The Impact of Human Resource Management Practices on SMEs Performance:
An Exploratory Study in Brunei Darussalam

Chin Han Wuen, Universiti Teknologi Brunei, Brunei Darussalam

Fahmi Ibrahim, Universiti Teknologi Brunei, Brunei Darussalam

Kabiru Jinjiri Ringim, Ahmadu Bello University, Nigeria

https://orcid.org/0000-0002-4708-231X

ABSTRACT

There is currently a dearth of knowledge for human resource management under an SMEs context. As a result, it is assumed that human resource management based on large business organizations is applicable for SMEs at a smaller scale. From the resource-based view, this article investigates the impact of human resource management practices towards the SMEs in Brunei Darussalam. By conducting an exploratory study, a questionnaire survey of 296 was collected from the local SMEs to ascertain how the human resource management practices impact their performance. This is followed by the analyzing the result via the Pearson Correlation and Multiple Linear Regression which suggests that specific human resource management practices have a significant impact on the SMEs. As part of the contribution, the article extends the knowledge of human resource management in SMEs context by understanding their impact towards the SMEs performance.

KEYWORDS

Brunei Darussalam, Exploratory Study, Human Resource Management, Resource Based View, SMEs, Strategic Management

INTRODUCTION

Currently, the globalized business environment is hindering many small-medium enterprises (SMEs) from achieving their full potential (Hanson, Melnyk, & Calantone, 2011) and, in some cases, cease their operation entirely (Rodriguez-Gutierrez et al., 2015). This is due to the SMEs being content with their local business environment (Peschken et al., 2016). However, such threat can be overcome by utilizing the resources efficiently (Dabic et al., 2011). To achieve this, it is recommended that the SMEs implement the human resource management (HRM).

The HRM is known for their impact towards the business performance (Buller & McEvoy, 2013; Quiros, 2009). From this statement, it can be debated that the HRM is beneficial for the SMEs

(McEvoy & Buller, 2013). Past findings by Fabi et al. (2009) reported that (i) world-class SMEs enhanced their innovative aspects through training and development process; and (ii) international SMEs improved their employees' development and motivation with performance appraisal as well as rewards and incentives system. This supports the findings from Hassan (2010) who observed that SMEs experienced fast growth when invested in (i) recruitment and selection process; (ii) training and development; (iii) performance appraisal; and (iv) rewards and incentives system. Despite these relationships, the exact relationship between the HRM practices and SMEs performance remain ambiguous (Hooi & Ngui, 2014).

This is due to the majority of the HRM research is based on large business organizations (Kasturi et al., 2006; Montoro-Sanchez & Soriano, 2011). As a result, there is a lack of informal HRM practices documented within the SMEs (Kasturi et al., 2006). Such details are fundamental for the SMEs to formulate the proper HRM practices due to their limited resources (Zheng et al., 2009). With this limited information, this study would address the core question of "To what extent do HRM practices impact the SMEs performance in Brunei Darussalam?" By doing so, this study would narrow the knowledge gap by expanding the ignored HRM knowledge within the SMEs. To begin, the resource-based view (RBV) as the underpinning theory to understand how the HRM practices impact the SMEs performance.

BACKGROUND

Resource Based View

The main idea of RBV is many business organizations are competing with similar goods and services due to the similar source of resources (Peteraf & Bergen, 2003). Although it is essential to gain access to the source, it is equally important to manage and synchronize them effectively (Holcomb et al., 2009). The RBV is one of the strategic management theories which describe how business organizations achieve competitive advantage by configuring their resources to become (i) rare; (ii) difficult to imitate; and (iii) difficult to substitute (Costa et al., 2013; L'Ecuyer & Raymond, 2017). This reasoning explains how different business organizations in terms of size, are able to thrive by relying their internal factors (Kasturi et al., 2006).

This implies the importance of linking key resources with the business performance (Kunc & Morecroft, 2010). Based on the RBV, the business organizations can achieve sustainable competitive advantage by implementing the proper HRM practices (Batt & Hermans, 2012). This is due to the value of HRM practices are derived from the employees' knowledge and capability (Newman & Sheikh, 2014). Therefore, this study will further analyze how the HRM practices are significant to the SMEs performance.

SMEs in Brunei Darussalam

In Brunei Darussalam, one of the main objectives in relation to Brunei Vision 2035, is becoming a sustainable economy with the average Gross Domestic Product (GDP) growth rate of 5.0% to 6% per annum (Department of Economic Planning and Development, 2012). With the recent GDP growth of Brunei Darussalam for 2018 being 2.5% (Trading Economics, 2018), this depicts Brunei Darussalam as a growing economy. However, this is due to the oil and gas product which accounted for 60% of the GDP and 90% of the total exports (Darwish et al., 2017). As a result, it is important to diversify by strengthening the SMEs development.

The SMEs in Brunei Darussalam are identified based on their number of employees, in which, their size are categorized into (i) micro (1 – 4); (ii) small (5 – 19); (iii) medium (20 – 99); and (iv) large (l00+) (Department of Economic Planning and Development, 2017). This depicts the employees as crucial aspects of the Brunei SMEs. This is supported by past observation by Low et al. (2012) who reported how HRM practices are efficient in the Brunei SMEs when the SMEs leaders (i) gained

the employees' support and commitment; (ii) secured high sense of unity among the employees; and (iii) properly established a two-way communication with the employees. In addition, past findings by Mohamed et al. (2013) reported how younger and smaller local SMEs had become rigorous with the recruitment and training processes. These observations support the recent findings by Darwish et al. (2017) which highlighted how HRM practices are significant for SMEs from non-resource industry, it is difficult to implement due to the lack of resources. To overcome this, it is important to review the SME performance in detail.

SME PERFORMANCE

The SME performance is influenced by (i) the lack of resources; (ii) the less complex management skills; (iii) the informal and non-bureaucratic structure; (iv) employing generalist rather than specialists; and (v) the motives of SMEs leaders (Dutot et al., 2014; Rodriguez-Gutierrez et al., 2015). Table 1 has identified the SME performance from past research.

The SME performance can be defined as their past, present and future accomplishments (Wandongo & Abel-Kader, 2014; Yousaf & Majid, 2016). This description supports Table 1 which reflected these accomplishments as the SME performance in terms of (i) financial performance; and (ii) non-financial performance (Gharakhani & Mousakhani, 2012; Liao, 2005; Saunila, 2016). In order to accurately depict these accomplishments in the SME performance, this study defines the SME performance as the combination of financial and non-financial aspect of the business performance in relation to the main objectives.

Human Resource Management Practices in SMEs

The main objective of this study is to analyze the impact of HRM practices towards the SME performance. The HRM practices in SMEs are mainly informal (Barret & Mayson, 2007) and difficult to shift into formal practices (Hooi & Ngui, 2014). However, the SMEs leaders are recommended to (i) consider the current business environment to ensure the HRM practices are suitable (Jing et al., 2005); and (ii) be aware of how minimal investment in HRM practices can lead to weak strategic development (Fabi et al., 2009). These details are crucial due to the SMEs routines and capabilities are derived from the employees' proficiency (Yao & Chang, 2017).

