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# Job Design and Employee Involvement on SMEs Performance: The Mediating Role of Employee Motivation

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Keywords: Performance, Motivation, Small and Medium Enterprises, Human Resource, Job Design, Employee Involvement

<https://doi.org/10.53703/001c.94165>

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## Journal of Small Business Strategy

Vol. 34, Issue 1, 2024

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The study used empirical data to explore the impact of job design and employee involvement on Small and Medium-Sized Enterprises (SMEs') performance. Data was collected from 367 employees of Ghanaian SMEs using random sampling. IBM SPSS 24 and AMOS-SEM were used for confirmatory factor analysis and to analyse the latent variables. The measurement model was tested on the entire dataset using exploratory factor analysis. The investigation demonstrated a strong fit for a four-factor hypothesis model. The study revealed a statistically significant beneficial relationship between job design and employee involvement in organisational performance. It also found a favourable correlation between job design, employee involvement and motivation. However, there was a negative correlation between employee motivation and organisational performance. The study uniquely focused on SMEs in an emerging economy like Ghana using financial sector tiers two and three. The implication is that job design and employee involvement improve SMEs' performance and give them a competitive advantage. The study underlines the significance of job design and employee involvement in Ghanaian SMEs, mainly in the Greater Accra Region. This study is of great value as it informs policymakers and actors of small and medium enterprises of the need to appropriately design jobs that interest and elicit employee involvement and performance.

### 1. Introduction

Job design is essential in maximising firm performance. A well-designed job improves performance and employee satisfaction (Chakraborty & Biswas, 2020). Most contemporary organisations focus on demanding jobs, non-routine work designs and work that will unearth the workforce talent and enhance performance improvement. Job design inspires employees to work hard to achieve higher productivity (Zareen et al., 2013). Providing high-quality jobs is critical to an organisation's employee well-being. Job design and employee involvement are crucial in today's workplaces, where decisions are made daily to fulfil stated goals. Employees make most decisions and are instrumental in achieving the organisation's objectives. Employee involvement is proportional to effective job design. Employee involvement can improve performance if the job design is aligned with employee perceptions and psychological needs. An effective job design increases participation in the work and generates mental, emotional, and physical energies to achieve the organisation's stated goal (Daniels et al., 2017).

The main goal of most HRM strategies is to achieve a high degree of work motivation, which requires individual involvement at work (Rasheed et al., 2020). Several studies have emphasised the importance of finding employees' job

motivation in the financial sector (Aunjum et al., 2017; Gheitani et al., 2019). Exploring motivation as a piece of mediating machinery in the relationships between job design and employee involvement in contributing to SMEs' performance is of critical significance. Employees are a vital resource that runs organisations, and their non-involvement in decision-making creates reluctant observers and not active participants in organisational operations (Quagraine, 2010). Employee involvement helps an organisation function better. Despite the numerous advantages of job designs and employee involvement in an organisation's performance, some SMEs still need help to meet performance targets, and some have even wound up operations.

Management of most SMEs in Ghana have designed and involved the workforce in enhancing their performance and making them perform on the job. Notwithstanding, their efforts have yet to yield the performance expectations they require. Few studies have researched organisations' performance improvement using job design and employee involvement (Henderson & Sowa, 2022; Lencho, 2020; Putra et al., 2022; Tapia-Andino & Barcellos-Paula, 2023; Tensay & Singh, 2020). These studies were mainly in Europe. Therefore, the question is: What is the influence of job design and employee involvement within the SME sector in the greater Accra region within the Ghanaian context? Most

studies on SMEs in Ghana have paid attention to the financial and market indicators of SMEs' performance, leaving the job design, employee involvement and the mediating role of motivation (Addae-Korankye & Aryee, 2021; Ahinful et al., 2021; Issau et al., 2022). This creates a discrepancy in the literature and calls for further studies. This study is purposed to explore the intervening role of motivation in the study of the relationship between job design and employee involvement within the SME sector in the Greater Accra region of Ghana.

This study seeks to fill the gap in the literature by using motivation as an intervening variable to examine the influence of job design and employee involvement on organisational performance. The following research objectives guide the study: examine the relationship between job design, employee involvement, motivation and organisational performance, assess the effects of motivation on employee involvement and organisational performance and examine the impact of motivation on job design and organisational performance. The results of this study add to existing literature, particularly in the fields of HRM and organisational behaviour, by emphasising the importance of job design and employee involvement in organisational performance, as motivation mediates the outcome. The study also contributes to the research by empirically investigating this model of job design, employee involvement, motivation, and organisational performance in SMEs in Ghana. The study will assist policymakers, managers, and government officials in looking into these critical issues concerning employee job design, involvement, and motivation to support SMEs to become more viable in a developing economy like Ghana, where rampant wind-ups exist. This study is unique as it explores the intervening role of motivation in studying the relationship between job design and employee involvement within the Ghanaian SME sector.

It is crucial to understand the role of motivation as a mediator of the relationship between job design and employee involvement in SME performance. This relationship bridges the knowledge gap, especially in the developing world. The first section of this paper discusses the background of the phenomenon under study and the purpose of the study. Its emphasis on the literature gap and justifies the study's need.

