Managing the Obligation to Stay through Employee Involvement, Recognition and AMO Model: A Study amongst Millennial Employees

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ABSTRACT

Manuscript type: Research paper

Research aims: The aim of this paper is to investigate the impact of human resource practices, namely employee involvement and employee recognition, on normative commitments. It also attempts to determine the role of the ability, motivation and opportunity (AMO) model as a mediator in the relationship associated with human resource practices, and normative commitments.

Design/Methodology/Approach: Data were collected across 168 employees, working in small and medium enterprises (SMEs) in Selangor, Malaysia. Structural equation modelling with bootstrapping estimation was used to predict and estimate the relationships.

Research findings: The results indicate that both employee involvement and employee recognition have a significant impact on the normative commitment. This study however, indicates no mediation effect on both of these relationships.

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Theoretical contribution/Originality: This study seeks to compliment and extend the human resource (HR) practice and organisational commitment literature base by incorporating the AMO model as a mediation variable.

Practitioner/Policy implication: The underlying messages to HR practitioners and also SMEs owners are that employee involvement and employee recognition are amongst the most important HR practices to be employed in the current working environment, which will soon be dominated by the millennials. Organisations should focus on exhibiting a great working environment that involves employees in daily work activities, and promotes recognition pro-grammes that motivates employees' retention rates.

Research limitation: Data were collected through the use of a questionnaire in a designated period of time, and did not permit causal inferences. Moreover, it only focusses on service sectors of SMEs, and therefore the results may not be as generalised as one sought it to be.

1. Introduction

In this competitive business age, with most organisations engaged in a talent war, the human resources section in an organisation makes an imperative contribution to the success or failure of the organisation. What each employee brings to the organisation is special, and not easily imitated (Subramaniam, Shamsudin & Ibrahim, 2011). Employees are largely responsible for the implementation and realisation of the organisation's goals and strategies. Employee engagement is one of the critical obstacles for an organisation. The issue of job-hopping amongst Malaysian employees is becoming crucial. Randstad (2019) reported that 21 per cent of employees in Malaysia transitioned to new jobs in 2018, while 38 per cent of them planned to do so in 2019. This issue was reported to be much more significant amongst millennials and Gen-Zs. Considering the fact that these two groups of generations dominate the existing workplace by taking up the middle and senior management positions, it is imperative for organisations to develop a strategy to attract and retain millennials and to prepare their young talents for future leadership roles. Moreover, it is relatively common that there will be a gap between employees' expectations. What the organisation is offering

as a commitment is a confidence built on the employee's perception of the employer's commitment to them, and returns the employer's good actions through their own thinking and behaviour (Osa & Amos, 2014).

The importance of gaining commitment from such human assets is not only relevant in large organisations, but also in small and growing organisations, such as small and medium enterprises (SMEs). The SME Master Plan 2012-2020 has identified that the deterioration of performance of Malaysian SMEs is related to the lack of employee commitment due to frequent job-hopping (National SME Development Council, 2012). The chances that employees will remain committed to the organisation depends on their level of productivity, and the commitment of the organisation to support them (Lee & Chen, 2013; Osa & Amos, 2014). Taking into account the new cohort of millennial workers who now dominate the workforce, it is important for SMEs to keep up with these changes and manage human assets properly in order to gain and retain their commitment or obligation to stay. Therefore, human resource practices are considered to be an important factor in improving the commitment of employees to the organisation, by recognising that organisational commitment is a pillar of the modern human resource management (HRM) philosophy, as well as the strength that binds HRM practices (Mulolli, Islami, & Skenderi, 2015).

Using previous reference works, the researchers examined the human resource practices relevant to the organisation's strategic business plan for sustainable performance and competitiveness. This included occupying the "black box" of the HRM-performance relation-ship, of which the organisational performance was only argued to be positively impacted by HRM practices through the employee's attitudes. In relating to this, human resource experts (Guest, 1997, 2011) have proposed, amongst others, the ability, motivation, opportunity (AMO) model as an option to serve as a mediating mechanism, by which HRM affects the performance. Whilst the AMO model has been studied extensively as a predictor (e.g. Al-Tit, 2020; Li, Jung & Kim, 2020; Bouwmans, Runhaar, Wesselink & Mulder, 2019) to employee performance, there is still a dearth of research that looks into the AMO model as an intervening variable in the HR-performance relationship, especially in a Malaysian context.

This study therefore fills the gap by incorporating the AMO model as a mediating variable between employee recognition and normative commitment; it also addresses employee involvement and normative commitment. It focusses on millennial employees working in SMEs, as

this group of individuals are found to be commonly hopping from one job to another. The rest of this paper is organised as follows. Section 2 reviews previous literature on the underpinning theory and hypotheses development. Section 3 explains the research method, while Section 4 reports on the analysis administered for the associated gathered data. Section 5 discusses the findings and brings the chapter to a conclusion.