The HRM can be defined as (i) the process of attracting, developing and maintaining the employees to achieve the business objectives (Cruz et al., 2011); and (ii) the strategic integration of practices for managing and developing employees (Newman & Sheikh, 2014). These descriptions highlight the main HRM function as (i) identifying employees that compliments the business objectives; (ii)

Table 1. List of SME performance

SME Performance		References
Financial Performance	**Non-Financial Performance**	
Market share; Profit growth; Return on investment; Sales growth; Return on asset; Operation cost	New product development; Innovation; Customer satisfaction; Customer retention	Gharakhani and Mousakhani (2012)
Sales growth; Return on equity	Productivity; Employee turnover rate; Quality improvement	Fabi et al. (2009)
Market share; Profit growth; Sales growth	Productivity; Production efficiency; New product development; Employee turnover rate	Hooi and Ngui (2014)
Operation cost	Productivity; Production efficiency; Employee turnover rate	Ecuyer and Raymon (2017)

developing employees' competencies; and (iii) motivating the employees (Hassan, 2010). Table 2 identifies the list of HRM practices with their main functions.

Past research study from Cassell et al. (2002) reported: (i) recruitment and selection process; (ii) training and development; and (iii) performance appraisal as the popular HRM practices while the rewards and incentives system was deemed the least popular HRM practices. Similarly, Zheng et al. (2009) observed: (i) recruitment and selection process; and (ii) rewards and incentives system as popular traditional HRM practices whereas (i) training and development; and (ii) performance appraisal are linked to innovative HRM practices in the SMEs. In addition, the SMEs begin to implement formal practices when: (i) informal communication channel are less effective; (ii) informal employee's engagement session become inappropriate; and (iii) HRM specialists are essential to avoid overburdening the SMEs leaders (McPherson, 2008). From these findings, it is evident how HRM practices have a significant impact on SME performance. Therefore, this article will further review the HRM practices in-depth to understand their impact on the SME performance.

Recruitment and Selection Process

The recruitment and selection process contribute to the SMEs by attracting employees based on their value and interest (Liao, 2005; Zheng et al., 2009). Business organizations with large number of employees experience complex recruitment and selection process (Barrett & Mayson, 2007). In contrast, the number of employees in the SMEs is low. As a result, the SMEs implement informal recruitment and selection process which are convenient and affordable (Newman & Sheikh, 2014). However, the main purpose of this HRM practice in the SMEs is to attract highly-skilled employees with key attributes that complements with their main objectives (Hassan, 2010; Langwell & Heaton, 2016). Therefore, this study proposed the following hypothesis:

Hypothesis One: The recruitment and selection process has a positive impact on the overall SME performance.

Hypothesis One A: The recruitment and selection process have a positive impact on the SME performance.

Hypothesis One B: The recruitment and selection process have a positive impact on the non-financial performance.

Table 2. List of the identified HRM practices

HRM Practices	Main Function
Recruitment and selection process	The process of drafting potential candidates based on their value and interest (Liao, 2005)
Training and development	The instructional procedure to enhance the employee's skill, knowledge, attributes and behavior (Zheng et al., 2009)
Performance appraisal	The system to control and improve business performance by clear evaluation process (Meena and Vanka, 2017; Ziyae, 2016)
Rewards and incentives system	The system improves the business performance by rewarding the employees based on their contribution (Kramar and Parry, 2014; Langwell and Heaton, 2016).
Communication channel	This involves spreading information among the personnel in the business organization via (i) formal; and (ii) informal means (Cruz et al., 2011)
Employees' engagement session	The interaction between the employees and the manager-owners to perceive the business performance from employees' perspective (Castrogiovanni et al., 2016; Cruz et al., 2011)
Human resource specialist	Personnel responsible for formulating and implementing the HRM practices in the business organization (Self-definition)

Hypothesis One C: The recruitment and selection process have a positive impact on the financial performance.

Training and Development

The training and development process are a procedure which enhances the employees' skills, knowledge and attributes (Zheng et al., 2009). The procedures involve: (i) knowledge sharing, (ii) work awareness; and (iii) skill-building programs (Meena & Vanka, 2017). As a result, this improves the employees' (i) productivity (Kramar & Parry, 2014); and (ii) problem solving skill (Castrogiovanni et al., 2011; Langwell & Heaton, 2016). Although the SMEs experienced low training and development cost due to their small number (Reid et al., 2002), it is an informal, unplanned and short-term procedure due to the high cost involved and limited awareness on the benefits (Newman & Sheikh, 2014). Nevertheless, the training and development process implemented in the SMEs intends to enhance the overall employees' capabilities. Thus, the following hypothesis is proposed in this study:

Hypothesis Two: Training and development has a positive impact on the overall SME performance.
Hypothesis Two A: Training and development has a positive impact on the SME performance.
Hypothesis Two B: Training and development has a positive impact on the non-financial performance.
Hypothesis Two C: Training and development has a positive impact on the financial performance.

Performance Appraisal

The performance appraisal is the evaluation process to control and improve business performance (Meena & Vanka, 2017; Ziyae, 2016). In the SMEs, the performance appraisal is informal and less systematic which focuses on monitoring employees performance (McEvoy & Buller 2013; Newman & Sheikh, 2014). This can be conducted by (i) the supervisors; (ii) fellow peers; and (iii) subordinates (Kramar & Parry, 2014) to pinpoint specific employee's aspects for improvements (McEvoy & Buller, 2013) while ensuring fairness within the workforce (Meena & Vanka, 2017). With proper guidance and fair evaluation, the employees are directed towards the main objectives. Therefore, this study proposed the following hypothesis:

Hypothesis Three: Performance appraisal has a positive impact on the overall SME performance.
Hypothesis Three A: Performance appraisal has a positive impact on the SME performance.
Hypothesis Three B: Performance appraisal has a positive impact on the non-financial performance.
Hypothesis Three C: Performance appraisal has a positive impact on the financial performance.

Rewards and Incentives System

The rewards and incentives system improve the business performance by rewarding the employees based on their contribution (Kramar & Parry, 2014; Langwell & Heaton, 2016) in the form of (i) monetary rewards; and (ii) non-monetary rewards (Langwell & Heaton, 2016; Zheng et al., 2009). In the SMEs, informal rewards and incentives systems are implemented to control employee's performance (Barrett & Mayson, 2007; Newman & Sheikh, 2014). This stimulates the SME performance due to the employees being aware of how their performance is linked to their rewards and incentives (Castrogiovanni et al., 2011). By accommodating the employees' need, the business organizations can enhance the employee's performance (Liao, 2005; Meena & Vanka, 2017). In other words, the main purpose of rewards and incentives system is to retain and motivate the employees (Hassan, 2010). Therefore, this study hypothesizes the following:

Hypothesis Four: Rewards and incentives system has a positive impact on the overall SME performance.

Hypothesis Four A: Rewards and incentives system has a positive impact on the SME performance.
Hypothesis Four B: Rewards and incentives system has a positive impact on the non-financial performance.
Hypothesis Four C: Rewards and incentives system has a positive impact on the financial performance.

