RELATIONAL ANALYSIS OF AMO MODEL BASED HIGH-INVOLVEMENT HUMAN RESOURCE PRACTICES AND THE EMPLOYEE PERFORMANCE: EVIDENCES FROM THE INDIAN SERVICE SECTOR

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Abstract: The purpose of this study is to improve understanding of how High-Involvement Human Resource Practices (HIHRP) relate to employee performance by creating and testing a detailed model based on the Ability-Motivation-Opportunity (AMO) framework. We surveyed 424 employees in the Indian service sectors and analysed the data using PLS SEM 4. We also employed a bootstrapping method to explore the potential significance of the relationships among the constructs. The current study found that using HIHRP based on the AMO model helps employees perform better, as all the ideas we tested were supported by data showing a positive connection between AEHRP (staffing and training), MEHRP (performance-based appraisal and compensation), and OEHRP (work design and participation) and employee performance. Our study contributes further evidence that the AMO framework offers a useful perspective on how HR systems can lead to improved employee performance. The practical implications indicate that organizations would benefit greatly from adopting a comprehensive, system-wide approach to HRM that encompasses all the AMO model dimensions. Finally, we outline the theoretical implications, limitations, and future pathways for research.

Keywords: High Involvement HR Practices, Employee Performance, AMO Model, Indian Service Sector, Human Resource Management

1. INTRODUCTION

In a constantly changing landscape, businesses are persistently working to attain an edge over others that ensures their longevity and viability. Numerous experts across different domains have highlighted that a sustained competitive edge can only be attained when an organization holds resources that are valuable, scarce, difficult to imitate, exchangeable, and transferable. Organizations use human resources to get the competitive edge they need (Jyoti & Rani 2017). So, people in the field have put in a lot of time and work to figure out how to get the most out of their human resources, and one of the most significant things they've done is invite people (Guest, 1997). To elucidate the relationship between human resource management (HRM) and performance (Almutawa *et al.*, 2016), modern management concepts, methodologies, and strategies in HRM have developed, including high-involvement human resource practices (HIHRP) grounded in the Ability, Motivation, Opportunity (AMO) framework. The researchers observe that the majority of studies examining high-performance HR practices have been conducted in developed nations (Muduli, 2015; Posthuma *et al.*, 2013) and that there is a significant deficiency in the implementation of these practices in developing nations, particularly within the Indian service sector. Recently published literature on HIHRP and AMO framework have reaffirmed the significant role of human resource management (HRM), yet there are only nascent theoretical understandings to linking this employee performance. The literature to date has not sufficiently contemplated integrating HIHRP using the AMO model and the employee performance. For instance, there are many articles Separately which have shown the impacts of HPWS and HIHRP (e.g., Katou & Budhwar, 2010; Jyoti & Rani, 2017; Boxall *et al.*, 2015), and alternatively, there are articles have concentrated on AMO model (e.g., Garcia & Tomas,2016; Malik & Lenka, 2019). In comparison, numerous articles have utilized the AMO model as an intermediary construct (e.g., Martin *et al.*, 2009). In conclusion, there are review papers have check relationship between HPWS and AMO but did not test the relationship of HIHRP and employee performance (e.g. Ozcelik & Uyargil, 2015; Edgar, *et al* 2021). This study contributes to existing research by developing and accessing a detailed model that looks at how HIHRP relates to performance, using the ability, motivation, and opportunity (AMO) framework to define it. HIHRP refers to HR procedures that enhance employees' ability,

motivation, and opportunity to contribute to the company's success. The research aims to substantiate the conceptualization of HIHRP grounded in the AMO model through an empirical study conducted in a developing country, a scenario that has garnered minimal attention (e.g., Gupta & Sharma, 2018). The subsequent sections will articulate the study hypotheses by examining the existing literature. The methods and measures of the study are subsequently detailed, followed by an analysis of the data and the implications drawn.

2. THEORY AND LITERATURE REVIEW

The growth of strategic HRM has happened alongside a change in academic focus from controlling staff to using HRM practices that encourage commitment, often called high performance (Martin *et al.*, 2009), high commitment work practices (Arthur, 1994; Wood and De Menezes, 1998), and high involvement (Camps & Luna-Arocas, 2009) . In addition to the various labels employed to characterize HR practices, there has been a notable lack of consistency in how these concepts have been defined and which HR practices have been selected for inclusion (Boselie *et al.*, 2005). The absence of clear concepts, not to mention agreement, presents a significant challenge. As noted by Guest (1997, p. 274) in his examination of the relationship between HRM and performance, "only when we make progress in measuring the independent and dependent variables can we begin to give full attention to the way in which they are linked."

