

THE IMPACT OF HIGH PERFORMANCE WORK SYSTEMS (HPWS) ON EMPLOYEE PERFORMANCE THROUGH EMPLOYEE EMPOWERMENT AS MEDIATION

Bambang Guritno, C. Susmono Widagdo, Krisnawati Setyaningrum Nugraheni

Sekolah Tinggi Ilmu Ekonomi Pariwisata Indonesia, Semarang, Indonesia

Email : bambang09@gmail.com

Abstract

Fierce competition and globalization require organizations to innovate in improving performance, which becomes a priority goal for companies. High Performance Work Systems (HPWS) adopted by companies can enhance employees' skills, motivation, and engagement. Empowerment is considered a positive aspect that must be fulfilled in work and has several characteristics marked by vigor, dedication, and absorption. The urgency of this research is to bridge the gap by investigating the interaction between HPWS, employee empowerment, well-being, and employee performance in academic literature with HPWS designed and implemented in practice. This study aims to investigate and explain theoretically and empirically the impact of HPWS on employee performance through employee empowerment as a mediator. This research will contribute to the field of organizational and management studies and attempt to explain the relationship between HPWS and employee performance. This study uses a quantitative method which is explanatory research that refers to the hypothesis to be tested against the occurring phenomena. This research is analyzed using the Structural Equation Model (SEM) technique with Partial Least Square (PLS) as a tool to process the technique. HPWS (High Performance Work Systems) has a positive and significant effect on employee performance. This shows that the effective implementation of HPWS can directly improve employee performance. HPWS has a positive and significant effect on employee empowerment. The HPWS system implemented by the company has successfully created a supportive work environment and empowered employees. Employee empowerment has a positive and significant effect on employee performance. A high level of empowerment in employees is proven to significantly improve their performance. Employee empowerment mediates the relationship between HPWS and employee performance.

Keywords: *High Performance Work Systems, Employee Empowerment, Employee Performance*

1. INTRODUCTION

Fierce competition and globalization require organizations to innovate in improving performance, which becomes a priority goal for companies. Employee competence is one source of competitive advantage that cannot be matched and cannot be imitated (Zhang dkk., 2023). However, researchers have found appropriate Human Resource Management (HRM) practices that can contribute to better organizational performance systems. Many companies have adopted this system which can improve employee skills, motivation, and engagement (Han dkk., 2023). This HRM practice system is known as High Performance Work Systems (HPWS). HPWS can improve both employee performance and organizational performance. Nevertheless, research conducted by Jewel states that there is a gap in the academic literature on HPWS with HPWS designed and implemented in practice (Alothmany dkk., 2023; Arefin dkk., 2023; Arubayi, 2023; Chen & Chen, 2023; Deogaonkar & Nanoty, 2023; Dorta-Afonso dkk., 2023; Jewell dkk., 2022).

Employee Empowerment is identified as a necessary source for the development of social exchange theory and is seen as an important subject in the practical field (Karatepe, 2013). Employees who are focused, motivated and enthusiastic about work provide benefits to the company such as increased profits and productivity, increased turnover, cost savings, and improved organizational image. Employees who have higher anxiety at work cause empowerment to have less influence in efforts to achieve organizational goals because they run out of time and energy for work (Huntsman dkk., 2021; Wang dkk., 2015). Empowerment is considered a positive aspect that must be fulfilled in work and has several characteristics marked by vigor, dedication, and absorption which provide the knowledge, skills and authority needed to contribute to the organization effectively (Wilmar B. Schaufeli, Arnold B. Bakker, Marisa Salanova, 2006).

If employees feel they have an attachment to the organization where they work, then employees will voluntarily provide the best work results. Employee performance is basically the results achieved and achievements achieved in the workplace. Performance refers to the preparation of plans to achieve results. Although performance evaluation is at the core of performance management, individual or organizational performance is highly dependent on all policies, practices, and forms of organizational design. HPWS is expected to be able to create a skilled, flexible and adaptive workforce (Chang & Chen, 2011; Han dkk., 2023; Khan & Muktar, 2024).

This study aims to investigate and explain theoretically and empirically the impact of HPWS on employee performance through employee empowerment as a mediator. This research will contribute to the field of organizational and management studies and attempt to explain the relationship between HPWS and employee performance.

2. LITERATURE REVIEW

High Performance Work Systems (HPWS)

High Performance Work Systems (HPWS) has emerged as a concept that attracts the attention of practitioners and academics. HPWS can be understood as a set of interrelated HR practices carefully designed to improve not only organizational performance but also employee well-being.

Experts have diverse perspectives on HPWS. Aryee dkk., (2012) view it as coherent HR practices aimed at enhancing employee competence, motivation, and commitment. Meanwhile, Colakoglu dkk., (2006) view HPWS as a combination of HR activities covering staffing, performance management, and efforts to retain the company's intellectual capital.