Communication Channel

The communication channel is implemented to spread information among the employees of the business organization through (i) formal; and (ii) informal means (Cruz et al., 2011). The SMEs mainly implement open communication due to their non-existent communication strategy (Wilkinson, 1999). With various rules and regulations as well as SMEs leader's supervision (Ziyae, 2016), an effective communication channel is essential to spread information (Cruz et al., 2011). This allows the SMEs leaders to (i) provide clear information to satisfy the employees' formative needs; and (ii) facilitate their knowledge to the employees (Castrogiovanni et al., 2011). This means the communication channel directs the employees towards the main objectives. Therefore, this study proposed the following hypothesis:

Hypothesis Five: Communication channel has a positive impact on the overall SME performance.
Hypothesis Five A: Communication channel has a positive impact on the SME performance.
Hypothesis Five B: Communication channel has a positive impact on the non-financial performance.
Hypothesis Five C: Communication channel has a positive impact on the financial performance.

Employees' Engagement Session

The employees' engagement session involves the interaction between the employees and manager-leaders to stimulate business performance (Castrogiovanni et al., 2011). This allows the business organizations to perceive their performance from the employees' perspective (Cruz et al., 2011). The employees' involvement in the business objectives can stimulate their commitment and performance (Sancho et al., 2018). In the SMEs, it important to maintain committed and loyal employees by acknowledging their contribution towards decision making process (Darcy et al., 2014). The employees' scope of influence has a significant impact towards the business organizations (Miles & Clieaf, 2016) due to (i) their influence on the overall business performance; and (ii) their perspectives being taken into consideration to achieve the main objectives (Cruz et al., 2011). Thus, this study proposed the following hypothesis:

Hypothesis Six: Employees' engagement session has a positive impact on the overall SME performance.
Hypothesis Six A: Employees' engagement session has a positive impact on the SME performance.
Hypothesis Six B: Employees' engagement session has a positive impact on the non-financial performance.
Hypothesis Six C: Employee's engagement session has a positive impact on financial performance.

Human Resource Specialist

The SMEs leaders acknowledge the value of human resource specialist but are not keen to their direction to avoid bureaucratic management (Renwick, 2003). With the main idea of HRM consisting a set of practices which reinforce each other (Batt & Hermans, 2012), the SMEs implements limited complex HRM practices to avoid high cost (Newman & Sheikh, 2014). This is evident during the early phase of the SMEs, in which HRM practices are coordinated by the SMEs leaders (McEvoy & Buller, 2013). This result in the overall HRM practices being informal, emergent and reactive HRM (Pscychogios et al., 2016). However, when the SMEs experience growth, formal HRM practices are

adopted, including professional human resource specialist (Cruz et al., 2011). Therefore, this study proposed the following hypothesis:

Hypothesis Seven: Human resource specialist has a positive impact on the overall SMEs performance.
Hypothesis Seven A: Human resource specialist has a positive impact on the SMEs performance.
Hypothesis Seven B: Human resource specialist has a positive impact on the non-financial performance.
Hypothesis Seven C: Human resource specialist has a positive impact on the financial performance.

METHODOLOGY

This study conducted an exploratory study to identify the impact of HRM practices towards the SMEs performance in Brunei Darussalam. An exploratory study is suitable for (i) assessing the research phenomenon to gain insight for clarifying the researcher's understanding (Saunders et al., 2009); and (ii) investigating the research phenomenon within an under-research area which the lack of prior knowledge (Psychogios et al., 2016). This study begins the exploratory study by selecting the SMEs in Brunei Darussalam.

For this study, non-probability sampling was chosen, in which, the sample population have a predetermined chance of being selected (Sekaran & Bougie, 2016). From the recent statistics, the sampling population of the SMEs service industry in Brunei Darussalam is 3,477 (Department of Economic Planning and Development, 2017). Based on this sample population, the recommended sample size is 346 (Saunders et al., 2009). The data collection was conducted with the questionnaire survey to develop descriptive and inferential statistics for explaining the relationship among the variables (Sreejesh et al., 2014). The questionnaires were distributed to 346 SMEs personally, in which 296 responded, providing a high response rate of 85.5%.

The questionnaire survey attempts to (i) collect the demographic details of the SMEs; (ii) assess the SMEs level of performance; and (iii) assess the HRM practices implemented in the SMEs. For this research study, observable and measureable index were considered as a means to operationalize the measurement for analyzing the behavioral dimension and facets of the concept (Sekaran & Bougie, 2016). In this case, the Likert scale is used to analyze favorable and unfavorable attitudes (Kothari, 2004) derived from equal intervals among the participants (Creswell, 2012). In other words, the measuring scales are implemented on the quantitative data based on the data descriptions.

RESULT AND ANALYSIS

Descriptive Results

Table 3 provides the descriptive background information of the SMEs in terms of (i) the number of employees, (ii) years of operations and (iii) types of goods and services provided. Based on the number of employees, 53.4% of the SMEs are categorized as small while the remaining 22.3% and 24.3% are categorized as micro and medium respectively. As for the years of operations, 34.8% of the SMEs have operated for more than 15 years. This is followed by 30.1% of the SMEs which have operated between 2 to 5 years. Meanwhile the remaining 22.6% and 12.5% have operated between 6 to 10 years and 11 to 15 years respectively. In terms of the types of goods and services, the top three (3) categories (while excluding others) are (i) retail (15.5%); (ii) food and beverages (13.5%); and (iii) professional services (12.5%).

Factor Analysis

The factor analysis was used to group the following variables: (i) SME performance; (ii) HRM practices which is illustrated in Table 4 and Table 5. In Table 4, two (2) components were extracted

Table 3. Information of the SMEs service industry in Brunei Darussalam

Description		Frequency (N=296)	Percentage
Number of Employees	Between 1 to 4	66	22.3%
	Between 5 to 19	168	53.4%
	Between 20 to 99	72	24.3%
Years of Operations	Between 2 to 5 years	89	30.1%
	Between 6 to 10 years	67	22.6%
	Between 11 to 15 years	37	12.5%
	More than 15 years	103	34.8%
Types of Goods and Services Provided	Retail	46	15.5%
	Import and Export	11	3.7%
	Transportation Services	3	1.0%
	Packaging Services	2	0.7%
	Food and Beverages	40	13.5%
	Hotel and Travel	14	4.7%
	Financial Institution	12	4.1%
	Professional Services	37	12.5%
	Engineering, Architecture and Technical Services	33	11.1%
	Maintenance and Repair Services	14	4.7%
	Education Services	20	6.8%
	Health Services	3	1.0%
	Personal Care Services	3	1.0%
	Others	58	19.6%

Table 4. Factor analysis loadings for SMEs performance

	Component	
	Non-Financial Performance	**Financial Performance**
Employee's morale	.855	
Employee's productivity	.836	
Number of objectives achieved	.805	
The quality of goods and services	.728	
Net profit margin		.923
Return on investment		.912
KMO: .792 Variance: 76.800% Bartlett's Test of Sphericity: 933.012 Sig: .000		

from the SME performance and were labeled as: (i) non-financial performance; and (ii) financial performance. The non-financial performance describes the non-monetary aspects of the SME performance by focusing on: (i) employee's morale; (ii) employee's productivity; (iii) number of objectives achieved; and (iv) the quality of goods and services. As for the financial performance, it describes the monetary aspects of the SME performance by focusing on: (i) net profit margin; and (ii) return on investment.

