



The effects of high performance human resource practices on service innovative behaviour



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ABSTRACT

Service innovative behaviour can be regarded as the core demand of hotel employees who serve their customers in the best possible manner. This study presents an integrated model examining the effect of high performance human resource practices (HPPHRP) on the commitment level of the tourist hotel employees from Uttarakhand, India. The study also examines the intervening role of climate for innovation in the commitment and service innovative behaviour relationship. Using a sample of 618 employees and 31 managers/supervisors, HLM was conducted to establish the relationship. Findings of the study reveal that organisational commitment mediated the relationship between the HPPHRP and service innovative behaviour of the employees. It was also found that climate for innovation acted as a moderator in the relationship between organisational commitment and service innovative behaviour. The study also discusses the implications of the findings along with potential practical applications.

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1. Introduction

In the present competitive environment, like other service industries the tourist hotels of India have been experiencing stiff competition in fulfilling the demands and meeting up to the expectations of the customers for better facilities as well as unique service quality (Leonidou et al., 2013; Oliveira et al., 2013). As a result, the hotels are now forced to introduce better and unique services to attract their customers and gain word of mouth publicity in their social networks so as to successfully survive the growing competition. In order to do so, the tourist hotels have started to encourage their employees to use their creative abilities to come up with innovative services, ultimately resulting in an increase in their organisation's effectiveness (Oliveira et al., 2013; Garg and Dhar, 2014). Innovative behaviour has been defined by Amo and Kolvereid (2005) as "an initiative from employees concerning the introduction of new processes, new products, new markets or combinations of such into the organisation" (p. 8).

The extent to which high performance human resource practices (HPPHRP) gives the indication to the employees that their organisation cares about them plays a significant role in redefining and improving the relationships between the employees and their organisation and thereby, have an impact on their work-related behaviours. Though studies have been conducted in the past

that highlight the prevalence of effective human resource practices being perceived to be a display of the organisation's supportive nature, it has also been seen that in most of these research studies (e.g. see Allen et al., 2003; Guerrero and Herrbach, 2009), only a few of the effective human resource practices have been tested, excluding others which may lead to incorrect conclusions regarding the impact of the human resource practices on work related employee behaviour. Further, though some of the studies have tried to highlight the existence of a relationship between some of the functions of human resource such as compensation (see Kachelmeier and Williamson, 2010; Alice and Hon, 2014), training (see Agogué et al., 2014; Dhar, 2015), performance management (see Ligon et al., 2012), etc. which all affect employee creativity, nevertheless there seems to be a gap in the literature in the area of examining the role of human resource practices, – especially displaying service innovative behaviour – in influencing employee creativity.

Some recent studies have also advised that the effectiveness of the human resource practices carried out by an organisation has a major role in encouraging their employees to suggest creative work outcomes (e.g. see De Saá-Pérez and Díaz-Díaz, 2010; Cooke and Saini, 2010). Although it is a topic of research to understand the role of human resource in promoting employee creativity, a lot of work in this regard is yet to be done.

Effective human resource practices can be considered to be key contributors to a firm's success in a transitional economy like India (Jaiswal and Dhar, 2015; Cooke and Saini, 2010). HPPHRP help in the development of employees' skills, knowledge and ability to participate in their companies' decision-making processes (Yu-Chen et al.,

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2010). HPHRP refers to a bundle of human resource practices that help in the development of employee skills, active participation in the institutional decision making process; the practices facilitate employee mobility, provide training for their professional development and regularly motivate them to use discretionary efforts (Zhang and Jia, 2010).

The Indian tourism industry has been playing a significant economic role and is characterised by managing rapid change, ambiguity, and by facing fierce competition (Patil, 2011; Gautam, 2012). Further, many scholars (e.g. Wei et al., 2010; Tang and Tang, 2012) have found that HPHRP are directly linked to sustainable competitive advantage and can have a direct impact on the organisation's overall performance by making bottom line contributions to the organisation's effectiveness.

In this study, an attempt has been made to show a link between HPHRP and service innovative behaviour of the hotel employees by conceptualising the prevalence of HPHRP as being important for nurturing creativity amongst the employees. To interpret and understand how the effects of HPHRP influence the service innovative behaviour of employees, a moderated mediation model has been developed wherein organisational commitment acts as a mediator between HPHRP and service innovative behaviour and climate for innovation moderates the mediating effects of organisational commitment. By doing so, this study tries to respond to the calls of De Saá-Pérez and Díaz-Díaz (2010) and Cooke and Saini (2010) who have advised to continue with the exploration of the intervening mechanisms through which effective human resource practices impact work outcomes like service innovative behaviour. Although service innovative behaviour is regarded as a complex process that is interactional in nature (Dotzel et al., 2013; Schuhmacher and Kuester, 2012), few (if any) studies have described in detail how effective human resource practices can promote service innovative behaviour (see De Saá-Pérez and Díaz-Díaz, 2010; Cooke and Saini, 2010).

