of Strategic Human Resource Management (SHRM) (Buller & McEvoy, 2012; Subramony, 2009). Consequently, the bundles would enhance organizational performance. Systematic bundling/configuration of HR architectures is central to the HPWS research and cannot

be overemphasized because it forms the way both managers and employees interact (MacDuffie, 1995).

Despite that numerous research have established positive effect of HPWS on organizational performance (e.g. Aryee, Walumbwa, Seidu, & Otaye, 2012; Chuang & Liao, 2010; Huselid, 1995; Guest, Michie, Convey, & Sheehan, 2003), HPWS is fraught with vagueness and ambiguity due to, as explained previously, flawed theorizing in HRM with emergent controversy between the proponents of "the best practices" approach and proponents of "best fit" approach.

According to the universalist approach otherwise known as "the best practices" approach, certain HR practices have been empirically proved to always be best practices across different organizations and across contexts that are different (Huselid, 1995; Osterman, 1994; Pfeffer, 1996). In the research work of Pfeffer (1994), 16 specific HR architectures were held to be universally best practices that enhance higher productivity and yields across all kinds of firms. In Martin-Alcazar *et al.*'s (2005) work, a number of vital practices were identified to be universalistic and applicable to all firms. These practices include the practices that fortify employee capabilities (e.g. compensation, certain recruitment and selection methods, comprehensive training, performance appraisal etc.).

Considerable empirical research has adopted universalistic approach because of the greater statistical significance that characterize the findings of research that adopt the approach. However, the "best practices" approach has been criticized for disregarding

great and highly momentous changes in work, employment and society that are evident inside organizations and in the wider community (Purcell, 1999).

In place of the "best practices", contingency approach was proposed. Purcell (1999), the critic of universalist approach, is in support of contingency approach. Contingency approach is based on the assumption that HR practices should align with each other and with the other systems including organizational strategy (Wright & Snell, 1991). Other functions with which HR practices should align include sales and marketing industries, technologies, production etc. (Chadwick, 2010). Sung and Ashton's (2005) research emphasize the evidence of contingency effects on HPWS bundles that were adopted based on the industry to which the adopting firm belong. More so, research has established that the levels of investments in human resource practices can be effectively aligned with organizational strategies to improve organizational performance (Cooke, 2007; Sirmon & Hitt, 2009).

However, empirical findings of the research that tested contingency approach are inconsistent. Huselid's (1995) finding indicated that there should be support for impacts of HPWPs on measures of corporate financial performance but there is no empirical support for the impact of HPWS on performance that is contingent on strategy. Likewise, there is no empirical support for the impact of HPWS on performance that is contingent on industry physiognomies (Batt, 2002; Datta, et al., 2005). As for business strategy, it was found to be significant for the HRM's effect on performance (Sun, Aryee, & Law 2007). With regards to explanatory power of contingency approach, it has been discerned by Martin-Alcazar, *et al.* (2005) that contingency approach is

vigorous. However, the findings of the research that adopt the approach do not have strong statistical significance compared to those of the universalistic approach.

Furthermore, contingency approach posits that nexus between HR architectures (as independent variable) and performance (as dependent variable) is dependent on the effect of a third variable called contingent variable. Such variables have effects on the HPWS-Performance nexus (Martin-Alcazar *et al*, 2005). Company size, company age, technology, degree of unionization, industrial sector, ownership are examples of the contingent variable, otherwise known as moderating variable (Paauwe, 2004).

With regards to internal fit or alignment (i.e. configurational approach), in HRM theorizing issues, it has become the fact that HPWS elements should be both vertically and horizontally fit and should be synergistically bundled up to produce higher organizational performance (Buller & McEvoy, 2012; Huselid, 1995; Subramony, 2009; Chadwick, 2010). While configurational approach is theoretically reasonable, how synergy happens still remains theoretically elusive and no agreement is reached regarding testing of synergistic effects of the HPWS components. Hence, findings regarding the existence of synergy within HPWS system is empirically inconsistent (Gerhart, 2007).

However, empirical findings that established the stronger and synergistic effects of a bundle of HR practices on organizational performance against single HR practice cannot be disregarded. It is discernible from the meta-analytic research of Combs et al. (2006) that a bundle of HR practice has stronger effect on organizational performance than a single HRM practice. Some other research such as Way (2002) and Birdi, Clegg,

Patterson, Robinson, Stride, Wall and Wood (2008) have found the existence of synergies among HRM practices by examining their interactional effects.

Achieving a systematic and synergistic configuration of HPWS demands reconciliation between the seemingly contending HRM approaches (i.e. universalist approach, contingency approach, and configuration approach). In actual fact, these approaches are not antithetical but rather complimentary, a group of three prominent researchers, Chuang Jackson and Jiang (2013), posit in their work titled "Can knowledge-intensive teamwork be Managed? Examining the Roles of HRM Systems, Leadership, and Tacit Knowledge" that the theories are by no means conflicting, but rather complementary with each other.

In addition, this exposition would be deemed incomplete if a seminal HPWS work is not discussed in this section. The work is meta-analytic in nature and it came up with an all-inclusive High-Performance Work Practices (HPWPs) taxonomy under which 61 specific practices were identified. This work is really a comprehensive work ever in the HPWS research realm as the authors (Posthuma, Campion, Masimova, & Campion, 2013) analyzed 193 peer-reviewed articles that covered numerous countries and cultures. The reviewed articles have been published since 1992. The authors of the research developed HPWS taxonomy and multilevel framework through which the interrelationships and the synergies among practices, and the fuzziness in the HPWS realm are made clear.

Based on the Posthuma's (2013) taxonomy, HPWPs have nine categories that house 61 teleological HR practices that were mentioned a total of 2,042 times in the various

studies. Teleological HR means distinct, non-overlapping practices that represent organizational design with purpose of achieving the end goal of higher organizational performance. Each of the 61 HPWPs identified in Posthuma's (2013) taxonomy has its own research literature. Hence enhanced theoretical connectivity.

The categories were listed from the most to least frequently mentioned categories of practices thus: compensation and benefits, job and work design, training and development, recruiting and selection, employee relations, communication, performance management and appraisal, promotion, and turnover, retention and exit management. Under each category, there were many HR practices subdivided into core, broad and peripheral practices. Core practices entails the practices reported in the top 30 most frequently cited practices in four or five regions of the world and are generalizable due to their significant overlay with the published literature. The generalizability of core practices will not be restricted by temporal and spatial contingency boundary conditions (Bacharach, 1989). Broad practices comprise of the practices that have been stable or growing over time, or they have been reported in the top 30 most frequent practices in four or five regions of the world. Peripheral practices are those practices which are the least central practices. They are the practices that do not fulfil the benchmarks of core practices or broad practices.

Table 2.6

Taxonomy of High Performances Work Practices

No	Categories	Core	Broad	Peripheral
1	Compensation and Benefits	1. Pay for Performance 2. Formal Appraisal for Pay 3. External Pay Equity/Competitiveness 4. Incentive Compensation 5. Profit or Gain Sharing	1. Group-Based Pay 2. Pay for Skills/Knowledge 3. Employee Stock Ownership 4.Comprehensive Benefits 5. Public Recognition/Nonfinancial Rewards	1. Bonuses or Cash for Performance 2. Equitable Pay Processes
2	Job and Work Design	1. Decentralized Participative Decisions 2. Job Rotation/Cross Functional Utilization	1. Project or Other Temporary Work Teams 2. Job Analysis 3. Self-Managed Work Teams (Quality Circles) 4. Greater Discretion and Autonomy 5. Job Enlargement and Enrichment	1. Broad Task Responsibilities 2. Flexible Work Schedule
3	Training and Development	1. Training Extensiveness 2. Use of Training to Improve Performance 3. Training for Job or Firm Specific Skills.	1. Training for Career Development 2. Cross-Functional or Multiskill Training 3. New Employee Training and Orientation	1. Evaluation of Training
4	Recruiting and Selection	1. Hiring Selectivity or Low Selection Ratio 2. Specific and Explicit Hiring Criteria.	1. Multiple Tools Used to Screen Applicants 2. Employment Tests or Structured Interviews 3. Planning Selection Processes and Staffing	1. Matching Candidates to Firm Strategy 2. Innovative Recruiting Practices

Table 2.6 (continued)

No	Categories	Core	Broad	Peripheral
5	Employee Relations	1. Job Security or Emphasis on Permanent Jobs	1. Low Status Differentials 2. Employee Opinion and Attitude Surveys	1. Complaint or Grievance Procedure 2. Measurement of Employee Relations Outcomes 3. Labor Union Collaboration 4. Social and Family Events and Policies 5. Diversity and Equal Employment Opportunity
6	Communication	1. Formal Information Sharing Program	1. Employees Receive Market, Firm Performance, or Strategic Information 2. Employee Input and Suggestion Processes	1.Frequent/Regular Meetings with Employees
7	Performance Management and Appraisal,		1. Appraisals Based on Objective Results/ Behaviors 2. Appraisals for Development/Potential 3.Frequent Performance Appraisal Meetings	1. Employees Involved in Setting Appraisal Objectives 2. Written Performance Plan with Defined Objectives 3. Multisource Feedback and Peer Appraisal 4. Appraisal Based on Strategic or Team Goals
8	Promotion		1. Promotions from Within 2. Promotions Objectively Based on Merit 3. Career Planning 4. Promotion Opportunities (e.g., frequency) 5. Career Paths and Job Ladders	1. Succession Planning
9	Turnover, Retention & Exit Management			1. Turnover, Retention, and Exit Management

Source: Posthuma et al. (2013).

Core HPWPs, which are termed 'best practices' by universalist and 'cross cultural HPWPs' by Posthuma et al (2013), become 'tested and trusted' that can be applied across all industries and countries. The assertion is informed by the fact that organizations, according to the economic or rational actor viewpoint, would adopt certain practices found to be contributing effectively to the success of other organizations. Hence, universalist assumption regarding 'best practices' is upheld (Kaufman & Miller, 2011).

However, this does not imply that other practices who are not tagged 'best practices' cannot contribute effectively to the success of organizations. The fact is that some practices are less adopted due to some boundary conditions such as culture, institutional pressures, risk aversion, mimetic isomorphism (Johns, 1993; Pfeffer, 1996; Posthuma et al., 2013). Also, some practices such as public recognition and other nonfinancial awards have eluded the interest of researchers in the HPWS research domain, despite that they could encourage commitment and motivation (Posthuma et al., 2013).

Therefore, other non-core practices can also be included in the bundle of HPWS (Posthuma et al., 2013). Hence, contingency approach is upheld. This implies that core HPWPs can be considered due to their high generalizability, nevertheless, it should be cautiously chosen by considering some other factors. For example, innovative recruiting practices cannot be adopted in a context where there is growing unemployment rates due to global economic recession. The reason is that employers will find it easy to recruit workers. This is what is termed 'temporal boundary condition' by Posthuma et al. (2013).

Likewise, labor union collaboration would be less adopted in a setting where union membership is declining. This implies that HPWPs definition would remain flexible as the definition will always be shaped by changing market conditions. In addition, the HPWPs that will constitute HPWS system should align and support each other (i.e. internal alignment). For example, a HPWS system that aims at espousing teamwork, all the HPWPs that would constitute it should align with each other, practice like rewarding employees based on individual incentives should not be included. Also, HR principles should be aligned with organizational strategy, external market and economic conditions, and labor market conditions (external alignment).

The ability of organization to address its strategic obligations through adoption of management practices determines the enhancement of competitive advantage of such organization. The issue lies in the design of HRM system that would reflect a particular performance which would in turn enhance competitive advantage for the organization. Hence, HPWS composition can be objective-specific (Liao, Toya, Lepak, & Hong, 2009; Zacharatos, Barling, & Iverson, 2005) and universalistic as well. An objective-specific HPWS for firm A can be applicable to firm B with the same objective. According to Delery and Doty (1996), the three modes of theorizing in HRM (i.e. universalistic, contingency, and configurational approaches) are feasible and can leads to different assumptions about the interactions among HR practices, strategy, and organizational performance.

In short, this discussion has demonstrated that the seemingly conflicting HPWS approaches are not really conflicting but rather complimentary. For a systematic and

synergistic HPWS configuration, the three theories can be applied so that perfect bundles would form the HPWS system and consequently enhance higher performance. Therefore, in consideration of the above facts, researcher can, in the composition of the HPWS in his study, include the core HPWPs. Broad or peripheral HPWPs can also be included based on market conditions or on a theoretical basis.

Also, in the configuration of HPWS, the process of theory building can be adopted. Theory building involves three stages. The three stages are: variation, selection, and retention (Weick, 1989). The variation stage entails coming up with different alternatives that might live on. The second stage which is selection entails the process of choosing some alternatives among the available alternatives based on logical benchmarks. The third stage is the retention. It is logical future theorists tends to adopt a theory that live on. The outcome of the second stage (i.e. selection) will determine third stage (i.e. retention). This implies that the success of the selected alternatives will determine which among the selected alternatives would be retained.

In the same vein, HPWPs have passed through this kind of selection in which some HPWPs were selected by researchers on the assumption that they may induce higher performance, some were dropped along the line and some are still in use till date. Some HPWPs have eluded the interest of researcher due to their redundancy or other factors. Based on this, it was recommended by Weick (1989) that developing possible alternatives should be underpinned by suitable, interesting and reasonable benchmarks. The selection can also be shaped by social and normative influences (e.g., fads) or guided by rational choices (Abrahamson & Eisenman, 2008).

The retention of HPWPs within this research should be based on rational choices or based on sound logic and empirically validated usefulness. In sum, the benchmark that will be used to select HPWPs should be logical and reasonable. For example, Posthuma et al. (2013) observed that some HPWPs have passed through the evolutionary process of theory building which has made some of them become part of HPWS system and still remain part of it while some have faded away in the HPWS research domain over time. The example of such retained HPWPs are among others matching job candidates to firm strategy, turnover, retention, and exit management.

More so, AMO HRM model proposed that HRM architectures are poised to play 3 roles. The first role is to improve workers' KSAs (Knowledge, Skills and Abilities). This is achieved via recruitment and selection, training, job design and compensation. The second role entails workers' empowerment via discretionary use of time and talent while the third role involves motivation of workers via internal promotion policies, incentive compensation and performance appraisal.

Other aspect to be considered on this issue is the concept of 'equifinality'. The concept posits that configurations of HPWPs is not one-way but involves ways. There are different ways of bundling up the HPWPs to achieve organizational outcomes (Delery, 1998). With this, all the theoretical fuzziness in HPWS research realm is assumed to have been solved, given the fact that one can adopt universalist perspective to configure HPWPs, one can configure it using contingency perspectives, so also configurational approach can be adopted. One may move away from these approaches and follow theory building process as explained above or any other approaches. HPWS can also

be objective specific (Bowen & Ostroff, 2004; Chadwick, 2010). Based on this, the following subsection is dedicated for configuration of HPWS system for SMEs.

In the editorial introduction to Human Resource Management Journal's special issue entitled "progressing our understanding of the mediating variables linking HRM, employee well-being and organizational performance" it was observed by Boxall, Guthrie and Paauwe (2016) that researchers should take caution against measuring HRM by just putting up some HR architectures (i.e. HR practices) into a unitary index. Configuring HR practices should be in a cost-effective manner which represents contextualization. In other word, HRM should be measured based on contexts of the study.

2.3.3 HPWS in SMEs

It has been discerned from the conceptual exposition in the previous subsection that HPWS can be configured via different approaches. Universalist approach, contingency approach as well as configurational approach can be adopted for the 'bundling-up' process. Theory building process is also useful. Bundling-up can be objective specific (Bowen & Ostroff, 2004; Chadwick, 2010), as it can also be context specific (Liao et al., 2009; Zacharatos et al., 2005).

Given the fact that systematic combination and integration of HR architectures will give birth to synergistic human resources management system that works together to get the best results for an organization (Subramony, 2009), the bundling-up of the HPWS in this study will be context-specific which will draw upon the mix of the three famous

approaches; universialist, and contingency approach, and hence confirming the assertion of Chuang Jackson and Jiang (2013). This implies that HPWS will be bundled up in the context of SMEs.

It is common knowledge that HPWS has positive effects on performance of both large firm and small firms (e.g. Dimba, 2010; Georgiadis & Pitelis, 2012; Messersmith & Guthrie, 2010). As some researchers and practitioners perceive SMEs as a smaller fraction of large organizations in which any strategy implemented in large organizations can be transported and implemented, it is evident that SMEs is a distinct entity, different from large organizations (Nguyen & Bryant, 2004), if some fundamental yardsticks such as economies of scale, liabilities of smallness, newness and scope, HR endowment, material endowments or financial resources are put into consideration (Cardon & Stevens, 2004; Fitzsimmons & Fitzsimmons, 2003).

It is observed that SMEs would have an edge over the larger firms in terms of sustaining competitive advantage by improving employees' satisfaction, which consequently minimizes labor turnover, absenteeism and reduces production costs (Appelbaum & Kamal, 2000). With highly committed, well-motivated and qualified employees, SMEs competitive advantage and performance become distinctive in the world of businesses (Behrends, 2007). Employee roles as well effective employee management forms the basis for the survival and sustainability of small business. Research evidence demonstrates heavy reliance of organizational success on employees' contributions (Ojokuku, 2012). The general purpose for which HRM exists is enhancement of organizational success through people (Armstrong, 2006).

The above argument has established the importance of employees in the success of SMEs. This implies that SMEs should focus more on their human resources and design their firm strategies, organizational policies, industry business practices, and human resource management in such a way that will reflect, enable and enhance highly-motivated, highly committed, knowledgeable, skillful, and creative workforce, as this would consequently enhance human capital capabilities and boost the SME performance.

Considering AMO model and underpinned by the suggestion of Posthuma et al. (2013), and drawn from the Martinaityte's (2014) study and Agarwala's (2003) study, the proposed configured HPWS will connote selective hiring, training and development, performance appraisal, job design, succession planning, pay for performance, non-financial rewards, and employee participation and communication.

Notably, the composition of HPWS in this research is a blend of 'best practices', core HR practices, broads and peripherals HR practices. This configuration is logically sound, systematic and empirical-based, considering AMO HRM model and the HPWS studies such as Posthuma et al. (2013), Martinaityte's (2014), Agarwala's (2003), Zakaria (2013) and the host of others. Also, the configuration is also informed by universalist approach going by the fact that the practices such as training and development, performance appraisal, job design, pay for performance and employee participation and communication have been found to be core HR practices, generalizable and cross-cultural.

Contingency approach is also considered in the configuration. Selective hiring, training, performance appraisal and pay for performance, non-financial rewards are assumed to be forces driving Knowledge of employee, Skills and Abilities (KSAs), employee motivation and creativity, and creative performance which should be the preoccupation of every SMEs. Hence, the internal fit (as proposed by contingency approach) is ensured in the configuration. It can also be asserted that the configuration is context-specific, given the fact that the configuration was done by selecting the practices that would enhance the capabilities and motivation of the employees since highly committed, well-motivated and qualified employees are crucial to the survival and sustainability of small business and research evidence has demonstrated heavy reliance of employees' contributions to the organizational success (Behrends, 2007; Ojokuku, 2012).

With regards to implementation of HPWS in SMEs, survey of the extant literature (e.g. Browning, 2006; Gbolahan, 2012; Gyensare & Asare, 2012; Laosebikan, Oginni, & Ogunlusi, 2013; Ogunyomi, & Bruning, 2015; Ojokuku, 2012; Zakaria, 2013) has confirmed implementation of HPWS in SMEs, and that HPWS is indeed relevant in the small firm context. Although, HPWS may seem sophisticated than expected in the typical small firm (Arthur & Chris, 1990; Deshpande & Golhar, 1994), it is a fact that the higher the number of employees, the higher the level of standardization, specialization and formalization (Daft, 1998), indicating that an increase in the number of employees would result to increasing demand for HPWS regarding recruitment, selection, performance appraisal etc. Thus, HPWS is indispensable for any firm that want to accomplish greatness.

In Nigeria, SMEs have been known for implementation of HPWS. There are mushrooming studies that established this. Those studies include Gbolahan (2012), Gyensare and Asare (2012), Laosebikan, Oginni, and Ogunlusi (2013), Ogunyomi and Bruning (2015), Ojokuku, 2012, Ugheoke (2016) etc. HPWS has been well-established in numerous SMEs in Nigeria. For example, in the study by Ugheoke (2016), it is discerned that SMEs that implement HPWS will become high-performance firms, given that HPWS is crucial to competitive advantage and capable of creating differentiation while contributing to the overall performance of the organization. Also, All SMEs' managements would intend for great returns. HPWS has been the driving force behind the success of many firms irrespective of size and location, such firms outperform others (Ugheoke, 2015).

2.3.4 General Overview of the Selected Dimensions of HPWS of SMEs

2.3.4.1 Selective Hiring

Selective hiring is one of the seven practices that define systems that create wealth through the management of people (Pfeffer, 1998). It is empirically evident that hiring is an essential organizational practice as it can induce higher profitability and greater labor productivity (Michie & Sheehan, 2005). It can also induce increased levels of employee commitment (Fiorito, Bozeman, Young, & Meurs, 2007; Taylor, Levy, Boyacigiller, & Beechler, 2008), and higher levels of human capital which would consequently result in higher overall performance (Takeuchi, Lepak, Wang, & Takeuchi, 2007. Selective hiring is a core HR architecture and cross-cultural practice. It involves recruitment and selection which entail selection of candidate among the job

applicants. Selective hiring refers to acquisition of human capital among the workers (Pérez-Luño, Cabello Medina, Carmona Lavado, & Cuevas Rodríguez, 2011; Posthuma et al., 2013; Takeuchi et al., 2007; Yang & Lin, 2009; Youndt & Snell, 2004).

In addition, selective hiring is helpful in attracting the employees that have knowledge and experience, the individual that are open-minded, have ability to think, and become problem solvers. It has been recommended by Martinaityte (2014) that hiring should be designed to focus on acquiring the motivated individual who has passion for the work. A motivated worker would always discover problems and proffer solution to solve it. He would also challenge the status quo by searching for ways of improving the existing system. In addition, selective hiring involves hiring the employee with creative potentials, knowledge, skills, and abilities (Hunter, Cushenbery, & Friedrich, 2012).

2.3.4.2 Training and Development

Training and development involves the practices designed to improve worker's skills, and competencies required for the performance of present and future tasks (Posthuma et al., 2013). For the optimum performance, training and development should be given due priority in the organization in which employees would have the opportunity to acquire new skills (Ulrich, 1997). Hence, training becomes an important element in the HPWS system because it has linear effect on the functional capability of the organization (Truss, 2001). Training and development can be designed to improve domain- and creativity-relevant skills. Training workers can enhance creativity by boosting employees' feeling of competence and consequently give rise to enhanced intrinsic motivation (Ryan & Deci, 2000).

Also, routine jobs will become interesting and engaging if training is designed towards enhanced job-knowledge and idea generation skills. Enhanced job-knowledge and skills for generation of ideas aids development of new approach to routine tasks and then make them become interesting, fun and engaging. This practice has been empirically tested and found to have positive effects on creativity and innovation (Walsworth & Verma, 2007).

2.3.4.3 Performance Appraisal

Performance appraisal form a vital part of performance management in which performance of workers are defined, gauged, stimulated and developed (DeNisi & Pritchard, 2006; Kinicki, Jacobson, Peterson, & Prussia, 2013). Performance appraisal is designed for the purpose of assessing workers' performance correctly and totally. It is distinct, formal, and organizationally sanctioned which commonly happens once or twice per year. The assessment process in the performance appraisal involves adoption of performance dimensions and/or yardsticks against which the appraisal will be done (DeNisi & Pritchard, 2006).

Performance appraisal become a crucial practice, given the fact that it can align individual and team performance with organizational strategies (Zhang & Li, 2009). Appraisal practices comprise frequent feedback based on team and organization goals, managing objectives that are tied to organizational strategies. Performance appraisal stimulates creative behaviors on the part of employee because employee is aware that behaviors are assessed and connected to performance. Feedback on overall performance is useful for assessing worker's performance state as feedback on

particular job aspects is helpful for the employee who aims at performance advancement (Pritchard, Holling, Lammers, & Clark, 2002).

2.3.4.4 Job Design

The rudiments of jobs, relationship between jobs, and organizational structure constitutes what is known as job design (Posthuma et al., 2013). Job design was firstly introduced by Adam Smith and the related work on job design which was about manufacturing of pins was published in 1850. However, job design is a newly-included component of HPWS system as it enables a work environment that facilitates workers to utilize their capabilities (Ehrnrooth & Björkman, 2012; Jiang, Lepak, Hu, & Baer, 2012). Job design entails job autonomy, enriched jobs, use of teams etc. It has relationship with employee motivation and satisfaction and impacts the degree to which employees are allowed to utilize their skills on the job (Berg, 1999).

According to Daft (1994), job design involves enhancement of productivity and satisfaction through application integration of motivation in the job structure. Job design also involves a process through which employee job tasks are decided by the manager (Gibson, Ivancevich & Donnelly, 1994). This implies that managers are responsible to determine what kind of tasks should be assigned each and every employee. Job design is crucial to the accomplishment of organizational performance because job design induce worker's motivation which, in turn, result in enhanced employee performance and the achievement of organizational goals. Hence, organizational performance is contingent on the efficient management of employees and upkeep of smooth operations of the organization (Potter, 2007). Job design is

crucial to performance boosting. Employees' satisfaction and motivation are enhanced by a well-designed job (Zareen, Razzaq, & Mujtaba, 2013).

2.3.4.5 Succession Planning

HR department as well as management work together to build desired organizational culture. This can be accomplished through the introduction and implementation of succession planning. Succession planning, recruitment, training and development, and retention programs are helpful HR practices in achieving organizational success. Succession planning deals with performance, skills leadership gaps that would definitely be created by the exit of workers from the organization. Likewise, it deals with recruitment, training and development, performance management and retention (United States Office of Personnel Management, 1998, cited in Crumpacker, & Crumpacker, 2007). Also, strategies that would reduce and eliminate the existing or anticipated human capital gaps are recognized and developed by the management through the process of succession planning. Succession planning can be designed to target knowledge transfer between and among workers and the organization, most especially when it comes to accomplishment of tasks critical to organizational mission (Aiman-Smith, Bergey, Cantwell, & Doran, 2006).

It was in 1960s that research on management succession surfaced, starting in the case studies form (Kesner & Sebora, 1994). The research of then largely focused on the antecedents, events, and consequences of succession planning (Pitcher, Chreim, & Kisfalvi, 2000). Succession planning is categorized as peripheral practice under promotion. Succession planning has garnered little research attention while

organizations often engage in succession planning. Hence it is recommended to examine its impacts on firm performance and be included in the HPWS system (Posthuma et al., 2013).

2.3.4.6 Pay for Performance

Pay for performance is a core HPWP that has been empirically studied across clusters of countries and thereby cross-cultural, generalizable and fit to be part of HPWS system. It refers to a technique through which individual or group performance is directly compensated in the form of money (Armstrong, 2005). It is also a scheme designed to reward the workers based on their performance (Boachie-Mensah & Dogbe, 2011). It is also based upon merit as empirically appraised in the firm's performance appraisal program, with a chance to receive above market pay for employees demonstrating exceptional performance (Matsumura & Shin, 2004). This type of compensation is increasingly being adopted by firms with the aims of transforming their reward system. The basic drive of any performance-based reward system is to relate employees' salaries directly to their performance. Connecting rewards to performance bolsters workers to increase their efficiency. Pay for performance entitles employees to a basic income and the chance to get extra reward if their outputs surpass the set standard (Grobler, Warnich, Carell, Elbert, & Hatfield, 2006).

The recommendation made by Ismail, Halim, and Joader (2015b) regarding the introduction of pay for performance program in the organization indicates that the program should be characterized by high level of trust, sufficient pay package and effective performance appraisals. The researchers claimed that the empirical evidences

that cast doubt on the effectiveness of performance-based pay program demonstrated lack of trust, insufficient pay package and biased performance appraisal in the program. To guarantee positive effect of performance-based pay system on performance, all these factors should be taken into cognizance. For example, most of the investigated US firms that tied pay to performance are not successful in terms of enhancement of performance upon which the strategy is hinged, and putting pay-for-performance strategy in place should not be the only criterion to distinguish high-performing firms from low-performing firms.

2.3.4.7 Non-Financial Rewards

Non-financial rewards are a broad HPWP that has been widely studied but not up to the level of the core HPWP such as pay for performance. Non-financial reward has been identified to be understudied and this necessitates more research on its promising effect on the organizational performance. Non-financial reward promotes commitment, motivation, and a sense of culture in the organization (Posthuma et al, 2013). It is a HPWP practice that involves many tools and methods that can be adopted in addition to monetary rewards to induce employee's high productivity.

Non-financial rewards include social recognitions genuine appreciation, certificate and acknowledgement (Neckermann & Kosfeld, 2008), paid vacation, training programs, praise, promotion (Jeffrey, 2003). Also, non-financial reward should cater for the internal needs of employees. It has been suggested that long-lasting motivation of workers can be achieved through the mix of financial and non-financial rewards (Armstrong, 1993). Employee turnover has been observed to be high in a system devoid

of non-financial reward (Mushrush, 2002). Hence, Shield (2007) recommended that it is very imperative for firms to recognize the kind of non-financial rewards that can foster the preferred employee behaviors.

2.3.4.8 Employee Participation and Communication

According to Posthuma et al. (2013), employee participation and communication refers to the process through which information is swapped in a firm. The practice has been found to impact creativity climate (Harney, Heffernan, Cafferkey, & Dundon, 2009), and organizational performance (Gittell, Seidner, & Wimbush, 2010). Logically, expecting employee to perform a task, the instruction must be given to the concerned employee. In the same vein, if performance of the firm is to be accomplished, there is need for communication of organizational goals and strategy to the employees. Workers should be equipped with financial and strategic information of the firm to improve and enrich workers' job-related knowledge.

Furthermore, employee involvement practices guarantee employees' ability to express and ideas communication about how organizational objectives can be accomplished. Involvement and the practices of communication facilitate employees' understanding regarding how job contributes to the organization's goal accomplishment. In addition, having information exchange mechanisms will enrich worker's job-related knowledge and also will inspire employees to use their domain-relevant and creativity-relevant skills to propose developments and create new ideas (Martinaityte, 2014).

2.4 The Underpinning Theories and Theoretical Framework

Numerous theories and approaches have been adopted so far to ground different researches, Fleetwood and Hesketh (2008) estimated them to be 47 theories and approaches. In this study, contingency theory is the main theory that grounds the nexuses of variables in the research model of the study. Two other theories; resource-based view (RBV) and the AMO framework are just auxiliary theories used to explain certain issues in the research. Boselie, Dietz, and Boon (2005) termed the three theories the 'Big Three' theories, and they posit that researchers are progressively blending insights from the so called 'Big Three' theories – contingency, the resource-based view and AMO – into a formative overall theory that can be adopted in the field of HRM.

Contingency theory is the main theory that grounds this study. Contingency theory mirrors the fundamental assumptions behind the conceptualization of what HRM is and does. This implies that the theory reacts perfectly and efficiently to the organization's environment and support other organizational systems (contingency theory). contingency approaches offer a lens on the promising relationship between employee inputs and creativity (which are induced by HR practices) and the performance, specifically highlighting the significance of investigating the effect of contextual factors from the external environment (Boselie, Dietz, & Boon, 2005).

Besides, contingency theory has become a common theory that can be adopted in areas of educational organizations, work-based performance, firm performance, health organizations. Situational variable (i.e. contingent variables) determine the degree of system performance. Situational variables entail environmental variables such as

culture, technology, competitors etc.; resource variables such as human capital etc.; and management variables such as planning, organizing, organizational philosophies, values, leadership style etc. Luthans and Stewart (1977), one of the earlier scholars of contingency theory, the most common dependent variable, performance, hinges on situational variables that involves environment variables such as culture, resource variables such as human capital, management variables such as managerial values.

The fundamental of contingency theories has been the context within which the firms function. The situation in which firms finds itself will determine the kind of strategies, policies, aims etc. that will be adopted by such firm. Therefore, the functions of the HR department are contingent upon the situations of the firm regardless of the size of the firm. The internal and external environments in which the organization operates determine to a large extent the HR policies and practices (Huselid & Rau, 1997; Schuler & MacMillan, 1984). The strategic orientations of firms also have bearing on the application of HR practices and effect on the firm's performance (Teo, Le Clerc, & Galang, 2011). HPWS systems can be destructive or helpful because the failure or success of HR systems depends on internal and external boundary conditions (Chadwick, Way, Kerr, & Thacker (2013).

Also, contingency approach posits that nexus between HR architectures (as independent variable) and performance (as dependent variable) is dependent on the effect of a third variable called contingent variable. Such variables have effects on the HPWS-Performance nexus (Martin-Alcazar *et al*, 2005). Hence, contingency theory is

considered relevant to explicate the nexus among HPWS, management philosophies and organizational performance in this study.

RBV's assumptions indicate that competitive advantages would be attained through a unique and inimitable method of acquisition, development and effective deployment of physical, human and organizational resources (Barney, 1991). Physical and intellectual resources remain the basis of organizational competitive advantage. Scholars (e.g. Barney, 1991; Barney, & Wright, 1998; Newbert, 2008; Takeuchi et al., 2007) have observed that RBV's central principle is that firm resources should be valuable, uncommon, inimitable which consequently enhance organizational competitive advantage. Human resource has been identified to be the more valuable and inimitable organizational resource and hence key element of competitive advantage (Allen, & Wright, 2007; Boxall, & Purcell, 2003; Pfeffer, 1998). It was the traditional perspective that consider economies of scale, access to capital, and regulated competition as major sources of competitive advantage. The modern perspectives underscore Strategic human resource management as a key source of competitive advantage (Bamberger & Meshoulam, 2002). This view holds water, considering the current situation of progressive competitive global market, and the easiness with which technology, manufacturing processes, structure, and business strategy, can easily be acquired or imitated. Firms are then trying to understand how human resources of their organization can be managed for sustainable competitive advantage (Dyer, & Reeves, 1995).

RBV has become popular theory to ground current strategic management research and has made significant contribution RBV has made a substantial input to SHRM research

and strategic management (Wright, Dunford, & Snell, 2001). RBV has helped a lot in the development of SHRM research field (Wright, Dunford, & Snell, 2001). It has also been a backcloth against which much of the SHRM-based studies are carried out (Delery, 1998; Colbert, 2004). The reason for this is that RBV diverted the attention from focusing on external factor such as position of industry towards internal organizational resources as the basis for competitive advantage (Wright et al., 2001). Increasing adoption of internal resources as basis of competitive advantage has underscored the relevance of HRM' assumption that employees are of strategic importance to the success of organization. With this, RBV becomes the most common underpinning theory for SHRM research stream.

In the SHRM research, an issue emerged. The issue revolves around HR architectures and firm's human resource. HR architectures are used as tools in managing human capital while firm's human resource constitutes the human capital pool of the firm. According to Wright, McMahan and McWilliams (1994), firm's HR and HR architectures are not one and the same. RBV's concept of value, rareness, inimitability, and substitutability cannot be achieved through HR architectures but through human resource (i.e. human capital) of the firm since any HR architecture can be mimicked by competitors. Therefore, it was assumed that human capital pool high levels of skill and motivation can be a basis for organizational competitive advantage because the employees' skills and motivation will exhibit productive behavior (Wright, McMahan, & McWilliams, 1994). Real systems for the management of people to develop through distinctive historical routes and sustain interdependence among the constituents that competitors cannot easily mimic (Becker & Huselid, 1998). Organization continues to

get advantage overtime and employee behavior are stimulated through the people management system. Hence, the system is of importance to the organization.

Rationales behind adoption of RBV as the theory that ground the measurement and composition of HPWS with the aim of enhancing organizational performance include the fact that human capital is an embodiment of knowledge, skills, motivation, creativity, and behaviors in which HR architectures can help build up. Also, the theory is justified to ground this aspect of research because of the fact that flows of employees exists in the organization. Employees with their individual knowledge, skills, and abilities do move from one workplace to another but organization can control and influence this flow/movement through HR architectures. For example, the types of systems of rewards in the organization, culture, and other parts of HRM impact the level of employee's motivation in developing, sharing, and applying knowledge within the organization. Also, the dynamic processes by which organizations change or make renewal to themselves forms another rationale that depicts the relationship between the resource-based view of the organization and the HRM.

RBV posits that some firm's resources help enhance firm's goal, but the problem lies in the adoption in the appropriate resource that can help firm achieve its desired goals (Wade & Hulland, 2004). Research has affirmed the role of HRM in the achievement of firm's goals and objectives. The steps in attaining organizational success start from changing or renewing the human capital pool and changing employee behavior through HR architectures (Wright, Dunford, & Snell, 2001). HPWS is crucial to the enhancement of firm competencies (Lado, & Wilson, 1994), development of a skilled

workforce (Wright et al., 2001), and firm's human capital pool. HPWS would improve and enrich employees' KSAs, enhance employee's motivation, elicit employee productive behavior and consequently makes employees become a greater potential to form a basis of competitive advantage (Wright, McMahan, & McWilliams, 1994). In the long run, competitive advantage result in an enhanced performance (Newbert, 2008). As previously established, human resource constitutes an important firm's input injected into firm's production process and service-oriented work process to enhance performance.

As for the Ability-Motivation-Opportunity (AMO) model, performance of the firm can be expedited through three factors which are ability, motivation and opportunity. The first factor can be achieved through recruiting and selecting quality personnel. Jiang Lepak, Hu, and Baer (2012) asserts that ability of the firm's human capital can be enhanced through all-inclusive recruitment, rigorous selection, and broad training. The second factor can be accomplished through motivation-enhancing HR architectures such as developmental performance management, competitive compensation, incentives and rewards, extensive benefits, promotion and career development, and job security. The HR architectures such as job design, work teams, employee involvement, and information sharing constitutes what can be used to empower employees and give them opportunity which is the third factor. AMO model proposed that empowered and motivated employee with boosted KSAs would remain in the organization and record higher performance which consequently enhance higher organizational performance (Appelbaum & Kamal, 2000; Boxall & Macky, 2009; Browning, 2006; Gyensare & Asare, 2012; Wood & Wall, 2007).

Notably, AMO model, with inclusion of other factors such as context of study etc., underpinned the measurement/configuration of the HPWS system in this study.

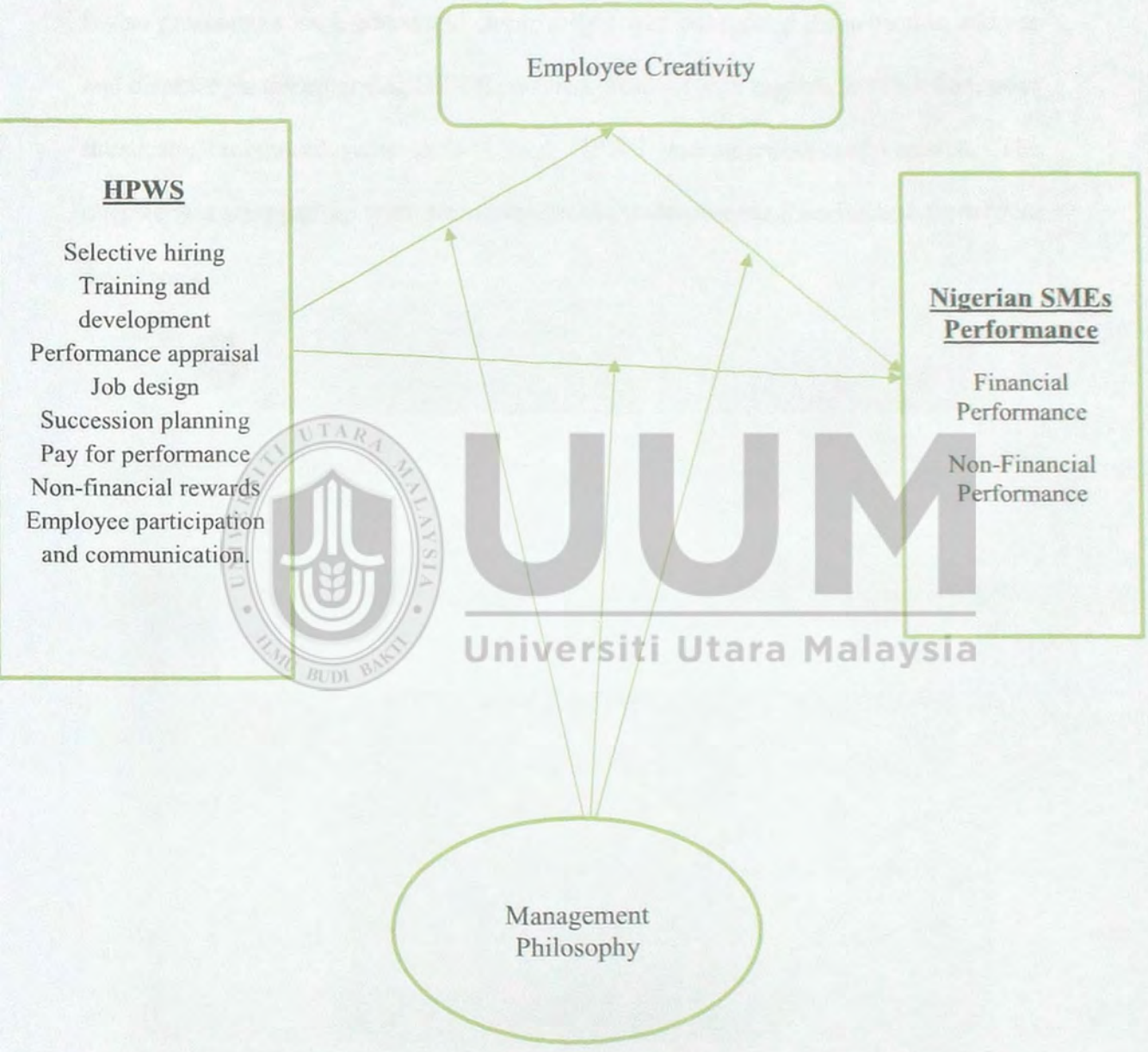

Figure 2.1
Theoretical Framework of the study

2.5 Recap and Conclusion

This chapter housed contextual background of the variables that constitute this research. It also presented a logic-based and empirically-based conceptual discussion to address and disentangle the emerging HPWS research problem with regards to black box, poor theorizing, methodological defects and HPWS measurement/configuration. The chapter was wrapped up with discussion on the underpinning theories and theoretical framework.

