

High-Performance Work Systems In Small And Micro Business: Impact on employee organizational citizenship behavior

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Abstract—Due to the intensified market competition, companies must seek lower-cost and efficient corporate management methods in order to sustainably develop. The concept of high performance work system (HPWS) came into being in this situation. The main purpose of this research is to explore the relationship between high-performance work systems and employee well-being and organizational citizenship behavior. This research takes China's small and medium-sized enterprises (SMEs) as the research objects of the survey. After analysis using SmartPLS, it is found that the high-performance work system will have a positive and significant impact on well-being and employee citizenship behavior. At the same time, well-being plays a mediator variable in the relationship between the high-performance work system and employee citizenship behavior.

1 Introduction

With the development of human resource theory and the proposal of strategic human resource management theory, more and more scholars have begun to study its relationship with organizational performance from the perspective of "High Performance Work System (HPWS)". Previous studies by scholars pointed out that high performance work system (HPWS) can effectively improve employee satisfaction and reduce enterprise operating costs [1], [2]. Another point worth noting is that employees' subjective well-being and emotions at work are closely related to corporate competitiveness. Many companies have begun to attach importance to employees' feelings at work in order to attract outstanding talents to work in the company while retaining existing employees. [3]. Past studies have also confirmed that overwork will increase employees' mental burnout and reduce their happiness and job satisfaction, while major events such as job promotion, salary increase, and improvement of the office environment will increase employees' well-being. It has a huge impact on personal happiness [4]. Previous studies have shown that the higher the employee's happiness, the better the work performance, and the increase in efficiency and productivity [5].

This research bridges the gap between the theory, concept, and empirical demonstration of the impact of high-performance work systems on increasing employees' organizational citizenship behavior. The research question is thus formulated to answer: (1) How does a high-performance work system affect employees' organizational citizenship behavior? (2) What impact does the high-performance work system have on

employees' well-being? (3) What impact does employee well-being have on employee organizational citizenship behavior?

2 Literature Review

2.1 High Performance Work System

Strategic human resource management refers to the human resource management strategy that enterprises need to adopt in order to achieve their predetermined goals when facing the internal and external environment of the enterprise [6], [7]. High performance work system (HPWS) is a series of policies and activities that can make the company highly consistent and ensure that human resources serve the corporate strategic goals [8]. A high-performance work system can improve the skills, information, and motivation required by employees for work, and can therefore enhance the competitiveness of the organization [9]. High-performance human resources measures can effectively motivate employees so that they can perform better at work, thereby improving organizational performance [10].

2.2 Well-Bing

Well-being can be divided into two dimensions: emotion and cognition. Therefore, happiness includes personal happiness in life and positive and negative emotions from psychology and society [11], [12]. Well-being is a relative concept, which comes from personal values, past and present life experiences, or a relative comparison of one's

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own life experience and state with one's or others' lives [13], [14].

2.3 Organizational Citizenship Behavior

The concept of organizational citizenship behavior is derived from the concept of organizational citizenship. Organizational citizenship refers to the exchange relationship between employees and the organization, that is, the organization agrees to some rights of the employees, and the employees fulfill their obligations to the organization [15]. Organizational citizenship behavior is a spontaneous behavior, which means that even if the organization does not require it, some employees will still engage in behaviors that are beneficial to the organization or colleagues, and this behavior will have a positive impact on organizational effectiveness [16]. Organizational citizenship behavior is a behavior in which employees voluntarily support overall interests rather than private interests. This behavior exceeds the company's requirements for employee positions [17].

2.4 Hypotheses

Based on the research purpose of this research and literature review, four hypotheses are proposed. The four hypotheses are developed as follows:

H1: High performance work system has a significant influence on well-being.

H2: High performance work system has a significant influence on organization citizenship behavior.

H3: Well-being has a significant influence on organization citizenship behavior.

H4: Well-being mediates the relationship between high performance work system and organization citizenship behavior.

3 Methodology

This operational definition of the high-performance work system as the extent to which the organization implements selection, training and development and performance management measures in order to enhance the

organization's current and potential employees' knowledge, technology, and capabilities. The high-performance work system contains three dimensions, and a total of eleven questions are used to measure: (1) selection; (2) training and development; (3) performance management.

The operational definition of well-being is the overall assessment of an individual's satisfaction with his current life and his own positive emotions. The operational definition of organizational citizenship behavior refers to the spontaneous behavior of employees, which will bring benefits to the organization.

