

Understanding The Effect of Human Capital Management Practices, Psychological Capital, and Employee Engagement To Employee Performances

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Abstract. *As the main factor of creative business, creative and innovative employees are indispensable resources to respond to a dynamic business environment complexity nowadays in an adequate manner. Therefore, an entity should be more flexible and punctual during the talent acquisitions process, especially in a creative industry like architecture. The realization upon the importance of human capital determines the business unit to concern with precise human capital management practices, employee engagement, and psychological capital as preventive solutions to improve employee performance. However, the study whereby these variables are connected remains insufficient. Accordingly, this study aims to discover: (1) the relation between human capital management practices, psychological capital, employee engagement, and employee performance; and (2) the direct and indirect impacts among the variables with their significance. A questionnaire used for data collection that furtherly analyzed utilizing structural equation modeling by SmartPLS to examine the relationship between the variables. Expected outcomes of this research contribute to people and management topics, notably in human capital management and creative industry literature. For practical contributions, this research provides credible proves of how engagement and psychological capital have an essential role to be implemented in architectural firms.*

Keywords: *Employee engagement, employee performance, human capital, psychological capital, creative industry.*

1. Introduction

Innovation counts as one crucial element which allows an entity to keep sustain during the tight competition (Giannopoulou, Gryszkiewicz, & Barlatier, 2014). In the service industry, adopted innovation should deliver some advantages, which are: outperforming the competitor, enhancing quality and efficiency, and facilitating system development. However, an ideal innovation needs creativity as an antecedent. In terms of service context, creativity is a necessary step to manifest proper innovation as it integrally a part of service development (Giannopoulou et al., 2014; Zeng, Proctor, & Salvendy, 2009)

As the main factor of creative business, creative and innovative employees are indispensable resources to respond to a dynamic business environment complexity nowadays in an adequate manner

(Salamzadeh & Mirzadeh, 2016). Through them, the system could respond adequately to the dynamic business environment complexity nowadays. Therefore, business units need to be more flexible and prompt in acquiring the best talents to be hired (Gill, 2007; Hodges, 2010; Kadiresan, V., Selamat, M. H., Selladurai, S., Ramendran SPR, C., & Mohamed, 2015). People are frequently selling their skills promptly to join and over the company, necessarily careless about loyalty or to catch the better opportunity. Particularly in the creative industry, whereas the workload depends on the available project or goal. Regarding this, human capital's responsibility is not over attracting the best and creative talent. They have a further job to strengthen the engagement of hired talents for the welfare of a firm, both from outside of individual (work environment) and within (psychological aspect) (Kadiresan et al., 2015).

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Architects support an essential role in Indonesia (Sabdarini, 2019). As a sub-sector of a creative industry, it supports notably higher growth than the average growth of the creative and national economy in terms of Gross Added Value, workforces, business units, and household consumption (Putra, 2017). Furthermore, architecture distinguished for its 'elite' classification from another creative industry, whereas the workforces should hold specific skills from an educational background that made them specialized. Throughout their works, architects present characteristics of Indonesia's cultural diversity in terms of design, which considered as domestic cultural empowerment. Concerning developmental function, the profession is crucial as Indonesia encounters an economic shift of the raw-based economy to a knowledge-based economy. However, management issues rooted in the educational system counts as one obstruction to have the firms qualified in managerial capabilities.

HCMP aims for employment sustainability. Hence, individuals operate their judgments and perspectives that would shape their actions accordingly in their work lives (Rana, Ardichvili, & Tkachenko, 2014). An employer initiates to attend following the personal qualities that shape productivity. Psychological capital consists of desirable personal attitudes, while engagement is a substantial predictor of employee performances (Bakker, 2011). This research has the purpose of examining the relationship between HCMP, psycap, employee engagement, and employee performances in architectural firms. Including psychological capital in studies of human capital management and employee engagement concerning employee performances counts as a new approach that would contribute to people management works of literature. Throughout the variables examination, the development of a conceptual model would attend literature contribution, practical implication, and further studies' conviction.

