

Unveiling the Effects of Best Practice HRM on Employee Performance in Malaysian Authority Organizations

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ABSTRACT

This study explores the impact of best practice Human Resource Management (HRM) strategies on organizational performance in the public sector of a non-Western context, focusing on local authority organizations in Malaysia. While much of the existing research has concentrated on financial outcomes within Western industries, particularly in the USA and UK, this study shifts focus to employee perceptions of organizational performance, motivation, and stress. A survey of 170 employees, including frontline staff, supervisors, and managers, revealed a significant positive relationship between best practice HRM and perceived organizational performance. Best practice HRM also enhanced employee motivation while reducing stress levels. These results align with the universalistic perspective of HRM, confirming its effectiveness across diverse contexts and supporting the Resource-Based View (RBV) theory, which posits that HRM practices serve as valuable, strategic resources that drive competitive advantage. The study highlights the need for further research into best practice HRM's applicability across different sectors and regions, reinforcing its global relevance as demonstrated by recent studies.

Keywords: Best practice HRM, Perceived organizational performance, Motivation, Stress, Local authority organizations

INTRODUCTION

Over the past few decades, scholars have devoted significant attention to investigating the relationship between best practice human resource management (HRM) and organizational performance. There is a growing body of evidence suggesting that best practice HRM significantly enhances organizational performance (e.g., Gould-Williams 2004; Boselie et al. 2005). Recent studies reaffirm that strategic HRM practices have a measurable impact on both operational outcomes and long-term performance (Kehoe and Wright 2019; Boon et al. 2019; Cooke et al. 2022). Research by Van De Voorde and Boxall (2022) and Timming and Summers (2021) also emphasizes how HRM practices can enhance employee well-being, innovation, and adaptability, further confirming the link between HRM practices and organizational performance.

It is increasingly clear that human resources are critical to making an organization more effective and achieving sustained competitive advantage. From a resource-based perspective, Barney (1995) suggests that organizations can develop sustained competitive advantage by creating value in ways that are difficult for competitors to replicate—primarily through their employees. More recent work highlights the strategic role of HRM in ensuring employee agility and adaptability, which have become crucial in navigating rapid technological changes and economic uncertainty (Collings et al. 2021; Marler and Fisher 2020).

This view positions employees as essential resources in securing competitive advantage, particularly as other organizational resources such as technology, products, and economies of scale are easier for competitors to replicate (Becker and Gerhart 1996; Priem and Butler 2020). Consequently, more organizations are recognizing the value of their workforce and investing in HRM practices that enhance employee engagement, innovation, and resilience (Shen et al. 2023; Stone and Deadrick 2022). This research reinforces the idea that best practice HRM not only drives organizational success but also positively influences employee outcomes, further justifying the universal adoption of these practices.

LITERATURE REVIEW

Best Practice Human Resource Management

Accepting the notion that employees are key assets in securing a competitive edge for organizations necessitates a focus on how they are managed (Pfeffer, 1994). The pressing question now is: how can managers effectively manage their workforce? According to HRM and performance scholars, a set of best practice HRM which is rooted in the resource-based perspective can deliver a universal and additive positive effect on organizational performance (Godard, 2001; Gould-Williams, 2004; Timming & Summers, 2021; Cooke et al., 2022). Recent studies also indicate that these practices drive positive employee outcomes, including higher engagement, lower turnover, and improved well-being, which in turn lead to better organizational performance (Kehoe & Wright, 2019; Shen et al., 2023). Moreover, emerging research highlights how organizations that adopt high-performance work systems (HPWS) show resilience and adaptability, particularly during crises like the COVID-19 pandemic (Collings et al., 2021; Van De Voorde & Boxall, 2022). Furthermore, because individual practices alone may not sufficiently drive competitive advantage, these HRM practices should be viewed as an integrated system (Barney, 1995; Pfeffer, 1998; Becker et al., 2001). When implemented together, these practices serve as complementary resources that allow organizations to unlock their full competitive potential (Barney, 1995).