2. Literature Review and Hypotheses Development

This study is based on the social exchange theory (SET). Blau (1964) introduced SET as an appropriate framework to link perceptions, attitudes and performances. This theory asserts that the resultant outcome of one's behaviour depends on the responsive behaviour by others within the exchange relationship. As human resource practices indicate to employees what the organisation has to offer, employees will at the same time demonstrate an act of reciprocity. They will feel obligated to react with positive attitude and behaviour. Subsequently, when the organisation meets the needs of employees and meets their expectations at the workplace, they will feel appreciated, and a factor called the reciprocal norm will emerge. These employees will reciprocate with a sense of duty and respond with continued high performance (Wayne, Shore, Bommer, & Tetrick, 2002; Saks, 2006; Wongboonsin et al., 2018). On the contrary, individuals may choose to leave existing relationships, or social exchanges, if the relationship outcomes are lower than expected. In other words, it means that employees leave the organisation or are not committed, unless they see any benefits or reciprocity of their actions in the relationship with the employer. Based on this theory, this study incorporates human resource practices, which are proxied by employee recognition, and employee involvement. These human resource practices are expected to lead to normative commit-ments through the AMO model. Subsequent sections provide detailed discussion on these relationships.

2.1 Human Resource Practices and Normative Commitment

Scholars and practitioners have both acknowledged the role of HRM in enabling the company to remain competitive. Noe, Hollenbeck, Gerhart and Wright (2010) defined HRM as a philosophy, policy, system and practice of employee behaviour, attitudes and performance. It was only recently that the organisation realised the possible role of HRM in

increasing organisational performance. In the past, organisations often overlooked the contribution of HRM towards organisational successes (Zakaria, Zainal, & Nasurdin, 2011).

In this study, we believe that committed employees help achieve organisational goals. Employee commitment refers to association with organisational goals, interests in working for the benefit of the organisation, and the willingness to remain with the organisation (Mowday, Steers, & Porter, 1979). In particular, the sense of obligation to continue employment is referred to as a normative commitment (Meyer & Allen, 1991). Employees with a high level of normative commitment (NC) feel that they should remain with the organisation. Past studies have shown that there is a correlation between sound HR practices, a sense of duty, and a return to favour, as demonstrated by a substantive commitment. In reality, this responsibility element is nothing but a normative commitment, which plays a key role in establishing a connection between employees and their organisation (Bergman, 2006). The relationship between employees and their organisation would make them more loyal and want to remain in the organisation that appreciates them for much longer.

From previous literature work, it was noticed that there are diverse practices proposed by many of the previous HRM scholars, as there is no agreement on what HRM practices should include. In particular, the number of practices ought to be maintained as long as the organisation is aware of the needs and requirements of employees, in order to assist in the achievement of the specific organisational objectives. For the purpose of this study, employee involvement and employee recognition have been chosen as part of the human resource practices. Increased commitment and improved autonomy space will be achieved as a result of the ownership and responsibility of employee's involvement. On the other hand, employee recognition was chosen, because past studies have shown that recognition as a non-monetary reward has a significant relationship with employee commitment, and increases motivation amongst employees compared to monetary rewards, such as remuneration. Moreover, it is a good step to launch an investigation into the role of both involvement and recognition, especially in the current working environment inhabited by the new generation or cohort.

2.1.1 Employee Involvement and Normative Commitment

Employee involvement involves human capacity, responsibility and ownership, and is important to the organisation, as it ensures that these

visions and values are achieved (Amah & Ahiauzu, 2013). It is therefore found that employee involvement has a positive impact on productivity and dedication, when authority is provided to employees in terms of their daily work, and when employees are kept in the loop and allowed to influence final decisions (Adham, 2011). Past studies have revealed that there exists a significant relationship between employee involvement and normative commitments (Chelliah, Sundarapandiyan, & Vinoth, 2015; Zopiatis, Constanti, & Theocharous, 2014). Involvement in decision-making does not, however, lead to commitment of knowledge workers (Giauque, Resenterra, & Siggen, 2010). Zopiatis et al. (2014) examined the relationships between work involvement, and affective, and normative commitments. The suggestion is to instigate policies and practices such as informational sharing, and decision-making, which empowers and can attract the employee's mentally and emotionally, so as to enable organisations to be aware of employee commitments. Employees will therefore feel a sense of belonging and believe that they have an obligation to stay and continue to work. As a result, individuals who are highly involved in work have a high level of organisational commitment, and are less likely to resign from their jobs. Recent studies by Johar, Nor, Hassan and Musa (2019) on HR practices, which included employee involvement on normative commitment, specifically showed that employee commitment has a significant positive relationship with normative commitments. The findings clearly showed that when employees are given the empowerment and chance to be involved in the decision making, it will help to boost the motivation, sense of responsibility and feeling of satisfaction when their voices are heard. It is thus hypothesised that:

H_1: Employee involvement is positively related to normative commitments.