2. Literature Study / Hypotheses Development

2.1. Human Capital Management Practices

HCMP is a set of applications, systems, and policies affecting behavior, performance, and employees' attitudes. Besides talent and skill acquirements, HCMP purposes of supporting a business unit to achieve its objectives by integrating human capital strategies that suit business policies. Additionally, the fundamental obligation of human capital is to supports employee empowerment to be more equipped for competing.

HCMP focuses on the capacity enhancement of service employees by using recruitment, training, performance assessment, rewards, and decision-making assistance (Santhanam, T.J., Dyaram, & Ziegler, 2017) to improve employee development, which conceivably affects their job performance and customer fulfillment. Universal practices of HCMP, namely, performance appraisal, career management, training, reward, and recruitment, are positively affirmed in concern of innovation and creativity (Jiang, Lepak, Hu, & Baer, 2012; Tan & Nasrudin, 2011).

2.2. Psychological Capital

Studies of psychological capital refer to Luthans, Youssef, and Avolio (2007) as their basic knowledge in this concern. Psychological capital is a set of individuals' positive psychological state that characterized by (1) self-confidence, (2) optimism about future; (3) hope towards goal; (4) resiliency for success (Luthans et al., 2007). Costantini, De Paola, Ceschi, Sartori, Meneghini, & Di Fabio (2017) state that psychological capital is a set of personal resources for work engagement enhancement. Employees that occupy the high level of psychological capital would most likely: (a) persistent in achieve and redirect paths to goals for success; (b) confident and active in overcoming challenging objectives; (c) demonstrate resilience to attain goals during adversity; and

(d) optimist about current and future success (Luthans et al., 2007).

2.3. Employee Engagement

Employee engagement is an organization tool to strive better competitive advantage over others (Anitha, 2014) and to ensure employees' devotion towards organization values and purposes, motivate for a firm's success, along with well-being enhancement at the same moment (Zulkifli & binti Ali 2017). Nowadays, many define engagement as a positive, fulfilling, work-related state of mind characterized by vigor, dedication, and absorption (Schaufeli & Bakker, 2010).

Vigor defines full energy and resilience that people put while working. Vigorous people invest their willingness and effort in persistence way. Dedication relates to deep involvement towards jobs a fulfillment: inspiration, enthusiasm, prideful, and challenger. Absorption is known as a high focus, happy attitude, and attachment to work (Schaufeli & Bakker, 2010).

2.4. Employee Performances

2.4.1 Employee Performance

Pradhan & Jena (2016) explore three factors of employee performance in their study : (1) task performance (2) adaptive performance (3) contextual performance. Task performance contents of cognitive skill through knowledge, expertise, and habits in the process of job responsibility (Conway 1999 in Pradhan & Jena 2016). Adaptive performance is an ability to deal with a dynamic environment of the organization (Baard, Rench, & Kozlowski, 2014). Adaptability and interpersonal skills are required to maintain good cooperation during an unstable business condition. Contextual performance is an expected positive attitude performed by organization members in their works.

2.4.2. Employee Innovativeness

Innovative is an act to intentionally create, introduce, and apply the ideas to invite higher

group performance that will benefit the organization for a long term survival (Agarwal, 2014; Heye, 2006; Jansen, 2000; Jiang et al., 2012). Thinking imaginative can formulate aesthetically satisfying designs with problem-solving function (Idi & Khaidzir, 2015). There are two types of innovation in an organization which relates to a technology adoption of organization and work activities (Jiang et al., 2012), namely :

- Product innovation: the capacity of new products or services creation or adaption.
- Process innovation: adaption of newly implemented infrastructure or technologies.

2.4.3. Employee Creativity

Creativity is unconventional thinking and action in performing beyond routine tasks (ElMelegy, A. R., Mohiuddin, Q., Boronico, J., & Maasher, 2016; Sinha, Abraham, Bhaskarna, Xavier, & Kariat, 2014). Creativity could be determined both as a process and outcome of produced ideas (Zhang & Bartol, 2010). Creative people are likely to possess reasonable solutions for problem-solving.

