https://doi.org.10.3126/batuk.v12i2.97997
THE BATUK : A Peer Reviewed Journal of Interdisciplinary Studies
Vol. 12, Issue No. 2, July 2026, Page: 56-65
ISSN 2392-4802 eISSN 2565-4934
Received: 19 May 2026 Revised: 02 June 2026 Accepted: 16 July 2026

High-Performance Work Practices and Job Performance: Evidence from Nepalese Bank Employees

Raju Kumar Rai[1]

Abstract

The main purpose of this study is to examine the relationship between HPWPs and employee job performance in the context of Nepalese banking sector. The study adopted quantitative, causal-comparative research design. Convenience sampling technique was adopted to collect data from 392 respondents. Simple and multiple regression assessed the effect of dimension of HPWPs, and overall HPWPs on employee job performance. Six out of seven dimensions (selective hiring, training, safety, evaluation, incentive, participation, job design) had a positive significant effect on employee job performance. Participation did not have significant impact on employee performance, while training (B = 0.158, β = 0.161), selective hiring (B =0.153, β = 0.156), and performance evaluation (B =0.15, β = 0.154) showed the strongest effects. Findings of the study revealed that bank employees perceive HPWPs positively, and strongly link to better job performance. HPWPs work best as a bundle rather than in isolation. Bank managers must reinforce bundle HR practices to make employee perform better.

Keywords: employee job performance, high performance work practices (HPWPs), Nepalese bank, selective hiring, training

Introduction

Since the industrial revolution, researcher have explored productivity-enhancing work practices those led the concepts like high-performance practices (Tawk, 2021). High-performance work practices (HPWPs) is recognized as a strategic set of human resource practices directed to improve organizational outcome and employee performance (Combs et al., 2006; Huselid, 1995). Scholars have suggested theoretical framework as a linkage between high performance work practices and employee performance, and various firms used several HPWPs to boost employees' performance (Afiouni et al., 2013). The specification differs across the literature based on the context and background. For instance, Pfeffer (1995) suggested sixteen practices, Huselid (1995) defined extensive recruitment and selection, formal information sharing, training

[1] Asst. Professor, Tribhuvan University, Saraswati Multiple Campus, Faculty of Management. Email: raju.rai@smc.tu.edu.np https://orcid.org/0009-0001-4573-3203

procedure, attitude evaluation, job design, grievance procedure, employment participation, incentive compensation system and employee reward system to explain the same. Although the practices vary among the scholars, there is a growing consensus that the HPWP construct includes integrated system of human resource management practices (Becker & Huselid, 2006; Combs et al., 2006;) which generally include selective hiring, training and development, performance appraisal, employee participation, incentive-based reward systems (Boxall & Macky, 2009).

The conceptual foundation of HPWPs is strongly connected in the Ability-Motivation-Opportunity (AMO) framework that argue employee performance is a function of these three elements (Boxall & Macky, 2009). HPWPs such as selective hiring and comprehensive training directly enhance employee ability, while performance appraisal, job security enhance motivation, and participative decision-making and enriched job design create the opportunity for employees to apply their skills effectively (Garman, et al., 2011). This theoretical connection is empirically supported as studies have consistently revealed that HPWPs operate through the AMO mechanism (Hansen et al., 2025). Consequently, the AMO framework plays the dominant theoretical lens in understanding and empirically examining the impact of HPWPs on employee performance.

Akhtar et al. (2016) studied on the banking sector of Pakistan and found that HPWP affected the employee performance positively. Similarly, Sagum et al. (2024) studied the impact of HPWP on employee performance in the public state university of Philippines and the result showed a significant and direct effect on employee performance.

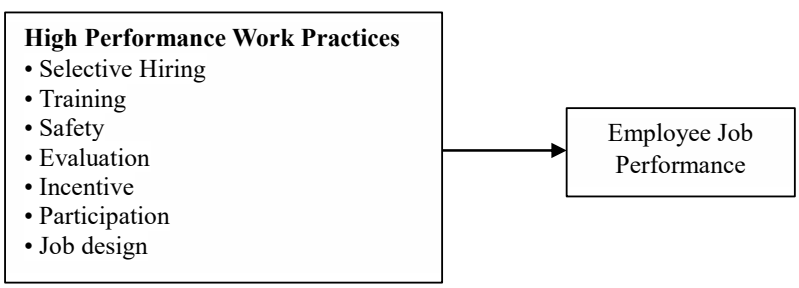
Hansen et al. (2025) conducted a comprehensive meta-analysis of 115 studies to investigate the effects of high-performance work practices on organizational and individual outcomes in the context of small and medium-sized enterprises. They found that at the organizational level, HPWPs positively affected firm performance, growth, and innovation but negatively related to turnover and absenteeism, confirming direct effects at the individual level.