Takeuchi dkk., (2009) expand this understanding by emphasizing that HPWS is designed to improve performance outcomes for both employees and companies through enhancing employee competence, motivation, and positive attitudes. In line with this thinking, Boxall and Macky (2007) see HPWS as a system aimed at improving employee skills, commitment, and performance.

Chang & Chen (2011) provide a more comprehensive picture, explaining that HPWS encompasses various HR practices, ranging from selective staffing processes, intensive training and development, to performance-based compensation and performance appraisal systems. All of these aim to enhance employee competence, motivation, and opportunities to contribute optimally. Emphasize the importance of alignment in HPWS, both internally between HR practices and externally with organizational goals. HPWS as a strategic means to maximize the company's competitive advantage. HPWS describe as a dynamic process, where HR functions are continuously aligned with the organization's strategic goals. They emphasize that HPWS is not just an administrative function, but a series of interrelated practices to enhance employee skills and efforts. Highlight the tangible benefits of implementing HPWS, including increased job satisfaction,

productivity, and employee decision-making abilities. HPWS can be a source of competitive advantage through enhancing employee skills, commitment, and productivity.

(Chen & Chen (2023) add another dimension by mentioning that HPWS also includes high skill requirements, innovative work design, and incentive structures that encourage optimal performance. HPWS emerges as a holistic approach in HR management that not only focuses on organizational efficiency but also on employee development and empowerment. This approach reflects a paradigm shift in the modern work world, where employees are viewed as valuable assets that need to be given space to develop and contribute maximally.

Employee Empowerment

Employee empowerment has become an increasingly important topic in discussions about human resource management and organizational psychology. Employee empowerment not only covers physical aspects but also involves intellectual and emotional dimensions that encourage employees to contribute optimally to improving company performance. Although the terms "employee engagement" and "work engagement" are often used interchangeably, experts like Schaufeli dkk (2006) emphasize the nuanced difference between the two. Employee empowerment is viewed as more specific, focusing on the relationship between employees and their work, while employee engagement covers a broader spectrum, namely the relationship between employees and the organization as a whole.

Kahn (1990), a pioneer in employee engagement studies, expands this understanding by highlighting the importance of employees' psychological and physical presence in their organizational roles. He identified three key psychological domains that influence the level of engagement: meaningfulness, safety, and availability. These domains form the foundation for how employees interpret and carry out their roles in the workplace. High employee empowerment brings significant positive impacts. Engaged employees tend to be more motivated to increase productivity, more ready to face challenges, and feel a deep meaning in their work. This is not only beneficial for individual performance but also contributes to the overall productivity and growth of the organization.

Schaufeli & Bakker, (2010) enrich this understanding by describing employee empowerment as a positive condition that needs to be nurtured in the work environment. They identify three main characteristics: vigor, dedication, and absorption. Deep employee empowerment in each of these characteristics encourages the creation of strong personal involvement.

In the context of modern organizations, Bakker & Leiter (2011) emphasize the expectation for employees who are not only enthusiastic but also proactive in showing initiative. Schaufeli & Bakker (2010) further define employee empowerment as a positive motivational state characterized by vigor, dedication, and absorption. Elaborate on these dimensions in more detail:

1. Vigor reflects high energy and persistence, characterized by excitement and readiness to exert maximum effort, even in facing difficulties.
2. Dedication describes deep involvement with work, characterized by feelings of meaningfulness, high enthusiasm, and significant inspiration, both personally and professionally.
3. Absorption refers to full concentration and enjoyment in work, where time feels like it passes quickly and there is difficulty separating oneself from work.

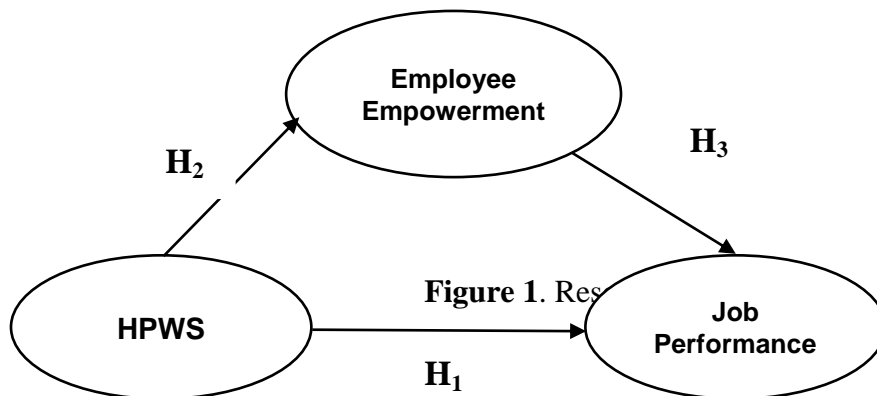
Employee Performance

Dessler & Varrkey (2005) offer an interesting perspective on employee performance. They see it as a form of work achievement, which can be measured by comparing actual work results with work standards set by the organization. This approach emphasizes the importance of clear and measurable standards in assessing performance. Expanding on this understanding, Robbins dkk., (2019) describe performance as the culmination of employees' efforts in carrying out their tasks. They emphasize that performance should be assessed based on specific criteria that have been established for each job. This shows that performance is not just about the end result, but also about how those results are achieved in accordance with set expectations.