Various labels have been used by scholars to describe these HRM practices, such as ‘high-performance work practices’ (e.g., Pfeffer, 1998; Delaney & Godard, 2001), ‘high-performance work systems’ (e.g., Shen et al., 2023), ‘high-commitment HRM practices’ (e.g., Gould-Williams, 2004), ‘innovative HR practices’ (e.g., Collings et al., 2021), ‘high-involvement work practices’ (e.g., Boon et al., 2019), ‘best practice’ HRM (e.g., Pfeffer, 1994), ‘progressive HRM practices’ (e.g., Delaney & Huselid, 1996), ‘specific employment practices’ (e.g., Delery & Doty, 1996), and ‘high-performance practices’ (e.g., Godard, 2004). Despite the general agreement among scholars on the existence of a set of best practice HRM, there remains uncertainty about which specific practices should be combined for optimal impact (Lepak & Snell, 1999). Recent research also suggests that the effectiveness of these practices can vary based on contextual factors such as industry, organizational size, and geographical location (Boon et al., 2019; Marler & Fisher, 2020). Until consensus is achieved, HRM practices may continue to vary depending on the preferences of researchers or the nature of their samples and data (Boselie et al., 2005).

Therefore, for the purpose of this study, the researchers use a definition of best practice HRM by Beer et al. (1984) in which best practice HRM “...involves all management decisions and actions that affect the relationship between the organization and employee - its human

resources. General management make important decisions daily that affect this relationship” (Beer et al. 1984: 1). In other words, HRM involves the *“development of all aspects of an organizations context so that they will encourage and even direct managerial behavior with regard to people”* (Beer et al. 1984: 4). With this definition, best practice HRM can be described as: *“strategic; it involves all managerial personnel [and especially general managers]; it regards people as the most important single asset of the organization; it is proactive in its relationship with people; and it seeks to enhance company performance, employee needs and societal wellbeing”* (Poole 1990: 3).

Performance

As noted earlier, many studies have empirically examined the impact of HRM practices on performance outcomes, consistently finding a significant positive relationship between HRM practices and performance (Wright et al., 2003; Bartel, 2004; Michie & Sheehan-Quinn, 2005). However, the majority of these studies have focused primarily on organizational-level performance indicators such as return on assets, return on equity, sales, labor productivity, and profitability. This focus has left the employee perspective underexplored. As Paauwe (2004) argues, prior research has often adopted a limited view of performance. To improve our understanding of how HRM practices influence performance, it is essential to expand the definition of performance to encompass a broader range of stakeholders and to consider environmental factors (Guest, 1997; Paauwe, 2004). For example, the balanced scorecard model broadens the scope of performance outcomes beyond financial metrics to include operational and customer dimensions (Kaplan & Norton, 1992). While this model offers a more holistic view, it has been critiqued for failing to adequately incorporate the employee perspective (Andersen et al., 2004). As a result, a more comprehensive definition of performance, which includes the experiences of employees, is required (Paauwe, 2004).

Paauwe’s (2004) multidimensional model of performance integrates financial-economic outcomes with employment relationship dimensions. He identifies three performance dimensions: (i) strategic, which meets the expectations of directors, shareholders, and financial institutions for value creation and profitability; (ii) professional, which addresses the quality of services provided by HR departments and meets the expectations of managers and employees; and (iii) societal, which focuses on meeting the ethical expectations of work councils, trade unions, government, and external stakeholders. Paauwe argues that performance should be evaluated from a more comprehensive viewpoint, not limited to financial-economic results.

Recent research builds on this idea, highlighting both organizational and individual performance impacts. Van De Voorde and Beijer (2021) show that while best practice HRM enhances organizational outcomes, it also improves employee well-being, emphasizing the dual effect on both economic and psychological outcomes. Boon et al. (2022) further demonstrate that HRM practices related to job design and employee engagement lead to higher job satisfaction and reduced burnout, benefiting both individual performance and organizational resilience. Similarly, Kehoe and Wright (2019) found that HRM practices centered on fairness and employee development not only boost individual productivity but also reduce turnover, strengthening organizational performance. Shen et al. (2023) highlight that during periods of crisis, organizations with strong HRM practices maintain higher employee morale and greater organizational adaptability, reinforcing the importance of HRM practices in fostering resilience. Lastly, Zhang and Morris (2020) suggest that aligning HRM practices with corporate social responsibility initiatives significantly improves employee engagement, which, in turn, drives long-term organizational performance.

