

The Role of High-Performance Work Practices on Employees' Innovative Work Behavior: Evidence from Hospitality Industry in Colombo District

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Abstract: *The purpose of the study is to provide in-depth analysis to enhance the role of high-performance work practices (HPWP) and reveal the association of these practices with employee's innovative work behaviors (EIWP) Hospitality industry in Colombo district. In order to meet this objective, responses were gathered via a Google form survey questionnaire to measure the impact of high-performance work practices on employee innovative work behaviors. These hypotheses were tested with the help of data collected through questionnaire that were filled out by a sample of 307 employees hospitality industry in Colombo district. The data collected from employees verified the proposed hypotheses and suggested that the underlying high-performance work practices have a significant positive impact on employees' innovative work behaviors (IWB). This study is important for enterprise in Sri Lanka that wants to increase knowledge among HR practices and employee about innovative behaviors, their relevance, and their impact on productivity.*

Keywords: *High performance work practices (HPWP), Employee innovative work behavior (EIWB), Selection and recruitment, training and development, reward management and teamwork*

1. Introduction

In the current era of digitalization and globalization, hiring people that are original and innovative is becoming a typical

requirement for service and hospitality organizations (Lu et al., 2020). The hospitality system is experiencing fast change in the twenty-first century. Both the demands of the customer and their contribution to the firm's value creation process are changing. Due to the rapid economic change and increasing competition driven on by these changes, innovation is essential for organizational survival (Bani-Melhem et al., 2018). In the past, research on manufacturing firm product and process innovation has dominated the literature (Li M et al., 2016 as cited in Elidemir et al., 2020). However, the World Bank 2020 service value added estimates that an industry accounts for about 65 percent of global GDP. Despite the quantity of knowledge made available by the expanding popularity of service innovation research. There is scant evidence, according to Storey Chankurtaran et al. (2016), that service companies are enhancing their innovation. Innovative conduct is crucial to the hospitality sector.

Furthermore, the hospitality industry's high job demand and customer-centric nature necessitate employees' creativity in dealing with and managing expectations if the company is to stay competitive in a competitive market. According to Lee (2019, as cited in Elidemir et al., 2020), firms must have creative individuals with the ability to translate information into product and process innovations in order to predict the market and better plan to take advantage. Executives and

experts have observed that soft skills such as employees' innovative behaviors have grown more important than ever before in the 21st century industry, which is pushed by automation led innovation. Innovative behaviors will lead to competitive advantage through less cost and high quality.

Employees' innovative behaviors (EIWB) will help businesses succeed by providing a competitive advantage and cost effectiveness (Meira et al., 2018, as cited in Wijesingha & Arachchi, 2021). EIWB, in particular, enables success in a fast-paced environment by treating employees as valuable assets. Furthermore, originating and executing new ideas can assist organizations in developing distinctive and attractive services for their customers, hence increasing market share and growth through repeat visits. Organizations employ a set of human resource practices to efficiently recruit, select, hire, develop, and retain high performing employees in their workplace to achieve business excellence over competitors in the industry. According to Bos-Nehles et al. (2017), high performance work practices are increasingly being used to assure innovative work behaviors in businesses for survival and competitive advantage. As a result, organizations should employ a set of human resources practices to adjust to the changing environment, enhancing flexibility, efficiency, productivity, performance, and consistent product and service quality (Zhang & Begley, 2011, as cited in Elidemir et al., 2020). In future the hospitality industry can adopt these HPWP practices and EIWB to succeed their job performance.

2. Literature Review and Proposition Development

Organizations must be able to innovate products, services and work processes on a regular basis nowadays. As a result, throughout the past 20 years, there has been

an increase in interest in innovation as a scholarly research issue. The management of innovation at the organizational, workgroup, network and individual basis is the subject on innovation studies (King & Anderson, 2002, as cited in Jeroen & Hartog, 2010). The focus of this study is on individual innovation within corporations. Individual activities play a critical role in sustaining innovation and improvement. Employee behavior is a critical aspect of achieving corporate success and gaining a competitive edge (Ryan et al., 2008). In particular, innovative behaviors has been identified as a distinct characteristic that enables changes in markets and customer expectations (Woods et al., 2018, as cited in Wijesingha & Arachchi, 2021). As a result, many organizations put a priority on empowering employees to engage in innovative work practices to achieve competitive advantage.

