

The role of human resource management practices on organizational innovation: The importance of innovation driven human resource practices

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ABSTRACT

The purpose of this study is to propose a bundle of HRM practices. Specifically, this study segments HRM practices in non-overlapping practices to examine their role in organizational innovation. The methodological approach is a quantitative approach using a convenient sampling technique to collect valid data of 126 service sector employees across five sales and service centers. The findings of this study reveal that both commitment and innovation driven HRM practices positively impact organizational innovation. Meanwhile, the results have shown that the High Performance Work System does not impact organizational innovation. Thus, this study argues that to confront the challenges associated with an ever-evolving nature of organizations, top management must use integrative HRM strategies that can yield a cumulative effect in driving organizational innovation.

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1. Introduction

The current business environment is described as volatile, uncertain, complex, and ambiguous (VUCA). It is driven by increasing globalization, competition, and depletion of resources. To survive, firms must be able to adapt to the ever-changing nature of its environments (Aslam et al., 2014). This process of initiating changes within an organization to adapt to the changing context is referred to as organizational innovation. Agarwala (2003) defines innovation as an introduction of new products, equipment, programs, processes, and systems. Also, De leede and Looise (2005) refer to innovation as an attempt to gain competitive advantage through planned and radical modification of existing products, processes, and the organization. Studies in human resource management have examined the link between human resources practices and organizational innovation. Seeck and Diehl (2017) note that the most promising studies are those involving bundles of human resource practices. Some studies have investigated the impact of high-performance work systems (HPWS) on organizational innovation (Shahzad et al., 2019), others commitment human resource practices (Shipton et al., 2017; Seeck & Diehl, 2017). Though bundles of human resource practices are noted to be more promising in impacting organizational innovation, there are reports of inconsistencies in their measurements with often overlapping items in between the two bundles of HRM practices (Seeck & Diehl, 2017; Shipton et al., 2019).

This study aims at filling this gap by segmenting the practices in non-overlapping practices. Specifically, this study is interested in grouping the HRM practices based on the capabilities they create and to examine the link between each bundle and organization innovation. So, the rational question to ask is what are the capabilities required in the face of changes in the business operating environments? Som (2008) posits that in a changing business context, firms need to adapt their employee

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skills and behaviors; this indicates the importance of competencies and employee's commitment. The high-performance work system aims at developing employee knowledge, competencies, creativity, skills while employee commitment practices (CHRMP) improve employee motivation, commitment, and engagement. Practices such as training and development, performance appraisal and compensation-based pay belong to a high performance system. Employee involvement and engagement, effective communication, participation relate to commitment practices. This study looks further by grouping practices that have been identified as innovation determinants; there are organizational restructuring, job redesign, organizational culture, and managerial leadership. These practices are not competency development focused nor employee commitment oriented. The review of the literature indicates that they are the core determinants of a firm's innovation with the capacity of structurally transforming organizations (Hsiao & Chang, 2011; Lewis & Moultrie, 2006; Lam, 2004).

This study responds to calls to continue to look for a bundle of HRM practices that enhance organizational innovation (Shipton et al., 2017). So, this study is important as it contributes to the literature by reporting the role of three non-overlapping bundles of human resources practices namely high-performance work system, commitment HRM practices and innovation driven HRM practices. Furthermore, this study contributes to research by coming up with a configuration of new bundles using non-overlapping practices in addition to the existing ones. Shipton et al. (2017) argue that a high performance work system may be limited in fostering organizational innovation because it is a control-oriented practice that leaves little chance for employees to experiment with new ideas. So, this study examines the effect of HRM practice on organizational innovation. Innovation capabilities have become key for organizational competitive advantage. Thus, it is important to have a clear understanding of the role of human resource practices in fostering organizational innovation.