2.1. High-involvement human resource practices (HIHRP)

Human resource practices have been conceptualized by researchers in several ways. Recent research has moved away from the conventional "isolated" view of HRM and toward the idea that HRM "is conceptualized as a set or bundle of HR practices, which are mutually reinforcing and synergistic" (Wright & Kehoe, 2008). Previous studies have demonstrated that high-performance HR systems or high-involvement improve firm outcomes by encouraging employees to implement wanted behaviors that collectively benefit the organization, although there are many different types of HR systems in the literature (Huselid, 1995). Traditional, hierarchical model focus on control, but HIHRP are focus on commitment and engagement (Guerrero & Barraud-Didier, 2004). The fundamental idea posits that empowering workers to assume responsibility and understand their work will enhance their overall

contribution to the business. The high level of engagement entails gathering information, soliciting suggestions, and harnessing the drive of each worker to align their work with the company's goals.

HIHRP has been characterized in multiple ways, yet as highlighted by Bamberger and Meshoulam (2000), their evaluation ought to rely on a comprehensive metric that encompasses three primary domains of human resources: (1) people flow, that covers staffing, , training, and mobility; (2) appraisal and rewards, that contains performance evaluation and compensation; and (3) employment relations, which pertains to job design and participation. Numerous studies in the HRM literature have proposed an established method of categorizing HR practices, which is in line with this concept (Appelbaum *et al.*, 2000; Kase *et al.*, 2009). Moreover, the classification of HR practices into broader categories has garnered backing. Wright & Kehoe (2008) point out that grouping distinct HR practices and looking at how they affect various results can help us better understand how each group impacts distinct performance procedures. Furthermore, Jiang *et al.* (2012) discovered that HR sub - dimensions are more effectively understood as three separate yet interconnected elements of HR systems. The method of categorization applied to understand HIHRP has been implemented without a robust theoretical foundation. Aside from the work of Prieto & Santana (2012), there has been a lack of empirical studies aimed at elucidating a conceptual model that accurately represents the components of HIHRP at the employee level.

2.1.1. Ability, motivation, opportunities (AMO) model

Applebaum *et al.*'s (2000) key study, which employs the ability-motivation-opportunity (AMO) paradigm, serves as the framework for a more robust understanding of HIHRP. According to Applebaum *et al.* (2000), human resource practices have an impact on employee ability, motivation, and involvement possibilities, all of which influence performance. According to Boxall *et al* (2015), the AMO Model, employees will do well if they can do their jobs better by improving the knowledge and skills of the workforce, motivating them to do their jobs better by giving them the right incentives and rewards, and giving them more chances to do their jobs by giving them more responsibilities and opportunities to participate. The AMO model then posits that HIHRP improves the model's three key elements and can be classified into

three dimensions: activities that improve ability, motivation, and opportunity. In this paper, we contend that these three dimensions adequately encapsulate the scope of HIHRP.

2.1.1(a) Ability- Enhancing HR Practices (AEHRP)

The ability-enhancing component measures the level of investment in HR activities aimed at improving employees' knowledge, skills, and abilities (KSA) (Wright & Kehoe, 2008). HR policies, such as staffing and training, have a direct impact on employees' performance(Katou &Budhwar, 2010) by changing their KSA inventory. Consequently, ability-enhancing HRM strategies are those that impact employees' competences through selection, recruiting, training, and development, as well as boost workers abilities and competencies to help organizations attain their objectives (Jiang *et al.* 2012; Marin-Garcia & Tomas 2016). To make sure that potential employees are thoroughly investigated and that the right people are paired with the talents and abilities needed for certain jobs, recruitment and selection processes have been looked into. As a result, efforts can be directed toward improving the quality of the people hired, and the comprehensiveness of the staffing processes is an important factor in determining the composition of the organization's workforce. Businesses can also increase the performance of their current staff by offering training sessions. Consequently, the enhancement of staffing and training is expected to elevate the caliber of the workforce by attracting and selecting individuals possessing advanced knowledge and skills pertinent to the industry, in addition to augmenting their expertise through targeted training initiatives.