### Theoretical Perspective

The Job characteristics theory by Hackman and Oldham (1980) and the employee involvement theory by Marchington and Parker (1990) influenced this study. The job characteristics theory explains the relationship between a job and a person's response to work. The job characteristics theory denotes the situation in which a person's actions can be predicted to result in success on the job. The theory demonstrates five key critical job design characteristics in persuading someone to work. They include job satisfaction, motivation, performance, absenteeism, and turnover. According to the theory, monotonous or boring work does not motivate employees to perform well, whereas an exciting job improves motivation and performance. According to Marchington and Parker (1990), employee involvement

includes activities designed by management to increase workers' commitment to the organisation. It also aims to increase the information provided to employees to increase their commitment to the organisation. The job characteristics theory is used in this study to determine the critical elements of job designs that improve an employee's performance. In contrast, the employee involvement theory aids in assessing the various activities in which employees are involved, which increases their effort to contribute to organisational performance.

#### 2.1. Job Design (JD)

Oldham and Hackman (2010) explain that job design is the content of any job so that the job holder's varied requirements are adequately met. Daniel et al. (2017) emphasised that job design combines various jobs, duties, and responsibilities to produce a composite that individuals may use in their work and view as their own. It is critical since it is required to complete the job efficiently, inexpensively, reliably, and safely. Cummings and Worley (2014) indicate that job design intervention causes workers to notice and recognise meaningful changes over time. Henderson and Sowa (2022) posit that job designs that provide high levels of staff control also create favourable conditions for workers' training and development.

Ali and Aroosiya's (2010) quantitative investigation of the impact of job design on employee performance in five selected schools found a positive relationship between perceived levels of job design and employee performance. Mensa-Bonsu's (2012) qualitative study on the effect of job design on employee motivation and job performance in banks in Ghana revealed that organisations' motivation policies influence employee output. Shantz et al. (2019) found that a proper job design facilitates productivity. Meijerink et al. (2020) believe that when individuals are given fascinating and demanding jobs, they are inspired to put their best into their work. Putra et al. (2022) established that repetitive and undemanding jobs bore employees, drain their energies and stress them, and hence, they cannot perform at their optimum. Truss et al. (2013) state that well-designed, engaging, demanding jobs boost employees' morale to perform their best for organisational success.

#### 2.2. Employee Involvement (EI)

Most HRM practices are to obtain a high level of work motivation, which includes job involvement of individuals at work (Rasheed et al., 2020; Susanto & Haryono, 2020). Employees drive the organisation to success, and their lack of involvement in decision-making and organisational activities creates tension (Quagraine, 2010). A highly involved employee increases a company's investment in human capital, improves productivity, reduces costs, and enhances performance. Prasilowati et al. (2021) point out that 71 per cent of respondents ranked employee involvement as vital to overall organisational performance. They further stated that Chief Executive Officers (CEOs) rarely involve employees in decision-making. The study recommended that increasing employee involvement in organ-

isational operations can improve performance, and management must have specialised tools. Aside from the fundamental level of divergence in the workplace, employee involvement will most likely lessen the grapevine and complaining because the one to complain is part of the conversation (Jashari & Kutllavci, 2020). Sofijanov and Zabi-jakin-Chatleska's (2013) survey showed that employee involvement positively affects organisational performance. The study found a significant direct correlation between employee involvement and effectiveness. The primary motivation for the interest stems from the belief that employee involvement improves organisational performance.

### 2.3. Employee Motivation

Motivation can be defined broadly as the direction and persistence of an activity. Motivation is a feature that keeps employees attached to their jobs, and hence, their interests lead to originality and creativity (Rasheed et al., 2020). Motivational theories aim to create a healthy work environment to ensure employees meet management's expectations. The ideas explain why employees behave in specific ways (Renata et al., 2018). Motivation theories discuss how a company may persuade people to use their skills, efforts, and abilities to meet their needs and fulfil the company's objectives. This concerns the aspects that contribute to job satisfaction and organisational performance. Motivating employees is about getting them to move in a way that will help the firm achieve its stated goals and improve organisational performance (Huang et al., 2019; Loh, 2019; Paais & Pattiruhu, 2020; Quadri, 2019; Soraya & Pedo, 2021; Sweis et al., 2019).

Abdi et al. (2017) quantitative study in Somalia established that employee motivation positively affects organisational performance. The study concludes that employee motivation influences employee performance and also found that motivation positively affects performance improvement. Likewise, Nurun and Dip (2017) found that motivation positively affects an organisation's financial performance dimensions, such as profitability, while job environment and job autonomy positively affect non-financial performance dimensions, such as customer service, employee productivity and service quality in Bangladesh. Besides, Pawirosumarto et al. (2017) revealed that motivation partly improves job performance by providing energy but does not reduce stress.

### 2.2. Organisational Performance (OP)

The definition of organisational performance in the twenty-first century was primarily centred on an organisation's capability and ability to effectively and efficiently utilise resources available to meet the firm's specified goal (Jashari & Kutllavci, 2020). Performance is a catch-all term incorporating many ideas, such as growth, profitability, return, productivity, efficiency, and competitiveness. Performance should be determined by piloting, assessment, efficiency, effectiveness, and quality. Performance is critical for SMEs' continuous growth and development because it is only through performance that companies can experience

development and make progress (Svotwa et al., 2019). Organisational performance is characterised by financial results such as profitability, liquidity, growth, and stock market performance. Product quality, production cost, delivery, and flexibility are the four dimensions presented by (Lee et al., 2010). They stated that product cost, quality, market share, competitor performance, and firm performance were all in line with the industry average. At times, organisational performance may be measured at multiple levels. Effective human resource management is contingent on selecting the suitable practice to achieve alignment with the business goal. HRM methods have a weak performance on the market but an intensive association with solid performance (Stahl et al., 2012). Khan (2010) found an association between HRM practices and business performance. Human resource management strategies lead to firm performance. Investments in high-performance work systems resulted in greater productivity and company financial success (Ahinful et al., 2021).

