The Relationships between Ability, Motivation and Opportunity (AMO) Model of High-Performance Work Practices (HPWP) and Organizational Performance on Millennials in MARA Headquarters, Kuala Lumpur: Mediated by Job Embeddedness

Norzanah Mat Nor and Farahdiba Abdullah

To Link this Article: http://dx.doi.org/10.6007/IJARBSS/v10-i13/6889 DOI:10.6007/IJARBSS/v10-i13/6889

Received: 22 December 2019, Revised: 07 January 2020, Accepted: 22 January 2020

Published Online: 13 February 2020

In-Text Citation: (Nor & Abdullah, 2020)


Copyright: © 2020 The Author(s)

Published by Human Resource Management Academic Research Society (www.hrmars.com)

This article is published under the Creative Commons Attribution (CC BY 4.0) license. Anyone may reproduce, distribute, translate and create derivative works of this article (for both commercial and non-commercial purposes), subject to full attribution to the original publication and authors. The full terms of this license may be seen at: http://creativecommons.org/licenses/by/4.0/legalcode

Special Issue: Upstream Research in Business and Management: Towards Socio-Economic Prosperity, 2020, Pg. 62 - 72

http://hrmars.com/index.php/pages/detail/IJARBSS

Full Terms & Conditions of access and use can be found at http://hrmars.com/index.php/pages/detail/publication-ethics
The Relationships between Ability, Motivation and Opportunity (AMO) Model of High-Performance Work Practices (HPWP) and Organizational Performance on Millennials in MARA Headquarters, Kuala Lumpur: Mediated by Job Embeddedness

Norzanah Mat Nor and Farahdiba Abdullah
Arshad Ayub Graduate Business School (AAGBS), Universiti Teknologi MARA, 40450 Shah Alam, Selangor, Malaysia

Abstract
The purpose of this paper is to investigate the relationships between three-dimensional AMO model underlying High Performance Work Practices (HPWP) conceptualization and organizational performance of millennials in Majlis Amanah Rakyat (MARA) Headquarters, Kuala Lumpur. This study also predicted that these components would relate to job embeddedness by mediating the relationships between AMO-based HPWP model and performance of millennials. Data collection utilized quantitative approach by conducting a survey to 76 millennials. The findings produced support for the relationships between HPWP linked with AMO model and organizational performance, also predicted that job embeddedness can actively manage both a bundle of HR practices implementation and millennials’ performance. These findings confirmed that the HPWP conceptualization by utilizing AMO model and their impact on both direct and indirect relationships. As a result, this study provides a consistent basis based on empirical investigation and better theoretical building for HPWP and proposing that job embeddedness as an important mediator in the Malaysian market on a specific generation namely millennials.

Keywords: HPWP, AMO Model, Organizational Performance, Job Embeddedness, Millennials, Mara Headquarters, Kuala Lumpur

Introduction
The topic of High Performance Work Practices (HPWP) and the Ability, Motivation and Opportunity (AMO) model, job embeddedness as well as organizational performance are discussed widely in academic and non-academic studies. Likewise, the characteristics and preferences of millennials in the workplace have also been, and always be, a focal point of interest (Sharkawi et al., 2016), since
each of the generational cohorts contributes distinct attitudes, problems and outcomes to organizations.

During the globalization age, most management tends towards planning and practicing HPWP with the employees, including the millennial generation, in order to improve organizational performance. Based on the recent studies, organizational performance is one of the most widely and comprehensively used as dependent variable in a management field (Cania, 2016) and applicable to provide well-evidenced understanding of the employees when influenced by HPWP (Obeidat et al., 2016). Sofijanova et al. (2013) noted that HPWP are emphasized when managing employees through organizational strategies linked to long-term employment. The strategies fixed with HPWP are maximizing the employees’ commitment, communication, flexibility, competencies, motivation and involvement (Sofijanova et al., 2013), and the organization needs more than one approach to achieve them. The AMO model was introduced by Appelbaum et al. (2000) and presented a strong fundamental to conceptualization of HPWP by combination of three dimensions, ability-enhancing practices, motivation-enhancing practices and opportunity-enhancing practices (Obeidat et al., 2016; Kroon et al., 2013).