This study uses electronic questionnaires to collect data from small- and medium-sized enterprises in Thailand, using a conceptual sampling method, and contacting them by phone or email to confirm their willingness to cooperate. A total of 200 questionnaires were distributed from June 1, 2020 to July 1, 2020. After deleting invalid questionnaires with a response time of less than one minute, a total of 99 valid questionnaires were returned, with an effective recovery rate of 49.5%.

4 Research Finding

4.1 Measurement Model

Table 1 shows that all item loadings exceeded the recommended value of 0.6 [18]. The results indicate that Cronbach's alpha coefficients of all items ranging from 0.631 to 0.824 were more significant than the proposed value of 0.6 [19]. Additionally, Table 1 shows the result of testing construct reliability all the CR values of all the items ranging from 0.802 to 0.888 were found to be higher than the proposed value of 0.7 [20], [21]. The result of the average variance extracted ranging from 0.576 to 0.726, which reflects the overall amount of variance in the indicators accounted for by the latent construct, exceeded the recommended value of 0.5 [22]. In summary, the measurement scale of this study has convergence validity. Table 2 shows that the square root (diagonal value) of the AVE for each structure is greater than the corresponding correlation coefficient that points to the appropriate discriminant validity [23].

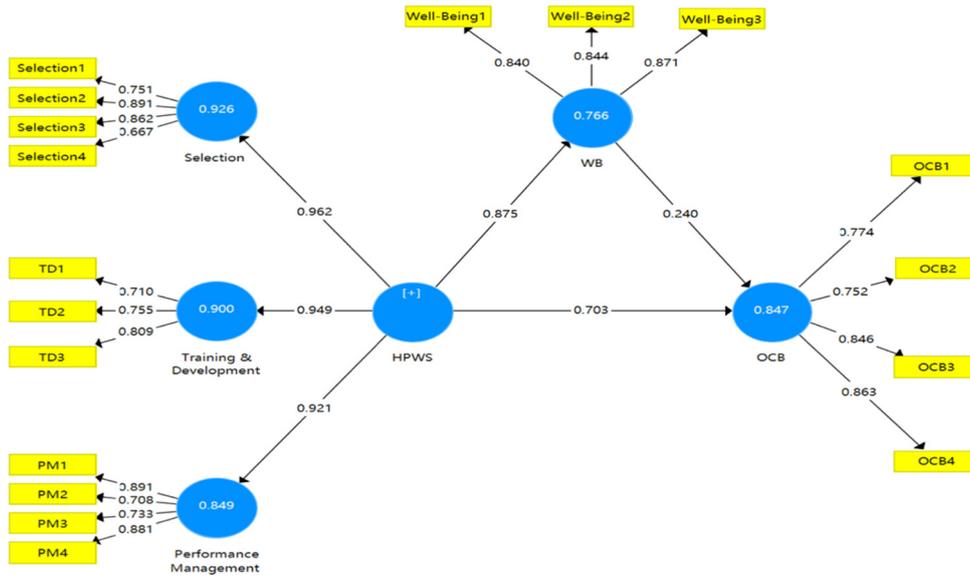


Fig 1. Structural model assessment

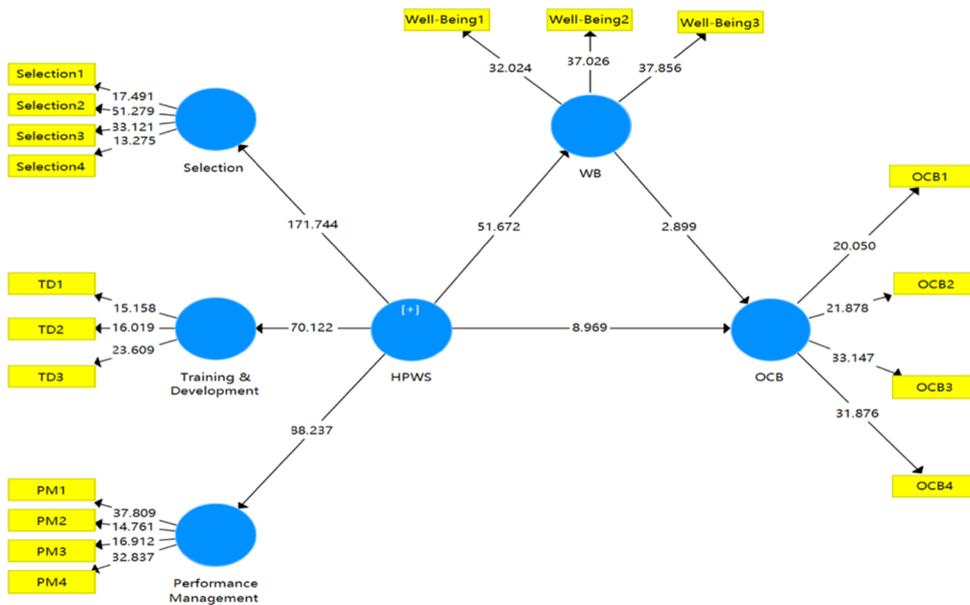


Fig 2. Effect size

Table1. Validity and reliability for constructs.

Constructs	Items	Loadings	Cronbach's alpha	CR	AVE
OCB	OCB1	0.774	0.824	0.884	0.656
	OCB2	0.752			
	OCB3	0.846			
	OCB4	0.863			
PM	PM1	0.891	0.818	0.881	0.652
	PM2	0.708			
	PM3	0.733			
	PM4	0.880			
Selection	Selection1	0.751	0.804	0.874	0.636
	Selection2	0.891			
	Selection3	0.862			
	Selection4	0.801			
TD	TD1	0.709	0.631	0.802	0.576
	TD2	0.755			
	TD3	0.809			
Well-Being	Well-Being1	0.840	0.811	0.888	0.726
	Well-Being2	0.844			
	Well-Being3	0.871			

4.2 Structural Model

The structural model assessment, as shown in Figure 1, 2, reveals the results of hypothesis tests. This study examines the relationship between variables.

High-performance work systems (HPWS) positively and significantly affected employee well-being ($\beta = 0.875$; $t = 51.672$; $p < 0.001$), organization citizenship behavior ($\beta = 0.703$; $t = 8.969$; $p < 0.001$). In addition, employee well-being also positively and significantly affected organization citizenship behavior ($\beta = 0.240$; $t = 2.899$; $p < 0.001$). Thus hypothesis 1, hypothesis 2 and hypothesis 3 were all supported. At the same time, well-being mediates the relationship between high-performance