2.1.1(b) Motivation- Enhancing HR Practices (MEHRP)

Motivation-enhancing refers to the level of commitment to human resource activities that promote employee motivation (Wright & Kehoe, 2008). Structured performance appraisal and detailed compensation schemes can help boost employee motivation (Boxall *et al.*, 2015). According to (Ur Rahman & Ahmad, 2015) research, when incentives are provided, employees experience fair treatment, which leads to a positive response to their organization and an improvement in their performance. Performance appraisal is a way for employees to get feedback, which increases their motivation (Meadows & Pike,

2010). Organizational justice has increasingly connected performance appraisal systems to merit-based compensation, both of which significantly influence employee motivation. So, if employee rewards are based on how well they did their job, they boost employee motivation. At the same time, performance appraisal criteria and processes that focus on development may boost employee motivation since they provide positive feedback and recognition.

2.1.1(c) Opportunity- Enhancing HR Practices (OEHRP)

The term "opportunity-enhancing" refers to HR practices that allow employees to make important decisions about their jobs and the organization's outcomes (Wright & Kehoe, 2008). HR methods that enhance opportunities primarily aim to facilitate the application of diverse skills, transforming the job into a valuable learning tool. This strategy enables people to demonstrate their competencies at work, preventing skill sets from becoming obsolete (Sun *et al.*, 2007). These practices also include information sharing, flexible job assignments, collaborative teams, and participation in decision-making (Jiang *et al.*, 2012). Offering possibilities to employees boosts their confidence as they exercise more autonomy in accomplishing tasks, while flexible work arrangements increase employee development and teamwork (Jiang *et al.*, 2012). Finally, adopt a work design that focuses on improving worker capacities, such as thorough job descriptions, adaptable work assignments, chances for collaboration, and participation in decision-making processes that match with the organization's goals. Furthermore, encouraging involvement provides opportunities to hone various skills, preventing their skill set from becoming obsolete and, as a result, promoting continual learning.

The utilization of the AMO model as a conceptual framework for HIHRP is conceptually robust and establishes a foundation for comprehending the strategic importance of HIHRP (Jiang *et al.*, 2012; Prieto & Santana, 2012). The AMO model offers a thorough examination of how HR practices might impact the performance of an organization. It does this by looking at how staffing and training affect employees' abilities, how performance-based appraisal and pay affect motivation, and how work design and involvement provide employees a chance to participate. As a result, Evans & Davis, 2005 study shows companies that use high-involvement HR methods put a lot of money into their employees to make sure they are well-trained, knowledgeable,

motivated, and able to do their work well. This research formulate a set of hypotheses grounded in the assertion that HIHRP is a constitutes an extensive array of HR practices intended to enhance employees' abilities, motivation, and engagement opportunities, all aimed at boosting employee performance.

2.2. Impact of HIHRP on employee performance

Numerous studies have examined the importance of HIHRP in relation to both organizational and individual outcomes. HIHRP encompasses various types of employee contributions, comprehensive training, and performance-based pay, all of which significantly enhance the organization's overall effectiveness (Prieto & Santana, 2012). Effective HR practices have a direct effect on the performance of the organization. Prior studies indicate that HPWS positively correlate with job satisfaction, physiological job demands, job search behavior, employee service performance, and organizational citizenship behavior (Behravesh *et al.*, 2020). Research demonstrates that HIHR systems effectively impact employees' psychological empowerment, leading to improved innovative work behavior results (Rehman *et al.*, 2019). There is empirical evidence in the Indian service sector that HIHRP fosters employee engagement and improves job performance (Jyoti & Dev, 2016).

Even with these broad conclusions, there is very little research looking at how each of the ability, motivation, and opportunity parts of HIHRP affects employee performance, and no thorough studies that explore how all three parts work together, especially in the Indian service sector.

According to Wood *et al.* (2008), HR practices focused on enhancing abilities, particularly in staffing and training, significantly improve employees' KSA inventory. This enhancement, in change, enables employees to produce high-quality services and products while acclimating to changes more effectively. Additionally, evidence suggests that HR practices aimed at enhancing motivation, such as performance appraisals focused on results and compensation tied to performance, effectively guide employee energy toward attaining organizational goals by offering the essential incentives that foster work motivation (Huselid, 1995). Similarly, it has been suggested that opportunity-enhanced HR practices improve firm performance by granting employees self-sufficiency and utilizing new abilities and, skills lowering supervision costs, and motivating them to work more flexibly and enthusiastically (Boxall *et al.*,

2015). Consequently, the suggested theoretical model emphasizes the influence of these three fundamental elements of HIHRP on employee performance, as illustrated in Figure 1. Based on the a fore mentioned discussion, we propose three hypotheses for testing in the Indian setting.

