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THE IMPACT OF ORGANIZATIONAL CULTURE ON THAI SMES PERFORMANCE: THE MEDIATING ROLE OF HIGH-PERFORMANCE WORK SYSTEM, HUMAN CAPITAL, AND ORGANIZATIONAL CITIZENSHIP BEHAVIOR

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ABSTRACT

This study examines the impact of organizational culture on Thai SME performance through the mediating roles of high-performance work systems (HPWS), human capital, and organizational citizenship behavior (OCB), employing a mixed-methods approach that combines quantitative analysis of 545 SMEs with qualitative insights from 40 in-depth interviews analyzed using ATLAS.ti. The findings demonstrate that organizational culture significantly influences SME performance indirectly through HPWS ($\beta=0.56$, $p<0.01$), which in turn strongly affects both human capital ($\beta=0.81$, $p<0.01$) and OCB ($\beta=0.55$, $p<0.01$). The model explains substantial variance in key mediators ($R^2=0.66$ for human capital; $R^2=0.62$ for OCB) and ultimately accounts for 32.5% of performance variance ($R^2=0.325$). HPWS emerged as the most critical factor, with both direct ($\beta = 0.43$, $p < 0.01$) and indirect effects on performance, while OCB shows a particularly strong direct impact ($\beta=0.51$, $p<0.01$). Although human capital does not directly influence performance, it serves as an important mediator between HPWS and OCB ($\beta=0.27$, $p<0.01$). Qualitative findings reinforce these relationships while highlighting implementation challenges, particularly the need for leadership commitment and HR systems tailored to SME resource constraints. By integrating large-scale quantitative analysis with rich qualitative data, this research both advances theoretical understanding of the resource-based view in SME contexts and provides practical strategies for performance improvement. The proposed model provides actionable insights for cultivating competitive advantage through cultural alignment, strategic HR practices, and employee engagement within Thailand's dynamic business landscape.

KEYWORDS: Organizational Culture, High-Performance Work Systems, Human Capital, Organizational Citizenship Behavior, SME Performance, Resource-Based View, Thailand.

1. INTRODUCTION

The development of the exploration of the influencing factors underlying the success of an organization is very important to be aware of the intertwining between organizational culture and high-performance work systems (HPWS), especially in the case of Thai small and medium-sized enterprises (SMEs). The culture of the organization, encompassing the values, beliefs, and rules that an organization shares that dictate how the employees feel and behave, is important in establishing how the employees will behave and the overall performance metrics (Kuhn S et al., 2024). The culture of a competitive market ought to encourage flexibility, innovation, and teamwork. These are the reasons why SMEs in Thailand should create an environment that will not only improve their performance but also respond to the specifics of the Thai business environment that is in constant flux (Rasheed MA et al., 2017). Recent research has indicated that high organizational culture is directly associated with the capacity of an organization to effectively adopt HPWS, which in effect promotes motivation, productivity, and retention of employees (Kuhn S et al., 2024).

Transformation into HPWS is highly contingent on the culture of a company. HPWS is aimed at enhancing employee engagement by default of selective staffing, extensive training, and performance rewards. Inclusive and supportive cultures assist organizations in adopting HPWS resulting in better individual and collective output (Burawat P, 2019). The cultural alignment between HPWS and the culture of an organization produces a synergy effect that leads to a feeling of belonging in the employees and motivates the strategic aims of an organization, leading to a coherent provision of both operational and service quality (Kapoor KK et al., 2017). Besides, one should not neglect human capital in this aspect. The continuous training and development opportunities made available by investing in human capital help employees increase their skills and capabilities to the maximum benefit of the company, particularly in the case of small and medium-sized enterprises in Thailand that usually work within the limitations of available resources (Geng R et al., 2016). As it is empirically proven, organizations that prioritize human capital development have a substantial performance boost, which proves the interactive nature of the links between a conducive organizational culture, HPWS, and human capital promotion (Eng Aalen et al., 2012). To facilitate long-term performance

improvement, SMEs are able to involve their employees by advertising leadership traits and involving employees.