Ability-enhancing practices described as human characteristics that are appropriate for those task accomplishment (Boon et al., 2014; Minbaeva, 2013). There are three elements of ability including recruitment and selection, training and development and performance evaluation (Marin-Garcia and Thomas, 2016). Recruitment refers to the procedures of attracting intended new or existing employees and motivating them to take up the available job vacancy in the organization (Kumari, 2012) while selection is choosing an ideal specification of level, experience, personality and the important characteristics needed to fill the job vacancy (Mustapha et al., 2013). Training is a process of learning that requires capability enhancing, knowledge acquisition, policies, concepts or attitudes and behavioral shifting in order to increase organizational performance (Ameeq and Hanif, 2013) whereas development entails the organizational events that assist the employees to obtain up to date skills and understanding that are important for their career development (Saifalislam et al., 2014). Finally, performance evaluation relates to ascertaining the job performance of employees and delivers multi-sources feedback to them (Manoharan et al., 2012).

Motivation-enhancing practices have been described as the employee’s intensity, related to want and choose in regard work engagement in definite specified attributes (Kim et al., 2015). Marin-Garcia and Thomas (2016) stated that there are two classifications of motivation namely extrinsic motivation and intrinsic motivation. According to Reddy et al. (2016), extrinsic motivation is a factor to fulfill task completion or work performance in order to get physical rewards or to stay away from an aversive stimulus. In contrast, intrinsic motivation is the most powerful factor to enhance the performance and attitudes of employees with inherently rewarding (Cho et al., 2012) and originates from attentiveness and usefulness.

Opportunity-enhancing practices have been described as a bundle of conditions that allow the employees to participate in several facets, such as knowledge sharing, job richness and involvement in the decision-making process (Schimansky, 2014). Knowledge sharing, autonomy, job design and employee involvement are the elements of opportunity (Marin-Garcia et al., 2016). Knowledge sharing is about offering adequate information with regard to paramount problems or cases in the organization, as well as to enhancing communication at all level managements, regardless the authority level (Marin-Garcia and Thomas, 2016). Autonomy refers to allowing the
authority of the employees and procedures decision-making by a decentralized approach in the organization as well as implementing regular and irregular flexibility (Sarikwal and Gupta, 2013). Job design decides how employees complete their duties and it is continuously being practiced by them on a daily basis (Pee et al., 2015) and employee involvement acknowledges the employees’ development, the ease of decision making, the power sharing between the workforce and management and the inducements the latter gives for input (Phipps et al., 2013).

The past studies reported that there are significant positive relationships between the AMO model and strategic decision making (Kroon et al., 2013), as well as employee engagement (Misra and Gupta, 2016). Similarly, the AMO model by conceptualizing HPWP, contributed cogent support to organizational performance through empirical investigation and this research provided relevant verification of the AMO-based three-dimensional HPWP model (Obeidat et al., 2016) which delivers good portents for integral millennials’ performance in MARA Headquarters, Kuala Lumpur.

Job embeddedness might be influenced by HPWP, based on the AMO model, as these indicators will facilitate the millennial employees to feel attached to the organization. Quality links created from a good employment relationship, as the key purpose of HPWP, are more apparent through job embeddedness. In addition, promoting different social connections and events also fosters employees’ continuity with other individuals from different organizations. Fatima et al. (2015) argued that job embeddedness does mediate the relationship between HR practices and organizational outcomes. Another study indicated that job embeddedness acted as a mediator of hope of recovery performance in the service industry (Karatepe, 2013). A recent literature examination recommended that researchers should center on job embeddedness as a mediator of the effects of social support, value indicators or the effect of HPWP on organizational performance (Karatepe et al., 2014) because the best performers are not just the ones who have sufficient KSAs, but also those who also have a sense of responsibility to their colleagues and the organization (Tian et al., 2016).