2.1.2 Employee Recognition and Normative Commitment

Recognition has been recognised as an integral part of psychologically healthy workplaces, and has been widely accepted as a critical part of a successful HRM model (Cannon, 2015; Grawitch, Gottschalk, & Munz, 2006). In addition, employees recognise non-monetary recognition efforts as a result of their attention and organisational support for the creation of a large work environment within the organisation (Paré & Tremblay, 2000). It is therefore important for organisations to recognise

that it is necessary for workers to obtain recognition and gratitude, and not just work for the monetary benefits, which will ensure the dedication of employees (Bhatnagar, 2014). A number of previous studies have therefore looked at the link between employee recognition and normative commitments (Ghosh, Rai, Chauhan, Baranwal, & Srivastava, 2016; Islam, Khan, Ahmad & Ahmed, 2013). The findings from Ghosh et al. (2016) carried in the context of private banks showed that employees developed strong normative commitments or an obligation to stay when they received appropriate organisational benefits. The rewards and recognition schemes must therefore be designed so that employees are valued for rewarding jobs. Moreover, Prabusankar (2015) found that reward, recognition, skill development and information sharing were based on the positive and significant impact it has on organisational commitments for small-scaled industries in the Coimbatore District, India. Based on the profile of the respondents, the majority of them were male, and were classified as employees of Gen Y. In order to achieve the commitment of this young cohort of workers, organisations, especially small and medium sized industries, or SMEs, should consider recognition programs and practices. Therefore, it is hypothesised that:

H_2: Employee recognition is positively related to normative commitment.

2.2 The AMO Model as Mediator

Earlier studies looked at the "black box" of the relationship between HRM and performance and well-known variables in the AMO model, which included three components that enhanced employee performance: individual ability (A), motivation (M) and the opportunity to participate (O) (Appelbaum, Bailey, Berg, & Kalleberg, 2000). In particular, the AMO model provides a comprehensive description of how HR practices can influence corporate performance through the identification, motivation and participation of employees (e.g. use of attitude investigations) (Obeidat, Mitchell, & Bray, 2016). This model was considered separately by scholars across three different perspectives: multiplicative, summative and combinative (Marin-Garcia & Tomas, 2016). They have not yet reached an agreement on which of these perspectives better explain the interaction between capacity, motivation and the dimension of an opportunity. Indeed, the AMO dimensions may be combined differently depending on the levels of analysis (Kim, Pathak, & Werner, 2015).

Some scholars considered that performance was best defined by an additive model (Marin-Garcia & Tomas, 2016). In this way, the level of performance could increase by independently promoting any AMO dimension, and lower levels in one or even two dimensions could be counterweighed for by higher levels in the others (Kim et al., 2015). In addition, other authors proposed that each dimension of the AMO model should be aimed at different objectives, and therefore it could be possible to find organisations in which only ability, motivation or opportunities-enhancing practices are taken into account (Kroon, Van De Voorde, & Timmers, 2013).

On another note, some authors pointed out that AMO is a multiplicative model. For example, the abilities, motivation and opportunities must all be present (at least to some degree), and the lack of any of them means that performance becomes unattainable. Some scholars argued that there is a lack of research to confirm the multiplicative factor (Marin-Garcia & Tomas, 2016). A research was piloted by Obeidat, Bray and Mitchell (2010) to offer an empirical verification of the AMO model. The authors argued that the three-factor model was better than the one or two-factor model to explain the link between human resource practice dimensions and performance indicators. This hypothesis was validated in the study to show an empirical verification of the multiplicative model. Nevertheless, as suggested by Almutawa, Muenjohn and Zhang (2016), much more research is needed to explore the mechanism by which the AMO model can be implemented in order to achieve its intended objectives. Furthermore, some authors maintained that the exact relationship between the three dimensions of the AMO has so far remained unknown (Knies & Leisink, 2014). Likewise, other authors pointed out that either the model had never been fully empirically tested, or the three dimensions had only been independently empirically validated (Demortier, Delobbe, & El Akremi, 2014). As there has been no agreement yet on the best interaction between the AMO dimensions, this study employs the second-order construct for the AMO model to provide a much more abstract dimension, instead of using unidimensional construct, or a single dimension.

2.2.1 AMO Model and Normative Commitment

Accordingly, people perform best when they can do a job (abilities), and they will do a job (motivation) which is complimented by their work environment which offers the necessary support and means of

expression (opportunity) (Boxall & Purcell, 2011). Hence, to better understand the model, more empirical research can be linked to the search for new results. According to the AMO model, discretionary effort will positively affect the organisational performance, and advanced research can also be devoted to the duplication of studies with positive results within different contexts, in order to attempt to unlock the so-called "black box" of HRM (Marin-Garcia & Tomas, 2016). Therefore, previous researches have explored the link that connects the relationship between HR practices and commitment. Guest (1997 & 2011) suggested the AMO model served as a mediating mechanism, through which the HRM affected the performance, as limited empirical efforts have been identified to explore this mediating effect (Almutawa et al., 2016; Knies & Leisink, 2014). It is therefore assumed that:

H_3: The AMO model is positively related to the normative commitment.

H_4: Employee involvement is positively related to the AMO model.

H_5: Employee recognition is positively related to the AMO model.

H_6: The AMO model mediates the relationship between employee involvement and normative commitment.

H_7: The AMO model mediates the relationship between employee recognition and normative commitment.