H1: AEHRP positively correlates with employee performance.

H2: MEHRP positively correlates with employee performance.

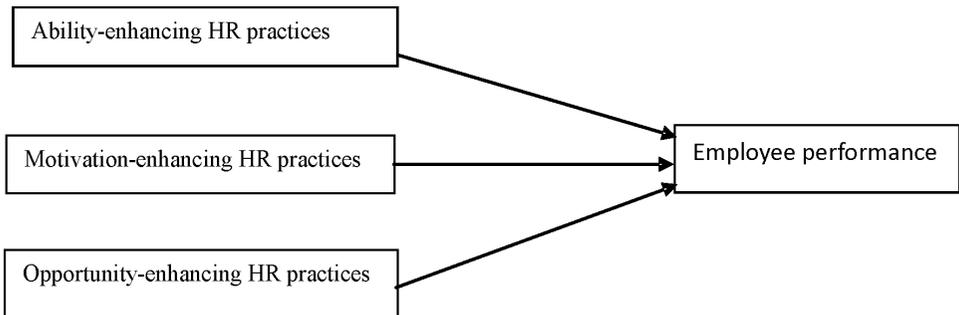H3: OEHRP positively correlates with employee performance.

Figure 1: A research framework for the relationship between HIHRP and employee performance

3. RESEARCH METHODOLOGY

3.1. Sample and data collection

The study utilized a quantitative methodology, employing a structured questionnaire to examine the interrelationships among variables within the Indian service industry. We modified existing scales and items from prior research to improve their applicability to the Indian workforce. The study employed non-probability purposive and convenience selection methods to select participants from various industries, ensuring a broad representation. Moreover, we can utilize the non-probability technique when the entire population is either unknown or infinite (Alvi, 2016). The first step in collecting data was getting permission from the managers of the chosen service organizations. Subsequently, we collected data through a combination of online and offline methods, tailoring each approach to its unique needs. The digital method meant talking to personnel through email. The offline strategy involved going to groups in person to give them the questionnaire. We sent 500 questionnaires to the selected participants from June 2024 to October

2024, using both online and offline methods. There were 448 completed questionnaires because of regular follow-ups and visits to the site. Upon eliminating incomplete replies, we excluded 24 participants, leading to a total sample size of 424 and a remarkable survey response rate of 84.8%. We also used G*Power software to find out what the minimum sample size needed to be. To get the real power of 0.95 for two predictors, we needed at least 89 respondents. But we did this; the survey had 424 responses, which was enough to meet the minimal sample size criterion. Table 1 shows the results of the demographic study on the 424 participants.

Table 1: Demographic profile of respondent

Attributes	Classification	Frequency	Percentage
Gender	Male	251	59.2
	Female	173	40.8
Age	18 - 25	78	18.4
	26 - 35	155	36.6
	36 - 50	115	27.1
	Above 50	76	17.9
Academic Qualification	Up to 10th	101	23.8
	12th	78	18.4
	Graduate	141	33.3
	Post-Graduate	40	9.4
	Vocational diploma /Technical diploma	64	15.1
Work Experience	Up to 5	159	37.5
	6 - 10	121	28.5
	11 - 15	89	21.0
	16 - 20	20	4.7
	More than 20	35	8.3
Industry Type	IT/ITES/ Tele-Communication	79	18.6
	Banking	58	13.7
	Insurance	36	8.5
	Education	81	19.1
	Hospital	74	17.5
	Electronics	22	5.2
	Pharmaceutical	59	13.9
	Tourism & Hospitality	15	3.5

Source(s): Authors' work

When data for both independent and depending, variables are collected in the single survey utilizing the same response approach, common method bias (CMB) may arise, affecting the reliability and validity of the findings (Kock *et al.*, 2021). Both procedural and statistical strategies addressed CMB (Podsakoff *et al.*, 2003). The questionnaire used easy-to-understand language, guaranteed that answers would be anonymous, and mixed up the order of questions to help keep respondents from figuring out cause-and-effect relationships. The entire collinearity approach statistically compares an endogenous random variable to the constructs' inner VIF values. A value greater than 3.3 indicates a probable problem with the CMB, as reported by Kock and Lynn (2012). Koch *et al.*, 2021) illustrates that the absence of the CMB issue is supported by the fact that none of the investigated variables had inner VIFs greater than 3.3.