In summary, most HRM research has historically centered on the relationship between best practice HRM and performance at the organizational level, relying heavily on managers' assessments. However, recent studies highlight the importance of considering employees' experiences to gain a fuller understanding of how HRM practices affect both individual and organizational performance (Van De Voorde & Beijer, 2021; Boon et al., 2022).

Overall, most research on HRM has taken place in Western countries, with few cross-country studies. Most of this research looks at the relationship between best practice HRM and organizational performance in the private sector. This leaves questions about how best practice HRM affects individual performance in the public sector and in non-Western countries. It is also unclear whether the universal approach to HRM applies outside of Western contexts.

Malaysian Local Authority

Local authority is the final tier in the Malaysian government administration. As being the front line, the local authorities act as the voice of the civil service and they are expected to carry out their duties efficiently and effectively. However, statistics from the Public Complaints Bureau (2017-2019) show that the public's complaints about service quality of local authorities have been increasing from year to year (Table 1).

Table 1

Type of complaints received from the year of 2017 to 2019 by Public Complaints Bureau

No.	Type of Complaints	2017	2018	2019
1	Failure to adhere to procedures	933	1364	1312
2	Unsatisfactory quality of service including counter and telephone	1135	1107	1294
3	Failure of enforcement	980	1014	2025
4	Actions that do not meet complainants' requirements	916	1012	1897
5	Lack of public amenities	482	584	1201
6	Unfair action	412	529	397
7	Abuse of power/ misappropriation	211	283	262
8	Staff misconduct	192	228	239
9	Inadequacies in policy and law implementation	136	186	162
10	Others	119	123	388
	Total	5516	6430	9177

Source: Public Complaints Bureau (2016-2019)

Despite various initiatives have been implemented by the local authorities to improve their efficiency of service delivery such as MS-ISO 9000 Quality System (Abdullah et al. 2013), the number of complaints about them remains high and the employees continue to face criticism such as unsatisfactory quality of service, failure to adhere to procedures, weak enforcement, delays in taking action, poor attitudes, and displays of arrogance.

Taken the above paragraphs as a whole, the majority of the empirical research has been undertaken at organizational level in private sector in western countries with very few studies carried out at individual level in public sector across countries. Therefore, this study investigates the effects of best practice HRM on performance outcomes among a stratified sample of local authority employees in Malaysia. In other words, this study aims to investigate

how local authority organizations in Malaysia enhance their employee performance through a set of best practice HRM.

Hypotheses of the Study

Hypothesis 1: Best practice HRM is positively associated with employee motivation in local authority organizations in Malaysia.

Hypothesis 2: Best practice HRM is negatively associated with employee stress in local authority organizations in Malaysia.

Hypothesis 3: Best practice HRM is positively associated with perceived organizational performance in local authority organizations in Malaysia.

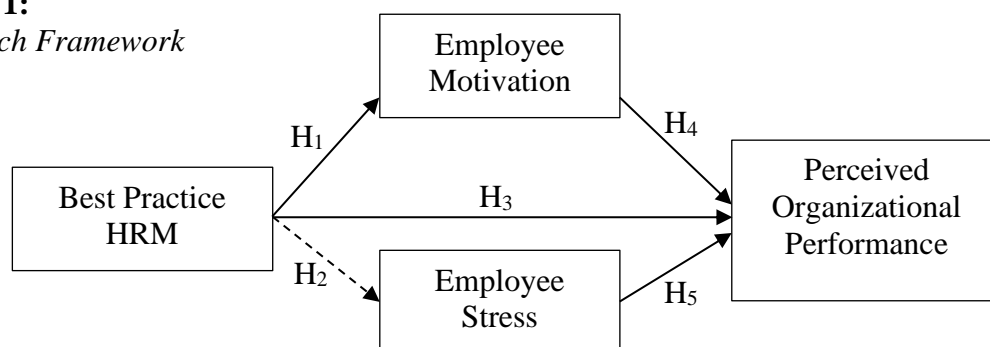
Hypothesis 4: Employee motivation is positively associated with perceived organizational performance in local authority organizations in Malaysia.