Based on the previous literature and hypotheses development, the following model was developed.
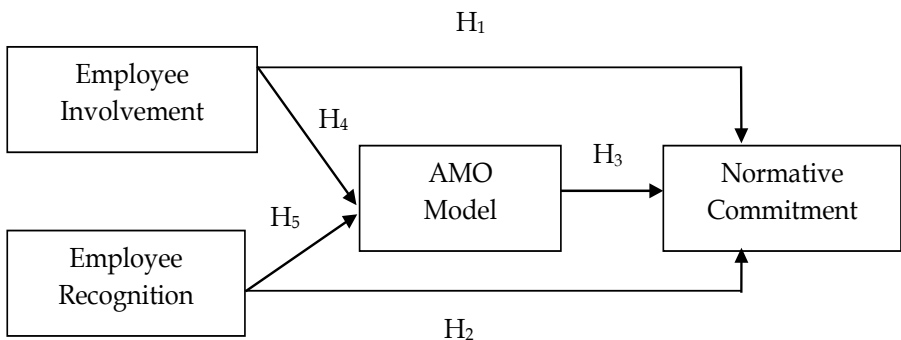

Figure 1: Research Framework

3. Research Methodology

The measurement items used for the questionnaire were adapted from previous literature work, as shown in the Appendix. Thirteen items used to measure the employee involvement were adapted from Adham (2011), while five items were taken from Appelbaum and Kamal (2000) to measure employee recognition. To measure the AMO model we further adapted items from Guay, Vallerand and Blanchard (2000), Rizzo, House and Lirtzman (1970), and Schyns and von Collani (2002). Six items were adapted from Meyer and Allen (1991) as proxies for normative commitments. A 7-point Likert-type scale, ranging from 1 (strongly disagreed) to 7 (strongly agreed) were used to measure all the items in the questionnaire.

In general, SMEs are the largest number of establishments in many countries worldwide. Without exception, these SMEs account for 98.5 per cent of the total number of establishments in Malaysia (National SME Development Council, 2017). According to the *Economic Census 2016* (Department of Statistics Malaysia, 2016), the service industry represented 89.2 per cent of the total number of SMEs in Malaysia and Selangor. Despite being the largest sector, the service sector was chosen because previous studies have shown that research in the service sector firms is scarce (Jones, Kalmi, & Kauhanen, 2010; Hooi & Ngui, 2014; Shin & Konrad, 2017). The *SME Masterplan (2012-2020)* also identified that the performance of SMEs had deteriorated due to the problem of employee commitment (National SME Development Council, 2012).

The sampling framework for this research study consisted of SMEs in Selangor. The lists of SMEs that received and won the Enterprise 50 (E50) Award from 1998 to 2017 were obtained from the SME Corporation of Malaysia and were used as the sampling frame. The reason is that the award honoured the top 50 SMEs in the country, in recognition of their achievements in terms of financial capability, operations and management skills. The winners have therefore established their management not only as successful enterprises, but also as productive national assets, and global players (SME Corporation Malaysia, 2018). Thus, the list consisted of 100 service sector SMEs in Selangor, and, as a result, there were 3,000 employees in total, each of whom had at least 30 employees based on the definition of SMEs (National SME Development Council, 2017).

The respondents for this research study consisted of millennial employees in the service sector for SMEs in Selangor. Based on the

G*Power analysis, a minimum sample size of 107 is required to produce a power of 0.95 for the medium effect size model (Hair, Black, Babin, & Anderson, 2013). However, the sample size was increased to 300 in order to reduce the risk of non-response bias that could result from the refusal of the sample members to respond, unable to respond, or be inaccessible to the researcher (Merkle, 2008; Williams, 1978; Yu & Cooper, 1983). The HR departments of the SMEs in the sampling lists were contacted to obtain permission for the questionnaire distribution. Of the 300 distributed questionnaires, only 168 responses were obtained, resulting in a response rate of 56 per cent. Table 1 depicts the respondents' profiles. Accordingly, 63 per cent of the total respondents were female, the majority of whom were Malay (83%). Also, most respondents held executive positions (57%) with two to five years experience (55%) and earned a monthly income between RM1,000 and RM3,000 (59%).

4. Data Analysis

In this study, the partial least square (PLS) method was used to test the hypotheses developed. PLS is a second-generation multivariate technique that can simultaneously evaluate the measurement model (the relationship between constructs and their corresponding indicators), and the structural model with the aim of minimising the error variance of the data (Hair, Hult, Ringle, & Sarstedt, 2017). The PLS bootstrapping method was used to determine the level of significance for loads, weights and path coefficients. In addition, the common method variance is needed to be evaluated, since all data was collected through self-reported questionnaires, and both the predictor and criterion variables were collected from the same source (Podsakoff, MacKenzie, Lee, & Podsakoff, 2003). Full estimates of collinearity were made to detect this problem. According to Kock and Lynn (2012), a block was developed and all the latent variables in the model were included as predictors pointing to a single criterion, a dummy variable. Since this test enabled the identification of collinearity among all variables in the model, regardless of where they were placed in the model, it was considered to be a more rigorous and conservative test of collinearity. Specific latent variables referred to different constructs, whether they were in the same block or not in the SEM model. In this analysis, complete collinearity estimates (Table 2) showed that the variance inflation factor (VIF) for all variables were less than 3.3, indicating that the common bias of the process was not a concern in this study.