High performance work practices cover a broad range of human resources management practices. This could be enabled organizations to attract and retain talent (those with a dept of information, skills, and attitudes, as well as motivation- KSAM to drive business) (Elidemir et al., 2020). The definition of a bundle of practices is that in order to maximize utility, HR practices must be used as a group rather than as individual practices. These practices are intertwined as a result. To get the most out of one practice, we will need to combine it with another. This is often referred to as a high-performance work system, A high commitment HRM, or a high involvement HRM (Appelbaum et al., 2000, as cited in Wijesingha & Arachchi, 2021). Whatever term is used, there is enough theoretical and empirical evidence to support the idea that a collection of HR practices can work more effectively in order to gain competitive edge.

Employees' intelligence, imagination, and creativity contribute to organizational

innovative capacity. It is believed that specialized human resources practices can identify, develop, assess and compensate EIBs (Ramamoorthy et al., 2005; Veenendaal & Bondarouk, 2015). As a result, human resource strategies play a significant role in motivating employees to produce innovative job results (Cooke & Saini, 2010). Previous research has found a link between compensation (Alice & Hon, 2014), training (Dhar, 2015), and employee creativity (Alice & Hon, 2014). HPWPs are predicted to improve EIB. Employees' innovative work behaviors and performance have been found to be affected by these practices (Karatepe, 2013), and employees perceive the existence of HPWPs as an indication of the organization's seriousness and commitment to developing human capital, which is critical for increasing productivity and service capacity (Tang & Tang, 2012). It is argued that HPWPs can boost the JE based on the prior discussion. Based on these findings, we conclude that HPWP will enhance IWB, leading to our first hypothesis:

P₁: There is a relationship between high performance work practices and employees' innovative work behaviors.

Recruitment and selection are critical in any firm since they help to attract competent, talented, and committed employees. Organizations experience difficulties in connection to having a suitable human resource pool and reaching desired profitability, according to Soliman and Spooner (2000), if recruiting is not done appropriately, and so recruitment is at the core of the management process. Organizations consider human capital to be the unique component in being competitive, hence recruitment and selection are considered one of the most crucial operations of an organization (Ntiamoah et al., 2014). Organizational performance is linked to a comprehensive recruitment and selection

strategy (Rauf, 2007, as cited in Senaweera et al., 2020). Organizations were able to fill unfilled positions by adopting a proper recruitment and selection strategy, allowing them to develop. Employee recruitment and selection processes in an organization are linked to the organization's performance (Sarkar & Kumar, 2007, as cited in Senaweera et al., 2020). According to Djabatay (2012, as cited in Senaweera et al., 2020), having the correct employees is a critical aspect in an organization's ability to establish and maintain a competitive advantage. Based on these findings, we conclude that recruitment and selection will enhance IWB, leading to our second hypothesis:

P₂: There is a relationship between recruitment and selection, and employees' innovative work behaviors.

Training and development will demonstrate that the organization values the personnel in question and is willing to invest in them. Employees will assess whether or not the chances for training and personal development are acceptable. Employees will respond to development possibilities with good attitudes toward the organization that gives the development,' according to Benson et al., (2004). Positive attitudes will lead to conduct that is beneficial to both the company and the employee. Employees will feel better prepared to produce new ideas if they perceive training and development opportunities as beneficial and valuable. Shipton et al. (2006) found that, when compared to other HR practices, training had the largest impact on product innovation and technical system innovation. Other studies have found that training and development techniques have a considerable positive impact on IWB (Pratoom & Savatsomboon, 2012). Based on these findings, we conclude that training and development will enhance IWB, leading to our third hypothesis:

P3: There is a relationship between training and development and employees' innovative work behaviors.