2. Literature Review

2.1 Organizational innovation

Today the concept of innovation remains an area of interest in research. However, this notion is complex, multidisciplinary, and multilevel in nature to be easily understood. Innovation is described as an introduction of new products, equipment, programs, processes or a planned and fundamental adjustment of existing products, processes in an organization to gain competitive advantage (De leede & Looise, 2005; Agarwala; 2003). Besides, Som (2008) defines innovative HRM practices as an outcome of deliberate attempts to adapt employee skills, behavior, and interactions because of changing business conditions. Organizational innovation is the source of competitive advantages. Studies in human resource management have examined the link between human resources practices and organizational innovation. Seeck and Diehl (2017) note that the most promising studies are those involving bundles of human resource practices. Also, Lengnick-Hall et al. (2011) argue that it is important to continue investigating for the types of HRM practices that support organizational capabilities and that it is equally important to know the role of each practice. Some studies have investigated the impact of high-performance work systems (HPWS) on organizational innovation (Shahzad et al., 2019), others commitment human resource practices (Shipton et al., 2017; Seeck & Diehl, 2017).

Three key ideas unite the research paradigm in organizational innovation. There are agreements on key determinants linked to organizational innovation. The first stream of studies found leadership as a key factor in organizational innovation (Lam, 2004; Crossan & Apaydin, 2010; de Leede & Looise, 2005; Heilmann et al., 2018; Hsiao & Chang; 2011). For instance, Crossan and Apaydin (2010) consider leadership as a higher-level determinant that supports organization innovation. Leadership creates vision, develops, motivates, and inspires followers. This creates commitment that supports organizational innovation. The second stream found organizational design as a key determinant (Hage, 1999; Lewis & Moultrie; 2006). This stream specifically reports that organic structure positively impacts organizational innovation (Razavi & Atternezhad, 2013). The third stream found organizational value systems, culture, and climate as determinants of organizational innovation (Crossan and Apaydin, 2010; Lam, 2004; Seeck & Diehl (2016). Innovation is driven by organizational innovative capabilities and process capacity (Crossan & Apaydin, 2010). However, it can be noticed that the three key determinants represent four (4) main practices in the field of human resource management namely leadership; organizational culture, organizational structure, and job design. Leadership is a managerial lever in the field of human resource management. Some researchers have included leadership items in studies examining the link between HRM practices and organizational performance (de Leede and Looise, 2005; Heilmann et al., 2018). The concept of organizational design involves two (2) core HRM practices which are organizational restructuring and job design. The idea of organizational values systems represents corporate culture which is another core practice that falls under the scope of HRM practices. Human resource planning is not linked to organization innovation in the literature but based on its strategic and future-oriented focus, it can be used as an innovation determinant. HR planning has been found to be popular with firms involved in the change management process necessitated by changes in their environmental context (Agarwala, 2003).

2.2 High Performance Work System

Bauer (2004) conceptualizes HPWS as flat hierarchy structures, job rotation, self-responsible teams, multi-tasking, a greater involvement of lower-level employees in decision making, the replacement of vertical by horizontal communication channels, and complementary human resource management practices that reward employees appropriately to participate in decision-making and increased employer provided training. Also, Benediction et al. (2017) consider HPWS as consisting of self-

managed teams, decentralized decision making, training and development, communication within organizations and compensation. Zhang et al. (2018) developed the HPWS scale as recruitment and selection, training, developmental performance management, performance-based compensation, flexible job design, participative decision-making, and information sharing. Combs et al. (2006) measure the effects of HPWS using compensation, training, compensation, incentives, employee participation, selectivity, internal promotion, HR planning, flexible work, performance appraisal, grievance procedures, teams-based management, information sharing, and employment security. They find that HPWS have stronger effects than individual HRM practices irrespective of the organizational performance measures. Studies have examined a link between HPWS and organizational performance. Bauer (2004) studies the relationships between HPWS, and employee satisfaction and his findings reveal that HPWS is associated with employee job satisfaction. Also, Benediction et al. (2017) investigate the effects of HPWS on start-up firms. They conclude that the deployment of HPWS leads to higher growth, firm's survival, development of key capabilities and finally to achievement of organizational objectives.