3.2. Instrument Development

The study employed a quantitative approach to collect data from individuals employed in the service sector. The instrument we employed consisted of two separate components. The first part of the survey comprised questions regarding demographics, including age, gender, educational background, professional experience, and the various service industries involved. The second section comprised the statements intended to evaluate the constructs of the study. We crafted the assessment of the analysis variables through a multiple-items approach, thereby enhancing the reliability and precision of the evaluation. Each item employed a five-point Likert scale.

High-Involvement HR Practices (HIHRP)

We looked at the independent variable HIHRP by breaking it down into three parts based on AMO-involvement HR practices: ability, motivation, and opportunities. Ability practices comprised training and staffing, motivation practices included compensation and performance-based evaluations, and opportunity practices covered work design and participation. To measure these six HR behaviors, we adopted 29 questions from prior studies (Prieto-Pastor & Martin-Perez, 2012, 2015; Kundu & Gahlawat, 2016) and scored them on a five-point Likert-type scale as a third-order reflective construct. Finally,

we evaluated HIHRP using 26 particular items, with three excluded due to insufficient factor loadings.

Employee Performance

We adapted a 31-item scale based on the research of Koopmans *et al.* (2014) and Pradhan and Jena (2017) to evaluate employee performance. We stududied the hidden factor EP as a higher-level reflective construct, encompassing four dimensions i.e. task performance, adaptive performance, contextual performance, and counterproductive work behavior". We evaluated the responses using a five-point Likert-type scale, with 1 signifying never and 5 signifying always. Ultimately, we evaluated employee performance using 22 distinct items, omitting nine because of inadequate factor loadings.

Control Variables

Previous studies have demonstrated that variables such as age, gender, tenure, and education level impact the aspects of employee performance within the particular circumstances in which employees work (Avolio *et al.*,2004). We used gender, work experience, and qualification as control variables. These factors were only used to control the supposed relationships, not to see how they may change the predicted correlations.

4. RESULTS

4.1. Analytic strategy

To assess the proposed model, we used structural equation modeling (SEM) because it is flexible and thorough in examining how different variables or constructs relate to each other. This approach allows for the resolution of intricate issues involving both latent and observed variables through the use of structural and measurement models, incorporating specified errors in measurable constructs. Using PLS-SEM with Smart PLS version 4.1 (Ringle *et al.*, 2024), which is good for analyzing complex models with small sample sizes, is a great choice for exploring new ideas based on existing theories. This approach facilitates the investigation of novel relationships among variables (Ringle *et al.*, 2020). Considering our emphasis on theory-based approaches exploring novel connections between the variables being examined, this

method was the most suitable choice. Hair *et al.*, (2019, 2022) suggest that PLS-SEM is particularly effective for higher-order constructs, as demonstrated in the model. Further, we employ a two-stage, embedded methodology in this work (Ringle *et al.*, 2012). This method's first step is to model the full higher-order construct at the beginning, after which the lower-order constructs are evaluated. We next use the latent scores of the first-order constructs to assess the second-order construct (Sarstedt *et al.*, 2020).

4.2. Analysis of measurement model

The study assessed the construct reliability and validity in accordance with the protocols set forth by Hair *et al.* (2019, 2022). Hair *et al.* (2013) identify three critical measures for assessing construct validity: average variance extracted (AVE), factor loadings, and composite reliability (CR). The values for these indicators must adhere to the following standards: The average variance extracted and factor loadings should be no less than 0.50, and the composite reliability value ought to be greater than 0.70 (Hair *et al.*, 2013). To improve the outcomes related to CR and AVE, it is recommended to eliminate any items with factor loadings lower than 0.50, following the guidance of Hayduk & Littvay (2012). Moreover, removing items with factor loadings below 0.50 enhances the strength of the theoretical model. Table 2 demonstrates that the factor loadings, CR, and AVE values surpass the established criterion values. The omega coefficient (ω) was employed to evaluate internal consistency, considering the constraints linked to Cronbach's alpha (Hayes and Coutts, 2020). Table 2 displays the CR and omega (ω) values, which range from 0.70 to 0.95, thus confirming internal consistency. The next important step is to check if the different concepts are truly distinct from each other, using the Fornell-Larcker criterion and the heterotrait-monotrait (HTMT) criterion created by Henseler *et al.*, 2015. Table 3 represents the HTMT ratios for all latent variables, which are significantly below the minimum threshold of 0.85 (Henseler *et al.*, 2015). Table 4 displays the results of the Fornell-Larcker criterion, which compares the square root values of AVE for each construct against their correlations. Therefore, we can determine that the model did not raise any concerns regarding discriminant validity.

