HIGH PERFORMANCE WORK SYSTEM, EXTERNAL ENVIRONMENT AND HIGH PERFORMANCE ORGANIZATION: THE MODERATING EFFECT OF ORGANIZATIONAL CULTURE

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HIGH PERFORMANCE WORK SYSTEM, EXTERNAL ENVIRONMENT AND HIGH PERFORMANCE ORGANIZATION: MODERATING EFFECT OF ORGANIZATIONAL CULTURE

By
UGHEOKE SOLOMON OZEMOYAH

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In the current business environment, high performance is highly demanded among shareholders. Due to pressure, managers have been compelled to deliver quality output in order to achieve competitive advantage with minimum resources. It is important to adapt ideas and practices from time to time since organizations and environments are continuously improving. Consequently, this study examines the role of high performance work system (HPWS), external environment on high performance organization (HPO). This study also aims to identify the effect of organizational culture on the relationship between HPWS, external environment and HPO. A cross-sectional research design was conducted in this study. Data was collected from 354 SMEs in Nigeria that has spent a minimum of ten years in the business. The research hypotheses were tested using multiple and hierarchical regression analyses. Generally, with a few exceptions, high performance work system (HPWS) is significantly and positively related to the achievement of high performance organization (HPO). Organizational culture plays a significant role in moderating the relationship between HPWS and HPO. The results also show that external environment has significant effects on HPO. On the contrary, organizational culture does not moderate the relationship between external environment and HPO. This study contributes to the enrichment of the literature on HPWS, external environment, organizational culture and HPO by proposing a model that was empirically tested on the validity and reliability in predicting HPO. Lastly, the managerial, policy and theoretical implication are presented. The limitations of the study and suggestions for future study are included in this regard.

Keywords: HPO, HPWS, external environment, SMEs in Nigeria
ABSTRACT


Kata kunci: HPO, HPWS, persekitaran luaran, SME di Nigeria
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<td>SMEs</td>
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<td>SMEDAN</td>
<td>Small and Medium Enterprises Development Agency of Nigeria</td>
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<td>GDP</td>
<td>Gross Domestic Product</td>
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CHAPTER ONE
INTRODUCTION

1.1 Background of The Study

In the current business environment, high performance has become a popular demand among shareholders (Akdemir, Erdem & Polat, 2010; de Waal, 2012; Gupta, 2011; Van-Heck, Baalen, Meulen & Oosterhout, 2012). Because a high performance organization have the ability to function in a complex and hazardous environment, adopt strategies that set it clearly apart from other organizations, coaches employees on how to achieve better results, continuously innovate its core competencies and pay more attention to ways that will continuously improve customers value (Bagorogoza & de Waal, 2010; Baker, Day & Salas, 2006; de Waal, 2012; de Waal, Goedegebure & Tan Akaraborworn, 2014; Jamrog, Vickers, Overbolt & Monison, 2008; Laporte, 1996; Weick, Sutcliffe & Obstfeld, 1999).

In view of the above, Wolf (2008) argued that an organization can achieve high performance irrespective of the size and location, if such can develop practices to overcome the inconsistency in their performance. Given that a high performance and ultimately competitive advantage, relatively depends on the overall impact on the economy regardless of sector, size or structure of the organization (Wiesner, McDonald & Banham, 2007). For instance, major sources of economic development and the best performing economies in Asia are heavily based on small firms (Chidinma, 2012). Other researchers such as, Apulu, Latham and Moreton (2011); Ihugba, Odii and Njoku (2013) and SMEDAN (2012) also identified the importance of high performance among small
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