Additionally, the organizational culture that encourages organizational citizenship behavior (OCB) must be developed to ensure overall performance is improved. To make HPWS and human capital programs more effective, one can resort to the application of OCB or voluntary employee practices that cannot be directly compensated but help establish a collaborative environment (Zhao et al., 2024). Organizational citizenship behavior (OCB) is positively correlated with employee satisfaction, which subsequently influences employee retention rates and loyalty to the organization (Balaji et al., 2023). This implies that organizations can achieve improved performance outcomes when they recognize and reward the efforts of employees that are not reflected in the job description, which are related to improved performance. Existence in a highly globalized economy is a complicated issue, and organizational culture, high-performance work systems (HPWS), human capital, and organizational citizenship behavior (OCB) are a significant nexus that is required to gain competitive advantage in Thai SMEs. There are theoretical studies and practical implications of this intersection in the formulation of strategies aimed at enhancing performance. In this regard, an effective combination of these variables can result in a tremendous rise in the productivity of the work and innovation capability and place Thai SMEs in an advantageous position not only within the country but also in the international market (Tobenna S C Udokwu et al., 2023). The necessity to possess a deep understanding of such relations implies that more studies should be conducted on the impact of particular cultural peculiarities on adopting and performing HPWS on their utilization and how these systems could be enhanced to achieve human capital potential and promote positive organizational citizenship (Kshetri N, 2022). Therefore, a closer analysis of the related framework may provide valuable information to scholars and practitioners interested in improving the work of organizations in terms of strategic cultural practices in the setting of Thai SMEs. The theory of the fundamentals of organizational culture and the mediating impact of HPWS, human capital development, and OCB makes us remember about the overall approach to studies and enhancement of performance of Thai SMEs. This integrative approach not only contributes to academic discourse but also generates practice-based knowledge for

professionals striving to achieve sustainable organizational performance (Marinelli M et al., 2022; Belitski M et al., 2021; Abad E-Segura et al., 2020; Branicki L et al., 2017; Rasheed MA et al., 2017; Massis AD et al., 2017; Lim WM, 2022; Yogesh K Dwivedi et al., 2020; Amy C Edmondson et al., 2014).

2. RESEARCH OBJECTIVES

1. To examine and illustrate the influence of organizational culture on the performance of Thai SMEs, alongside the mediating effects of high-performance work systems, human capital, and organizational citizenship behavior; and
2. To formulate a causal model delineating the relationship between organizational culture, high-performance work systems, human capital, organizational citizenship behavior, and the performance of SMEs in Thailand.

3. LITERATURE REVIEW

Formulating the fundamental concepts of the interactions between organizational culture and performance, a critical assessment of the literature suggests that much can be learned about the dynamic interaction of the two in Thai-based SMEs. Numerous studies have shown that organizational culture is necessary to determine how employees will behave and how successful the organization will become. As it has been shown, a high organizational culture helps the degree of employee engagement and satisfaction resulting in a substantial rise in the performance indicators in various industries (Kuhn S et al., 2024). This is especially applicable to small and medium-sized enterprises (SMEs) in Thailand, as they have limited resources, and companies need a more flexible management model to develop new ideas and gain a competitive advantage over other competitors (Rasheed MA et al., 2017). Moreover, the concept of high-performance work systems (HPWS) is commonly mentioned as an intermediary in the correlation between organizational culture and successful performance results. The HPWS policies are meant to release the potential of the employees which involve strict training programs and compensation based on performance (Kuhn S et al., 2024).

They discovered that organizations specifically oriented towards HPWS are more productive and experience less turnover due to the increased responsibility and accountability of employees (Burawat P, 2019). HPWS application can also aid the favorable aspects of the company culture, which is positive in the context of small and medium-sized

enterprises (SMEs), which is relevant in Thailand, where the common culture of the people can significantly influence the behavior of people in the working environment (Kapoor KK et al., 2017). The human capital question is also a significant input to this debate since it is more than a performance engine, which is also an outcome of the organizational culture. Investing in human resources has been proven to improve company performance. For example, Geng et al. (2016) found that creative and well-informed employees play a significant role in controlling competitive markets. The development of human capital is particularly relevant to Thai SMEs in the face of their local and international competitors. It has been established that those companies that have good training and development programs will have a ready pool of talented employees who can easily adjust to changes in the market condition (Eng Aélen et al., 2012).