The study is guided by the following hypothesis.

*H1: There is no statistically significant relationship between JD and EM.*

*H2: There is no statistically significant relationship between EI and EM.*

*H3: There is no statistically significant relationship between JD and OP.*

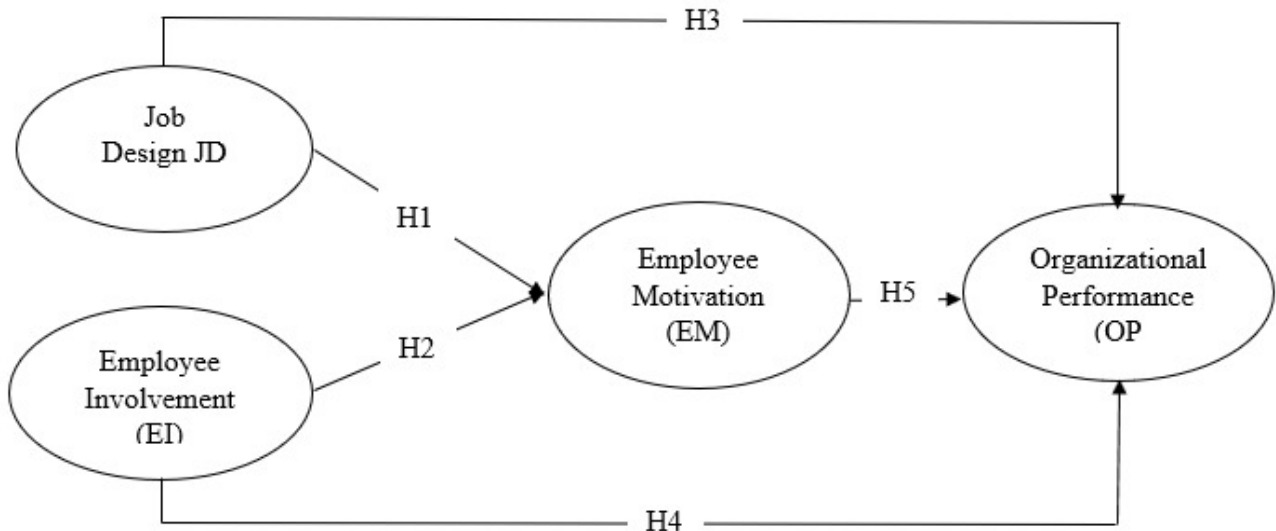
*H4: There is no statistically significant relationship between EM and OP.*

*H5: EM does not mediate the relationship between JD and OP.*

### 2.5. Conceptual Framework

The conceptual framework for this study is based on Rasheed et al. (2020), who believe that a well-designed job motivates employees, causing them to be satisfied and put in their best efforts, making them happier in their jobs and, as a result, leading to good organisational performance. The framework is comprised of four latent variables. The first two aspects of human resource practices are "Job Design" and "Employee Involvement." These two constructs determine Employee Motivation and Organisational Performance, the third and fourth constructs, respectively. The level of job design and employee participation influences organisational performance, as indicated by the fourth concept. The elements of human resource management practices represent the exogenous variable in the framework. Employee motivation is considered the mediator variable when measuring the effect of human resource management practices on performance. On the other hand, this study suggests that the level of employee motivation determines the performance of SMEs. [Figure 1](#) represents the conceptual framework for the study.

The hypotheses below helped examine the relationships among the variables.



**Figure 1. Conceptual Model**

1. Model 1: Employee Motivation =  $\alpha_0 + \alpha_1$  Job design +  $\alpha_2$  Employee Involvement +  $\epsilon_1$  (1) H1 and H2 Corresponding Hypotheses
2. Model 2: Organisational Performance =  $\beta_0 + \beta_1$  Job design +  $\beta_2$  Employee Involvement +  $\epsilon_2$  (2) H3 and H4 Corresponding Hypotheses
3. Model 3: Organisational Performance =  $\gamma_0 + \gamma_1$  Employee Motivation +  $\epsilon_3$  (3) H5 Corresponding Hypothesis

From the above equations,  $\alpha$   $\beta$  and  $\gamma$  are regression coefficients for the Latent Variable (VLs) and  $\epsilon$  the residual error.

### 3. Methodology

The study employed the quantitative approach. The quantitative approach is critical for empirical research. The link between variables is examined, measured, and analysed using statistical and mathematical techniques. A cross-sectional survey design was used to investigate the hypotheses. The survey design enabled data collection, analysis, generalisation and replication of results (Wieland & Wallenburg, 2012). The population for the study population are the tier two and three microfinance institutions licensed by the Bank of Ghana and appropriately registered with their umbrella organisations. Because they are semi-formal institutions, tier two and three microfinance institutions were chosen compared to tier one; they rise swiftly and crash quickly. Furthermore, much research has yet to be done because they are in the semi-formal sector. It is a hotbed for research and currently supports SMEs with microloans.