Employee engagement could mediate HCMP and employees' creativeness to handle customers (Karatepe, 2013; Nawaz, Hassan, Hassan, Shaukat, & Asadullah, 2014). In an example, employees will make an outstanding performance once they have finished the training and empowerment program. Accordingly, they will repay more creativity to testify to their engagement. Engaged people are enthusiastic about sharing ideas (Tang, Yu, Cooke, & Chen, 2017; Vinarski-Peretz, Binyamin, & Carmeli, 2011).

2.5. Conceptual Model

Employee selection aims to advance focus on personal resources enhancement along with job resource improvements that are necessary to enhance their work engagement and performance (Kotzé, 2018). As a construct, psychological capital could predict engagement (Gota, 2017) and performance (Simons & Buitendach, 2013). A high level of psychological capital may impact employees' performance in a positive manner (Simons &

Buitendach, 2013). HCMP is a designated system to help employees execute their work responsibility and remain positive in a work setting (Tabaziba & Rejoice, 2015). A significant correlation around PsyCap, engagement, and performance also found in

Hodges (2010). When an individual feels that he has sufficient ability to complete his work with coincidentally positive psychological state, he will be more dedicated, absorbed, and enthusiastic in fulfilling their responsibilities.

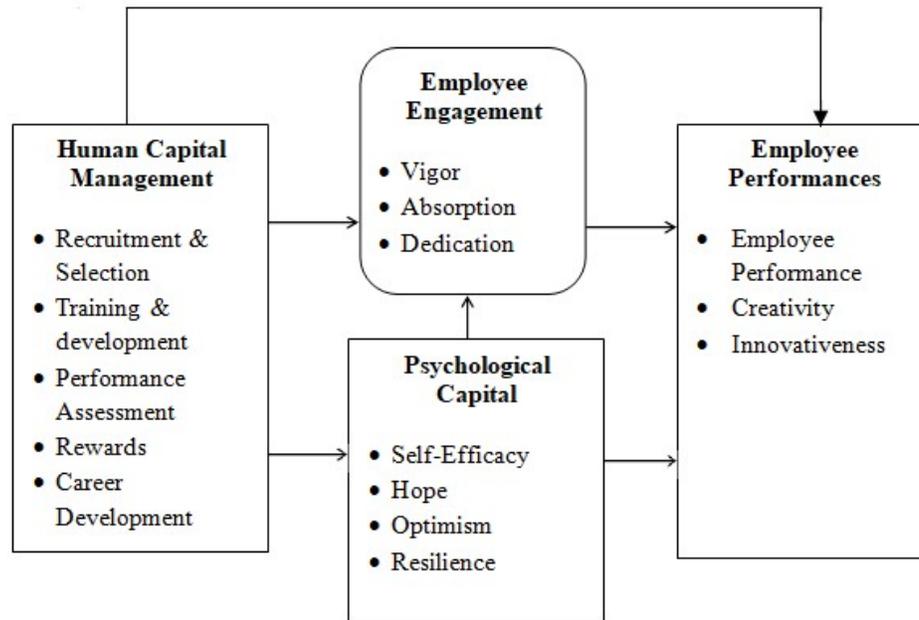


Figure 1.
Conceptual Model

2.6. Hypotheses

According to the literature and conceptual model above, below are proposed research hypotheses to pursue :

- H₁ : Human capital management practices positively impacting employee engagement
- H₂ : Human capital management practices indirectly (through employee engagement) positively impacting employee performances
- H₃ : Psychological capital of employee positively impacting employee engagement
- H₄ : Human capital management practices positively impacting impact on employee performances
- H₅ : Psychological capital of employee indirectly (through employee engagement) positively impacting towards employee performances
- H₆ : Human capital management practices

positively impacting employee psychological capital

- H₇ : Human capital management practices indirectly (through psychological capital) positively impacting employee performances.
- H₈ : Human capital management practices indirectly (through psychological capital) positively impacting employee engagement.
- H₉ : Employee engagement of employee positively impacting employee performance
- H₁₀ : Psychological capital of employee positively impacting employee performance
- H₁₁ : Human capital management practices through psychological capital and employee engagement positively impacting towards employee performances.