Table 1: Respondents' Profiles

Characteristic	Group	Frequency	Percentage
Gender	Female	106	63.1
	Male	62	36.9
Race	Malay	140	83.3
	Chinese	22	13.1
	Indian	3	1.8
	Others	3	1.8
Age	Below 25	43	25.6
	26-35	125	74.4
Academic Qualification	SPM	11	6.5
	Diploma	32	19.0
	Bachelor Degree	108	64.3
	Master Degree	14	8.3
	PhD	2	1.2
	Others	1	1
Monthly Income (RM)	Less than 1,000	2	1.2
	1,000-3,000	99	58.9
	3001-5,000	51	30.4
	5001-7,000	14	8.3
	More than 7,000	2	1.2
Level of Position	Non Executive	31	18.5
	Executive	96	57.1
	Assistant Manager	9	5.4
	Manager	17	10.1
	General Manager	1	0.6
	Others	14	8.3
Level of Experience	Less than 1 year	44	26.2
	2-5 years	92	54.8
	6-10 years	30	17.9
	11-15 years	2	1.2

Table 2: Full Collinearity Estimates

	AMO	Normative Commitment	Employee Involvement	Employee Recognition
VIF	1.995	2.048	2.260	2.017

Note: The VIFs shown are for all of the latent variables; a "dummy" latent variable criterion was used. VIFs equal to or greater than 3.3 suggest collinearity.

4.1 *Measurement Model Evaluation*

Prior to the structural model and hypotheses evaluation, a measurement model analysis was conducted. The convergent validity and discriminant validity were evaluated in this phase (Hair et al., 2017). To evaluate the convergent validity, we inspected the factor loadings, average variance extracted (AVE) and composite reliability (CR). Threshold values of 0.6 for factor loadings, 0.5 for AVE and 0.7 for CR were used as indicators. For factor loadings however, Hair et al. (2017) indicated that an outer loading of between 0.4 and 0.7 should be considered, unless its removal would increase the average variance extracted (AVE) threshold. As depicted in Table 3, the results of the measurement model surpassed the prescribed values, suggesting an appropriate convergence validity. In the case of the AMO model, which was conceptualised as a second-order construct, we adopted a repeat indicator approach as proposed in the PLS literature (Hair, Sarstedt, Ringle, & Gudergan, 2018). In order to evaluate the discriminant validity, we used the Heterotrait-monotrait correlation ratio (HTMT) as an indicator, in line with the work by Henseler, Ringle and Sarstedt (2015). As reported in Table 4, all the HTMT values for all methods obtained similar results under the conservative threshold of 0.85 (Franke & Sarstedt, 2019; Kline, 2016; Voorhees, Brady, Calantone & Ramirez, 2016), illustrating the fact that the measurement model used conformed to the discriminant validity. The bootstrapping procedure was carried out with 5,000 samples. The findings showed that none of the HTMT confidence intervals included a value of 1, indicating that all the HTMT values were significantly different from 1.

4.2 *Structural Equation Modelling – Partial Least Square (SEM-PLS)*

The assessment of the structural model involved examining the predictive capabilities of the model, and the relationship between the constructs in the path model. It included the assessment of collinearity (variance inflation factor, VIF), the assessment of the coefficient of determination (R^2) and the size of the effect (f^2) (Hair et al., 2017). As shown in Table 5, the VIF values were below the threshold of 5 (Hair, Ringle, & Sarstedt, 2011), suggesting that collinearity amongst the predictor construct was not a critical issue in this structural model. Subsequently, the R^2 was evaluated. The rule of thumb for R^2 values of 0.75, 0.50, or 0.25 can be respectively described as substantial, moderate,

Table 3: Convergent Validity

First order construct	Item	Loading	Second order construct	AVE	CR
NC	NC2	0.688		0.658	0.905
	NC3	0.818			
	NC4	0.865			
	NC5	0.881			
	NC6	0.791			
Employee involvement	EI1	0.571		0.507	0.929
	EI2	0.571			
	EI3	0.686			
	EI4	0.528			
	EI5	0.548			
	EI6	0.783			
	EI7	0.754			
	EI8	0.803			
	EI9	0.69			
	EI10	0.796			
	EI11	0.838			
	EI12	0.824			
	EI13	0.758			
Employee recognition	RE1	0.956		0.534	0.797
	RE3	0.945			
	RRE2	0.454			
	RRE5	0.349			
Ability	A1	0.567		0.647	0.927
	A2	0.809			
	A3	0.831			
	A4	0.837			
	A5	0.868			
	A6	0.859			
	A7	0.818			
Motivation	M1	0.845		0.537	0.864
	M2	0.736			
	M4	0.743			
	M5	0.841			
	M7	0.807			
Opportunity	O1	0.626		0.525	0.845
	O2	0.651			
	O3	0.822			
	O4	0.838			
	O6	0.655			
			AMO model	0.87	0.69

Note: AVE = average variance extracted, CR = composite reliability.

Table 4: Discriminant Validity

	AMO	Employee Involvement	Employee Recognition	NC
AMO				
Employee Involvement	0.75 (0.68; 0.804)			
Employee Recognition	0.511 (0.405; 0.569)	0.518 (0.388; 0.563)		
NC	0.601 (0.482; 0.691)	0.644 (0.538; 0.725)	0.632 (0.524; 0.707)	

Note: The values in brackets represent the 95% bias-corrected and accelerated confidence interval of the HTMT values obtained by running the bootstrapping routine with 5,000 samples in SmartPLS.