The data collection instrument was a structured questionnaire adapted from existing questionnaires used in earlier studies (Involvement, Judeh, 2011; Employee Motivation, Altindis, 2011; Organisational Performance, Chew, 2004). All components were evaluated using a five-point Likert scale, with 1 indicating strongly disagree, 2 indicat-

ing disagree, 3 indicating neutral, 4 indicating agree, and 5 indicating strongly agree. The instrument's validity, clarity, conciseness, and comprehension were pre-tested with five microfinance institutions. The questionnaire was self-administered. The questionnaire was divided into five sections; except for demographic characteristics, each section focused on one of the elements of the conceptual framework, as follows. These include job design, employee involvement, motivation, and organisational performance. One hundred (100) microfinance institutions were randomly picked from a pool of institutions that had been in operation for over three years. Four hundred questionnaires were administered, and 367 valid responses were retrieved, representing 91.8 per cent. The IBM SPSS Statistics, version 24 with Analysis of Moment Structures (AMOS), 23 were used for the Structural Equation Model (SEM) analysis. SEM performed well regarding appropriate metrics for CI coverage, efficiency, convergence, and power. It is also considered a suitable method for exploring mediation effects in two-level data (Preacher et al., 2011).

### 4. Results

#### 4.1. Results of Confirmatory Factor Analysis CFA)

HRM practices (Job Design, Employee Involvement, Motivation, and Organisational Performance) are the latent variables, and the descriptive statistics of all terms are shown in the following table. To test the measurement model, IBM AMOS version 23 was used to conduct a confirmatory factor analysis (CFA). The ratio of  $X^2$  to a degree of freedom (d/f), root mean square residual (RMR), the goodness of fit index (GFI), adjusted goodness of fit index (AGFI), Tuck Lewis index (TLI), the norm fit index (NFI), and the root means the square error of approximation was used to assess the model's overall goodness of fit (RMSEA)

Table 1 presents the goodness of fit indices. All of the indices in the table met the cut-off point value. The study

examined the model’s psychometric qualities, including reliability, convergent, and discriminate validity.

Convergent validity was conducted by investigating the factor loadings to generate Average Variance Extracted (AVE). The results showed that all items have convergent validity because all (AVE) of all constructs are greater than the threshold of 0.5, and the acceptable threshold of (AVE) should be 0.5 (Edelbroek et al., 2019; Fornell & Larcker, 1981). The square root of AVE is Discriminate Validity. To obtain discriminate validity, all values obtained must be compared with the correlation of all items to indicate if the figure obtained is greater than the correlation figures.

From Table 3, (AVE). The results indicated that the square correlation of all constructs is higher than the acceptable figure of AVE, suggesting that there is a presence of discriminate validity.

### Evaluation of Structure Model

The second test in analysing the AMOS results determines all constructs’ convergent and discriminates validity and reliability. This was achieved by

### Mediating Effect

Mediation was performed to check the total, direct and indirect mediation. The study used the analysis property Bootstrap with several bootstrap samples of 367 and a corrected confidence interval of 95 per cent to determine the direct and indirect effect of the model.

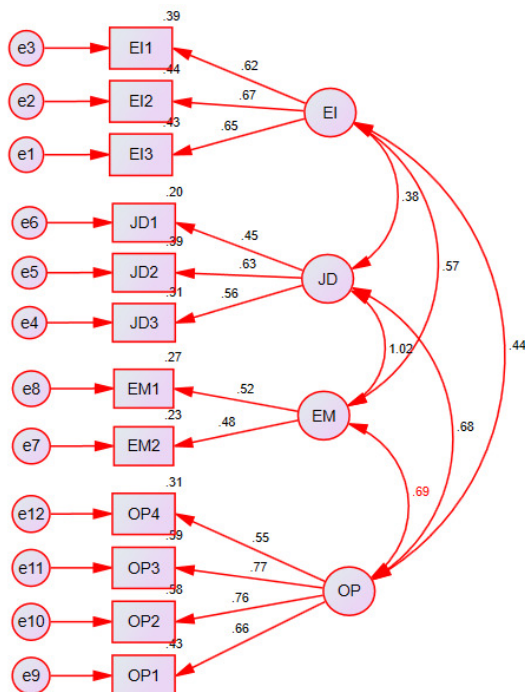


Figure 2. Confirmatory Factor Analysis (CFA)

Fit indices for the Measurement Model

## Discussion

The study used the IBM SPSS Amos version 23 approach to simultaneously analyse and measure direct and indirect variables. Kaiser Mayer Olkin measures of sample adequacy and Bartlett’s Test of Sphericity (Chi-Square and Significance levels) of all constructs have a KMO value of (0.841). The results showed adequate data for factor analysis (Hinton et al., 2004). A reliability test was also conducted, and not all variables could attain the threshold of 0.7. Since the study was exploratory, it went on to run the measurement model to test the model’s fitness. The study performed Confirmatory Factor Analysis, and the model achieved perfect model fit indices, making it possible to run the structural model. The researchers used standardised regression weights to test convergent validity and discriminate validity. All constructs had Average Variance Extracted (AVE) > 0.50.

Employee involvement was 0.76, Job Design was 0.72, Employee Motivation was 0.70, and organisational performance was 0.78. The results showed convergent validity, and the discriminate value for all constructs was above 0.80. When comparing the correlation of all constructs, the outcomes showed that employee involvement, job design, and organisational performance had discriminated validity except employee motivation, which had no discriminated validity present for each construct. The study found that all the latent variables had discriminate validity present. The structural model was generated to test the hypothesis by examining the path and relationship between employee involvement, job design, and employee motivation in the performance of microfinance institutions. After authenticating the adequacy of the measurement model, the generated structural model is measured in terms of accuracy and predictive capabilities. Five hypotheses were derived from the literature review, tested and confirmed.

H1: it is noted that job design is strongly and positively related to employee motivation at a 99.9% confidence level. This result supports (Shantz et al., 2019). The results have a significant positive relationship, and the development process of SMEs has a statistically positive relationship with tested and confirmed job satisfaction. In support of the finding, Putra et al. (2022) opine that job design is positively associated with employee motivation. A good job design leads to performance and employee satisfaction, which boosts performance. This result means that microfinance organisations should involve their employees in decision-making to help them feel like they are part of the organisation.