3. Methodology

This research pursues a quantitative method with a survey as the strategy to obtain necessary data. The questionnaire formed digitally using Google Forms with a sum of 65 statements, representing 15 dimensions of variables from HCMP, employee engagement, psyicap, and employee performance. Likert Scale is a selectable measure scale for a questionnaire concerning its usefulness to procure the perception of respondents.

3.1 Sample

This study objects the numbers of architectural firms with a purposive sampling method. Purposive sampling is a judgmental, selective, or subjective sampling method to determine respondents in a study (Sugiyono, 2011). In regards to sample size, this study applies the Roscoe concept (Sekaran, 2006; Sugianingrat, Widyawati, da Costa, Ximenes, Piedade, & Sarmawa, 2019), which determines the sample size by at least ten folds or more of variables' number in the research model. Following this idea, the minimum respondents in this study should be at least 40 participants. As for the requirements, firms that participate are after several considerations below :

- a. It engages in the architectural and constructional field
- b. Opens for public recruitment
- c. Center office located in Bandung or Jakarta
- d. Established more than five years before 2019.
- e. Holds employees that signed for studio crew. By means, the firm does not stand with the principal and partners alone.
- f. Only studio crew allowed to perform as respondents. It is after their primary job for idea execution that needs creativity and innovation involved.

Following the consideration above, eight architectural firms chosen as predicament participants in this study. After aim permission for data collection, the questionnaire link directly handled to the

firm's PIC to be sent across the studio crew later. The respondents are required to assess themselves about their engagement, psychological capital, self-performance, and their perception toward the firm's HCMP at the workplace. For HC Department or PIC that handles the firm's HCM practice, there are some additional questions regarding HCMP. The purpose of these further questions is to provide a better understanding of HCMP in the firm.

3.2. Data Analysis

Variables in this study measured by a five-point Likert-type scale ranged from "strongly disagree" to "strongly agree." Each variable will be proxied with some representative statements that would discuss later on.

The first page of the questionnaire will acknowledge the demographic information of the participant. Gender, age, educational background, working experience, and current position are purposely to know each firm employee's demographic nature. Acquired data in this stage would be descriptively analyzed by SPSS and Microsoft Excel, respectively. The results offer more conclusions concerning the participants' in the industry.

After performing a descriptive statistics, model and hypotheses examinations take the subsequent analysis with SmartPLS. The data should meet the reliability and validity conditions to confirm the excellent construction of indicators towards their respective latent variables. The terms will meet whether Cronbach's Alpha shows a value higher than 0.7 for reliability and a higher amount of AVE, which is 0.5 for validity.

Bootstrapping analysis is a step to discover the relationship between the latent variables in the structural model. Inner model evaluation builds under three approaches, namely R^2 , Q^2 predictive relevance, and GoF value. Q^2 used to predict the relevancy of each endogenous variable, which is hopefully

more eminent than 0.5. R^2 explains the consequence of exogenous variables towards endogenous variables. Least, GoF value defines the exactitude validity level of the research model with a range from 0 to 1. The bigger the GoF value is, the more refined the research model is.

Bootstrapping analysis still holds a place in hypotheses testing, both for the direct and indirect effects. Throughout the test, the lower point of P-value indicates the significant impact between latent variables (<0.05). Additionally, the Original Sample column provides information to determine the positive or negative influence of variables. Particularly for indirect effects, the Specific Indirect Effect is an available feature to access the result of mediating variable analysis.

3.3. Measurements

Human capital management practices

This variable uses the dimensions of recruitment, rewards, career development, performance appraisals, and training (Jiang, 2012; Tan & Nasurdin, 2011). The questions adopted from Karatepe (2013), Karatepe (2014), Gupta and Kumar (2012), and McConnell (2001) from Silva & Shinyashiki (2014). It serves a purpose to find whether HCMP empowers employee engagement, psycap, and employee performances. Following that, which dimension of HCMP that significantly affects the staff members during their work in the organization.