This is followed by the factor analysis conducted on HRM practices, in which, seven (7) components were extracted and labeled as (i) human resource specialist (HS); (ii) employees'

engagement session (EE); (iii) performance appraisal (PA); (iv) recruitment and selection process (RS); (v) rewards and incentives (RI); (vi) training and development (TD); and (vii) communication channel (CC). The factor analysis loading for the HRM practices is illustrated in Table 5.

Reliability Test

After the factor analysis is completed, the Cronbach's alpha reliability test was conducted with the result shown in Table 6. Based on the result, the Cronbach's alpha ranged from .738 to .934, which is the acceptable range to conduct an exploratory study. Therefore, the instrument had excellent reliability to give consistent results for this research study.

Table 5. Factor analysis loading for HRM practices

	Component						
	HS	**EE**	**PA**	**RS**	**RI**	**TD**	**CC**
HS06	.910						
HS05	.895						
HS01	.892						
HS03	.881						
HS02	.853						
HRM21	.624						
HRM19		.897					
HRM18		.868					
HRM20		.844					
HRM09			.858				
HRM08			.777				
HRM10			.738				
RS04				.853			
RS03				.847			
RS05				.719			
RI03					.818		
RI01					.766		
RI04					.742		
HRM02						.826	
HRM03						.785	
HRM04						.669	
HRM17							.822
HRM16							.719

KMO: .872
Variance: 77.516%
Bartlett's Test of Sphericity: 4429.817
Sig: .000

Table 6. Reliability test for the variables

Variables	No. of Items	Cronbach's Alpha
SMEs performance	6	.855
Non-financial performance	4	.853
Financial performance	2	.885
HRM practices	24	.903
HS	6	.934
EE	4	.831
PA	3	.821
RS	3	.802
RI	3	.789
TD	3	.738
CC	2	.762

Pearson's Correlation Analysis

Correlation analysis was conducted to explain the linear relationship between two variables. For this research study, the correlation between HRM practices and SME performance were analyzed which illustrated in Table 7.

The correlation analysis was subjected to two-tailed test of statistical significant at $p<0.01$. From the analysis, the result has shown how all the relationship between the HRM practices and SME performance were significant except for recruitment and selection and financial performance ($r=0.95$, $p=.102$).

In terms of relationship with the SME performance, the followings HRM practices have medium-strength relationship: (i) training and development ($r = .342$, $p < 0.01$); (ii) employees' engagement session ($r = .339$, $p < 0.01$), (iii) human resource specialist ($r = .330$, $p < 0.01$); and (iv) performance appraisal ($r = .303$, $p < 0.01$). This means a high SME performance is associated with: (i) training and development; (ii) employees' engagement session; (iii) human resource specialist; and (iv) performance appraisal.

As for the relationship with the non-financial performance, the following HRM practices have shown medium strength relationship: (i) training and development process ($r = .332$, $p < 0.01$); (ii) human resource specialist ($r = .332$, $p < 0.01$); and (iii) employees' engagement session ($r = .320$, $p < 0.01$). This means the high non-financial performance is associated with: (i) training and development; (ii) human resource specialist; and (iii) employees' engagement session.

Meanwhile, for the relationship with financial performance, none of the HRM practices demonstrated a medium strength relationship. However, the performance appraisal system has the strongest relationship among the HRM practice ($r = .263$, $p < 0.01$).

Based on the analysis, it suggests that SME performance and non-financial performance are highly associated with: (i) the training and development process; (ii) employees' engagement session; and (iii) human resource specialist. As for the financial performance, it is associated with the performance appraisal system, albeit being a weak relationship.

Linear Regression Analysis

The linear regression analysis is a statistical technique which analyzes the relationship between a single dependent variable with several independent variables. In this research paper, the relationship between the HRM practices are analyzed with the followings: (i) overall SME performance; (ii) non-financial performance; and (iii) financial performance.

Impact of Human Resource Management Towards the SME Performance

Table 8 illustrates the regression analysis between HRM practices and SME performance which indicated R = .478, R^2 = .229, R^2 adjusted = .210, F = 12.209, P < 0.01. This means the

Table 7. Correlation between HRM practices and overall SMEs performance

		RS	TD	PA	RI	CC	EE	HS	SMEP	NFP	FP
RS	Pearson Correlation	1	.217**	.228**	.352**	.195**	.310**	.342**	.191**	.208**	.095
	Sig. (2-tailed)		.000	.000	.000	.001	.000	.000	.001	.000	.102
	N	296	296	296	296	296	296	296	296	296	296
TD	Pearson Correlation	.217**	1	.417**	.297**	.354**	.206**	.256**	.342**	.332**	.242**
	Sig. (2-tailed)	.000		.000	.000	.000	.000	.000	.000	.000	.000
	N	296	296	296	296	296	296	296	296	296	296
PA	Pearson Correlation	.228**	.417**	1	.323**	.475**	.273**	.336**	.303**	.266**	.263**
	Sig. (2-tailed)	.000	.000		.000	.000	.000	.000	.000	.000	.000
	N	296	296	296	296	296	296	296	296	296	296
RI	Pearson Correlation	.352**	.297**	.323**	1	.332**	.446**	.382**	.261**	.252**	.186**
	Sig. (2-tailed)	.000	.000	.000		.000	.000	.000	.000	.000	.001
	N	296	296	296	296	296	296	296	296	296	296
CC	Pearson Correlation	.195**	.354**	.475**	.332**	1	.335**	.345**	.270**	.251**	.209**
	Sig. (2-tailed)	.001	.000	.000	.000		.000	.000	.000	.000	.000
	N	296	296	296	296	296	296	296	296	296	296
EE	Pearson Correlation	.310**	.206**	.273**	.446**	.335**	1	.380**	.339**	.320**	.255**
	Sig. (2-tailed)	.000	.000	.000	.000	.000		.000	.000	.000	.000
	N	296	296	296	296	296	296	296	296	296	296
HS	Pearson Correlation	.342**	.256**	.336**	.382**	.345**	.380**	1	.330**	.332**	.213**
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000		.000	.000	.000
	N	296	296	296	296	296	296	296	296	296	296
SMEP	Pearson Correlation	.191**	.342**	.303**	.261**	.270**	.339**	.330**	1	.934**	.769**
	Sig. (2-tailed)	.001	.000	.000	.000	.000	.000	.000		.000	.000
	N	296	296	296	296	296	296	296	296	296	296
NFP	Pearson Correlation	.208**	.332**	.266**	.252**	.251**	.320**	.332**	.934**	1	.489**
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	.000	.000		.000
	N	296	296	296	296	296	296	296	296	296	296
FP	Pearson Correlation	.095	.242**	.263**	.186**	.209**	.255**	.213**	.769**	.489**	1
	Sig. (2-tailed)	.102	.000	.000	.001	.000	.000	.000	.000	.000	
	N	296	296	296	296	296	296	296	296	296	296