Jensen et al. (2013) studied on Wales among the government workers from 87 departments in the Welsh public sector and found that HPWPs increased workload and time pressure, as a result employee experienced burnout which ultimately lowered task performance. In the same way, Kaur and Kaur (2023) studied the direct effects of HPWPs on job performance in a three-wave longitudinal study involving 357 university faculty members in India and concluded that HPWPs have a direct positive impact on job performance.

Tuteleers et al. (2025) investigated a study on HPWP and employee performance and revealed that HPWP was associated with performance, commitment, and high collective exhaustion. Appelbaum et al. (2000) also found that HPWPs, such as training, performance appraisal and incentive are positively associated to employee job related performance. Moreover, Aparna and Sahney (2023) studied 385 faculty members across 36 Indian higher education institutes and confirmed that HPWPs boosted education performance. However, contrary to the expectations, they found increased administrative workload weakened positive effects of HPWPs. Macky and Boxall (2008), in contexts of UK and the US, found strong relationship between HPWPs and performance. Similarly, the studies in New Zealand (Fabling & Grimes, 2010) and China (Ngo et al. 2008) also found the similar findings. This envisage that findings are not similar in all the context. For instance, Jensen et al. (2013) found that HPWP had negative impact on employee performance. Similarly, Yang (2018) studied South Korean firms and concluded that HPWPs do not consistently improve employee performance and may even be reduced by increasing HPWPs. Thus, inconsistencies identified across multiple studies in the relationship between HPWPs and employee job performance raise the question of whether these findings sustain across different industries and cultural settings. In this context, this study examines the impact of HPWPs on employee job performance (Figure 1) in Nepalese bank's context, contributing to the broader discourse on effective HR practices.

Figure 1

Research Framework



Methods

This study adopts a positivist philosophy that investigates measurable relationship between high-performance work practices and employee job performance. The study adopted quantitative, causal-comparative research design. Structured questionnaire based on five-point Likert scale is used to collect the data. Deductive research approach is

followed to test the theory. Population of the study comprise of total employees working in the commercial bank and non-probability convenience sampling technique is followed in the study. A quantitative, cross-sectional design was employed, using primary data collected from bank employees to analyze the relationship between HPWPs and job performance. Reliability and normality tests of the data were conducted to perform inferential analysis. The present items reflect general approach using a bundle of HR practices rather than treating each practice separately. This makes the scale pratical to examine the overall effect of HPWPs on employee performance. The HPWP scale was adapted from prior studies of Huselid (1995), Delery and Doty (1996), and Appelbaum et al. (2000). Similarly, the scale of employee job performance (task performance and contextual performance) was adapted from prior work of Williams and Anderson (1991).

Results

Table 1 shows the demographic status of the respondents. Out of 392 participants, males constitute majority at 65% and most respondents are unmarried (68.88%). Considering the education, the largest group has completed bachelor level (44.14%), followed by masters or above. Nearly half (48.72%) of the respondents have 6 to 10 years of job experience, while 4.85% have more than 15 years.

Table 1

Demographic Details of the Respondents

Group	N	Percent
Gender		
Female	137	0.35
Male	255	0.65
Marital Status		
Married	122	31.22
Unmarried	270	68.88
Education		
SEE/ SLC	30	7.65
Plus two	81	20.66
Bachelors	173	44.14
Masters & Above	108	27.55
Experience		
Below 5 Years	118	30.1
6 to 10 Years	191	48.72
11 to 15 Years	64	16.33
Above 15 Years	19	4.85

Note. $N = 392$

On the other hand, Table 2 shows the result for the test of consistency. Cronbach's alpha value of independent and dependent variables are 0.889 and 0.844 respectively. The scale demonstrated excellent internal consistency (α =0.889 and 0.844), exceeding the conventional threshold of 0.70 (Hair et al., 2009; Nunally, 1978; Cortina, 1993). Further, the normality of the data was examined using the one-sample Kolmogorov-Smirnov (K-S) test and the results (Table 2) confirmed that the assumption of normality was met for all variables.