Psychological Capital

Following the steps of previous studies of psychological capital, this study will adopt 12-items of Psychological Capital Questionnaire developed and validated by Luthans et al. (2007). Twelve items will represent each of PsyCap dimensions, which are hope, self-efficacy, resiliency, and optimism.

Employee Engagement

As previously recalled from multiple studies, Utrecht Scale is the most popular measurement for employee engagement. It identified the scale as both reliable and valid in terms of measuring employee engagement (Juhdi, Pa'wan, & Hansaram, 2013). It contains nine items representing employees' state of vigor, dedication, and absorption relate to their job. In this study, six items selected to stand as the representatives.

Employee Performances

A study of Griffin, Neal, and Parker (2007) and Pradhan & Jena (2016) state of how job proficiency is helpful for task performance, while adaptive and proactive to the job role are remarkable in uncertain business environments. Certain questionnaire statements from Griffin et al. (2007) will put into the questionnaire to represent adaptive, proficiency, and proactivity, both team and individuality. Creativity as another dimension of employee performances in this study comes from items of Zhang & Bartol (2010) and Carmeli, Gelbard, and Reiter-Palmon (2013). Innovativeness measured by the nine-items of Janssen (2005) and three items of Hurt, Joseph and Cook (2013) from Ali (2019). Elements of Hurt et al. (2013) measure individual innovativeness due to perceive and react to new ideas, inventions, or ideas of doing things. Janssen (2005) offers acknowledgment of how frequently people performed innovative activities, includes idea generation, idea promotion, and idea realization.

4. Finding and Discussion

SEM-PLS used to acknowledge structural relevancy between HCMP, psycap, employee engagement, and employee performances according to collectible data from several architecture firms located in Bandung and Jakarta. Respondents' initials are subsequently present in Table 1.

Table 1.
Firm Respondent List

No	Firms	Respondents
1	PPS	5
2	PFP	11
3	PUN	9
4	HCP	14
5	PSE	12
6	ADS	9
7	SDS	7
8	BTA	8
	Total	75

Sourcing from eight architectural firms in Bandung and Jakarta, we finally obtain 75 personnel to participate in this study. Architectural firms mainly dominated by male staff, as they are graduates from engineering basics, both from university degrees and high school degrees. The age gap ranged from the '20s until '40. As shown in Table 2 below, a relatively substantial number of employees are currently 20-25 years old. It signifies that people who work in architectural firms are in productive age. Data

shows that the majority of respondents come from university degrees, followed by the senior high school level. Employees from equivalent Senior High School backgrounds occupied as a drafter. Every firm has at least one staff member who is in a range of 30-40 years old and holds more than five years of employment occupies as a project manager or supervisor. The rest of the personnel are younger, with a maximum of two years of employment.

Table 2.
Descriptive Statistics

Characteristics	Total	Percentage
<i>Gender</i>		
Male	53	70.8%
Female	22	29.2%
Total	75	100%
<i>Age (years)</i>		
20-25	53	70.8%
26-30	13	16.7%
31-35	6	8.3%
36-40	3	4.2%
Total	75	100%
<i>Education</i>		
Senior High School/equivalent	19	25%
Diploma	6	8.3%
University	34	45.8%

Master	16	20.8%
Total	75	100%
<i>Periode of employment</i>		
<6 months	2	2.6%
6-11 months	16	21.3%
1-2 years	22	29.3%
3-4 years	13	17.3%
4-5 years	10	13.3%
>5 years	12	16%
Total	75	100%

Younger staffs relatively own shorter work experience than the group with 26 years old and over. This phenomenon explains fresh graduates' experience and shares a familiarity with the gig economy. However, in the world of architects, one common reason is the expiration of a project contract, which indicates the end of one's employment contract. A reliability test shows how much indicator variance is explainable by the latent variable. If a reflective indicator has a loading value of less than 0.4, the indicator shall be eliminated from the model. In this case, indicators of HCMP has the most eliminated than the rest of the latent variables.