H2 stated that employee involvement positively affects employee motivation, which was tested and confirmed. Susanto and Haryono’s (2020) study showed a significant difference in job involvement and employee motivation among government and private sector employees. At the same time, the correlation between job involvement and employee motivation reveals a 0.786 positive correlation. The study affirmed a positive relationship between employee involvement and motivation.

**Table 1. Fit indices for the Measurement Model**

	Recommended criteria	Measurement Model	Authors
X <sup>2</sup> /df	<3.0	1.689	Hair et al. (1998)
RMR	>0.08	0.021	Gefen et al. (2000)
GFI	>0.9	0.964	Hu and Bentler (1999)
AGFA	>0.9	0.942	Marsh & Grayson (1995)
CFI	<0.9	0.965	Gefen et al. (2000)
NFI	>0.9	0.921	Hu and Bentler (1999)
TLI	>0.9	0.952	Schumacker & Lomax (1996)
RESET	<0.06	0.043	Hu and Bentler (Hu & Bentler, 1999)
P-Close	<0.62	0.734	Hu and Bentler (Hu & Bentler, 1999)

**Table 2. Convergent Validity**

Indicators Variable	Latent Variable	Standardised loadings	Square of Standardised loadings	Some of standardised Loadings	Number of indicators	AVE	Square Root of AVE /DV
EI3	← HI	0.653	0.757				
EI2	← HI	0.666	0.763				
EI1	← HI	0.623	0.745	2.265	3	0.755	0.869
JD3	← JD	0.557	0.722				
JD2	← JD	0.627	0.746				
JD1	← JD	0.449	0.698	2.166	3	0.722	0.850
EM2	← EM	0.48	0.703				
EM1	← EM	0.516	0.711	1.414	2	0.707	0.841
OP1	← OP	0.656	0.758				
OP2	← OP	0.76	0.812				
OP3	← OP	0.767	0.816				
OP4	← OP	0.555	0.721	3.107	4	0.777	0.881

**Note:** (Square of the summation of the standardised loading)/(squares of the summation of the standardised loading) + (Summation of error variances) = Composite Reliability and (summation of the square of the standardised loading)/(summation of the square of the factor loadings) + (summation of error variance) = Average Variance Extracted (AVE)

**Table 3. Discriminate Validity**

Constructs	X	SD	JD	EI	EM	OP
1 Job Design (JD)			0.850			
2 Employee Involvement (EI)			0.376	0.861		
3 Employee Motivation (EM)			1.023	0.682	0.842	
4 Organisational Performance (OP)			0.682	0.443	0.694	0.881

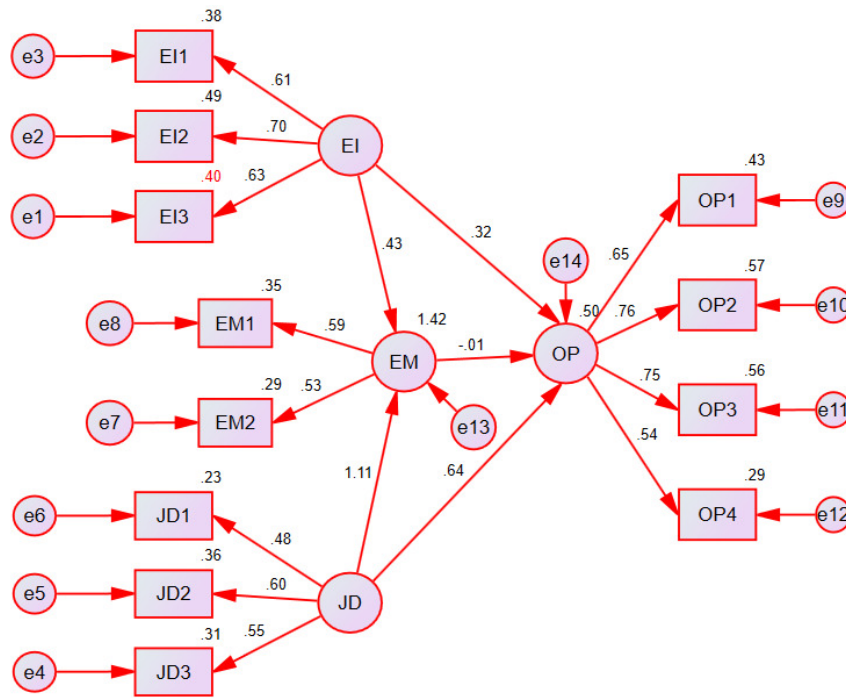
X-mean, SD-standard deviation, JB-Job Design, EI-Employee Involvement, EP-Employee Motivation and OP-Organisational Performance

H3 stated that job design has a statistically significant positive association with organisational performance. The results confirm the former study by Rasheed et al. (2020) that job design had a positive correlation and claimed a statistically significant relationship between employee and organisational performance and effectiveness. The result affirms that a good HRM practice assists employees in doing their duties with diligence and enthusiasm, which contributes to achieving SMEs’ strategic goals.

H4 stated that employee involvement has a statistically positive relationship with organisational performance. This

study confirmed Jashari and Kutllovci’s (2020) study, which found that employee involvement has a significant relationship with corporations. This implies that small or big organisations should involve their employees in their work, help them learn new skills, and contribute their quota to the organisation’s success.