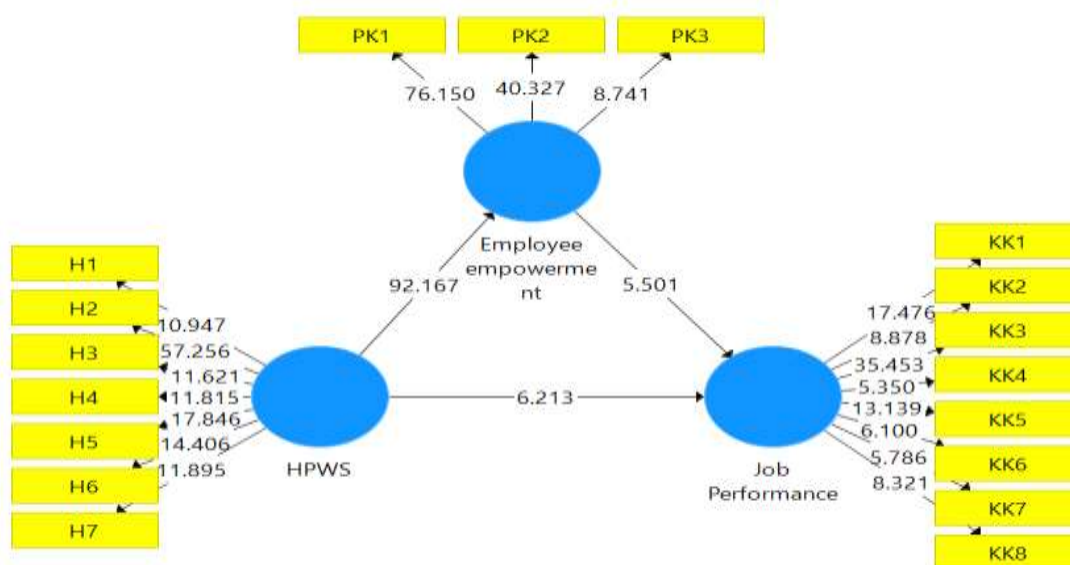
Wang dkk., (2015) offers a more reflective perspective, describing performance as an answer or manifestation of what someone has achieved after carrying out a task. This view highlights the aspects of accountability and self-evaluation in performance, inviting us to see performance not only as a result but also as a process of learning and growth. Rahman & Kistyanto (2019) bring this discussion into a broader organizational context. They define performance as the achievement of work results assessed in terms of quality and quantity, with the main objective of meeting the needs set by the company. This definition emphasizes that employee performance must be aligned with the overall goals and needs of the organization. Performance does not only include measurable work results but also involves the achievement process, output quality, alignment with organizational standards and goals, as well as contribution to individual and organizational growth. This holistic understanding can help organizations design more effective and meaningful performance management systems, which not only drive productivity but also support employee development and well-being.

3. METHOD

This research is a quantitative study with an explanatory design. The research design can be seen in Figure 1. Primary data sources were obtained from online questionnaire distribution to employees, while secondary data were obtained from searching journals and articles on private bank employees in Semarang city. The population in this study is around 300 employees of private banks in Semarang city. The sampling technique uses accidental sampling. The analysis was carried out using Structural Equation Modeling. The collected data was processed using SmartPLS 3.0



4. RESULT AND DISCUSSION



Source : Output SmartPLS 3.0 (2024)

Figure 2. Uj Measurement Model

Convergent Validity

Figure 2 shows that the outer loading of the HPWS variable has a value > 0.5 . The outer loading of the employee empowerment variable also has a value > 0.5 . Similarly, the outer loading of the employee performance variable has a value > 0.5 . It can be interpreted that all indicators in the variables used in this study can be said to be valid. Ghazali (2014) states that indicator correlation values greater than 0.7 are considered valid. However, if the loadings values in the initial research stage are between 0.5 - 0.6, they are considered sufficient.