Moreover, Zhang et al. (2018) found that line managers' goal congruence strengthened the relationship between organizational-level HPWS and employee experienced HPWS, such that the relationship was significant and positive when line managers' goal congruence was high, but a non-significant relationship when line managers' goal congruence was low. Moreover, employees experiencing HPWS indirectly affected job performance and job satisfaction. The outcome of the study reveals positive but weak effects on organizational productivity. Guest (2002) narrates that the concept of HPWS has two sides of a coin, one with a focus on developing harmonious employee relations through partnership development between unions and management. The other side of the coin related to quality management of production systems. He further explains that the HPWS integrated with quality or lean manufacturing-oriented production can lead to greater organizational performance. As a result, he advocates the link of HPWS to performance via the positive discretionary effort of motivated and well-trained workers. In a qualitative study using a semi-structured interview of team leaders, engineers, CEO, VP HR, and production managers, Gollan et al. (2014) found that integration of HPWS to lean manufacturing systems positively impacts production processes and output. Moreover, Boxall and Macky (2007) mention that HPWS are practices that empower and motivate employees through incentives and improve their skills sets. They note that HPWS is the outcome of work reform made to increase the involvement of production and service frontline workers. Based on the role of HPWS in organizational performance, this study postulates the below proposition:

Proposition 1: High performance work system (HPWS) positively impacts organizations innovation (OI).

2.3 Commitment Human Resource Practices

Different practices have been examined in the extant literature. For instance, Guthrie et al. (2002) measure employee commitment through a combination of twelve HRM practices consisting of internal promotions, performance management, skill-based pay, group-based pay, employee stock ownership, cross-training, training focused on future skill requirements, employee participatory programs, information sharing, attitude surveys, and teamworking. Farndale et al. (2011) measure commitment human resource practices by using appraisal frequency, outcomes of appraisal, training opportunities, targets, extent of personal involvement in target setting, and personal choice overpay and benefits. Moreover, Boxall and Macky (2014) view commitment HRM practices as the quality of communication, hearing employee voice, linking reward to performance, quality training and development opportunities. Furthermore, Rubel et al. (2018) assess the link between commitment human resource management practices and service behavior using participation, training and development, performance appraisal, compensation, and internal career opportunity. Also, Gollan and Davis (1999) state that effective communication and consultation strategies are high involvement practices which enhance organizational effectiveness and productivity.

Besides, Siriyanum et al. (2019) measure employee commitment using employee participation, incentives, and skills development practices. Meyer and Smith (2009) report that employee perception of organizational support and procedural justice mediate the relationships between human resource practices and employee commitment. In a cross-industry study, Latorre et al. (2016) assessed employee commitment and they found that commitment HRM practices are associated with employee performance and perceived organizational support mediates the relationships. Also, Siriyanum et al. (2019) examine the role of commitment practices on supply chain integration. Findings show that an increase in high involvement practices lead to an increase in supply chain integration. They conclude that workplace democracy has a positive effect on supply chain integration. Furthermore, Farndale et al. (2011) study employee perceived commitment through employee perceived fairness in performance management and managerial trust. The results reveal that the level of employee trust is a significant moderator in the relationships. The findings also indicate that commitment HRM practices are positively associated with employee commitment and mediated through organizational trust.

In another development, Boxall and Macky (2014) explore the linkage between involvement in HRM practices and employee wellbeing. Findings reveal that assigning more jobs to employees can lead to extra employee fatigue, stress, and work life imbalance. The findings also indicate involvement practices are linked to greater employee satisfaction and better work-life balance and have no relationship with fatigue and stress. Guerrero and Didier (2007) study the link between commitment HRM practices and firm's performance in France. The findings show that empowerment is the highest contributor to firm performance, training, development, and communication contribute significantly. However, the study concludes that compensation has no effect on firm performance. In a cross-country study, Huo et al. (2015) examine the specific effects of three dimensions of high-involvement HRM practices namely employee skills, incentives, and participation. Their findings show

that employee participation, including problem-solving groups and feedback systems positively relates to supply chain integration. They confirm that involvement practices improve employee behaviors and create a shared value for that matter harmonious working environment which employers leverage on to improve organizational performance. Based on the link between commitment HRM practices and organizational performance as indicated on the above literature, this study proposes that:

Proposition 2: Commitment to human resource management practices (CHRMPS) positively impact organizations innovation (OI).

2.4 Innovation driven HRM Practices

The review of this section outlines four variables namely organizational restructuring, job redesign, organizational culture, and managerial leadership. The justification for the selection of these variables is that they have been identified in the innovation literature as determinants of organizational innovation. So, this study individually reviews each of these concepts to formulate a proposition.