work systems and employee citizenship behavior ($\beta = 0.210$; $p < 0.004$).

Table2. Discriminant validity.

Constructs	C1	C2	C3
HPWS	0.739		
OCB	0.657	0.810	
WB	0.604	0.521	0.852

a. Values on the diagonal (bolded) are square root of the AVE while the off-diagonals are correlations.

Table3. Structural path analysis result

Constructs Relationship	Beta	T Value	f ²	P Values
HPWS -> OCB	0.703	8.969	0.756	0.000
HPWS -> WB	0.875	51.672	3.265	0.000
WB -> OCB	0.240	2.899	0.089	0.004

Table4. Predictive relevance (Q²)

	SSO	SSE	Q ² (=1-SSE/SSO)
HPWS	1089.000	591.228	0.457
OCB	396.000	225.784	0.430
WB	396.000	270.126	0.318

Table5. Mediation Analysis

Path	IE	Confidence Interval		P Values
		2.5%	97.5%	
HPWS -> WB -> OCB	0.210	0.079	0.358	0.004

5 Conclusion

The main purpose of this research is to explore the relationship between the implementation of the high-performance work system in the organization and the well-being and organizational citizenship behavior of employees. The research results show that the high-performance work system will have a positive and significant impact on the well-being of employees. That is to say, the higher the degree of implementation of the high-performance work system by the enterprise, the higher the employee's satisfaction in the work process. At the same time, the use of a high-performance work system will also make it easier for employees to produce employee citizenship behavior and to voluntarily do things that are beneficial to the organization.

Based on the results of data analysis, this research provides specific management implications and relevant suggestions for reference in the work of the practical community. This research suggests that companies can use the implementation of high-performance work systems to make employees feel well-being in the work process, which in turn encourages employees to exhibit a higher degree of organizational citizenship behavior. This will improve the overall performance of the organization, which in turn is conducive to the sustainable operation of the company.

Since this research mainly explores the relationship between employee well-being, high-performance work systems, and organizational citizenship behavior, this research does not discuss the possible moderating effects of these three variables. Therefore, this study suggests that

follow-up researchers can join the moderate variable to conduct research so that the impact mechanism of the high-performance work system on employee citizenship behavior is more complete.

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