Discriminant Validity

Discriminant validity is a test to compare the AVE values across all variables with other variables. If the AVE value for each variable has a value > 0.5 , then the model is considered to have good criteria (Hair et al., 2017). From the results of the discriminant validity test that can be seen in Table 1, it shows that all AVE values are > 0.5 , namely the HPWS construct value has a value of 0.807 (square root of 0.651), employee resilience of 0.721 (square root of 0.519), and employee performance of 0.745 (square root of 0.555). This means that the discriminant validity criteria have been met for all variables.

Table 1. Variable Discriminant Validity

Variable	Employee Empowerment	HPWS	Employee Performance
Employee Empowerment	0,806		
HPWS	0,912	0,669	
Employee Performance	0,851	0,855	0,582

Source : Output SmartPLS 3.0 (2024)

Composite Reliability

Composite reliability is a test of the reliability value between indicator blocks and the construct that forms them, which aims to determine whether the measurement results are consistent in this study. If the composite reliability value is > 0.7 , it can be considered good (Ghozali, 2014). In Table 2, the composite reliability value of the HPWS variable is 0.937, 0.928 for the employee resilience variable, and 0.880 for employee performance. Through the processed data, results show that all variables used have met the criteria of composite reliability, which means they have good reliability. This can be seen from the composite value.

Table 2. Output *Cronbach's Alpha* dan *Composite Reliability*

Variabel	<i>Cronbach's Alpha</i>	<i>Composite Reliability</i>
HPWS	0,793	0,847
Employee Performance	0,712	0841
Employee Empowerment	0,706	0,792

Source : Output SmartPLS 3.0 (2024)

Cronbach's Alpha

The reliability test results from the composite reliability quality can be strengthened through the Cronbach's Alpha value. Overall, it can be said that the Cronbach's Alpha value is used to assess internal consistency. The Cronbach's Alpha value for HPWS is 0.793, 0.706 for the employee empowerment variable, and 0.712 for employee performance. If the Cronbach's Alpha value is more prominent than 0.7, this value can be used. From Table 2 above, it can be seen that the Cronbach's Alpha value for all developed models is more than 0.70. From the results obtained, the variable model used in this study has solid and unwavering quality or has met the Cronbach's Alpha rule. According to Ghozali (2014), a proper Cronbach's alpha value is if it is valued at 0.7. It can be interpreted that if the total number of factors that have a Cronbach's alpha quality greater than 0.7, then the variable model used in the examination has met the Cronbach's Alpha measure or has strong reliability.

R-Square Analysis

HPWS on employee empowerment shows an r-square value of 0.832, which can be interpreted that the HPWS variable can explain 83.2% of the employee empowerment variable. Meanwhile, other variables not included in this study can explain 16.8% of bank employee empowerment. The model of HPWS influence on employee performance shows an r-square value of 0.761, which can be interpreted that the HPWS variable can explain 76.1% of the employee performance-forming variable. Meanwhile, other variables not included in this study can explain 23.9% of bank employee performance.

In PLS, statistical testing of each hypothesized relationship is carried out using simulation. In this case, the bootstrap method is applied to the sample. Testing with bootstrap is also intended to minimize the problem of non-normality in research data. The significance of the estimated parameters provides very useful information about the relationship between research variables. The basis used in testing hypotheses is the value contained in the output result for inner weight. In hypothesis testing, it can be said to be significant when the T-statistics value is greater than 1.96, while if the T-statistics value is less than 1.96, it is considered not significant.

Table 3. *Output Path Coefficients*

Relationship between Variables	Original Sample	T-statistics	Remarks
HPWS (X) → Employee Performance (Y)	0,473	6,213	$\geq 1,96$ (Significant); Hypothesis Accepted
HPWS (X) → Employee Empowerment (Z)	0,912	92,167	$\geq 1,96$ (Significant); Hypothesis Accepted
Employee Empowerment (Z) → Employee Performance (Y)	0,419	5,501	$\geq 1,96$ (Significant); Hypothesis Accepted

Source : Output SmartPLS 3.0 (2024)