Organizational citizenship behavior (OCB) can play a significant role in the growth of human capital, which positively influences organizational success. OCB is an indicator of the quality of organizational culture, as it shows that employees are devoted to the organization and work to improve the working environment (Zhao et al., 2024). The literature affirms that organizational citizenship behavior (OCB) has a positive correlation with performance outcomes. Within an organization, employees are likely to commit behaviors that lead to overall performance when they feel valued and important (Balaji et al., 2023). When applied to Thai SMEs, creating an environment that supports OCB can result in a high level of teamwork and performance, leading to the overall impact of organizational culture on performance through several mediating variables. Although there is sufficient evidence on direct associations between these variables, there is yet lack of detailed contextual effects, especially in developing economies such as Thailand.

This is a resource of knowledge that is not as common in more advanced environments that are more aware of the multicomponent organization culture, HPWS, human capital, and OCB in such an environment (Tobenna S C Udokwu et al., 2023). The policy implications of the findings could be applicable to policymakers and business administrators who need to explore further the correlation between culture and organizational performance in Thai SMEs, mediated by a high number of variables. The literature gives a good framework which can be used in connecting these concepts however more research is required to examine them in different cultural and industrial

contexts. Further research can provide a clearer picture of how SMEs operating in the Thai context can use organizational culture to strategically improve their performance (Kshetri N, 2022). Thus, theoretical knowledge should be supplemented by empirical studies to develop a more holistic approach that can be implemented in the management processes of the changing segment of Thai SMEs (Marinelli et al., 2022). Since the study is still new, the symbiotic relationship between these aspects may help to understand how it is possible to promote sustainable organizational performance and employee well-being (Belitski M et al., 2021), (Abad E-Segura et al., 2020), (Branicki L et al., 2017), (Rasheed MA et al., 2017), (Massis AD et al., 2017), (Lim WM, 2022), (Yogesh K Dwivedi et al., 2020), (Amy C Edmondson et al., 2014).

4. RESEARCH METHODS

To gain deeper insights into the phenomena being examined, this study collected data from diverse sources, including pertinent documents and interviews (Maxwell, 2013). This is how the research was done.

4.1. Population and Sample

The study's population is sourced from the Office of Small and Medium Enterprises Promotion (OSMEP) database, which includes 3.2 million small and medium-sized enterprises (SMEs) in three primary sectors: (1) retail and wholesale, (2) service, and (3) manufacturing (OSMEP, 2021).

4.2. Sample Size Determination

This research employs a multi-stage sampling approach, with a final sample size of 545 organizations. The selection process follows these steps:

Step 1: Determining Sample Size for Structural Equation Modeling (SEM)

To ensure robust SEM analysis, the study adheres to established guidelines. Bollen (1989, cited in

Nonglak Wiratchai, 1999) emphasizes that sample size should account for the number of free parameters estimates—more parameters require larger samples. Following Lindeman, Merenda, and Gold (1980) and Weiss (1972, cited in Nonglak Wiratchai, 1999), a ratio of 20 sample units per measurable variable was applied. Since the research model includes 17 measurable variables, a minimum of 300 businesses was required for reliable parameter estimation and hypothesis testing.

However, anticipating potential issues such as low response rates or incomplete surveys, the researcher adjusted the sample size using Kalaya Wanitchbancha's (2008) method. With a 5% margin of error, the initial sample requirement was 389 organizations. Accounting for a 40% non-response rate, the final sample was increased to 545 organizations, ensuring sufficient data for SEM analysis.

Step 2: Sample Selection Criteria

The study focuses on SMEs with 51–200 full-time employees and fixed assets valued between 50–200 million baht, as classified by OSMEP. This selection criterion ensures a clearer distinction between small and medium-sized enterprises, addressing gaps in existing research that often conflate SME dynamics with those of larger firms.