Hypothesis 5: Employee stress is negatively associated with perceived organizational performance in local authority organizations in Malaysia.

Research Framework

The research framework illustrates that the independent variable, best practice HRM, is associated with employee motivation and stress, which in turn affects perceived organizational performance. Specifically, as depicted in Figure 1, the framework suggests that best practice HRM is expected to have a positive relationship with employee motivation and perceived organizational performance, while being negatively related to stress. Additionally, the framework indicates that employee motivation is anticipated to positively influence perceived organizational performance, whereas stress is expected to have a negative impact. The framework also includes control variables, such as country, age, salary, gender, contract type, job position, and departmental factors including planning service, housing service, and waste service departments.

Figure 1:
Research Framework



METHODOLOGY

Population, Sampling Frame and Sample of the Study

This study involves a sample of 170 respondents from three local authority service departments in Malaysia. Data were randomly collected from front-line employees, supervisors, and managers working in local authority organizations, specifically DBKL, MPKj and MPSP. The self-administered questionnaire survey was conducted from October 2023 to January 2024, comprising five sections with a total of 60 statements aimed at capturing respondents' perceptions regarding best practice HRM, service standards, work environment, work experiences, and performance. The final section gathered general background information about the participants.

The questionnaire included a mix of open-ended and closed-ended questions, structured in three formats: (i) completion or fill-in items, (ii) checklists, and (iii) Likert-type items. In this study, best practice HRM served as the independent variable, while the dependent variables included motivation, stress, and perceived organizational performance. The reliability of the measurement scales ranged from .60 to .92, which is within the generally accepted limits. Table 1 presents the population, sampling frame, and sample size for this study.

Table 2

The Population, Sampling Frame and Sample of The Study

Population	9 Service Departments			
Sampling frame	3 City Councils x 3 departments x 1 country			
	No	Local Authority Organization/ City Council	State	Population (2020 census)
	1	Kuala Lumpur City Hall (DBKL)	Federal Territory	1,982,112
	2	Kajang Municipal Council (MPKj)	Selangor	1,047,356
	3	Seberang Perai City Council (MBSP)	Pulau Pinang	946,092
	Source: Key Findings Population and Housing Census of Malaysia 2020, Department of Statistics (2022)			
Departments	Planning, Housing and Waste			
Sample size	170 front line employees, supervisors and middle managers			
	No	Local Authority Organization/ City Council	Questionnaires distributed	Questionnaires returned
	1	Kuala Lumpur City Hall (DBKL)	128	39 (23%)
	2	Kajang Municipal Council (MPKj)	128	24 (14%)
	3	Seberang Perai City Council (MBSP)	128	107 (63%)
		Total	384	170 (100%)

This study has adopted the 2003 UK Local Government Workplace Survey questionnaire, which has been developed by Gould-Williams (2003) to examine the effects of management practices and organizational context on employees' perceptions of their working environment and organizational performance in the United Kingdom local authority organizations. Out of the 384 questionnaires distributed, 170 were completed and returned, resulting in a response rate of 44.3%. Research shows that online surveys typically yield lower response rates compared to traditional methods like face-to-face surveys, with rates ranging from 20% to 30% being common for online formats (Nulty, 2008). Therefore, a response rate of 44.3% is considered above average and indicates effective engagement with the target respondents. This suggests a strong level of interest and willingness to participate among the respondents. This study employed both descriptive and inferential statistics using the SPSS Package 28.