- H1: High Performance Work Systems (HPWS) have a direct and significant positive effect on the performance of private bank employees in Semarang City. From the data processing results using SmartPLS, the original sample value (O) was obtained, which is the path coefficient value, and the t-statistic value to show its significance. The results of the second hypothesis test show that the relationship between the High Performance Work Systems (HPWS) variable and employee performance shows a path coefficient value of 0.473 with a t-statistic value of 6.213. This value is greater than the t-table (1.960) and significant at $p \leq 0.05\%$. The above results show that H0 is rejected and H1 is accepted, which means the second hypothesis is accepted.
- H2: High Performance Work Systems (HPWS) have a direct and significant positive effect on the empowerment of bank employees in Semarang city. The value of the High Performance Work Systems (HPWS) variable on employee empowerment with a path coefficient of 0.912 and a t-statistic of 2.167 is greater than the t-table (1.960) at $p \leq 0.05\%$. The above results show that H0 is rejected and H1 is accepted, which means the first hypothesis is accepted.
- H3: Employee Empowerment has a direct and significant positive effect on the Performance of Private Bank Employees in Semarang City. Employee empowerment has a positive influence on Employee Performance with a path coefficient of 0.419 and a t-statistic of 5.501, which is greater than the t-table (1.960) and significant at $p \leq 0.05\%$. The above results show that H0 is rejected and H1 is accepted, which means the third hypothesis is accepted.
- H4: Employee empowerment mediates the relationship between High Performance Work Systems (HPWS) and the performance of private bank employees in Semarang city. The results of the fourth hypothesis test show that the relationship between the High Performance Work Systems (HPWS) variable (X) on employee performance (Y) through employee empowerment (Z) shows an indirect path coefficient value of 0.284 with a t-statistic value of 7.635. This value is greater than the t-table (1.960). This result means that Work Engagement has a significant influence in bridging High Performance Work Systems (HPWS) with Organizational Citizenship Behaviors (OCB). The above results show that H0 is rejected, which means Hypothesis 4 is accepted.

Indirect Testing Results

Table 4. Indirect Testing Results

Exogenous	Intervening	Endogenous	Indirect Coefficient	P Value
HPWS	Employee Empowerment	Employee Performance	0,382	0,000

Source : Output SmartPLS 3.0 (2024)

Table 3 shows that the p-value is below 5% for the employee empowerment variable, proving it as a mediating variable between HPWS and employee performance with a coefficient value of 0.382.

HPWS Positively Influences Employee Performance

Hypothesis 1 states that HPWS has a significant direct effect on employee performance. In this study, the statistical results show a correlation coefficient (r) = 0.473 and a probability value (p) = $0.000 < 0.01$, so it can be concluded that there is a significant relationship between HPWS and employee performance. This also proves that the hypothesis stating that there is a positive relationship between HPWS and employee performance can be accepted.

Based on the research results, High Performance Work Systems (HPWS) has a positive and significant effect on employee performance. The policy of implementing appropriate High Performance Work Systems (HPWS) that is accepted by employees will improve the performance of private bank employees in Semarang city. This is in line with research conducted by Karatepe (2013) Systems (HPWS) variables and employee performance. This explains that High Performance Work Systems (HPWS) contains professional practices or policies through High Performance Work Systems (HPWS) towards employees, thus having implications for employee performance.

The implementation of High Performance Work Systems (HPWS) is inseparable from the selection process that has been carried out on employees. A selection process that prioritizes the interests or goals of the organization will improve employee performance (Hanandriati & Nugraheni, 2024). This process includes selection when employees first start working and in determining the work positions of employees. The clear division of work flow in the organization and the existence of career opportunity programs in the organization as part of High Performance Work Systems (HPWS) have contributed to improving employee performance and have also provided promotion opportunities for employees very well. This promotion program can be in the form of salary increases, positions, and allowances.

In this case, supervisors have assessed employee performance objectively, this assessment is carried out by supervisors by focusing on employee behavior and productivity. In addition, from the research results, it is known that supervisors have assessed employee behavior well, this assessment is created from the interaction between superiors and subordinates. From the results of this study, it can be seen that Management has trusted employees by giving broad tasks and responsibilities to employees. In addition, management also never limits employees' personal initiatives in working as long as they are in accordance with applicable rules and regulations. It is also known that employee performance is also appreciated with incentive payments outside of employee salaries, these incentive payments are like allowance funds.

HPWS Positively Influences Employee Empowerment

Hypothesis 2 states that High Performance Work Systems (HPWS) has a significant direct effect on employee empowerment. The results of this study indicate that High Performance Work Systems (HPWS) significantly influences employee empowerment. In this study, the statistical results show a correlation coefficient (r) = 0.912 and a probability value (p) = 0.000 < 0.01. High Performance Work Systems (HPWS) has been proven to have a positive and significant impact on employee empowerment. HPWS, as an integrated set of human resource management practices, is designed to enhance employee KSA (Knowledge, Skill, Attitude) dimensions through various mechanisms such as recruitment, selection, training, and development. This system not only focuses on increasing knowledge and skills but also on employee motivation and creating opportunities to contribute optimally within the organization.

Wen dkk., 2023) in their study of 782 employees in Southern China, found that HPWS has a significant influence on employee empowerment. These findings confirm that HPWS practices can create a work environment that supports employee autonomy and decision-making. This study shows that the implementation of HPWS in the banking context can increase the sense of empowerment among employees. This underscores the importance of HPWS in the service sector that heavily relies on employee performance. The reciprocal relationship between HPWS and employee empowerment. Their research shows that employee empowerment also has a positive effect on the effectiveness of HPWS, indicating a positive reinforcement cycle between these two concepts.