Medium-sized enterprises were prioritized due to their unique advantages, such as greater adaptability to niche markets and faster entrepreneurial decision-making, while still facing challenges like limited R&D funding and skill development constraints. This approach also helps control variations in organizational culture across different business sizes.

Step 3: Stratified Random Sampling

The sample was stratified by business sector to ensure proportional representation. Using simple random sampling, the researcher distributed the 545 selected organizations across the three sectors based on their population proportions, as follows

Table 1: Population and Sample by Business Sectors.

Sectors	Number of SMEs	Percentage	Adjusted Sample (n=545) *
Wholesale & Retail	~1.5 million	47%	256
Services	~1.1 million	34%	185
Manufacturing	~0.5 million	16%	87
Other Sectors	~0.1 million	3%	17
Total	~3.2 million	100%	545

Source: Office of Small and Medium Enterprises Promotion (2023).

This stratified approach ensures balanced representation across sectors, enhancing the

generalizability of findings for Thailand's SME landscape. Senior management or their designated

representatives served as key informants for the surveyed organizations.

5. RESEARCH INSTRUMENT

Using surveys as a research instrument is an effective way to collect data for research purposes. This is the procedure that should be followed while developing a questionnaire:

1. In order to form a questionnaire, you must first collect information from the relevant research, concepts, and literature.
2. Compose the aforementioned questions as well as the framework for the survey.
3. It is important to investigate the validity and reliability of the questionnaire: The questionnaire is examined by the specialists in order to ascertain the content validity of the questionnaire by utilizing the Item Objective Congruence Index (IOC) approach. On the other hand, questions that have an IOC value that is lower than 0.5 will be rejected from consideration. The components are evaluated with the help of CFA in order to ascertain whether or not the latent variables are made up of observable variables, hence validating whether or not the variables are compatible with the theoretical framework. To conduct an analysis of the exploratory components, the Exploratory Factor Analysis (EFA) technique is utilized. A questionnaire that has been modified to be consistent with the structural validity test should be filled out by persons who are not a part of the experimental sample. This will ensure that the questionnaire is accurate during the verification process. After that, conduct a statistical analysis of the responses; the Cronbach's alpha coefficient for these responses ought to be at least 0.70. (Suchart, 2008). Given this, a confidence level of 0.940 indicates that one is extremely certain about something.
4. Before using the questionnaire in the research context, make sure that it is as precise and accurate as possible.

6. DATA ANALYSIS

For the purpose of accomplishing the goals of the study and assessing its hypotheses, the data is processed in the manner that is explained below.

1. Measures like as frequency, percentage, mean, standard deviation, skewness, kurtosis, and distribution coefficient are all helpful in doing statistical analysis. The mean score as well as the standard deviation (Z-score)

2. Determine the degree of dependability of the measurement model for each component by employing the CFA technique. The word "confirmatory factor analysis" originates from the abbreviation "consistent factor analysis."
3. Make use of structural equation model analysis for the purpose of testing models and conducting research hypotheses within the context of evaluating the hypothesis model by utilizing empirical data.

According to Suchart et al. (2008), statistical software is program that analyzes the relationship between variables by employing a logical model that is derived from a certain conceptual framework and theory. The purpose of this analysis is to determine whether or not the data supports the theory. In order to validate the structural equation model (Model Evaluation), the researcher should make sure that the hypothesis model they have developed is accurate. The evaluation was broken up into two parts: the overall model fit measure and the key component results, which will lead to additional model development (Component Fit Measure). In conclusion, the evaluation took place.

6.1. Qualitative Analyzing By ATLAS.Ti Program

The research data was systematically processed and analyzed through a structured approach. Following data collection, all responses were transcribed and stored in a designated digital repository with corresponding physical copies created as backup. For qualitative analysis, the researcher utilized ATLAS.ti software (Frieze, 2012) to conduct a comprehensive three-stage coding process, beginning with open coding of raw responses, progressing to family coding to establish meaningful groupings, and culminating in thematic identification to reveal core patterns. Throughout this analytical process, the researcher employed mind mapping techniques to visualize conceptual relationships between codes while maintaining detailed analytical memos to document the interpretive process.