Table 2
Reliability Statistics

Cronbach's Alpha	N of Items
0.889 (HPWP)	20
0.844 (EJP)	6

Descriptive Statistics

Table 3 presents the descriptive statistics for high-performance work practices (HPWPs) and job performance variables 392 respondents. The composite measure of overall high performance work practice (Overall_HPWPs) had a higher mean of 3.53 with 0.44 standard deviation (SD), suggesting consistent adoption of HPWPs across commercial banks.

Table 3
Descriptive Statistics

Descriptive Statistics	N	Mean	Std. Deviation
JOB_PERFORMANCE	392	3.3461	0.60144
HPWP_SELECTIVE HIRING	392	3.4547	0.61577
HPWP_TRAINING	392	3.5179	0.61034
HPWP_SAFETY	392	3.4915	0.57457
HPWP_EVALUATION	392	3.5468	0.62036
HPWP_INCENTIVE	392	3.5000	0.74153
HPWP_PARTICIPATION	392	3.5931	0.66681
HPWP_JOB_DESIGN	392	3.6437	0.61458
Overall_HPWPs	392	3.5302	0.44309

Considering the sub-dimensions of all subscales (e.g., selective hiring, training, safety, incentives) that used a 1-5 scale, has mean score consistently above the midpoint (3.0),

demonstrating a tendency toward HPWP implementation. Job design had the highest mean (3.64, SD = 0.61), while Incentives showed the largest variability (SD = 0.74). Participation (M = 3.59, SD = 0.67) and Evaluation (M = 3.55, SD = 0.62) were also prominent practices. Job performance scored ranged from 1.50 to 5.00, with a mean of 3.35 (SD = 0.60), showing moderate to high performance levels.

Inferential Analysis

Table 4 shows bivariate correlations among the variables which envisaged significant positive relationship between all HPWP dimensions and job performance ($p< 0.001$), with the strongest relationships for safety ($r = 0.493$), safety ($r = .493$), selective hiring ($r = 0.491$), and training ($r = 0.481$). The composite HPWP (Overall_HPWP) measure showed the highest correlation ($r =.647$), underscoring the additive value of integrated HR practices.

Table 4

Correlation Matrix

	JP	Overall_ HW	HW_ SH	HW_ T	HW_ S	HW_ E	HW_I	HW_ P	HW_ JD
JP	1								
Overall_HW	.647**	1							
HW_SH	.491**	.772**	1						
HW_T	.481**	.726**	.594**	1					
HW_S	.493**	.779**	.561**	.529**	1				
HW_E	.453**	.699**	.427**	.411**	.466**	1			
HW_I	.449**	.659**	.352**	.332**	.407**	.324**	1		
HW_P	.398**	.651**	.317**	.333**	.477**	.525**	.493**	1	
HW_JD	.407**	.619**	.315**	.285**	.393**	.297**	.499**	.281**	1

** Correlation is significant at the 0.01 level (2-tailed).

Note. JP= job performance. HW= high performance work practices. SH= selective hiring. T= training. S= safety. E= performance evaluation. I= incentive. P= participation. JD= job design.

Multiple regression analysis (Table 5) revealed that six dimensions of HPWPs significantly predicted employee job performance ($p < .05$). Training ($B = 0.158$, $\beta = 0.161$), selective hiring ($B =0.153$, $\beta = 0.156$), and performance evaluation ($B =0.15$, $\beta = 0.154$) showed the strongest effects. However, one dimension, employee participation did not significantly impact the employee job performance ($B = 0.043$, $p = 0.351$)

suggesting that participation alone may not be enough to improve performance unless supported by other dimensions of HPWP.