Employees need a powerful indication before they engage in IWB, since they view IWB to be risky conduct that 'needs to be ordered and paid for by the system.' As a result, HR methods that provide financial incentives should encourage people to innovate (Fernandez & Moldogaziev, 2012). Compensation positively promotes IWB, according to the theories underlying social exchange theory, because employees who believe their efforts are being adequately compensated feel obligated to reciprocate with discretionary extra role efforts, such as IWB (Janssen, 2000). The employer's perceptions of remuneration may lead to a sense of obligation to provide the employer with unique knowledge and feedback, as well as new proposals for improvement (Ramamoorthy et al., 2005, as cited in, Nehles & Veenendaal, 2017). Indeed, empirical findings show that a compensation system can have a significant impact on innovative behavior (Bysted & Jespersen, 2014). Based on these findings, we conclude that reward management will enhance IWB, leading to our fourth hypothesis:

P4: There is a relationship between reward management and employees' innovative work behaviors.

The internal introduction and application within a role, group, or organization of new to the relevant unit of adoption ideas, methods, products, or procedures. This would be aimed to significantly boost role performance, the group, the organization, or the wider society (West, 1989, as cited in Jaewan 2016). However, the work group's members' support is equally essential. Innovation, according to Amabile (1998, as cited in Jaewan 2016), is the process of putting innovative ideas into action. Implementing new ideas in nature requires

significant interactions amongst those involved in the process. As a result, superior teamwork conduct can be a great source of perceived innovation support. When team members engage in innovative tasks that are naturally subject to an interdependent work structure, they are more likely to perceive high levels of organizational support aimed toward organizational innovation. Based on these findings, we conclude that teamwork will enhance IWB, leading to our fourth hypothesis:

P5: There is a relationship between teamwork and employees' innovative work behaviors.

In the figure 1 conceptual framework, high performance work practices were considered as an independent variable, while employee innovative work behaviors were considered as a dependent variable.

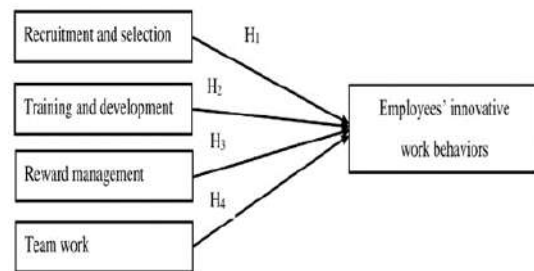


Figure 1. Conceptual framework

Source: Author 2022

3. Methodology

The current study's population is the Colombo district's hospitality industry, the researcher selected employees and employers from the senior/executive level, middle level, lower level, and temporary level of the industry. A total of 307 people responded to the Google form, which was distributed to 342 people. 44% of the employees were men, and 56% of the employees were women worked for hospitality industry. Employees filled out the questionnaire with items related to HPWPs (training, selective, rewards and teamwork),

while managers filled out those with items related to the managers' or employees' perspectives of their creativity and innovative behavior and competitive advantage. A total of 342 valid questionnaire was returned, resulting in an 89.8% response rate. Further this study used questionnaire and analyzed the data through Statistical Packages for Social Science (SPSS).

4. Experimental Design

This research considers as an individual unit of analysis that focus each of respondents' results based on their perspectives by collecting through returned questionnaires. It allows for the creation of hypotheses that can be tested against existing knowledge and typically quantitative method of analysis. The deductive approach, based on the philosophy chosen, is the most appropriate for analyzing, develops a hypothesis. This quantitative research design may use a single data collection technique, such as a questionnaire and corresponding quantitative analytical procedure. So, researcher could use this as a mono method quantitative. The electronic questionnaire technique (emails and WhatsApp) using the Google form was the most appropriate way to gather the data from the respondents. Besides factor analysis, the information collected for the study has been processed and analyzed with the help of appropriate statistical tools like mean, standard deviation and frequency distribution (Tull & Hawkins, 1993). Further, the ANOVA test has been used to assets the difference among group means. Additionally, Regression Analysis has been used to study the role of high-performance work practices on employees' innovative work behaviors.