There were 545 key informants in the research, all of whom were senior managers or their representatives within the organizations being studied. The significant benefits of this large sample size are associated with the analysis. It not only meets the 300 cases required for a thorough analysis using structural equation modeling but also ensures exhaustive data saturation in qualitative research, surpassing what 30-50 interviews can achieve for thematic saturation. The combination of software-

assisted analysis methods provided by ATLAS.ti and manual verification methods through mind mapping ensured that the analysis was methodologically sound and maintained a nuanced interpretation of the context. These two approaches simplified the process of fully understanding the qualitative data without sacrificing accuracy and depth.

7. RESULTS

The study examined 545 senior managers from Thai SMEs, revealing the following demographic composition: Gender distribution showed males comprising 55.12% (n=300) and females 44.88% (n=245). Age distribution indicated 4.95% (n=27) under 30 years, 25.75% (n=140) aged 31-40, 41.58% (n=226) aged 41-50, and 27.72% (n=151) aged 51-60. Educational attainment included 43.23% (n=235) with bachelor's degrees, 52.15% (n=284) with master's degrees, and 0.99% (n=5) holding postgraduate qualifications. Work tenure distribution demonstrated 7.26% (n=40) with less than 5 years' experience, 31.02% (n=169) with 5-10 years, 26.41% (n=144) with 11-15 years, and 35.31% (n=192) exceeding 15 years' service. Position titles

were distributed as 23.76% (n=129) Vice Presidents, 21.12% (n=115) Assistant Presidents, 18.35% (n=100) Department Managers, 15.23% (n=83) Senior Specialists, 5.28% (n=29) Secretaries, and 16.26% (n=89) other roles.

The structural equation modeling analysis yielded excellent model fit indices: $\chi^2=51.88$ (df=48, $p=0.075$), GFI=0.98, AGFI=0.94, RMR=0.006, CFI=0.99, and RMSEA=0.018 (90% CI: 0.000-0.042). The non-significant χ^2 test ($p>0.05$) combined with all fit indices exceeding recommended thresholds confirms the hypothesized model's strong alignment with the empirical data. Modification indices all remained below 3.0, indicating no substantial model modifications were required. These results provide robust statistical support for examining the relationships between organizational culture, high-performance work systems, human capital, organizational citizenship behavior, and SME performance in the Thai context. The sample characteristics reflect experienced leadership representation across key demographic variables, while the model fit statistics demonstrate the theoretical framework's appropriateness for explaining performance dynamics in Thai SMEs.