EMPIRICAL RESULTS

Demographic Profile

The demographic characteristics of the survey respondents are summarized in Table 3. Overall, the majority of participants were female, predominantly aged between 31 and 40 years. Most held an SPM/MCE educational qualification and were employed as permanent frontline staff who were members of a union. Additionally, a significant portion of the respondents had been in their current job for 10 years or more and had long-standing experience working for the local authority.

Table 3
Demographic Profile of the Survey Respondents

		Count (% of the Total) Malaysia (N=170)	
		Frequency	Percentage
Gender	Male	78	45.9
	Female	92	54.1
			100
Age (Years)	21-30	18	10.6
	31-40	73	42.9
	41-50	62	36.5
	51-60	17	10.0
	Over 60	0	0
			100
Highest educational qualification	Standard 6 or equivalent	1	0.6
	SRP/LCE or equivalent	15	8.8
	SPM/MCE or equivalent	62	36.5
	STPM/Diploma or equivalent	56	32.9
	Bachelor's degree or equivalent	35	20.6
	PhD/Master's degree or equivalent	1	0.6
			100
Job position	Frontline staff	123	72.4
	Supervisor/line manager	21	12.3
	Middle manager	17	10.0
	Senior manager	9	5.3
			100
Nature of employment	Contract	31	18.2
	Permanent	139	81.8
			100
Union	No	86	49.4
	Yes	84	50.6
			100
Years working in current job	Less than 1 year	7	4.1
	1 to less than 2 years	11	6.5
	2 to less than 5 years	19	11.2
	5 to less than 10 years	33	19.4
	10 years or more	100	58.8
			100
Years working for authority	Less than 1 year	9	5.3
	1 to less than 2 years	14	8.2
	2 to less than 5 years	25	14.7
	5 to less than 10 years	38	22.4
	10 years or more	84	49.4
			100

Correlations between Best Practice HRM and Employee Outcomes

Table 4 outlines the means, standard deviations, and correlation coefficients (r values) for the independent variable (best practice HRM) and employee outcomes. The bivariate correlation analysis reveals a strong and positive association between best practice HRM and perceived organizational performance ($r = .56, p < .001$). Additionally, best practice HRM exhibited a moderate positive correlation with employee motivation ($r = .47, p < .001$). In contrast, there was a weak negative correlation between best practice HRM and stress ($r = -.20, p < .001$). These findings suggest that best practice HRM strategies in Malaysian local authority organizations contribute to increased employee motivation and perceived organizational performance, while simultaneously reducing stress levels among employees.

Table 4
Correlations matrix of best practice HRM and employee outcomes in Malaysia local authority organizations

Variables		N	Mean	SD	1	2	3
1	Best Practice HRM	170	3.75	1.00			
2	Motivation	170	3.81	1.33	.47**		
3	Stress	170	3.61	1.34	-.20**	-.25**	
4	Perceived organizational performance	170	3.39	1.30	.56**	.606**	-.166*

* statistically significant at .05 level

** statistically significant at .01 level

Regression Analyses of the Effects of Best Practices HRM on Employee Outcomes

Table 5 presents the R^2 values, Adjusted R^2 , F-statistics, standardized β values, significance levels, and sample sizes for the independent variables, employee outcomes, and perceived organizational performance. The findings indicate that all three regression models are statistically significant, explaining the following variances: (i) 42% for Perceived Organizational Performance ($R^2 = .42, F = 21.19, p < .001$), (ii) 26% for Motivation ($R^2 = .26, F = 10.33, p < .001$), and (iii) 21% for Stress ($R^2 = .21, F = 7.73, p < .001$). These results suggest that the regression models provide a satisfactory explanation of the variations in the dependent variables in Malaysian local authority organizations.