CHAPTER THREE

METHODOLOGY

3.1 Introduction

This chapter entailed the methodology of the study. It included twelve subsections of which this introduction is part. The second subsection discussed the research philosophy of the study, and the third and fourth subsections focused on hypotheses development and research design respectively. Population and sample size were presented under subsection five. Measurement of variables and instrumentation constitute the sixth and seventh subsections respectively. Control for measurement error and pilot study were discussed under the subsection eight and nine respectively. Data collection procedure and data analysis plan were expounded in subsection ten and eleven respectively. The whole chapter was wrapped up with the summary of the chapter as subsection twelve.

3.2 Research Philosophy

Guba and Lincoln (1994) described research philosophy (i.e. research paradigm) as a plain system or standpoint that guides the research. Research paradigm has two types: positivist paradigm and interpretive paradigm (Myers, 2009, 2013). Positivist paradigm which was a philosophical input of a French philosopher Auguste Comte (1798–1857) is also known as scientific paradigm (Koval, 2009; Mack, 2010; Moore, 2010). Positivist paradigm has become a commonly adopted research pattern in the field of social sciences (Neuman, 2011). It has been held by the adherents of the positivists

paradigm that social reality can be examined independent of the researcher (Scotland, 2012). Also, it is also posited that quantitative representation of social life can be done via determination of cause-effect nexus among variables through the process of correlation and experimentation (Creswell, 2009). Deductive inquiry is a tool in positivist paradigm (Tashakkori & Teddlie, 1998), and it involves testing theoretical-based and empirical-based hypotheses that indicate causal nexuses among variables (Bryman & Bell, 2007; Creswell, 2009; Deshpande, 1983; Perlesz & Lindsay, 2003). Also, deduction of generalized conclusions that enable theory appraisal is the target of deductive research (Bryman & Bell, 2007; Deshpande, 1983). Positivist paradigm is characterized with value-free science, precise quantitative measures, and investigation of causal theories with statistics. The proponents of positivist paradigm value the significance of replicating researches (Neuman, 2011).

On the other hand, an indication from Mack (2010) and Willis (2007) reveals that interpretive paradigm is a philosophical input from a German philosopher who is also mathematician, his name is Edmund Husserl (1859-1938). Interpretive paradigm which is otherwise known as anti-positivist or constructivist believes in qualitative representation of social life in which the social life is investigated via a collection of means, direct observation, interviews, and case studies etc. (Neuman, 2011). In the same vein, it is assumed by the interpretive paradigm that social life of human beings is one-sided, as against objectivity, and it is socially created since both the researchers and participants would interrelate to perceive a phenomenon from an individual's standpoint (Creswell, 2009; Guba & Lincoln, 1994).

In this moderated-mediation study, theorized structural model would be tested. It is theorized that High Performance Work System (HPWS) impacts Nigerian SMEs (Nigerian SMEs) performance via the mediating role of creativity and moderating role of management philosophy. The main objective of this study is to identify the contributory role of HRM in enhancing the Nigerian SME performance. This objective is then represented in the following sub-objectives:

- To investigate the impact of HPWS on Nigerian SME performance.
- To investigate mediating effect of creativity on HPWS-Nigerian SME performance nexus
- To investigate moderating effect of management philosophy on HPWS-Nigerian SME performance nexus.
- To investigate moderating effect of management philosophy on HPWS-creativity nexus.
- To investigate moderating effect of management philosophy on creativity-Nigerian SME performance nexus.

Twelve hypotheses were formulated and poised to be tested via structural model of PLS-SEM. This study is poised to verify and test the existing theory. Hence, deductive research approach was adopted, and the philosophical supposition of positivist paradigm are drawn upon and objectivism is also considered to stimulate ontological and epistemological positions of this study.

3.3 Hypotheses Development

In this subsection, nexuses among the variables of this moderated-mediation study were examined with aim of developing the hypotheses. This involved nexus between HPWS and organizational performance, and creativity as a mediator. Also, the moderating role of management philosophy will be tested. The hypotheses developed would be tested and the findings would be generated in order to make some recommendations and suggestions to researchers, practitioners and the stakeholders.

3.3.1 HPWS-Performance Nexus

Ismail, Halim and Joarder's (2015) recent study indicates that employee-oriented high-performance work system which is logically and empirically chosen would reflect the fact that SMEs' success heavily relies on the inputs of highly committed, well-motivated and qualified employees. HPWS whose configuration is underpinned by the motive to leverage human capital through acquisition, development, and motivation of best workforce has been found to impact higher performance. Quite good number of studies have shown HPWS to relate to organizational performance. A myriad of research (e.g. Arthur, 1994; Bae & Lawler, 2000; Guthrie, 2001; Huselid, 1995; MacDuffie, 1995; Sun, Aryee, & Law, 2007; Way, 2002) has established the impact of HPWS on operational and financial performance. Likewise, considerable studies (e.g. Macky & Boxall, 2007; Wang, Yi, Lawler, & Zhang, 2011) has affirmed certain mechanism through which HPWS impact financial performance.

Moreover, HR system that boosts employee competencies, commitment, and productivity is frequently referred to as HPWS (Appelbaum, Bailey, Berg, & Kalleberg, 2000; Datta, Guthrie, & Wright, 2005). Systems or bundles of HR practices are more influential than practices of individual in isolation (Arthur, 1994; Huselid, 1995; MacDuffie, 1995; Youndt, Snell, Dean, & Lepak, 1996; Bae & Lawler, 2000; Choi, 2014; Chuang & Liao, 2010; Demirbag, et al., 2014; Fan, et al., 2014; Shin & Konrad, 2014).

Furthermore, a number of meta-analytic studies has emerged. This research has established HPWS-Performance nexus. Prominent among them is the research titled "A High-Performance Work Practices Taxonomy: Integrating the Literature and Directing Future Research" by Posthuma et al. (2013). The research identified 61 HR architectures under nine taxonomies. Other meta-analytic research includes Combs et al.'s (2006) research. This research extends Huselid's work by drawing on 92 studies conducted between the period of 1990 and 2005 (Combs, et al., 2006). Huselid's (1995) work was on HPWS-performance nexus in a sample of almost 1000 US firms.

Yet, HPWS research is largely conducted in the western contexts (Boxall & Macky, 2009; Godard, 2004). Studies on HPWS in emerging economies (like Nigeria) are scanty (Gautam & Davis, 2007) as the available studies conducted in the context of SMEs do not focus on the effect of HPWS practices on performance (e.g. Chelliah, Sulaiman, & Yusoff, 2010; Farinda, Kamarulzaman, Abdullah, & Ahmad, 2009; Hashim & Zakaria, 2010; Hilmi & Ramayah, 2008; Jajri & Ismail, 2009; Radam, Abu, & Abdullah, 2008),

Also, most HRM studies have been focused on large organizations, and overlooked small organizations (e.g. Gringore, 2008; Bau & Dowling, 2007; Ukenna, Ijeoma, Anionwu & Olise, 2010; Daud, 2006; Hemdi, 2005; Osman, Ho, & Galang, 2011b; Othman, 2009; Othman, Abdul-Ghani, & Arshad, 2001; Rowley & Abdul-Rahman, 2007). There is dearth of research on HRM-SMEs relationship, most especially in the context of Nigeria (Ojukuku, 2012). The extent at which HRM theories are applicable to SMEs is yet unclear (Subramaniam, Shamsudin, & Ibrahim, 2011). Also, the findings of research in the context of large firms cannot be generalized and applied to SMEs since SMEs is different from large firms using the yardsticks such as economies of scale, liabilities of smallness, newness and scope, HR endowment, material endowment or financial resources (Cardon & Stevens, 2004; Fitzsimmons & Fitzsimmons, 2003).

Regarding SME performance, research (e.g. Porter, 1992) has shown that a blend of financial and non-financial measures to constitute performance measurement has become a widespread framework in many fields of study such as economics, strategy, finance and accounting. In addition, while it is almost impossible to offer a universal list of measures that can be realistic for all SMEs or organizations in the same industry (Brown & Laverick, 1994; Pawar & Driva, 1999; Morgan & Daniels, 2001), financial benchmark, in situations where emphasis is laid on adopting other measures, can be realistic and applicable (Bhimani, 1994; Richard et al., 2009).

Also, it was observed by Malina and Selto (2004) that substantial research evidence has demonstrated that both the financial benchmark and non-financial benchmarks have been adopted as indicators of organizational performance in the large organizations, but

only financial measures are favored by the organizations. However, research (e.g. Chadwick et al., 2013; Faems et al., 2005; Georgiadis & Patelis, 2012; Messersmith & Guthrie, 2010; Michie, Zubanov, & Sheehan, 2008; Ogunyomi & Bruning, 2015) has indicated that both the financial benchmarks and non-financial benchmarks are adopted and favored in small businesses.

Going by the above discussion, this research hypothesizes that:

H1. HPWS system positively influence Nigerian SME financial performance.

H2. HPWS system positively influence Nigerian SME non-financial performance.

3.3.2 HPWS-Creativity Nexus

Employee creativity is becoming more and more indispensable in the organization given the increasingly volatile environments, high levels of competition, and erratic technological change. Creativity denotes the extent to which employee develops ideas and demonstrates innovative behaviors in the accomplishment of his/her assigned tasks (Wang & Netemeyer, 2004). It also refers to the creation of a novel and fitting response, product, or solution to a flexible duty (Amabile, 2012).

Also, creativity denotes getting out of the comfort's zone of individual employee and then experimentation of new way or method of doing things with no fear of failure. This can be induced by selecting the HPWPs that would enhance employees' KSAs (Knowledge, Skills and Abilities), employees' empowerment via discretionary use of

time and talent and employees' motivation. Therefore, it is expected that the HPWS would result in creativity.

Research has noted creativity-performance nexus (e.g. Coelho, Augusto, & Lages, 2011; Gilson, 2008; Martinaityte, 2014). Likewise, studies have established HPWS-creativity interconnection (e.g. (Binyamin & Carmeli, 2010; Byron & Khananchi, 2012; Chang, Jia, Takeuchi, Cai, 2014; Martinaityte, 2014 etc.).

Martinaityte (2014) specifically highlighted the importance of vetting the impact of HPWS on creativity at organizational level. The researcher further posited that HPWS that is fraught excellent elements that can induce creativity. It was further buttressed that a well-equipped HPWS system dictates the behavioral nuts and bolts to the employees for them to effectively accomplish organizational strategy.

HPWS also offers the know-how, motivation, and opportunities to involve in these behaviors. High performance work practices (i.e. HPWS components) such as selective hiring and extensive training that focus on development of creative problem-solving skill can enhance workers' ability to generate alternative solutions (i.e. creativity-relevant skills) and product knowledge and customer service skills (i.e. domain-relevant skills), which are crucial to creativity in the organization. Creativity on the part of workers can be stimulated via performance appraisal and compensation that are creativity-oriented (Martinaityte, 2014).

Although some researchers (e.g. Mainemelis, 2001; Shalley et al., 2004) perceive creativity to be a process claiming that it would be a considerably favorable direction

for creativity research field to treat creativity as a process (i.e. an antecedent that influences organizational outcome), extant research in the creativity literature claims that creativity is an outcome to which certain factors contribute. Nevertheless, this study regards creativity as a process and as an outcome. It is in the regard of above exposition and the fact that much is not known in respect of the effect of HPWS on creativity in the contexts of service and non-service (Martinaityte, 2014), that the aim of this study is to investigate the nexus between HPWS and creativity. Considering the discussion so far, it is therefore hypothesized thus:

H3 There is a significant nexus between HPWS and creativity.

3.3.3 Employee Creativity-Performance Nexus

There have been some researchers (e.g. Binyamin & Carmeli, 2010; Shalley & Gilson, 2004) that have called for investigation in respect of creativity-performance nexus. A handful of scholastic studies has been able to look into creativity-performance nexus. The examples of such researches are Coelho, Augusto, and Lages (2011); Gilson (2008); Martinaityte (2014). These studies established the positive nexus between the two constructs. Raub and Liao (2012) and Sung and Choi (2012) found positive relationship between creativity and unit profit in the context service delivery and team financial performance in the Korean context respectively. Conversely, Gong, Zhou, and Chang (2013) pinned down a non-significant nexus between core knowledge employee creativity and a combined with measure of performance of firm in relation to competitors. Likewise, in the research carried out by Merlo, Bell, Menguc, and Whitwell (2006), it is discerned that creativity in respect of store does not correlate

significantly with retail store performance. However, it is discerned from the literature review that research on creativity-performance nexus are not only scanty but also inconsistent.

Regarding SME performance, as mentioned earlier, research has shown that a blend of financial and non-financial measures to constitute performance measurement has become a widespread framework in many fields of study such as economics, strategy, finance and accounting. Also, research (e.g. Chadwick et al., 2013; Faems et al., 2005; Georgiadis & Patelis, 2012; Messersmith & Guthrie, 2010; Michie, Zubanov, & Sheehan, 2008; Ogunyomi & Bruning, 2015) has indicated that both the financial benchmarks and non-financial benchmarks are adopted and favored in small businesses. Owing to the above argument, it is hypothesized that:

H4. There is a significant nexus between creativity and Nigerian SME financial performance

H5. There is a significant nexus between creativity and Nigerian SME non-financial performance.

3.3.4 Mediating Role of Employee Creativity

First and foremost, mediating variable, otherwise known as intervening or process variable, causes mediation in the connection between the exogeneous variable (i.e. independent variable) and the endogenous variable (i.e. dependent variable or outcome) (Baron & Kenny, 1986, Kenny, 2014, Muller et al.2005). In a typical mediational

research model, it is assumed that there is no direct nexus between exogeneous variable endogenous variable; rather the exogeneous variable, in the first place, influences the mediating variable, and consequently the mediator influences the endogenous variable. This is what is referred to as casual chain of effects which characterizes the connection between exogeneous variable and endogenous variable.

Given the tempo with which the world is getting globalized today, it has become imperative for the world nations to enhance their firms' performance via a more viable, well-informed, creative, and innovative workforce (Norasmah, et al., 2012), as this would consequently improve nations' economy. It has been observed that this period of globalization has been characterized with new paradigm involving knowledge society, knowledge workers, and knowledge economy (K-Economy), as observed by Moravec (2008). Thus, creativity has become necessary in this globalization period in which it is expected that economic competition will continue to intensify.

Furthermore, creativity involves any problem-solving attempt that involving searching for information to proffer alternatives solutions and come up with possible responses (Amabile, 1983; Perry-Smith, 2006). Any activity that challenges the intellect of individual which requires problem solving, risk taking, experimenting and constant learning makes up what is known as creativity. Creativity in the employees can be induced by motivation (Grant & Berry, 2011).

HPWS that is configured, based on the selected HR architectures in this study, to motivate employee would definitely stimulate employees, open them to challenges and

make them passionate about solving complex issues. Hence, employees engage in creative process which would consequently result in creative output.

HPWS instils in employees the behavioral prerequisites for implementing an the strategy for organization so also the provision of required motivation, skills and opportunities to engage in these behaviors. For example, selective hiring and training that is extensive (e.g., creative problem-solving) can foster the development of creativity-relevant skills (such as ability to generate alternative solutions) as well as the development of domain-relevant skills (such as product knowledge and customer service skills) necessary to demonstrate creativity in the work process.

In addition, performance appraisal and creativity-contingent compensation system signal the importance of creativity and therefore motivate employees to demonstrate this behavior. Job design features such as discretion in making decision that can give employees the freedom to adapt their sales approach to meet the unique needs of their customers. In support of these arguments, research has shown contextual or work environment factors such as job design, to relate to creativity (Amabile, 1996; Shalley et al., 2004).

As discussed previously, some researchers (e.g. Mainemelis, 2001; Shalley et al., 2004) perceive creativity to be a process claiming that it would be a considerably favorable direction for creativity research field to treat creativity as a process (i.e. an antecedent that influences organizational outcome). However, extant research in the creativity literature claims that creativity is an outcome to which certain factors contribute. In this

study, the two perspectives are adopted. In this regard, a process model of creativity is developed in which creativity serves as mediator.

Research has noted creativity-performance nexus (e.g. Coelho, Augusto, & Lages, 2011; Gilson, 2008). Likewise, studies have established HRM-creativity interconnection (e.g. (Binyamin & Carmeli, 2010; Byron & Khananchi, 2012; Chang, Jia, Takeuchi, Cai, 2014; Martinaityte, 2014); HRM-performance connection is pinned down too (e.g. Demirbag, et al., 2014; Fan, et al., 2014; Shin & Konrad, 2014).

For example, the findings of Gebauer, Gustafsson, and Witell's (2011) study, which was undertaken in the European-based manufacturing firms, indicate creativity-firm performance nexus. Due to the entrenched creativity and innovativeness culminated in producing new products and services, the firms have consistently recorded financial boom for more than three years.

Similarly, Weinzimmer, Michel, and Franczak (2011) undertook their research on creativity-performance nexus in 13 service firms, four manufacturing and four professional firms. It was found that creativity enhances firm performance of the selected firms. In addition, Sung and Choi (2012) did their research on creativity-performance nexus in the context of Korea, and they found that creativity positively impact financial performance. Substantial number of researches have established the positive influence of creativity on firm performance. These researches include, among others, Gong et al. (2013), Rubera and Kirca (2012), Coelho, Augusto, and Lages (2011), Gilson (2008), Martinaityte (2014).

Regarding HPWS-creativity nexus, research, such as Liu, Chen, and Yao (2011), Hammond et al. (2011), has extensively indicated that in an organizational setting where job autonomy, which is one of the core components of HPWS, is entrenched, definitely there would be higher levels of creativity. Hence, Martinaityte (2014) opined that it is imperative to consider the HR practice when bundling up HPWS. Also, Li, Zhao, and Liu's (2006) findings affirm positive relationship between HR practice, specifically training, and creativity. Shipton et al. (2006), in their research on UK manufacturing firms, found that Training, induction, team working, appraisal and exploratory learning predict creativity. In the study of Jiménez-Jiménez and Sanz-Valle (2008), HRM system including flexible job design and empowerment, team work, long-term and skill-oriented staffing, extensive-and long-term oriented training, broad career opportunities, behavior-based appraisal, and organic compensation system positively stimulate creativity and innovation.

In addition, Jiang, et al. (2012) examined the effect of hiring and selection, reward, job design and teamwork, training, and performance appraisal on employee creativity, and found that all the selected HR practices, excluding training and performance appraisal, have positive influence on employee creativity.

Moreover, going by Baron and Kenny's (1986) supposition, creativity is logically and empirically fit to be the mechanism (mediator) through which the identified lacunas will be resolved. Baron and Kenny's (1986) portended that there is possibility of having a particular construct to be a mediator if there is nexus between the construct, independent variable and dependent variable, and there is nexus between the

independent variable and dependent variable. This is also consistent with Hair et al.'s (2014) supposition and Preachers and Hayes's (2004; 2008) mediation procedures. As mentioned above, substantial set of studies have established relationships among HPWS, employee creativity, and organizational performance. Going by this, it can be proposed that creativity can play the role of mediator in HPWS-performance link, HPWS-creativity nexus, and creativity-performance nexus; as research has established the links between variables.

Moreover, it is noteworthy that the literature review has demonstrated that the research on mediating effect of creativity on HPWS-performance is very few and no research has been done in the context of Nigerian SMEs. It is therefore logical and empirical to hypothesize that:

H6. Employee creativity mediates the nexus between HPWS and financial performance.

H7. Employee creativity mediates the nexus between HPWS and non-financial performance.

3.3.5 Management Philosophy as a Moderator

As this research includes mediator (employee creativity), it also includes moderator (management philosophy) in this HPWS-Performance research model. This makes the research becomes a unique moderated mediation study, given the fact that concurrent integration of moderating and mediating variables in a single model is uncommon,

despite that some recent business studies have adopted moderating and/ or mediating variables. Based on this, Namazi and Namazi (2016) suggested that future business researchers should widen the scope of the research models in such a manner to incorporate both moderating and mediating variables to make good use of their interaction effects. Also, it has become a fact that moderator can be introduced when relationship between exogeneous variables and endogenous variables is strong or weak (Kim, Kaye, & Wright, 2001).

The context within which firm operates and the situation in which firm finds itself determine the kind of strategies, policies, aims etc. that will be adopted by such firm. Therefore, the functions of the HR department are contingent upon the situations of the firm regardless of the size of the firm. The internal and external environments in which the organization operates determine to a large extent the HR policies and practices (Schuler & MacMillan, 1984). The strategic orientations of firms also have bearing on the application of HR practices and effect on the firm's performance (Teo, Le Clerc, & Galang, 2011). HPWS systems can be destructive or helpful because the failure or success of HR systems depends on internal and external boundary conditions (Chadwick, Way, Kerr, & Thacker, 2013).

Furthermore, it has been indicated previously that relationship between HR practices (as independent variable) and performance (as dependent variable) is contingent upon the effect of a third variable called contingent variable. Such variables have effects on the HPWS-Performance nexus (Martin-Alcazar et al, 2005). Management philosophy, company size, company age, technology, degree of unionization, industrial sector,

ownership are examples of the contingent variables. These are also referred to as moderating variables (Paauwe, 2004).

Underpinned by contingency theory, many studies have emphasized the need to examine the contextual conditions moderating HPWS efficacy. For example, Dyer and Reeves (1995) observed that consistent research findings that establish a connection between HPWS and firm performance are considerable, despite the many methods to measuring HPWS, because other macro-level variables influence the relationship.

Also, considering internal fit or alignment in the organization, it has become the fact that HPWS components should be both vertically and horizontally fit and should be synergistically bundled up to produce higher organizational performance (Buller & McEvoy, 2012; Huselid, 1995; Subramony, 2009; Chadwick, 2010). However, this cannot be achieved without management philosophy, because management philosophy would be translated to firm's strategy, and consequently give rise to aligned HPWS. Scholars (e.g. Roche, 1999; Wood, 1999), in their writings, have consistently established that HPWS laden with firm philosophies or firm values should not consider employees as disposable factors of production, but it should consider employees as human assets which should be developed.

In the previous subsection, it has been suggested that SMEs should focus more on their human resources and design their firm strategies, organizational policies, industry business practices, and human resource management in such a way that will reflect, enable and enhance highly-motivated, highly committed, knowledgeable, skillful, and creative workforce, as this would consequently enhance human capital capabilities and

boost the SME performance. The reason is that employee roles as well effective employee management forms the basis for the survival and sustainability of small business and research evidence demonstrates heavy reliance of organizational success on employees' contributions (Ojokuku, 2012).

In HPWS research, it is common to see scholars that affirm the nexus between investment in HPWS and fundamental organizational philosophies or values (e.g. (Roche, 1999; Wood, 1999). This implies that HPWS program in the organization is shaped by the philosophies adopted by the management and values considered useful. It is assumed that HPWS mirrors unitarist perspective bordering on the fact that management and the employee should share common interest; there shouldn't be any divergent interests between the two. HPWS also recognizes pluralist values by providing mechanism such as employee involvement schemes that provide more opportunity for employee voice.

It is also assumed that management philosophy that is employee-oriented would reinforce the effectiveness of HPWS and in turn enhance performance (Marchington & Wilkinson, 2005). It has also been found that management ideologies or philosophies regarding employees have influence on the effectiveness of HPWS (Osterman, 1994). In the research conducted by Alas, Papalexandris, Niglas, and Galanaki (2011), it is signified that employee commitment hinges on managerial values elements. The implication is that top management to see to the welfare of employees as employees, in turn will show commitment to their respective jobs.

Moreover, it has been found that management ideologies or values regarding employees have influence on the effectiveness of HPWS (Osterman, 1994). However, it is discerned from the literature reviewed so far that there is lack of studies that have examined the moderating effect of management philosophy. In fact, only one research was discovered to have examined the moderating effect of the construct in the HPWS research field. The research is that of Heffernan (2012). She found that management philosophy has no moderating effect on the nexus between HPWS and organizational performance in the context of Ireland. It is noteworthy here that this finding may not be generalized, and there is need for more research to solidify the finding if at all it can hold water in other contexts.

With this, the fact that management philosophy that is employee-oriented would reinforce the effectiveness of HPWS and in turn enhance performance (Marchington & Wilkinson, 2005), and underpinned by contingency theory's supposition that the context within which organizations function matters most, it is therefore expected that employee-oriented management philosophy would moderate the nexuses among HPWS, employee creativity, Nigerian SME financial performance and non-financial performance in a positive manner, covering hypotheses 8-12. Therefore, this research hypothesizes that:

H8. The positive nexus between HPWS and Nigerian SME financial performance will be stronger for firms with high employee-oriented management philosophy.

H9. The positive nexus between HPWS and Nigerian SME non-financial performance will be stronger for firms with high employee-oriented management philosophy.

H10. The positive nexus between HPWS and employee creativity will be stronger for firms with high employee-oriented management philosophy.

H11. The positive nexus between employee creativity and Nigerian SME financial performance will be stronger for firms with high employee-oriented management philosophy.

H12. The positive nexus between employee creativity and Nigerian SME non-financial performance will be stronger for firms with high employee-oriented management philosophy.

3.4 Research Design

According to Zikmund, Babin, Carr, and Griffin (2010), research design was of three kinds: non-experimental design, experimental design and historical design. Non-experimental research design refers to the survey that includes interviews and questionnaires. Experimental design involves laboratory research and the historical research design involves using secondary data and observation.

Quantitative research approach (i.e. non-experimental research approach) was the adopted research approach in this study. The approach was adopted to investigate the structural nexuses among the variables of the study: HPWS, financial and non-financial organizational performance, management philosophy, and creativity. Partial Least Squares path modeling cum Smart-PLS was used to test the hypotheses of the study.

Furthermore, the design of this study was also cross sectional because data was collected once for the study, and it was analyzed and interpreted statistically to generate conclusion or make inferences in respect of the population of the study. Preference was given to cross sectional research design over others because it is cost-effective, time and money-saving (Punch, 2005; Saunders, Lewis, & Thornhill, 2009; Sekaran & Bougie, 2010; Wilson, 2010). Questionnaire is the tool through which data was collected, and this is considered apposite since it is a widely-adopted tool for data collection from large population that cannot be observed directly (Keeter, 2005).

3.5 Population and Sample Size

3.5.1 Population

A set of people of similar and common features that can be identified and examined by the researchers (Creswell, 2012). According to Sekaran and Bougie (2010), the data that is pulled together in a research setting for the purpose of examining the properties of such data is what is known as population. Population also refers to an array of interested subject of interest which will be investigated (Cavana, Delahaye & Sekaran, 2001). The population of this study, which is Lagos-based SMEs, was drawn from the recent and latest SMEDAN and National Bureau of Statistics Collaborative Survey: Selected Findings (2013). The survey reveals that the total Nigerian SMEs in Lagos state is 11,044.

Lagos state is prominent state in the southwest of Nigeria. This selection was underpinned by the fact that Lagos housed the largest number of SMEs which cut across

all the sectors of SMEs in Nigeria (SMEDAN, 2013; Lagos State Business Directory, 2013). Lagos is considered a significant Nigeria's zone for efficient, operation and sustainability of SMEs. In addition, according to the official statistics, Lagos's population is the highest in Nigeria as it represents five per cent of the entire country's population (Lagos State Government, 2016). It is also known as a commercial hub and port city of Nigeria. This unveils the reason for concentration of Nigerian SMEs in the state. It is not SMEs alone; it also houses the largest numbers of companies in Nigeria.

Given the nature of the current study, which involved HPWS, population of the study involves the high performing SMEs which are vigorously impacting the economy in terms of generating new jobs, productivity and raising the national GDP through the sales of their products/services within Nigerian, they are called High-growth SMEs, because they implement sophisticated HPWS.

3.5.2 Sample Size

According to Creswell (2012), sample is a subset of a larger population selected for the purpose of research. The finding from studying the sample can be generalized on the entire population. It also refers to the segment of a given population which is accessible for selection in some phases of the sampling process. Since it is impossible to gather data from all the components of an entire population, it is then rational to take sample that would reflect the entire population. Conducting research using sample usually produces better and dependable findings while fatigue is reduced and error in data collection is minimalized (Sekaran & Bogie, 2010). To avert cost of sampling errors that may affect the result of the research, selecting a correct sample size is germane.

Two errors usually emanate from selection of sample size: Type I error and Type II error. Due to small sample size, some hypotheses that are supposed to be accepted might be rejected. Hence, Type I error is committed. On the other hand, when large sample size is selected, Type II error would occur as some hypotheses that are supposed to be rejected may be accepted and weak relationship may rise to significant level (Sekaran, 2003). From this, it is discerned that more than 500 sample-size could be susceptible to Type II error. Type II error emerges when hypotheses get accepted due to larger sample size involved. Whereas, in real sense, those hypotheses might not be accepted. Likewise, weak relationship might be snowballed to become significant relationship.

Different researchers have come up with different methods of determining appropriate sample size. In the first place, power of statistical test will be considered. Power of statistical test refers to a process through which sample size should be determined. Power of statistical test is regarded a possibility that null hypotheses would not be accepted as it is really not a truth or a possibility of not accepting a particular effect size of a certain sample size at a certain alpha level (Cohen, 1988, 1992; Faul, Erdfelder, Lang, & Buchner, 2007). More so, researchers are unanimous on the fact that larger sample size results in greater power of a statistical test (Borenstein, Rothstein, & Cohen, 2001; Kelley & Maxwell, 2003; Snijders, 2005).

Power analysis is the statistical tool for the identification of correct sample size for research. A *priori* power analysis, in this study, is carried out via G*Power 3.1.2.9 software (Faul, Erdfelder, Buchner, & Lang, 2009; Faul et al., 2007). To conduct the

test, certain parameters are involved based on the recommendation of Cohen (1977). These are: Power (1-β err prob; 0.95), an alpha significance level (α err prob; 0.05), medium effect size f^2 (0.15) and three predictors of dependent variable which are HPWS, management philosophy, and creativity.

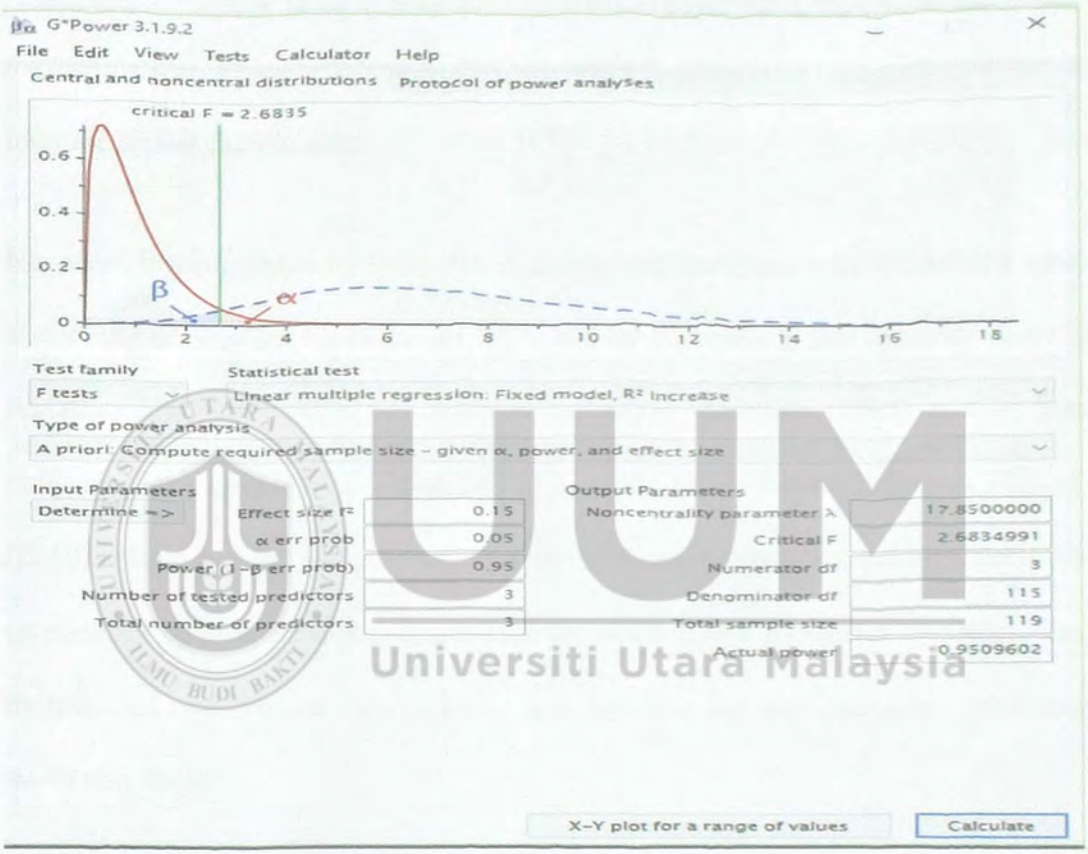

Figure 3.1
The Output of a Priori Power Analysis

From the figure 3.1 above, it is discernible that 119 sample-size was determined by the test to be appropriate for a multiple regression based statistical analysis of this study. However, the calculated sample size of 119 for such large Nigerian SMEs population appears to be insufficient. Therefore, it is deemed germane to try a different method for sample size determination.

Considered next is the Krejcie and Morgan's (1970) study on sample size determination. As mentioned earlier, Lagos state alone has 11,044 Nigerian SMEs. Based on Krejcie and Morgan's (1970) study, the sample of the study is 370. Moreover, in order to minimalize and abate sampling error, and to take care of non-response rate issues that may come up, it is suggested by Hair, Wolfinbarger and Ortinall (2008) that the sample size should be multiplied by two while Salkind (1997) suggested 40 per cent increase on the sample size.

However, it is suggested by Hair, Black, Babin, and Anderson (2010) that ideal sample size would be between the ranges of 100 – 400 for the research that adopt the Structural Equation Modelling (SEM) as analysis technique. Roscoe's (1975) rule of thumb indicates that a sample bigger than 30 and less than 500 is suitable. More so, Hair et al. (2010) opined that the sample size, in a multivariate research, should be several times (preferably 10 or more times) larger than the number of the research variables. Going by this, this research has four variables and therefore the required sample size should be 40 and above.

Having examined different methods of sample size determination, the deemed appropriate method is that of Krejcie and Morgan (1970), supported by Salkind (1997) as it caters for non-cooperative respondents. Therefore, determination of sample size in this study was underpinned by Krejcie and Morgan (1970) and Salkind (1997). Hence, the overall sample size is 518. This is also in consistent with the fact that the higher the sample the more accurate the result will be (Alreck & Settle, 1995). Eventually, this would ensure adequate representation of the population under study.

3.5.3 Sampling Technique

The essence of random sampling technique is to allow every object of the population to have equal chance of being chosen (Sekaran, 2003). It is also useful in neutralizing researcher's bias regarding the selection of sample objects (Salkind, 2003), and enhancement of high generalizability of the findings (Cavana, Dalahaye, & Sekaran, 2001). The adopted sampling technique of this study is proportionate stratified sampling technique since the study drew the samples from Nigerian SMEs that belong to diverse industries and involves larger population, whereas available resources are limited (Alvi, 2016).

Stratified sampling technique was deemed fit for this study because the technique would ensure equal distribution among the industries of Nigerian SMEs. 518 firms would be selected based on the stratified sampling technique. Some explanations underlie the adoption of proportionate stratified sampling technique: inaccessibility of the sample frame (Cooper & Schindler, 2009; Saunders et al., 2009); large population (Cooper & Schindler, 2009; Wilson, 2010), homogeneity within the group and heterogeneity across the groups of the population (Cooper & Schindler, 2009; Hair, Money, Samouel, & Page, 2007; Punch, 2005), unavailability of enough resources (time and money) for the researchers (Hair et al., 2007; Punch, 2005; Saunders et al., 2009; Sekaran & Bougie, 2010; Zikmund et al., 2010), and unavailability of practical sampling frame (Cooper & Schindler, 2009).

In the case of this study, the adoption of stratified sampling technique is due to large population as Nigerian SMEs totaled 11, 044. It is also due to homogeneity within the

managers of the Nigerian SMEs, and heterogeneity across the Nigerian SMEs which belong to different industries. Likewise, the researcher is constrained in terms of money and time. Hence, stratified sampling technique goes well with this study. The adopted sampling technique is also fitting as the population of this research has subdivision which requires to be treated as a stratum, as this will ensure estimates of known precision (Biemer & Lyberg, 2003; Sekaran, 2003). Likewise, the technique is more relevant for situations where unequal variability is anticipated from some strata; where a stratum or some strata appear to be too small or too large (Cavana *et al.*, 2001).

Stratified sampling technique involves some steps which start from the definition of population and ended with stratified sampling method. The population size of the current study is 11, 044. Then, the next step is determination of stratum which is based on the types industry and the levels within the firms. Industry-wise, the selected Nigerian SMEs cut across all the 13 industries of SMEs in Nigeria, as this will enrich generalizability of the result of the research.

The next step is the determination of an average number of population elements per strata. This is done by dividing the population size by the number of strata. For this study, the average number of population elements per strata is 850 (i.e. 11, 044/13). To be determined next is the percentage of respondents to be taken from each stratum. This is done by dividing the calculated sample size by the population of the study and then multiply by 100. For this study, 4.70 per cent (518/11,044*100) is the percentage of respondents to be taken from each stratum.

The next step in stratified sampling technique is the determination of the number of subjects in the sample. This is achieved by multiplying the total number of each element in the population by the calculated percentage. For this study, the number of subjects in the sample for the first stratum is 71 (i.e. 1500*4.70%) The result is presented in the table 3.2 below. These processes belong to stratified random sampling to guarantee an equal distribution of the respondents across the industries within which the Nigerian SMEs fall.

Table 3.1
Stratified Sampling of Respondents

S/N	Industry-Wise Strata	Total No. of Nigerian SMEs/Elements in the Strata	No. of Subjects in the Sample
1	Manufacturing	1500	71
2	Oil, Energy, Solar, Green-tech	1727	81
3	Food products & Beverages	1200	56
4	Agriculture	1150	54
5	Business Services	1356	64
6	Construction	550	26
7	Logistics & Packaging	200	9
8	Information and Communication	750	35
9	Financial Services	1500	71
10	Mechanical & Industrial Engineering	260	12
11	Arts, Entertainment and Recreation	285	13
12	Medical Practice & Equipment	276	12
13	Water Supply, Sewage, Waste Management	290	14
	Total	11044	518

The final step in the selected proportionate stratified sampling technique is systematic sampling which was employed in selecting the sample from the available strata. It started with the determination of the number of subjects/elements in the sample from the total number of Nigerian SMEs/elements in the identified thirteen strata (see Figure 3.1). Then, this was followed by random selection of 518 firms from the total 11,044 firms that make up the thirteen strata. This was done by selecting sampled firms from each stratum. The process of selection started with estimation of sampling fraction for each stratum, which was estimated by dividing the population size of each stratum (i.e. 1500 in the case of manufacturing stratum) by the sample in each stratum (i.e. 71 in the case of manufacturing stratum).