Managerial leadership: it is a behavior, and a key capability that fosters organizational innovation. Leadership is defined as the ability to influence task objectives and strategies, commitment, and compliance in performing jobs, an ability to influence group maintenance, to identify and influence organizational culture (Yukl, 1989). For instance, Bowen and Ostroff (2004) note that a firm with an effective leadership can foster strong relationships, creates an enabling environment which can support a firm's performance. Also, Pijoan and Plane (2020) have highlighted the importance of leadership in organizations and the increasing interests it arouses in both practice and theory. Wang et al. (2011) note that a leader articulates vision, makes use of communication, shows benevolence, and monitors operations. This indicates the role of leadership in deciding the direction of changes and the kind of innovation to be adopted.

Organizational redesign: Many studies have reported that redesigning of organization is vital for a firm's survival. Burns and Stalker (1994) note that mechanistic structure survives in a stable environment and organic in the dynamic environment. Furthermore, Lawrence and Lorsch (1967) advocate for a leadership capable of providing direction for the design of organizational structure that can integrate teams, departments, communication flows, conflict resolution mechanisms to meet the demand of the dynamic environments. Also, Damanpour and Gopalakrishnan (1998) conceived an organization as an open system which constantly needs to establish equilibrium with its external environments by adapting its organizational strategies, processes, and structure. They stated that different environmental conditions require different organizational structures that support innovation and affect the bottom line of a business.

Organizational culture: Just like a national culture, organizational culture must evolve with time otherwise there will be disconnection between its way of behaving compared to what is required in its environmental context. Nadezda and Jozef (2010) discuss that a company culture can help promote creativity and enhance a firm's presence in the markets. They caution that the absence of strong culture can serve as an obstacle to organizational innovation. Hao and Yazdanifard (2015) explain that a positive culture creates an enabling environment where employees are happy to contribute to organizational performance. It gives a sense of belonging and enhances employee commitment to stay and work as part of a team. Swanson and Holton (2001) remarks that the role of organizational culture is to enable change management. They conceptualize it as a mental model of shared beliefs about how the organization should function. Besides, Byles (2002) opine that only strong culture impacts a firm's performance, but it can be an obstacle during a change management process. Whereas weak culture negatively affects performance as it does not provide the necessary direction and cohesiveness needed to formulate a strategy.

Job redesign: it is a conception of jobs to increase productivity either through jobs standardization, simplification, assigning related tasks to an individual worker, to increase or reduce control and supervision. Besides, Cullinane et al. (2013) linked mechanistic job design to industrial engineering and the motivational to organizational psychology which focuses on improving employee motivation. They reported changes of jobs within jobs during the emergence of lean manufacturing. Also, Davis (2010) investigated changes in the USA labor environment and reported a shift from manufacturing to service-oriented economy, outsourcing which led to reorganization of jobs. He remarks that the content of jobs is increasingly changing and constituting a threat to jobholders. This study proposes that job redesign, organizational restructuring, organizational culture, managerial leadership constitute innovative-driven HRM practices. So based on the above literature, this study proposes the below hypothesis:

Proposition 3: Innovative-driven HRM practices positively impacts organizational innovation.

3. Theoretical and Conceptual framework

The phenomenon under observation is examined through the lens of dynamic capability theory. This theory assumes that to survive and achieve competitive advantage, firms must be able to renew, create and reconfigure their resources to meet the demand of the time. Wang and Ahmad (2007) define dynamic capabilities as the behavioral orientation in integrating, reconfiguring, renewing, and recreating resources and capabilities, and more importantly upgrading organizational core capabilities in response to changes in the external environment. Also, Luo (2000) notes that capability upgrading is vital for enabling the renewal of resources to maintain competitive advantage. Teece and Pisano (1994) define dynamic capabilities as sources of

competitive advantages. They explain that the dynamic infers the ever-changing nature of the external environment and that capabilities refer to the role of strategic management in renewing, creating, or re-bundling of resources in the changing environment. Based on the above review of the literature, this study considers innovative driven HRM practices as the adaptive capability that drives organizational innovation. It consists of managerial leadership, organizational restructuring, corporate culture, job design and human resource planning.