H5 Stated that employee motivation has a statistically positive relationship with organisational performance, and the mediating results confirmed that employee motivation mediates job design, employee involvement and organisational performance. The study found a negative relation-



**Figure 3. Structure Model**

$X^2/df = 2.202$  GFI = 0.955, AGFI = 0.928, CFI = 0.942, TLI = 0.928, NFI = 0.908, RMSEA 0.057, PCLOSE = 0.174 RMR= -0.059].

These results show perfect model fit indices because all indices are above the average threshold.

**Table 4. The Hypotheses**

Model	Hypotheses	Constructs	Estimate	Standardised Errors	Critical Ratio	P-value	Remarks
Model 1	H1	JD → EM	1.147	0.166	6.909	***	Significant
	H2	EI → EM	0.359	0.069	5.223	***	Significant
Model 2	H3	EI → OP	0.392	0.079	4.969	0.005	Significant
	H4	JD → OP	0.155	0.071	2.197	0.001	Significant
Model 3	H5	EM → OP	-0.009	0.216	-0.044	0.965	Not Significant

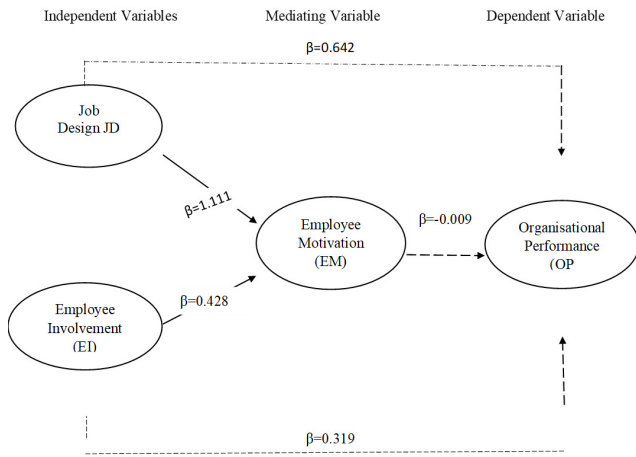
AMOS: analysis of moment structure; JD: Job Design; EI: Employee Involvement; EM: Employee Motivation; OP: Organisational Performance. \*Correlation significant at  $p < 0.05$ ; \*\*correlation significant at  $p < 0.01$ ; \*\*\*correlation significant at  $p < 0.001$  (Note: \*  $p < 0.1$ ; \*\*  $p < 0.05$ ; \*\*\*  $p < 0.01$ ).

ship between employee motivation and organisational performance and no mediation between job design, employee involvement, and organisational performance. This study’s outcome is inconsistent with that of (Paais & Pattiruhu, 2020).

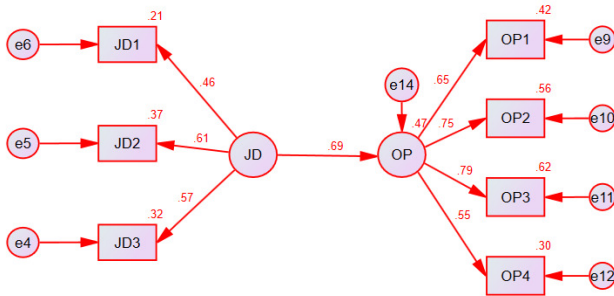
The study also looked into the mediation effect of EM on JD and OP. All of the direct models evaluated (Figure 5) were satisfactory. At  $p < 0.05$ , H3 (the relationship between JD and OP) was significant (Figure 5 and Table 4). The indirect model fit indices for EM on JD and OP were satisfactory. H1 (a relationship between JD and OP) has 0.05 significance (Figure 6 and Table 4). According to Figure 5, the direct effect of job design on organisational performance is 0.686, and the impact of the direct effect is lowered to 0.769 with current employee motivation. The standardised medi-

ation analysis of JD and OP with EM yielded a standardised total impact of 0.682, a standardised direct effect of 0.789, and a standardised indirect effect of -0.88. The study went on to determine whether or not the influence is significant. The study employed bootstrap to test the mediation’s significance using two-tailed significance. The standardised total effect of the two-tailed value is 0.007, with a direct effect at a significance level of 0.010 and an indirect effect at a significance level of 0.406. The total and direct results were less than 0-05, except for the indirect effect, which had a value greater than the acceptable threshold, indicating that EM does not mediate JD and OP.

The study also looked into the mediation effect of EM on EI and OP. The indirect model’s fit indices for EI on OP were all adequate. H4 (a direct relationship between EI and



**Figure 4. Conceptual Model**



**Figure 5. The direct effect of JD on OP**

The fit indices of the direct model for JD on OP were:  $\chi^2/pdf = 1.965$ , P-value = 0.20; RMR = 0.016; NFI = 0.957; CFI = 0.978, AGFI 0.957; RMSEA = 0.051 and CLOSE = 0.429 TLI = 0.965

OP) was significant at  $p < 0.05$ . (Figure 7 and Table 4). The fit indices of the indirect model for EM on EI and OP were all acceptable. H2 (a relationship between EM and EI and OP) was significant ( $p < 0.05$ ). (Figure 8 and Table 4). From Figure 7, the direct effect of EI and OP is 0.446, and the direct effect is reduced to 0.067 with the presence of EM. The overall standardised effect of EM on EI and OP is 0.443, with a standardised direct effect of 0.067 and a standardised indirect effect of 0.336. The study went on to determine whether or not the influence is significant. The study employed bootstrap to test the mediation’s significance using two-tailed significance. The standardised total effect of the two-tailed value is 0.005, with a direct effect at a significance level of 0.004 and an indirect effect at a significance level of 0.734. The significance values were more than 0.05, indicating that EM does not mediate JD, EI and OP.