The estimated sample fraction for the manufacturing stratum is 21. Thus, one firm was selected in every 21 firms of the 1500 manufacturing firms that make up the stratum. To select the first firm, a random number table was used, and the first firm was 7th. So, every 7th in the list of 1500 of manufacturing stratum was selected as the respondents. In this way, the sample was composed of 7th, 28th, 49th 35th....1500th. The selected numbered elements were then approached and given the questionnaire to fill. The process was repeated for other strata.

3.5.4 Unit of Analysis

Three kinds of units of analysis are common to researches in the social science research field, namely; individual, organization and group units of analysis (Creswell, 2012; Kumar, Abdul Talib & Ramayah, 2013). This study aims to investigate the impacts of HPWS on Nigerian SME performance in order to proffer HRM-based solution the

performance-related challenges facing Nigerian SMEs. The information regarding the subject matter will be elicited from the management of the selected firms. Hence, the units of analysis for this research is organization. This means that the management of sampled Nigerian SMEs will be the respondents of the research.

3.6 Measurement of the Variables

This section presented the fitting, validated and recommended measures from the prior literature for the variables of this study. The dependent variable, independent variable, moderating variable, and mediating variable are measured via reflective measures which were either adopted or adapted from previous research. The whole survey contains a total number of 53 scaled items that were adapted to measure the constructs of the study. This is depicted in the table 3.2 below:

Table 3.2
Total of Scale Items used in this study

S/N	Constructs	Number of items	Source
1.	HPWS	29	Martinaityte (2014); Heffernan (2012).
2.	Management philosophy	5	Huselid and Rau (1997) and Datta et al., (2005)
3.	Employee creativity	7	Wang and Netemeyer (2004); Martinaityte and Sacramento (2013).
4.	Financial organizational performance	6	Ogunyomi and Bruning (2015); Lawal (2011)
5.	Non-Financial organizational performance	6	Ogunyomi and Bruning (2015); Lawal (2011)

The following subsections entail the operationalization of the above-mentioned variables.

3.6.1 HPWS

HPWS is conceptualized, in this study, as a harmonized combination of High Performance Work Practices (HPWPs), otherwise known as HR architectures (Posthuma, et al., 2013), that creates synergistic effects whereby particular practices strengthen one another to augment organizational efficiency and effectiveness (Horgan & Mühlau, 2006; Toh, Morgeson, & Campion, 2008). It also refers to a bundle of HR architectures configured to augment workers' skills, commitment, and productivity in such a way that workers become a source of viable competitive advantage (Datta, Guthrie, & Wright, 2005).

It is noteworthy that out of 31 items, 7 items were dropped from the measurement of HPWS. The reason for dropping them is to avoid tautology. Also, some are not relevant. For example, the item which states: Creativity is emphasized in induction training was dropped since there is an item that states: During the induction, creative approach to problem-solving is stressed. Likewise, the item "employees in our unit are recognized with monetary rewards for creative ideas" was dropped because monetary reward was not included in the HPWS measure of this study.

Moreover, all the items that constituted HPWS, except five items which were adapted from Heffernan's (2012) study to measure succession planning, were adapted from Martinaityte (2014). The rationale behind this is that the measurement was developed in the context of SMEs, and it has been tested to be reliable and valid. The scale has good discriminant properties (Martinaityte, 2014).

This construct is measured in this study by the following items:

Table 3.3
HPWS (29 items)

	Adapted Items
	Selective Hiring
1.	Our firm's recruitment stresses traits and abilities required for creativity.
2.	Our firm's recruitment stresses job-specific traits and abilities.
3.	Our firm gives preference to candidates' potential to learn.
4.	Our firm selects the best all-around candidates.
	Job autonomy/design
5.	In our firm, employees have plenty opportunity to decide how their work should be done.
6.	If a there is a problem in our firm, employees can take action to solve the problem.
7.	In our firm, employees possess little opportunity to use their own discretion in doing their work.
	Non-Financial Rewards and Pay-For-Performance
8.	In our firm, employees are recognized with non-monetary rewards for creative ideas.
9.	In our firm, employees are rewarded with public recognition for ideas that are creative.
10.	In our firm, employees' compensation is paid to employee on partially contingent basis for their individual performance or merit shown.
11.	In our firm, pay for performance is adopted in order to attract and retain employees.
	Performance Appraisal
12.	In our firm, employees receive developmental performance appraisal
13.	In our firm, performance appraisal is very much focused on the accomplishment of results
14.	In our firm, employees receive developmental feedback for their creative ideas.
	Employee Participation and Communication
15.	In our firm, programs are already designed for eliciting employees` participation and input.
16.	In our firm, employees are often asked by their supervisor to participate in decisions
17.	In our firm, employees are encouraged to suggest ways of improving in the way things are done.
18.	Relevant financial performance information and provided for employees.
19.	In our firm, relevant strategic information is provided for employees.
	Training and Development
20.	In our firm, employees training on generic skills that are not necessarily related directly to employees` job are provided for them

Table 3.3 (Continued)

	Adapted Items
21.	In our firm, unit employees are trained in a several ways to improve their skills to carry out their jobs.
22.	In our firm, unit employees receive training in solving job related problems
23.	In our firm, employees in our unit receive training in creativity
24.	During the induction, in our firm, creative approach to problem-solving is stressed
	Succession Planning
25.	In our firm, procedures used to determine employees' promotions is fair
26.	In our firm, considering an employee for a vacant in-house job position is done fairly and based on qualification of such employee.
27.	In our firm, promotions is usually depends on how well an employee performs in his/her job.
28.	In our firm, the supervisors do provide reasonable, timely and respectful information on all promotion opportunities available.
29.	In our firm, the supervisors treat the employees with honesty, respect and dignity during promotion opportunity.

Sources: Martinaityte (2014); Heffernan (2012).

3.6.2 Management Philosophy

In this research, management philosophy is operationally defined as organization's view of employees as an important strategic resource (Ostermans, 1994). It also means managers' thinking and managerial practices informed by managers' culturally-inherent belief regarding human nature and human behavior (Koprowski, 1981). It also involves the managerial values and it denotes the leadership style of the top management, and the existing corporate culture and values and the vision of the top management. It also refers to the values that are central, unique and lasting to the organization (Margolis, 2015). In this study, management philosophy is measured by the following items:

Table 3.4
Management Philosophy (5 items)

Adapted Items
1. This firm has a clear strategic mission that is well communicated and understood to the employee in the organization.
2. Management in this organization views employees as a strategic resource.
3. People issues are a top priority for management ahead of either finance or marketing issues.
4. Management views its employees primarily as a cost of doing business
5. Management look outside the organization (e.g. what competitors are doing) to identify people management trends and future needs.

Sources: Huselid and Rau (1997) and Datta et al., (2005).

3.6.3 Employee Creativity

Creativity denotes the extent to which employee develops ideas and demonstrates innovative behaviors in the accomplishment of his/her assigned tasks (Wang & Netemeyer, 2004). It also refers to the creation of a novel and fitting response, product, or solution to a flexible duty (Amabile, 2012).

Employee creativity was developed by Wang and Netemeyer (2004) to measure with a 7-item creative behaviors scale. This scale had been earlier validated in Lithuanian context (Martinaityte & Sacramento, 2013), and managers have assured that this scale was best suited to their context and that they were well positioned to rate the creativity of their direct reports.

Table 3.5
Employee Creativity (7 items)

	Adapted Items
1.	Employees in this firm accomplish their works in innovative ways
2.	Employees in this firm accomplish their tasks in ways that are resourceful
3.	Employees in this firm do come up with new ideas in their work
4.	Employees in this firm do generate and evaluate multiple alternatives for novel work-related problems
5.	Employees in this firm have fresh perspectives on old problems
6.	Employees in this firm do improvise methods for solving a problem when an answer is not apparent
7.	Employees in this firm accomplish do generate creative work-related ideas

Sources: Wang and Netemeyer (2004); Martinaityte and Sacramento (2013).

3.6.4 SME performance

Organizational performance, in this study, refers to the indicators that appraise how well the enterprise accomplishes its objectives (Ho, 2008). This involves financial and non-financial performance (Kaplan & Norton, 2000). Measures of both financial and non-financial performance were adapted from Ogunyomi and Bruning (2015) and Lawal (2011). Financial indicators include: profitability, financial strength, operating efficiency, performance stability, ability to raise capital, and level of indebtedness while non-financial indicators involve: public image and goodwill, employees' morale, adaptability. Innovativeness, customers' patronage, and growth rate of number of employees.

The measures of both financial and non-financial performance have since been tested and validated by Nigerian researchers including Christopher (2013a; 2013b), and

Ogunyomi and Bruning (2015). This subjective measurement of performance is premised on the fact that objective measurement is difficult as large numbers of SMEs are owned by individuals and have no legal obligation to reveal their information, and that some respondents are sensitive to release of financial data and may be unwilling to provide it (Ambler, Styles, & Wang, 1999; Atuahene, Gima & Li, 2002; Tse et al., 2004). Respondents were asked to rate the extent of strong-ness or weakness in terms of profitability, financial strength, operating efficiency, performance stability and other measures of financial and non-financial SME performance. Thus, both financial and non-financial organizational performance were measured by asking the respondent to rate their company's current performance in terms of the following items:

Table 3.6
Financial and Non-Financial Organizational Performance (12 items)

	Adapted Items
	Financial Organizational Performance
1.	In terms of profitability.
2.	In terms of financial strength.
3.	In terms of operating efficiency.
4.	In terms of performance stability.
5.	In terms of ability to raise capital.
6.	In terms of level of indebtedness.
	Non-Financial Organizational Performance
7.	In terms of public image and goodwill.
8.	In terms of employees' morale.
9.	In terms of adaptability.
10.	In terms of innovativeness.
11.	In terms of customers patronage.
12.	In terms of growth rate of number of employees.

Sources: Ogunyomi and Bruning (2015), and Lawal (2011).

3.6.5 Demographic Variable

In this study, demography consists of demographic information about the respondents and the firms to which they belong, and these include position of the respondents in their respected firms, years of operations of the respondents' firms, the industry to which the respondents' firms belong, number of employees in the respondents' firms, type of your respondents' company ownership, and the total annual operating expenses accounted for by labor costs in the respondents' firms. Underpinned by Heffernan's (2012) study that was done in the context similar to the context of this study, demographical variable, in this study, is measured in the following way:

Table 3.7
Demographic Variables

Demographic Background
1. Which of the following best describes your position in the company?
[ ] Executive Director; [ ] HR Manager; [ ] Marketing Manager; [ ] Others (specify): .....
2. Kindly tick the industry to which your firm belongs?
[ ] Agriculture; [ ] Food products & Beverages; [ ] Business Services; [ ] Construction & Building Materials; [ ] Logistics & Packaging; [ ] Oil, Energy, Solar, Greentech; [ ] Computer Software Engineering; [ ] Financial Services; [ ] Manufacturing; [ ] Information Technology, Services, IT, Telecommunications, Wireless & Mobile; [ ] Mechanical & Industrial Engineering; [ ] Medical Practice & Equipment; [ ] Other (Please specify_____)
3. How long has your firm been in operation in Nigeria? [ ] years.
4. Which of the following describes the type of your company ownership?
[ ] Sole proprietorship; [ ] Partnership; [ ] Private Limited Liability Company; [ ] Cooperative; [ ] Faith-Based Organization; [ ] others (specify): .....
5. What is the total number of employees in your company? [ ] 10 - 100 employees [ ] 101 – 150 employees [ ] 151 – 200 employees.
6. Which category best approximates the percentage of your total annual operating expenses accounted for by labor costs in your firm? (Please circle one category). (a) 5% - 25% (b) 26-50% (c) 51-75% (d) >75%.

3.7 Instrumentation

In an effort to present a comprehensive measurement of the constructs of this research, a multi-items scale was adapted for each and every construct. This is consistent with the observation made by Churchill (1979), and Peter (1979). The items were adapted in relation to the nature of this study and was validated via pilot study and the main study as well. In addition, the operationalization of constructs was done using a 5-point interval scale. The scale for all the constructs (with the exception of organizational performance) ranged from 1(strongly disagree) to 5(strongly agree). Organizational performance was scaled using a 5-point interval scale bordering on 1=Very Weak; 2=Weak; 3=Not Sure; 4=Strong; 5=Very Strong. However, demographical variable was measured as categorical variable. This kind of interval scale is deemed fit for this study, going by the suggestion of Zikmund and Babin (2010). Powerful statistical calculations (e.g. standard deviation, variance, etc.) can be easily performed if the scale used for an instrument is interval or of higher order (Zikmund & Babin, 2010).

3.8 Control for Measurement Error

Measurement error, which is, according to Hair et al. (2010), the level at which the constructs measured do not flawlessly define the latent construct(s) of interest, can take different forms. Measurement error occurs when errors is committed in the simple data entry. Likewise, when error occurs in the definition and operationalization of constructs. Measurement error can also arise from the responses of respondents. Respondent, when given the questionnaire, may responds that he does something in a

particular way whereas he does not actually behave in that manner. Also, scaling method can also be a source of measurement error.

In the bid to completely minimalize the measurement error in this study, interval scale was adopted for the items. Also, validity and reliability tests for both pilot test as well as for the main study are planned to be done so that measurement error would be absolutely minimalized. Face and content validity will be conducted during instrument development stage while convergent and discriminant validity will be conducted for the main study as this would indicate that the measures chosen for this study are working accurately. Part of it is the fact that structural equation modeling (SEM) also takes care of the measurement error in making the estimates of nexuses among the different constructs (Hair et al., 2010).

This study employed variance based SEM using Smart PLS 2.0 (Beta) software developed by Ringle, Wende, and Will (2005) which seeks to ensure that measurement errors are minimalized and duly taken care of, starting from the drawing the measurement model.

3.9 Content and Face Validity

Content validity is deemed necessary before distribution of survey to the prospective respondents. The reason is that it will guarantee that the dimensions and the indicators, which make up the variables of the study, are precisely and accurately doing their job. In other words, content validity ensures that the dimensions and items of a particular construct measure such construct with utmost adequacy and representativeness. Thus,

to ensure the utmost adequacy and representativeness of the variables of this study, the researcher carried out a content validity (i.e. pretest) by consulting four experts from UUM College of Business and one expert from the industry in Nigeria; their opinions were sought in respect of the suitability and representativeness of the constructs' measurement, as suggested by Hair et al. (2010) and Sekaran (2003). Also, they were also requested to look out for tautology, or underrepresentation of measures. The feedback from the consulted experts help-improved the survey, and most importantly, rewording of the items of the survey in a way that will be easily understood by the target respondents.

Besides, it was opined by Sekaran (2003) that face validity signifies that the indicators of the measured construct really and precisely measure the construct. Hence, to ensure face validity of the survey of this study, the instruments were shown to a number of potential respondents and their opinions were sought regarding the appropriateness of item statements and their wordings, instructions, general formatting, understandability of scales (as interval scales do not contain labeling throughout), and overall completeness of the instrument. The overall feedbacks were used to improve the survey before sending it out for the pilot test.

3.10 Pilot Study

Pilot study is meant to gauge the goodness of the measure to guarantee its consistency and dependability and thus establish the reliability and validity of measures before distributing the final questionnaire (Sekaran & Bougie, 2010; Zikmund et al., 2010). Hence it is necessary to carry out pilot study before data collection for the main study.

Cronbach's alpha method is the mostly-used reliability testing technique which signifies the internal reliability and consistency of the survey in the social science realm. The closer the consistency coefficient is to 1.00, the stronger the reliability and consistency of the survey (Sekaran, 2003). If the value of *Cronbach's alpha* is 0.6, it is observed to be acceptable but poor (Sekaran, 2003).

Pilot study is usually carried out on small sample of respondents in which the outcome of the test will assist the researcher to identify the vague items and then remove them before going for the main data collection. The suitable sample size for the pilot study can fall between 25 respondents and 100 respondents (Cooper & Schindler, 2009).

In this study, the process involved in the conduct of pilot study started with face and content validity as recommended by Hair et al. (2010) and Sekaran (2003). This was conducted, then distribution of the survey to 100 respondents among the sample of the study. Choice of 100 sample was in line with the fact that the bigger the sample size, the stronger is the results. In addition, sampling part of the sampled respondents of the study is underpinned by the observation of Pallant (2011) which posits that pilot test should be conducted on the same type of people that will be used in the main study to guarantee that instructions, questions and scale items are clear. Then, the process was ended by conducting convergent and discriminant validity test via PLS path modelling (Wold, 1974, 1985) by using Smart PLS 2.0 M3 software (Ringle, Wende, & Will, 2005).

To obtain convergent and discriminant validity of the study's constructs, PLS Algorithm was calculated, because it will calculate average variance extracted and the

composite reliability coefficients. The threshold for composite reliability coefficient is 0.70 (Hair et al., 2011) while threshold for Average Variance Extracted (AVE) is 0.5 (Fornell & Larcker, 1981). Also, to obtain an adequate discriminant validity, the square root of the AVE should be greater than the correlations among latent constructs (Fornell & Larcker, 1981). This is presented in the table below:

Table 3.8
Internal Consistency and Convergent Validity (N = 100)

Constructs	No. of Original Items	Cronbach Alpha	Item Deleted	AVE	Composite Reliability
Financial Performance	6	.860	Nil	.591	.896
Non-Financial Performance	6	.869	Nil	.598	.899
Non-Financial Reward	2	.872	Nil	.883	.938
Job Autonomy	3	.794	Nil	.663	.853
Performance Appraisal	3	.750	Nil	.667	.857
Employee Participation and Communication	5	.804	Nil	.563	.865
Pay-for-Performance	2	.776	Nil	.805	.891
Selective Hiring	4	.801	Nil	.628	.871
Succession Planning	5	.774	Nil	.526	.847
Training & Development	5	.815	Nil	.570	.868
Employee Creativity	7	.883	Nil	.589	.909
Management Philosophy	5	.905	Nil	.724	.929

Source: The researcher.

Table 3.8 showed that the composite reliability coefficient of each latent construct ranged from 0.847 to 0.938, each exceeding the minimum acceptable level of 0.700. Overall, this indicates adequate internal consistency and reliability of the measures used in this pilot study (Hair et al., 2011). Similarly, the table showed that the values of the average variances extracted (AVE) ranged between 0.526 and 0.883, signifying acceptable values. Regarding the discriminant validity, Table 3.9 below compared the correlations among the latent constructs with the square root of AVE.

Table 3.9
Latent Variable Correlations

	ECR	FP	HFP	HJA	HPA	HPC	HPF	HSH	HSP	HTD	MTP	NPF
ECR	**0.7674**											
FP	0.7178	**0.7686**										
HFP	0.0087	-0.0719	**0.9397**									
HJA	-0.0316	-0.0958	0.0544	**0.8142**								
HPA	0.6251	0.5443	0.0964	-0.0279	**0.8168**							
HPC	0.4271	0.4955	0.0341	-0.1271	0.6313	**0.7505**						
HPF	-0.1351	-0.0729	0.0386	-0.0357	-0.1865	-0.0565	**0.8971**					
HSH	0.5630	0.4989	-0.1098	-0.0754	0.6066	0.6202	-0.1164	**0.7926**				
HSP	0.4742	0.5509	0.0545	-0.1802	0.5224	0.6345	-0.0606	0.5691	**0.7250**			
HTD	0.4091	0.3793	0.2242	-0.0905	0.5338	0.6670	-0.0534	0.4281	0.5697	**0.7550**		
MTP	-0.0407	-0.0796	-0.0632	-0.0316	-0.0699	-0.0415	-0.1407	-0.1017	-0.1028	-0.0539	**0.8508**	
NPF	0.0771	0.0359	0.0037	0.1799	0.1298	0.0343	-0.0071	0.1220	-0.0466	-0.0046	0.0013	**0.7733**

In the table 3.9, the correlations among the latent constructs were compared with the square root of the average variances extracted (values in bold face), and the results indicate that the square root of the average variances extracted were all greater than the correlations among latent constructs. This signifies that there is an adequate discriminant validity (Fornell & Larcker, 1981).

3.11 Data Collection Procedure

This research collected data from the managers of the sampled Nigerian SMEs' firms. After the proposal defense, the questionnaires were administered by the researcher's enumerators, and the entire exercise took 3 months (June-August 2016). 518 respondents were sampled, and questionnaires were distributed to them. As part of the protocol, an official letter was collected from the Othman Yeop Abdullah Graduate School of Business (OYAGSB). The letter entailed introduction of the researcher and then presented the purpose of the research. The letter aims to facilitate data collection by enhancing the support of the sampled respondents for the researcher.

Furthermore, the questionnaire was packaged in a foolscap size envelope containing a cover letter and the questionnaire. The cover letter entailed the background, purpose of the study, and the instructions regarding the proper way to answer and return the questionnaire. It was also stated in the cover letter that the anonymity and confidentiality of the respondents would be maintained as this would enhance their willingness to participate in the survey.

Almost 25 days after distribution of the questionnaire to the respondents, 154 completed and usable questionnaires were received through the enumerators who were up and doing in making the exercise successful. This first set of completed questionnaires was labelled early responses and was further used in conducting non-response bias on the main study variables. Then, after 4 weeks, the enumerators went to the offices of various managers who have not completed and returned the questionnaires. Eventually, another 240 completed questionnaires were returned to the enumerators. This last set of the questionnaires was labelled late responses, and it was used for testing non-response bias. In sum, out of 518 questionnaires which were distributed to the target respondents, 394 were returned but only 372 were usable while 22 were incomplete, and they were removed.

It is nearly impossible to collect data without facing some kinds of challenges. The main challenge encountered during the course of data collection was not unconnected with the reluctance of the respondents to attend to the questionnaires, because some respondents do not want to share information about its workplace. But this issue was resolved by assuring the respondents that whatever information they divulge will be treated with utmost confidentiality. Lastly, the data collection exercise was successful.

3.12 Data Analysis Plan

This study planned to employ both descriptive analysis and inferential analysis. Descriptive analysis entails respondents' profile and demographic background of the respondents which will be presented by summing up the data and coming up with a myriad of tables. In this analysis, data are described by showing the frequency of

occurrence of various outcomes (Agresti & Finlay, 2009). Descriptive analysis, in this study, will be conducted via SPSS version 21. More so, before descriptive analysis, data screening will be done via SPSS to ensure suitability of the data for further analysis.

Conversely, inferential analysis which can be conducted via Variance-Based SEM (VBSEM) such as PLS-SEM is meant for making predictions based on the data. The level and direction of nexuses among the variables of the study can be spotted and identified through inferential analysis because inferential analysis examines all equations concurrently to identify any nexus. Also, inferential analysis takes care of measurement errors and smoothens the modeling of complex models. Inferential analysis via VBSEM is also fit to be adopted, given the fact that it can distinguish and measure with precision the reflective and formative measures.

In addition to the above facts, inferential analysis via VBSEM is now in vogue since the high impact journals are emphatically demanding for its adoption in the research, this study will adopt it for the second part of the analysis using VBSEM through Smart PLS 2.0 (Beta) software (Ringle et al., 2005). This decision is also underscored by the suggestion of Hair et al. (2010) which highlighted its use for highest precision.

Although the PLS path modelling is comparable to the conventional regression technique, it has the ability to concurrently examine both the nexuses among variables (i.e. structural model) and the nexuses among the indicators and their matching latent variables (i.e. measurement model) (Chin, Marcolin, & Newsted, 2003; Duarte & Raposo, 2010). In addition, PLS path modelling is considered suitable for the studies

that are exploratory in nature, prediction-oriented and extension of the standing theories (Hair, Ringle, & Sarstedt, 2011; Henseler, Ringle, & Sinkovics, 2009; Hulland, 1999).

Furthermore, unlike Analysis of Moment Structures (AMOS), the graphical user interface of the Smart PLS 2.0 M3 software is user-friendly and it is also an enabling avenue for the creation of moderating effect for path models with interaction effects. With this, the Smart PLS 2.0 M3 software becomes an admirable analysis tool (Temme, Kreis, & Hildebrandt, 2006, 2010).

Based on the above points, Smart PLS 2.0 M3 software was adopted for the conduct of inferential analysis of this study. The inferential analysis using Smart PLS 2.0 M3 software involves among others measurement model which connotes testing for convergent and discriminant validity (Hair et al., 2011; Henseler et al., 2009), structural model which includes standard bootstrapping procedure (Hair et al., 2011; Hair, Sarstedt, Ringle, & Mena, 2012; Henseler et al., 2009). In the structural model, the significance of the path coefficients, level of the R-squared values, effect size and predictive relevance of the model are used to be tested (e.g., Hair, Hult, Ringle, & Sarstedt, 2013). Testing for mediation and moderation is also part of the inferential analysis. All of the aforementioned will be conducted in this study.

3.13 Summary of the Chapter

This chapter has so far described the hypotheses development and overall research design of this study. It has explained the measurement, population, sampling, data collection procedures and techniques of data analysis. This study is cross-sectional

nature and the units of analysis are both management and employees. The adopted sampling technique was proportionate stratified random sampling technique and 518 respondents were sampled. Measurement scales for the variables of the study were adapted from the extant research and pilot was deemed necessary to be conducted to guarantee that measures are internally consistent and capable to perform their supposed roles. The analysis strategy involves descriptive analysis and inferential analysis via SPSS version 21 and Smart PLS 2.0 M3 software respectively. The next chapter, which is chapter four of this research, presented the descriptive analysis of the respondents for this study, inferential analysis, empirical results, key findings, and test of hypotheses of the study.

CHAPTER FOUR

RESULTS

4.1 Introduction

In this chapter, data analysis and the results were presented. The data analysis involved descriptive analysis and inferential analysis via SPSS version 21 and Smart PLS 2.0 M3 software respectively. Hence, this section of the study has two parts: initial data screening and preliminary analysis and inferential analysis. The initial data screening and preliminary analysis entails data entry and rewording of negatively worded items, missing value analysis, assessment of outliers, normality test, multicollinearity test, test for non-response bias, and common method bias/variance test.

Equally, the inferential analysis involves confirmation of second order constructs of the study and measurement model, which was done to determine the constructs' reliability, internal consistency reliability, convergent validity, and discriminant validity. It also includes structural model (i.e., significance of the path coefficients, level of the R-squared values, effect size, and predictive relevance of the model) and complementary PLS-SEM analysis involving testing of the mediating and moderating effects in the structural model. The chapter was wrapped up with the summary of hypotheses results.

4.2 Response Rate

With the help of the selected enumerators who were up and doing in getting reasonable response rate, 394, out of 518 questionnaires which were distributed to the target

respondents, were completely returned questionnaires, although only 372 were usable while 22 were incomplete and were removed. 394 out of 518 questionnaires represent overall response rate of 76 per cent, but 372 usable questionnaires represent a valid response rate of 72 per cent. Given Sekaran's (2003) viewpoint, which indicated that a response rate of 30 per cent is sufficient for survey, it can be confidently asserted that a response of 73 per cent is adequate for survey. The details were encapsulated in Table 4.1:

Table 4.1
Response Rate of the Questionnaires

Response	**Frequency**
No. of Distributed Questionnaires	518
Returned questionnaires	394
Returned and Usable Questionnaires	372
Returned and Excluded Questionnaires	22
Questionnaires not Returned	111
Response Rate	76%
Valid Response Rate	72%

4.3 Data Screening and Preliminary Analysis

Through preliminary data screening, possible breach of vital assumptions about the application of multivariate techniques of data analysis can be easily detected. Hence, preliminary analysis is crucial in any multivariate analysis (Hair et al., 2007).

In this study, the first step of preliminary data screening was coding and inputting of the returned and usable questionnaires via SPSS. As mentioned in the previous section, the returned and usable questionnaires are 372. Then, the negatively worded items in the survey were reverse-coded. There were only two negatively-worded items in the

survey. They are: HJA 3 and HPC 4. Following preliminary data screening, preliminary data analysis was carried out. This involves missing value analysis, assessment of outliers, normality test, and multicollinearity test (Hair, Black, Babin, & Anderson, 2010; Tabachnick & Fidell, 2007).

4.3.1 Missing Value Analysis

In SEM analysis, replacement of missing values cannot be overemphasized, because the available tools and techniques cannot function with missing values in the data set (Schumacker & Lomax, 2004). Also, the quality of data analysis is largely contingent on the correctness of data organization and its further conversion into a form appropriate for analysis (Kristensen & Eskildsen, 2010).

It is observed in the data set that certain cases have missing values; selective hiring had 4 missing values, employee participation and communication had 5 missing values, training and development had 2 missing values, employee creativity had 6 missing values, management philosophy had 6 missing values, financial performance had 4 missing values, and non-financial performance had 2 missing values. The overall missing data were 0.35 per cent, and it is less than 5 per cent (see Table 4.2), and thus non-significant.

Given the position of Schafer (1999) and Tabachnick and Fidell (2007) which indicates that missing rate of 5 per cent or less is non-significant, no item or case was deleted, and the missing values were replaced using mean substitution (Hair et al., 2010).

Table 4.2
Total and Percentage of Missing Values

Constructs	Number of Missing Values
Financial Performance	6
Non-Financial Performance	10
Non-Financial Reward	7
Job Autonomy	6
Performance Appraisal	3
Employee Participation and Communication	5
Pay-For-Performance	6
Selective Hiring	4
Succession Planning	8
Training & Development	12
Employee Creativity	8
Management Philosophy	8
Total	83 (out of 21, 948 data points)
Percentage	0.378%

4.3.2 Evaluation of Outliers

In a dataset, there can be some observations or a subset of observations which seems to be irregular. Such seemingly irregular observations are called outlier (Barnett & Lewis, 1994). Hair et al. (2010) described outliers as the values that have unusual attributes and differ totally from other values. This signifies that outliers are out-of-range values in a given dataset. Given this fact, it is held that the presence of irregular observations in the dataset, which is meant for regression analysis, can adversely affect the estimates of regression coefficients and consequently render the results inaccurate (Verardi & Croux, 2008). Presence of outlier in a dataset can be due to wrongful data entry.

In this study, efforts to detect outliers involves some steps. The first step was calculation of frequency via SPSS in which frequency was generated. The frequency table showed that no observation is found to be out of normal range. In addition, standardized values

with a cut-off of ±3.29 ($p < .001$) was calculated, as suggested by Tabachnick and Fidell (2007), in order to spot any univariate out-of-range value in the dataset. Based on this, Tabachnick and Fidell's (2007) standard, none of the observations is found to be univariate outlier.

Moreover, other aspect of outliers is multivariate outliers. Mahalanobis distance (D2) with a threshold of chi-square is 93.17 ($p = 0.001$) is normally used to spot this kind of outliers. Based on the threshold, none of the values in the data was found to be multivariate outliers. So far, no outlier was found in the entire dataset. Hence, no observation or a set of observations were deleted.

4.3.3 Normality Test

Although it was held in some past studies, which include Reinartz, Haenlein, and Henseler (2009), Wetzels, Odekerken-Schroder and Van Oppen (2009) and host of others, that PLS-SEM offers precise model estimations in situations with tremendously non-normal data, it has been lately recommended by Hair, Sarstedt, Ringle and Mena (2012) that normality test of data should be conducted. In addition, in a situation where there is highly skewed or kurtotic data, there can be rise in the bootstrapped standard error estimates, and this will consequently miscalculate the statistical significance of the path coefficients (Dijkstra, 1983; Ringle, Sarstedt, & Straub, 2012a).

Given the above argument, normality test of the data was carried out via graphical method (Tabachnick & Fidell, 2007). The choice of the method is underpinned by the fact that, according to Field (2009), in a large sample of 200 or more, it is more

important to look at the shape of the distribution graphically rather than looking at the value of the skewness and kurtosis statistics. Also, a large sample decreases the standard errors, which in turn inflate the value of the skewness and kurtosis statistics. So, a histogram and normal probability plots were vetted to confirm that normality assumptions were upheld as depicted in the figure 4.1 presented below:

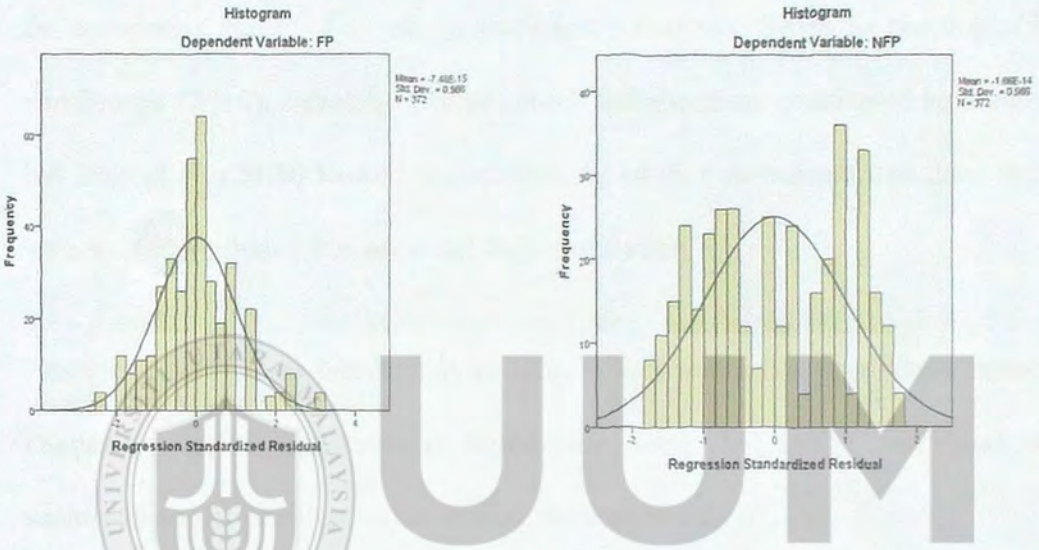

Figure 4.1
Histogram and Normal Probability Plots.

4.3.4 Multicollinearity Test

Multicollinearity refers to a condition in which high correlation exists between two or more exogenous latent constructs in a particular multiple regression model (Sekaran & Bougie, 2010). According to Tabachnick and Fidel (2007), existence of perfect correlation among exogenous latent constructs is the underlying assumption, but there shouldn't be multicollinearity among the constructs in the regression model, because it distorts the estimates of regression coefficients and their statistical significance tests (Chatterjee & Yilmaz, 1992; Hair, Black, Babin, Anderson, & Tatham, 2006). In

addition, multicollinearity is unwanted in the regression model because it amplifies the standard errors of the coefficients, which in turn render the coefficients statistically nonsignificant (Tabachnick & Fidell, 2007).

Two distinct techniques were adopted in this study to check for multicollinearity (Chatterjee & Yilmaz, 1992; Peng & Lai, 2012). The first technique involved vetting the correlation matrix of the exogenous latent constructs. Given the position of Sekaran and Bougie (2010), correlation values of 0.7 and above are considered high correlation. but Hair et al. (2010) looked at it differently as they postulated that inter-correlation values of more than 0.9 is regarded high correlation.

The result which was tabularized in Table 4.3 indicates that correlation matrix of all exogenous latent constructs is within the acceptable range, signifying that no multicollinearity problem exists among the constructs.

Table 4.3

Correlation Matrix of the Exogenous Latent Constructs

	HSH	HJA	HFP	HPF	HPA	HPC	HTD	HSP	ECR	MTP
HSH	1									
HJA	-.089	1								
HFP	-.154**	.063	1							
HPF	-.070	-.059	.044	1						
HPA	.547**	.047	.095	-.152**	1					
HPC	.613**	-.056	.019	-.062	.597**	1				
HTD	.312**	.008	.229**	-.035	.516**	.551**	1			
HSP	.528**	-.046	.054	-.031	.489**	.611**	.520**	1		
ECR	.448**	-.020	-.041	-.108*	.570**	.466**	.389**	.519**	1	
MTP	.022	.100	.100	-.020	.141**	-.056	-.045	-.058	.023	1

**. Correlation is significant at the 0.01 level (2-tailed).

*. Correlation is significant at the 0.05 level (2-tailed).

Besides, the second technique used to check for multicollinearity is by checking variance inflated factor (VIF) and tolerance value. Based on Hair et al.'s (2010), VIF values of more than 10 and the tolerance value of less than .10, indicate that multicollinearity problem exists in such a model. However, in this study, the result presented in Table 4.4 shows that there is no multicollinearity problem in the model as all VIF values were less than 5, and tolerance values surpassed .20.

Table 4.4
Multicollinearity Test

Constructs	Tolerance	Variance Inflation Factor
HSH	.497	2.012
HJA	.967	1.035
HFP	.856	1.168
HPF	.966	1.035
HPA	.438	2.284
HPC	.418	2.392
HTD	.555	1.801
HSP	.498	2.007
ECR	.585	1.709
MTP	.923	1.084

4.4 Non-Response Bias

Non-response bias denotes, according to Berg (2002), the common error which can stem from research's assessment of sample characteristics in which some respondents can be underrepresented as a result of non-response. As there is no minimum response rate below which a survey assessment is necessarily biased, so also there is no response rate above which it is never biased (Singer, 2006). In addition, it was opined by Pearl

and Fairly (1985), and Sheikh (1981) that there is likelihood of detecting bias in the non-response rate irrespective of its size. For that reason, checking for non-response bias becomes imperative. In doing this, Armstrong and Overton's (1977) extrapolation approach was adopted. This approach involves making comparison between the early and late responses from the sampled respondents, and based on the argument of the two scholars, late responses are comparable to no-response.

Following the adopted approach, respondents of this survey were divided into two distinct groups based on their responses to the survey which connotes both the exogenous latent variables and the endogenous latent variable involving high performance work system, employee creativity, management philosophy, and organizational performance.

The process of data collected began with the distribution of questionnaires to the respondents early June, but some questionnaires were returned early while some were returned early August. Thus, two groups of responses: early response and late response. Early responses represented the questionnaires that were returned late June while late responses involved the questionnaires which were returned early August. The two groups of responses were compared, although late response is perceived to be a sample of non-respondents to the early response and it is presumed to be representing non-respondent group (Miller & Smith, 1983).

The results of independent-samples t-test, as shown by Table 4.5, indicated that the equal variance significance values for each of the variables of the study were greater than the 0.05 significance level of Levene's test for equality of variances, and going by

the position of Pallant (2010) and Field (2009), the assumption of equal variances between early and late responses has not been violated. Therefore, it can be established that non-response bias was not a major concern in this study. This is also affirmed by the fact that this study achieved 74 per cent response rate, which is over and above what was suggested by Lindner and Wingenbach (2002). Hence, the issue of non-response bias does not appear to be a major concern in this research.

Table 4.5
Results of Independent-Samples T-test for Non-Response Bias

Constr.	Group	N	Mean	Std. Deviation	Levene's Test for Equality of Variances F	Sig.
HSH	1 Early Response	132	12.59	2.571	2.730	.199
	2 Late Response	240	11.59	3.110		
HJA	1 Early Response	132	9.47	1.423	.000	.988
	2 Late Response	240	9.58	1.299		
HFP	1 Early Response	132	5.47	1.040	.009	.924
	2 Late Response	240	5.54	1.066		
HPF	1 Early Response	132	6.82	.739	.061	.805
	2 Late Response	240	6.73	.715		
HPA	1 Early Response	132	8.91	1.892	.016	.899
	2 Late Response	240	8.46	2.049		
HPC	1 Early Response	132	15.14	3.986	2.176	.141
	2 Late Response	240	14.77	3.476		
HTD	1 Early Response	132	14.09	3.892	1.104	.294
	2 Late Response	240	14.46	3.800		
HSP	1 Early Response	132	15.35	3.433	.495	.482
	2 Late Response	240	15.09	3.484		
ECR	1 Early Response	132	24.72	4.517	4.250	.140
	2 Late Response	240	24.67	4.174		
MTP	1 Early Response	132	16.67	2.979	.262	.609
	2 Late Response	240	16.29	2.819		
FP	1 Early Response	132	20.77	3.721	.698	.404
	2 Late Response	240	20.96	3.548		
NFP	1 Early Response	132	23.21	2.152	.052	.820
	2 Late Response	240	22.44	2.183		

4.5 Common Method Variance Test

Common method variance (CMV) denotes variance which occurs as a result of measurement method rather than the constructs of the study (Podsakoff, MacKenzie, Lee, & Podsakoff, 2003). CMV is referred to as mono-method bias. Scholars are unanimous on the fact that common method variance has become a main concern for the researchers who adopt self-report surveys (Lindell & Whitney, 2001; Podsakoff et al., 2003; Spector, 2006). CMV can cause exaggerated relationships among the variables of the study (Conway & Lance, 2010).

To curtail CMV's effect, some steps were taken. Part of the steps taken was reduction of respondents' evaluation apprehension by telling them there is no right or wrong answer to the items in the survey, and that their answers will be treated with utmost confidentiality. In addition, there was an improvement on the scale items by using simple, specific, and concise language, and avoiding unclear terms.