So, based on the review of the literature and the underpinning theory, this study uses three (3) main practices to develop the conceptual model that explains the phenomenon under observation. The practices are high performance work systems, commitment human resources practices and innovation-driven human resource practices. Adom et al. (2018) state that the conceptual framework outlines the key constructs of a study. Bordage (2009) refers to a conceptual framework as a reflection of a researcher's thinking about a problem, it can emanate from theories, models, or best practices. The conceptual model of this study is illustrated in figure 1. Below is the summary of formulated hypotheses:

1. High Performance Work System positively impacts Organizational Innovation.
2. Commitment Human Resources Practices positively impacts organizational innovation
3. Innovation-driven HRM practices positively impacts Organizational Innovation.

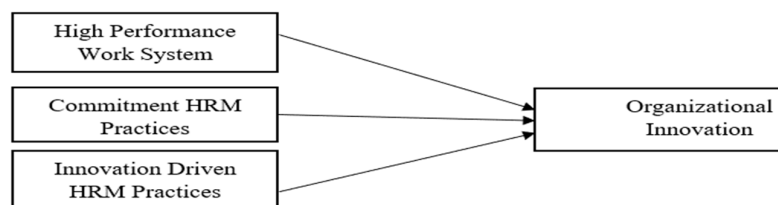


Fig. 1. The conceptual Model linking bundles of HRM practices to organizational performance.

3. Methodological Approach

The study is based on a case study of two sister automobile companies with five different sales and service centers. A quantitative approach is employed to gather data from the employees of these auto firms in Ghana. The reason for choosing these companies is based on their notoriety for periodically introducing new products and services on the markets. This study employs convenient sampling techniques. The choice of this technique is due to the inability of the researchers to assess employee records to enable them to randomly select the study participants. According to Etikan et al. (2016), convenient sampling has been dominant in quantitative studies. They explained that it is useful when randomization is impossible. A total of 126 valid questionnaire items are collected and analyzed using the SPSS version 22 and SmartPLS4. Both goodness of measure and structural models using techniques such as PLS algorithm and bootstrapping are employed. Data of four (4) variables namely high-performance work system, commitment human resources practices, innovation driven HRM practices and organizational innovation are collected. They are measured using 5 points Likert scale measurement, ranging from strongly disagree to strongly agree. The questionnaire has a total of 25 questionnaire items.

The first variable “high performance work system” is measured using 6 items; there are 1). Recruitment and selection decisions of this company are merit based; 2). Rigorous interviews are conducted before a final selection is made. 3). A standard orientation training is normally conducted to introduce a new employee to the company and to his job; 4). This company provides sufficient opportunities for training and development; 5). This year, I have benefited from some hours of training. 6). Performance appraisal in this company is based on result and it is developmental focus. The second variable “Commitment HRM Practices” is measured using 5 items namely 1). We regularly receive information relating to company issues; 2). My superior consults me in decision-making that relates to my job; 3). This company has briefing teams in every department that discuss work related issues; 4). I believe that the level of salaries in this company are fair. 5). I would like to stay with this company.

The third variable “innovation driven HRM Practices” is measured using 8 items which are 1). In this company, there are often changes occurring that affect how my job should be carried out; 2). Management does communicate to us changes that affect how our jobs should be performed; 3). Management always communicates to us the need to espouse critical company values; 4). There is a career development policy in this company; 5). There are often changes in the reporting relationships of this company (organizational structure); 6). My supervisor guides and supports me with resources to perform my job. The fourth variable “organizational innovation” is measured using 8 items which are 1). This company often introduces new

products; 2). This company often introduces new technology to optimize operations. 3). This company has a research department that discusses new business ideas to come out with new products or services. 4). This company has a learning and development unit. 5). Managers in this company do require us to suggest new ideas for process improvement; 6.) Improving service delivery is a key objective of this company; 7.) Quality management is part of the company business process management, 8). Employees are rewarded for coming up with ideas that yield positive results.