It's important to note that the effectiveness of HPWS in enhancing employee empowerment can vary depending on cultural and organizational contexts. Factors such as leadership style, organizational culture, and individual employee characteristics can influence the extent to which HPWS practices are translated into real feelings of empowerment. The empowerment resulting from HPWS is not only beneficial for individual employees but also has a positive impact on overall organizational performance. Empowered employees tend to be more engaged with their work, show higher levels of innovation, and are more likely to help their colleagues (Putra dkk., 2024). This creates a positive ripple effect in the organization, increasing overall productivity and effectiveness. The implementation of HPWS is not a one-size-fits-all solution. Organizations need to tailor their HPWS practices to the specific needs of employees and the strategic goals of the organization. Additionally, there needs to be continuous evaluation and adjustment of HPWS practices to ensure that they continue to support employee empowerment in a dynamic business environment.

Employee Empowerment Positively Influences Employee Performance

Hypothesis 3 states that employee empowerment has a significant direct effect on employee performance. In this study, the statistical results show a correlation coefficient (r) = 0.419 and a probability value (p) = 0.000 < 0.01, so it can be concluded that there is a significant relationship between employee empowerment and employee performance. This also proves that the hypothesis stating that there is a positive relationship between empowerment and employee performance can be accepted.

Employee empowerment has been proven to have a significant positive impact on employee performance, creating a dynamic and productive work environment. When employees feel

empowered, they tend to show higher levels of engagement and dedication to their work. As expressed by Kurniawati (2014), well-empowered individuals will display maximum work performance, often even contributing beyond their job demands.

The psychological aspect of empowerment plays a crucial role in improving performance. Spreitzer (1995) identified four key dimensions of psychological empowerment: meaning, competence, self-determination, and impact. When employees perceive meaningfulness in their work, feel competent in carrying out tasks, have autonomy in decision-making, and believe that their contributions have a significant impact, they tend to show better performance.

Hayuningtyas & Helmi (2015) emphasize that organizations with highly empowered human resources can maintain and even improve their performance even in unfavorable environmental conditions. This shows that employee empowerment can be a source of organizational resilience and adaptability in facing challenges.

Empowerment is also closely related to job satisfaction and a sense of pride in the organization. Zhou dkk (2014) found that employees who feel satisfied with their job and company will show greater enthusiasm and willingness to devote all their abilities in carrying out their work. Moreover, they often have a desire to contribute beyond their formal responsibilities. The role of leadership in supporting empowerment cannot be ignored. Leaders who apply transformational or empowering leadership styles tend to create an environment conducive to employee development and innovation. This, in turn, can increase creativity and innovation in the organization, which are important components of superior organizational performance. Organizational culture also plays an important role in strengthening the relationship between empowerment and performance. Organizations with open, collaborative, and learning-oriented cultures tend to see greater impact from their empowerment initiatives. In such an environment, employees feel safer to take risks, share ideas, and experiment with new approaches, all of which contribute to improved performance. Although employee empowerment has many benefits, it's important to recognize that its implementation can be challenging. Organizations need to consider potential barriers such as resistance to change, lack of necessary skills, or fear of failure. Addressing these challenges requires a planned approach and consistent support from management.

HPWS Positively Influences Employee Performance through Employee Empowerment.

Hypothesis 4 states that High Performance Work Systems (HPWS) has a significant indirect effect on Employee Performance through employee empowerment. The results of this study show that High Performance Work Systems (HPWS) significantly affects employee performance through the employee empowerment variable. The analysis of the mediating variable shows that High Performance Work Systems (HPWS) affects employee performance through employee empowerment, with the indirect effect through employee empowerment being greater than the direct effect on employee performance. This is in line with research conducted by Wu & Chaturvedi (2009).

The implementation of High Performance Work Systems (HPWS) in organizations shows a significant influence on employees' perceptions of fairness and their performance. Social exchange theory provides a conceptual framework for understanding this phenomenon, where organizational investment through HPWS is perceived as a commitment to employee development, which in turn encourages reciprocity in the form of positive work attitudes and behaviors. HPWS, which includes

practices such as intensive training, fair compensation systems, and participation in decision-making, not only enhances employee competence but also strengthens the psychological bond between employees and the organization. Employee empowerment emerges as a key result of effective HPWS implementation.

Research shows that employee empowerment plays an important role as a mediator in the relationship between HPWS and employee performance. HPWS creates an environment that supports empowerment, which in turn encourages increased performance, innovation, and employee initiative. It's important to note that the effectiveness of HPWS in enhancing empowerment and performance can vary depending on organizational context and individual characteristics. Therefore, organizations need to consistently evaluate and adjust their HPWS practices to ensure their relevance and effectiveness in a dynamic business environment.