So, the purpose of this paper is to investigate the impacts of HPWP and job embeddedness, based on AMO model, on organizational performance from millennials’ perspectives in MARA Headquarters, Kuala Lumpur. Moreover, most prior studies have been carried out by Western scholars and have concentrated on Western samples (Sharkawi et al., 2016), rather than local ones.

Method
For this study, the target population numbers were 97 millennial employees and the use of MLR as the primary analytical procedure required a careful calculation about the sample size. Pallant (2016) suggested that the sample should be more than 74 respondents for the three independent variables to obtain significant results. According to the rule of thumb, the study utilized 76 samples, which was regarded as appropriate for the millennials population of 97, while a sample of 80 was regarded as irrelevant because the total millennials population in the MARA Headquarters, Kuala Lumpur had not yet reached 100. In line with these realizations, a sample size of 76 was selected as being suitable to fulfill the sample size requirement and maximum likelihood estimation in MLR.
Figure 1: Theoretical Framework

A self-completed survey that reflects the theoretical framework as shown in Figure 1 have been used for data collection of six hypotheses that posited as follows:

- **H1.** Ability-enhancing practices positively relate to organizational performance.
- **H2.** Motivation-enhancing practices positively relate to organizational performance.
- **H3.** Opportunity-enhancing practices positively relate to organizational performance.
- **H4.** Job embeddedness mediates the positive relationship between ability-enhancing practices and organizational performance.
- **H5.** Job embeddedness mediates the positive relationship between motivation-enhancing practices and organizational performance.
- **H6.** Job embeddedness mediates the positive relationship between opportunity-enhancing practices and organizational performance.

The total of 85 questionnaires distributed, there were 76 responses, indicating an effective response rate of 89.41%. For measures scaling, a five-point Likert scale is a convenient method to measure three dimensions. Moreover, it provides higher reliability although there are fewer questions included than in other types of rating scale (Snaw and Wright, 1967, as cited in Chomeya, 2010). The measurement of ability-enhancing practices were adopted from Kepha et al., (2014) for recruitment and selection, Asfaw et al., (2015) for training and development, and Onyijie (2015) for performance evaluation. The measurements of the two motivation-enhancing practices were adopted from Sleimi et al., (2015) and for extrinsic and intrinsic motivation. Questions on opportunity-enhancing practices were adopted from Niyonzima (2015) for employee involvement, Obeidat et al. (2016) for knowledge information sharing, Morgeson and Humphrey (2006) were linked to autonomy-enhancing and job design. Finally, Kepha et al., (2014)’s measurement was adopted for organizational performance.
A potential control variables included in this study were educational background, position in a management, work experience, monthly income and department that influence organizational performance. Educational background was measured in six categories. Position in a management, work experience and monthly income reflected the number of years the millennials have been worked in an organization. Department was also controlled for as different job responsibilities have been recently linked to the positive outcomes of HRM and performance.

Results and Discussion
Cronbach’s Alpha Reliability Coefficient was used to assess construct validity of the variables. Gliem and Gliem (2003); Ofori, Lu (2018) noted that the minimum significant value for scale items which needs to be achieved is more than 0.7. Additionally, the benefit of using reliability analysis is that it enables researchers to decrease items from the instrument to generate good data and findings (Kopalle and Lehmann, 1997).

According to Table 1, above, the reliability result for the variables was between 0.855 and 0.933. Opportunity-enhancing practices achieved the highest Cronbach’s Alpha Coefficient at 0.933. Motivation-enhancing practices and opportunity-enhancing practices were 0.913 and 0.897, respectively. Job embeddedness achieved a Cronbach’s Alpha Coefficient of 0.855. Meanwhile, the Cronbach’s Alpha Coefficient for organizational performance was 0.924. In short, all the variables indicated good and excellent levels in order to provide high internal consistency output.

The path of both, direct and indirect relationships were tested using Process by Andrew F. Hayes (2013) through SPSS software. Particularly, direct relationships were tested for ability-enhancing, motivation-enhancing and opportunity-enhancing practices and organizational performance.