Table 5

Regression Result Taking Job Performance as Criterion Variable

Coefficients	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Model
	B	Std. Error	Beta			
(Constant)	0.247	0.187		1.326	0.186	SR
Overall_HW	0.878	0.052	0.647	16.743	0.000	SR
(Constant)	0.26	0.192		1.354	0.177	MR
HW_SH	0.153	0.052	0.156	2.964	0.003	MR
HW_T	0.158	0.05	0.161	3.143	0.002	MR
HW_S	0.115	0.056	0.11	2.04	0.042	MR
HW_E	0.15	0.048	0.154	3.127	0.002	MR
HW_I	0.127	0.041	0.157	3.118	0.002	MR
HW_P	0.043	0.046	0.048	0.934	0.351	MR
HW_JD	0.129	0.045	0.132	2.837	0.005	MR

Note. SR= simple regression. MR= multiple regression.

Table 6 shows that the overall model was significant ($F(1, 289) = 280.32$, $p < 0.001$), and 41.8 percent of the variance in employee job performance is explained. This suggests that nearly half of employee performance is linked to HPWPs in our sample and can be considered as fairly strong finding.

In addition, the study tested whether seven individual HPWP dimensions separately would explain more using a single overall score. The multiple regression model was also found to be significant ($F(7, 383) = 39.90$, $p < .001$) and 42.1% of the variance in employee job performance is explained. However, this was barely an improvement over the simpler model (just an increase of 0.3%) as the adjusted R^2 actually dropped slightly from 0.417 to 0.411, and the standard error increased because of it.

Table 6

Model Summary

Statistic	Simple Regression (Composite/Overall HPWP)	Multiple Regression (7 HPWP Dimensions)
R	0.647	0.649
R^2	0.418	0.421
Adjusted R^2	0.417	0.411
Std. Error	0.459	0.462
F-statistic	280.318 ($p < .001$)	39.902 ($p < .001$)

This signifies that breaking HPWPs into separate dimensions didn't add much value. In fact, the overall measure does the job just fine itself. This reveals that HPWPs work best as a bundle/package, and we don't lose much by treating them as a single construct.

Discussion

Findings of the study envisage that bank employees perceive HPWPs positively, and strongly link to better job performance. The correlation results tell us that safety, selective hiring, and training practices matter most to bank employees. The interesting part of the finding is that combined HPWPs into a single construct, the relationship with performance becomes even stronger (r = 0.647). This suggests that bank employees feel the combined effect of all of the dimensions working together rather than in isolation. Further, HPWPs explained about 42% what drives employee performance. The test if breaking HPWPs into separate dimensions would explain the more, hardly made a difference (R^2 increased by 0.3%), turning participation as insignificant one, and diminishing returns of disaggregation (Adj. R^2 lowered by 0.6%). This confirms that HPWP dimensions are closely related and work best as a single bundle rather than separate dimension. For bank managers and policymakers, investing in HPWPs as a whole matter than cherry-picking individual practices. To realize better performance from the bank employees, bundle HR practices has to be reinforced. Employees notice when bundles work together. Future research could investigate why some HPWP dimensions like training, selective hiring, and evaluation matter more than others in the banking sector. Likewise, similar study can be carried whether the findings hold across different sectors or countries. A qualitative study directly talking to employees about their HPWPs experience could add depth to these conclusions.

References

Afiouni, F., Karam, C. M., & El-Hajj, H. (2013). The HR value proposition model in the Arab Middle East: identifying the contours of an Arab Middle Eastern HR model. *The International Journal of Human Resource Management, 24*(10), 1895-1932.

Akhtar, A., Nawaz, M. K., Mahmood, Z., & Shahid, M. S. (2016). Impact of high performance work practices on employees' performance in Pakistan: Mediating role of employee engagement. *Pakistan Journal of Commerce and Social Sciences (PJCSS), 10*, 708-724.

Aparna S., & Sahney S (2024). Examining high-performance work practices in academia: role of administrative workload and support staff. *International*

Journal of Productivity and Performance Management, *73*(3), 889–911. https://doi.org/10.1108/IJPPM-06-2022-0305

Appelbaum, E., Bailey, T., Berg, P., & Kalleberg, A. L. (2000). Manufacturing advantage: Why high-performance work systems pay off. *Academy of Management Review,* 26(3), https://doi.org/10.2307/259189

Becker, B. E., & Huselid, M. A. (2006). Strategic human resources management: Where do we go from here? *Journal of Management, 32,* 898-925.

Boxall, P., & Macky, K. (2009). Research and theory on high-performance work systems: progressing the high-involvement stream. *Human resource management journal*, *19*(1), 3-23.