Moreover, Harman's single factor test, which was proposed by Podsakoff and Organ (1986), was employed to examine common method variance. This was done by subjecting all the variables of the study to PLS measurement model analysis which covers the common exploratory factor analysis. This was done in order to ascertain the number of factors that are essential to account for the variance in the variables (Podsakoff & Organ, 1986). The output of the model analysis indicated that common method bias is not a major concern and there is not tendency that there would be high correlations among variables of this study.

4.6 Descriptive Statistics: Profile of Respondents

As depicted in Table 4.6 below, this section presented demographic information about the respondents and the firms to which they belong, and these include position of the respondents in their respected firms, years of operations of the respondents' firms, the industry to which the respondents' firms belong, number of employees in the respondents' firms, type of your respondents' company ownership, and the total annual operating expenses accounted for by labor costs in the respondents' firms.

Table 4.6
Descriptive Analysis of Demographic Data

Demography	Indicators	Frequency	Percentage
Position	Executive Director	137	37
	HR Manager	44	12
	Marketing Manager	94	25
	Others (e.g. Supervisor, line manager)	97	26
	Total	372	100
Industry	Agriculture, Food Products, Bus Service	147	40
	Construction, Logistics, Oil Energy	83	22
	Computer, Financial, Manufacturing	46	12
	Information Tech, Mechanical, Medical	39	11
	Others	57	15
	Total	372	100
Operation's Year	1 - 10 Years	147	40
	11 - 20 Years	83	22
	21 - 30 Years	50	13
	31 - 40 Years	39	11
	41 and above	53	14
	Total	372	100
Ownership	Sole Proprietorship	169	45
	Partnership	70	19

Table 4.6 (Continued)

Demography	Indicators	Frequency	Percentage
	Private Limited Liability Company	82	22
	Cooperative	19	5
	Faith Based Organization	20	5
	Others	12	3
	Total	372	100
Staff	<100 Employees	348	94
	101-150 Employees	16	4
	151-200 Employees	8	2
	Total	372	100
Labor Cost	<25%	183	49
	26-50 %	129	35
	51-75%	52	14
	>75 %	8	2
	Total	372	100

The above Table 4.6 indicated that 137 (37%) respondents, out of 372 respondents who finally made it to analysis, are executive directors in their respected firms. 94 (25%) and 44 (12%) of them are marketing managers and HR manager respectively. The remaining 97 (26%) respondents are either supervisors or line managers. Regarding the industry to which the respondents' firms belong, 147 (40%) firms among the 372 respondents' firms adopted for analysis belong to Agriculture, Food Products, and Business Service industries. While 83 (22%) firms belong to Construction, Logistics, Oil Energy, 46 (12%) and 39 (11%) belong to Computer, Financial, Manufacturing and Information Tech, Mechanical, Medical respectively. The remaining respondents' firms, which are 57 (15%) in numbers, belong to Arts, Entertainment and Recreation or Water Supply, Sewage, Waste Management industries.

As far as years of operations of the respondents' firms are concerned, majority of the firms, constituting 147 (40%), have been operating for a decade or less. 83 (22%) firms' years of operation ranged between 11-20 years, and 50 (13%) firms' years of operation ranged between 21-30 years. While 39 (11%) firms' years of operation ranged between 31-40 years, 53 (14%) firms have been in operation for more than four decades. In addition, the selected firms have different forms of ownership structure, 169 (45%) firms are owned by individual owners (sole proprietors), 70 (19%) firms are owned by two or more people called partners (partnership). A total of 82 (22%) firms among the selected firms are Private Limited Liability Companies, but 19 (5%) firms are cooperative companies. As 20 (5%) firms are faith-based organizations, the remaining 12 (3%) firms are franchise-based business.

Concerning the number of employees in the respondents' firms, 348 (94%) firms have 100 employees or less. While 16 (4%) firms have between 101-150 employees, the remaining 8 (2%) firms have between 151-200 employees. Moreover, the total annual operating expenses accounted for by labor costs in 183 (49%) respondents' firms are 25% or less, while that of 129 (35%) firms ranged between 26-50 per cent. While 52 (14%) firms' total annual operating expenses accounted for by labor costs ranged between 51-75 per cent, only 8 (2%) firms have the total annual operating expenses accounted for by labor costs of more than 75 per cent.

In sum, it can be fathomed from the above exposition that the respondents varied substantially in terms of their backgrounds, and this implies that the data used in the

study was from the respondents of diverse demographic backgrounds, and thus enriching generalizability of the result of the research.

4.7 Descriptive Analysis of the Latent Constructs

To recapitulate and explicate the core characteristics of the data set from the viewpoint of the respondents on each and every construct of this study, a descriptive analysis was conducted. This is consistent with the fact that the descriptive statistics of dimensions explained through mean, standard deviation, variance, etc. collectively seek to offer a researcher a general view regarding how the survey respondents have responded to the survey instrument used in the study (Sekaran & Bougie, 2010).

Table 4.7
Descriptive Statistics for Latent Variables

Latent Constructs	No. of Items	Mean	St. Deviation
Selective Hiring	4	5.94	0.965
Job Autonomy	3	4.54	0.943
Non-Financial Reward	2	5.51	1.056
Pay-for-Performance	2	6.76	0.724
Performance Appraisal	3	5.62	0.984
Employee Participation and Communication	5	4.90	0.964
Training & Development	5	5.33	0.831
Succession Planning	5	5.18	0.863
Employee Creativity	7	4.69	0.793
Management Philosophy	5	5.43	0.878
Financial Performance	6	4.89	0.706
Non-Financial Performance	6	3.71	0.800

As depicted in Table 4.7, all variables and their dimensions possessed a mean ranging from 3.71 to 6.76, and the standard deviation of all dimensions ranged from 0.71 to 1.06. These values of overall mean and standard deviation for all the variables and their

dimensions are quite acceptable. Hence, it can be proven that the responses of the respondents clearly indicate an acceptable and satisfactory level of implementation with regard to all dimensions involving selective hiring, job autonomy, non-financial reward, pay-for-performance, performance appraisal, employee participation and communication, training & development, succession planning, employee creativity, management philosophy, financial performance, and non-financial performance.

4.8 Partial Least Square (PLS) Structural Equation Modeling Approach

In addition to what had been explicated previously in section 3.12, adoption of PLS-VBSEM for testing of hypotheses was borne out of the fact that PLS- VBSEM has been considered as prediction oriented (facilitating theory development). Although Covariance-Based SEM (e.g. AMOS, LISREL) approach has been widely adopted in the previous studies, presently considerable numbers of scholars have begun adopting PLS-VBSEM, given its advantages which include ability to estimate models which have got more variables than the observations when the focus is on theory development or prediction (Dijkstra & Henseler, 2012); lack of factor indeterminacy or convergence issues (Henseler, 2010); relatively simpler distributional assumptions (Reinartz, Haenlein, & Henseler, 2009); and ability to measure formative constructs (Haenlein & Kaplan, 2004).

Apart from the fact that this study was poised to make prediction, this study's model is complex in nature as it contains independent and dependent variables, moderating and mediating variables. This rationalized the adoption of PLS-VBSEM using Smart PLS 2.0 (Beta) software developed by Ringle et al. (2005) to statistically explicate the

nexuses among the dimensions of independent variables and the dependent variables, along with the mediating as well as moderating variables. Highly complex models with many latent and manifest variables can be estimated via PLS, because it can easily estimate hierarchical models, or moderating and mediating effects (Chin, Marcolin, & Newsted, 2003). PLS, as posited by Wold (1985), is suitably useful for complex models whereby the prominence shifts from individual variables and parameters to sets of variables and aggregate parameters. Also included as part of the PLS-SEM merits is the fact that, as mentioned by Ringle et al. (2012), PLS-SEM enhance the already standing good reporting practices in disciplines such as management, marketing etc.

Moreover, this study adopted a two-step process to estimate and report the results of PLS-SEM path, as recommended by Henseler, Ringle and Sinkovics (2009). The adopted two-step process are assessment of a measurement model and assessment of a structural model. Measurement model is usually estimated via factor analysis while structural model is commonly estimated via path analysis (Lee, Peter, Fayard, & Robinson, 2011).

Furthermore, higher-order models often involve testing second-order structures which contains two layers of components (Hair, Hult, Ringle, & Sarstedt, 2013). In the present study, two constructs (i.e. high-performance work system [HPWS] and organizational performance) are multi-dimensional and should be measured as second order constructs. HPWS contains eight dimensions while organizational performance has two dimensions. This study aimed to test the nexus between the two constructs. Based on the calculation perspective, this cannot be achieved except through the latent variable

scores of both constructs in which the dimensions will become indicators of the constructs in question.

4.9 Measurement Model (Outer Model) Evaluation

Using Smart PLS, measurement model was examined, and it involved determination of individual item reliability, internal consistency reliability, convergent validity and discriminant validity (Hair, Hult, Ringle, & Sarstedt, 2017; Hair et al., 2014; Hair et al., 2011; Henseler et al., 2009).

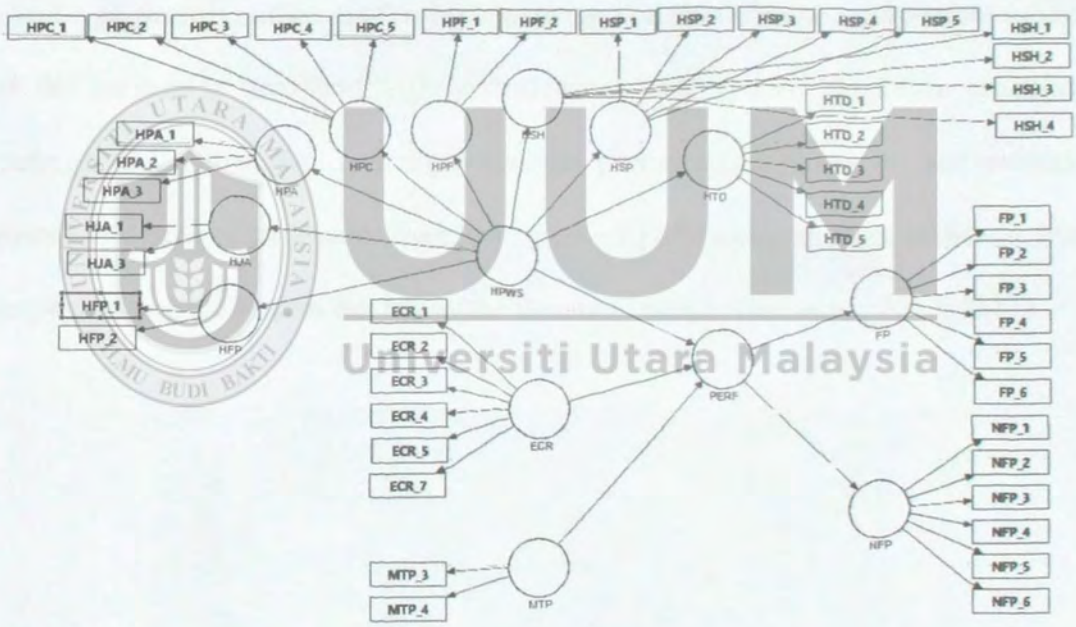

Figure 4.2
Measurement Model

4.9.1 Content Validity

The essence of content validity, as described by Hair et al. (2010), is to indicate the suitability and capability of items (i.e. indicators) spawned for a particular construct in measuring the main concept in a given research. Going by the position of Bohrnstedt

(1970) and Vinzi, Lauro, and Tenenhaus (2003), Principal Component Analysis (PCA) method is the method that should be adopted for measuring the basic factor structure of the items constituting a certain construct. PCA is embedded in Smart PLS and factor loadings were created for all items in it. Although it might have been theoretically proved in the literature review, it is basically required that all items must show highest loading values on their respective constructs than that on other constructs.

As depicted in Table 4.8 below, the indicators showed highest values on their respective constructs as compared to their loadings on other constructs. Likewise, the indicators entail significantly and acceptably high loadings, and thus affirming the content validity of the constructs involving high performance work system, employee creativity, management philosophy, and organizational performance. However, one indicator from job design, 3 indicators from management philosophy and one indicator from employee creativity items fell below the threshold of 0.5 (Hair et al., 2010; 2011).

Table 4.8
Cross Loadings of the Items

Items	ECR	FP	HFP	HJA	HPA	HPC	HPF	HSH	HSP	HTD	MTP	NFP
ECR_1	**0.723**	0.434	0.064	-0.070	0.363	0.304	-0.200	0.371	0.393	0.347	0.145	0.068
ECR_2	**0.832**	0.689	-0.070	-0.003	0.468	0.325	-0.070	0.395	0.366	0.267	0.054	0.159
ECR_3	**0.824**	0.662	-0.074	-0.083	0.521	0.471	-0.114	0.459	0.460	0.350	-0.034	0.094
ECR_4	**0.691**	0.532	0.053	0.014	0.460	0.398	-0.056	0.307	0.336	0.387	-0.015	-0.049
ECR_5	**0.771**	0.524	0.026	-0.019	0.344	0.329	-0.046	0.347	0.386	0.397	0.107	0.009
ECR_7	**0.748**	0.527	0.061	0.028	0.526	0.316	-0.152	0.384	0.402	0.471	0.123	0.060
FP_1	0.680	**0.837**	-0.036	-0.076	0.462	0.412	-0.001	0.517	0.550	0.312	0.137	0.008
FP_2	0.661	**0.758**	-0.074	-0.115	0.499	0.373	-0.056	0.378	0.416	0.303	0.191	0.143
FP_3	0.654	**0.810**	0.027	-0.033	0.521	0.423	-0.065	0.390	0.489	0.400	0.123	-0.054
FP_4	0.485	**0.722**	-0.083	-0.072	0.332	0.232	-0.063	0.323	0.349	0.328	0.175	0.027
FP_5	0.535	**0.815**	-0.073	0.011	0.375	0.460	0.007	0.393	0.446	0.298	0.054	0.036
FP_6	0.409	**0.677**	-0.180	-0.106	0.389	0.409	-0.082	0.329	0.296	0.127	0.063	0.059
HFP_1	-0.049	-0.060	**0.914**	0.099	0.037	0.019	0.052	-0.105	0.034	0.200	-0.017	0.035
HFP_2	0.032	-0.095	**0.966**	0.040	0.106	0.044	0.046	-0.156	0.069	0.247	0.061	-0.032
HJA_1	-0.096	-0.093	0.023	**0.824**	0.010	-0.057	0.026	-0.085	-0.192	-0.023	0.096	0.103
HJA_3	0.030	-0.054	0.084	**0.896**	-0.063	-0.134	-0.169	-0.074	-0.106	-0.110	0.166	0.169
HPA_1	0.489	0.523	0.061	0.093	**0.793**	0.517	-0.165	0.462	0.402	0.457	0.265	0.106
HPA_2	0.465	0.434	0.174	-0.001	**0.820**	0.509	-0.092	0.434	0.437	0.494	0.088	0.163
HPA_3	0.491	0.424	-0.020	-0.162	**0.843**	0.625	-0.170	0.528	0.481	0.480	0.024	0.024
HPC_1	0.307	0.345	-0.033	-0.060	0.389	**0.678**	-0.007	0.529	0.534	0.446	-0.041	0.148
HPC_2	0.434	0.449	0.059	-0.045	0.594	**0.777**	0.064	0.546	0.360	0.515	0.082	0.041

Table 4.8 (continued)

Items	ECR	FP	HFP	HJA	HPA	HPC	HPF	HSH	HSP	HTD	MTP	NFP
HPC_3	0.302	0.440	-0.050	-0.110	0.542	**0.823**	-0.137	0.520	0.550	0.518	-0.091	-0.019
HPC_4	0.258	0.208	0.070	-0.173	0.427	**0.689**	-0.127	0.410	0.447	0.435	-0.156	0.039
HPC_5	0.438	0.407	0.097	-0.054	0.553	**0.760**	0.106	0.502	0.514	0.525	0.077	-0.008
HPF_1	-0.110	-0.082	0.044	-0.010	-0.118	-0.004	**0.821**	-0.072	0.007	-0.009	-0.014	-0.184
HPF_2	-0.127	-0.032	0.048	-0.127	-0.180	-0.032	**0.958**	-0.095	-0.080	-0.054	-0.037	0.087
HSH_1	0.339	0.387	-0.211	-0.122	0.466	0.436	-0.086	**0.784**	0.352	0.253	0.066	0.163
HSH_2	0.350	0.435	-0.136	-0.144	0.451	0.542	-0.113	**0.829**	0.483	0.344	0.067	0.027
HSH_3	0.474	0.418	-0.118	-0.028	0.531	0.573	0.033	**0.832**	0.475	0.387	0.218	0.192
HSH_4	0.371	0.340	0.003	0.000	0.366	0.534	-0.139	**0.677**	0.541	0.465	0.065	-0.034
HSP_1	0.450	0.486	0.136	-0.130	0.329	0.405	-0.068	0.384	**0.755**	0.499	-0.015	0.112
HSP_2	0.394	0.464	0.038	-0.147	0.421	0.528	-0.059	0.514	**0.781**	0.403	0.023	-0.080
HSP_3	0.365	0.327	0.002	-0.155	0.268	0.467	-0.086	0.400	**0.708**	0.367	-0.134	-0.087
HSP_4	0.352	0.419	0.045	-0.070	0.528	0.511	0.054	0.491	**0.725**	0.476	0.116	-0.108
HSP_5	0.301	0.330	-0.012	-0.114	0.405	0.440	-0.061	0.387	**0.697**	0.366	0.047	0.016
HTD_1	0.145	0.088	0.219	0.048	0.187	0.229	-0.010	0.050	0.179	**0.614**	-0.067	0.035
HTD_2	0.243	0.164	0.203	-0.069	0.413	0.444	-0.213	0.197	0.378	**0.738**	-0.135	-0.033
HTD_3	0.369	0.368	0.170	0.005	0.519	0.530	0.079	0.373	0.477	**0.763**	0.027	-0.001
HTD_4	0.481	0.373	0.129	-0.146	0.490	0.622	-0.061	0.514	0.564	**0.832**	0.051	-0.023
HTD_5	0.422	0.347	0.237	-0.087	0.483	0.524	0.024	0.453	0.457	**0.805**	-0.010	0.055
MTP_3	0.003	0.094	0.053	0.054	0.057	-0.052	0.064	0.081	-0.018	-0.166	**0.734**	0.043
MTP_4	0.098	0.162	0.013	0.179	0.166	-0.011	-0.081	0.137	0.032	0.071	**0.916**	0.063

Table 4.8 (Continued)

Items	ECR	FP	HFP	HJA	HPA	HPC	HPF	HSH	HSP	HTD	MTP	NFP
NFP_1	0.041	-0.016	0.095	0.364	-0.019	-0.052	0.034	0.054	-0.145	-0.182	0.075	**0.717**
NFP_2	0.107	0.070	0.024	0.370	0.085	0.042	0.039	0.067	-0.081	-0.051	0.117	**0.854**
NFP_3	0.143	0.104	-0.059	-0.050	0.178	0.122	0.037	0.163	0.097	0.126	-0.019	**0.811**
NFP_4	-0.089	0.018	0.025	-0.077	0.081	0.025	-0.024	0.036	-0.029	0.062	0.031	**0.756**
NFP_5	0.085	0.000	-0.032	0.128	0.040	-0.012	-0.052	0.034	-0.093	-0.052	0.110	**0.743**
NFP_6	0.031	-0.048	-0.061	0.053	0.119	0.039	-0.128	0.131	-0.041	0.046	0.004	**0.788**

4.9.2 Convergent Validity

Normally, convergent validity of the constructs holds when the measures of the constructs are firstly proved to be related to each other theoretically. This should be solidified statistically via content validity analysis involving three types of estimations: factor loadings, composite reliability (CR), and average variance extracted (AVE), given the position of Hair et al. (2010) which indicates that factor loadings, composite reliability (CR), and average variance extracted (AVE) are used to establish convergent validity. This was done in the present study.

As depicted in Table 4.9 below, all the indicators' loadings were checked out, found to be higher 0.50, and thus acceptable in the literature of multivariate analysis (Fornell & Larcker, 1981; Hair et al., 2010). The next values examined were that of convergent reliability which shows the extent to which the indicators steadily seek to indicate the latent construct (Hair et al., 2010). The composite reliability values for all constructs are above the threshold value of 0.70 (Fornell & Larcker, 1981; Hair et al., 2010) ranging between 0.814 and 0.938, and thus confirmed the convergent reliability of the constructs of the study.

To conclude the convergent validity test, the average variance extracted (AVE), which refers to the level of common variance among the latent construct indicators of a given research (Hair, Anderson, Tatham, & Black, 1998), was checked out and found to be higher than the threshold of 0.50 (Fornell & Larcker, 1981; Hair et al., 2010). As indicated in Table 4.9, the AVE values ranged between 0.538 and 0.884. Thus, the

results which were discerned from the constructs' loadings, convergent reliability, and AVE affirm the internal consistency and convergent validity of the constructs of this study.

Table 4.9
Internal Consistency and Convergent Validity

Constructs	Items	Loadings	AVE	CR	CA
Employee Creativity	ECR_1	0.723	0.587	0.895	0.859
	ECR_2	0.832			
	ECR_3	0.824			
	ECR_4	0.691			
	ECR_5	0.771			
	ECR_7	0.748			
Financial Performance	FP_1	0.837	0.596	0.898	0.863
	FP_2	0.758			
	FP_3	0.810			
	FP_4	0.722			
	FP_5	0.815			
	FP_6	0.677			
Non-Financial Reward	HFP_1	0.914	0.884	0.938	0.875
	HFP_2	0.966			
Job Autonomy	HJA_1	0.824	0.741	0.851	0.655
	HJA_3	0.896			
Performance Appraisal	HPA_1	0.793	0.671	0.860	0.755
	HPA_2	0.820			
	HPA_3	0.843			
Participation and Communication	HPC_1	0.678	0.559	0.863	0.801
	HPC_2	0.777			
	HPC_3	0.823			
	HPC_4	0.689			
	HPC_5	0.760			
Performance Pay	HPF_1	0.821	0.796	0.886	0.768
	HPF_2	0.958			
Selective Hiring	HSH_1	0.784	0.613	0.863	0.787
	HSH_2	0.828			
	HSH_3	0.832			
	HSH_4	0.677			
Succession Planning	HSP_1	0.755	0.538	0.853	0.785
	HSP_2	0.781			
	HSP_3	0.708			

Table 4.9 (continued)

Constructs	Items	Loadings	AVE	CR	CA
	HSP_4	0.725			
	HSP_5	0.697			
Training & Development	HTD_1	0.613	0.569	0.867	0.814
	HTD_2	0.738			
	HTD_3	0.763			
	HTD_4	0.832			
	HTD_5	0.805			
Management Philosophy	MTP_3	0.734	0.689	0.814	0.572
	MTP_4	0.916			
Non-Financial Performance	NFP_1	0.717	0.608	0.902	0.874
	NFP_2	0.854			
	NFP_3	0.811			
	NFP_4	0.756			
	NFP_5	0.743			
	NFP_6	0.788			

4.9.3 Discriminant Validity

The essence of discriminant validity is to check the construct validity of the outer model in which it should certify that the measures which shouldn't be related, are really not found related after conducting the analysis. It also denotes each measure is more related to its own respective constructs than to other constructs. As posited by Chin (2010), and Fornell and Larcker (1981), conducting discriminant validity test involves checking out the square roots of average variance extracted (AVE), which should be more than 0.50, with correlations among the constructs of the study.

As depicted in Table 4.10 below, the diagonal values, indicating the square root of AVE of the respective constructs, are higher than the other values of the column and the row in which they are positioned, and thus confirming the discriminant validity of the outer

model. Given this result and the fact that the valid constructs do provide conclusions which in to bring about generalization of research findings, it is logical to posit that the subsequent analyses' results, most especially testing of hypotheses, will be valid and reliable.

In sum, having confirmed content validity, convergent validity, and discriminant validity of the constructs of this research, it can then be claimed that the construct validity has been established in this study.

Table 4.10
Discriminant Validity Analysis

Indicators	ECR	FP	HFP	HJA	HPA	HPC	HPF	HSH	HSP	HTD	MTP	NFP
ECR	**0.766**											
FP	0.746	**0.772**										
HFP	0.001	-0.086	**0.940**									
HJA	-0.029	-0.083	0.066	**0.861**								
HPA	0.587	0.559	0.083	-0.036	**0.819**							
HPC	0.468	0.501	0.037	-0.116	0.674	**0.748**						
HPF	-0.133	-0.054	0.051	-0.096	-0.174	-0.025	**0.892**					
HSH	0.495	0.507	-0.144	-0.091	0.581	0.672	-0.096	**0.783**				
HSP	0.508	0.556	0.058	-0.166	0.539	0.644	-0.056	0.598	**0.734**			
HTD	0.471	0.386	0.242	-0.083	0.582	0.655	-0.043	0.468	0.578	**0.754**		
MTP	0.074	0.161	0.033	0.156	0.147	-0.031	-0.032	0.137	0.016	-0.020	**0.830**	
NFP	0.083	0.046	-0.006	0.162	0.116	0.050	-0.004	0.110	-0.044	0.006	0.066	**0.779**

Note: HSH: Selective Hiring; HJA: Job Autonomy; HFP: Non-Financial Reward; HPF: Pay-for-Performance; HPA: Performance Appraisal; HPC: Employee Participation and Communication; HTD: Training & Development; HSP: Succession Planning; ECR: Employee Creativity; MTP: Management Philosophy; FP: *Financial Performance; NFP: Non-Financial Performance.*

4.10 Confirming Second-Order Construct

Having done with the construct validity of the study, the next effort is to provide proof that will give support to the theoretical model as represented in the structural portion of the model (Chin, 2010). Also, higher-order models often involve examining second-order structures which contains two tiers of components (Hair, Hult, Ringle, & Sarstedt, 2013).

In the present study, the independent variable (i.e. high-performance work system [HPWS]) and organizational performance are multi-dimensional and should be measured as second order constructs. HPWS contains eight dimensions while organizational performance has two dimensions. This study aimed to test the nexus between the two constructs. Based on the calculation perspective, this cannot be achieved except through the latent variable scores of both constructs in which the dimensions will become indicators of the constructs in question. Other constructs of the study (i.e. employee creativity and management philosophy) are treated as first order constructs measured directly by their respective set of items.

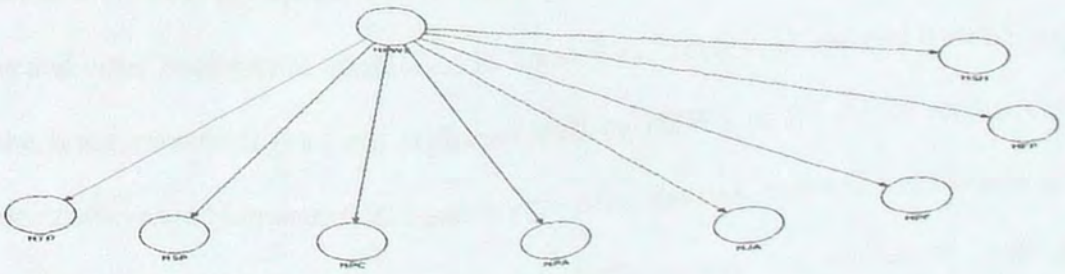

Figure 4.3
HPWS as a second order construct

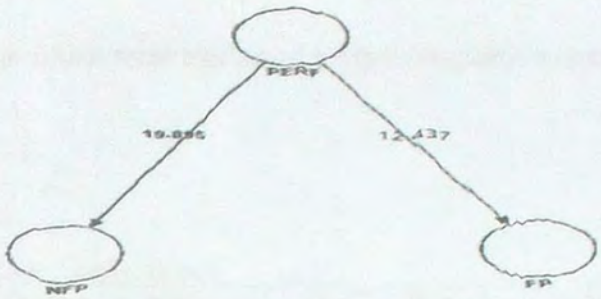

Figure 4.4
Organizational Performance as a second order construct

Besides, given the position of Byrne (2010) which indicate that considering first order constructs and getting them theoretically defined by the second order construct, they would have to be expounded properly by the second order construct and should be remarkably different from each other. This implies that before estimation of the research model, it should be ascertained that the first order constructs are considered adequately qualified to be conceptually defined by the second order construct in the study.

Given the above exposition, HPWS and organizational performance were considered second order construct as established in Table 4.11. Table 4.11 showed that the eight first order constructs (i.e.) are explained well by HPWS as R^2 values for the eight constructs ranged between 0.222 and 0.719. Also, the two first order constructs (i.e. financial performance and non-financial performance) are explained well by organizational performance as R2 values for the two constructs are 0.306 and 0.456. With what was depicted by Table 4.11, it is evidential to assert that the constructs are

of distinct nature, and thus establishing HPWS and organizational performance as second order constructs which were explained by their respective constructs in the first order.

Table 4.11
Second-order Construct Confirmation

2nd-order Construct	1st-Order Construct	Beta	St. Errors	T-Value	P-Value	R^2
HPWS	HFP	0.548	0.048	11.506	0.000	0.301
	HJA	0.471	0.054	8.799	0.000	0.222
	HPA	0.780	0.023	33.768	0.000	0.608
	HPC	0.848	0.016	51.455	0.000	0.719
	HPF	0.517	0.063	8.147	0.000	0.267
	HSH	0.762	0.028	26.810	0.000	0.581
	HSP	0.797	0.023	34.452	0.000	0.635
	HTD	0.813	0.019	42.360	0.000	0.661
Organizational Performance	FP	0.553	0.044	12.437	0.000	0.306
	NFP	0.675	0.034	19.895	0.000	0.456

P <0.01

Note: HSH: Selective Hiring; HJA: Job Autonomy; HFP: Non-Financial Reward; HPF: Pay-for-Performance; HPA: Performance Appraisal; HPC: Employee Participation and Communication; HTD: Training & Development; HSP: Succession Planning; ECR: Employee Creativity; MTP: Management Philosophy; FP: Financial Performance; NFP: Non-Financial Performance.

4.11 Evaluation of Effect Size

As part of structural model evaluation, effect size should be examined. According to Chin (1998), effect size refers to the relative effect of a specific exogenous latent variable(s) (i.e. independent variables) on a specific endogenous latent variable (i.e. dependent variable) by means of changes in the R-squared (Chin, 1998). It is estimated as the increase in R-squared of the latent variable to which the path is linked, relative to the latent variable's proportion of unexplained variance (Chin, 1998). So, the formula below can be used to estimate effect size [f^2] (Hair et al., 2013):

$$F^2 = \frac{R^2 \text{ included} - R^2 \text{ excluded}}{1 - R^2 \text{ included}}$$

Given what was suggested by Cohen (1988), f2 values of 0.02, 0.15, and 0.35 stand for small, medium, and large effects respectively (Hair et al., 2013). Table 4.13 depicted the exogenous constructs' effects on their respective endogenous constructs which were considered to calculate effect size.

According to Table 4.12, the endogenous variable (Financial performance) was explained by HPWS and employee creativity with effect size (f2) are 0.11. and 0.54 respectively, and thus indicating small and large effect size of the respective two exogenous variables. Likewise, in Table 4.13, the second endogenous variable (non-financial performance) was explained by HPWS and employee creativity with effect size (f2) of 0.10. and 0.52 respectively, and thus indicating small and large effect size of the two respective exogenous variables on their endogenous variable.

Table 4.12

Effect Size on the first endogenous variable (Financial Performance)

Exogenous Construct	**R^2 incl.**	**R^2 excl.**	**F^2**	**Effect Size**
HPWS	0.600	0.556	0.11	Small
Employee Creativity	0.600	0.385	0.54	Large

Table 4.13

Effect Size on the second endogenous variable (Non-Financial Performance)

Exogenous Construct	**R^2 incl.**	**R^2 excl.**	**F^2**	**Effect Size**
HPWS	0.590	0.553	0.10	Small
Employee Creativity	0.590	0.377	0.52	Large

4.12 Evaluation of Predictive Relevance of the Model

Data analysis via PLS SEM requires that the researchers should rely on measures which will indicate the predictive abilities of the model with the purpose of estimating the quality of the model (Hair et al., 2010). Besides, predictive quality of a model can be measured (Fornell & Cha, 1994; Hair, Sarstedt, Ringle, & Mena, 2012) through cross-validated redundancy measure which is represented as Q2, a frequently found sample re-used method (Geisser, 1974; Stone, 1974).

Moreover, Fornell and Cha (1994) opined that a model is considered to have predictive validity if the redundant communality is bigger than zero for all endogenous variables, if otherwise, a model is held to have no predictive relevance. The process of estimating predictive relevance of a model in PLS software involves blindfolding technique in which the estimation of parameters is by excluding some of the data and by handling them as missing values (Fararah & Al-Swidi, 2013), and then processing the estimated parameters so as to rebuild the raw data which were assumed previously as missing and consequently create general cross-validating metrics (Q2) (Chin, 1998). However, given the position of Chin (2013), there can be various forms of Q2 subject to the form of desired prediction. When the primary latent variable score cases are used for predicting data points, a cross-validated communality is obtained, but a cross-validated redundancy is obtained when the latent variables which predict the block in question are used for predicting the data points (Chin, 1998; Duarte & Raposo, 2010).

In Table 4.14 below, the cross-validated redundancies for the endogenous variables (financial and non-financial performance) are 0.084, 0.200, and 0.148. These values

reflect adequate predictive capabilities of the model based on Fornell and Cha (1994) criteria which necessitated these values to be larger than zero.

Table 4.14
Predictive Quality Indicators of the Model

Constructs	R^2	Cross-Validated Communality	Cross-Validated Redundancy
Financial Performance	0.600	0.993	0.590
Non-Financial Performance	0.590	0.993	0.587

4.13 Overall Model's Goodness of Fit (GoF)

To offer validated conclusion regarding structural model of PLS-SEM and to provide constructive indication for universal application of this study's PLS model, it is deemed fitting to estimate Goodness of Fit (GoF before delving into structural model evaluation. Estimating GoF for PLS path modelling denotes the geometric mean of the average communality and average R^2 for the endogenous constructs (dependent variable) (as shown in the formula provided below). In addition, to enhance the validity of this research's PLS model, GoF value was estimated based on the rules and formula created by Wetzels, Odekerken-Schroder and Van Oppen (2009).

$$GoF = \sqrt{(\overline{R^2} \times \overline{AVE})}$$

Table 4.15
Goodness of Fit (R2 and Corresponding AVEs of Endogenous Constructs)

Construct	R^2	AVE
Financial Performance	0.595	0.596
Non-Financial Performance	0.590	0.608
Geometric Mean	0.593	0.602
Goodness of Fit		**0.597**

Table 4.15 presented the result of GoF, which is 0.597. Considering the baseline values set by Wetzels et al. (2009) in which 0.1, 0.25 and 0.36 equals small, medium and large respectively, it can be inferred that the result of GoF, in this study, indicates an adequacy of global PLS model validity.

4.14 Structural Model (Inner Model) Evaluation and Hypothesis Testing

Having done with the measurement model evaluation, the next step involved checking out the standardized path coefficients through which for the hypothesized nexuses will be tested. Also, the accuracy of the estimates and significance tests will be done via bootstrapping technique which is rooted in Smart PLS software as recommended by Chin (1998), and Tenenhaus et al. (2005).

4.14.1 Hypothesis Testing and Path Coefficients for Direct Hypotheses

As depicted in Table 4.11, PLS algorithm was run to generate the path coefficients and bootstrapping with a number of 5000 bootstrap samples and 372 cases was also run to examine significance of the path coefficients (Hair et al., 2014; Hair et al., 2011; Hair et al., 2012; Henseler et al., 2009). The purpose of running the model with all variables was to establish the results of direct nexuses originating from the research objectives of this study.

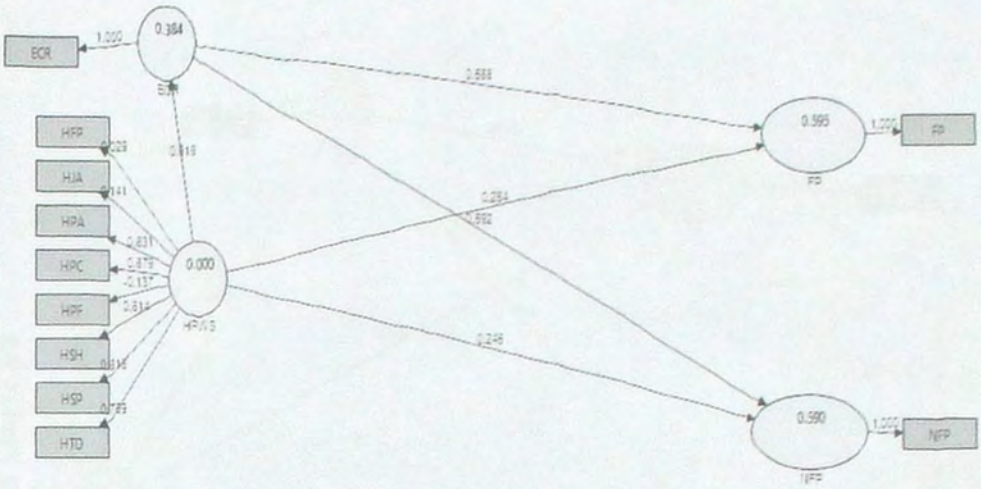

Figure 4.5

Path Model Results (β-values): Direct Hypotheses

[HSH: Selective Hiring; HJA: Job Autonomy; HFP: Non-Financial Reward; HPF: Pay-for-Performance; HPA: Performance Appraisal; HPC: Employee Participation and Communication; HTD: Training & Development; HSP: Succession Planning; ECR: Employee Creativity; FP: Financial Performance; NFP: Non-Financial Performance.]

The path model results yielded β-values as shown in Figure 4.5, and the path model significance results yielded t-values as shown in Figure 4.6 which was generated from bootstrapping technique further led to calculating p-values for all direct relationships (H1-H5), and finally became a basis for reaching to the conclusion about whether a hypothesis is supported or not.

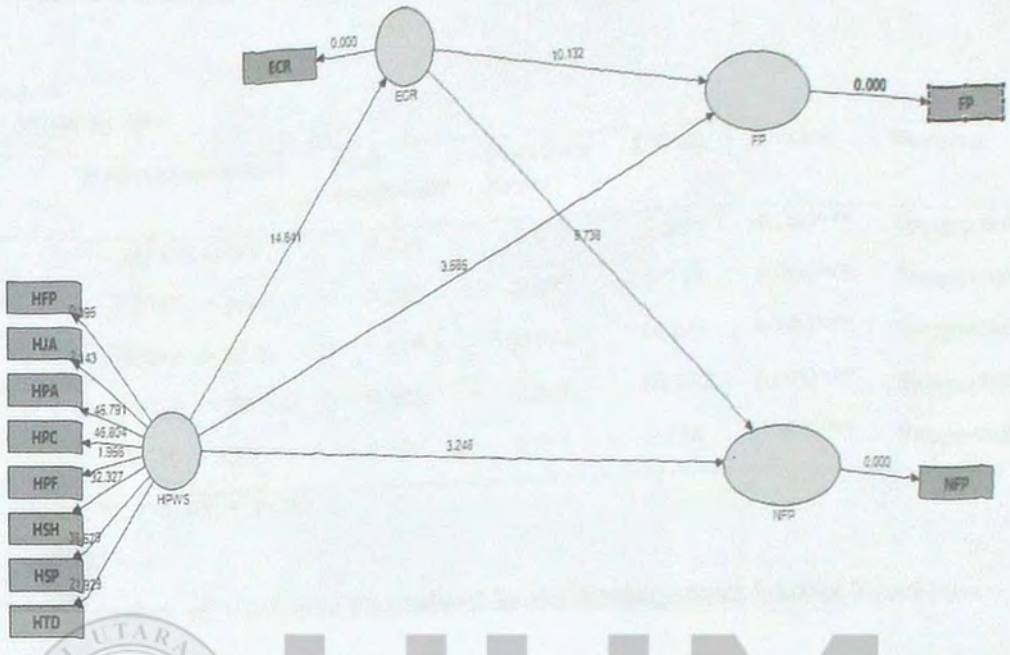

Figure 4.6
Path Model Significance Results (t-values): Direct Hypotheses

The result of structural model, otherwise known as inner model, was depicted in Table 4.16 below. Based on this result, hypothesis 1 (H1) which stated that HPWS system positively influence Nigerian SME financial performance is supported at 0.001 level of significance (β=0.254, t=3.585, p<0.001). Likewise, second hypothesis H2 was also supported at 0.001 level of significance (β=0.245, t=3.248, p<0.001). This result indicates a significant positive nexus between HPWS and Nigerian SME performance.