<table>
<thead>
<tr>
<th>Variables</th>
<th>No. of Items</th>
<th>Cronbach’s Alpha</th>
<th>Strength of Association</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ability-enhancing practices</td>
<td>14</td>
<td>0.897</td>
<td>Good</td>
</tr>
<tr>
<td>Motivation-enhancing practices</td>
<td>18</td>
<td>0.913</td>
<td>Excellent</td>
</tr>
<tr>
<td>Opportunity-enhancing practices</td>
<td>20</td>
<td>0.933</td>
<td>Excellent</td>
</tr>
<tr>
<td>Job embeddedness</td>
<td>4</td>
<td>0.855</td>
<td>Good</td>
</tr>
<tr>
<td>Organizational performance</td>
<td>7</td>
<td>0.924</td>
<td>Excellent</td>
</tr>
</tbody>
</table>

### TABLE 1: Reliability Result of Cronbach’s (α)

<table>
<thead>
<tr>
<th>IV</th>
<th>Direct Effects (β)</th>
<th>UL 95% CI</th>
<th>LL 95% CI</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ability-enhancing practices</td>
<td>0.673**</td>
<td>0.901</td>
<td>0.444</td>
</tr>
<tr>
<td>Motivation-enhancing practices</td>
<td>0.554**</td>
<td>0.817</td>
<td>0.290</td>
</tr>
<tr>
<td>Opportunity-enhancing practices</td>
<td>0.649**</td>
<td>0.907</td>
<td>0.392</td>
</tr>
</tbody>
</table>

**Notes:** IV, independent variable. **p<0.01
Based on the results shown in Table 2, there were significant positive direct relationships between ability-enhancing practices ($\beta=0.673$, $p=0.000$); ($CI=0.901, 0.444$), motivation-enhancing practices ($\beta=0.554$, $p=0.000$); ($CI=0.817, 0.290$), opportunity-enhancing practices ($\beta=0.649$, $p=0.000$); ($CI=0.907, 0.392$) and organizational performance.

For the mediating role of job embeddedness on the AMO-based HPWP model—organizational performance was also explored. The past studies reported that job embeddedness plays a pivotal role as a mediator between management aspects and organizational outcomes (Tian et al., 2016). Job embeddedness serves as a mediator between the AMO components underlying the HPWP architecture and organizational performance, because of a dearth of empirical concentration on job embeddedness as a mediating variable connecting HPWP to behavioral and attitudinal results (Karatepe, 2013; Abdullah & Mustafa, 2018), particularly to the specific generation (millennials) in a local market.

**TABLE 3: Results of Indirect Relationships**

<table>
<thead>
<tr>
<th>IV</th>
<th>M</th>
<th>Effect of IV on M ($\beta$)</th>
<th>Effect of M on DV ($\beta$)</th>
<th>Indirect Effects ($\beta$)</th>
<th>UL 95% CI</th>
<th>LL 95% CI</th>
</tr>
</thead>
<tbody>
<tr>
<td>A (IV1)</td>
<td>JE</td>
<td>0.647**</td>
<td>0.005</td>
<td>0.669**</td>
<td>0.943</td>
<td>0.396</td>
</tr>
<tr>
<td>M (IV2)</td>
<td></td>
<td>0.896**</td>
<td>-0.003</td>
<td>0.556*</td>
<td>0.932</td>
<td>0.180</td>
</tr>
<tr>
<td>O (IV3)</td>
<td></td>
<td>0.811**</td>
<td>-0.015</td>
<td>0.661**</td>
<td>0.995</td>
<td>0.327</td>
</tr>
</tbody>
</table>

*Notes: DV, dependent variable; M, mediating variable; IV, independent variable. *$p$<0.05; **$p$<0.01