Combs, J., Liu, Y., Hall, A., & Ketchen, D. (2006). How much do high performance work practices matter? A meta-analysis of their effects on organisational performance. *Personnel Psychology, 59*: 501-528.

Cortina, J. M. (1993). What is coefficient alpha? An examination of theory and applications. *Journal of applied psychology, 78*(1), 98-104. https://doi.org/10.1037/0021-9010.78.1.98

Delery, J. E., & Doty, D. H. (1996). Modes of theorizing in strategic human resource management: Tests of universalistic, contingency, and configurational performance predictions. *Academy of Management Journal, 39*(4), 802–835. https://doi.org/10.2307/256713

Fabling, R. & Grimes, A. (2010). HR practices and New Zealand firm performance: what matters and who does it? *The International Journal of Human Resource Management, 21*(4), 488–508

Garman, A. N., McAlearney, A. S., Harrison, M. I., Song, P. H., & McHugh, M. (2011). High-performance work systems in health care management, part 1: development of an evidence-informed model. *Health Care Management Review*, *36*(3), 201-213.

Hair, J. F., Black, W. C., Babin, B. J. & Anderson, R. E. (2009), *Multivariate Data Analysis, (*7th ed.). Prentice Hall, Englewood Cliffs, NJ

Hansen, C., Usanova, K., & Geraudel, M. (2025). A meta-analysis on the effects of high-performance work practices in small and medium-sized enterprises: An exploration of organizational-and individual-level outcomes. *Journal of Business Venturing Insights*, *24*, e00572.

Huselid, M. A. (1995). The impact of human resource management practices on turnover, productivity, and corporate financial performance. *Academy of Management Journal, 38*(3), 635–672. https://doi.org/10.2307/256741

Jensen, J. M., Patel, P. C., & Messersmith, J. G. (2013). High-performance work systems and job control: Consequences for anxiety, role overload, and turnover

intentions. *Journal of Management, 39*(6), 1699–1724. https://doi.org/10.1177/0149206311419663

Kaur, H., & Kaur, R. (2023). Longitudinal effects of high-performance work practices on job performance via person–job fit. *The Bottom Line, 36(2)*, 161–180. https://doi.org/10.1108/BL-02-2022-0030

Macky, K., & Boxall, P. (2008). High-involvement work processes, work intensification and employee well-being: A study of New Zealand worker experiences, *Asia Pacific Journal of Human Resources, 46*(1), 38-55.

Ngo, H-Y., Lau, C-M, Foley, S. (2008). Strategic human resource management, firm performance, and employee relations climate in China. *Human Resource Management, 47*(1), 73–90.

Nunnally, J. C. (1978). *Psychometric Theory (*2nd ed.) McGraw-Hill.

Pfeffer, J., Hatano, T. and Santalainen, T. (1995). Producing sustainable competitive advantage through the effective management of people. *Academy of Management Executive, 9*, 55–72

Sagum, R. A., Lacap, J. P. G., Catapang, M. C., Estolano, P. I. M., Peralta, E. A., & Ramirez, R. V. (2023). High-performance work practices, employee engagement, and employee performance: The case of a Philippine State University. *In Modern Perspectives and Current Trends in Asian Education, Psychology, and Sociology. IGI Global, 70-96.* https://doi.org/10.4018/978-1-6684-7375-7.ch003

Tawk, C. J. (2021). Effects of High-Performance work practices (HPWPs) on employee performance: A review article. *Journal of Human Resource and Sustainability Studies, 9*, 397-412. https://doi.org/10.4236/jhrss.2021.93025

Tuteleers, C., S. De Winne, P. Wessa, & B. Wille. (2025). HPWP climate, collective well-being, and firm performance in SMEs: An exchange perspective. *Human Resource Management 64*(6), 1729–1745. https://doi.org/10.1002/hrm.70005.

Williams, L. J., & Anderson, S. E. (1991). Job satisfaction and organizational commitment as predictors of organizational citizenship and in-role behaviors. *Journal of Management, 17*(3), 601–617. https://doi.org/10.1177/014920639101700305

Yang, M. (2018). A criticism of the universalistic perspective of high performance work system: An empirical analysis of Kaufman's objections. *Korean Journal of Management, 26*(4), 149-176.