4. Data Analysis and results

The data of this study are collected and entered in an Excel sheet; subsequently, they are imported into the Statistical Package for Social Sciences (SPSS). Before analysis, data needs to be prepared. Rovai et al. (2013) define data preparation as a process of manipulating data collected in a form that guarantees the quality of data for statistical analysis. Data analysis will not produce any meaningful results until the data to be analyzed is of good quality (Aasland, 2008). The missing data analysis command of SPSS is used to identify missing values and outliers, and it reports less than 2% of missing values below the threshold of 10%. So, there is an indication that the data quality is good for analysis. The goodness of measure is assessed using factor analyses. According to Sekaran (2003) a goodness of measurement can be assessed through the analysis of questionnaire items. It examines the ability of each item to discriminate between the factors by loading either high or low. It helps in determining the validity of a concept. A total of twenty-four items measuring four variables are loaded using a SmartPLS algorithm. The assorted items loaded onto their own parent constructs. Items with lower loading are suppressed. The results of the analysis are presented in Table 1.

Results of descriptive statistics indicate that the sector is predominantly masculine. Men represent (n=92, representing 73%) of the population against women who are minority (n=34; representing 27%). Also, the organizational structural has a pyramidal form with low-ranking employees at the base (n=71; representing 56.3%), followed by the supervisory staff in the middle of the pyramid (n=39; representing 31%) and at the peak the managerial staff (n=16; representing 12.70%). This firm has a younger population with employees having from 25 to 45 years dominated the workforce (88.4%). The firm can be characterized as a knowledge-based firm as most of its workforce has between 10 to 25 years working experience (53.2%) and those possessing higher diploma to master's degree represent (85.5%). As far as reliability is concerned, Leary (2008) describes it as a consistency and dependability of a measure. Furthermore, Sekaran (2003) notes that the reliability of a measure indicates the stability and how unbiased an instrument can be when administered in a similar condition. Cronbach Alpha test statistic is widely used to measure reliability (Leary, 2008). The reliability measures can range from .00 to 1; the .00 means no reliability and 1 means perfect reliability. A reliability measure of .70 indicates good reliability (Sekaran, 2003). Besides, to assess the structural model, one assumption needs to be met. Related literature has cited multicollinearity as the assumption of a structural model (Rovai et al., 2013). The rule of thumb for the VIF is less than 10. The summary table of goodness of measures is illustrated in Table 1.

Table 1
Goodness of measures

Items	Loading	Cronbach Alpha	Composite Reliability	AVE	VIF
HCHRMP1	0.754	0.611	0.795	0.565	1.284
HCHRMP2	0.82				1.387
HCHRMP4	0.674				1.141
HPWS1	0.597	0.689	0.812	0.523	1.141
HPWS2	0.671				1.341
HPWS3	0.788				1.661
HPWS4	0.815				1.541
IHRMP1	0.688	0.759	0.846	0.58	1.231
IHRMP2	0.845				1.831
IHRMP3	0.773				1.832
IHRMP4	0.73				1.525
O11	0.797	0.897	0.919	0.618	2.847
O12	0.758				2.508
O13	0.836				2.649
O14	0.833				2.543
O15	0.825				2.483
O16	0.749				2.345
O17	0.697				1.802

Source: statistical outputs

The discriminant validity is assessed using the HeterotraitMonotrait ratios and Fornell Larcker criterion. The HeterotraitMonotrait ratio is used as it can provide a more accurate result than the Fornell-Larcker criterion. The decision rule is that its ratio must be lower than a cut-off value of 0.85 and 0.90 (Henseler et al., 2015). The decision rule for the Fornell-Larcker criterion is that the square root of the AVEs should be greater than the correlations of the constructs (Henseler et al., 2015). Thus, an observation of Table 2 below shows that this study had acceptable convergent and discriminant validity in measuring the measurement model.

Table 2
Discriminant and convergent validity.