According to Montoya and Hayes (2017), in the modern methods of statistical mediation analysis, a single number for estimating the indirect effect on how much independent variables influence the dependent variable through the mediator (path coefficient of indirect effects in Table 3) is the most significant value to analyze the final results for the indirect relationships. In addition, the empirically bootstrapped limits of a 95% CI (confidence interval) provides better significant value for indirect effect are estimated by analyzing the upper and lower bounds of the interval (Montoya and Hayes, 2017). The results indicated that significant positive indirect relationships between ability-enhancing practices ($\beta=0.669$, $p=0.000$); ($B=0.003$, $CI=0.943, 0.396$), motivation-enhancing practices ($\beta=0.556$, $p=0.004$); ($B=0.002$, $CI=0.932, 0.180$), opportunity-enhancing practices ($\beta=0.661$, $p=0.000$); ($B=0.012$, $CI=0.995, 0.327$) and organizational performance after controlling for the mediator, job embeddedness. These results indicated that the significant indirect effect was generated by using a bootstrap estimation approach with 1000 samples.

Thus, the previous findings generated provide richer understanding about three-dimensional AMO model based on HPWP conceptualization, job embeddedness and organizational performance on millennials. This study was conducted in a public organization in Malaysia to link between HPWP and performance where the studies are remains scarce. For direct relationships, the results are
consistent with the study conducted by Obeidat et al., (2016); Chavez-Bernardo, (2014) through empirical investigation in a Middle Eastern country. Moreover, the nine determinants, as documented by Marin-Garcia and Thomas (2016), which were used to fulfill the requirements of the AMO model were applicable in this study. Most importantly, the three-dimensional AMO model contributed cogent theoretical foundation of HPWP in a local market for a particular generation, namely, millennials in the MARA Headquarters, Kuala Lumpur. These outcomes support the studies of Obeidat et al. (2016), and Kroon et al., (2013). They argued that amalgamation of these dimensions, ability-enhancing practices, motivation-enhancing practices and opportunity-enhancing practices assist HR managers to discover the best formula to sustain long-term employment relationships as a key purpose of HPWP evolution amongst the employees within the organization. Obeidat et al. (2016) stated that their study was consistent with the findings acquired by Western country based on the HR manager’s perspectives. Predominantly, this study generated results in Malaysia, as one of developing nations, which are similar to Western and Middle Eastern countries, from the younger employees’ perspectives. So, the AMO model underlying the HPWP conceptualization is relevant to providing greater confidence in the adoption of the best work environment in the MARA Headquarters, Kuala Lumpur in terms of HR practices that facilitate the millennial employees to perform well. The multi-dimensional model delivers clear understanding and directions for current work practices, as more HR indicators are being used, rather than a unidimensional model of HRM or single HR practices.

In addition, job embeddedness played an essential role in the young employees performing well in the MARA Headquarters, Kuala Lumpur, rather than concentrating on the sufficient KSAs by implementing HPWP based on the AMO model. The results emboldened taking a more contemporary view of the relationships between the AMO-based three-dimensional HPWP model and organizational performance when mediated by job embeddedness in a Southeast Asia market specifically for a single generational cohort, millennials. Hence, it appears that job embeddedness is applicable to strengthening the theoretical foundation of HPWP conceptualization and organizational performance, which will assist the HR manager to develop the best approach in order to identify millennial preferences in a workplace, and take advantage of current business HR practices, particularly in a local labor market.

**Conclusion**

The HR practices recognized as the ability-enhancing practices, motivation-enhancing practices and opportunity-enhancing practices (AMO) model underlying the HPWP have been the important highlights of this research in a Malaysian setting with a specific generation, namely, millennials, contribute significantly direct effects towards organizational performance. This study provides unique verification of the AMO-based three-dimensional HPWP model, through empirical investigation of the young employees, to enable them to perform well in the MARA Headquarters, Kuala Lumpur. Additionally, the presence of job embeddedness in the theoretical framework has broadened the research contribution of organizational performance and demonstrated the significantly indirect effects of the AMO-based three-dimensional HPWP model on millennial performance. Intensifying a millennial’s ability, encouraging their motivation to produce high quality work, as well as improving the opportunities for them to get involved with the management, delivers
positive outcomes for understanding millennial preferences and assisting them to achieve the organizational goals in a challenging business environment

References


Chomeya, R. (2010). Quality of psychology test between Likert scale 5 and 6 points. Journal of Social Sciences, 6(3), 399-403.