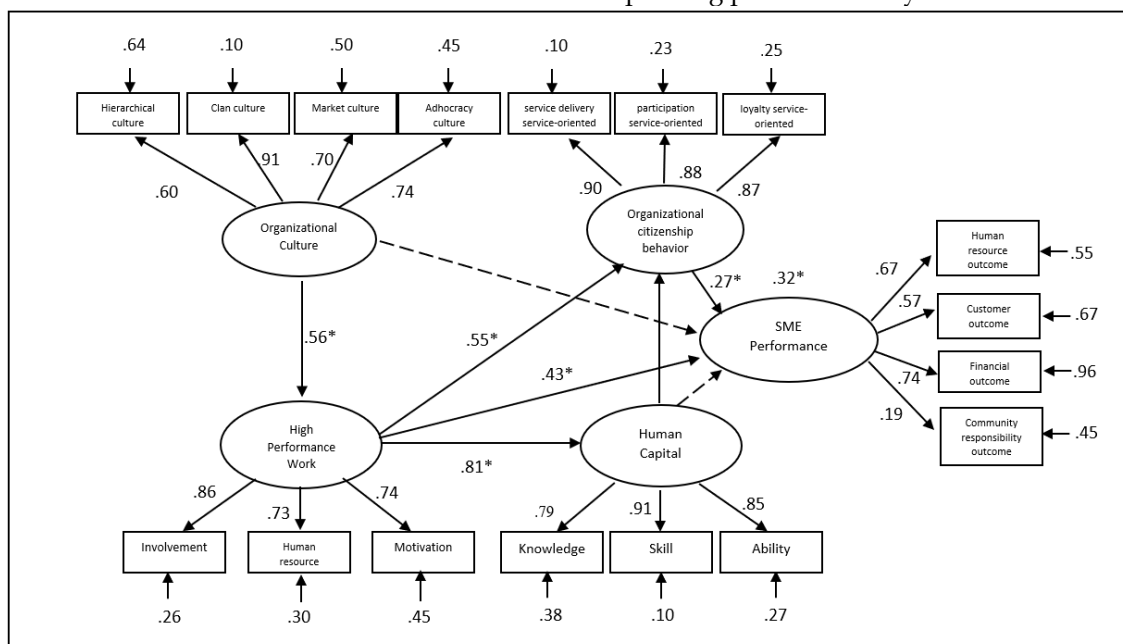


Figure 1: Examine The Relationship Between High-Performance Work System, Organizational Culture, Human Capital, And Organizational Citizenship Behavior and SME Performance.

———— Relationship Pathway with Statistical Significance
 - - - - Relationship Pathway with No Statistical Significance, * $P < .01$

The structural equation modeling analysis revealed significant and theoretically meaningful relationships among the core constructs. Organizational culture exerted a substantial influence on high-performance work systems

(HPWS), as evidenced by a strong standardized factor loading of 0.56 ($p < 0.01$), accounting for 80% of their shared covariance. These finding underscores culture's pivotal role in shaping HR system implementation within Thai SMEs.

HPWS subsequently demonstrated robust predictive power, showing significant positive effects on both human capital development ($\beta = 0.81$, $p < 0.01$) and organizational citizenship behavior (OCB) ($\beta = 0.55$, $p < 0.01$). The model's explanatory power was particularly strong for these mediators, explaining 66% of the variance in human capital ($R^2 = 0.66$) and 62% of the variance in OCB ($R^2 = 0.62$). These results suggest that HPWS serves as a critical mechanism through which organizational resources are converted into employee capabilities and discretionary behaviors.

Regarding ultimate performance outcomes, both HPWS ($\beta = 0.43$, $p < 0.01$) and OCB ($\beta = 0.51$, $p < 0.01$) exhibited significant direct effects on SME performance, collectively explaining 32.5% of performance variance ($R^2 = 0.325$). The particularly strong effect of OCB highlights the importance of voluntary, extra-role behaviors in driving SME success within Thailand's service-oriented economy.

Notably, while organizational culture and human

capital showed no direct effects on performance, path analysis revealed their importance through indirect pathways. Organizational culture influenced performance entirely through its effect on HPWS (indirect effect = 0.46), while human capital mediated the relationship between HPWS and OCB ($\beta = 0.27$, $p < 0.01$). This pattern of relationships, detailed in Table 2's decomposition of effects, provides nuanced insight into the sequential mechanisms linking cultural factors to performance outcomes in resource-constrained SME environments.

The complete mediation patterns suggest that Thai SME leaders must view these factors as an integrated system: cultural values enable effective HPWS implementation, which then develops human capital and fosters OCB, ultimately driving performance. This cascading model advances understanding of how intangible resources combine to create competitive advantage in emerging economy SMEs.

Table 2: Direct, Indirect, and Total Effects for All Model Variables.

Independent Variables	Effect	Dependent Variables				
		Organizational culture	High Performance Work System	Human capital	Organizational Citizenship Behavior	SME Performance
Organizational culture	DE	-	0.56*	-	-	-
	IE	-	-	0.45	0.43	0.46
	TE	-	0.56	0.45	0.43	0.46
High Performance Work System	DE	-	-	0.81*	0.55*	0.43*
	IE	-	-	-	0.22	0.39
	TE	-	-	0.81	0.77	0.82
Human capital	DE	-	-	-	0.27*	-
	IE	-	-	-	-	0.14
	TE	-	-	-	0.27	0.14
Organizational Citizenship Behavior	DE	-	-	-	-	0.51*
	IE	-	-	-	-	-
	TE	-	-	-	-	0.51