Table 5: Coefficient of Determination (R^2), Collinearity Assessment (VIF) and Effect size (f^2)

	R^2	VIF		f^2	
		AMO	NC	AMO	NC
NC	0.504	–	–	–	–
AMO	0.5	–	2.0	–	0.019
Employee Involvement	–	1.491	2.135	0.432	0.058
Employee Recognition	–	1.491	1.577	0.058	0.242

Note: NC is normative commitment and AMO is ability, motivation and opportunity model.

or weak (Hair et al., 2011; Henseler, Ringle, & Sinkovics, 2009). R^2 for both the AMO and normative commitment was therefore considered to be moderate with values of 0.5 for the AMO model, and 0.504 for the normative commitment. The f^2 refers to the change in R^2 when the specified exogenous construct (employee involvement and employee recognition) is omitted from the model (Hair et al., 2017). The f^2 values of 0.02, 0.15 and 0.35 were small, medium and large, respectively (Cohen, 1988). Table 5 shows that the employee involvement depicted a large effect size with a value of 0.432 on the AMO, and a small effect size of 0.058 on the normative commitment, while the employee recognition showed a small effect size of 0.058 and a medium effect size of 0.242 on the AMO model and normative commitment, respectively.

4.3 Findings of the Structural Model Path Coefficient

In order to estimate the structural model, a bootstrapping procedure with 5,000 samples was run to generate t-values and p-values. The first step was to observe factors related to the normative commitment, such as employee involvement, employee recognition and the AMO model. Employee involvement and employee recognition had a direct relationship with normative commitment (Table 6), since the t-value was higher than the critical value, 1.645, at the 5% significance level (one-tailed test). The p-value of this relationship was lower than the 0.05 significance level, and the confidence interval for the relationship also has a similar result, which did not include zero. Hypotheses H_1 and H_2 were therefore supported. In addition, the AMO model showed an insignificant direct relationship to the normative commitment. The H_3 hypothesis was therefore not supported. The research study also looked at the predictors of the AMO model as shown in Table 7, which were employee involvement and employee recognition. Both predictors had

Table 6: Significance Testing Results of the Structural Model Path Coefficients on the Employee Commitment

Paths	Path Coefficients	t-values	p values	95% Confidence Interval	Significance (p<0.05)
AMO → NC	0.137	1.494	0.136	(0.006; 0.309)	No
EI → NC	0.248	2.735	0.006	(0.083; 0.381)	Yes
ER → NC	0.435	6.937	0	(0.32; 0.53)	Yes

Note: EI is employee involvement, ER is employee recognition, NC is normative commitment and AMO is ability, motivation and opportunity model. The critical values for one-tailed test are 1.645 (significance level=5%).

Table 7: Significance Testing Result of Structural Model Path Coefficient on the AMO model

Paths	Path Coefficients	t-values	p values	95% Confidence Interval	Significance (p<0.05)
EI → AMO	0.567	11.546	0	(0.492; 0.649)	Yes
ER → AMO	0.207	3.889	0	(0.114; 0.292)	Yes

Note: EI is employee involvement and ER is employee recognition. The critical values for one-tailed test are 1.645 (significance level=5%).

a significant positive relationship on the AMO model. The results indicated that the hypotheses H_4 and H_5 were supported.

4.4 Findings of the Mediation Effect

Testing the mediation type in the model required a series of analyses and procedures. The first stage in assessing the mediation effect was to address the significance of the indirect effect. As such, we assessed the importance of employee involvement and employee recognition toward employee commitment through the mediator variable, the AMO model. If the indirect effect was not significant, further analysis could be carried out to determine if it is direct-only non-mediation, or no-effect non-mediation. Furthermore, if the indirect effect was significant, we had to determine whether the direct effect was significant in order to classify the construct as indirect only (full mediation), complementary mediation (partial mediation) or competitive mediation (partial mediation). If the direct effect shows that it is not significant, the research study can conclude that the indirect-only mediation had occurred. If the direct effect shows that it is significant, the research study can distinguish between complementary, and competitive mediation. Complementary mediation describes a situation in which the direct and indirect effects point in the same way, and the competitive mediation explains the vice versa of complementary mediation (Hair et al., 2017). As depicted in Table 8, there was no mediation effect of the AMO model between employee involvement and employee recognition with normative commitment reported, since the t-value was lower than the critical value of 1.96 (two-tailed test), and the p-value was greater than the 5% significance level, respectively. Hypotheses H_6 and H_7 were therefore not supported. The total effect of employee involvement on normative commitment was 0.326, and employee recognition on normative commitment was 0.464 for both indirect and direct effects, as shown in Table 8.

