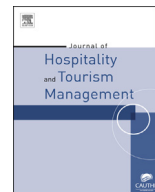




Contents lists available at ScienceDirect

## Journal of Hospitality and Tourism Management

journal homepage: <http://www.journals.elsevier.com/journal-of-hospitality-and-tourism-management>

# PRAXIS: The determining element of innovation behavior in the hospitality industry

Anastasios Zopiatis\*, Antonis L. Theocharous

Department of Hotel and Tourism Management, School of Business and Economics, Cyprus University of Technology, Spirou Araouzou 115, P.O. Box 50329, 3036 Limassol, Cyprus

## ARTICLE INFO

### Article history:

Received 23 August 2017  
Received in revised form  
28 December 2017  
Accepted 31 December 2017

### Keywords:

Praxis  
Innovation  
Human capital  
SEM  
Mediation analysis

## ABSTRACT

Innovation has emerged as an essential component of organizational success in the 21st century. Nonetheless, empirical research around innovation in the hospitality industry remains limited; especially in relation to small island tourist destinations like Cyprus. Responding to this emerging need, the study investigates the role of human capital – managerial employees ( $n = 425$ ) – as it relates to innovation initiatives in the hospitality workplace. Three hypotheses are postulated and analyzed using Structural Equation Modeling, a multivariate statistical analysis technique, to broaden conceptual horizons regarding the relationship between perceived organizational innovation culture and support, and the informed innovation-specific actions of employees, as well as their resultant behavior. The results suggest that *praxis*, which is defined as action informed by theory and experiences, is a vital element of innovation behavior in the hospitality industry. The resultant findings and implications are of interest to both academic and professional stakeholders in hospitality.

© 2018 The Authors.

## 1. Introduction

Ideal requirements to survive and thrive in volatile and highly competitive business environments (Anderson, Potočnik, & Zhou, 2014), creativity, innovation, and entrepreneurship have served as a focus for many scholars, who have gone on to investigate them from an array of different perspectives (Carlborg, Kindström, & Kowalkowski, 2014; Chen, 2011; Hjalager & Flagestad, 2012; Li & Hsu, 2016). The underlying relationship between the three terms has also received extensive coverage, with scholars exploring their complementary nature. In her seminal work, Amabile (1988, p. 126) makes a convincing case as to the nature of this relationship by suggesting that creativity is "... the production of novel and useful ideas by an individual or a small group of individuals working together," whereas innovation is defined as "... the successful implementation of creative ideas within an organization." In simple terms, creativity entails the intellectual capability of an individual or a group to formulate a new idea, whereas innovation is the process of implementing the idea in practice (O'Shea & Buckley, 2007). Innovation is considered by many (see, Zhao, 2005) as the

cornerstone of entrepreneurship which, according to Stevenson (1983, p. 23), is "... the pursuit of opportunity beyond resources controlled." The discussion of this complementary relationship dates back to 1934, when Joseph Schumpeter first suggested that an entrepreneur is by default an innovator; a premise subsequently shared by many scholars over the years.

As a result of the collapse of the Cyprus banking sector in March 2013, which prompted an IMF-EU bail-in intervention, and the prolonged financial crisis that followed, innovation took center stage in the country's urgent struggle for economic recovery. One type of innovation was to look to European Union initiatives (e.g. Horizon 2020, the biggest EU research and innovation program with nearly €80 billion of funding available over a 7-year period (2014–2020); see <http://ec.europa.eu/programmes/horizon2020/>), as a viable path to growth. Despite the business climate being pro-innovation overall, and support by academics regarding the immense innovation potential in tourism (Hjalager, 2010), the local industry made little effort to seize the opportunity, whereas academic research focusing on this topic is still under-developed (Sundbo, Orfila-Sintes, & Soerensen, 2007).

Responding to the call for additional research on this contemporary topic (Hon & Lui, 2016; Wong, 2016) this study aims to fill the vacuum by clarifying the role of human capital in such initiatives, and paving the way for further empirical investigation.

\* Corresponding author.

E-mail addresses: [anastasios.zopiatis@cut.ac.cy](mailto:anastasios.zopiatis@cut.ac.cy) (A. Zopiatis), [antonis.theocharous@cut.ac.cy](mailto:antonis.theocharous@cut.ac.cy) (A.L. Theocharous).

Specifically, the study investigates the association between an organization's perceived innovation culture and relevant support practices with the innovative actions of its employees, as well as their resultant behavior. Key operational and strategic implications for Human Resource Management (HRM) will also be presented based on our findings, with the aim of developing a supportive culture and cultivating desired behavior. Moreover, the findings will provide a realistic overview of the aforementioned relationship in the context of a small island tourist destination (Cyprus), an under-studied segment with atypical HRM challenges, which reveals implications relevant to other similar business settings.

## 2. Literature review and hypotheses development

Up until the end of the 20th century, hospitality operations tended to focus their efforts on quality improvement (Chan, Go, & Pine, 1998), nevertheless, socio-economic factors and technological advancements, driven by globalization and growing competition, necessitated a paradigm shift that brought innovation to the forefront (Tseng, Kuo, & Chou, 2008). Key to gaining a competitive advantage, innovation is considered a multidimensional construct, with scholars proposing a number of different classifications based on distinctive traits (Huse, Neubaum, & Gabrielsson, 2005). In tourism-related literature, Orfila-Sintes and Mattsson (2009) proposed four different types of innovation, namely, management, external communication, service scope and back-office; Hjalager (2010) introduced the five broad categories consisting of product or service, process, managerial, management, and institutional, whereas Chen (2011), espousing the seminal work of Anderson and West (1998), suggested that vision, participative safety, support, task orientation and interaction frequency are the elements of a service innovation culture.