Constructs	HCHRM	HPWS	IHRM	OI	HCHRM	HPWS	IHRM	OI
	MonotraitHeterotait				Fornell-Larcker Criteria			
HCHRM					0.752			
HPWS	0.673				0.636	0.723		
IHRM	0.677	0.59			0.67	0.583	0.761	
OI	0.565	0.543	0.403	-	0.576	0.442	0.519	0.786

Source: Statistical outputs

After confirming the goodness of measurement model, the authors proceed to examine the structural model of this study. Firstly, the Anova test indicates that the model fits the data well ($F(2, 144) = \{30,015; p<.000\}$). Secondly, the R square indicates that 36.60% changes in organizational innovation is explained by the combined effect of the three bundles of HRM practices. Thirdly, the hypothesis that innovation driven HRM practices positively impact organizational innovation is supported ($B=.223; p<.015$). Fourthly, the hypothesis that a high performance work system positively impacts organizational innovation is rejected ($B= 0,069; p=0,563$). Fifthly, the hypothesis that commitment HRM practices positively impacts organizational innovation is also supported ($B=. 382; p<.001$). Finally, the study found that commitment to HRM practices is the highest contribution to organizational innovation ($B=.382; p<.001$). The results of the analyses are presented in table 3 as indicated below.

Table 3
Result of Path Coefficient

Path	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics (O/STDEV)	P values
HCHRM → OI	0.382	0.383	0.114	3.361	0.001
HPWS → OI	0.069	0.086	0.119	0.579	0.563
IHRM → OI	0.223	0.226	0.092	2.427	0.015

Source: Statistical outputs

5. Discussions and Conclusions

First, this study aims at exploring the role of innovation driven HRM practices on organizational innovation. Specifically, this study seeks to examine the impact of each bundle of HRM practices on organizational innovation. The hypothesis that a high performance work system positively impacts organizational innovation is rejected. Though the relationship showed a positive path coefficient, it is insignificant to be accepted. Thus, the hypothesis is rejected. Studies have reported the impact of a high-performance work system on a firm's innovation (Escribá-Carda et al., 2017; Shahzad et al., 2019). However, other studies have doubted the ability of high-performance work systems to foster organizational innovation. They perceive it to be task-oriented and leaves no room for employees to take personal initiatives to experiment new ideas. The insignificance may be due to the sample size. This study expects larger sample size to at least show marginal but significant HPWS contribution to organizational innovation. High performance work system aids in developing employees' competencies and contributes to improving employee creativity. Meanwhile creativity, skills and abilities constitute just an aspect of innovation. Other important components of organizational innovation are innovative behavior, commitment, and adaptive capacities.

The second hypothesis that commitment HRM practices positively impact organizational innovation is supported. It has been highlighted as the most important contributor to organizational innovation. Studies have corroborated these findings by emphasizing the need to have committed, motivated and loyal employees who are ever ready to support the cause of the business (Shipton et al., 2017; Seeck and Diehl, 2017; Hunter, 2015). Committed employees are likely to accept changes occurring within organizations hence they facilitate innovation processes. Resistance to change is known to be the largest failure of organizational innovation. Committed employees are engaged in what they do and support the vision and mission of a firm. This study is significant as it highlights the capital importance of gaining employee commitment in the process of innovation management. The final hypothesis that innovation driven HRM practices positively impact organizational innovation is also supported. This is a novel idea of this study that uses non-overlapping practices identified in the literature as innovation determinants to develop items to constitute core innovative practices. But extant studies have shown positive relationships between the individual practices namely organizational restructuring, job redesign, managerial leadership, and organizational culture to organizational innovation.

6. Theoretical and Managerial Implications

Theoretically, this study contributes to research by clarifying the specific roles of HPWS and CHRMP practices. They respectively aim at developing employee competencies and commitment. Theoretically, this study contributes to research by bundling together the determinants of innovation as innovation driving HRM practices. The determinants configured are found to be overlapping in between the existing bundles of HRM namely HPWS and CHRMP. They are therefore regrouped to form a bundle of non-overlapping practices on its own. It is found that innovation driven HRM practices positively impact organizational innovation. So, this study contributes to research by indicating that to drive innovation both HPWS, CHRMP and IHRM will mutually support each other in driving organizational innovation. Furthermore, this study contributes to