Besides, other hypotheses involving H3, H4 and H5 were supported; HPWS positively impacts creativity (β=0.619, t=14.641, p<0.001) while creativity positively impacts Nigerian SME financial performance and non-financial performance at (β=0.588,

t=10.132, p< 0.001; β=0.592, t=9.738, p<0.001) respectively. Hence, all the five direct hypotheses were supported.

Table 4.16
Inner Model Results

Hyp.	Hypotheses Effect	Path coefficient	Standard Error	T Stat.	P-value	Decision
H1	HPWS -> FP	0.254	0.071	3.585	0.000***	**Supported**
H2	HPWS -> NFP	0.245	0.075	3.248	0.000***	**Supported**
H3	HPWS -> ECR	0.619	0.042	14.641	0.000***	**Supported**
H4	ECR -> FP	0.588	0.058	10.132	0.000***	**Supported**
H5	ECR -> NFP	0.592	0.061	9.738	0.000***	**Supported**

***: P<0.01; **: P<0.05; *: P<0.1

4.14.2 Evaluation of Variance Explained in the Endogenous Latent Variables

Included as part of the structural model evaluation is R-squared value which is represented by R^2 (Hair et al., 2011; Hair et al., 2012; Henseler et al., 2009). R-squared value, otherwise known as coefficient of determination, stands for the proportion of variation in the dependent variable(s) that can be explained by one or more predictor variable (Elliott & Woodward, 2007; Hair et al., 2010; Hair et al., 2006). Determining the acceptable level of R2 value is contingent on the research context (Hair et al., 2010), but R^2 value of 0.10 was claimed by Falk and Miller (1992) to be minimum acceptable level. Going by the position of Chin (1998), R^2 values of 0.19, 0.33, and 0.67 are regarded weak, moderate, and substantial respectively.

In this study, Table 4.17 showed the R^2 values of the two endogenous latent variables (i.e. financial and non-financial performance). The research model explains 60 per cent of the total variance in financial performance and 59 per cent of the total variance in

non-financial performance, indicating that HPWS (selective hiring, training and development, performance appraisal, job design, succession planning, pay for performance, non-financial rewards, and employee participation and communication), and employee creativity as exogenous latent variables jointly explain 60 per cent and 59 per cent of the variance of financial and non-financial performance respectively. Therefore, this result signified that the two endogenous latent variables showed moderate and acceptable levels of R-squared values.

Table 4.17
Variance Explained in the Endogenous Latent Variables

Latent Variables	Variance Explained (R^2)
Financial Performance	60%
Non-Financial Performance	59%

4.14.3 Testing Mediating Effects

According to Hair, et al. (2013), mediating effect exists when two correlated variables are interceded by a third variable (Hair et al., 2013). Mediation analysis in multivariate analysis technique can be done via many techniques (Hayes & Preacher, 2010) which include causal steps approach (Baron & Kenny, 1986), Sobel test (Sobel, 1982), distribution of the product method (MacKinnon, Lockwood, & Williams, 2004), and bootstrapping (Bollen & Stine, 1990; MacKinnon et al., 2004; Preacher & Hayes, 2004, 2008; Shrout & Bolger, 2002).

Given the fact that Smart PLS software was the adopted means of data analysis in the current study, bootstrapping method, which signifies a more exact calculation of measures (Chin, 2010) and also a popular method due to its rigor (Hayes, 2009), was

used to test the hypotheses 6 and 7 which stated that employee creativity mediates the nexus between HPWS and Nigerian SME financial performance (Model 1), and the nexus between HPWS and Nigerian SME non-financial performance (Model 2). The mediating effects in this was subdivided in to models involving hypotheses 6 and 7 for the purpose of achieving a profound insight and advancing the field of knowledge further.

Bootstrapping method is deemed well suited technique for mediation study (Bontis et al., 2007; Chin, 1998b; Hair, Ringle, & Sarstedt, 2013; Hayes & Preacher, 2010; Iacobucci et al., 2007). The position of Preacher and Hayes (2004, 2008) states that bootstrapping procedure involves three stages involving evaluation of significance level of the direct effect without inclusion of the mediator variable in the PLS path model. The next stage is determined by the significance level of direct effect in the first stage. The following stage involved inclusion of the mediator variable in the PLS path model and evaluation of significance of the indirect effect, if significant then third stage will be proceeded to. The third stage is the assessment of the variance accounted for (VAF). VAF is estimated by dividing the indirect effect by the total effect (i.e., direct effect+ indirect effect) indicating the extent to which the variance of the endogenous variable is directly explained by the exogenous variable and how much of the target construct's variance is explained by the indirect nexus via the mediator variable. if the value of VAF is less than 20 per cent then no mediation, if it is between 20 per cent and 80 per cent, there is partial mediation, and if it is more than 80 per cent, hence the full mediation (Hair et al., 2013).

As indicated in Table 4.18, the direct effect between HPWS and financial performance (HPWS-> FP) is significant (β=0.621, t=11.661 p< 0.001). Likewise, the direct effect between HPWS and non-financial performance (HPWS -> NFP) is significant (β=0.614, t=10.714, p< 0.001). In addition, the indirect effects regarding HPWS, employee creativity, and financial performance nexus (HPWS->ECR*ECR->FP), and HPWS, employee creativity, and non-financial performance (HPWS->ECR*ECR->NFP) are significant with the β value of 0.363 and t value 10.382, and β value of 0.365 and t value of 10.173 respectively.

Estimating VAF values involves indirect effect values and total effect values. Indirect effect for HPWS, employee creativity, and financial performance nexus (HPWS->ECR*ECR->PF), and HPWS, employee creativity, and non-financial performance (HPWS->ECR*ECR->NPF) are β value of 0.363 and 0.365 respectively. The total effect of the two mediation models, which consist of summation of direct and indirect effects in the two mediation models, are 0.984 and 0.979 respectively. The result of VAF, which was calculated by dividing the indirect effect by the total effect indicates partial mediating effect of employee creativity on the nexus between HPWS and financial performance with the VAF value of 0.369. Likewise, VAF value of 0.373 indicates that employee creativity partially mediates the nexus between HPWS and non-financial performance. Hence, hypotheses 6 and 7 are supported.

Table 4.18
Results of Mediating Hypotheses

Hypotheses	Beta	Standard Error	T Statistics	P-value	Decision
Direct Effect					
HPWS -> FP	0.621	0.053	11.661	0.000***	**Supported**
HPWS -> NFP	0.614	0.057	10.714	0.000***	**Supported**
Indirect Effect					
HPWS->ECR*ECR->FP	0.363	0.035	10.382	0.000***	**Supported**
HPWS->ECR*ECR->NFP	0.365	0.036	10.173	0.000***	**Supported**
VAF					
Total Effect (Model 1)	0.621+0.363	0.984			
Total Effect (Model 2)	0.614+0.365	0.979			
VAF (Model 1)	0.363/0.984	0.369			**Partial Mediation**
VAF (Model 2)	0.365/0.979	0.373			**Partial Mediation**

***: P<0.01; **: P<0.05; *: P<0.1

4.14.4 Testing Moderating Effects

According to Hair *et al.* (2013), when the effect of an exogenous variable on an endogenous variable is hooked on the values of another variable, then, there is presence of moderating effect in which such variable moderates the nexus between the two variables (i.e. exogenous and endogenous variables). In this study, management philosophy was proposed to moderate the nexuses among HPWS, employee creativity, Nigerian SME financial performance and non-financial performance in a positive manner, covering hypotheses 8-12. Specifically, for the purpose of attaining a profound insight and advancing the field of knowledge further, the hypothetical statements were explicated as follows:

8. The positive nexus between HPWS and Nigerian SME financial performance will be stronger for firms with high employee-oriented management philosophy.

9. The positive nexus between HPWS and Nigerian SME non-financial performance will be stronger for firms with high employee-oriented management philosophy.

10. The positive nexus between HPWS and employee creativity will be stronger for firms with high employee-oriented management philosophy.

11. The positive nexus between employee creativity and Nigerian SME financial performance will be stronger for firms with high employee-oriented management philosophy.

12. The positive nexus between employee creativity and Nigerian SME non-financial performance will be stronger for firms with high employee-oriented management philosophy.

This is illustrated in Figure 4.5 below:

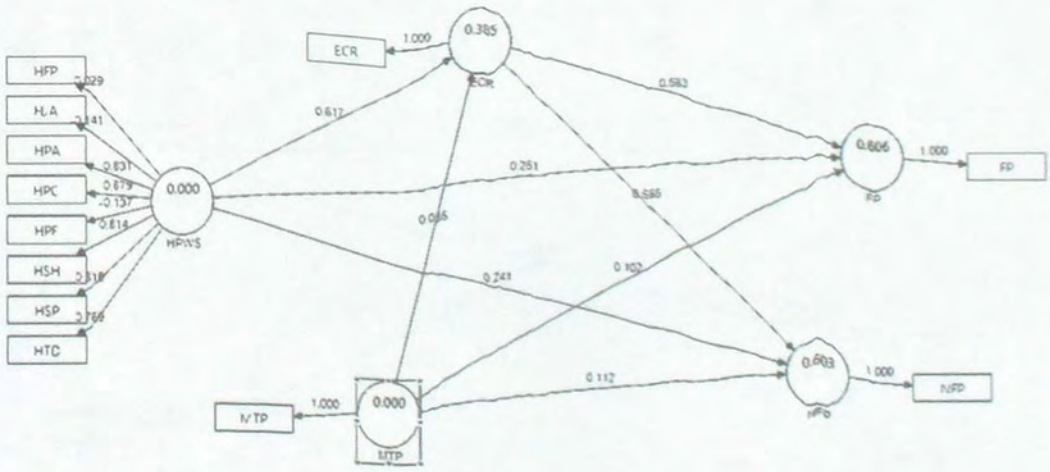

Figure 4.7
Hypothesized moderating effect of management philosophy

To estimate the moderation and moderating effects, product indicator approach via PLS-SEM was used Chin et al., 2003; Helm, Eggert, & Garnefeld, 2010; Henseler & Chin, 2010a; Henseler & Fassott, 2010b). The product term approach, which is considered equal or better than the group comparison approaches (Henseler & Fassott, 2010a), is deemed fit for testing moderation and moderating effect in the present study, since the moderating variable is continuous, and thus in line with supposition of Rigdon, Schumacker, and Wothke (1998). The product term approach with regards to this study involves creation of product term between exogenous variable (i.e. HPWS) and moderator (management philosophy) in which the product will serve as indicators of the interaction term in the structural model (Kenny & Judd, 1984). In addition, Cohen's (1988) rules were followed with regards to estimation of effect size in order to determine the strength of the moderating effects.

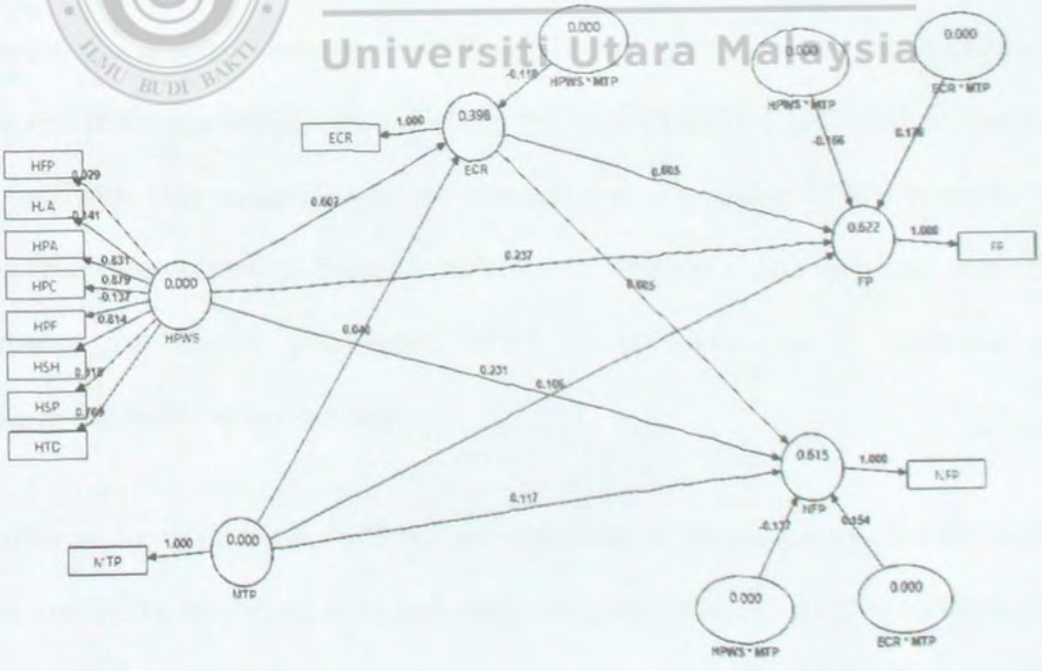

Figure 4.8
Full Model with Interaction Terms

According to Table 4.19 and figure 4.4, 4.5, and 4.6 which displayed the result below, it can be discerned that hypothesis 8,9, and 10 were not supported (β=-0.156, t=2.196, p<0.05; β=-0.137, t=2.013, p<0.05; β=-0.115, t=1.600, p<0.1) respectively. Also in Figure 4.9-4.11, which represent HPWS interaction plot (Dawson, 2014), the line tagged low MTP, indicating lack of employee-oriented management philosophy, has a steeper gradient as against high MTP (presence of employee-oriented management philosophy). These results signify that positive nexuses between HPWS and Nigerian SME financial performance; HPWS and Nigerian SME non-financial performance; and HPWS and employee creativity do not get stronger for firm with high employee-oriented management philosophy.

In addition, going by Hair et al.'s (2013) analysis on moderation effect, the result implies that the nexus between HPWS and financial performance would decrease by the size of the interaction term and obtain the value of 0.237-0.156 = 0.081. Hence, in a firm with high employee-oriented management philosophy, HPWS becomes less important for explaining financial performance while in a firm with less employee-oriented management philosophy, HPWS would increase in its importance for explaining financial performance.

Likewise, the nexus between HPWS and non-financial performance would decrease by the size of the interaction term and obtain the value of 0.231-0.137 = 0.094, and the nexus between HPWS and employee creativity would decrease by the size of the interaction term and obtain the value of 0.602-0.115 = 0.487.

Thus, in a firm with high employee-oriented management philosophy, HPWS becomes less important for explaining non-financial performance while in a firm with less employee-oriented management philosophy, HPWS would increase in its importance for explaining non-financial performance. Also, in a firm with high employee-oriented management philosophy, HPWS becomes less important for explaining employee creativity while in a firm with less employee-oriented management philosophy, HPWS would increase in its importance for explaining employee creativity.

On the other hand, as depicted in Table 4.16 and figure 4.7 and 4.8 hypothesis 11 and 12 were supported (β=0.176, t=2.342, p<0.01; β=0.154, t=2.173, p<0.05) respectively. Also in Figure 4.12 and 4.13, the line tagged high MTP, indicating presence of employee-oriented management philosophy, has a steeper gradient in contrast to low MTP (lack of employee-oriented management philosophy). This signified that positive nexuses between employee creativity and Nigerian SME financial performance; and employee creativity and Nigerian SME non-financial performance get stronger for firm with high employee-oriented management philosophy.

Table 4.19
Results of Moderating Effects

Hyp.	Constructs	Beta	Standard Error	T Statistics	P-value	Decision
H8	HPWS * MTP -> FP	-0.156	0.071	2.196	0.014**	Not supported
H9	HPWS * MTP -> NFP	-0.137	0.068	2.013	0.022**	Not supported
H10	HPWS * MTP -> ECR	-0.115	0.072	1.600	0.055*	Not supported
H11	ECR * MTP -> FP	0.176	0.075	2.342	0.010***	supported
H12	ECR * MTP -> NFP	0.154	0.071	2.173	0.015**	supported

***: P<0.01; **: P<0.05; *: P<0.1

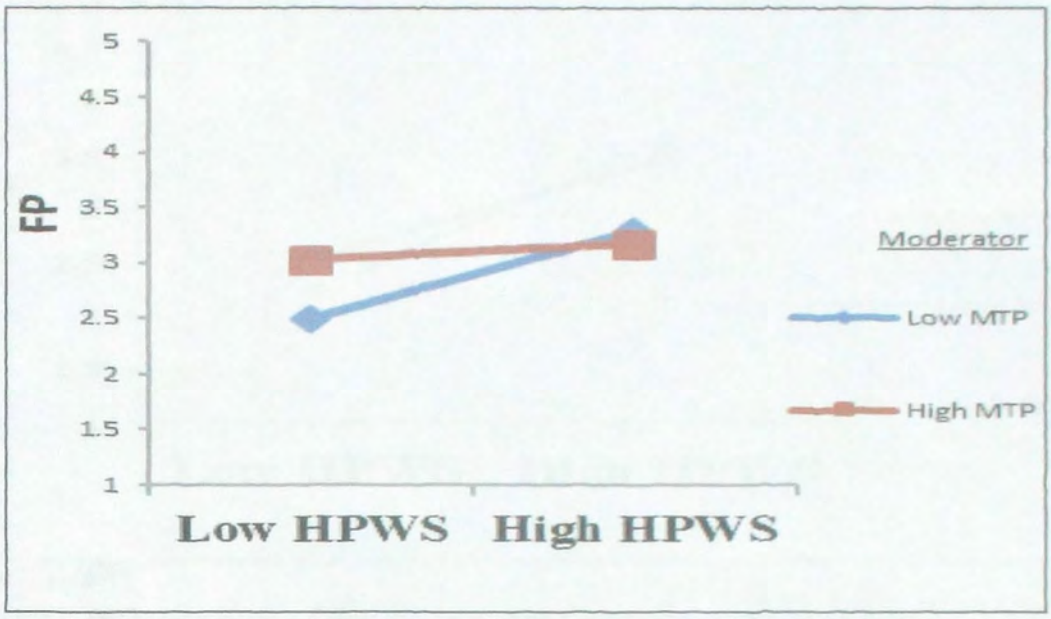

Figure 4.9
HPWS-MTP Interaction Effect on Financial Performance.

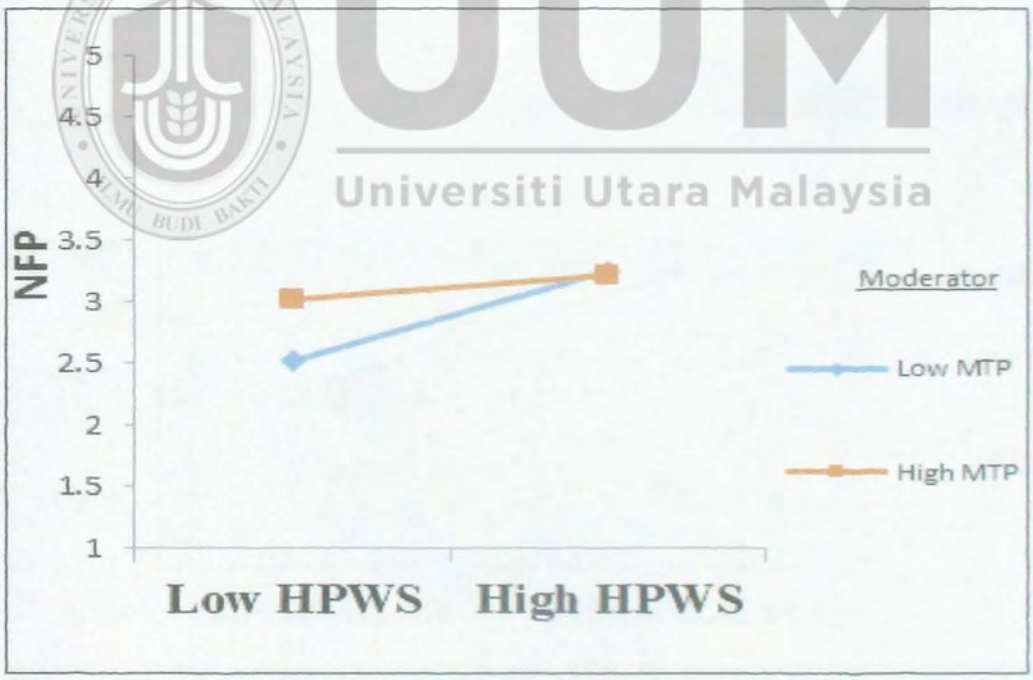

Figure 4.10
HPWS-MTP Interaction Effect on Non-Financial Performance.

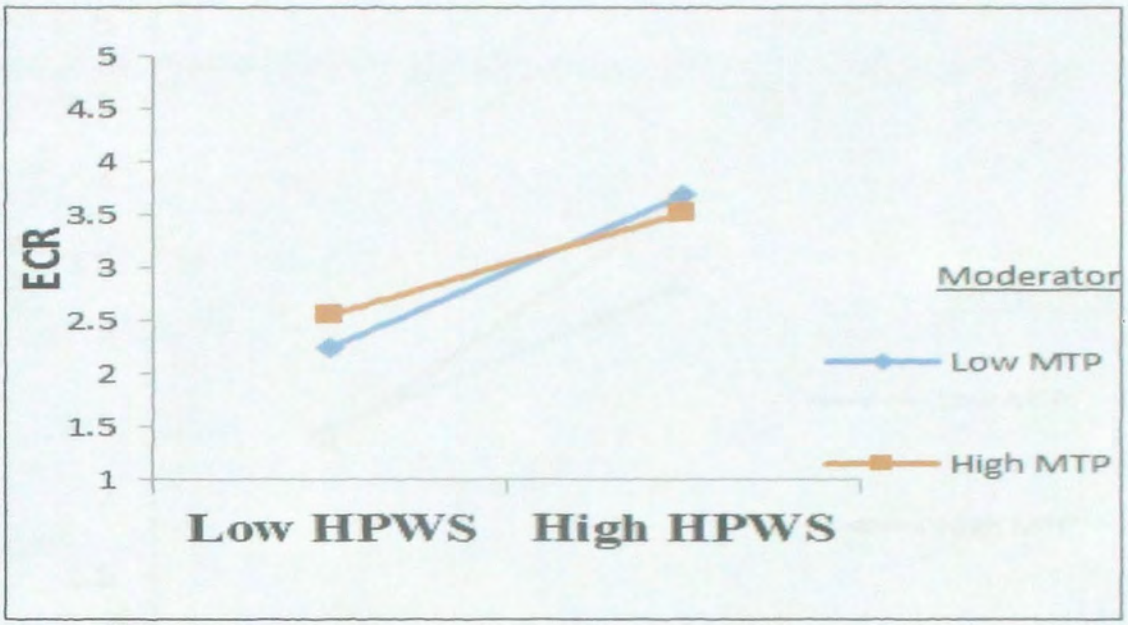

Figure 4.11
HPWS-MTP Interaction Effect on Employee Creativity.

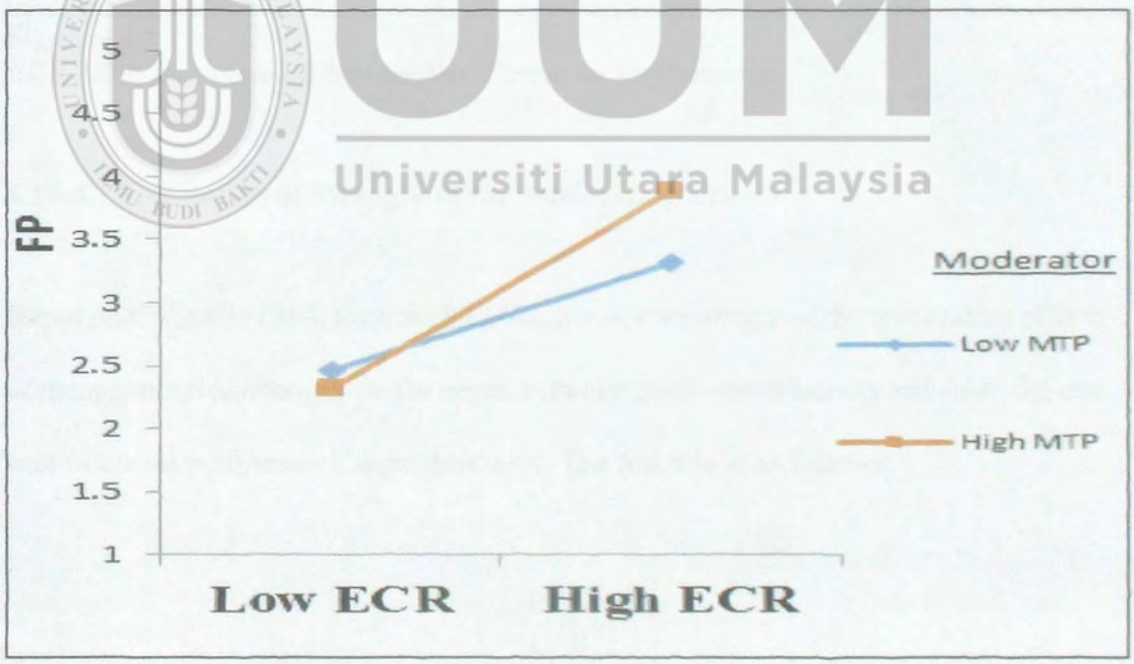

Figure 4.12
ECR-MTP Interaction Effect on Financial performance.

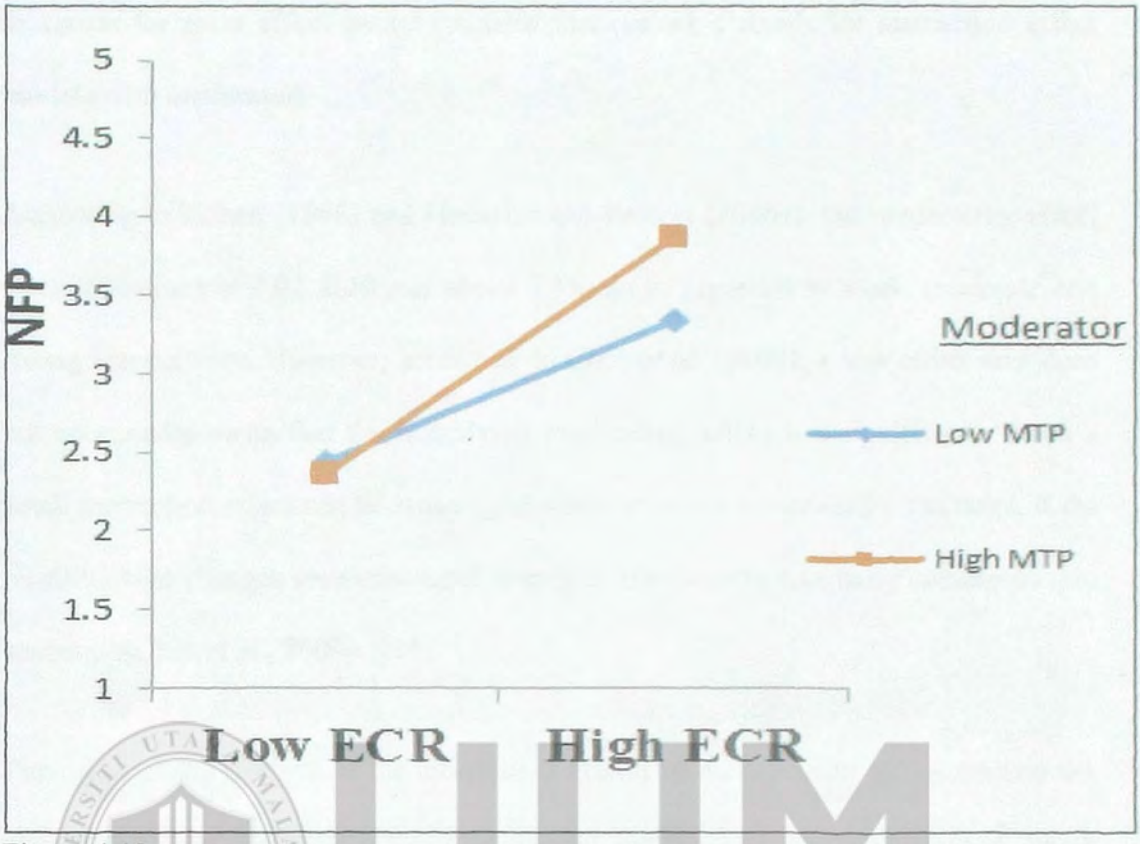

Figure 4.13
ECR-MTP Interaction Effect on Non-Financial performance.

4.14.4.1 Evaluation of Strength of the Moderating Effects

Based on Cohen's (1988) formula for effect sizes, the strength of the moderating effects of management philosophy on the nexus between employee creativity and financial and non-financial performance were estimated. The formula is as follows:

$$F^2 = \frac{R^2 i - R^2 m}{1 - R^2 i}$$

Where:

m stands for main effect model (without moderator); i stands for interaction effect model (with moderator).

According to Cohen (1988) and Henseler and Fassott (2010a), the moderating effect sizes (f_2) values of 0.02, 0.15 and above 0.35 can be regarded as weak, moderate and strong respectively. However, according to Chin *et al.* (2003), a low effect size does not necessarily mean that the underlying moderating effect is insignificant. "Even a small interaction effect can be meaningful under extreme moderating conditions, if the resulting beta changes are meaningful, then it is important to take these conditions into account" (Chin et al., 2003p. 211).

The result of the strength of the moderating effects of management philosophy on the nexuses between employee creativity-financial and non-financial performance, which was presented in Table 4.20, indicated that the effect size for financial performance was 0.04 and for non-financial performance was 0.03 signifying that the moderating effect was small for both constructs (Henseler, Wilson, Götz, & Hautvast, 2007; Wilden et al., 2013). Based on Cohen's (1988) and Henseler and Fassott's (2010) Guidelines, strength of the moderating effects of management philosophy are presented in Table 4.20 below.

Table 4.20
Strength of the HPWS-MTP Moderating Effects on Financial and Non-Financial Performance

R^2	R^2 i.	R^2 m.	F^2	Effect Size
Financial Performance				
HPWS	0.622	0.606	0.04	Small
Non-Financial Performance				
HPWS	0.615	0.603	0.03	Small

4.11 Summary of Hypotheses' Results

Table 4.18 contained the summary of hypotheses results of this research. Out of 12 hypotheses, nine hypotheses were supported while the remaining three hypotheses were not supported. This is presented as follows:

Table 4.21
Hypotheses' Summary

Hyp.	Hypothesized Path	Decision
	Direct Relationships	
H1	HPWS -> FP	Supported
H2	HPWS-> NFP	Supported
H3	HPWS -> ECR	Supported
H4	ECR -> FP	Supported
H5	ECR -> NFP	Supported
	Mediating Effects	
H6	HPWS->ECR*ECR->FP	Supported
H7	HPWS->ECR*ECR->NFP	Supported
	Moderating Effects	
H8	HPWS * MTP -> FP	Not Supported
H9	HPWS * MTP -> NFP	Not Supported
H10	HPWS * MTP -> ECR	Not Supported
H11	ECR * MTP -> FP	Supported
H12	ECR * MTP -> NFP	Supported

4.12 Summary of the Chapter

Over all, data analysis bordering on initial data screening and preliminary analysis, descriptive analysis, and inferential analysis using both SPSS version 21 and Smart PLS 2.0 M3 software were conducted. The results of the analysis indicate that out of 12 proposed hypotheses, nine hypotheses were supported while the remaining three hypotheses were not supported. The supported hypotheses include:

H1. HPWS system positively influence Nigerian SME financial performance.

H2. HPWS system positively influence Nigerian SME non-financial performance.

H3 There is significant nexus between HPWS and creativity.

H4. There is significant nexus between creativity and Nigerian SME financial performance

H5. There is significant nexus between creativity and Nigerian SME non-financial performance.

H6. Employee creativity mediates the nexus between HPWS and financial performance.

H7. Employee creativity mediates the nexus between HPWS and non-financial performance.

H11. The positive nexus between employee creativity and Nigerian SME financial performance will be stronger for firms with high employee-oriented management philosophy.

H12. The positive nexus between employee creativity and Nigerian SME non-financial performance will be stronger for firms with high employee-oriented management philosophy.

In addition, the unsupported hypotheses are:

H8. The positive nexus between HPWS and Nigerian SME financial performance will be stronger for firms with high employee-oriented management philosophy.

H9. The positive nexus between HPWS and Nigerian SME non-financial performance will be stronger for firms with high employee-oriented management philosophy.

H10. The positive nexus between HPWS and employee creativity will be stronger for firms with high employee-oriented management philosophy.

CHAPTER FIVE

DISCUSSION, RECOMMENDATIONS AND CONCLUSION

5.1 Introduction

Being the last chapter of the current moderated mediation research, this current chapter explicated the results of the data analysis, which was done in the immediate previous chapter. The discussion of the results was buttressed with pertinent previous studies and relevant theories. This was followed by discussion of theoretical, managerial, and methodological contributions of the study. Limitations of the study and corresponding suggestions for future research directions were expounded. Lastly, recommendations were made, and conclusion ended the chapter.

5.2 Recapitulations of the Study

Owing to the discerned critical issues relating to theoretical, contextual, practical and methodological aspects of HPWS-SME performance research, this moderated-mediation study was designed to examine the effect of HPWS on performance of SMEs in Nigeria highlighting both mediating effect of employee creativity and moderating effect of management philosophy on HPWS-Performance nexus. A HRM-based theoretical framework was proposed to elucidate contributory role of strategic HRM in enhancing optimal performance of Nigerian SMEs, hoping that the cogs in the wheel of Nigerian SME performance will be removed and consequently the economic development capacities at the organizational and national levels will be driven forward.

Underpinned by contingency theory, AMO model, and extensive literature survey (Appendix D), the framework of this study was designed to verify and test the existing theory. Twelve hypotheses were formulated and poised to be tested via structural model of PLS-SEM. Deductive research approach was adopted, philosophical supposition of positivist paradigm was drawn upon, and objectivism was considered to stimulate ontological and epistemological positions of this study.

Being a quantitative research, the questionnaire, through which data were collected, was designed based on adaptation of valid scale items from the extant studies. The items were adapted in relation to the nature of this moderated-mediation study and was validated via pilot study and the main study as well. The operationalization of constructs was done using a 5-point interval scale. The scale for all the constructs ranged from 1(strongly disagree) to 5(strongly agree). However, demographical variables were measured as categorical variables.

Data collection involved distribution of 518 questionnaires to the target respondents, 394 were returned while 372 were usable. The collected data were, at initial stage, subjected to screening and other preliminary analysis using SPSS version 21. Using Smart PLS 2.0 SEM software, the clean data were subjected to inferential analysis involving evaluation of measurement model, confirmation of second order constructs of the study, estimation of goodness of fit (GoF) for the model, evaluation of structural model, and assessment of mediating and moderating effects in the structural model. The inferential analysis was done to enable hypotheses testing.

The results signify a variance of 59 per cent and 60 per cent for financial and non-financial performance signifying that HPWS accounted for 59 per cent and 60 per cent of the variance in financial and non-financial performance respectively. The theorized nexuses in the current study involve direct, mediating and moderating paths estimated to attain the results of the hypotheses. The results of the tested hypotheses indicate that out of 12 proposed hypotheses, nine hypotheses were supported while the remaining three hypotheses were not supported.

5.3 Discussion of the Findings

This moderated mediation study offers a theoretical model and empirical analysis that contributes to unearth the 'black box' factor that mediates the HPWS-Performance nexus. This section presented discussion about the results in respect of the direct nexuses bordering on the relationship between HPWS and financial and non-financial performance. As the mediating role of employee creativity was explicated in this current section, so also the moderating effect of management philosophy was expounded in it. Table 5.1 below captioned the research objectives and the corresponding derivative hypotheses.

Table 5.1

Research Objectives and their corresponding hypotheses

Obj.	Objectives	H.	Hypotheses
1.	To investigate the impact of HPWS on Nigerian SME performance.	1.	HPWS system positively influence Nigerian SME financial performance.
		2.	HPWS system positively influence Nigerian SME non-financial performance.
2.	To investigate mediating effect of creativity on the HPWS-Nigerian SME performance nexus.	3.	There is a significant nexus between HPWS and creativity.
		4.	There is a significant nexus between creativity and Nigerian SME financial performance
		5.	There is a significant nexus between creativity and Nigerian SME non-financial performance.
		6.	Employee creativity mediates the nexus between HPWS and financial performance.
		7.	Employee creativity mediates the nexus between HPWS and non-financial performance.
3.	To investigate moderating effect of management philosophy on HPWS-Nigerian SME performance nexus.	8.	The positive nexus between HPWS and Nigerian SME financial performance will be stronger for firms with high employee-oriented management philosophy.
		9.	The positive nexus between HPWS and Nigerian SME non-financial performance will be stronger for firms with high employee-oriented management philosophy.
4.	To investigate moderating effect of management philosophy on HPWS-creativity nexus.	10.	The positive nexus between HPWS and employee creativity will be stronger for firms with high employee-oriented management philosophy.
5.	To investigate moderating effect of management philosophy on creativity-Nigerian SME performance nexus.	11.	The positive nexus between employee creativity and Nigerian SME financial performance will be stronger for firms with high employee-oriented management philosophy.
		12.	The positive nexus between employee creativity and Nigerian SME non-financial performance will be stronger for firms with high employee-oriented management philosophy.

The following subsections presented direct paths, mediating paths and moderating paths as follows:

5.3.1 Direct Paths of the Study

5.3.1.1 HPWS-Nigerian SME financial Performance Nexus

The first objective of this research states: "To investigate the impact of HPWS on Nigerian SME performance". To achieve this objective, two hypotheses were coined out from the objective. The first hypothesis (H1) reads: HPWS system positively influence Nigerian SME financial performance indicating a linear causal relationship between HPWS and performance. The hypothesis was tested via Variance-Based SEM (i.e. PLS-SEM).

Going by the result discerned from the PLS-SEM output (β=0.254, t=3.585, p<0.001), hypothesis (H1) was supported. The result signifies that HPWS, which is a system containing a synergistic and coherent bundle of HR architectures, is a strong and positive predictor of Nigerian SME financial performance. A substantial number of SRHM research support this result. Among the studies that give support to the result include Burke (2005); Choi, & Lee, (2013); Combs et al. (2006); Gong et al. (2009); Jalagat (2016); Jiang et al. (2012); Eong and Choi (2016); Esch, Wei and Chiang (2016); Delery and Reeves (2000); Fu (2013); Huselid (1995); Martinaityte (2014); Mudulia, Vermab, and Datta (2016); Ogunyomi and Bruning (2015); Seidu (2011); Shin and Konrad (2014); Seidu (2011); Sheik et al. (2014); Vermeeren et al. (2014); Wan-Jing and Tung (2005).

Drawn upon numerous literatures, the research conducted by Wan-Jing & Tung (2005), which suggested that performance is better measured with financial consideration involving sales and profitability, confirmed a positive connection between HPWS and financial performance. Additionally, a study by Delery and Reeves (2000) solidifies the finding indicating HPWS positive impact on organizational performance measured with profitability and sales growth.

According to Ogunyomi and Bruning (2015), who conducted their research on the relationship between HPWS and organizational performance of small and medium enterprises (SMEs) in Nigeria via survey of 236 respondents, the selected HR architectures had a direct relationship with firm performance. Also, Seidu (2011) who conducted his research in the context of Ghana, confirm that management-rated HPWS influenced firm profitability. The finding of Martinaityte (2014), who did her research in the context of Lithuania's SMEs, indicates that HPWS for creativity simultaneously influences individual and branch creativity leading to firm profitability.

The finding solidifies the existing evidence on positive HPWS-Performance nexus. This gives support to the earlier claim, in the previous chapter of this study, which states that HPWS form an indispensable part of the whole of competitive advantage and strategic HR architectures that enhance task, targets and performance of SMEs are formed through the effective adoption of high performance work system (HPWS). Enhanced organizational performance and organizational accomplishment are contingent upon adopting a systematic combination of HR systems called HPWS (Choi, 2014; Choi & Lee, 2013; Demirbag, Collings, Tatoglu, Mellahi, & Wood, 2014; Fan,

Cui, Zhang, Zhu, Charmine-Härtel, & Nyland, 2014; Fu, 2013; Shin & Konrad, 2014; Heffernan, 2012; Seidu, 2011).

5.3.1.2 HPWS-Nigerian SME non-financial Performance Nexus

The second hypothesis (H2) coined from the first objective reads: HPWS system positively influence Nigerian SME non-financial performance, and it was tested via Variance-Based SEM (i.e. PLS-SEM). Hypothesis (H2) was supported as the result indicate significant and positive effect of HPWS on Nigerian SME non-financial performance (β=0.245, t=3.248, $p<0.001$).