Remark DE = Direct Effect, IE = Indirect Effect, TE = Total Effect, * $p < .01$, ** $p < .05$

The structural equation modeling results revealed distinct patterns of influence among the study variables. The high-performance work system (HPWS) emerged as the most influential factor, demonstrating both direct ($\beta = 0.43$, $p < 0.01$) and indirect effects on SME performance. In contrast, organizational citizenship behavior (OCB) exhibited only direct effects ($\beta = 0.51$, $p < 0.01$), while organizational culture and human capital contributed solely through indirect pathways.

HPWS showed the strongest overall impact on SME performance through multiple channels: directly influencing performance outcomes, as well as indirectly through its effects on both human capital ($\beta = 0.81$, $p < 0.01$) and OCB ($\beta = 0.55$, $p < 0.01$). Examination of the specific pathways revealed that HPWS had its greatest influence on OCB, followed by human capital, and then organizational culture.

The analysis further illustrated that human capital functioned as a mediator between HPWS and OCB ($\beta = 0.27$, $p < 0.01$), whereas organizational culture predominantly affected outcomes through its influence on HPWS ($\beta = 0.56$, $p < 0.01$). These findings collectively indicate that HPWS functions as the primary mechanism through which various organizational factors influence SME performance in the Thai context, with organizational culture acting as a significant antecedent and human capital as a crucial mediator in this process.

8. DISCUSSION OF KEY FINDINGS

The study's findings indicate that high-performance work systems (HPWS) substantially improve SME performance in Thailand via both direct ($\beta=0.43$) and indirect mechanisms. These results are consistent with Gittell et al.'s (2009)

relational model, which recognized HPWS practices—such as team-based recruitment, collaborative conflict resolution, and cross-functional performance evaluation—as essential factors influencing organizational effectiveness. The Thai context exhibits analogous trends to Chang and Lin's (2009) Taiwanese research, wherein strategic HR practices such as targeted recruitment and performance-based compensation significantly influenced organizational outcomes.

Organizational citizenship behavior (OCB) emerged as another critical factor, directly improving performance ($\beta=0.51$) through service-oriented behaviors. This supports Podsakoff et al.'s (2000) assertion that OCB enhances service quality, particularly when employees demonstrate customer-focused attitudes and error-minimizing behaviors (Sutharjana et al., 2013). However, the study diverges from some international findings regarding human capital's role. Unlike Chang and Lin's (2009) results, human capital showed no direct performance effects, potentially due to measurement of transferable rather than firm-specific skills (Barney & Wright, 1998; Ployhart et al., 2011).

The research extends social exchange theory (Blau, 1964) by demonstrating how HPWS fosters reciprocal OCB through: (1) participatory decision-making systems, (2) fair performance recognition, and (3) collaborative work environments (Evans & Davis, 2005). These mechanisms align with Vinai's (2009) service profit chain model in Thai organizations, where employee-focused practices improved both job satisfaction and customer outcomes.

Organizational culture's indirect influence through HPWS ($\beta=0.56$) corroborates Deal and Kennedy's (1982) cultural framework, while supporting Aycan's (2005) contention that cultural values shape HR system implementation. The Thai SME context particularly benefits from cultures emphasizing: (1) collective goal-setting, (2) knowledge sharing, and (3) mutual respect—elements that enhance HPWS effectiveness (Gittell et al., 2009).

These findings imply that Thai SME leaders should first assess organizational culture (e.g., via Denison's framework) before implementing HPWS, ensuring practices resonate with shared values like collectivism, developing service-oriented OCB, and creating participative work structures that transform human capital into discretionary performance behaviors. The study thus advances both theoretical understanding and practical implementation of performance-enhancing systems in emerging

economy SMEs.