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

Table 8. Regression analysis between HRM practices and SMEs performance

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Correlations			Collinearity Statistics	
		B	Std. Error	Beta			Zero-Order	Partial	Part	Tolerance	VIF
1	(Constant)	1.646	.235		6.995	.000					
	RS	.001	.046	.001	.018	.985	.191	.001	.001	.804	1.243
	TD	.144	.041	.210	3.559	.000	.342	.205	.184	.769	1.300
	PA	.048	.033	.091	1.448	.149	.303	.085	.075	.673	1.486
	RI	.010	.051	.012	.191	.849	.261	.011	.010	.683	1.465
	CC	.016	.035	.028	.456	.649	.270	.027	.024	.686	1.457
	EE	.175	.055	.196	3.207	.001	.339	.186	.166	.716	1.397
	HS	.097	.038	.157	2.571	.011	.330	.150	.133	.721	1.387

a. Dependent Variable: SMEP
R: .478
R^2: .229
Adjusted R^2: .210
Durbin Watson: 1.925

multiple correlation coefficients between the HRM practices and SME performance were .478, in which the HRM practices accounted for 22.9% of the variance in the overall performance. In addition, the generalizability of this model in another population is .210. As for the Durbin Watson (DW) value, it is 1.925.

Among the HRM practices, training and development process (TD) (β = .210, t = 3.559, p = .000) had the highest standardized beta coefficient. This is followed by employees' engagement session (EE) (β = .196, t = 3.207, p = .001) and human resource specialist (HS) (β = .157, t = 2.571, p = .011). This indicates that (i) training and development process; (ii) employees' engagement session; and (iii) human resource specialist are important variables for SME performance.

However, the recruitment and selection process (RS) (β = .001, t = 0.018, p = .985); performance appraisal (PA) (β = .091, t = 1.448, p = .149); rewards and incentives (RI) (β = .012, t = 0.191, p = .849); and communication channel (CC) (β = .028, t = 0.456, p = .649) were not significantly related to the SME performance. Thus, SME performance can be improved by training and development; employee's engagement and human resource specialist. Whilst, hypotheses H2a, H6a and H7a are supported, hypotheses H1a, H3a, H4a and H5a are rejected.

Impact of Human Resource Management Towards the Non-Financial Performance

Table 9 illustrates the regression analysis between HRM practices and non-financial performance which indicated R = .460, R^2 = .212, R^2 adjusted = .192, F = 11.038, P < 0.01. This means the multiple correlation coefficients between the HRM practices and non-financial performance were .460, in which the HRM practices accounted for 21.2% of the variance in the overall performance. In addition, the generalizability of this model in another population is .192. As for the Durbin Watson (DW) value, it is 1.955.

Among the HRM practices, training and development process (TD) (β = .213, t = 3.565, p = .000) had the highest standardized beta coefficient. This is followed by employees' engagement session (EE) (β = .175, t = 2.833, p = .005) and human resource specialist (HS) (β = .171, t = 2.779, p = .006). This indicates that (i) training and development process; (ii) employees' engagement session; and (iii) human resource specialist are important variables for non-financial performance.

Table 9. Regression analysis between HRM practices and non-financial performance

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Correlations			Collinearity Statistics	
		B	Std. Error	Beta			Zero-Order	Partial	Part	Tolerance	VIF
1	(Constant)	1.700	.262		6.496	.000					
	RS	.025	.051	.029	.496	.620	.208	.029	.026	.804	1.243
	TD	.161	.045	.213	3.565	.000	.332	.206	.187	.769	1.300
	PA	.029	.037	.049	.774	.439	.266	.046	.041	.673	1.486
	RI	.009	.056	.010	.164	.870	.252	.010	.009	.683	1.465
	CC	.016	.039	.026	.406	.685	.251	.024	.021	.686	1.457
	EE	.172	.061	.175	2.833	.005	.320	.165	.148	.716	1.397
	HS	.117	.042	.171	2.779	.006	.332	.162	.145	.721	1.387

a. Dependent Variable: NFP
R: .460
R^2: .212
Adjusted R^2: .192
Durbin Watson: 1.955

However, the recruitment and selection process (RS) (β = .029, t = 0.496, p = .620); performance appraisal (PA) (β = .049, t = 0.774, p = .439); rewards and incentives (RI) (β = .010, t = 0.164, p = .870); and communication channel (CC) (β = .026, t = 0.406, p = .685) were not significantly related to the SMEs performance. Thus, non-financial performance can be improved by training and development; employee's engagement and human resource specialist. Whilst, hypotheses H2b, H6b and H7b are supported, hypotheses H1b, H3b, H4b and H5b are rejected.

Impact of Human Resource Management Towards the Financial Performance

Table 10 illustrates the regression analysis between HRM practices and financial performance which indicated R = .357, R^2 = .128, R^2 adjusted = .106, F = 6.020, P < 0.01. This means the multiple correlation coefficients between the HRM practices and financial performance were .357, in which the HRM practices accounted for 12.8% of the variance in the overall performance. In addition, the generalizability of this model in another population is .106. As for the Durbin Watson (DW) value, it is 1.904.

Among the HRM practices, employees' engagement session (EE) (β = .165, t = 2.536, p = .012) had the highest standardized beta coefficient. This is followed by performance appraisal system (PA) (β = .134, t = 2.004, p = .046) and training and development (TD) (β = .132, t = 2.098, p = .037). This indicates that (i) employees' engagement session; (ii) performance appraisal system; and (iii) training and development process are important variables for financial performance.

However, the recruitment and selection process (RS) (β = .-049, t = -0.801, p = .424); rewards and incentives system (RI) (β = .011, t = 0.159, p = .873); communication channel (CC) (β = .024, t = 0.354, p = .724); and human resource specialist (HS) (β = .076, t = 1.169, p = .244) and were not significantly related to the SMEs performance. Thus, financial performance can be improved by employee's engagement; training and development as well as performance appraisal. Whilst, hypotheses H2c, H3c and H6c are supported, hypotheses H1c, H4c, H5c and H7c are rejected.

Table 10. Regression analysis between HRM practices and financial performance

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Correlations			Collinearity Statistics	
		B	Std. Error	Beta			Zero-order	Partial	Part	Tolerance	VIF
1	(Constant)	1.537	.308		4.994	.000					
	RS	-.048	.060	-.049	-.801	.424	.095	-.047	-.044	.804	1.243
	TD	.111	.053	.132	2.098	.037	.242	.123	.115	.769	1.300
	PA	.087	.044	.134	2.004	.046	.263	.117	.110	.673	1.486
	RI	.011	.066	.011	.159	.873	.186	.009	.009	.683	1.465
	CC	.016	.046	.024	.354	.724	.209	.021	.019	.686	1.457
	EE	.181	.071	.165	2.536	.012	.255	.148	.140	.716	1.397
	HS	.058	.050	.076	1.169	.244	.213	.069	.064	.721	1.387

a. Dependent Variable: FP
R: .357
R^2: .128
Adjusted R^2: .106
Durbin Watson: 1.904

FINDINGS AND DISCUSSIONS

The objective of this study is to examine the relationship between the HRM practices with the SME performance. The result of the correlation analysis shows that all the variables between HRM practices with SME performance were significant with the exception of recruitment and selection with financial performance. The linear regression analysis was conducted to examine the most contributory HRM practices which best predict the SMEs performance. The analysis was conducted, in which the result of the hypothesis was summarized in Table 11.