5. Results

Descriptive statistics regarding innovative work behavior, high performance work practices, and its dimensions are presented. As can be observed, all mean value findings are

more than 4, which suggests a stronger link between the variable's internal variables. The six items in the table above will have values ranging from 0.46001 to 0.52840. The variables' standard deviations ranged from -3 to +3, which shows that they had acceptable values. The skewness and kurtosis of these selection and recruitment, training and development, reward management teamwork and innovative work behaviors are stated in this table between -3 and +3. As a result, the researcher can conclude that HPWP and IEWB are related.

Table 1. Reliability statistics (Cronbach's Coefficient Alpha Values)

Variable	No of items	Cronbach's Alpha
Selection and recruitment	4	0.868
Training and development	6	0.921
Reward management	5	0.918
Team management	5	0.921
Employees' innovative work behavior	13	0.965

Source: Author 2022

We can draw the conclusion that all the study's items are reliable and consistent. When the scale is between 0 and 1, Nareeman & Hassan (2013) argue that Cronbach's Alpha of 0.7 and above is acceptable. According to the conventional view, Cronbach's alpha values of 0.70 and above are favorable, 0.80 and above are superior, and 0.90 and above are the best. These high-performance work practices and employees' innovative work behaviors provide the researcher with the highest level of reliability.

Table 2. Validity statistics (Average variance extracted)

Variable	AVE
Selection and recruitment	0.679
Training and development	0.745
Reward management	0.768
Team management	0.654
Employees' innovative work behavior	0.742

Source: Author 2022

In order to assure convergent validity (Hair et al., 2014), the average variance extracted (AVE) should be more than 0.5. Average variance extracted (AVE) is a metric for comparing the variation captured by a construct to the variance resulting from measurement error.

Table 3. Coefficients

Selection and recruitment	.100	.000
Training and development	.225	.000
Reward management	.176	.000
Teamwork	.671	.000

Source: Author 2022

The value of P Sig in this diagram is 0.000. The value given is 0.05. The given value exceeds the P sig value (0.000) (accept alternative hypotheses and reject null hypotheses). So, researchers have enough evidence to say that recruitment and selection, training and development, reward management and teamwork has an impact on EIWB at a 95% confidence level. It also shows that all of these Beta coefficients is positive results. So, we have enough evidence to say that the recruitment and selection, training and development, reward management and teamwork has a positive impact on EIWB at a 95% confidence level

Table 4. Hypothesis testing

Hypothesis	Beta value	Sig value	Accept/Reject
H ₁ : There is an impact of High-performance work practices on employees' innovative work behavior with reference to hospitality industry in Colombo district.	.928	.000	Accept
H ₁ : There is an impact of selection and recruitment on employees' innovative work behavior with reference to hospitality industry in Colombo district	.805	.000	Accept
H ₁ : There is an impact of training and development on employees' innovative work behavior with reference to hospitality industry in Colombo district.	.894	.000	Accept
H ₁ : There is an impact of reward management on employees' innovative work behavior with reference to hospitality industry in Colombo district	.892	.000	Accept
H ₁ : There is an impact of teamwork on employees' innovative work behavior with reference to hospitality industry in Colombo district.	.943	.000	Accept

6. Discussion

The goal of this study was to look into the impact of HR practices and concepts on individual workers' innovative behavior. By examining the direct influence of two perceived human resource practices on innovative work behavior, we have gathered a huge understanding of the effects that human resource (HR) practices have on employees' innovation capacity (IWB). The findings of the tested following back up the findings of "Bednall et al. (2014)," who concluded that greater employees' perceptions of HPWS are related to their IB.

Furthermore, according to the current study, employees are highly motivated and use that motivation to generate new ideas for improving service quality, show innovative behavior at work, and commit maximum effort to delivering unique solutions to customer problems. Finally, the findings point to a positive relationship between HPWPs and EWBs. In the presence of HPWPs, IWB believe that their current organization meets all of their human resource demands and that they are well-suited to their jobs and organizational culture. In such a setting, it's unlikely that they'll move without sacrificing the possibilities and rewards supplied by service organizations, and instead focus their efforts on demonstrating new behaviors.