The result signifies that HPWS is a strong and positive predictor of Nigerian SME non-financial performance. A substantial number of SRHM research support this result. Among the studies that give support to the result include Chen and Lepak (2009); Jalagat (2016); Nishii, Lepak, and Schneider (2008); Lepak, and Hong (2009; Heffernan (2012); Martinaityte (2014); Mudulia, Vermab, and Datta (2016); Ogunyomi and Bruning (2015); Seidu (2011); Shin and Konrad (2014); Seidu (2011).

The current research finding gives support to many HRM-based studies as mentioned above. The implication of the finding is many-sided, because what constitute non-financial performance are numerous. Part of it is the fact that the flows of employees exists in the organization. Employees with their individual knowledge, skills, and abilities do move from one workplace to another but organization can control and influence this flow/movement through HR architectures. For example, the types of reward systems of the organization, culture, and other parts of HRM impact the level

of employee's motivation in developing, sharing, and applying knowledge within the organization.

Moreover, in the strategic HRM literature, it is held that the HPWS is crucial to organizational effectiveness and performance. Drawing upon RBV, the result of this research indicates that the way in which human resources are managed, forms a potential source of sustainable competitive advantage for SMEs (Becker & Huselid, 1998; Combs *et al.*, 2006; Guest, 2011). In addition, physical and intellectual resources remain the basis of organizational competitive advantage. HR architectures are used as tools in managing human capital while firm's human resource constitutes the human capital pool of the firm. RBV's concept of value, rareness, inimitability, and substitutability cannot be achieved through HR architectures but through human resource (i.e. human capital) of the firm since any HR architecture can be mimicked by competitors. Therefore, it was assumed that human capital pool high levels of skill and motivation can be a basis for organizational competitive advantage because the employees' skills and motivation will exhibit productive behavior (Wright, McMahan, & McWilliams, 1994).

Another aspect of it is that great deals have been known about HPWS–performance nexus in the context of large firms (e.g. Gringore, 2008; Bau & Dowling, 2007; Ukenna, Ijeoma, Anionwu & Olise, 2010; Daud, 2006; Hemdi, 2005; Osman, Ho, & Galang, 2011b; Othman, 2009; Othman, Abdul-Ghani, & Arshad, 2001; Rowley & Abdul-Rahman, 2007), but research on HRM-SMEs relationship, most especially in the

context of Nigeria (Ojukuku, 2012) is scanty. Thus, the result of this moderated-mediation study enriches the few extant studies on HPWS-SME performance nexus.

SMEs is a labor-intensive sector of economy, a labor-oriented and human capital enhancing HPWS would serves as an important source of competitive advantage for SMEs, because such HPWS would guarantee recruitment, development, retention and motivation of employees (Way, 2002), and save the firms of the replacement costs connected with labor turnover which can be difficult for resource-constrained SMEs to bear (Patel & Conklin, 2012). HPWS also have productivity-enhancing impacts in small firms which can, in turn, aids SMEs' transition from initiation to the growth stage of development (Wu et al., 2015).

Nevertheless, there is more to this. Ismail et al (2016) posited that HPWS that would enhance SME performance should be employee-oriented and synergistically configured. Synergistic HPWS works together to get the best results for the organizations. Bundling-up of the HPWS should be purposive and context-specific (Ismail et al., 2016b; Boxall et al., 2016). Using far-reaching literature survey, this paper presented a logic-based and empirically-based conceptual discussion to address and disentangle the identified HPWS research problems. In his argument on configuration of HWPS, Ismail et al. (2016b) claimed that there are multiple approaches to the configurations of HPWS and bundling up the HPWPs to achieve organizational outcomes (e.g. universalist approach, contingency approach, configuration approach, theory building process etc.). However, in the context of SMEs, HPWS should be employee-oriented for it to precipitate higher SME's performance (Ismail et al., 2016a).

HPWS should be context-specific and include the HR architectures that would enhance the capabilities and motivation of the employees because a motivated workforce is significant to the survival and sustainability of SMEs (Behrends, 2007; Ojokuku, 2012).

With highly committed, well-motivated and qualified employees, SMEs competitive advantage and performance become distinctive in the world of businesses (Al-Maktoum, 2015). Employee roles as well effective employee management forms the basis for the survival and sustainability of small business. Research evidence demonstrates heavy reliance of organizational success on employees' contributions (Ojokuku, 2012). The general purpose for which HRM exists is enhancement of organizational success through people. Thus, the findings of this research solidify the existing evidence on positive HPWS-Performance nexus in the context of SMEs.

As this research has solidified the empirical evidence regarding the significant and positive effect of HPWS on SME performance (both financial and non-financial measures of performance), Nigerian SMEs should entrench employee-oriented HPWS in their businesses in order to accomplish higher performance.

5.3.1.3 Overview of the Direct Paths of the Study

The finding of this study clearly improves further the understanding of the nexus between HPWS and SME performance of organizational culture and performance, and thus add great value to SMEs industries in Nigeria. Entrenching HPWS in Nigerian SMEs remain best strategy for Nigerian SMEs as the eventuality of this is higher

performance culminated in quality products and services, customer satisfaction, profitability, and sales growth.

Firms will become the choice of employees if employee-oriented HPWS is entrenched in the organization, as this will offer better reputation for the organization and attracts potential applicants' positive self-concept to work with the organization. Generally, the findings of this research corroborate RBV assumption and the research of some scholars such as Boxall and Purcell (2011), Theriou and Chatzoglou (2014) which signifies that HPWS with unique HPWPs that highlight employees' knowledge and skills would enhance competitive advantage and the consequent performance. In addition, managers in Nigerian SMEs have realized that through HPWS, customer value, product quality and creativity will be enhanced. Hence, they entrench befitting HPWS in their firms.

Furthermore, the findings regarding the direct paths in the current study have confirmed that employee-oriented HPWS can positively predict SME financial and non-financial performance. However, the HPWS, as argued by Ismail et al. (2016), that would enhance performance should be employee-oriented. This HPWS should involve selective hiring, training and development, performance appraisal, job design, succession planning, pay for performance, non-financial rewards, and employee participation and communication, since the HPWPs that constitute the HPWS represent 'best practices', core HR practices, broads and peripherals of HR practices as taxonomized by Posthuma et al. (2013). The HPWS is logically sound, systematic and empirical-based, considering AMO-HRM model and contingency approach.

It is empirically evident that selective hiring is an essential organizational practice as it can induce higher profitability and greater labor productivity (Michie & Sheehan, 2005). It can also induce increased levels of employee commitment (Fiorito, Bozeman, Young, & Meurs, 2007; Taylor, Levy, Boyacigiller, & Beechler, 2008), and higher levels of human capital which would consequently result in higher overall performance (Takeuchi, Lepak, Wang, & Takeuchi, 2007. Selective hiring is a core HR architecture and cross-cultural practice, and it is helpful in attracting the employees that have knowledge and experience, the individual that are open-minded, able to think, and solve problems.

Training and development can be designed to improve domain- and creativity-relevant skills. Training workers can enhance creativity by boosting employees' feeling of competence and consequently give rise to enhanced intrinsic motivation (Ryan & Deci, 2000). In addition. performance appraisal forms a vital part of performance management in which performance of workers are defined, gauged, stimulated and developed (DeNisi & Pritchard, 2006; Kinicki, Jacobson, Peterson, & Prussia, 2013). Feedback on overall performance is useful for assessing worker's performance state as feedback on particular job aspects is helpful for the employee who is aiming to advance performance (Pritchard, Holling, Lammers, & Clark, 2002).

Moreover, job design involves enhancement of productivity and satisfaction through application integration of motivation in the job structure (Daft, 1994). Job design also involves a process through which employee job tasks are decided by the manager (Gibson, Ivancevich & Donnelly, 1994). Organizational performance is contingent on

the efficient management of employees and upkeep of smooth operations of the organization (Potter, 2007). Job design is crucial to performance boosting. Employees' satisfaction and motivation are enhanced by a well-designed job (Zareen, Razzaq, & Mujtaba, 2013).

Succession planning can be designed to target knowledge transfer between and among workers and the organization, most especially when it comes to accomplishment of tasks critical to organizational mission (Aiman-Smith, Bergey, Cantwell, & Doran, 2006). Succession planning is categorized as peripheral practice under promotion. Succession planning has garnered little research attention while organizations often engage in succession planning. Hence it is recommended to examine its impacts on firm performance and be included in the HPWS system (Posthuma et al., 2013). Also, connecting rewards to performance bolsters workers to increase their efficiency. Pay for performance entitles employees to a basic income and the chance to get extra reward if their outputs surpass the set standard (Grobler, Warnich, Carell, Elbert, & Hatfield, 2006).

The recommendation made by Ismail, Halim, and Joader (2015b) regarding the introduction of pay for performance program in the organization demonstrates that the program should be characterized by high level of trust, sufficient pay package and effective performance appraisals. The researchers claimed that the empirical evidences that cast doubt on the effectiveness of performance-based pay program demonstrated lack of trust, insufficient pay package and biased performance appraisal in the program. To guarantee positive effect of performance-based pay system on performance, all these

factors should be taken into cognizance. For example, most of the investigated US firms that tied pay to performance are not successful in terms of enhancement of performance upon which the strategy is hinged, and putting pay-for-performance strategy in place should not be the only criterion to distinguish high-performing firms from low-performing firms.

Non-financial reward promotes commitment, motivation, and a sense of culture in the organization (Posthuma et al, 2013). It is a HPWP practice that involves many tools and methods that can be adopted in addition to monetary rewards to induce employee's high productivity. Non-financial rewards include social recognitions genuine appreciation, certificate and acknowledgement (Neckermann & Kosfeld, 2008), paid vacation, training programs, praise, promotion (Jeffrey, 2003). Also, non-financial reward should cater for the internal needs of employees. It has been suggested that long-lasting motivation of workers can be achieved through the mix of financial and non-financial rewards (Armstrong, 1993). Employee turnover has been observed to be high in a system devoid of non-financial reward (Mushrush, 2002). Hence, Shield (2007) recommended that it is very imperative for firms to recognize the kind of non-financial rewards that can foster the preferred employee behaviors.

Logically, expecting employee to perform a task, the instruction must be given to the concerned employee. In the same vein, if performance of the firm is to be accomplished, there is need for communication of organizational goals and strategy to the employees. Workers should be equipped with financial and strategic information of the firm to improve and enrich workers' job-related knowledge.

5.3.2 Mediating Paths of the Study

To accomplish the objective 2 of this moderated-mediation research, which reads: "To investigate mediating effect of creativity on the HPWS-Nigerian SME performance nexus", five different hypotheses were devised from it. These hypotheses are as follows:

- There is significant nexus between HPWS and creativity.
- There is significant nexus between creativity and Nigerian SME financial performance
- There is significant nexus between creativity and Nigerian SME non-financial performance.
- Employee creativity mediates the nexus between HPWS and financial performance.
- Employee creativity mediates the nexus between HPWS and non-financial performance.

The five hypotheses were subjected to testing through PLS-SEM-based structural model evaluation and bootstrapping mediation analysis procedure. These are discussed under the following subsections:

5.3.2.1 HPWS-Employee Creativity Nexus

The first hypothesis formulated from the objective 2 postulates significant connection between HPWS and employee creativity. This hypothesis was supported, given the PLS-SEM output (β=0.619, t=14.641, p<0.001). This result signifies that HPWS is a strong and positive predictor of employee creativity. Also, this result is consistent with many research such as Arefin, Raquib, and Arif (2015); Binyamin and Carmeli (2010); Byron and Khananchi (2012); Chang, Jia, Takeuchi, and Cai (2014); Martinaityte (2014); Kehoe and Wright (2013); Messersmith, Patel, Lepak, and Gould-Williams (2011) etc.

This result indicates that employee-oriented bundles of HR architectures, which enhance employees' KSAs (Knowledge, Skills and Abilities), employees' empowerment via discretionary use of time and talent and employees' motivation, could drive employee creativity by getting employees out of their comfort's zone and make them explore new way or method of doing things with no fear of failure. HPWS can stimulate employees to wield the desired behavior that is compatible with the organizational strategy.

According to Martinaityte (2014), HPWS that is fraught with excellent elements can induce creativity and dictate the behavioral nuts and bolts to the employees for them to effectively accomplish organizational strategy. HPWS also offers the know-how, motivation, and opportunities to involve in these behaviors. High performance work practices (i.e. HPWS components) such as selective hiring and extensive training that focus on development of creative problem-solving skill can enhance workers' ability to

generate alternative solutions (i.e. creativity-relevant skills) and product knowledge and customer service skills (i.e. domain-relevant skills), which are crucial to creativity in the organization. Creativity on the part of workers can be stimulated via performance appraisal and compensation that are creativity-oriented (Martinaityte, 2014).

Also, this result complements the componential theory of creativity which postulates that HPWS, which is a macro-level system, can induce a creative situation that will lead to meso-level individual creativity bordering on task motivation, domain-relevant skills, and creativity-relevant skills (Amabile, 1983). For example, training can broaden employees' repertoire of domain-relevant knowledge and skills required for being creative (Amabile, 1983). Recurrent performance appraisal for various HR management purposes (Murphy & Cleveland, 1995; Rynes, Gerhart, & Parks, 2005), and associated feedback which has a developmental purpose and are delivered in an informational manner, would improve employee creativity, given the fact that such kind of appraisal avails the employees of areas of improvements in terms of their domain-relevant skills (e.g., Shalley & Perry-Smith, 2001; Zhou, 1998; Zhou & Oldham, 2001).

Moreover, job design and employee participation and communication can affect employees' task motivation levels and therefore creativity. Organizations are progressively adopting participative management (job design and employee participation) to manage employees (e.g. Seibert, Wang, & Courtright, 2011, for a review).

Besides, training, which is not often related to employees' immediate job requirements (Arthur, 1994; Guthrie, 2001), can affect employees' acquisition of creativity-relevant

skills and thus creativity. Training fetches opportunities for employees to use wide categories. Given the individual learning theory, workers learn by creating connections between what already known by them and the new area of learning, and learning is the greatest when an overlap exists between the existing knowledge base and the new knowledge (Ellis, 1965). The breadth of knowledge resulting from extensive training is thus useful for employees to establish connections between the existing knowledge base and new knowledge more easily (i.e., improved creativity-relevant skills), which in turn leads to creative solutions.

5.3.2.2 Nexus between Employee Creativity and Nigerian SME financial Performance

The second hypothesis designed from the objective 2 postulates significant connection between employee creativity and Nigerian SME financial performance. This hypothesis was supported, given the PLS-SEM output (β=0.588, t=10.132, p< 0.001). This result signifies that employee creativity strongly and positively predicts Nigerian SME financial performance. In addition, this result is consistent with many research including Coelho, Augusto, and Lages (2011); Hassan, et al. (2013); Gilson (2008); Martinaityte (2014); Raub and Liao (2012); Rogers and Sophia (2014) and Sung and Choi (2012).

The result signifies that in the present time in which organizations, contending for customers and clients, have reached a global imperative to entrench creativity and innovation since the stride of change has intensified. In addition, customers and clients are demanding more for less and the best way of coping with this is through creativity.

Creativity, as a way to produce innovative outcomes, would boost the organizational chance to remain competitive and perform better (Shalley & Gilson, 2004), and in turn metamorphosed to improved financial performance (Barney, 1986; Porter, 1985). The development and usage of new ideas would enable organizations to exploit opportunities and be able to compete in the changing business environment (Oldham, 2002).

Research has signified existence of a positive relationship between employee creativity and financial firm performance. Employees creativity at work involve new and creative ideas generation in dealing with the tasks at hand (Amabile, 1983, 1996) and design of new procedures or processes in performing the tasks, or recognition of products or services to meet customer needs optimally (Zhou, 1998; Zhou & Shalley, 2003), or modification of the standing procedures or processes for ensuring improved organizational efficiency or adoption and utilization of a new, valuable idea for enhancement of work at hand (Shalley et al., 2004). Adoption of any of the mentioned forms of employee creativity will result to enhanced organizational performance. In the study of Von Nordenflycht (2007), creativity is found to have positive influence on financial performance; bordering on revenue growth rates and covering profit growth and return on assets.

Furthermore, employee creativity gives an edge to firms with creative workforce an edge over the competitors and consequently lead to firm success in terms of multiple measures of firm-level financial performance (Deshpandé et al., 1993). Likewise, firms with workforce that exhibits creative behaviors generate competitive advantages, better

performances (Woodman et al., 1993), and firm profit growth (Calori & Sarnin, 1991; Geroski (2000). Moreover, it has been held that creativity gives rise to competitive differentiation and the consequent firm-level success.

Equally, as employee creativity is crucial firm performance, so also employee motivation and encouragement are important to employee creativity, because a creative worker would add value to firms in the forms of helping the firm to surmount its challenges and finding innovative ways to enable firm growth. This is precipitated by motivation enshrined through employee-oriented HPWS, creativity that is devoid of motivation may not result to better firm performance. Firms that give room for creativity-relevant activities, launch creative action and maintain actual creative levels with outstanding employee creativity would perform outperform the firms that do not do the same (Tierney & Farmer, 2004). Thus, the finding of this research has confirmed that employee creativity has evidently becomes an influenced antecedent of firm performance.

5.3.2.3 Nexus between Employee Creativity and Nigerian SME non-financial Performance

The third hypothesis designed from the objective 2 postulates significant connection between employee creativity and Nigerian SME non-financial performance. This hypothesis was supported, given the PLS-SEM output (β=0.588, t=10.132, p< 0.001). This result signifies that employee creativity strongly and positively predicts Nigerian SME non-financial performance. In addition, this result is consistent with many research including Baer and Oldham (2006); Hassan, et al. (2013); Gilson (2008);

Redmond, Mumford, and Teach (1993); Rogers and Sophia (2014); and Sung and Choi (2012).

This finding corroborates the existing studies on the relationship between employee creativity and performance. The extant research has emphasized that employee creativity is a source of considerable contribution to firms' competitiveness (Baer & Oldham, 2006) and firm performance (Redmond, et al., 1993). This implies that creative ideas can help to advance internal operations or to meet external demands by improving procedures, products, or services. Nevertheless, it should be stressed that creativity cannot enhance performance unless it is applied to meet internal or external demands (West, 2002a).

Creativity has garnered a snowballing scholastic attention, most especially research about the antecedents of creativity is substantial (e.g. George, 2008; Shalley, Zhou, & Oldham, 2004) but only a handful of scholastic studies has been able to look into creativity-performance nexus (Gong, Huang, & Farh, 2009; Zhou & Shalley, 2008), and majority of those studies that examined creativity's influence on performance concentrated on financial performance. Thus, this finding enriches the current body of knowledge about creativity-performance nexus.

5.3.2.4 Employee Creativity Mediates the Nexus between HPWS and Nigerian SME financial Performance

The fourth hypothesis designed from the objective 2 hypothesizes mediating effect of employee creativity on the connection between HPWS and Nigerian SME financial

performance. The result of variance accounted for (VAF), which was calculated by dividing the indirect effect by the total effect indicates partial mediating effect of employee creativity on the nexus between HPWS and financial performance with the VAF value of 0.369. Drawing upon Hair et al.'s (2014) and Hadi, Abdullah and Sentosa's (2016), method of analysis of partial mediation, the result of the current study implies that 37 per cent of HPWS effect on Nigerian SME financial performance is explained by raising the level of employee creativity.

Apart from the fact that it unpacks the HRM 'black box' in the relationship between HPWPs and performance, investigating employee creativity as a mediating variable in the nexus between HPWPs and performance enhances business research designs, and consequently offers more accurate and precise findings. This viewpoint is consistent with Ismail et al.'s (2016b) position and corroborated by Namazi and Namazi's (2016) findings that the nature of the complex problems being faced by today's business can be more visibly denoted and grasped through inclusion of moderating and mediating paths in the direct paths of business research (Namazi & Namazi, 2016). The authors argued that non-stipulation of moderating and mediating variables in business models render such models half-finished, incomplete, and devoid of ability to solve real business challenges. Many of the business models are dysfunctional in real practice, because they are devoid of moderating and mediating variables. A moderated mediation HRM research model can avail the practitioners of the better understanding of what works, when and why and enable them to rationalize allocating resources to developing or implementing HRM practices (Chowhan, 2016).

Moreover, integration of mediating and moderating variables in the business research models widens the scope of the prevalent business theories, as both variables enable and facilitate response to the investigations in respect of "when" "how" and "why" a particular nexus exists between exogenous and endogenous variables. In addition, employee creativity, given the result of the current study, has served as mechanism through which HPWS (the causal variable) influence Nigerian SME financial performance in terms of profitability, financial strength, operating efficiency, performance stability, ability to raise capital, and indebtedness.

Delving on the result of this moderated mediation research, it could be emphasized that employee-oriented HPWS can positively predict SME financial and non-financial performance through the pathway of employee creativity. HPWS, an embodiment of ability/skills-enhancing, motivation-enhancing and opportunity-enhancing HR architectures, would enhance employees' empowerment via discretionary use of time and talent and employees' motivation, drive employee creativity and dictate the behavioral nuts and bolts to the employees for effective accomplishment of organizational performance.

HPWS also offers the know-how, motivation, and opportunities to involve in these behaviors. High performance work practices (i.e. HPWS components) such as selective hiring and extensive training that focus on development of creative problem-solving skill can enhance workers' ability to generate alternative solutions (i.e. creativity-relevant skills) and product knowledge and customer service skills (i.e. domain-relevant skills), which are crucial to creativity in the organization. Creativity on the part of

workers can be stimulated via performance appraisal and compensation that are creativity-oriented (Martinaityte, 2014).

Given the present-day deepened stride of change in which organizations, contending for customers and clients, have reached a global imperative to entrench creativity and innovation, and given the fact that customers and clients are demanding more for less and the best way, A micro-level HPWS can induce a creative situation that will lead to meso-level individual creativity bordering on task motivation, domain-relevant skills, and creativity-relevant skills (Amabile, 1983), and produce innovative outcomes which would enhance the organizational chance to remain competitive and perform better (Shalley & Gilson, 2004), and in turn metamorphosed to improved financial performance (Barney, 1986; Porter, 1985).

Thus, the findings of this study emphasize and confirm the findings of the extant HRM research literature that AMO-enhancing HPWS positively influences both financial and non-financial performance of Nigerian SMEs by enhancing and raising the level of employee creativity.

5.3.2.5 Employee Creativity Mediates the Nexus between HPWS and SME non-financial Performance

The last and fifth hypothesis designed from the objective 2 indicates mediating effect of employee creativity on the connection between HPWS and Nigerian SME non-financial performance. The result of VAF, which was calculated by dividing the indirect effect by the total effect indicates partial mediating effect of employee creativity on the

nexus between HPWS and financial performance with the VAF value of 0.373. Drawing upon Hair et al.'s (2014) and Hadi, Abdullah and Sentosa's (2016), method of analysis of partial mediation, the result of the current study implies that 37 per cent of HPWS effect on Nigerian SME non-financial performance is explained by raising the level of employee creativity.

As indicated earlier, the findings of this research emphasize that employee-oriented HPWS can positively predict SME financial and non-financial performance through the pathway of employee creativity. HPWS can drive employee creativity and dictate the behavioral nuts and bolts to the employees for effective accomplishment of organizational performance.

This result, like its counterpart in the preceding section, has unpacked the so called HRM "black box" by revealing the mediating effect of employee creativity on the relationship between HPWS and non-financial performance. Employee creative ideas engendered by AMO-enhancing HPWS can engender firms' competitiveness (Baer & Oldham, 2006) and its consequent firm performance (Redmond, et al., 1993). HPWS can induce can induce employee's task motivation, domain-relevant skills, and creativity-relevant skills (Amabile, 1983), and produce innovative outcomes which would enhance the organizational chance to remain competitive and perform better (Shalley & Gilson, 2004), and in turn metamorphosed to non-financial performance.

5.3.2.6 Overview of the Mediating Paths of the Study

The overall findings signify that employee creativity has served as mechanism through which HPWS (the causal variable) influence Nigerian SME financial and non-financial performance indicating that HPWS effect on Nigerian SME financial performance is explained by raising the level of employee creativity. Thus, this research has unpacked the HRM 'black box' in the relationship between HPWPs and performance.

The finding helps to fill the gap in the literature bordering on the impact of employee creativity as a mediating variable in the connection between HPWS and firm performance, specifically in Nigeria SMEs context, indicating that entrenching HPWS in Nigerian SMEs is not enough to stimulate high performance until it induces employee creativity which will in turn induce higher performance. In other word, HPWS precipitates higher performance for Nigerian SMEs through employee creativity.

The overall findings in this section underscore the indispensability of employee in enhancing high performance of Nigerian SMEs. This alone corroborates the claims earlier made in the previous chapters of the study, RBV, AMO model, and contingency theory. HPWS configured with the aim of enhancing organizational performance should be an embodiment of HPWPs that stimulate knowledge, skills, motivation, creativity, and positive behaviors in employees, because employees constitute the firm's resources that help enhance firm's goal. The steps in attaining organizational success start from changing or renewing the human capital pool and changing employee behavior through HR architectures (Wright, Dunford, & Snell, 2001). HPWS is crucial

to the enhancement of firm competencies (Lado, & Wilson, 1994), development of a skilled workforce (Wright et al., 2001), and firm's human capital pool. HPWS would improve and enrich employees' KSAs, enhance employee's motivation, elicit employee productive behavior and consequently makes employees become a greater potential to form a basis of competitive advantage (Wright, McMahan, & McWilliams, 1994). In the long run, competitive advantage result in an enhanced performance (Newbert, 2008). As previously established, human resource constitutes an important firm's input injected into firm's production process and service-oriented work process to enhance performance.

As for the Ability-Motivation-Opportunity (AMO) model, performance of the firm can be expedited through three factors which are ability, motivation and opportunity. So, AMO-enhancing HR architectures will produce empowered and motivated employee with boosted KSAs who will remain in the organization and record higher performance which consequently enhance higher organizational performance (Appelbaum & Kamal, 2000; Boxall & Macky, 2009; Browning, 2006; Gyensare & Asare, 2012; Wood & Wall, 2007).

In sum, this moderated mediation research model widens the scope of the prevalent business theories and facilitate response to the investigations in respect of "when" "how" and "why" a particular nexus exists between exogenous and endogenous variables, and thus enhances business research designs, more accurate and precise findings.

5.3.3 Moderating Paths

First and foremost, it is noteworthy that to capture the reality of the business complexities, the effects of employee creativity as a mediator and management philosophy as a moderator were examined concurrently, because having mediation and moderation analyses in a research model constitute a crucial aspect of "process analysis", although mediation analyses tend to be of much power compared to moderation analyses (Namazi & Namazi, 2016), and in the event in which the most causal or structural models are examined, the mediational part of the model is the most interesting part of that model" (Kenny, 2014). Thus, a moderated mediation research enhances business research designs and guarantees the ability to solve real business challenges.

The objective 3 of this moderated-mediation research reads: "To investigate moderating effect of management philosophy on HPWS-Nigerian SME performance nexus", two dissimilar hypotheses were devised from it. These hypotheses are as follows:

- The positive nexus between HPWS and Nigerian SME financial performance will be stronger for firms with high employee-oriented management philosophy.
- The positive nexus between HPWS and Nigerian SME non-financial performance will be stronger for firms with high employee-oriented management philosophy.

In the same vein, the objective 4 and 5 of this moderated-mediation research read: "To investigate moderating effect of management philosophy on HPWS-creativity nexus"

and "To investigate moderating effect of management philosophy on creativity-Nigerian SME performance nexus" respectively. From these two objectives three hypotheses were formulated. These three hypotheses are given below:

- The positive nexus between HPWS and employee creativity will be stronger for firms with high employee-oriented management philosophy.
- The positive nexus between employee creativity and Nigerian SME financial performance will be stronger for firms with high employee-oriented management philosophy.
- The positive nexus between employee creativity and Nigerian SME non-financial performance will be stronger for firms with high employee-oriented management philosophy.

The five hypotheses, which form the last three objectives, were subjected to testing through PLS-SEM-based structural model evaluation and bootstrapping mediation analysis procedure. The result of these hypothesized moderating paths adds a significant value to the understanding of moderating effect of management philosophy on HPWS-performance nexus in the context of Nigerian SMEs and consequently fill the identified research gap. These are discussed under the following subsections:

5.3.3.1 Moderating Effect of Management Philosophy on the Nexus between HPWS and Nigerian SME financial Performance

The first hypothesis designed from the objective 3 indicates that the positive nexus between HPWS and Nigerian SME financial performance will be stronger for firms

with high employee-oriented management philosophy. The result obtained from product term approach for the estimation of the moderation and moderating effects (β=-0.156, t=2.196, p<0.05) and interaction plot shows that management philosophy moderates the relationship between HPWS and financial performance but not in the direction the researcher had anticipated. This finding signifies that no support is found for the positive moderating role of management philosophy in the relationship between HPWS and financial performance of Nigerian SMEs. This means that philosophies of management do not positively fortify the effectiveness of the HPWS-performance relationship in Nigerian SMEs context.

Additionally, this result implies that the positive nexuses between HPWS and Nigerian SME financial performance do not get stronger for firm with high employee-oriented management philosophy. This, according to Hair et al. (2014), implies that the nexus between HPWS and financial performance would decrease by the size of the interaction term and obtain the value of 0.237-0.156 = 0.081. Hence, in a firm with high employee-oriented management philosophy, HPWS becomes less important for explaining financial performance while in a firm with less employee-oriented management philosophy, HPWS would increase in its importance for explaining financial performance.

SMEs' competitive advantage hinges on AMO-inducing HPWS (Choi, 2014; Theriou & Chatzoglou, 2014) which will in turn behavior would improve employee loyalty and firm's profitability (Jiang et al., 2012; Eong & Choi, 2016); Esch, Wei & Chiang, 2016). That HPWS has become, as evident in a substantial number of studies (e.g. Choi, 2014;

Theriou & Chatzoglou, 2014; Ismail et al, 2016; Jiang et al., 2012); Eong & Choi, 2016); Esch, Wei & Chiang, 2016), a consistent driver of competitive advantage and the consequent higher performance irrespective any setting or sector. Given this, it can be substantiated that management philosophy is irrelevant and of no importance in a firm where employee-oriented HPWS is well entrenched.

Another probable justification for the result may be connected with the fact that managers' philosophies in Nigerian SMEs do not fit with the organizational practices (HPWS), and the consequent is that such philosophy would not reinforce and strengthen the impact of organizational practices on the firm's performance. Thus, in the context of Nigerian SMEs, unfit managerial philosophy weakens the effect of HPWS on SME's financial performance. According to contingency theory, managerial values and attitudes should go in line with the organizational practices for the accomplishment of higher performance (Selto et al., 1995; Van de Van & Drazin, 1985). In other word, assumption of contingency theory states that organizational performance hinges on effective alignment of managerial attitudes and philosophy with crucial organizational practices (HPWS).

Moreover, this finding is also consistent with Tam's (2013) finding that the positive effect of HR practices on organizational performance cannot be strengthen if management philosophy of a firm is not consistent with the values, attitudes and beliefs of all employees. Also, HPWS–performance relationship has been established and the relationship between the two constructs has, as well, been recognized as being contingent on organizational factors or environmental factors. Nevertheless, the finding

of the current study signifies that it is not all the organizational factors moderates the HPWS–performance relationship. In other word, HPWS–performance relationship is contingent not on all but specific organizational factors or environmental factors, as observed by Takeuchi et al. (2007).

5.3.3.2 Moderating Effect of Management Philosophy on the Nexus between HPWS and Nigerian SME non-financial Performance

The second hypothesis formulated from the objective 3 states that the positive nexus between HPWS and Nigerian SME non-financial performance will be stronger for firms with high employee-oriented management philosophy. The result obtained from the estimation of the moderation and moderating effects using product term approach (β=-0.137, t=2.013, $p<0.05$) and interaction plot shows that management philosophy moderates the relationship between HPWS and non-financial performance but not in the direction the researcher had predicted.

This result implies that positive nexuses between HPWS and Nigerian SME non-financial performance do not get stronger for firm with high employee-oriented management philosophy. This, according to Hair et al. (2014), implies that the nexus between HPWS and non-financial performance would decrease by the size of the interaction term and obtain the value of 0.231-0.137 = 0.094. Hence, in a firm with high employee-oriented management philosophy, HPWS becomes less important for explaining non-financial performance while in a firm with less employee-oriented management philosophy, HPWS would increase in its importance for explaining non-financial performance.

This result implies that HPWS is the best firm strategy ought to be entrenched by SMEs for consistent and sustained higher performance, and it can impact performance with or without fitting management philosophy. The reason is that Nigerian SMEs cannot overlook the importance of AMO-enhancing HPWS irrespective of their cultural and attitudinal strength, and when management philosophy and HPWS have comparable effect on organizational performance, it then becomes difficult for former to strengthen the relationship between the latter and performance. Thus, it can be inferred that SMEs that entrench HPWS will accomplish higher performance irrespective of management philosophy.

Also, this result can also be connected to non-significant correlation existing between HPWPs (i.e. HR practices) and management philosophy (see Table 4.3) which could affect the inference about the relationship between HPWS, management philosophy and performance. This might have weakened the ability of both variable to interact and produce a significant positive effect on performance. To attain significant interaction between HPWS and management philosophy and consequently firm goals, there should be alignment between HPWS, management philosophy, and performance. This translates to the fact that positive moderating role of management philosophy on the relationship between HPWS and non-financial performance depends on fit and consistency between managers values and philosophies and firms' HPWS, because successful firms is distinguished from other through its values and philosophy aligned with firms' practices.

As earlier posited, management philosophy is irrelevant and of no importance in a firm where employee-oriented HPWS is well entrenched. In addition, managers' philosophies in Nigerian SMEs do not fit the organizational practices (HPWS), and the consequent is that such philosophy would not reinforce and strengthen the impact of organizational practices on the firm's non-financial performance. Thus, in the context of Nigerian SMEs, unfit managerial philosophy weakens the effect of HPWS on SME's non-financial performance. According to contingency theory, organizational performance hinges on effective alignment of managerial attitudes and philosophy with crucial organizational practices (HPWS).

5.3.3.3 Moderating Effect of Management Philosophy on the Nexus between HPWS and Employee Creativity

The only hypothesis created from the objective 4 reads: "The positive nexus between HPWS and employee creativity will be stronger for firms with high employee-oriented management philosophy". The result obtained from the estimation of the moderation and moderating effects using product term approach (β=-0.115, t=1.600, p<0.1), and interaction plot shows that management philosophy moderates the relationship between HPWS and employee creativity but not in the direction the researcher had projected. This result implies that positive nexuses between HPWS and employee creativity do not get stronger for firm with employee-oriented management philosophy. This, according to Hair et al. (2014), implies that the nexus between HPWS and employee creativity would decrease by the size of the interaction term and obtain the value of 0.602-0.115 = 0.487. Hence, in a firm with high employee-oriented management

philosophy, HPWS becomes less important for explaining employee creativity while in a firm with less employee-oriented management philosophy, HPWS would increase in its importance for explaining employee creativity.

Employee-oriented bundles of HR architectures, which enhance employees' KSAs (Knowledge, Skills and Abilities), employees' empowerment via discretionary use of time and talent, and employees' motivation, could drive employee creativity by getting employees out of their comfort's zone and make them explore new way or method of doing things with no fear of failure. Such HPWS can stimulate employees to wield the desired behavior that is compatible with the organizational strategy.

According to Martinaityte (2014), creativity-inducing HPWS dictates the behavioral nuts and bolts to the employees who will effectively participate in accomplishing organizational strategy. HPWS also offers the know-how, motivation, and opportunities to involve in creative behaviors which will enhance competitive advantage and the consequent higher performance irrespective any setting or sector. Thus, it can be proved that management philosophy is irrelevant and of no importance in a firm where employee-oriented HPWS is well entrenched.

Also, the result may be connected with the fact that managers' philosophies in Nigerian SMEs do not fit with the organizational practices (HPWS), and the consequent is that such philosophy would not reinforce and strengthen the impact of organizational practices on employee creativity. Thus, in the context of Nigerian SMEs, unfit managerial philosophy weakens the effect of HPWS on employee creativity. The reason is that managerial values and attitudes that go in line with the organizational practices

would stimulate employee creativity because, according to contingency theory, organizational outcome hinges on effective alignment of managerial attitudes and philosophy with crucial organizational practices (HPWS).

This result also implies that HPWS is the best firm strategy ought to be entrenched by SMEs to enhance employees' KSAs (Knowledge, Skills and Abilities), employees' empowerment, employee creativity, and then stimulate desired behavior that is compatible with the organizational strategy with or without fitting management philosophy. The reason is that Nigerian SMEs cannot overlook the importance of AMO-enhancing HPWS irrespective of their cultural and attitudinal strength, and when management philosophy and HPWS have comparable effect on employee creativity, it then becomes difficult for former to strengthen the relationship between the latter and creativity. Thus, it can be inferred that SMEs that entrench HPWS will enhance employee creativity irrespective of management philosophy.

5.3.3.4 Moderating Effect of Management Philosophy on the Nexus between Employee Creativity and Nigerian SME financial Performance

The first hypothesis from the objective 5 indicates that the positive nexus between employee creativity and Nigerian SME financial performance will be stronger for firms with high employee-oriented management philosophy. The result obtained from product term approach for the estimation of the moderation and moderating effects (β=0.176, t=2.342, $p<0.01$), and interaction plot shows that positive nexuses between employee creativity and Nigerian SME financial performance get stronger for firm with high employee-oriented management philosophy. Thus, in a firm with high employee-

oriented management philosophy, HPWS becomes important for explaining financial performance while in a firm with less employee-oriented management philosophy, employee creativity would decrease in its importance for explaining financial performance.

This result shows that management philosophy strengthens the positive effect of employee creativity on SME financial performance. With this finding, it can be asserted that workers' creativity engendered by management philosophy makes a significant contribution to organizational innovation, effectiveness and consequently organizational survival. It behooves of the management to put up the organizational contexts that are most supportive to idea generation and creative thinking. This implies that employees would be creative and innovative if they work in a work environment engendered by management philosophy that supports the process of creativity, and consequently higher financial performance will be accomplished.

This result also emphasizes that managers' employee-oriented philosophies engenders employees' motivation through aiding mobilization, allocation and leveraging of managerial resources to enhance employee creativity. Managers' philosophy that is employee-oriented would help create a work environment where employees are valued and motivated to involve in new and creative ideas generation in dealing with the tasks in the organization. Manager's philosophy that makes employees identify themselves with the organization would stimulate employees to engage in creative activities that will guarantee achievement of firms' goals.

Furthermore, it has been posited earlier in this section that employee-oriented HPWS can positively predict SME financial and non-financial performance through the pathway of employee creativity. However, this can only be possible if both HPWS and creativity are engendered by fitting managerial values and philosophies, signifying that there should be a fit between managerial values and attitudes and HPWS for the accomplishment of higher performance through employee creativity.

Moreover, this finding also implies that managerial philosophy enhances employees' empowerment via discretionary use of time and talent, stimulates employees' motivation, drives employee creativity and dictates the behavioral nuts and bolts to the employees for effective accomplishment of organizational performance. This would be strengthened if managers' management philosophies that engender employee creativity is consistent with the values, attitudes and beliefs of all employees (Tam, 2013).

5.3.3.5 Moderating Effect of Management Philosophy on he Nexus between Employee Creativity and Nigerian SME non-financial Performance

The second hypothesis from the objective 5 indicates that the positive nexus between employee creativity and Nigerian SME non-financial performance will be stronger for firms with high employee-oriented management philosophy. The result obtained from product term approach for the estimation of the moderation and moderating effects (β=0.154, t=2.173, $p<0.05$) and interaction plot shows that positive nexuses between employee creativity and Nigerian SME non-financial performance get stronger for firm with high employee-oriented management philosophy. Therefore, in a firm with high employee-oriented management philosophy, HPWS becomes important for explaining

non-financial performance while in a firm with less employee-oriented management philosophy, employee creativity would decrease in its importance for explaining non-financial performance.

As discussed regarding moderated creativity-performance nexus in the previous section, management philosophy strengthens the positive effect of employee creativity on SME non-financial performance. This result implies that managers' employee-oriented philosophies engenders employees' motivation through aiding mobilization, allocation and leveraging of managerial resources to enhance employee creativity. Managers' philosophy that is employee-oriented would help create a work environment where employees are valued and motivated to involve in new and creative ideas generation in dealing with the tasks in the organization. Manager's philosophy that makes employees identify themselves with the organization would stimulate employees to engage in creative activities that will guarantee achievement of firms' goals, and this will consequently lead to higher performance.