This study observed that training and development is significant for the overall SME performance. When SMEs are experiencing growth, highly skilled employees are required to maintain operation

Table 11. Summary of hypothesis result

Hypothesis	Description	Result
1	Recruitment and selection process have a significant impact on SMEs performance	Not supported
2	Training and development process have a significant impact on SMEs performance	Supported
3	Performance appraisal system has a significant impact on SMEs performance	Partially supported
4	Rewards and incentives system have a significant impact on SMEs performance	Not supported
5	Communication channel has a significant impact on SMEs performance	Not supported
6	Employees' engagement session has a significant impact on SMEs performance	Supported
7	Human resource specialist has a significant impact on SMEs performance	Partially supported

(McEvoy & Buller, 2013). This is due to the training and development process which is suitable for sustainable initiatives for the business organizations (Langwell & Heaton, 2016). The second findings of this study indicated employees' engagement session being significant to the overall SME performance. This is due to the informal employee relations within the SMEs (Wilkinson, 1999). The SMEs encourage employees' involvement due to their value and capabilities in achieving competitive advantage (McPherson, 2008). Thus, the sharing of information by the employees is crucial for generating flow of ideas (Castrogiovanni et al., 2011).

Thirdly, human resource specialist has partial significance on the overall SME performance. This is attributed to the objectives determined by the SMEs leaders' value and motives (Birley & Westhead, 1990). In addition, participatory management is a common phenomenon within the SMEs (Brand & Bax, 2002). This means, the formality of HRM practices is dependent on the SMEs leaders (Hooi & Ngui, 2014) due to not having a specific HRM department (Psychogios et al., 2016). As for the performance appraisal, it is implemented in the SMEs mainly for evaluation purpose (Brand & Bax, 2002). This is due to informality in the SMEs (McEvoy & Buller 2013; Newman and Sheikh, 2014) where evaluation process can be conducted by (i) the supervisors; (ii) fellow peers; and (iii) subordinates (Kramar & Parry, 2014).

Lastly, the recruitment and selection; rewards and incentives as well as communication channel are not significant to the SME performance. This can be attributed to HRM practices formulated by the SMEs leaders (McEvoy & Buller, 2013). The introduction of new employees in SMEs is low but compensated with internal referrals by employees (Brand & Bax, 2002). Due to the family environment in SMEs, open communication system is common which affects other HR practices (Brand & Bax, 2002; Wilkinson, 1999). In addition, SMEs with few resources remove the employees who are not performing effectively (McEvoy & Buller, 2013) and thus, not prioritizing the rewards and incentives system.

THEORETICAL AND PRACTICAL IMPLICATIONS

This study recognizes majority of the HRM studies are based from large business firms. With the resource-based view, the SMEs develop their HRM to sustain their competitive advantage. With limited studies emphasized on the SMEs survival instinct, this provides an opportunity for research from the resource-based view (Darcy et al., 2014). This study has contributed these aspects by providing HRM insight within the SMEs context. With the RBV as the underpinning theory, our study supports the idea of managing and synchronizing the resources effectively to ensure optimal SME performance.

It is crucial to link the key resources with the business performance (Kunc & Morecroft, 2010). Based on our findings, the training and development process as well as employee's engagement session have significant impact towards the overall SMEs performance in terms of both financial and non-financial performance. This supports the observation by Newman and Sheikh (2014), in which, HRM efficiency are derived from the employee's knowledge and capability. In addition, this further strengthens the key concept of RBV where the implementation of HRM practices serve as the source of sustainable competitive advantage for the business organizations (Batt & Hermans, 2012). However, it is equally important to understand how these findings can be practically applied.

The SMEs leaders can analyze their HRM practices to ensure consistent efficiency (Cassell et al., 2002). This explains how different business organizations, regardless of size, are able to thrive by relying on their internal factors (Kasturi et al., 2006). It is important for business organizations to ensure their HRM practices are efficient to maintain superior business performance (Hassan, 2010; Liao, 2005). In our findings, along with the training and development process as well as the employee's engagement session, the human resource specialist and performance appraisal have significant impact towards specific SMEs performance. This implies that although the SMEs lack formal structures and policies, the SMEs can benefit by investing in a system to evaluate their employees due to being the key aspect (Darcy et al., 2014). In addition, this supports the statement that business organizations

need to attract, manage and motivate the employees to exploit their full potential (Chung et al., 2015; Wright & McMahan, 2011).

CONCLUSION

Although this study observed how some HRM practices have significance on the SME performance, it lacks solid foundation which is subjected to criticisms. Based on the RBV, the theory has been criticized as (i) being broad and lack in-depth explanation of resource utilization (Costa et al., 2013); and (ii) offer minimal guidance on how to implement resource strategically (Gruber et al., 2010). Another criticism discussed how HRM practices are effective when matched with the requirements of the business strategy (Buller & McEvoy, 2012; Rubio & Aragon, 2009). This means HRM practices should link with the business strategy to assign employees in key areas of the business organizations (Lajara et al., 2003).

Currently, there is the lack of single management system which is optimal for all business organizations to perform optimally (Dutot et al., 2014). This is attributed to the large number of resources and capabilities for consideration (Lee, 2008). However, this paper has provided an insight of how HRM practices impact the SME performance. By extending the HRM knowledge in the SMEs context, a better understanding is acquired for possible future research to be conducted.

REFERENCES

Barrett, R., & Mayson, S. (2007). Human resource management in growing small firms. *Journal of Small Business and Enterprise Development*, *14*(2), 307–320. doi:10.1108/14626000710746727

Batt, R., & Michel Hermans, M. (2012). Global human resource management: Bridging strategic and institutional perspectives. *Research in Personnel and Human Resources Management*, *31*.

Birley, S., & Westhead, P. (1990). Growth and performance contrasts between 'Types' of small firms. *Strategic Management Journal*, *11*(7), 535–557. doi:10.1002/smj.4250110705

Brand, M. J., & Bax, E. H. (2002). Strategic HRM for SMEs: Implications for firms and policy. *Education + Training*, *44*(8/9), 451–463. doi:10.1108/0040091020449295

Buller, P. F., & McEvoy, G. M. (2012). Strategy, human resource management and performance: Sharpening line of sight. *Human Resource Management Review*, *22*(1), 43–56. doi:10.1016/j.hrmr.2011.11.002

Cassell, C., Nadin, S., Gray, M., & Clegg, C. (2002). Exploring human resource management practices in small and medium sized enterprises. *Personnel Review*, *31*(6), 671–692. doi:10.1108/00483480210445962

Castrogiovanni, G. J., Urbano, D., & Loras, J. (2011). Linking corporate entrepreneurship and human resource management in SMEs. *International Journal of Manpower*, *32*(1), 34–47. doi:10.1108/01437721111121215

Chung, C. C., Park, H. Y., Lee, J. Y., & Kim, K. (2015). Human capital in multinational enterprises: Does strategic alignment matter? *Journal of International Business Studies*, *46*(7), 806–829. doi:10.1057/jibs.2015.15

Costa, L. A., Cool, K., & Dierickx, I. (2013). The competitive implications of the deployment of unique resources. *Strategic Management Journal*, *34*(4), 445–463. doi:10.1002/smj.2018

Creswell, J. W. (2008). *Research Design: Qualitative, Quantitative and Mixed Methods Approaches* (3rd ed.). Sage Publication.