Table 2: Reliability and Validity of Constructs

Constructs	Items	Loadings	VIF	AVE	CR	Omega (ω)
First Order Construct						
Training				0.684	0.896	0.846
	TR1	0.825	1.873			
	TR2	0.822	1.845			
	TR3	0.819	1.837			
	TR4	0.840	1.953			
Staffing				0.721	0.912	0.872
	STF1	0.843	2.029			
	STF2	0.825	1.908			
	STF3	0.850	2.213			
	STF4	0.879	2.504			
Compensation				0.701	0.904	0.858
	COM1	0.805	1.796			
	COM2	0.861	2.213			
	COM3	0.844	1.980			
	COM4	0.838	2.000			
Performance-based appraisal				0.662	0.887	0.830
	PBA1	0.816	2.037			
	PBA2	0.808	1.768			
	PBA3	0.818	1.791			
	PBA4	0.812	1.767			
Work design				0.677	0.893	0.843
	WD1	0.854	2.136			
	WD2	0.830	1.876			
	WD3	0.860	2.176			
	WD4	0.743	1.505			
Participation				0.668	0.889	0.837
	PR1	0.856	2.142			
	PR2	0.835	1.924			
	PR3	0.855	2.104			
	PR4	0.714	1.427			
Task performance				0.686	0.916	0.886
	TP1	0.863	2.533			
	TP2	0.798	1.899			
	TP3	0.865	2.541			
	TP4	0.807	1.958			
	TP5	0.804	1.947			

Constructs	*Items*	*Loadings*	*VIF*	*AVE*	*CR*	*Omega (ω)*
Contextual performance				0.738	0.934	0.912
	CP1	0.849	2.324			
	CP2	0.869	2.700			
	CP5	0.821	2.144			
	CP6	0.879	3.036			
	CP7	0.875	2.813			
Adaptive performance				0.642	0.900	0.861
	AP1	0.811	2.055			
	AP2	0.820	2.152			
	AP3	0.835	2.264			
	AP4	0.800	1.989			
	AP5	0.736	1.666			
Counterproductive work behavior				0.655	0.904	0.869
	CWB1	0.815	2.157			
	CWB2	0.830	2.087			
	CWB3	0.796	1.898			
	CWB4	0.815	2.213			
	CWB5	0.788	1.996			
Constructs	Items	Loadings	VIF	AVE	CR	Omega (ω)
Second Order Construct						
Ability- enhancing HR practices				0.783	0.878	0.883
	AEHRP_TR	0.875	1.473			
	AEHRP_STF	0.894	1.473			
Motivation-enhancing HR practices				0.749	0.857	0.863
	MEHRP_COM	0.842	1.335			
	MEHRP_PBA	0.889	1.335			
Opportunity-enhancing HR practices				0.840	0.913	0.890
	OEHRP_WD	0.916	1.862			
	OEHRP_PR	0.917	1.862			

Constructs	Items	Loadings	VIF	AVE	CR	Omega (ω)
Employee Performance				0.574	0.842	0.915
	EP_TP	0.766	1.467			
	EP_CP	0.618	1.203			
	EP_AP	0.826	2.008			
	EP_CWB	0.802	1.865			

Source(s): Authors' work

Table 3: Discriminant validity: HTMT criterion.

Constructs	AEHRP	MEHRP	OEHRP
AEHRP			
MEHRP	0.578		
OEHRP	0.606	0.577	
EP	0.495	0.504	0.434

Source(s): Authors' work

Table 4: Discriminant validity: Fornell-Larcker criterion.

Constructs	AEHRP	MEHRP	OEHRP	EP
AEHRP	0.882			
MEHRP	0.415	0.866		
OEHRP	0.447	0.418	0.916	
EP	0.399	0.386	0.323	0.755

Notes: The off-diagonals show the correlations, while the diagonals show the square root of AVE.