Furthermore, workers' creativity engendered by managerial ideologies and philosophies makes a significant contribution to organizational innovation, effectiveness and consequently organizational survival. Thus, it behooves of the management to put up the organizational contexts that are most supportive to idea generation and creative thinking. This implies that employees would be creative and innovative if they work in a supportive work environment engendered by management philosophy that supports the process of creativity.

Thus, it can be proved that employee creativity engendered by fitting management philosophy can positively predict SME financial and non-financial performance. Thus, Nigerian SMEs' managers should ensure a fit between managerial values and attitudes and employee creativity for the accomplishment of higher performance.

5.3.3.6 Overview of the Moderating Paths of the Study

The overall findings of this aspect of the research is that Management philosophy of managers of SMEs strengthen the positive effect of employee creativity on Nigerian SMEs performance. While managers' philosophies in the context of Nigerian SMEs do not strengthen the positive effect on HPWS on SMEs performance, it is held that managerial values and attitudes should go in line with the organizational practices for the accomplishment of higher performance (Selto et al., 1995; Van de Van & Drazin, 1985). According to contingency theory, organizational performance hinges on effective alignment of managerial attitudes and philosophy with crucial organizational practices (HPWS), and positive effect of HR practices on organizational performance cannot be strengthen if management philosophy of a firm is not consistent with the values, attitudes and beliefs of all employees.

In sum, the strategic orientations of firms have bearing on the application of HR practices and effect on the firm's performance (Teo, Le Clerc, & Galang, 2011). HPWS systems can be destructive or helpful because the failure or success of HR systems depends on internal and external boundary conditions (Chadwick, Way, Kerr, & Thacker, 2013). Management philosophy is translated to firm's strategy, and consequently give rise to aligned HPWS. Thus, HPWS components should be both

vertically and horizontally fit and should be synergistically bundled up to produce higher organizational performance (Buller & McEvoy, 2012; Huselid, 1995; Subramony, 2009; Chadwick, 2010). Scholars (e.g. Roche, 1999; Wood, 1999), in their writings, have consistently established that HPWS laden with firm philosophies or firm values should not consider employees as disposable factors of production, but it should consider employees as human assets which should be developed.

Nigerian SMEs should focus more on their human resources and design their firm strategies, organizational policies, industry business practices, and human resource management in such a way that will reflect, enable and enhance highly-motivated, highly committed, knowledgeable, skillful, and creative workforce, as this would consequently enhance human capital capabilities and boost the SME performance. The reason is that employee roles as well effective employee management forms the basis for the survival and sustainability of small business and research evidence demonstrates heavy reliance of organizational success on employees' contributions (Ojokuku, 2012).

The findings of this research reflect unitarist perspective that management and the employee should share common interest; there shouldn't be any divergent interests between the two. Also, the findings support pluralist view that HPWS should offer a mechanism such as employee involvement schemes that provide more opportunity for employee voice.

5.4 Contributions of the Research

Having investigated some issues covering theoretical, contextual, practical and methodological issues throughout the chapters of this study, this moderated mediation research has offered some momentous contributions to the body of knowledge and some important implications for stakeholders and policymakers. Next subsections dwelled on the contributions and implications of this research.

5.4.1 Theoretical Contributions

Drawing upon RBV, contingency theory, AMO model, and comprehensive literature survey, this moderated mediation study has made momentous theoretical contributions to the HPWS-performance research field.

This study has provided empirical evidence for the impact of HPWS on Nigerian SME performance, and thus extends the knowledge base in the HPWS research field. It has, as well, unearthed the 'black box' in the HPWS-performance nexus via introducing employee creativity as a mechanism through which HPWS positively influence performance. Also, drawing upon the recommendation made by Ismail et al. (2016) regarding solidification of research findings on employee creativity role in HPWS-performance nexus, this research confirms that HPWS precipitates higher performance for Nigerian SMEs through employee creativity. Thus, this study enriches the existing body of knowledge.

It is noteworthy that this research is tagged moderated-mediated study, because the moderated mediation research model of this study, which was developed, valuated and established via literature survey, widens the scope of the prevalent business theories and facilitate response to the investigations in respect of "when" "how" and "why" a particular nexus exists between exogenous and endogenous variables, and thus enhances business research designs, more accurate and precise findings. This claim is affirmed by scholastic stance that the nature of the complex problems being faced by today's business can be more visibly denoted and grasped through inclusion of moderating and mediating paths in the direct paths of business research (Namazi & Namazi, 2016).

Nevertheless, non-stipulation of moderating and mediating variables in business models render such models half-finished, incomplete, and devoid of ability to solve real business challenges (Namazi & Namazi, 2016). Many of the business models are dysfunctional in real practice, because they are devoid of moderating and mediating variables. A moderated mediation HRM research model can avail the practitioners of the better understanding of what works, when and why and enable them to rationalize allocating resources to developing or implementing HRM practices (Chowhan, 2016).

This study makes additional contributions by configuring HPWS based on RBV and AMO model and other approaches. This study underscores the indispensability of employees in enhancing high performance of Nigerian SMEs. This corroborates RBV which posits that firm resources should be valuable, uncommon, inimitable which consequently enhance organizational competitive advantage. Human resource has been

identified to be the more valuable and inimitable organizational resource and hence key element of competitive advantage (Allen, & Wright, 2007; Boxall, & Purcell, 2003; Pfeffer, 1998). RBV's concept of value, rareness, inimitability, and substitutability cannot be achieved through HR architectures but through human resource (i.e. human capital) of the firm since any HR architecture can be mimicked by competitors. Therefore, it was assumed that human capital pool high levels of skill and motivation can be a basis for organizational competitive advantage because the employees' skills and motivation will exhibit productive behavior (Wright, McMahan, & McWilliams, 1994).

Therefore, HPWS configured with the aim of enhancing organizational performance should be an embodiment of HPWPs that stimulate knowledge, skills, motivation, creativity, and positive behaviors in employees, because employees constitute the firm's resources that help enhance firm's goal. In addition, Based on Ability-Motivation-Opportunity (AMO) model, performance of the firm can be expedited through three factors which are ability, motivation and opportunity. So, AMO-enhancing HR architectures will produce empowered and motivated employee with boosted KSAs who will remain in the organization and record higher performance which consequently enhance higher organizational performance (Appelbaum & Kamal, 2000; Boxall & Macky, 2009; Browning, 2006; Gyensare & Asare, 2012; Wood & Wall, 2007).

This study offers more insights in to HPWS theory by revealing that HPWS should be employee-oriented, and managers' values and ideologies should in line with the HPWS

entrenched in the organizations as this will help enhance organizational performance. In addition, this research affirms the findings of the previous studies on the positive effect of HPWS on performance in the context of SMEs, and thus enriching the body of knowledge, since research on HPWS-SME performance nexus is scanty in the context of Nigeria.

Moreover, this study adds to the understanding of HPWS-Nigerian SME performance nexus and thus contributes to the extant body of knowledge. Unlike many of previous research studies on Nigerian SMEs, this study is among the few that covers all SMEs' sectors in Nigeria. Thus, this kind of research in the context of Nigeria is hoped to have improved the understanding of SME performance in Africa and other developing countries. Also, a sophisticated and urbane explanation of the fundamental processes and mechanisms involved in HPWS-Nigerian SME performance nexus was provided in the study. Therefore, it serves as a source of empirical evidence for future and mushrooming studies.

In short, the findings of this research have underscore the importance of employee-oriented HPWS in enhancing SME performance through employee creativity, it also emphasizes the importance of management philosophy that is aligned with firm's HPWS, that it will lead to employee creativity and then higher performance. Therefore, this research has made many significant theoretical contributions.

5.4.2 Methodological Contributions

This research contributes to the existing research field methodologically, although numerous studies have measured performance with multifarious variables, this research affirms that both financial and non-financial performance should form organizational performance measurement, because it can lead to a balanced performance measurement in the business environment (Kaplan & Norton 2000).

Drawn upon numerous literatures, this research asserts that performance is better measured with financial and non-financial variables because an aggregation of financial and non-financial information is indispensable to give a more balanced impression of the overall performance of the firm (Hoque & James, 2000; Laitinen, 2002). This assertion is solidified by the fact that the measures of financial and non-financial performance were found highly reliable and valid after subjecting them to measurement model assessment via PLS-SEM software.

Moreover, previous studies lack consistency on the measurement/configuration of HPWS, specifically in the context of SMEs. Hence, methodological defect. This gap is filled by adopting the HPWS measurement approach that is underpinned by AMO model and the suppositions of Posthuma et al.'s (2013), Martinaityte's (2014), and Agarwala's (2003) after much conceptual argument that has been put forth.

Underlined by logically sound arguments, systematic and empirical-based studies, AMO-HRM model and contingency approach, this research enriches the body of knowledge regarding HPWS bundling and configuration by suggesting that HPWS in

the context of SMEs should involve selective hiring, training and development, performance appraisal, job design, succession planning, pay for performance, non-financial rewards, and employee participation and communication.

5.4.3 Managerial and Decision-Making Implications

This study offers some guides for the stakeholders, managers in SMEs' firms, owners of SMEs, and policy makers which will be of benefits to the sustained and enhanced SMEs performance. It is remarkable, as earlier claimed, that growth of countries of the world is contingent on SMEs, and it plays a crucial role in the economic development, industrial development, job creation cum poverty reduction (Aremu & Adeyemi, 2011; International Finance Corporation (IFC), 2013; Mahmood & Hanafi, 2013; Terungwa, 2012).

It has also been shown that problem of dwindling performance of Nigerian SMEs, the uncertainty that clouded the global economic environment and the supposed role to be played by Nigerian SMEs by bulwarking the upshot of the global financial crisis necessitate the need for Nigerian SMEs to improve and upgrade its performance level and its competitive advantage. This study has proved that an employee-oriented HPWS is a key foundation of competitive advantage, and that will consequently enhance performance. Therefore, managers and other stakeholders need to entrench HPWS that is employee-oriented.

Based on the findings of this research, SMEs should configure and implement HPWS via the strategy and values that can stimulate positive employee behavior and creativity

rather than a process of work intensification which can induce negative responses from employees. The implies that managers should understand firm's goals and objectives, the challenges facing the firms, and then create a HPWPs system that are aligned with employee-oriented management philosophy. In addition, management philosophy is important because it reflects managers' mind-set, and promotion of any managerial practices or HR architectures is connected with fitting ideologies and philosophies of the managers. Thus, management philosophy and organizational practices should be aligned in order to guarantee enhanced firm performance.

This research has offered more insights on internal organization of Nigerian SMEs with regards to the impediments of Nigerian SMEs growth via looking in to the internal system of the sector, and thus increasing level of awareness and understanding regarding the importance of research on SMEs' internal organization. With this research's findings, more insights are in place for tackling the dwindling performance of Nigerian SMEs and the current recessive economic situation in Nigeria. This is done by analyzing how HPWS can help enhance the dwindling performance to overtake the SME performance, which will, in the long run, expedite economic recovery for Nigeria.

As noted in the introductory chapter of this study, Nigeria is considered the business hub of Africa and a potential world super-power as observed by Al Maktoum (2015). This feat is contingent on right investments, infrastructural developments, rapid economic growth, and improvement in industrial competencies, productivity. Performance enhances rapid economic growth, but it cannot just come about except through the investment in the human capital development. Therefore, this research has

highlighted the organizational practices useful for human capital development, so that the stakeholders could adopt them in snowballing and expediting economic development and facilitating actualization of the initiatives under the Nigeria's Vision 2020 which will in turn facilitate NV 2020's intent to ensure that Nigeria becomes one of the top 20 economies in the world by 2020.

Besides, government agencies such as Small and Medium Enterprises Development Agency of Nigeria (SMEDAN), the central bank of Nigeria (CBN) and the researchers would also find the research beneficial as it will serve as a useful guide for the policy and decision making as well as for academic resources.

Given the current recessive economic situation in Nigeria, sole dependency on Oil and Gas sector is not viable anymore, this study has underscored that SMEs is the next hope through which the economy will be revived. Ability of SMEs to do this depends on the sustained and enhanced performance which can be accomplished through AMO-enhancing HPWS.

5.5 Limitations of the Research

The findings of this moderated mediated study have offered more insights in to HPWS research field, but it should be decoded and translated with caution, given some limitations associated with the study. First and foremost, the current study employed cross sectional research approach for data collection, but the approach does not guarantee causal inferences to be made from the population (Sekaran & Bougie, 2010).

This is considered a limitation and thus affects generalizability of the findings of this study.

In the same vein, this study is a quantitative research in which questionnaire, which was used for data collection, was designed based on adaptation of valid scale items from the extant studies, and the variables contained in the survey were measured subjectively. Although the measures of the variables were subjected to reliability and validity test and found reliable and valid, there is likelihood of social desirability problem (Kollrnann & Stockrnann, 2014) and judgmental biases (Dunlop & Lee, 2004; Leitao & Franco, 2008).

More so, self-reporting approach was employed to collect necessary data from managers for investigation of mediating role of employee creativity and moderating role of management philosophy in the relationship between HPWS and SME performance. Although, managers/owners are most effective and reliable pathway through which information about SMEs' internal processes can be got, this approach, despite its relevancy and usability, is susceptible to likely raters' bias, and employees' perspective regarding firm performance and HPWS is necessary to be obtained for complete understanding.

Bundling of performance-inducing HPWS is many-sided as it includes universalist approach, contingency approach, configuration approach, theory building process. This study employed a blend of some approaches and comes up with a synergistic configured HPWS for SMEs through logically sound, systematic and empirical-based arguments.

However, this has not fully resolved the theoretical inconsistence regarding HPWS bundling, and thus a limitation.

5.6 Recommendations for the Future Research

Drawn on the limitations explicated in the previous section, this section offers corresponding recommendations and suggestions for future studies. Since cross sectional research approach has been faulted on the ground of causal inferences, longitudinal research approach can be an alternative research approach for the future research. Also, since this study offers some empirical evidences regarding HPWS-performance nexus, it could be worthwhile to replicate the findings across diverse industries, sectors and contexts, as this will enhance the generalizability of the current research findings.

Given the limitation associated with subjective measurement of the constructs adopted in this study, future research should replicate this research using objective measurement of the constructs. In addition, it can be indicated that many other variables beside employee creativity can serve as proximal outcome of HPWS as well as intervening variable in the HPWS-performance nexus. Thus, future research can explore and examine other befitting variables to mediate the relationship between HPWS and performance.

Although the current study comes up with a synergistic configured HPWS for SMEs through logically sound, systematic and empirical-based arguments, further research is

needed to establish the context-specific HPWS configured for SMEs and expand the understanding in the research field.

Conclusively, other recommendations for future research include adoption of mixed method to provide more reliable conclusions on the issue of HPWS-performance nexus, since the responses collected through quantitative method may not be adequate as some respondents may not like to answer questions properly. Also, self-reporting approach adopted in this research is not considered a major limitation in management-based research field (Spector, 1994), but investigating employees' perspective regarding HPWS and firm performance would constitute a viable research direction for the future studies. The reason is that examining employees' perspectives on HPWS-performance nexus would expand the understanding and enrich the body of knowledge in the research field.

5.7 Conclusions

Borne out of discerned critical issues relating to theoretical, contextual, practical and methodological aspects of HPWS-SME performance research, this moderated-mediation study was designed to examine the effect of HPWS on Nigerian SME performance, highlighting both mediating effect of employee creativity and moderating effect of management philosophy on HPWS-Performance nexus. Grounded by contingency theory, AMO model, and extensive literature survey (Appendix D), a HRM-based theoretical framework was developed to elucidate contributory role of strategic HRM in enhancing optimal performance of Nigerian SMEs, and twelve hypotheses were formulated and tested via structural model of PLS-SEM.

The results of the tested hypotheses indicate that out of 12 proposed hypotheses, nine hypotheses were supported while the remaining three hypotheses were not supported. The findings signify positive effect of HPWS on SME financial and non-financial performance. The results also indicate that HPWS positively influence performance through employee creativity. Management philosophy is held to interact with employee creativity in enhancing performance. Thus, this moderated mediation study has offered some momentous contributions to the body of knowledge and some important implications for stakeholders and policymakers.

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APPENDICES

Appendix A: Questionnaire

UUM
Universiti Utara Malaysia

School of Business Management

Universiti Utara Malaysia

06010, Sintok, Kedah

Malaysia.

Dear Sir/Madam,

You are receiving this survey as part of a PhD research on High Performance Work System-SMEs' performance Nexus. The aim of this study is to determine the effects of the selected HR practices on Nigerian SMEs' performance in Nigeria. The information you provide will lead to the achievement of objectives of this research.

The survey is divided into five (5) sections. There are no rights or wrong answers. It will be highly appreciated if you honestly respond to all the questions in the sections, and return it to the assigned survey enumerator. Your responses will help in the data analysis section of this research.

If you have any inquiry about this survey, please feel free to contact Mr. Odekunle Taofeek on:
+2348056041562 or taodek1429@gmail.com

Thank you for your anticipated cooperation.

Best Regards,
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SECTION 1: GENERAL INFORMATION ON THE RESPONDENTS AND THE COMPANY

Please tick the option that best describes you and your firm

1. Which of the following best describes your position in the company? [ ] Executive Director; [ ] HR Manager;[ ] Marketing Manager; [ ] Others (specify):_____

2. Kindly tick the industry to which your firm belongs? [ ] Agriculture; [ ] Food products & Beverages; [ ] Business Services; [ ] Construction & Building Materials; [ ] Logistics & Packaging; [ ] Oil, Energy, Solar, Greentech; [ ] Computer Software Engineering; [ ] Financial Services; [ ] Manufacturing; [ ] Information Technology, Services, IT, Telecommunications, Wireless & Mobile; [ ] Mechanical & Industrial Engineering; [ ] Medical Practice & Equipment; [ ] Other (Please specify_____

3. How long has your firm been in operation in Nigeria? [ ] years.

4. Which of the following describes the type of your company ownership? [ ] Sole proprietorship; [ ] Partnership; [ ] Private Limited Liability Company; [ ] Cooperative; [ ] Faith-Based Organization; [ ] others (specify):_____

5. What is the total number of employees in your company? [ ] 10 - 100 employees [ ] 101 – 150 employees [ ] 151 – 200 employees.

6. Which category best approximates the percentage of your total annual operating expenses accounted for by labor costs in your firm? (Please circle one category).

(a) 5% - 25% (b) 26-50% (c) 51-75% (d) >75%.

SECTION 2: HIGH PERFORMANCE WORK SYSTEM

Please tick one option that best describes HR practices your firm

Options: 1=Strongly Disagree; 2=Disagree; 3=Neutral; 4=Agree; 5=Strongly Agree

S/N	Statement	1	2	3	4	5
	Selective Hiring					
1.	Our firm's recruitment emphasizes traits and abilities required for creativity.					
2.	Our firm's recruitment emphasizes job-specific traits and abilities.					
3.	Our firm gives preference to candidates' potential to learn and develop new skills.					
4.	Our firm selects the best all-around candidates					
	Job Autonomy/Design					
5.	In our firm, employees have plenty opportunities to decide how to do their work.					
6.	If a problem emerges in our firm, employees can take action to remedy it.					
7.	In our firm, employees have no opportunity to use their own judgment when doing their work.					
	Non-Financial Rewards and Pay-For-Performance					
8.	In our firm, employees are rewarded with non-monetary reward for creative ideas.					
9.	In our firm, employees are rewarded with public recognition for creative ideas.					

10.	In our firm, employees are rewarded partially based on individual merit or performance.					
11.	In our firm, pay for performance is adopted in order to attract and retain employees.					
	Performance Appraisal					
12.	In our firm, employees receive developmental performance appraisal.					
13.	In our firm, performance appraisal is very much focused on the accomplishment of results.					
14.	In our firm, employees receive developmental feedback for their creative ideas.					
	Employee Participation and Communication					
15.	In our firm, there are programs designed to encourage employee participation and input.					
16.	In our firm, employees are often asked by their supervisors to participate in decision making.					
17.	In our firm, there are mechanisms to encourage employees to suggest improvements in the way things are done.					
18.	In our firm, employees are not provided with relevant financial performance information.					
19.	In our firm, employees are provided with relevant strategic information.					
	Training and Development					
20.	In our firm, employees do receive training on general skills that are not necessarily related directly to their jobs.					
21.	In our firm, employees are trained on a variety of job skills.					
22.	In our firm, employees receive training on problem solving techniques.					

23.	In our firm, employees receive training on creativity.					
24.	During the induction, creative approach to problem-solving is emphasized in our firm.					
	Succession Planning					
25.	In our firm, procedure used to determine employees' promotions is fair.					
26.	In our firm, considering an employee for a vacant in-house job position is done fairly and based on qualification.					
27.	In our firm, promotion usually depends on how well an employee performs in his/her job.					
28.	In our firm, the supervisors do provide reasonable, timely and respectful information on all promotion opportunities available.					
29.	In our firm, the supervisors do not treat the employees with honesty, respect and dignity during promotion opportunity.					

SECTION 3: EMPLOYEE CREATIVITY

Please tick one option that best describes employee creativity in your firm

Options: 1=Strongly Disagree; 2=Disagree; 3=Neutral; 4=Agree; 5=Strongly Agree

S/N	Statement	1	2	3	4	5
	Employee Creativity					
1.	Workers in our firm accomplish their works in innovative ways.					
2.	Workers in our firm accomplish their tasks in ways that are resourceful.					
3.	Workers in our firm do come up with new ideas in their work.					

4.	Workers in our firm do generate and evaluate multiple alternatives for novel work-related problems.					
5.	Workers in our firm have fresh perspectives on old problems.					
6.	Workers in our firm do improvise methods for solving a problem when solution is not available yet.					
7.	Workers in our firm do generate creative work-related ideas.					

SECTION 4: MANAGEMENT PHILOSOPHY

Please tick one option that best describes management values in your firm

Options: 1=Strongly Disagree; 2=Disagree; 3=Neutral; 4=Agree; 5=Strongly Agree

S/N	Statement	1	2	3	4	5
	Management Philosophy					
1.	Our firm has a clear strategic mission that is well communicated and understood by the employee in the firm.					
2.	Management in our firm views employees as a strategic resource.					
3.	In our firm, employee wellbeing supersedes other administrative functions?					
4.	Management, in our firm, does not view its employees primarily as a cost of doing business.					
5.	Management looks outside the firm (e.g. what competitors are doing) to identify people management trends and future needs.					

SECTION 5: SMEs PERFORMANCE

This section is about the performance of your company. Please circle the most appropriate number for each statement. Relative to the industry average, how do you rate your company's current performance in the following areas?

Options: 1=Very Weak; 2=Weak; 3=Not Sure; 4=Strong; 5=Very Strong

S/N	Statement	1	2	3	4	5
	Financial Performance					
1.	In terms of profitability.					
2.	In terms of financial strength.					
3.	In terms of operating efficiency.					
4.	In terms of performance stability.					
5.	In terms of ability to raise capital.					
6.	In terms of level of indebtedness.					
	Non-Financial Performance					
7.	In terms of public image and goodwill.					
8.	In terms of employees' morale.					
9.	In terms of adaptability.					
10.	In terms of innovativeness.					
11.	In terms of customers patronage.					
12.	In terms of growth rate of number of employees.					

Please give your feedback or comments, it will be used to improve this survey:

_____

_____

_____

_____

_____

THANK YOU

Appendix B: Literature Review Summary

S/N	Author(s)	HPWS Measures	Performance Measures	Country/Industry	Mediator/Moderator	Major Findings
1.	Raineri (2016)	Personnel selection, performance evaluation and training, job descriptions, compensation & incentives, and empowerment practices	Business Unit Results	216 business units at 134 firms operating in Chile	collective affective commitment; human capital	Partial mediating roles of collective affective Commitment and human capital in the nexuses between HPWS and Firm performance. So, The partial mediation effects observed suggests that additional mechanisms contributing to the HPWS–performance relationship should be explored.
2.	Fu et al. (2015)	selection, training and development, performance management, compensation, information sharing and participation, and mentoring	Employees' ability to impact organizational efficiency, and employees' ability to impact organizational innovation	120 Irish accounting firms	employees' innovative work behaviors	Employees' innovative work behaviors mediates the relationship between HPWS and two types of professional service firms (PSF)s' innovation performance.
3.	Muduli (2015)	job security, selective hiring, autonomous teams and the decentralization of	Profit Maximization, Market Leadership, and	Power based company in India	HRD Climate	HPWS influences organizational performance through HRD Climate based on openness,

		decision making, comparatively high salary depending on performance, extensive training, and participation	Improved Productivity			confrontation, trust, authenticity, pro-action, autonomy, collaboration, and experimentation.
4.	Zhang & Morris (2014)	internal merit-based promotion, employment security, rigorous selection procedures, grievance/communication procedures, extensive training, information sharing, participatory mechanisms, performance-management systems, performance-related pay, selfmanaged teams and profit-sharing	effectiveness, efficiency, development, innovation, competitiveness, quality of product, satisfaction of customers or clients, public image and good will, revenue growth, market share, profitability, return on assets and return on sales	168 firms of six ownership types and in various business sectors operating in China.	Employee outcomes [Size, Age, Ownership and Business Sector as moderators]	Organizational performance is positively predicted by HPWS and employee outcomes, and employee outcomes positively mediate the relationship between HPWS and organizational performance.
5.	Demirbag et al. (2014)	Employee training, Competence-based performance Appraisal, Performance-based compensation,	Employee skills and education, Employee Effectiveness, and	148 MNE subsidiaries operating in Turkey	-	usage of HPWS has a significant positive impact on employee effectiveness. However, their impact on employee skills and

		Merit-based promotion, Internal communication & Employee empowerment, and HRM-strategy fit	Organizational financial performance			development, and organizational financial performance are far less clear
6.	Jiang & Liub (2015)	Staffing, Self-managed teams, Decentralized decision making, Training, Flexible job assignment, Open communication, and Compensation	Knowledge transfer Favorable Interpersonal, and organizational innovation	-	Social Capital	Significant relationship among the variables
7.	Heffernan 2012	Recruitment and selection, Training and development, Performance management, remuneration, Communication and involvement, and Work life balance succession planning.	Employee outcomes, HR performance, Innovation, Organizational performance, Absenteeism, and turnover.	Firms of different size in Ireland	Organizational Justice, Business strategy	distributive, procedural and interactional justice perceptions of HPWS impact employee attitudes and behavioral outcomes; organizational justice positively mediates the link between HPWS and employee outcomes.
8.	Heffernan, Harney, Cafferkey &	Employee resourcing, Training & Development,	Organizational performance, HR	Survey of 169 top 2,000 performing	Creativity climate	The findings indicate a significant positive relationship exists

	Dundon (2009)	Performance Management, Compensation, Communication & Involvement, and Family friendly policies	performance, Employee performance, and Innovation	firms in Ireland – multi-industry		between HRM systems, creativity climate and organizational performance outcomes. One HRM practice in particular; communication and involvement was found to be particularly significant in creating a climate of creativity.
9.	Subramony, Krause, Norton & Burns (2008)	HRM practices	Financial performance, Labor productivity, Customer satisfaction.	126 large publicly traded U.S. organizations over 3 years	-	Significant relationship among the variables
10.	García-Chas, Neira-Fontela & Castro-Casal (2014)	selective staffing, extensive training, internal mobility, employment security, job description, result-oriented appraisal, incentive reward and participation practices	intention to leave	19 different companies and industries in Spain	job satisfaction, procedural justice and intrinsic motivation	Significant positive nexus exists between HWS and intention to leave, with mediating role of job satisfaction. Procedural justice and intrinsic motivation mediate the relationship between HPWS and job satisfaction.
11.	Ko et al. (2013)	Work Practices & Job Satisfaction	Organizational Performance	Selected Private firms in US	Management support as moderator	Significant relationship among the variables.
12.	Vermeeren et al. (2014)	training and development,	employee, organizational	-	Employee satisfaction	Employee satisfaction mediates the relationship

		performance related pay, team- work, job design, and autonomy	and financial outcomes in			between selected HPWPs and organizational performance.
13.	Tsai (2006)	personality test; competency test; formal off-the-job training for most employees; profit-related payment; employee share-ownership scheme; group performance-related pay; profit sharing; team working for most employees; and guaranteed job security	perceived financial performance and perceived non-financial performance	38 Taiwan's semiconductor design industry	-	Significant relationship among the variables.
14.	Evans & Davis (2005)	Staffing, Self-managed teams, Decentralized decision making, Training Flexible job assignments, Open communication, and Compensation	financial performance & sustainable performance	-	Internal social structure	Significant relationship among the variables
15.	Budhwar & Patel (2015)	Selected HPWS	Branch-level innovation and	56 Vietnamese service firms	Climates for initiatives,	relationship between HPWS execution and employee

			branch-level market performance		psychological safety, employee creativity [environmental uncertainty as moderator])	creativity is mediated by climates for initiative and psychological safety. Also, employee creativity partially mediated the relationship between HPWS execution and branch-level innovation. and, the relationship between branch-level innovation and branch market performance was seen to be moderated by environmental uncertainty.
16.	Lertxundi & Landeta (2011)	Training, selection, compensation, participation, communication, and teamwork	employee productivity (sales per employee), and financial results	subsidiaries of Spanish multinational enterprises (MNEs),	Cultural context as moderator	Cultural context modrates the nexus between HPWS and firm performance.
17.	Chang & Chen (2011)	employment security, selective staffing, comprehensive training, reduced status differentiation, and competitive compensation & benefits	Employee performance	97 hair salon shop owners and 284 hairdressers	employee affective commitment and human capital	Both mediators mediate between HPWS and performance.
18.	Zhang et al. (2013)	recruitment, training, compensation, employee participation and job	work-related well-being	207 clinicians (medical practitioners and nurses) and	Economic exchange and social exchange as moderator	HPWS may lead to work related wellbeing.

		security		administration staff in six Chinese hospitals		The economic exchange perception increases the possibility that HPWS leads to employees' emotional exhaustion, while the social exchange
19.	Munjuri (2011)	Selected HRM practices	Employee performance	Selected Kenya's Public Sector	-	Significant nexus
20.	Razouk (2011)	appraisal linked with performance, appraisal linked with training, appraisal linked with promotion, individual wage increases, profit-sharing, information on the formation, information on the strategy, information on the economic situation, information on the employment evolution, discussion of information, collective discussion,	social climate for the social performance, innovation for the organizational performance and profitability for the economic performance.	275 French SMEs	-	Significant nexuses

		quality action, and group of quality.				
21.	Martı´n-Tapiaa Correaa & Guthrieb (2011)	staffing, training, compensation, performance management, communication, and participation	Export performance	145 exporting firms in Spain's food processing sector	Environmental uncertainty	There is a direct positive effect for HPWS on export performance, with the effect moderated by perceived environmental uncertainty
22.	Cooke et al. (2016)	Reward, training and development, performance appraisal, and employee participation	Employee engagement	2040 employees in the Chinese banking industry	Employee resilience	HPWS can be used as a job resource to positively affect resilience and subsequently employee engagement.
23.	Qiao, Khilji & Wang (2009)	Performance appraisal	organizational commitment	6 manufacturing firms in 2 Chinese cities	-	Significance relationship
24.	Bartram et al. (2014)	selective hiring, extensive training, self-managed teams and decentralized decision-making, information sharing, transformational leadership, and high-quality work	Quality patient care	254 health professionals from a large regional hospital in Australia	Psychological empowerment, Social identity	Significant nexuses
25.	Guthrie et al. (2009)	Hiring, compensation,	Human resource outcomes &	Representatives of the multi-industry	-	Significant relationships

		communication, and training	Organizational outcomes	set of Irish-based operations listed in the Irish Times Top 1000 Companies & Ireland's Top 1000 Companies.		
26.	Chow (2012)	Internal recruitment/promotion; training budget as a percentage of total payroll; quantitative performance appraisal standard; performance evaluation linked to compensation, training opportunity and promotion; pay incentives tied to job performance; internal equity in compensation; competitive pay package in the job market; employment security; and using communication networks and reporting for	Productivity, quality of products or services, research and development capability and market shares	243 Hong Kong and Taiwanese firms operating in Guangdong, China	HR implementation and organizational culture	HR implementation and organizational culture mediate the HR–performance relationship.

		information sharing.				
27.	Sheik et al. (2014)	training and development, performance related pay, team- work, job design, and autonomy	employee, organizational and financial outcomes	Selected firms in Bahawalpur's private sectors	Employee satisfaction	Significant relationships
28.		Staffing, compensation, employment security, flexible job assignments, self-directed teams, training, and communication.	Firm operational performance	965 Spanish manufacturing firms	Technological intensity	Technological Intensity moderates the nexus between HPWS and performance.
29.	Erabas et al. (2014)	Performance appraisal influence	Employee performance	Selected Turkish private firms	-	Significant nexuses
30.	Zhang & Li (2009)	Extensive training, participation, detailed job definition, result-oriented performance appraisal, internal career opportunities, and profit sharing	Total sales, sales growth, market share, competitive position, and overall performance	650 firms from the list of about 1,400 firms within the pharmaceutical industry of China	Innovation strategy	Positive effect of the HRM index on firm's performance was influence by innovation strategy in negative direction.
31.		staffing, compensation, flexible job	Firm performance	183 Spanish companies.	-	Significant nexus

		assignments and training.				
32.	Ji et al. (2012)	C-HRM	Firm performance	61 firms in China's insurance industry	Product diversification as moderator	C-HRM has a significant and positive effect on firm performance. with moderating effect of product diversification
33.	Kehoe & Wright (2013)	Selected HR practices	Employee's Attitudes & Behavior	-	Affective organizational commitment	Significant Nexus with moderating role of affective organizational commitement
34.	Ferguson & Reio Jr. (2010)	e human resource inputs (e.g. motivation, employee skill) and human resource processes/practices (e.g. training and development; profit sharing.	job performance and firm performance	350 business professionals (91 per cent managers; 9 per cent consultants) from a mid-western US professional organization	-	both the human resource inputs and process/practice variables explained statistically significant variance in job and firm performance.
35.	Gritti & Leoni (2012)	high performance work practices (HPWPs) and industrial relations (IR)	firm propensity for product and process innovation	-	-	Significant Nexuses
36.	Shih, Chiang, & Hsu (2006)	Job infrastructure and Job security	perceived financial performances and perceived HR effectiveness	Publicly listed companies in Taiwan, as well as multinational companies' branch offices in Taiwan		Significant Nexuses among the variables.

37.	Zhu & Bao (2015)	Training, employee participation, job analysis, performance evaluation, employee Development, and profit sharing.	rate of return on assets, rate of sales profit, level of profit, rate of asset growth and staff morale, total sales, sales growth, market share, competitive position and overall performance	224 employees of Chinese service industry	Innovation	The impacts of high-performance HRM on firm performance are significant. Moreover, innovation plays a partial mediating role between them
38.	Mao, Song, & Han (2013)	Employee perspectives of high-performance work systems	Job satisfaction and affective commitment	370 employees in the Chinese manufacturing industry during 2010	breadth of behavioral script, level of autonomy, and skill variety	employee perspectives of high-performance work systems have a positive effect on both job satisfaction and affective commitment; and breadth of behavioral script and level of autonomy mediate the relationship, but skill variety did not mediate the relationship.
39.	Guthrie (2001)	Selected HPWS	Firm productivity & Employee retention	A multi-industry sample of 164 New Zealand firms	-	Significant Nexuses among the variables

40.	Guest, Michie, Conway & Sheehan (2003)	Selected HPWS	Labor turnover, Labor productivity & Profitability (profit per employee)	A multi industry sample of 366 UK companies.	-	Significant Nexuses among the variables.
41.	Flood, Guthrie, Liu & MacCurtain (2005)	Selected HPWS	Labor productivity, Employee retention, Sales growth, & New product innovation	Survey of 165 Irish business organizations	-	Significant Nexuses among the variables.
42.	Combs, Liu, Hall, & Ketchen (2006)	incentive compensation, training, compensation level participation, selectivity, internal promotion, HR planning, Flexible work, performance appraisal, grievance procedures, teams, information sharing, and employment security.	Operational performance, accounting returns, growth, market returns, financial performance	-	-	Significant Nexuses among the variables

43.	Kok & Hartog (2006)	staffing, performance based pay, pay level, job rotation, training and participation	labor productivity, the innovativeness of an organization and voluntary labor turnover	2000 Dutch SMEs	-	Relationships exist among the variables, except between HPWS and voluntary labor turnover.
44.	Seidu (2011)	Extensive service Training, information sharing, self-management service teams and participation, compensation based on service quality, job design for quality work, service-quality-based performance appraisal, Internal service, and service discretion.	Service OCB, service quality, & Task performance	Psychological Empowerment, Perceived Organizational Support	37 bank branches from two large banks operating in Ghana.	Both mediators mediated the relationship between HPWS and OCB, service quality and task performance.
45.	Martinaityte (2014)	Selective hiring, training, performance appraisal, reward, employee participation & communication, job	Branch financial performance	53 branches of two international retail companies in Lithuania.	Climate for creativity, unit creativity [environmental dynamism as moderator	climate for creativity mediated the branch HPWS for creativity and branch creativity relationship, but creativity was unrelated to branch profit. Environmental dynamism

		design, and playfulness at work				moderated the branch creativity and profit relationship but not as predicted. Specifically, the relationship between creativity and profit became less negative when environmental dynamism was high but not low.
46.	Seidu (2011)	Service training, information sharing, interdepartmental service, teams and participation, Service discretion, performance appraisal, pay, and job design for quality work,	Marketing, sales growth, profitability, market share	Collective human Capital, Competitive advantage	37 bank branches from two large banks operating in Ghana	Both collective human capital and competitive advantage mediated the relationship between HPWS and branch market performance.
47.	Martinaityte (2014)	Selective hiring, training, performance appraisal, reward, employee participation & communication, job design, and playfulness at work	Employee creativity	53 branches of two international retail companies in Lithuania	Need Satisfaction, intrinsic motivation, creative process engagement	HPWS related to need satisfaction, but perceived HPWS did not mediate the relationship between branch HPWS and need satisfaction. Need satisfaction related to intrinsic motivation and creative process engagement

						and intrinsic motivation fully mediated the relationship between need satisfaction and creative process engagement. Need satisfaction fully mediated the relationship between perceived HPWS and creative process engagement but, only partially mediated the perceived HPWS-intrinsic motivation relationship.
48.	Bae & Lawler (2000)	HRM values, Differentiation, Speed	market-oriented performance and organizational system performance.	138 subsidiaries of MNCs and local firms operating in Korea.	High involvement HRM strategy involving Extensive training, empowerment, highly selective staffing, performance-based pay, and broad job Design.	Firms with high scores on valuing HRM and people as a source of competitive advantage were more likely to have high-involve-ment HRM strategies. These variables also had positive effects on firm performance. In addition, firms with high-involvement HRM strategies had better performance.
49.	Alfes et al. (2013)	Perceived HR practices &	Employee Task Performance	-	Employee engagement	Employee engagement mediated the relationship.

		perceived line manager behavior				
50.	Choi, & Lee, (2013)	off-the-job training, on-the-job training, mentoring, flexible job assignment, career development plans, quality circles, project teams, and suggestion systems.	return on assets (ROA) and job satisfaction.	245 Korean firms	employee job satisfaction [employees' perception on the effectiveness of HPWSs as moderator]	there are positive associations between HPWSs and firm performance and between HPWSs and job satisfaction; job satisfaction has a mediating effect in the HR-Performance link; and employees' perceptions of the effectiveness of HR practices moderate these relationships.
51.	Fan, et al. (2014)	job security, job description clarity, performance appraisal, employee voice and communication.	employee outcomes involving subjective well-being (SWB) and workplace burnout	1488 physicians and nurses in 25 Chinese hospitals.	employees' organizational based self-esteem (OBSE) as moderator	HPWS is found to increase employees' SWB and decrease burnout. Such well-being-enhancing and burnout-relieving effects are stronger when employees have high OBSE. The positive effect of HPWS on SWB is also stronger when there is a collaborative relationship among employees in an organization.
52.	Bae et al. (2003)	HR flow, work system, reward system and	perceived financial	700 local firms and subsidiaries of MNCs in Korea,	-	HPWS in locally owned firms apparently has at least a marginally greater

		employee upward influence.	strength, profitability, growth rate and market share.	Taiwan, Singapore and Thailand.		impact on firm performance than when used in MNC subsidiaries.
53.		Manpower planning, recruitment and selection, evaluation, compensation, training and staffing	firm's annual reports, Business Today (BT) 500 database and the Centre for Monitoring Indian Economy (CMIE) database.	firms listed in the BT (Business Today) 500 Indian firms	-	There is a significant relationship between strategic HR orientation and firm performance.