Cruz, C., Firfiray, S., & Gomez-Mejia, L. R. (2011). Socioemotional wealth and human resource management (HRM) in family-controlled firms. *Research in Personnel and Human Resources Management*, *30*(1), 159–217. doi:10.1108/S0742-7301(2011)0000030006

Dabic, M., Ortiz-De-Urbina-Criado, M., & Romero-Martínez, A. M. (2011). Human resource management in entrepreneurial firms: A literature review. *International Journal of Manpower*, *32*(1), 14–33. doi:10.1108/01437721111121206

Darcy, C., Hill, J., McCabe, T., & McGovern, P. (2014). A consideration of organizational sustainability in the SME context. *European Journal of Training and Development*, *38*(5), 398–414. doi:10.1108/EJTD-10-2013-0108

Darwish, T. K., Mohamed, A. F., Wood, G., Singh, S., & Fleming, J. (2017). Can HRM alleviate the negative effects of the resource curse on firms? Evidence from Brunei. *Personnel Review*, *46*(8), 1931–1947. doi:10.1108/PR-04-2016-0081

Department of Economic Planning and Development. (2012). Tenth National Development (2012 - 2017). Retrieved from http://www.depd.gov.bn/SitePages/Tenth%20National%20Development%20Plan.aspx

Department of Economic Planning and Development. (2017). *Statistics on micro small and medium enterprises (mSMEs)*. Bandar Seri Begawan, Brunei Darussalam: Presented at Department of Economic Planning and Development.

Dutot, V., Bergeron, F., & Raymond, L. (2014). Information management for the internationalization of SMEs: An exploratory study based on a strategic alignment perspective. *International Journal of Information Management*, *34*(5), 672–681. doi:10.1016/j.ijinfomgt.2014.06.006

Ecuyer, F. L., & Raymond, L. (2017). Aligning the E-HRM and strategic HRM capabilities of manufacturing SMEs: A "Gestalts" Perspective. In Electronic HRM in the Smart Era (pp. 137-172). Academic Press.

Fabi, B., Raymond, L., & Lacoursière, R. (2009). Strategic alignment of HRM practices in manufacturing SMEs: A Gestalts perspective. *Journal of Small Business and Enterprise Development*, *16*(1), 7–25. doi:10.1108/14626000910932854

Gautam, D. K. (2015). Strategic integration of HRM for organizational performance: Nepalese Reality. *South Asian Journal of Global Business Research*, *4*(1), 110–128. doi:10.1108/SAJGBR-10-2012-0119

Gharakhani, D., & Mousakhani, M. (2012). Knowledge management capabilities and SMEs organizational performance. *Journal of Chinese Entrepreneurship*, *4*(1), 35–49. doi:10.1108/17561391211200920

Gruber, M., Heinemann, F., Brettel, M., & Hungeling, S. (2010). Configurations of resources and capabilities and their performance implications: An Exploratory study on technology ventures. *Strategic Management Journal*, *31*(12), 1337–1356. doi:10.1002/smj.865

Hanson, J. D., Melnyk, S. A., & Calantone, R. A. (2011). Defining and measuring alignment in performance management. *International Journal of Operations & Production Management*, *31*(10), 1089–1114. doi:10.1108/01443571111172444

Hassan, A. (2010). Linking quality assurance to human resource management: A study of SMES in Malaysia. *International Journal of Quality & Reliability Management*, *27*(6), 641–657. doi:10.1108/02656711011054533

Holcomb, T. R., Holmes, R. M. Jr, & Connelly, B. L. (2009). Making the most of what you have: Managerial ability as a source of resource value creation. *Strategic Management Journal*, *30*(5), 457–485. doi:10.1002/smj.747

Hooi, L. W., & Ngui, K. S. (2014). Enhancing organizational performance of Malaysian SMEs. *International Journal of Manpower*, *35*(7), 973–995. doi:10.1108/IJM-04-2012-0059

Jing, W., Chang, A., & Huang, T. C. (2005). Relationship between strategic human resource management and firm performance: A contingency perspective. *International Journal of Manpower*, *20*(5), 434–449.

Kasturi, P., Orlov, A. G., & Roufaglas, J. (2006). HRM systems architecture and firm performance: Evidence from SMEs in a developing country. *International Journal of Commerce and Management*, *16*(3), 178–196. doi:10.1108/10569210680000216

Kothari, C. R. (2004). *Research Methodology: Methods and Techniques* (2nd ed.). New Delhi, India: New Age International.

Kramar, R., & Parry, E. (2014). Strategic human resource management in the Asia Pacific Region: Similarities and differences? *Asia Pacific Journal of Human Resources*, *52*(4), 400–419. doi:10.1111/1744-7941.12042

Kunc, M. H., & Morecroft, J. D. W. (2010). Managerial decision making and firm performance under a resource-based paradigm. *Strategic Management Journal*, *31*(11), 1164–1182. doi:10.1002/smj.858

L'Ecuyer, F., & Raymond, L. (2017). Aligning the e-HRM and strategic HRM capabilities of manufacturing SMEs: A "Gestalts" Perspective. In *Electronic HRM in the Smart Era (The Changing Context of Managing People, Volume)* (pp. 137–172). Emerald Publishing Limited. doi:10.1108/978-1-78714-315-920161006

Lajara, B. M., Lillo, F. G., & Sempere, V. S. (2003). Human resource management: A success and failure factor in strategic alliances. *Employee Relations*, *25*(1), 61–80. doi:10.1108/01425450310453526

Langwell, C., & Heaton, D. (2016). Using human resource activities to implement sustainability in SMEs. *Journal of Small Business and Enterprise Development*, *23*(3), 652–670. doi:10.1108/JSBED-07-2015-0096

Lee, G. K. (2008). Relevance of organizational capabilities and its dynamics: What to learn from entrants' product portfolios about the determinants of entry timing. *Strategic Management Journal*, *29*(12), 1257–1280. doi:10.1002/smj.716

Liao, Y. S. (2005). Business strategy and performance: The role of human resource management control. *Personnel Review*, *34*(3), 294–309. doi:10.1108/00483480510591444

Low, K. C. P., Ang, S. L., & Zain, A. Y. (2012). The key principles of managing people: The Brunei perspective. *Educational Research*, *3*(7), 594–602.