Table 5
Regression analyses of the effects of best practice HRM and employee outcomes in Malaysia local authority organizations

Independent variables	Employee Outcomes				Organizational Outcomes	
	Equation 1		Equation 2		Equation 3	
	Motivation		Stress		Perceived organizational performance	
	Standard β	VIF	Standard β	VIF	Standard β	VIF
HRM Practices	.39 (.000)	1.64	-.15 (.003)	1.64	.40 (.000)	1.95
Personal characteristics						
Age	-.06 (.213)	1.46	.01 (.889)	1.46		
Gender	-.02 (.647)	1.05	-.04 (.356)	1.05		

Employment Contract	.13 (.006)	1.35	-.04 (.332)	1.35		
Job position	-.09 (.102)	1.70	-.04 (.385)	1.70		
Planning service department	.14 (.022)	2.33	-.05 (.444)	2.33	-.03 (.657)	2.32
Housing service department	.15 (.005)	1.73	-.03 (.506)	1.73	-.03 (.605)	1.80
Waste service department	.14 (.019)	2.21	.01 (.920)	2.21	.05 (.403)	2.22
Motivation					.13 (.007)	1.74
Stress					-.03 (.548)	1.71
R ²	.26		.21		.42	
Adjusted R ²	.24		.18		.40	
F value (Sig. level)	10.33 (.000)		7.73 (.000)		21.19 (.000)	
N	170		170		170	

Consistent with the hypotheses, best practice HRM significantly impacts all three dependent variables in the expected directions. Best practice HRM demonstrated strong positive effects on Perceived Organizational Performance ($\beta = .40$, $p < .001$) and Motivation ($\beta = .39$, $p < .001$), while exhibiting a negative relationship with Stress. These findings confirm the universal applicability of best practice HRM, as proposed by Walton (1985) and Pfeffer (1994, 1998).

Recent studies continue to support this trend. Jiang et al. (2022) found that best practice HRM systems enhance organizational performance across various sectors by promoting employee engagement and reducing stress. Similarly, Su and Wright (2021) emphasized that HRM systems grounded in fairness and development contribute to improved individual and organizational outcomes, confirming the widespread applicability of these practices beyond Western contexts. In line with earlier findings (Arthur, 1994; MacDuffie, 1995; Delery & Doty, 1996), newer research affirms that these HRM practices have a consistently positive impact across different industries and regions (Boon et al., 2022; Shen et al., 2023). Thus, the results of this study extend the evidence supporting the universal applicability of best practice HRM models, even in non-Western countries like Malaysia.

DISCUSSION

The findings of this study provide strong empirical support for all five of the proposed hypotheses, demonstrating the consistent influence of best practice HRM on employee motivation, stress, and perceived organizational performance within Malaysian local authority organizations. The first hypothesis (H₁), which postulates a positive association between best practice HRM and employee motivation, is confirmed. The results align with the conclusions drawn in prior research, such as that by Gould-Williams (2004), Gould-Williams and Davies (2005), and Tessema and Soeters (2006). These earlier studies, along with more recent contributions by Albrecht and Marty (2021) and Zafar and Nawaz (2022), underscore the effectiveness of best practice HRM in fostering employee motivation across different organizational contexts. The second hypothesis (H₂), which explores the negative relationship between best practice HRM and employee stress, is similarly validated. This inverse relationship reflects findings from foundational studies by Ramsay et al. (2000), Appelbaum et al. (2000), Godard (2001), and Kalleberg and Berg (2002). More recent research, such as that conducted by Farooq and Ahmed (2020) and Khan and Jamil (2021), continues to support the notion that effective HRM practices can mitigate employee stress, improving overall well-being within organizations.

Further, the third hypothesis (H₃), which examines the positive relationship between best practice HRM and perceived organizational performance, is confirmed. These findings are consistent with earlier works by Gould-Williams (2004) and Tzafrir (2005), as well as recent studies conducted by Alzyoud (2021) and Kim and Choi (2022). These studies collectively highlight the significant role HRM practices play in enhancing perceived organizational performance, a key indicator of long-term success. Moreover, the study confirms the fourth hypothesis (H₄), which suggests a positive association between employee motivation and perceived organizational performance. The results support previous findings by AlMehrzzi and Singh (2020), Afsar et al. (2021), and Pereira et al. (2022), which emphasize that higher levels of employee motivation directly contribute to improved organizational outcomes, illustrating the value of investing in employee-centered HRM practices.