Source(s): Authors' work

4.3. Structural model assessment

After successfully checking the measurement model, the guidelines set by Hair *et al.* (2019, 2022) were carefully followed to evaluate the structural model. We first looked at the inner VIF values to check for multicollinearity among the predictors, and all values were below 3.33, meaning there are no collinearity issues in the model (Hair *et al.*, 2019). As a result, the present model has no collinearity difficulties. The SRMR (standardized root mean square residual) value, which measures how well the model fits, was found to be 0.071, which is lower the important limit of 0.08, representing that the model explains the data well. We used a bootstrapping method to test the hypothesis using 10,000 subsamples (Hair *et al.*, 2022). As shown in Table 5, all hypothesized associations were validated.

The implementation of AEHRP demonstrates a notable positive influence on employee performance (β = 0.255, p < 0.000), thereby providing support for Hypothesis 1. In a similar vein, MEHRP has a positive effect on employee performance (β = 0.230, p < 0.000), thus providing support for Hypothesis 2. Moreover, the concept of OEHRP significantly enhances employee performance (β = 0.114, p < 0.022), providing strong support for Hypothesis 3. The analysis revealed that control variables such as gender, education, and work experience did not significantly influence employee performance, as illustrated in Table 5. Next, we calculated the R² value of the endogenous construct to assess its predictive relevance within the theoretical model. R² measures how well the model explains the variance in each endogenous construct (Shmueli & Koppius, 2011). The R² value of 0.229 indicates that AEHRP, MEHRP, and OEHRP together accounted for 22.9% of the difference in employee performance. Additionally, Smart PLS 4 assessed the out-of-sample prediction capability of this model using Q2, a result of the PLS predict procedure. According to previous studies, the Q2 value should be greater than zero (Henseler *et al.*, 2009). This paper's employee performance Q² results of 0.198 meet the required standards. This method has proven to be effective for forecasting structures.

Table 5: Results of structural model

Relationship and hypothesis	Std. Beta	Sample mean	t-values	p-values	5%	95%	Results
Controls							
GEN -> EPER	0.034	0.033	0.378	0.353	-0.115	0.179	N.Sig.
EDU -> EPER	0.068	0.068	0.586	0.279	-0.119	0.260	N.Sig.
W_EXP ->E EPER	-0.052	-0.053	0.469	0.319	-0.234	0.127	N.Sig.
Direct effect							
H1 AHRP -> EPER	0.255	0.256	5.291	0.000	0.174	0.332	Sig.
H2 MHRP -> EPER	0.230	0.232	4.729	0.000	0.153	0.312	Sig.
H3 OHRP -> EPER	0.114	0.116	2.015	0.022	0.022	0.210	Sig.
Model fit(SRMR)	Saturated model	Estimated model					
	0.071	0.071					

Source(s): Authors' work

5. DISCUSSION AND CONCLUSION

Although previous research has indicated that HIHRP can affect both organizational and employee performance, the specific relationship between

HIHRP and employee performance, particularly within the context of the AMO framework, remains unclear. Accordingly, the purpose of the current study was to investigate the link between HIHRP and employee performance, specifically through the lens of the AMO framework in the context of the service sector in India. We examined these relationships based on the AMO framework, and empirical data supported the proposed linkages. The current study found that using HIHRP based on the AMO model helps employees perform better, as all the ideas we tested were supported by data showing a positive connection between AEHRP (staffing and training), MEHRP (performance-based appraisal and compensation), and OEHRP (work design and participation) and employee performance. According to the study, HR initiatives aimed at improving employee abilities, increasing enthusiasm, and encouraging participation in decision-making have a significant and beneficial impact on employee performance. The study supports earlier findings that HIHRP systems are more successful when used together rather than separately (Boxall *et al.*, 2015). This study reveals that integrated HR systems linked with the AMO framework are an important accelerator for company success. Training improves employee work performance, but when combined with motivational mechanisms like performance reviews and prizes, it raises the possibility of those skills being applied effectively (Jyoti & Dev, 2016). Giving employees the opportunity to express their thoughts and participate in decision-making promotes a sense of psychological ownership, which has been proven to improve job performance (Garg & Punia, 2016). This is how HIHRP enhances an employee's overall performance. These practices enhance employee skills, motivate them to reach their full potential, and provide opportunities for decision-making and independent work, which in turn helps employees improve their task, adaptive, and contextual performance while reducing counterproductive work behavior.