This study can be considered as one of the few studies that has tried to theorise the relationship between the HPHRP and service innovative behaviour of the employees and can perhaps be considered as one of the first studies to adopt employee ratings in order to measure service innovative behaviour. From the theoretical point of view, this study has tried to bring together two streams of research that have evolved separately. The study has identified not only a new antecedent of service innovative behaviour, but also extends the implications of HPHRP to include service innovative behaviour. Therefore, this study will make an attempt to further advance the development of these two academic domains.

A second contribution of this study is that the moderated mediation model highlights the nature of the relationship that exists between HPHRP and service innovative behaviour, and enriches the understanding of its underlying mechanism. The presented model provides avenues for examining antecedents of service innovative behaviour by examining the effect of organisational commitment on service innovative behaviour and how climate for innovation may improve the possible mediation path. In a practical sense, the model may help the management of the hotels to design intervention programs that would promote service innovative behaviour amongst their employees.

2. Theoretical foundation and hypothesis formulation

2.1. Defining high performance human resource practices (HPHRP)

HPHRP practices can be considered as those organisational practices that lead to the achievement of a higher level of firm performance (Zhang and Jia, 2010; Bamberger and Meshoulam,

2000). Hence, it has started to act as an effective tool to achieve sustainable competitive advantage in the Western nations (Combs et al., 2006). In order to tackle the global competition, in recent times the Indian organisations have also started to focus more on adopting the 'best' human resource practices so as to achieve sustainable competitive advantage (Jaiswal and Dhar, 2015; Cooke and Saini, 2010). HPHRP fosters the shared perceptions of the employees of an organisation that is supportive in nature encouraging positive work behaviour that ultimately leads to the improvement of organisational performance. Tourist hotels in India can be considered as high performance oriented organisations who try their level best to attend to their customers' needs and desires (e.g. see Chand, 2010; Garg and Dhar, 2014, 2015; Dhar, 2015). The human resource practices involved in such types of performance oriented work environments also need to be designed in such a way that the organisation takes care of its employees in a similar fashion. Since the employees in the Indian tourist hotels work hard with inadequate manpower primarily due to high attrition rates, the human resource practices need to be tailored to suit the requirements of its employees. Considering such types of work environments, in their seminal work, Bamberger and Meshoulam (2000) tried to integrate resource-based and control-based approaches and put forward a framework to bring forth the concept of HPHRP. According to them, "People" are considered to be the most critical factor that leads to organisational success. HPHRP are expected to create value for organisations (Sun and Pan, 2011; Wei et al., 2010). The various aspects of HPHRP can be classified into three main parts, i.e. (a) flow of people, which includes selective staffing and training for development of the best available candidates, providing job security as well as mobility to shape the desired career paths of their employees, (b) a robust appraisal and reward system which includes timely and effective performance appraisals, compensation and other related benefits, and (c) emphasis on strong employment relations which includes designing of the job in an effective manner and employee participation in the decision-making process (Zhang and Jia, 2010; Sun et al., 2007). It should be possible to generalise these processes in the hotels of India. It is important to test all of these three factors combined in order to gain a comprehensive understanding of the effect of HPHRP on the service innovative behaviour of the employees.

2.2. High performance human resource practices and organisational commitment

A large number of studies have been carried out to understand the relationship between HPHRP and their impact on organisational commitment (Sun and Pan, 2011). The concept of HPHRP proposes a bundle of individual human resource practices that provides direction for the organisational managers as well as employees in order to shape the pattern of interactions between them (MacDuffie, 1995). It is considered to be a basket of integrated human resource systems wherein all the individual human resource practices are aligned with each other, leading to a high internal fit, as well as being aligned with the strategy and goals of the organisation, causing high external fit (Zhang and Jia, 2010). This nature of the HPHRP helps them to achieve a higher level of organisational performance, when compared with individual human resource practices which are considered to be less integrative (Bamberger and Meshoulam, 2000; Bowen and Ostroff, 2004; Lundy and Cowling, 1996).

The positive effect of the HPHRP on the commitment level of the employees can be understood well from the social exchange theory (Blau, 1964; Witt et al., 2001) which states that the employees enter into an exchange relationship wherein "the provision of benefits between parties creates obligations to reciprocate" (Yu and Egri, 2005, pp. 337).

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