Finally, the fifth hypothesis (H₅), which addresses the negative association between employee stress and perceived organizational performance, is supported by the study's results. This conclusion aligns with prior research by Neveu et al. (2020), Trougakos et al. (2020), and Lee and Cho (2022), all of which highlight the detrimental impact of employee stress on organizational performance. Effective HRM practices that alleviate stress can therefore play a pivotal role in sustaining organizational health and productivity.

The analysis also reveals that the Service Departments within Malaysia's local authority significantly influence employee outcomes. Notably, respondents from the three Service Departments exhibited higher levels of motivation, with Planning (β .14, ρ .022), Housing (β .15, ρ .005), and Waste (β .14, ρ .019) demonstrating significant positive effects. This indicates that employees across Malaysia's Service Departments feel motivated in their roles. Additionally, the Employment Contract in Malaysian local authority organizations positively affects motivation, with a coefficient of (β .13, ρ .006). This finding suggests that permanent employees tend to exhibit higher motivation levels. Conversely, the analysis indicates that age does not significantly impact any of the dependent variables, suggesting that age is not a critical factor in predicting the relationship between best practice HRM and employee performance within these organizations.

This study's findings can be effectively framed within the Resource-Based View (RBV) theory, which emphasizes that organizations gain sustained competitive advantage by leveraging unique resources that are valuable, rare, inimitable, and non-substitutable. Best practice HRM, as demonstrated in this study, aligns with RBV by being a strategic asset that enhances employee motivation and reduces stress, thereby improving organizational performance. Recent studies by Zafar and Nawaz (2022) and Albrecht and Marty (2021) support this notion, illustrating how well-implemented HRM practices serve as valuable resources that foster motivation and commitment within organizations, which in turn improve performance.

Furthermore, RBV asserts that an organization's human resources, when effectively managed, become a key source of competitive advantage. The positive association between best practice HRM and perceived organizational performance, confirmed in this study, underscores this concept. Recent research by Alzyoud (2021) and Kim and Choi (2022) further supports that HRM practices contribute to enhanced organizational performance by harnessing employees' potential, particularly within public sector organizations, which often face unique challenges. The findings reinforce that well-designed HRM systems act as strategic resources, ensuring organizations are better equipped to achieve long-term success. Finally, consistent with RBV, this study highlights the importance of managing employee stress, which can negatively impact

organizational performance. Neveu et al. (2020) and Lee and Cho (2022) underscore the critical role of HRM in mitigating stress, which aligns with RBV's focus on sustaining organizational health through resource management. By effectively managing stress through HRM practices, organizations are better positioned to maintain a productive and motivated workforce, which is a significant asset in today's competitive environment. This study thus contributes to the growing body of literature supporting the application of RBV in non-Western public sector organizations.

CONCLUSION

In conclusion, this study addresses significant gaps in the existing literature, providing empirical evidence that supports the universal thesis. The findings demonstrate statistically significant relationships between best practice HRM and employee outcomes in public sector organizations in non-Western countries. Thus, it is evident that best practice HRM enhances employee motivation and perceived organizational performance while reducing employee stress within Malaysia's local authority organizations. Employees in Malaysia were found to be motivated and willing to assist others without the expectation of additional compensation. Furthermore, the relationship between employee outcomes and perceived organizational performance suggests that employee motivation is a predictor of perceived organizational performance. This study offers practical insights and important implications for policymakers in Malaysia's local authority organizations. Policymakers should consider strategies that help employees achieve high performance without being hindered by bureaucratic obstacles. Further research should focus on identifying HRM practices that are negatively perceived by employees, which could impact employee motivation and organizational performance. By addressing these concerns, policymakers can better understand their workforce's needs and feelings. Ultimately, this approach can lead to improved HRM practices that not only boost employee morale but also enhance overall organizational performance.

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