Appendix C Mediation Effects' Calculation

	ECR -> FP (b1)	ECR -> NFP (b2)	HPWS -> ECR	a*b1	a*b2
Sample 0	0.5769	0.5871	0.6005	0.34642845	0.35255355
Sample 1	0.5913	0.596	0.5991	0.35424783	0.3570636
Sample 2	0.6454	0.6459	0.6176	0.39859904	0.39890784
Sample 3	0.6098	0.6156	0.5912	0.36051376	0.36394272
Sample 4	0.6565	0.668	0.5932	0.3894358	0.3962576
Sample 5	0.6414	0.6401	0.6245	0.4005543	0.39974245
Sample 6	0.533	0.5178	0.6759	0.3602547	0.34998102
Sample 7	0.6978	0.7005	0.6107	0.42614646	0.42779535
Sample 8	0.7836	0.8007	0.6216	0.48708576	0.49771512
Sample 9	0.5564	0.5465	0.6963	0.38742132	0.38052795
Sample 10	0.6576	0.6591	0.6639	0.43658064	0.43757649
Sample 11	0.4792	0.475	0.6896	0.33045632	0.32756
Sample 12	0.5527	0.5246	0.5922	0.32730894	0.31066812
Sample 13	0.5987	0.6042	0.5769	0.34539003	0.34856298
Sample 14	0.6225	0.643	0.6019	0.37468275	0.3870217
Sample 15	0.5018	0.5186	0.67	0.336206	0.347462
Sample 16	0.5325	0.544	0.6406	0.3411195	0.3484864
Sample 17	0.5936	0.5818	0.6509	0.38637424	0.37869362
Sample 18	0.5965	0.5943	0.5653	0.33720145	0.33595779
Sample 19	0.5707	0.556	0.6525	0.37238175	0.36279
Sample 20	0.5986	0.625	0.6235	0.3732271	0.3896875

Sample 21	0.5207	0.5179	0.6243	0.32507301	0.32332497
Sample 22	0.5725	0.5711	0.5424	0.310524	0.30976464
Sample 23	0.567	0.5778	0.6004	0.3404268	0.34691112
Sample 24	0.6472	0.6334	0.6843	0.44287896	0.43343562
Sample 25	0.6112	0.6069	0.6488	0.39654656	0.39375672
Sample 26	0.6779	0.6743	0.5958	0.40389282	0.40174794
Sample 27	0.6353	0.6344	0.624	0.3964272	0.3958656
Sample 28	0.5169	0.5013	0.6923	0.35784987	0.34704999
Sample 29	0.605	0.6138	0.6229	0.3768545	0.38233602
Sample 30	0.5908	0.5886	0.6219	0.36741852	0.36605034
Sample 31	0.6632	0.6598	0.5632	0.37351424	0.37159936
Sample 32	0.5708	0.5726	0.6735	0.3844338	0.3856461
Sample 33	0.6267	0.652	0.6138	0.38466846	0.4001976
Sample 34	0.6514	0.6634	0.6089	0.39663746	0.40394426
Sample 35	0.5992	0.595	0.6247	0.37432024	0.3716965
Sample 36	0.5885	0.5788	0.6767	0.39823795	0.39167396
Sample 37	0.5583	0.5794	0.617	0.3444711	0.3574898
Sample 38	0.5978	0.6193	0.609	0.3640602	0.3771537
Sample 39	0.4103	0.4178	0.6203	0.25450909	0.25916134
Sample 40	0.6191	0.6222	0.6489	0.40173399	0.40374558
Sample 41	0.5539	0.5653	0.7094	0.39293666	0.40102382
Sample 42	0.6257	0.6049	0.6939	0.43417323	0.41974011
Sample 43	0.5981	0.589	0.6527	0.39037987	0.3844403
Sample 44	0.5163	0.5222	0.6284	0.32444292	0.32815048

Sample 45	0.6262	0.6266	0.6107	0.38242034	0.38266462
Sample 46	0.6182	0.6211	0.6522	0.40319004	0.40508142
Sample 47	0.6141	0.6013	0.586	0.3598626	0.3523618
Sample 48	0.5951	0.6258	0.6213	0.36973563	0.38880954
Sample 49	0.4598	0.454	0.6716	0.30880168	0.3049064
Sample 50	0.5563	0.5724	0.6095	0.33906485	0.3488778
Sample 51	0.5549	0.5525	0.6157	0.34165193	0.34017425
Sample 52	0.571	0.5822	0.6713	0.3833123	0.39083086
Sample 53	0.6367	0.6447	0.596	0.3794732	0.3842412
Sample 54	0.6166	0.6143	0.6274	0.38685484	0.38541182
Sample 55	0.6006	0.5965	0.6504	0.39063024	0.3879636
Sample 56	0.5949	0.6197	0.5855	0.34831395	0.36283435
Sample 57	0.5659	0.5834	0.6782	0.38379338	0.39566188
Sample 58	0.6251	0.6229	0.5927	0.37049677	0.36919283
Sample 59	0.5533	0.5485	0.6827	0.37773791	0.37446095
Sample 60	0.5815	0.5706	0.6035	0.35093525	0.3443571
Sample 61	0.5461	0.5651	0.6338	0.34611818	0.35816038
Sample 62	0.6263	0.6196	0.6401	0.40089463	0.39660596
Sample 63	0.6412	0.64	0.5793	0.37144716	0.370752
Sample 64	0.5267	0.52	0.7247	0.38169949	0.376844
Sample 65	0.5688	0.5665	0.654	0.3719952	0.370491
Sample 66	0.6204	0.6135	0.6053	0.37552812	0.37135155
Sample 67	0.5307	0.5297	0.655	0.3476085	0.3469535
Sample 68	0.565	0.5636	0.5634	0.318321	0.31753224

Sample 69	0.5587	0.5667	0.6215	0.34723205	0.35220405
Sample 70	0.582	0.6036	0.5913	0.3441366	0.35690868
Sample 71	0.5769	0.5919	0.5898	0.34025562	0.34910262
Sample 72	0.4912	0.512	0.6851	0.33652112	0.3507712
Sample 73	0.7325	0.7471	0.6192	0.453564	0.46260432
Sample 74	0.5318	0.541	0.6527	0.34710586	0.3531107
Sample 75	0.6218	0.6365	0.617	0.3836506	0.3927205
Sample 76	0.651	0.6309	0.6671	0.4342821	0.42087339
Sample 77	0.6047	0.612	0.6418	0.38809646	0.3927816
Sample 78	0.6284	0.6358	0.5384	0.33833056	0.34231472
Sample 79	0.4901	0.4829	0.6833	0.33488533	0.32996557
Sample 80	0.7251	0.7353	0.5763	0.41787513	0.42375339
Sample 81	0.6466	0.6589	0.5431	0.35116846	0.35784859
Sample 82	0.4888	0.4645	0.595	0.290836	0.2763775
Sample 83	0.5553	0.5484	0.5978	0.33195834	0.32783352
Sample 84	0.6137	0.611	0.6424	0.39424088	0.3925064
Sample 85	0.5514	0.5585	0.5983	0.32990262	0.33415055
Sample 86	0.596	0.617	0.6764	0.4031344	0.4173388
Sample 87	0.5004	0.4749	0.6594	0.32996376	0.31314906
Sample 88	0.6509	0.6417	0.597	0.3885873	0.3830949
Sample 89	0.5427	0.5783	0.6222	0.33766794	0.35981826
Sample 90	0.5652	0.5575	0.655	0.370206	0.3651625
Sample 91	0.5575	0.5777	0.6142	0.3424165	0.35482334
Sample 92	0.5435	0.5417	0.5889	0.32006715	0.31900713

Sample 93	0.5875	0.6001	0.6907	0.40578625	0.41448907
Sample 94	0.6502	0.6746	0.5566	0.36190132	0.37548236
Sample 95	0.5013	0.5121	0.731	0.3664503	0.3743451
Sample 96	0.6372	0.6311	0.5948	0.37900656	0.37537828
Sample 97	0.6556	0.6551	0.6255	0.4100778	0.40976505
Sample 98	0.6351	0.6482	0.5917	0.37578867	0.38353994
Sample 99	0.6479	0.6528	0.5875	0.38064125	0.38352
Sample 100	0.5098	0.499	0.6922	0.35288356	0.3454078
Sample 101	0.6418	0.6627	0.6472	0.41537296	0.42889944
Sample 102	0.6047	0.6185	0.6364	0.38483108	0.3936134
Sample 103	0.5462	0.5479	0.6319	0.34514378	0.34621801
Sample 104	0.5021	0.5236	0.6301	0.31637321	0.32992036
Sample 105	0.5609	0.549	0.6048	0.33923232	0.3320352
Sample 106	0.6562	0.6401	0.5421	0.35572602	0.34699821
Sample 107	0.6425	0.6674	0.6138	0.3943665	0.40965012
Sample 108	0.566	0.5528	0.6526	0.3693716	0.36075728
Sample 109	0.5865	0.5997	0.5163	0.30280995	0.30962511
Sample 110	0.5333	0.5323	0.6333	0.33773889	0.33710559
Sample 111	0.6096	0.6193	0.65	0.39624	0.402545
Sample 112	0.5301	0.5355	0.7094	0.37605294	0.3798837
Sample 113	0.6702	0.6871	0.6116	0.40989432	0.42023036
Sample 114	0.577	0.5863	0.6667	0.3846859	0.39088621
Sample 115	0.5996	0.59	0.7025	0.421219	0.414475
Sample 116	0.5488	0.545	0.6822	0.37439136	0.371799

Sample 117	0.4928	0.4735	0.604	0.2976512	0.285994
Sample 118	0.6446	0.648	0.6178	0.39823388	0.4003344
Sample 119	0.6171	0.6256	0.5977	0.36884067	0.37392112
Sample 120	0.5484	0.5619	0.651	0.3570084	0.3657969
Sample 121	0.5221	0.5201	0.7091	0.37022111	0.36880291
Sample 122	0.5444	0.5524	0.619	0.3369836	0.3419356
Sample 123	0.5573	0.5553	0.6003	0.33454719	0.33334659
Sample 124	0.6474	0.641	0.5417	0.35069658	0.3472297
Sample 125	0.5964	0.5985	0.6125	0.365295	0.36658125
Sample 126	0.5774	0.5704	0.6401	0.36959374	0.36511304
Sample 127	0.5487	0.5616	0.6188	0.33953556	0.34751808
Sample 128	0.5277	0.5255	0.6174	0.32580198	0.3244437
Sample 129	0.6262	0.6239	0.6292	0.39400504	0.39255788
Sample 130	0.4425	0.4188	0.5791	0.25625175	0.24252708
Sample 131	0.5944	0.6173	0.6362	0.37815728	0.39272626
Sample 132	0.5372	0.5431	0.6618	0.35551896	0.35942358
Sample 133	0.5287	0.5226	0.6725	0.35555075	0.3514485
Sample 134	0.6668	0.6542	0.5581	0.37214108	0.36510902
Sample 135	0.591	0.5919	0.6894	0.4074354	0.40805586
Sample 136	0.4519	0.4492	0.6476	0.29265044	0.29090192
Sample 137	0.6011	0.5833	0.6348	0.38157828	0.37027884
Sample 138	0.571	0.571	0.6789	0.3876519	0.3876519
Sample 139	0.5721	0.5601	0.6207	0.35510247	0.34765407
Sample 140	0.5698	0.5684	0.6508	0.37082584	0.36991472

Sample 141	0.5587	0.5648	0.546	0.3050502	0.3083808
Sample 142	0.5511	0.5374	0.638	0.3516018	0.3428612
Sample 143	0.5541	0.5693	0.624	0.3457584	0.3552432
Sample 144	0.4519	0.4338	0.6618	0.29906742	0.28708884
Sample 145	0.5306	0.5386	0.655	0.347543	0.352783
Sample 146	0.5985	0.5995	0.6072	0.3634092	0.3640164
Sample 147	0.5963	0.6043	0.6285	0.37477455	0.37980255
Sample 148	0.6128	0.6161	0.6316	0.38704448	0.38912876
Sample 149	0.5939	0.5961	0.6752	0.40100128	0.40248672
Sample 150	0.5047	0.4933	0.6493	0.32770171	0.32029969
Sample 151	0.6062	0.6278	0.5486	0.33256132	0.34441108
Sample 152	0.5828	0.5786	0.5638	0.32858264	0.32621468
Sample 153	0.6255	0.618	0.6344	0.3968172	0.3920592
Sample 154	0.5448	0.5377	0.6633	0.36136584	0.35665641
Sample 155	0.5017	0.5228	0.6294	0.31576998	0.32905032
Sample 156	0.5431	0.5739	0.6283	0.34122973	0.36058137
Sample 157	0.5947	0.5866	0.6038	0.35907986	0.35418908
Sample 158	0.6025	0.6162	0.6182	0.3724655	0.38093484
Sample 159	0.5639	0.5742	0.6774	0.38198586	0.38896308
Sample 160	0.6132	0.6041	0.6167	0.37816044	0.37254847
Sample 161	0.6087	0.6041	0.66	0.401742	0.398706
Sample 162	0.5632	0.5774	0.6497	0.36591104	0.37513678
Sample 163	0.6369	0.6348	0.6047	0.38513343	0.38386356
Sample 164	0.6593	0.6643	0.6151	0.40553543	0.40861093

Sample 165	0.5476	0.5515	0.6343	0.34734268	0.34981645
Sample 166	0.5407	0.5727	0.6174	0.33382818	0.35358498
Sample 167	0.6192	0.634	0.6031	0.37343952	0.3823654
Sample 168	0.5213	0.5199	0.6338	0.33039994	0.32951262
Sample 169	0.5345	0.5271	0.615	0.3287175	0.3241665
Sample 170	0.6312	0.6315	0.6618	0.41772816	0.4179267
Sample 171	0.5764	0.5806	0.6255	0.3605382	0.3631653
Sample 172	0.5992	0.605	0.6048	0.36239616	0.365904
Sample 173	0.5447	0.5382	0.6106	0.33259382	0.32862492
Sample 174	0.5611	0.5497	0.5739	0.32201529	0.31547283
Sample 175	0.5292	0.5253	0.6608	0.34969536	0.34711824
Sample 176	0.5604	0.5622	0.672	0.3765888	0.3777984
Sample 177	0.6264	0.6293	0.6541	0.40972824	0.41162513
Sample 178	0.557	0.5597	0.6267	0.3490719	0.35076399
Sample 179	0.5597	0.5584	0.5953	0.33318941	0.33241552
Sample 180	0.4264	0.4201	0.6	0.25584	0.25206
Sample 181	0.5983	0.6132	0.5795	0.34671485	0.3553494
Sample 182	0.6092	0.6134	0.5537	0.33731404	0.33963958
Sample 183	0.6319	0.6254	0.6703	0.42356257	0.41920562
Sample 184	0.5743	0.5818	0.6563	0.37691309	0.38183534
Sample 185	0.7019	0.7322	0.594	0.4169286	0.4349268
Sample 186	0.5924	0.5943	0.6201	0.36734724	0.36852543
Sample 187	0.611	0.6018	0.5836	0.3565796	0.35121048
Sample 188	0.5557	0.5657	0.531	0.2950767	0.3003867

Sample 189	0.5803	0.5874	0.6144	0.35653632	0.36089856
Sample 190	0.6299	0.627	0.6283	0.39576617	0.3939441
Sample 191	0.6183	0.6241	0.6123	0.37858509	0.38213643
Sample 192	0.4684	0.4873	0.67	0.313828	0.326491
Sample 193	0.5178	0.5173	0.6776	0.35086128	0.35052248
Sample 194	0.571	0.5423	0.6492	0.3706932	0.35206116
Sample 195	0.6652	0.6837	0.6237	0.41488524	0.42642369
Sample 196	0.4744	0.4937	0.6261	0.29702184	0.30910557
Sample 197	0.5819	0.5983	0.6383	0.37142677	0.38189489
Sample 198	0.463	0.4612	0.6741	0.3121083	0.31089492
Sample 199	0.5084	0.53	0.6365	0.3235966	0.337345
Sample 200	0.5373	0.524	0.5919	0.31802787	0.3101556
Sample 201	0.578	0.5746	0.6286	0.3633308	0.36119356
Sample 202	0.6191	0.6222	0.6954	0.43052214	0.43267788
Sample 203	0.5762	0.5795	0.6082	0.35044484	0.3524519
Sample 204	0.5995	0.6079	0.6553	0.39285235	0.39835687
Sample 205	0.5592	0.5588	0.6283	0.35134536	0.35109404
Sample 206	0.6027	0.5966	0.6358	0.38319666	0.37931828
Sample 207	0.5843	0.5723	0.6253	0.36536279	0.35785919
Sample 208	0.6501	0.6408	0.6515	0.42354015	0.4174812
Sample 209	0.53	0.5595	0.6599	0.349747	0.36921405
Sample 210	0.5852	0.5891	0.6811	0.39857972	0.40123601
Sample 211	0.6163	0.6377	0.5867	0.36158321	0.37413859
Sample 212	0.6681	0.685	0.5448	0.36398088	0.373188

Sample 213	0.6119	0.6334	0.6363	0.38935197	0.40303242
Sample 214	0.6136	0.5865	0.6403	0.39288808	0.37553595
Sample 215	0.6073	0.618	0.6148	0.37336804	0.3799464
Sample 216	0.5955	0.6053	0.6305	0.37546275	0.38164165
Sample 217	0.4921	0.4882	0.6557	0.32266997	0.32011274
Sample 218	0.4485	0.4617	0.6444	0.2890134	0.29751948
Sample 219	0.5638	0.5862	0.6058	0.34155004	0.35511996
Sample 220	0.5087	0.4989	0.6415	0.32633105	0.32004435
Sample 221	0.6309	0.6094	0.5507	0.34743663	0.33559658
Sample 222	0.5259	0.5124	0.5586	0.29376774	0.28622664
Sample 223	0.4909	0.4888	0.6387	0.31353783	0.31219656
Sample 224	0.6257	0.6189	0.6207	0.38837199	0.38415123
Sample 225	0.4602	0.4627	0.6636	0.30538872	0.30704772
Sample 226	0.5983	0.5849	0.6107	0.36538181	0.35719843
Sample 227	0.5676	0.5597	0.6298	0.35747448	0.35249906
Sample 228	0.5784	0.5932	0.6241	0.36097944	0.37021612
Sample 229	0.5455	0.5626	0.6548	0.3571934	0.36839048
Sample 230	0.666	0.6575	0.5287	0.3521142	0.34762025
Sample 231	0.5081	0.5259	0.7106	0.36105586	0.37370454
Sample 232	0.5408	0.5436	0.617	0.3336736	0.3354012
Sample 233	0.6193	0.6148	0.6332	0.39214076	0.38929136
Sample 234	0.5595	0.5949	0.6102	0.3414069	0.36300798
Sample 235	0.4812	0.483	0.6111	0.29406132	0.2951613
Sample 236	0.5926	0.5721	0.6806	0.40332356	0.38937126

Sample 237	0.5419	0.5119	0.5767	0.31251373	0.29521273
Sample 238	0.6002	0.6077	0.5935	0.3562187	0.36066995
Sample 239	0.5914	0.5982	0.665	0.393281	0.397803
Sample 240	0.5714	0.5619	0.6382	0.36466748	0.35860458
Sample 241	0.7156	0.725	0.6129	0.43859124	0.4443525
Sample 242	0.5739	0.5978	0.5761	0.33062379	0.34439258
Sample 243	0.5239	0.5269	0.6146	0.32198894	0.32383274
Sample 244	0.4218	0.4094	0.6497	0.27404346	0.26598718
Sample 245	0.5551	0.5713	0.6037	0.33511387	0.34489381
Sample 246	0.5955	0.5957	0.5668	0.3375294	0.33764276
Sample 247	0.6235	0.6377	0.5645	0.35196575	0.35998165
Sample 248	0.5879	0.5671	0.5472	0.32169888	0.31031712
Sample 249	0.6747	0.6819	0.6313	0.42593811	0.43048347
Sample 250	0.5086	0.5016	0.6292	0.32001112	0.31560672
Sample 251	0.6625	0.6662	0.6537	0.43307625	0.43549494
Sample 252	0.4828	0.4944	0.6536	0.31555808	0.32313984
Sample 253	0.5198	0.529	0.6005	0.3121399	0.3176645
Sample 254	0.5662	0.5764	0.657	0.3719934	0.3786948
Sample 255	0.5616	0.5615	0.6899	0.38744784	0.38737885
Sample 256	0.5238	0.5245	0.5863	0.30710394	0.30751435
Sample 257	0.5102	0.5195	0.6187	0.31566074	0.32141465
Sample 258	0.6005	0.5973	0.5949	0.35723745	0.35533377
Sample 259	0.5741	0.5652	0.6883	0.39515303	0.38902716
Sample 260	0.6934	0.6966	0.5532	0.38358888	0.38535912

Sample 261	0.552	0.5682	0.5934	0.3275568	0.33716988
Sample 262	0.5227	0.5169	0.5952	0.31111104	0.30765888
Sample 263	0.6561	0.653	0.6134	0.40245174	0.4005502
Sample 264	0.605	0.5988	0.54	0.3267	0.323352
Sample 265	0.624	0.6421	0.6344	0.3958656	0.40734824
Sample 266	0.5756	0.5712	0.5726	0.32958856	0.32706912
Sample 267	0.5994	0.6098	0.6183	0.37060902	0.37703934
Sample 268	0.5918	0.5934	0.601	0.3556718	0.3566334
Sample 269	0.6208	0.64	0.6064	0.37645312	0.388096
Sample 270	0.5496	0.5654	0.6489	0.35663544	0.36688806
Sample 271	0.6027	0.611	0.6113	0.36843051	0.3735043
Sample 272	0.7262	0.765	0.5482	0.39810284	0.419373
Sample 273	0.5978	0.5984	0.6829	0.40823762	0.40864736
Sample 274	0.5727	0.5762	0.6071	0.34768617	0.34981102
Sample 275	0.6301	0.6092	0.6704	0.42241904	0.40840768
Sample 276	0.6769	0.678	0.5246	0.35510174	0.3556788
Sample 277	0.5251	0.5107	0.6389	0.33548639	0.32628623
Sample 278	0.6165	0.604	0.6285	0.38747025	0.379614
Sample 279	0.6589	0.6312	0.6743	0.44429627	0.42561816
Sample 280	0.5449	0.5418	0.6613	0.36034237	0.35829234
Sample 281	0.4942	0.4771	0.7342	0.36284164	0.35028682
Sample 282	0.6077	0.6023	0.5967	0.36261459	0.35939241
Sample 283	0.5809	0.5862	0.6263	0.36381767	0.36713706
Sample 284	0.5441	0.557	0.6342	0.34506822	0.3532494

Sample 285	0.6259	0.6258	0.626	0.3918134	0.3917508
Sample 286	0.5326	0.5186	0.6427	0.34230202	0.33330422
Sample 287	0.6343	0.6576	0.6277	0.39815011	0.41277552
Sample 288	0.6168	0.6151	0.6295	0.3882756	0.38720545
Sample 289	0.6324	0.6479	0.5993	0.37899732	0.38828647
Sample 290	0.4979	0.5044	0.6329	0.31512091	0.31923476
Sample 291	0.603	0.6211	0.5596	0.3374388	0.34756756
Sample 292	0.5483	0.525	0.6095	0.33418885	0.3199875
Sample 293	0.5586	0.5562	0.5879	0.32840094	0.32698998
Sample 294	0.588	0.6048	0.5909	0.3474492	0.35737632
Sample 295	0.6456	0.6466	0.5823	0.37593288	0.37651518
Sample 296	0.6606	0.6687	0.5593	0.36947358	0.37400391
Sample 297	0.6566	0.6647	0.592	0.3887072	0.3935024
Sample 298	0.5947	0.6166	0.6217	0.36972499	0.38334022
Sample 299	0.6136	0.5949	0.6586	0.40411696	0.39180114
Sample 300	0.5412	0.5102	0.6953	0.37629636	0.35474206
Sample 301	0.6541	0.6618	0.6018	0.39363738	0.39827124
Sample 302	0.6471	0.6633	0.5911	0.38250081	0.39207663
Sample 303	0.5685	0.5403	0.65	0.369525	0.351195
Sample 304	0.6032	0.6087	0.6327	0.38164464	0.38512449
Sample 305	0.4527	0.4633	0.6984	0.31616568	0.32356872
Sample 306	0.5385	0.5005	0.635	0.3419475	0.3178175
Sample 307	0.6482	0.6601	0.6267	0.40622694	0.41368467
Sample 308	0.6467	0.6444	0.5565	0.35988855	0.3586086

Sample 309	0.5327	0.521	0.7123	0.37944221	0.3711083
Sample 310	0.5942	0.6141	0.6138	0.36471996	0.37693458
Sample 311	0.6775	0.6869	0.5597	0.37919675	0.38445793
Sample 312	0.6221	0.6243	0.6117	0.38053857	0.38188431
Sample 313	0.5888	0.5992	0.5993	0.35286784	0.35910056
Sample 314	0.589	0.5902	0.5747	0.3384983	0.33918794
Sample 315	0.5815	0.5824	0.6485	0.37710275	0.3776864
Sample 316	0.4807	0.5027	0.604	0.2903428	0.3036308
Sample 317	0.5831	0.5762	0.5814	0.33901434	0.33500268
Sample 318	0.6121	0.604	0.6156	0.37680876	0.3718224
Sample 319	0.5991	0.5888	0.6271	0.37569561	0.36923648
Sample 320	0.6034	0.59	0.6216	0.37507344	0.366744
Sample 321	0.4508	0.4617	0.7112	0.32060896	0.32836104
Sample 322	0.5674	0.5739	0.6616	0.37539184	0.37969224
Sample 323	0.6076	0.6031	0.6137	0.37288412	0.37012247
Sample 324	0.5685	0.5732	0.6669	0.37913265	0.38226708
Sample 325	0.6116	0.6188	0.5867	0.35882572	0.36304996
Sample 326	0.6013	0.6021	0.6349	0.38176537	0.38227329
Sample 327	0.5454	0.5414	0.6537	0.35652798	0.35391318
Sample 328	0.646	0.6338	0.6094	0.3936724	0.38623772
Sample 329	0.6396	0.6231	0.6333	0.40505868	0.39460923
Sample 330	0.6177	0.6188	0.6265	0.38698905	0.3876782
Sample 331	0.6303	0.6455	0.6018	0.37931454	0.3884619
Sample 332	0.626	0.6343	0.6054	0.3789804	0.38400522

Sample 333	0.5943	0.5951	0.6145	0.36519735	0.36568895
Sample 334	0.608	0.6209	0.6201	0.3770208	0.38502009
Sample 335	0.5579	0.5755	0.6187	0.34517273	0.35606185
Sample 336	0.6671	0.6543	0.649	0.4329479	0.4246407
Sample 337	0.683	0.6747	0.6392	0.4365736	0.43126824
Sample 338	0.6943	0.7149	0.6224	0.43213232	0.44495376
Sample 339	0.6564	0.6728	0.6003	0.39403692	0.40388184
Sample 340	0.5811	0.5621	0.6149	0.35731839	0.34563529
Sample 341	0.6375	0.6485	0.6426	0.4096575	0.4167261
Sample 342	0.5196	0.5346	0.595	0.309162	0.318087
Sample 343	0.5883	0.5659	0.6393	0.37610019	0.36177987
Sample 344	0.6873	0.7151	0.63	0.432999	0.450513
Sample 345	0.5765	0.5702	0.6423	0.37028595	0.36623946
Sample 346	0.4426	0.4484	0.6684	0.29583384	0.29971056
Sample 347	0.5644	0.5926	0.6226	0.35139544	0.36895276
Sample 348	0.6195	0.6231	0.5516	0.3417162	0.34370196
Sample 349	0.6206	0.6288	0.6412	0.39792872	0.40318656
Sample 350	0.5991	0.59	0.6517	0.39043347	0.384503
Sample 351	0.5203	0.522	0.6782	0.35286746	0.3540204
Sample 352	0.6202	0.6018	0.5924	0.36740648	0.35650632
Sample 353	0.497	0.4703	0.6753	0.3356241	0.31759359
Sample 354	0.5844	0.571	0.6668	0.38967792	0.3807428
Sample 355	0.5957	0.6016	0.6119	0.36450883	0.36811904
Sample 356	0.5886	0.5918	0.6504	0.38282544	0.38490672

Sample 357	0.6144	0.6218	0.5812	0.35708928	0.36139016
Sample 358	0.522	0.5043	0.6375	0.332775	0.32149125
Sample 359	0.5999	0.604	0.6093	0.36551907	0.3680172
Sample 360	0.6304	0.6234	0.6519	0.41095776	0.40639446
Sample 361	0.6245	0.6274	0.6234	0.3893133	0.39112116
Sample 362	0.3808	0.4042	0.681	0.2593248	0.2752602
Sample 363	0.6038	0.6075	0.6343	0.38299034	0.38533725
Sample 364	0.5839	0.5803	0.6849	0.39991311	0.39744747
Sample 365	0.5529	0.5603	0.6211	0.34340619	0.34800233
Sample 366	0.5388	0.5551	0.5727	0.30857076	0.31790577
Sample 367	0.5799	0.584	0.6124	0.35513076	0.3576416
Sample 368	0.5675	0.5781	0.4992	0.283296	0.28858752
Sample 369	0.5471	0.5496	0.6432	0.35189472	0.35350272
Sample 370	0.5856	0.5883	0.6306	0.36927936	0.37098198
Sample 371	0.4789	0.4775	0.6305	0.30194645	0.30106375
Sample 372	0.576	0.5672	0.6291	0.3623616	0.35682552
Sample 373	0.6241	0.6287	0.648	0.4044168	0.4073976
Sample 374	0.4715	0.4737	0.6624	0.3123216	0.31377888
Sample 375	0.6054	0.6304	0.5766	0.34907364	0.36348864
Sample 376	0.6316	0.6452	0.6367	0.40213972	0.41079884
Sample 377	0.6594	0.6781	0.6868	0.45287592	0.46571908
Sample 378	0.6254	0.6285	0.577	0.3608558	0.3626445
Sample 379	0.5144	0.4804	0.6286	0.32335184	0.30197944
Sample 380	0.5983	0.6116	0.5788	0.34629604	0.35399408

Sample 381	0.5486	0.5202	0.7007	0.38440402	0.36450414
Sample 382	0.6621	0.6693	0.6271	0.41520291	0.41971803
Sample 383	0.5524	0.5246	0.6393	0.35314932	0.33537678
Sample 384	0.5731	0.5597	0.5957	0.34139567	0.33341329
Sample 385	0.5706	0.5635	0.6634	0.37853604	0.3738259
Sample 386	0.6108	0.6198	0.5459	0.33343572	0.33834882
Sample 387	0.424	0.4158	0.6909	0.2929416	0.28727622
Sample 388	0.5533	0.5359	0.6954	0.38476482	0.37266486
Sample 389	0.61	0.6296	0.6013	0.366793	0.37857848
Sample 390	0.5728	0.5552	0.6214	0.35593792	0.34500128
Sample 391	0.5507	0.567	0.6241	0.34369187	0.3538647
Sample 392	0.5479	0.5389	0.6653	0.36451787	0.35853017
Sample 393	0.5675	0.5952	0.6411	0.36382425	0.38158272
Sample 394	0.6143	0.5945	0.6745	0.41434535	0.40099025
Sample 395	0.5887	0.5887	0.5675	0.33408725	0.33408725
Sample 396	0.5995	0.5783	0.63	0.377685	0.364329
Sample 397	0.5479	0.5906	0.5825	0.31915175	0.3440245
Sample 398	0.5483	0.5603	0.614	0.3366562	0.3440242
Sample 399	0.5973	0.6108	0.6037	0.36059001	0.36873996
Sample 400	0.4185	0.4174	0.6783	0.28386855	0.28312242
Sample 401	0.5324	0.5337	0.6666	0.35489784	0.35576442
Sample 402	0.5176	0.5354	0.6682	0.34586032	0.35775428
Sample 403	0.5344	0.5308	0.5822	0.31112768	0.30903176
Sample 404	0.6374	0.6402	0.6293	0.40111582	0.40287786

Sample 405	0.5523	0.5506	0.6498	0.35888454	0.35777988
Sample 406	0.6617	0.6611	0.6233	0.41243761	0.41206363
Sample 407	0.6757	0.693	0.5776	0.39028432	0.4002768
Sample 408	0.5401	0.5094	0.6342	0.34253142	0.32306148
Sample 409	0.617	0.6259	0.5852	0.3610684	0.36627668
Sample 410	0.5876	0.5767	0.6417	0.37706292	0.37006839
Sample 411	0.5853	0.6086	0.6128	0.35867184	0.37295008
Sample 412	0.4817	0.5066	0.5989	0.28849013	0.30340274
Sample 413	0.565	0.5761	0.6572	0.371318	0.37861292
Sample 414	0.6443	0.6468	0.5688	0.36647784	0.36789984
Sample 415	0.5691	0.5456	0.5903	0.33593973	0.32206768
Sample 416	0.5416	0.5366	0.6886	0.37294576	0.36950276
Sample 417	0.6478	0.664	0.5818	0.37689004	0.3863152
Sample 418	0.5527	0.5593	0.5512	0.30464824	0.30828616
Sample 419	0.5807	0.5993	0.6876	0.39928932	0.41207868
Sample 420	0.5712	0.5537	0.6534	0.37322208	0.36178758
Sample 421	0.6875	0.672	0.6111	0.42013125	0.4106592
Sample 422	0.545	0.5284	0.6366	0.346947	0.33637944
Sample 423	0.5699	0.5809	0.6369	0.36296931	0.36997521
Sample 424	0.7074	0.7046	0.5346	0.37817604	0.37667916
Sample 425	0.6289	0.631	0.5637	0.35451093	0.3556947
Sample 426	0.7001	0.7142	0.5305	0.37140305	0.3788831
Sample 427	0.6316	0.659	0.6308	0.39841328	0.4156972
Sample 428	0.6213	0.6237	0.6341	0.39396633	0.39548817

Sample 429	0.6586	0.6542	0.5867	0.38640062	0.38381914
Sample 430	0.57	0.5847	0.5756	0.328092	0.33655332
Sample 431	0.5627	0.573	0.6559	0.36907493	0.3758307
Sample 432	0.6546	0.6458	0.5724	0.37469304	0.36965592
Sample 433	0.6531	0.6611	0.5824	0.38036544	0.38502464
Sample 434	0.6327	0.6526	0.5586	0.35342622	0.36454236
Sample 435	0.5372	0.5535	0.6889	0.37007708	0.38130615
Sample 436	0.453	0.4795	0.5875	0.2661375	0.28170625
Sample 437	0.658	0.6561	0.58	0.38164	0.380538
Sample 438	0.6032	0.6154	0.5404	0.32596928	0.33256216
Sample 439	0.5981	0.601	0.5846	0.34964926	0.3513446
Sample 440	0.6078	0.6085	0.5437	0.33046086	0.33084145
Sample 441	0.5796	0.5897	0.5739	0.33263244	0.33842883
Sample 442	0.5789	0.5823	0.6621	0.38328969	0.38554083
Sample 443	0.6351	0.6455	0.593	0.3766143	0.3827815
Sample 444	0.6407	0.6487	0.6202	0.39736214	0.40232374
Sample 445	0.5642	0.5701	0.6594	0.37203348	0.37592394
Sample 446	0.6079	0.6222	0.5752	0.34966408	0.35788944
Sample 447	0.5356	0.5498	0.6264	0.33549984	0.34439472
Sample 448	0.6058	0.6001	0.6331	0.38353198	0.37992331
Sample 449	0.5681	0.5526	0.6319	0.35898239	0.34918794
Sample 450	0.6876	0.6946	0.6329	0.43518204	0.43961234
Sample 451	0.6733	0.6925	0.6032	0.40613456	0.417716
Sample 452	0.6494	0.6526	0.5645	0.3665863	0.3683927

Sample 453	0.5645	0.5699	0.6161	0.34778845	0.35111539
Sample 454	0.6519	0.6471	0.5978	0.38970582	0.38683638
Sample 455	0.6469	0.6663	0.646	0.4178974	0.4304298
Sample 456	0.498	0.4907	0.6512	0.3242976	0.31954384
Sample 457	0.572	0.5797	0.6132	0.3507504	0.35547204
Sample 458	0.6584	0.6679	0.5912	0.38924608	0.39486248
Sample 459	0.6752	0.6689	0.5755	0.3885776	0.38495195
Sample 460	0.5925	0.6032	0.6119	0.36255075	0.36909808
Sample 461	0.4753	0.4626	0.6663	0.31669239	0.30823038
Sample 462	0.5912	0.5874	0.6018	0.35578416	0.35349732
Sample 463	0.5352	0.5456	0.655	0.350556	0.357368
Sample 464	0.6086	0.6087	0.6472	0.39388592	0.39395064
Sample 465	0.6004	0.6254	0.6672	0.40058688	0.41726688
Sample 466	0.6145	0.6082	0.6237	0.38326365	0.37933434
Sample 467	0.6171	0.6209	0.6695	0.41314845	0.41569255
Sample 468	0.5162	0.5245	0.5711	0.29480182	0.29954195
Sample 469	0.5832	0.5626	0.6215	0.3624588	0.3496559
Sample 470	0.6445	0.6641	0.5953	0.38367085	0.39533873
Sample 471	0.5623	0.5473	0.6535	0.36746305	0.35766055
Sample 472	0.562	0.5648	0.5509	0.3096058	0.31114832
Sample 473	0.5996	0.6207	0.5998	0.35964008	0.37229586
Sample 474	0.5676	0.5794	0.6463	0.36683988	0.37446622
Sample 475	0.5656	0.5608	0.6995	0.3956372	0.3922796
Sample 476	0.544	0.5682	0.6344	0.3451136	0.36046608

Sample 477	0.5146	0.5206	0.5975	0.3074735	0.3110585
Sample 478	0.6453	0.6309	0.5748	0.37091844	0.36264132
Sample 479	0.5969	0.6115	0.6692	0.39944548	0.4092158
Sample 480	0.5016	0.5026	0.6751	0.33863016	0.33930526
Sample 481	0.6151	0.5953	0.6719	0.41328569	0.39998207
Sample 482	0.6351	0.6609	0.5912	0.37547112	0.39072408
Sample 483	0.4933	0.4933	0.6572	0.32419676	0.32419676
Sample 484	0.719	0.7166	0.5797	0.4168043	0.41541302
Sample 485	0.6046	0.6139	0.5082	0.30725772	0.31198398
Sample 486	0.6442	0.6371	0.5873	0.37833866	0.37416883
Sample 487	0.6219	0.6254	0.592	0.3681648	0.3702368
Sample 488	0.5486	0.5539	0.6947	0.38111242	0.38479433
Sample 489	0.6557	0.6738	0.5999	0.39335443	0.40421262
Sample 490	0.5737	0.5608	0.6462	0.37072494	0.36238896
Sample 491	0.542	0.5486	0.6038	0.3272596	0.33124468
Sample 492	0.6149	0.6094	0.6238	0.38357462	0.38014372
Sample 493	0.6259	0.652	0.6574	0.41146666	0.4286248
Sample 494	0.7344	0.7316	0.5437	0.39929328	0.39777092
Sample 495	0.4668	0.4598	0.6521	0.30440028	0.29983558
Sample 496	0.6158	0.6297	0.5905	0.3636299	0.37183785
Sample 497	0.5726	0.5863	0.5931	0.33960906	0.34773453
Sample 498	0.666	0.647	0.6304	0.4198464	0.4078688
Sample 499	0.6342	0.6388	0.6358	0.40322436	0.40614904
			AVE	0.363446962	0.364974964

			STDEV	0.035007002	0.035877972
			Tstat	10.38212181	10.17267552
			Pvalue	0.000	0.000

Appendix D Publications from the Ph.D. research

1. Ismail, A.I., Abdul-Halim, A.M., & Joarder, M. H. R. (2016a). Addressing and Unravelling the Emerging HPWS Research Problems. Journal of Advanced Research in Business and Management Studies,4(1). 22-42.
2. Ismail, A.I., Abdul-Halim, A.M., & Joarder, M. H. R. (2016b). High Performance WorkSystem-SMEs Performance Nexus: A Conceptual Model. International Journal of Entrepreneurship and Small & Medium Enterprise (IJESME), special issue, 115-130.
3. Ismail, A.I., Abdul-Halim, A.M., & Joarder, M. H. R. (2017). Filling up the HRM 'Black Box'; do creativity and management philosophy matter? Management Science Letters, 163–176.

Conference Paper

1. Ismail, A.I., Abdul-Halim, A.M., & Joarder, M. H. R. (2016). High Performance Work System-SMEs Performance Nexus: A Conceptual Model. In Proc. Conf. on Economics, Business, and Social Sciences, Malaysia, 2016, 1, 93-108.