Figure 2 shows the final indicators that stay in the model for further analysis. The smallest contributor is PSC12, and the biggest is PFM13, which is an innovative nature. As an indicator with the lowest loading value, PSC12 is an inverted statement. Therefore, the small the point is, the more desirable it indicates contribution toward employees' psycap. Figure 2 below represents information of more than 50% variant in the final indicators of HCMP and Employee Engagement. It signifies that several latent variables explain the typical indicators.

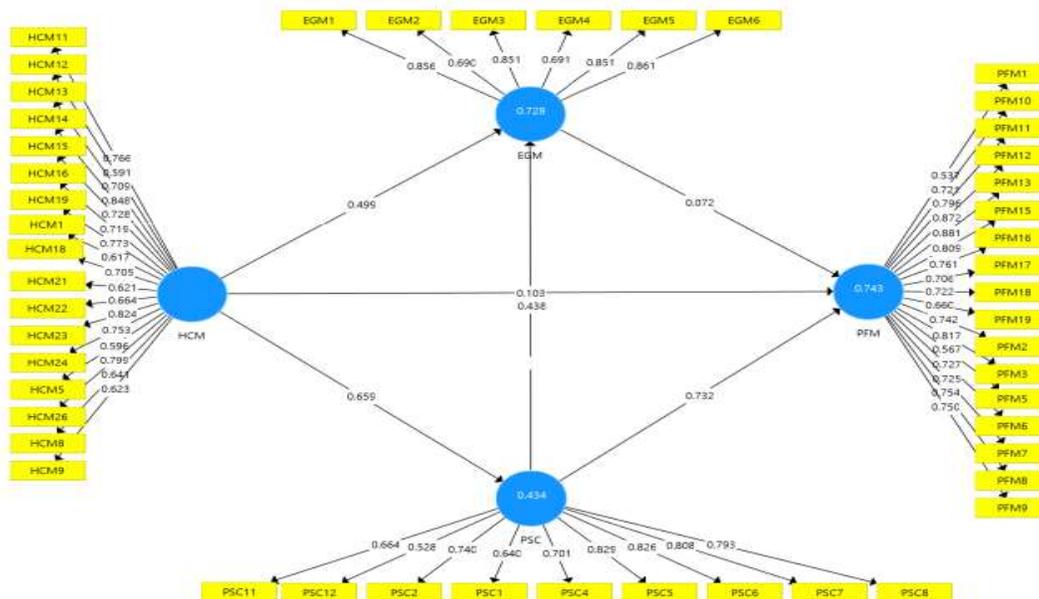


Figure 2.
Path Diagram with Loading Factor Post Elimination

However, the last percentage notes up as one of the employee performance indicators. However, since it does not interpose the reliability and validity test, there is an unnecessary step to propel it any further.

the four latent variables altogether have a composite reliability value of more than 0.6. Hence, the set indicators are accurately measured each construct or have met the reliability standards. In the AVE column, all latent variables value above 0.5, which indicates attainment of validity standard.

Table 3 below serves a result of Construct Reliability and Validity Analysis. In this table,

Table 3.
Composite Reliability & AVE

	Composite Reliability	AVE
Emp. Perf.	0.954	0.553
Engagement	0.916	0.646
HCM	0.944	0.503
PsyCap	0.911	0.535

Latest-model also shows the value of obtained R-Square points. Employee performance has 74,3%, 43.4% for psychological capital, and 72.9% for employee engagement. It explains that the variability of endogenous variables is explainable by the variability of exogenous variables with more than 50%. Moreover, available R-Square points are useful to find GoF value by this formula (Sholiha & Salamah, 2015) :

$$\text{Goodness of Fit (GOF)} = \sqrt[3]{(\text{AVE} \times \text{R-Square})}$$

With 64,1%, it signifies that HCMP could explain 64,1% of psycape, employee engagement, and employee performance. Accordingly, the model has a strong ability to disclose empirical data with the variables influencing each other.