McEvoy, G. M., & Buller, P. F. (2013). Human resource management practices in mid-sized enterprises. *American Journal of Business*, *28*(1), 86–105. doi:10.1108/19355181311314789

Meena, K., & Vanka, S. (2017). Developing an empirical typology of diversity- Oriented human resource management practices. *Journal of Management Development*, *36*(7), 915–929. doi:10.1108/JMD-02-2016-0031

Miles, S. J., & Clieaf, M. V. (2016). Strategic fit: Key to growing enterprise value through organizational capital. *Business Horizons*, *60*(1), 55–65. doi:10.1016/j.bushor.2016.08.008

Mohamed, A. F., Singh, S., Irani, Z., & Darwish, T. K. (2013). An analysis of recruitment, training and retention practices in domestic and multinational enterprises in the country of Brunei Darussalam. *International Journal of Human Resource Management*, *24*(10), 2054–2081. doi:10.1080/09585192.2012.723021

Montoro-Sanchez, A., & Soriano, D. R. (2011). Human resource management and corporate entrepreneurship. *International Journal of Manpower*, *32*(1), 6–13. doi:10.1108/01437721111121198

Newman, A., & Sheikh, A. Z. (2014). Determinants of best HR Practices in Chinese SMEs. *Journal of Small Business and Enterprise Development*, *21*(3), 414–430. doi:10.1108/JSBED-05-2014-0082

Peschken, T., Shukla, P., Lennon, J., & Rate, S. (2016). The role of information alignment and entrepreneurial traits on SME internationalization: A conceptual framework. *Management Research Review*, *39*(2), 196–214. doi:10.1108/MRR-11-2015-0271

Peteraf, M. A., & Bergen, M. E. (2003). Scanning dynamic competitive landscapes: A market-based and resource-based framework. *Strategic Management Journal*, *24*(10), 1027–1041. doi:10.1002/smj.325

Psychogios, A., Szamosi, L. T., Prouska, R., & Brewster, C. (2016). A three-fold framework for understanding HRM Practices in South-Eastern European SMEs. *Employee Relations*, *38*(3), 310–331. doi:10.1108/ER-07-2014-0078

Quiros, I. (2009). Organizational alignment: A model to explain the relationships between organizational relevant variables. *The International Journal of Organizational Analysis*, *17*(4), 285–305. doi:10.1108/19348830910992103

Radnor, Z. J., & Barnes, D. (2007). Historical analysis of performance measurement and management in operations management. *International Journal of Productivity and Performance Management*, *56*(5/6), 384–396. doi:10.1108/17410400710757105

Reid, R., Morrow, T., Kelly, B., & McCartan, P. (2002). People management in SMEs: An analysis of human resource strategies in family and non-family businesses. *Journal of Small Business and Enterprise Development*, *9*(3), 245–259. doi:10.1108/14626000210438571

Renwick, D. (2003). Line manager involvement in HRM: An inside view. *Employee Relations*, *25*(3), 262–280. doi:10.1108/01425450310475856

Rodríguez-Gutiérrez, M. R., Moreno, P., & Tejada, P. (2015). Entrepreneurial orientation and performance of SMEs in the services industry. *Journal of Organizational Change Management*, *28*(2), 194–212. doi:10.1108/JOCM-01-2015-0020

Rubio, A., & Aragon, A. (2009). SMEs competitive behavior: Strategic resources and strategies. *Management Research: Journal of the Iberoamerican Academy of Management*, *7*(3), 171–190.

Sancho, M. P. L., Martínez-Martínez, D., & Jorge, M. L. (2018). Understanding the link between socially responsible human resource management and competitive performance in SMEs. *Personnel Review*, *47*(6), 1211–1243. doi:10.1108/PR-05-2017-0165

Saunders, M., Lewis, P., & Thornhill, A. (2009). *Research Methods for Business Students (5ᵗʰ ed.)*. Harlow, England: Financial Times/Prentice Hall.

Saunila, M. (2016). Performance measurement approach for innovation capability in SMEs. *International Journal of Productivity and Performance Management*, *65*(2), 162–176. doi:10.1108/IJPPM-08-2014-0123

Sekaran, U., & Bougie, R. (2016). *Research Methods for Business: A Skill Building Approach* (7th ed.). Sussex, United Kingdom: Wiley.

Singh, R. K., Garg, S. K., & Deshmukh, S. G. (2008). Strategy development by SMEs for competitiveness: A review. *Benchmarking: an International Journal*, *15*(5), 525–547. doi:10.1108/14635770810903132

Sreejesh, S., Mohapatra, S., & Anusree, M. R. (2014). *Business Research Methods: An Applied Orientation*. Cham, New York: Springer. doi:10.1007/978-3-319-00539-3

Trading Economics. (2018). Brunei GDP Annual Growth Rate. Retrieved from http://www.tradingeconomics.com/brunei/gdp-growth-annual

Wadongo, B., & Abdel-Kader, M. (2014). Contingency theory, performance management and organisational effectiveness in the third sector. *International Journal of Productivity and Performance Management*, *63*(6), 680–703. doi:10.1108/IJPPM-09-2013-0161

Wang, Z., Huo, B., Qi, Y., & Zhao, X. (2016). A Resource-based view on enablers of supplier integration: Evidence from China. *Industrial Management & Data Systems*, *116*(3), 416–444. doi:10.1108/IMDS-04-2015-0146

Wilkinson, A. (1999). Employment relations in SMEs. *Employee Relations*, *21*(3), 206–217. doi:10.1108/01425459910273062

Wright, P. M., & McMahan, G. C. (2011). Exploring human capital: Putting human back into strategic human resource management. *Human Resource Management Journal*, *21*(2), 93–104. doi:10.1111/j.1748-8583.2010.00165.x

Yao, F. K., & Chang, S. (2017). Do individual employee's learning goal orientation and civic virtue matter? A micro-foundations perspective on firm absorptive capacity. *Strategic Management Journal*, *38*(10), 2041–2060. doi:10.1002/smj.2636

Yousaf, Z., & Majid, A. (2016). Strategic performance through inter-firm networks: Strategic alignment and moderating role of environmental dynamism. *World Journal of Entrepreneurship, Management and Sustainable Development*, *12*(4), 282–298. doi:10.1108/WJEMSD-03-2016-0015

Zheng, C., O'Neil, G., & Morrison, M. (2009). Enhancing Chinese SME Performance through Innovative HR Practices. *Personnel Review*, *38*(2), 175–194. doi:10.1108/00483480910931334

Ziyae, B. (2016). Presenting an evaluation model of human resource management's effect on corporate entrepreneurship. *World Journal of Entrepreneurship, Management and Sustainable Development*, *12*(3), 228–242. doi:10.1108/WJEMSD-03-2016-0013

Chin Han Wuen is a PhD student at the Universiti Teknologi Brunei. His research interest includes human resource management, strategic management, and SMEs.

Fahmi Ibrahim is an Assistant Professor at School of Business, Universiti Teknologi Brunei. His main research areas specifically in knowledge management, strategic management, and MIS. His research focuses on KM and adding value, and the interface of KM and Intellectual Capital Management with an emphasis on the management-measurement concept. He is Editorial Board member of Journal of Business and Economic Development, a reviewer for the Knowledge Management Research & Practice (KMRP) and Associate Editor for the International Journal of Knowledge, Culture & Change in Organisations. He can be contacted at fahmi.ibrahim@utb.edu.bn

Kabiru Jinjiri Ringim is a Senior Lecturer in the School of Business, Universiti Teknologi Brunei (UTB). He is specializing in the field of operations and project management. He obtained his Ph.D. from University Utara Malaysia. His research interest includes survey research, business project management, information technology capability, organizational performance, and quantitative analysis.