For many years academics, and specifically behavioral theorists, pursued a debate whether leaders are 'born or made' (Brownell, 2010). The purists espoused the 'great man' theory, forcefully arguing that leaders are born, whereas the moderates suggested that, under specific circumstances, leadership skills can be nurtured and developed, especially in the workplace. In a similar vein, a debate is currently taking place as to whether individuals are born with creative and innovative inclinations, or whether such skills can be nurtured. Some argue that such qualities are directly related to the individual's personality traits, as defined by the popular Big Five test (Costa & McCrae, 1989). In particular, scholars (see, Sung & Choi, 2009; Zhao, Seibert, & Lumpkin, 2010) suggested that individuals with extraversion (defined as the energy, and the tendency to seek stimulation and the company of others) and openness (defined as the appreciation for art, emotion, adventure, and unusual ideas; being imaginative and curious) have stronger qualities of creativity and innovation, and therefore greater entrepreneurial potential. To accept this theoretical paradigm means to concur that creativity is limited to the 'gifted few'. A natural conclusion would then be that only those who possess innate talent are capable of making substantial contributions to the tourism industry.

Other scholars, mostly from the field of psychology and organizational behavior (see, Simonton, 2012), make a compelling case regarding nature (born) and nurture (made) enjoying a complementary dynamic, thus suggesting that creativity and innovation are qualities that can be taught in both academia (Kerr & Lloyd, 2008) and the workplace (McLean, 2005). The essence of modern management is to develop an ideal organizational environment in which individual employees can unleash their full potential (knowledge, skills, abilities and talents) in order to attain specific goals and objectives. Creating a positive environment, in which internal policies motivate actions aimed at nurturing and

supporting creative and innovative behavior on the part of the employees is a task entrusted to management. To that end, scholars (Auernhammer & Hall, 2014; Nardelli, 2017) have proposed numerous frameworks delineating the concepts of knowledge, creativity and innovation in the workplace, with particular emphasis on related practices and structures.

### 2.1. Organizational culture, support and service innovation actions (praxis)

Various studies have emphasized the role and importance of organizational culture in achieving operational success. Organizational culture, defined as "... the values, beliefs and hidden assumptions that organizational members have in common" (Valencia, Valle, & Jiménez, 2010, p. 468), unequivocally influences the workplace actions and behavior of employees. As noted (see, Ahmed, 1998; Chen, 2011; Naranjo Valencia et al., 2010), a positive organizational innovation culture will have a profound impact on the service innovation propensity and resultant actions of employees. Moreover, Seo and Creed (2002, pp. 229–230) argue that "... change in any social arrangement requires a social reconstruction process by the inhabitants of that social structure," thus highlighting the vital role of employees in organizational change, as well as workplace innovation.

The relationship between organizational culture and innovative workplace behavior by employees, either individually or in groups, has received considerable attention by scholars (Hon & Lui, 2016; Naranjo Valencia et al., 2010; Sundbo, Sundbo, & Henten, 2015). In their inspiring work, Martins and Terblanche (2003) highlight the ideal characteristics of a supportive organizational culture for both creativity (displayed individually or in groups) and innovation. According to the same authors, strategies, structures, support mechanisms, behavior, and communication are the primary factors influencing creativity and innovation in the workplace; in a similar vein, McLean (2005) posits that organization, supervision and encouragement of group work, freedom/autonomy, and resources are also essential elements of such an environment. More recently, Auernhammer and Hall (2014, p. 163), further elucidating this relationship, asserted that "... organizations that seek a positive influence on processes of knowledge creation, creativity and innovation should: be open to change; encourage and value free communication and new and/or unusual ideas; tolerate mistakes; and nurture intrinsically motivated staff."

Despite its acknowledged importance, organizational culture is nonetheless a theoretical construct, based mostly on internal and external declarations (for example, an organization's strategic vision or mission), that might not necessarily reflect actual workplace conditions. As previously noted, an organization's stated or implied declarations supporting an innovative and creative workplace—mere rhetoric in isolation—must be complemented by specific actions which are directly supported by organizational resources. Unfortunately, as elegantly suggested by Blair-Loy, Wharton, and Goodstein (2011), there is a frequent disparity between organizational rhetoric and actions. To minimize this eventuality, our investigation, which is also aligned with the extant literature (see, Bakker, Hakanen, Demerouti, & Xanthopoulou, 2007), turns to specific organizational support actions applied towards innovation. In particular, theoretical declarations which had been translated into specific organizational actions and resource allocation supporting such initiatives. Based on this foundation, the following hypotheses were proposed (only alternative hypotheses are presented):

**Alternative Hypothesis 1 (H1a).** There is a positive association between an organization's perceived innovation culture and the

Download English Version:

<https://daneshyari.com/en/article/7420290>

Download Persian Version:

<https://daneshyari.com/article/7420290>

[Daneshyari.com](https://daneshyari.com)