Table 4.
Bootstrapping Analysis

	Original Sample	T Statistic	P Values
EG->PFM	0.072	0.634	0.526
HCM->EG	0.499	4.718	0.000
HCM-> PFM	0.103	0.966	0.334
HCM->PSY	0.659	6.284	0.000
PSY-> EG	0.438	4.634	0.000
PSY-> PFM	0.732	6.786	0.000

Table 4 above displays information from the bootstrapping result, which is a direct relationship between latent variables. P Values are determined to explain the relationship between these latent variables. Through paying attention to P-value and

Original Sample columns in each section, it implants all the hypotheses that:

H₁ : Human capital management practices positively impacting employee engagement – is ACCEPTED.

H₃ : Psychological capital of employee

positively impacting employee engagement – is ACCEPTED.

H₄ : Human capital management practices positively impacting employee performances– is NOT ACCEPTED.

H₆ : Human capital management practices positively impacting employee psychological capital– is ACCEPTED.

H₉ : Employee engagement of employee positively impacting employee performance- is NOT ACCEPTED.

H₁₀ : Psychological capital of employee positively impacting employee performance- is ACCEPTED.

To determine the significance of the relationship, T-Table value obtained from the operational formula of Ms. Excel. Discover the formula = TINV, put the number of samples, and the number of independent

variables (including intervening). In this study, the formula suggests 1.993 as the exact T-Table value, which is a compare tool with the value of T Statistics obtained from bootstrapping operations. By comparing the T-Table value and the T Statistics value, we can hypothesize that:

H₁ : Human capital management practices positively impacting employee engagement significantly.

H₃ : Psychological capital of employee positively impacting employee engagement significantly.

H₆ : Human capital management practices positively impacting employee psychological capital significantly.

H₁₀ : Psychological capital of employee positively impacting employee performance significantly.

Table 5.
Specific Indirect Effect

	Original Sample	T Statistics	P Values
1->3->4	0.036	0.658	0.511
2->3->4	0.032	0.583	0.560
1->2->3->4	0.021	0.540	0.589
1->2->4	0.482	4.282	0.000
1->2->3	0.288	3.028	0.003

Notes :

- 1 : Human Capital Management
- 2 : Psychological Capital
- 3 : Employee Engagement
- 4 : Employee Performances

Specific Indirect Effect in Table 5 above utilized to discover the indirect relationship result. Accordingly:

H₂ : Human capital management practices indirectly (through employee engagement) positively impacting employee performances- is NOT ACCEPTED.

H₅ : Psychological capital of employee indirectly (through employee engagement) positively impacting towards employee performances- is NOT ACCEPTED.

H₇ : Human capital management practices indirectly (through psychological capital) positively impacting employee performances- is ACCEPTED.

H₈ : Human capital management practices indirectly (through psychological capital) positively impacting employee engagement- is ACCEPTED.

H₁₁ : Human capital management practices through psychological capital and employee engagement positively impacting towards employee performances- is NOT ACCEPTED

Based on the verifying hypotheses, a new model developed, as Figure 3 shows below.

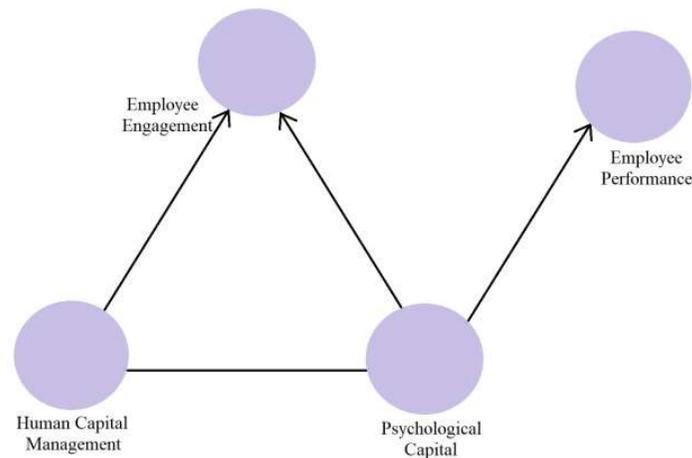


Figure 3.
New Model after Hypotheses Development

According to the final result of Structural Equation Modelling, the variables of HCMP that are profoundly empowering in the architecture industry denote performance appraisals, career development, and recruitment. From psychap variable, hope and optimism are the main actors, followed by self-efficacy. The respondents considerably dedicated, vigorous, and absorbed. Creativity as the expected performance takes the first place as it distinguishes the profession of architect itself from other engineers field (Sabrina, 2018). Hiring with selection practice and rewards are HCMP contributors to the creative industry (Jiang et al., 2012). The result is similar to this study. The selection process is useful to determine the most innovative candidates, while rewards assure that the relationship goes reciprocal for both ways.