5. Discussion

The goal of this study is to analyse the relationship between HR practices (employee involvement and employee recognition) and the normative commitment of millennial employees across SMEs in Selangor, and to explore the role of the AMO model as a mediating variable between relationships. The finding shows that employee involvement is positively related with normative commitment (Chelliah et

Table 8: Significance Analyses of Direct, Indirect Effect and Total Effect

Paths	Direct Effect	95% Confidence Interval of the Indirect Effect	t-values	Sig	Indirect effect	95% Confidence Interval of the Indirect Effect	t-values	Sig	Total effect	Mediation type
EI → NC	0.248	(0.083; 0.381)	2.735	Yes	0.078	(0.004; 0.181)	1.458	No	0.326	Direct only
ER → NC	0.435	(0.32; 0.53)	6.937	Yes	0.029	(0.002; 0.074)	1.34	No	0.464	Direct only

Note: EI is employee involvement, ER is employee recognition, NC is normative commitment. Sig is significance at $(p<0.05)$. The critical values for two-tailed test are 1.96 (significance level=5%).

al., 2015; Johar et al., 2019; Zopiatis et al., 2014). Remarkably, millennials become more engage when an organisation give them the opportunity to engage and, in particular, to participate in decision-making, and to maintain confidence in their daily work. When this happens, employees feel that their existence has been cherished, that their voices has been heard, and that there is a room for them to unleash their potential. This feeling of involvement in the organisation and, more specifically, their work, made them feel the need to remain committed and to reciprocate with good results, as a means of reflecting upon the opportunities that the organisation has given them.

Likewise, employee recognition also contributes significantly to normative commitments. This finding is in line with past studies (Ghosh et al., 2016; Prabusankar, 2015). In fact, employee recognition is widely accepted as a critical part of effective HRM (Cannon, 2015). The recognition received by employees make them feel valued and appreciated. This boosts their motivation and instils a sense of obligation to stay longer in the organisation. This shows that proper recognition, in particular, an informal recognition between colleagues or the superior-subordinate, can strengthen the relationship between them. A simple word of 'thank you' or 'well done' can lead to a sense of belonging to the organisation, and employees will eventually reciprocate it through commitment. Surprisingly, the AMO model has an insignificant direct relationship with normative commitment. Notably, millennial employees are well equipped with skills and abilities, and therefore HR practices alone (employee involvement and employee recognition) have been good enough to obtain a normative commitment from millennials. Conversely, this insignificant finding is opposed to previous studies which found AMO to have a relationship with organisation commitment and performance (Almutawa et al., 2016; Bos-Nehles, Van Riemsdijk, & Kees Looise, 2013; Kim et al., 2015; Knies & Leisink, 2014; Nor & Abdullah, 2020).

Secondly, the results indicate that both employee involvement and employee recognition have a significant positive relationship with the AMO model. This aligns with previous literature work (Boxall & Purcell, 2011; Demortier et al., 2014; Jiang et al., 2012). Obviously, when the organisation provides a supportive working environment by actively involving employees in management activities, employees are well-recognised for their efforts and functioned well at work. Therefore, employees are keen to develop their skills and capabilities. Workers can feel much more appreciated and respected, and thus lead employees to

perform well when they have the ability to do a job (A), they feel a lot of motivation to do a job (M), and their work environment provides the necessary support and avenues of expression, (O). As a result, sound HR procedures will lead to an increase in the AMO of the employees. Employee involvement can especially increase the AMO of employees, which includes decision-making, sharing of knowledge, across the board communication, and job enrichment opportunities (Appelbaum et al., 2000; Schimansky, 2014). Besides that, employee recognition also shows a significant relationship with the AMO model. Employee involvement and recognition are linked together, since employee recognition programs may backfire if organisations do not involve employees in developing processes (Cannon, 2015). It clearly shows that employees will disclose their AMO when they feel that the organisations recognises them.

Thirdly, the mediating role of the AMO model between the involvement of employees, and the recognition of employees with normative commitment has not been established. The AMO model does not mediate the relationship, which is opposed to the previous study by Almutawa et al. (2016). The authors found that the similar role of the AMO model existed, so as to having a partial mediation in the relationship between the HR system and employee commitment. Nonetheless, both the involvement of the employees and the recognition of employees have only a significant direct relationship with the normative commitment. This further proves that this study model does not require AMO as an intervention variable that links the relationship between employee involvement and employee recognition with normative commitment. Perhaps, the AMO model might mediate the relationship with other types of employee commitment, such as affective commitment or continuance commitment. Moreover, this result suggests that millennials are currently well equipped with the appropriate skills, and that SMEs are doing well in terms of involving employees, and that they are well aware of them. In fact, SMEs should place more emphasis on HR practices that really meet the needs and wishes of millennia in this context.

6.   Conclusions and Implications

This study provides an insight of what drives millennial employees to stay longer in a specific organisation, with a special focus on the normative commitment, or obligation to stay. It highlights the role of HR practices as a dynamic key metric in promoting commitment

of employees. The results of this study suggests that SMEs need to emphasise the involvement of employees, keep them in the loop for any decision-making processes, and empower them on their day-to-day work routines, in order to encourage them to stay in the organisation. Equally, good recognition practices could also motivate employees to feel obliged to do so. This shows that SMEs should not only focus on offering monetary rewards, but also emphasise on other employee recognition programs that could make the employees feel valued and appreciated. Securing commitment of employees is important, as this helps SMEs establish a stable organisation.