9. CONCLUSION AND SUGGESTIONS

This study makes significant theoretical contributions by elucidating the interrelationships between high-performance work systems (HPWS), organizational culture, human capital, organizational citizenship behavior (OCB), and SME performance. The findings validate the resource-based view (RBV) proposition that valuable, rare, inimitable, and non-substitutable resources drive organizational success (Barney, 1991), while addressing the "black box" dilemma in HRM (Lopez et al., 2005) by revealing OCB as a critical mediating mechanism. Our mixed-methods approach, combining quantitative analysis of 545 SMEs with qualitative insights from 40 interviews, demonstrates how organizational culture shapes HPWS implementation ($\beta=0.56$), which in turn develops human capital ($\beta=0.81$) and fosters OCB ($\beta=0.55$), ultimately enhancing performance.

The performance enhancement model improves RBV theory in three important ways: First, it identifies the sequential pathways by which cultural values convert into competitive advantage, especially within the context of SMEs in Thailand. Second, it settles theoretical disagreements about the role of human capital by showing that it has indirect effects on performance rather than direct ones. Third, it incorporates social exchange principles (Blau, 1964) by illustrating how HPWS-OCB relationships develop from reciprocal employer-employee interactions. These results respond to earlier critiques regarding the applicability of RBV across industries by delineating boundary conditions in emerging economy SMEs.

The model offers SME leaders a structure for synchronizing cultural evolution (e.g., shared values), human resource practices (e.g., team-based rewards), and employee conduct (e.g., service-oriented organizational citizenship behavior) to optimize performance results. The qualitative data underscore the significance of leadership in fostering alignment, indicating that subsequent research should investigate leadership styles as moderators in the HPWS-performance relationship. This comprehensive viewpoint enhances both theoretical comprehension and practical application of performance-enhancing systems in resource-limited SME contexts. The ATLAS.ti analysis of interview transcripts uncovered essential implementation mechanisms. To make the most of these four resources, SMEs need to make sure that their human resource processes are in line with their strategic

goals. This alignment makes it easier to coordinate resources in the best way possible and helps create a values-based organizational culture. However, the qualitative data showed that this was especially hard for smaller businesses with limited HR infrastructure.

The model is useful in real life because it uses evidence to help people do better. The organizational culture, HPWS, OCB, and human capital enable SMEs to develop long-term competitive advantages through a strategic approach. The qualitative research findings emphasized the significance of leadership commitment in maintaining cultural coherence and the necessity of tailored HR practices

that align with the resource constraints of SMEs. The qualitative research findings underscored the theoretical and practical significance of the research by: (1) empirically verifying the application of the RBV framework in the SME context (through mixed-method validation), (2) showcasing a progressive implementation process of performance enhancement, and (3) identifying practical challenges in the adoption of the model through in-depth analysis of interviews. The combination of large-scale quantitative data with detailed qualitative insights from 40 interviews ensures both the statistical validity and contextual relevance of the proposed model.

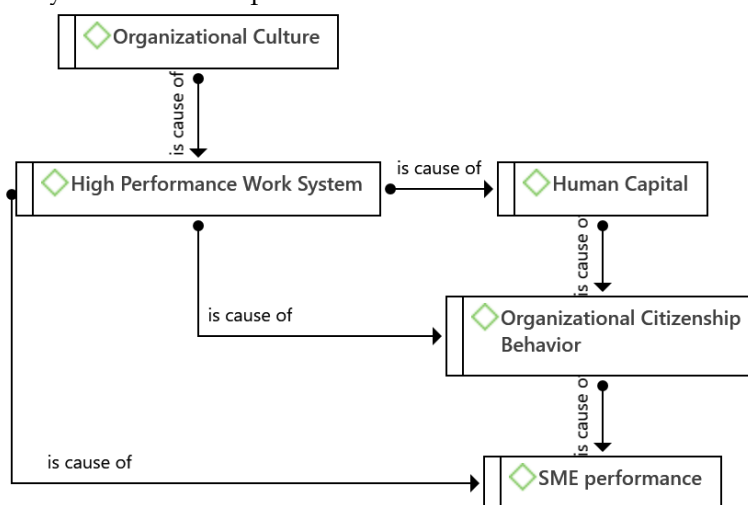


Figure 2: SME Performance Improvement Model.

Source: Researchers.

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