### 5. Conclusions

The study concludes that the empirical evidence shows that each HRM strategy has a statistically significant positive link with organisational performance. The study revealed that motivation was negative as a mediating variable in assisting SMEs’ performance. It is concluded that job design and employee involvement are substantially con-

nected with performance when motivation does not affect performance. The findings contradict the motivation theory, which states that a motivated person is more productive, and a more productive employee is more profitable. Likely, SME managers need to motivate their employees more since they need more resources to encourage them to give their all.

The study also found that SMEs must compensate employees like government organisations and large enterprises. As a result, the employees need to be better motivated, affecting the performance of SMEs. Again, the study revealed that HRM practices (job design and employee involvement) are interrelated and, as a result, must be pursued in collaboration to attain organisational performance. The success of SMEs should be evaluated in terms of how well the work is designed and how the employees participate in firms’ activities, particularly in decision-making. To maintain sustainability and growth, SMEs should pay more attention to all HRM practices. It is recommended that, for sustainability, SMEs evaluate their employees’ job designs and involve them in the decision-making process to make them feel like they are a part of the organisation.

### 6. Theoretical and Practical Implications

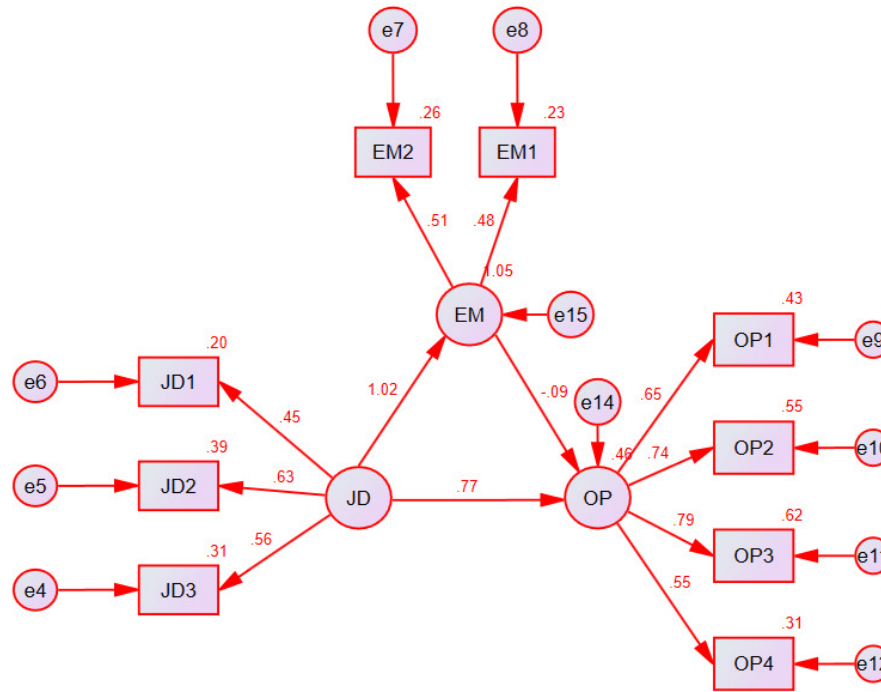
The study adds to current knowledge and is likely the first to investigate job design and employee involvement in the SME sector in a developing nation like Ghana, utilising motivation as a mediating variable. The essential contribution is using empirical data to explain the relationship between job design, employee motivation, and organisational performance, as well as the relationship between employee involvement, motivation, and organisational performance. The performance of mediation per each HRM practice was a type of contribution to the understanding of mediation. The study also included a table that aided in calculating convergent and discriminate validity, which will assist future studies in calculating these easily.

According to the research, providing a good and exciting job design challenges and motivates employees to work hard. As a result, managers of small and medium-sized businesses should create jobs or tasks that are challenging to motivate employees to work hard to improve their performance. A good design inspires employees to work hard. As a result, management and supervisors must provide interesting jobs that match employee’s competencies. This motivates them to put in extra effort to improve their performance.

Involving employees in decision-making and other issues that affect them makes them feel part of the organisation. Owners and managers of SMEs must continue to include employees in the decision-making process so that they can be responsible for their actions and inactions. This allows them to own their jobs and discharge them to the best of their abilities.

According to the study’s findings, employee motivation needs to act as a bridge between job designs and employee involvement. As a result, it is suggested that SME management investigate other human resource management practices that may intervene between the variables and thus im-





**Figure 6. Indirect effect of EM on JD and OP**

$\chi^2/df = 1.344$ , P-value = 121 RMR = 0.014 NFI = 0.957 CFI = 0.988  
AGFI = 950 RMSEA = 0.031 CLOSE = 0.889 TLI = 0.960

**Table 5. Mediation effect of EM on JD and OP**

Mediation	Standardised loadings	P-Values	Results
Total Effect	0.682	0.007	Significant impact
Direct Effect	0.769	0.010	Significant impact
Indirect Effect	-0.088	0.406	No Significant impact

prove performance. The study’s findings indicate that SMEs must adequately compensate their employees to elicit high performance besides improving job design and involving employees.