theory by confirming the relevance of dynamic capabilities theory in explaining that the capacity to create, renew and reconfigure resources to meet the demands of the markets constitutes an organization adaptive capability which is key for a firm's competitive advantage. This innovative HRM practices aid firms to recreate their structure, jobs, and their human capital. The study has shown how important the HRM practices are in supporting organizational innovation. The managerial implications of this study are that managers should not rely on a specific bundle but adopt an integrated HRM strategy in this ever-evolving world. They should use HPWS to develop organizational and employee competencies. HPWS can be used to develop employee knowledge, skills, and abilities. It equally aids in enhancing employee creativity which is key for driving innovation. Moreover, this study found that commitment practices have the highest effect on organizational innovation. So, managers should periodically gauge their employee commitment and use CHRMP to improve employee engagement. Loyal, satisfied employees are willing and ready to accept and support organizational changes. They stay longer with their firm, and they spread the good news outside about their employers and this has a multiplying effect on the firm's competitiveness. Finally, this study has shown that the proposed innovative HRM bundle of practices significantly impact innovation. Extant studies identified the practices as organization innovation determinants. They constitute the adaptive capabilities of a firm. So, top management must realign internally these practices with other practices and to an extent to the organizational long-term goal. Doing so will help the organization to become a flexible firm capable and ready to change and adapt to its environment.

7. Limitations and conclusions

This study is not left without limitation. The first limitation concerns the sampling size. The scope of this study is limited only to two automobile companies. So, the sample is inadequate to represent the sample population of a sector. However, the aim of this study is to gauge employee's perception about this observed phenomenon. So, this study is solely interested in employees' opinions. Furthermore, based on limitations in time and resources, the researcher couldn't go for a larger sample size. Second, the questionnaires are self-perceptual in nature even though participants are scattered around the various service centers. These limitations likely expose the study to common method bias. To control for this problem, Harman's single factor test is used to assess items total variance. The result reveals a value of 38.001% of total variance less than the 50% threshold, an indication that this study is free from common method bias. A major external event can affect organizations and necessitate changes in production processes, service delivery, a new business model, new way of communication with internal and external stakeholders. The solutions to this type of organizational challenges are to deploy an integrative HRM strategy. The HPWS will cater for the competencies needs of the new changes while the CHRMP practices will develop the motivation and the employee's commitment required to confront the changes brought about by the external event. Thus, this study found that innovative HRM practices contribute to organizational innovation and that commitment HRM practices contribute is the highest contributor.

However, the proposed HRM driven practices will drive organizational innovation in the following ways. First, organizational restructuring practices will redress the required changes in reporting relations. Secondly, organizational redesign will take care of conception of new jobs or modifying the existing ones to suit the new demands. Thirdly, organizational culture will address changes required in employees' behaviors and attitudes. Fourthly, the human resource planning will handle the current and future human resource needs of the firm in terms of quantity and quality thereby supporting organizational changes. Finally, managerial leadership is the cornerstone of these practices. It is not just a personality but a behavior that turns the other wheels (practices) within a firm. Leadership formulates the vision, inspires, and gains the commitment of employees to rally around a vision. A leader identifies and optimizes resources, capitalizes on business opportunities, and mitigates organizational threats. A leader assesses the capability of teams and of its individual members so that he knows how to utilize them in the pursuit of the organizational goal. Integrating and deploying these practices as a bundle will not only drive organizational innovation but positively impacts organizational performance. This study couldn't examine the complete model that is the link between these innovative driven HRM practices and organizational performance through the mediating role of organizational innovation. So, this study exhorts future studies to investigate this model. Also, the structural model of this study is illustrated in Fig. 2 as shown below.

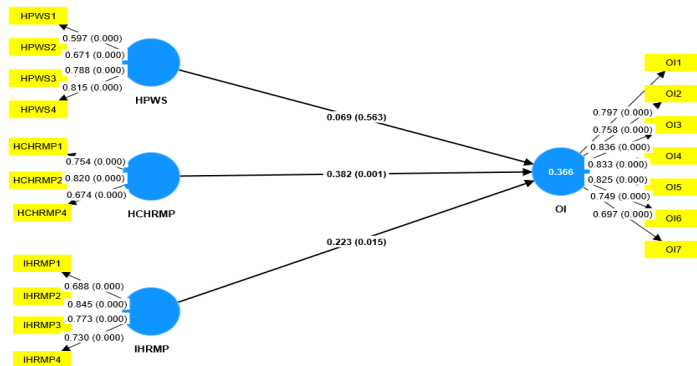


Fig. 2. Structural Model of this study

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