6. THEORETICAL AND PRACTICAL IMPLICATIONS

6.1. Theoretical Implications

This analysis provides several contributions to the HRM and organizational behavior literature. First, by using HIHRP as a means to discuss the AMO framework, this analysis provides a more nuanced perspective on how HR

systems interact to enhance employee performance. While previous research has established a general relationship between HIHRP effectiveness (Boxall *et al.*,2015; Garg & Punia,), this research takes a step further and advances theorizing by demonstrating how the three dimensions of AMO interact to create an encompassing mechanism that contributes to employee performance. Overall, this analysis reinforces the AMO framework as a robust theoretical construct for researching HRM effectiveness, and it advances our knowledge and understanding of how different HR practices have meaning for employee outcomes.

Second, this analysis contributes to the increasing emphasis on the configurational or bundling approach in the strategic HRM literature. The evidence shows that having a consistent set of HR practices, like training to improve skills, rewards to boost motivation, and opportunities for participation, is essential for achieving the best performance results for both employees and organizations, instead of treating them as separate tools to use (Jiang *et al.*, 2012). This systemic perspective emphasizes the importance of theoretical models that prioritize synergy and internal coherence.

6.2. Practical Implications

This study's findings offer several practical implications for human resource practitioners and organizational leaders interested in enhancing employee performance. First, the findings stress the importance of implementing a comprehensive and balanced HR system that considers all three elements of the AMO framework (ability, motivation, and opportunity). This means that organizations should invest not only in training and development to develop employee capabilities but also in performance-based rewards and for enabling employees with the opportunity to impact their jobs through participative decision-making. Concentrating on all three elements means that employees are not only able and motivated, but they are provided with a work environment that has the potential to permit them to use their skills in a meaningful way.

Second, organizations need to move away from discrete or transactional HR interventions and to instead adopt an integrated, whole-systems perspective of HRM. There may be some high-involvement practices that are divisive or contradictory to one another. For HIHRP to succeed, the values represented by HR practices must be in line with the larger organizational strategy and

aligned across all HR functions (e.g., staffing, performance management, compensation, etc.). For example, it requires hiring employees with an appreciation for a participative culture and then emphasizing and amplifying this adoption through continuous feedback and reinforced collaborative work structures—transformational spaces promote continuous high-involvement organizations.

At a final level, HR practitioners and line managers must keep in mind that HIHRP is likely not effective across every organizational circumstance. Fit is critical; it is paramount that high-involvement practices are authentically aligned to the needs and culture of the organization, as well as considering its maturity level. For instance, HIHRP may be a practice that is particularly effective in fast-changing or knowledge-intensive sectors for adaptable stakeholders. Thus, managers and organizations should regularly assess the fit between their HR practices and the expectations of their employees, as these systems will require changes over time.

7. LIMITATIONS AND FUTURE RESEARCH DIRECTIONS

Using the AMO framework, this research achieves important results in mapping the relationship between HIHRP and employee performance; however, there are several limitations to its conclusions. First, using a cross-sectional research design limits our ability to understand how ability-, motivation-, and opportunity-enhancing practices actually cause changes in employee performance outcomes. Longitudinal designs would be more suited to capturing the dynamic nature of HIHRP and employees' performance over time. Second, the study was predominantly based on self-report measures. A multi-source approach—incorporating assessments from supervisors or objective performance measures—could have further improved the validity of the results. Third, the sample was based on a single, limited set of organizational contexts, which may limit the generalizability of the results to disparate industries, cultures, or organizational sizes. Future research should investigate these mechanisms in different contexts to examine the contextual limits of HIHRP effectiveness.

Several routes for future research emerge from the limitations presented above. First, we should conduct long-term studies and experiments to look at the timing and cause-and-effect relationships in the HRM implementation process, which will help confirm the ideas suggested in the AMO theory. The

second area for future research is to expand the research model to include potential moderating variables such as organizational culture, leadership styles, or worker demographic characteristics, which would help us to understand the contexts and circumstances in which HIHRP are most fruitful to investigate the phenomena of HIHRP. Next, exploring the role of technological advancements as a valuable tool for enhancing employee involvement and autonomy may open up new lines of inquiry when pursuing opportunity practices. Finally, conducting future studies in multiple cultures could provide additional development opportunities and enable us to examine how well the proposed relationships hold across different social and economic contexts, ultimately leading to the creation of more robust HRM practices that are effective in any setting. Following these future research trails is crucial to advance our theoretical models and, equally important, support practitioners in selecting and implementing effective high-involvement HR strategies.

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