The findings of this study also provide an empirical evidence on the applicability of the social exchange theory, in the context of human resources. It extended the existing literature by concentrating on the millennial context. This generation forms the largest population of workers around the globe. Besides being tech-savvy, they are influenced greatly by technology, and they are expected to view the world, including their employment, very differently. Although this study is not able to establish the role of AMO as a mediator, this result should be interpreted cautiously, as it only focuses on the SMEs in Malaysia. This suggests that future studies to expand this research framework across large scale organisations in different countries is necessary. Longitudinal research would also help to supplement this work, as it provides a clearer picture of the associated causal inferences, and allows for the consideration of improvements in overtime with regard to the implementation of HR practices, as well as the commitment of employees. In addition, the difference in the background, and the experiences of the respondents, may lead to biases in the questionnaires provided, as they may respond to them based on their own perceptions. The widening of the sample size can therefore improve the variety of perceptions included in the study. It is also believed that such research would offer new, practical perspectives to the body of knowledge, as well as provide better visions for management. It would also benefit practitioners who are tasked with managing the seamless and complex characteristics of millennial workers, especially in SMEs.

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Appendix

Table A1: Employee Involvement – Items, Mean Score and Standard Deviation

Items	Code	Mean	Standard Deviation
In general, how much influence do you have on the tasks that you do?	E1	5.38	0.976
In general, how much influence do you have on the pace at which you work?	E2	5.36	0.943
In general how much influence do you have in order to carry out tasks?	E3	5.40	0.912
In general, how much influence do you have in the way you do your work?	E4	5.45	0.890
In general, how much influence do you have on starting time/finishing workday?	E5	5.44	0.971
How good are managers to tell staff about the changes in how the organisation operates?	E6	5.19	1.289
How good are managers to inform employees about changes in staffing?	E7	5.07	1.308
How good are managers to inform staff about changes in the way you do your job?	E8	5.13	1.208
How good are managers to inform staff on financial matters?	E9	4.79	1.433
How good are managers to seek the views of employees/workers representatives?	E10	4.97	1.247
How good are managers to respond to suggestions from employees/workers representatives?	E11	4.95	1.351
How good are managers to allow employees/ workers representatives to influence the final decision?	E12	4.85	1.391
How satisfied are you with the amount of involvement you have in decision making?	E13	4.92	1.426

Table A2: Employee Recognition – Items, Mean Score and Standard Deviation

Items	Code	Mean	Standard Deviation
When I do a good job, supervisor/manager tells me so.	RE1	5.00	1.274
I never get compliments from those above me for a job well done.	RE2	4.63	0.893
My manager/supervisor often acknowledges when I have done a good job.	RE3	4.85	1.157
No one ever acknowledges my achievements	RE4	5.06	0.986
My manager/supervisor only notices my mistakes, and not my achievements.	RE5	5.05	1.010

Table A3: Ability – Items, Mean Score and Standard Deviation

Items	Code	Mean	Standard Deviation
As far as my job is concerned I am a self-reliant person.	A1	5.41	1.040
If I try hard enough, I can always manage to solve difficult problems in my work.	A2	5.74	0.869
I can remain calm when I have difficulties in my job, because I can rely on my abilities.	A3	5.55	0.906
Thanks to my resourcefulness, I know how to deal with unforeseen situations in my job.	A4	5.44	0.951
If I have trouble at work, I can usually think of something to do.	A5	5.49	1.016
No matter what happens to my job, I'm usually able to handle it.	A6	5.57	0.861
I am confident that I can deal efficiently with unexpected events in my job.	A7	5.51	0.938

Table A4: Motivation – Items, Mean Score and Standard Deviation

Items	Code	Mean	Standard Deviation
I am engaged in this job right now, because I think that this job is interesting.	M1	5.45	1.215
I am engaged in this job right now, because I am doing it for my own good.	M2	5.37	1.301
I am engaged in this job right now, because I don't have any choice.	M3	4.03	1.724
I am engaged in this job right now, because I think that this job is important to me.	M4	5.43	1.175
I am engaged in this job right now, because this activity is fun.	M5	5.14	1.298
I am engaged in this job right now, because I am supposed to do it.	M6	4.91	1.344
I am engaged in this job because right now, I feel good about doing this job.	M7	5.31	1.311

Table A5: Opportunity – Items, Mean Score and Standard Deviation

Items	Code	Mean	Standard Deviation
I can do the same thing, regardless of the group I am with.	O1	5.27	1.178
I have enough time to finish my job.	O2	4.93	1.451
I feel confident about how much authority I have.	O3	5.05	1.249
I know exactly what is expected of me.	O4	5.42	1.111
I have to do things that need to be done differently.	O5	5.16	1.180
I get the right support from my company to do my job well.	O6	5.05	1.332
I receive assignments that are part of my training and capability.	O7	5.25	1.165

Table A6: Normative Commitment – Items, Mean Score and Standard Deviation

Items	Code	Mean	Standard Deviation
I have no obligation to remain with my organisation.	NC1	4.04	1.650
Even if it were to my advantage, I do not feel it would be right to leave.	NC2	4.40	1.475
If I had left this organisation now, I would feel guilty.	NC3	4.25	1.748
This organisation deserves my loyalty.	NC4	4.64	1.674
Right now, I would not leave my organisation because of my sense of obligation to it.	NC5	4.71	1.564
I owe a lot to this organisation.	NC6	4.52	1.608