Innovative behaviors in the hospitality industry result in significant revenues, competitive advantages, survival, and increased market share. As a result, businesses and managers would benefit from encouraging innovative workplace activities. To produce new ideas in the hospitality business, organizations should discover high-performance work practices that support innovative behaviors. Managers should also determine which behaviors promote IWBs; for

example, financial rewards are beneficial, whereas non-financial rewards are beneficial. As a result, companies should take caution when implementing HPWPs to improve IWBs. In addition, firms should choose skilled people with the correct personality attributes to support innovative abilities. Managers should select applicants with openness and conscientiousness attributes while hiring candidates for organizations.

Training and development programs should be prioritized by hotel management. Employees are provided with the necessary, knowledge, and abilities as a result of the training programs, allowing them to effectively cope with present and future consumer needs. Because kindness has been identified as the most important hospitality dimension, managers should train these front-line employees in dealing with customers with respect and quickly resolving their problems (Nameghi & Ariffin, 2013). According to our findings, employees who are supported by their line managers are more likely to engage in innovative activity. The findings emphasize the importance of line managers at all levels in encouraging employees to be creative. Line managers must not only give vital knowledge with employees in order to train them and allow them to be creative and innovative, but they must also support and appreciate their employees' initiative and innovative efforts in trying something new or different. That is, HR practices should facilitate training activities that assist employees in working in groups (oriented to the development of abilities), systems that allow employees to participate in the firm's decision-making processes, performance appraisal systems that encourage risk-taking and knowledge sharing, and reward systems that include team results. In order to support innovation, HR practices that contribute to the formation of an open communication environment with shared

values oriented to innovation should be implemented.

7. Directions for Future Research

Despite the fact that the current study adds to the existing body of information, there are a few limitations, as described above, that lead to future research opportunities.

Only the Western hospitality industry was evaluated in this study. That does not result in generalizable results. Future researchers can focus on a long-term study with a variety of hotels. The data coverage of this study is limited due to the limits of the research approach, and different industries and firm types may have varied implications on measurement and analysis outcomes. As a result, the study's conclusion has a limited application scope. The selection and range of samples in subsequent investigations can be further diversified and expanded.

It is also necessary to conduct additional study in order to incorporate more variables. Constructs connected to contextual and group variables, for example. Culture and climate could be taken into account when examining the relationship between employee views of HPWS and IB, as these variables may have an impact on employees' working environments as well as HPWS implementation. In addition, various attitudes and behaviors (such as job satisfaction or organizational citizenship behavior) that may influence IB must be considered. Furthermore, further efforts at the individual level should be made, covering other essential components of knowledge management such as absorptive capacity, information sharing amongst teams, and knowledge sharing with external actors. Moreover, including other potential HPWPs into the conceptual model, such as career prospects, selective staffing, and job security, may bring useful insights to both the literature and hospitality managers.

The model used in this study mainly focuses on the individual level, with the research variable being the system viewpoint on high-performance work systems, without taking into account the specific impact mechanisms of various practical activities. Follow-up studies can be undertaken independently for each practice activity, depending on the research goals, and the significance and importance of a high-performance work system in the organization can be described in depth.

8. Conclusion

Human resources, as a vital component of every organization's success, must be adequately structured and treated by management. To put it another way, any organization requires a proper HPWS in order to improve organizational performance, which is mostly exhibited by organizational commitment. HPWS, or the right set of HR practices, always fosters corporate commitment. HPWS, on the other hand, must be powerful in terms of both content and execution. Workplace innovation is a critical component of corporate productivity, performance, competitive advantage, and employer brand. Employees are the most important aspect in establishing an innovation within a company. As a result, businesses adopt a set of human resource techniques to foster creative employee behavior at work. The goal of this research was to figure out what influence HPWP and personality qualities have in IWBs. The study's findings demonstrate that HPWPs have a positive relationship with hospitality's innovative practices. Furthermore, HPWPs like recruitment and selection, training and development, reward management, and teamwork to be more innovative. Although HPWP is an excellent predictor of IWBs, researchers should focus on determining the most effective human resource practices for promoting innovative work behaviors.

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