5. CONCLUSION

Based on the discussion and research that has been conducted, several conclusions can be drawn. Firstly, HPWS (High Performance Work Systems) has been found to have a positive and significant effect on employee performance. This indicates that effective implementation of HPWS can directly lead to improved employee performance. Secondly, HPWS demonstrates a positive and significant impact on employee empowerment. The HPWS system implemented by the company has successfully created a supportive work environment that empowers employees. Thirdly, employee empowerment shows a positive and significant effect on employee performance. A high level of empowerment among employees has been proven to significantly enhance their performance. Lastly, employee empowerment serves as a mediator in the relationship between HPWS and employee performance.

From a practical standpoint, several suggestions can be made. Companies should focus on continuously strengthening the implementation of HPWS, particularly in areas of employee development, fair compensation systems, and empowering job design. Employee empowerment programs should be prioritized in HR management strategies, given their proven effectiveness in improving performance. Additionally, training and development programs should be designed not only to enhance technical skills but also to foster initiative and independent decision-making among employees.

From a theoretical perspective, this research reinforces the theory that HPWS has a positive impact on organizational performance, with employee empowerment playing a crucial role as a mechanism in this process. The mediation model tested in this study provides a more comprehensive understanding of how HPWS influences employee performance. These findings contribute to the existing body of knowledge in the field of human resource management and organizational behavior.

REFERENCE

- Alothmany, R., Jiang, Z., & Manoharan, A. (2023). Linking high-performance work systems to affective commitment, job satisfaction, and career satisfaction: Thriving as a mediator and wasta as a moderator. *The International Journal of ...*, Query date: 2024-03-19 17:53:26. <https://doi.org/10.1080/09585192.2022.2157681>
- Arefin, M., Faroque, O., Zhang, J., & Long, L. (2023). High-performance work systems and organizational citizenship behavior: The role of goal congruence and servant leadership. *International Journal of ...*, Query date: 2024-03-19 17:53:26. <https://doi.org/10.1108/IJOEM-03-2019-0209>
- Arubayi, D. (2023). High Performance Work Systems (HPWS) and employee satisfaction. *Indikator: Jurnal Ilmiah Manajemen dan Bisnis*, Query date: 2024-03-19 17:53:26.
- Aryee, S., Walumbwa, F. O., Seidu, E. Y. M., & Otaye, L. E. (2012). Impact of high-performance work systems on individual- and branch-level performance: Test of a multilevel model of intermediate linkages. *Journal of Applied Psychology*, 97(2), 287–300. <https://doi.org/10.1037/a0025739>
- Chang, P.-C., & Chen, S.-J. (2011). Crossing the level of employee's performance: HPWS, affective commitment, human capital, and employee job performance in professional service organizations. *The International Journal of Human Resource Management*, 22(4), 883–901. <https://doi.org/10.1080/09585192.2011.555130>
- Chen, Y., & Chen, S. (2023). Looking at both sides of high-performance work systems and individual performance: A job demands– resources model. *Journal of Management & Organization*, Query date: 2024-03-19 17:53:26. <https://www.cambridge.org/core/journals/journal-of-management-and-organization/article/looking-at-both-sides-of-highperformance-work-systems-and-individual-performance-a-job-demandsresources-model/802047FC842B11A455E01CB4E95AE5E4>
- Colakoglu, S., Lepak, D. P., & Hong, Y. (2006). Measuring HRM effectiveness: Considering multiple stakeholders in a global context. *Human Resource Management Review*, 16(2), 209–218. <https://doi.org/10.1016/j.hrmr.2006.03.003>
- Deogaonkar, A., & Nanoty, S. (2023). Moderated mediation between organizational culture and employee performance: The role of similarities in religious teachings and high-performance managerial *Journal of Indian Business Research*, Query date: 2024-03-19 17:53:26. <https://doi.org/10.1108/JIBR-08-2022-0211>
- Dessler, G., & Varrkey, B. (t.t.). *Human Resource Management*, 15e. Pearson Education India.
- Dorta-Afonso, D., Romero-Domínguez, L., & ... (2023). It's worth it! High performance work systems for employee job satisfaction: The mediational role of burnout. *International Journal of ...*, Query date: 2024-03-19 17:53:26. <https://www.sciencedirect.com/science/article/pii/S0278431922002304>