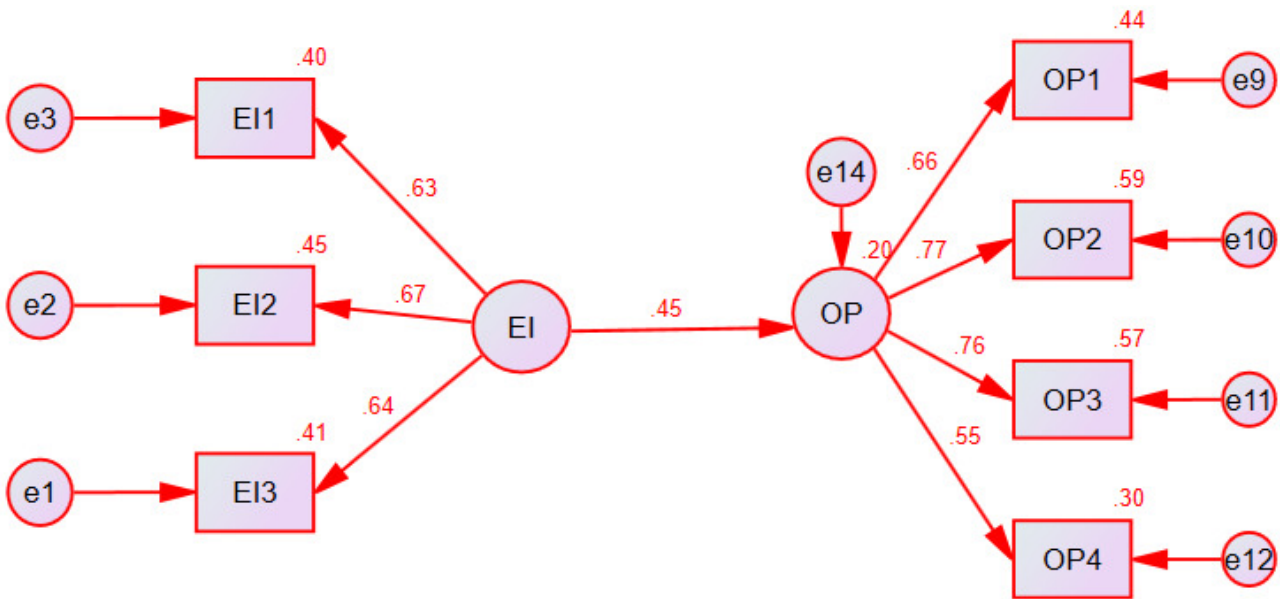
Because the study found that job design and employee involvement are related, these variables must be used in tandem to improve performance. As a result, if SMEs want the best out of their employees equally, equal emphasis must be placed on employee involvement and job design. Using a single human resource management practice may not produce the best results from employees.

### 7. Limitations

The study focuses on SMEs in an emerging economy like Ghana using the financial sector in tiers two and three. The findings apply to the microfinance institutions in the Greater Accra Region of Ghana. Further research is recommended to expand the study’s scope and sample size in different or similar contexts.

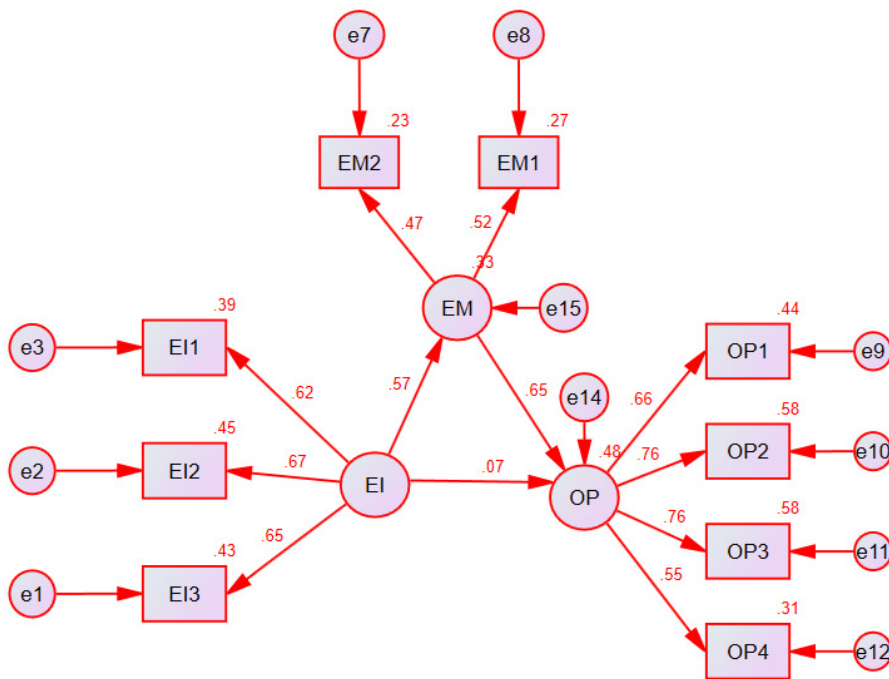
Submitted: May 19, 2023 CDT, Accepted: February 14, 2024

CDT



**Figure 7. Direct effect of EI and OP and EM**

$\chi^2/df = 2.169$ , P-value = .008 RMR = 0.020 NFI = 0.956 CFI = 0.975  
AGFI = 0.955 RMSEA = 0.057 PCLOSE = 0.506 TLI = 0.960



**Figure 8. Indirect effect of EM on EI and OP**

$\chi^2/df = 1.871$ , P-value = .006 RMR = 0.021 NFI = 0.940 CFI = 0.975  
AGFI = 0.950 RMSEA = 0.041 PCLOSE = 0.506 TLI = 0.956

**Table 6. Mediation effect of EM on EI and OP**

Mediation	Standardised loadings	P-Values	Results
Total Effect	0.443	0.005	Significant impact
Direct Effect	0.067	0.004	Significant impact
Indirect Effect	0.336	0.734	No Significant impact



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