Contrary to Jiang et al. (2012), performance appraisal and training (Raharja, 2018) manage the role of employee performances. Performance appraisal in architectural firms is an assessment tool, similar to the usual type of company. According to some firms, it helps them decide on employees' severance once the project nearly finished. Training is a nonmandatory program to enhance someone's general capability, not on the skill of the architect itself. Career development is the most significant indicator that signifies HCMP, similar to Anitha (2014) and Aktar &

Pangil (2018). Finding that most firms in this study hold a structural position, it motivates the crew to attain the corporate ladder. However, HCMP in this study should be followed by employees' psychological capital to enhance employee performances. Psychap holds a crucial element in the architectural business as it affects employee engagement and performance (Kurniadewi, 2016). Particularly, hope towards dedication and vigor that similar to Costantini et al. (2017). Hope will inspire the individual to be more persistent in overcoming work challenges. A work project causes exhaustion sometimes. At this point, hope will inspire them to continue progressing ahead.

As a part of the creative industry, architecture firms tend to have more flexible organizational culture. Principal or leaders actively interact with their subordinates in a friendly manner. In a sub-structural firm, human capital division kindly substitutes the owner's role to enhance their engagement through activities. To be concluded, leadership has a role in improving engagement and performance capacities (Chaurasia & Shukla, 2014; Raharja, 2018). Relatively, small numbers of employees facilitate the reason for whole monitoring. Concerning how contrary this study is on employee engagement and performance relationships, the study of Guan & Frenkel (2018) presents an idea of teamwork. The work-based project often managed in a team,

which indicates an interdependent work relationship that induces individual restraint to perform in high capabilities. Leader-subordinates relationship in practice most likely leads to unattainable full performance (Alfes, Shantz, & Truss, 2012). Nevertheless, how friendly the work situation is, there is always anxiety between leaders-subordinates relationship as subordinates obligate to support their leader's ambition.

5. Conclusion

This study aims to perform hypotheses and theory testing in the context of HCMP, psychcap, employee engagement, and employee performances. The results show that HCMP could affect the level of engagement and psychological capital. However, HCMP unable to stand separately with psychological capital to empower performances fully. Employee psychological capital required to support both HCMP and employee engagement on employees' performance.

The study concerning how HCMP and employee engagement linked with psychological capital remains few, especially in the creative industry. Positive interlinks between these variables are no doubt. Nevertheless, there is an invariably missing point to understand the relationship between HCMP, employee engagement, and employee performances. Psychological capital is one element that complements the relationship between these variables. Regarding theoretical contribution, this study contributes to people and management literature, especially in the integration of HCMP, employee engagement, psychological capital, and employee performance.

In terms of practical implication, this study shall provide information about how psychological capital and engagement aspects are essential for employees in the creative industry. Architecture is one profession in a creative industry that combines knowledge and creativity to produce an entirely

meaningful output. Professional means by them is to overcome all functional elements before the aesthetical aspect (Sabrina, 2018). For this reason, architecture firms shall hire someone who is not merely professional but also creative and innovative. Managers of firms need to maintain employees' sense of belonging and accommodate them with special treatment regarding work accomplishment to maintain their dedication and creative state of mind. The limitation of this study relies on respondents' descriptions of their HCMP. Future research should go more in-depth into HCMP practices in the creative industry and acknowledge deeper into the firm's culture. It is necessary since the culture of architectural firms are diverse between one and another. In terms of an insufficient number of participants (below 100) appears from respondents' compliance by several reasons, such as: has no experience in employees' recruitment and sustainability, the firm only apply work-contract based or part-time employment, an excessive workload during data collection, declination, and others.

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