- Ghozali, I. (2014). *Structural Equation Modeling Metode Alternatif dengan Partial Least Squares (PLS)*.
- Han, M., Hu, E., Zhao, J., & Shan, H. (2023). High performance work systems and employee performance: The roles of employee well-being and workplace friendship. *Human Resource Development International*, 1–20. <https://doi.org/10.1080/13678868.2023.2268488>
- Hanandriati, B., & Nugraheni, K. S. (2024). Transformational leadership style, competence, and employee involvement on employee performance hotel grandhika semarang. *International Journal on Social Science, Economics and Art*, 14(1), 130–137.
- Hayuningtyas, D. R. I., & Helmi, A. F. (t.t.). *Peran Kepemimpinan Otentik terhadap Work Engagement Dosen dengan Efikasi Diri sebagai Mediator*.
- Huntsman, D., Greer, A., Murphy, H., & Haynes, S. (2021). Enhancing adaptive performance in emergency response: Empowerment practices and the moderating role of tempo balance. *Safety Science*, 134, 105060. <https://doi.org/10.1016/j.ssci.2020.105060>
- Jewell, D. O., Jewell, S. F., & Kaufman, B. E. (2022). Designing and implementing high-performance work systems: Insights from consulting practice for academic researchers. *Human Resource Management Review*, 32(1), 100749. <https://doi.org/10.1016/j.hrmr.2020.100749>
- Kahn, W. A. (1990). Psychological conditions of personal engagement and disengagement at work. *Academy of Management Journal*, 33(4), 692–724. <https://doi.org/10.2307/256287>
- Karatepe, O. M. (2013). High-performance work practices and hotel employee performance: The mediation of work engagement. *International Journal of Hospitality Management*, 32, 132–140. <https://doi.org/10.1016/j.ijhm.2012.05.003>
- Khan, M. H., & Muktar, S. N. (2024). Green employee empowerment: The missing linchpin between green HRM and sustainable organizational performance. *Journal of Cleaner Production*, 434, 139812. <https://doi.org/10.1016/j.jclepro.2023.139812>
- Putra, D. T., Palupiningtyas, D., Nugraheni, K. S., Putri, J. A., & Kristanto, F. H. (2024). Empowering Employees through Green HRM: Fostering Eco-Friendly Tourism in Semarang Regency. *Momentum Matrix: International Journal of Communication, Tourism, and Social Economic Trends*, 1(2), 01–14.
- Rahman, M., & Kistyanto, A. (2019). Hubungan antara iklim psikologis terhadap kinerja karyawan melalui kepuasan kerja. 12, 410–429.
- Robbins, S. P., Judge, T., & Judge, T. (2019). *Organizational Behavior*. Pearson.
- Schaufeli, W. B., & Bakker, A. B. (2010). Defining and measuring work engagement: Bringing clarity to the concept. Dalam *Work engagement: A handbook of essential theory and research* (hlm. 10–24). Psychology Press. <https://doi.org/10.4324/9780203853047>

- Spreitzer, G. M. (1995). Psychological empowerment in the workplace: Dimensions, measurement, and validation. *Academy of Management Journal*, 38(5), 1442–1465. <https://doi.org/10.2307/256865>
- Takeuchi, R., Chen, G., & Lepak, D. P. (2009). Through the Looking Glass of a Social System: Cross-Level Effects of High-Performance Work Systems on Employees' Attitudes. *Personnel Psychology*, 62(1), 1–29. <https://doi.org/10.1111/j.1744-6570.2008.01127.x>
- Wang, H., Lu, C., & Siu, O. (2015). Job insecurity and job performance: The moderating role of organizational justice and the mediating role of work engagement. *Journal of Applied Psychology*, 100(4), 1249–1258. <https://doi.org/10.1037/a0038330>
- Wen, J., Huang, S. (Sam), & Teo, S. (2023). Effect of empowering leadership on work engagement via psychological empowerment: Moderation of cultural orientation. *Journal of Hospitality and Tourism Management*, 54, 88–97. <https://doi.org/10.1016/j.jhtm.2022.12.012>
- Wilmar B. Schaufeli, Arnold B. Bakker, Marisa Salanova. (2006). *The Measurement of Work Engagement With a Short Questionnaire: A Cross-National Study*. <https://journals.sagepub.com/doi/10.1177/0013164405282471>
- Wu, P.-C., & Chaturvedi, S. (2009). The role of procedural justice and power distance in the relationship between high performance work systems and employee Attitudes: A multilevel perspective. *Journal of Management*, 35(5), 1228–1247. <https://doi.org/10.1177/0149206308331097>
- Zhang, X., Chu, Z., Ren, L., & Xing, J. (2023). Open innovation and sustainable competitive advantage: The role of organizational learning. *Technological Forecasting and Social Change*, 186, 122114. <https://doi.org/10.1016/j.techfore.2022.122114>
- Zhou, Y., Cheng, Y., Liu, G., Zhang, Z., & Zhu, H. (2024). How does empowering leadership promote employee creativity? The sequential mediating mechanism of felt obligation for constructive change and job crafting. *Journal of Vocational Behavior*, 148, 103955. <https://doi.org/10.1016/j.jvb.2023.103955>