



The Impact of HRM Practices on Organisational Innovation Performance: The Mediating Effects of Employees' Creativity and Perceived Organisational Support

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Abstract *The paper investigates the effects of HRM practices on organisational innovation performance: the mediating effects of employees' creativity and perceived organisational support in the Indian hospitality industry. A conceptual model is developed to examine the relationship among four constructs namely human resource management practices, perceived organisational support, and employee creativity as antecedents of organisational innovation performance and seven research hypotheses are empirically tested using structural equation modelling (SEM). All the posited seven hypotheses are supported. The results indicate that the human resource management practices and perceived organisational support could indeed affect employee creativity with regard to organisational innovation performance. In addition, the mediating role of employee creativity and perceived organisational support is also confirmed in this research. The study discusses both academic and managerial implications of the results and future research directions are suggested.*

Keywords: *Human Resource Management Practices, Organisational Support, Employee Creativity, Organisational Innovation Performance, Hospitality, India*

INTRODUCTION

In management literature, human resource management practices (HRMP) have been shown to have a direct effect on the firm financial performance. Moreover, during the recent past decade a great deal of research has been conducted on both organisational and the individual outcomes of human resource management systems in hospitality (Chand, 2010a, 2010b; Chand & Katou, 2007). However, comparatively few studies have investigated the influence of HRMP on employee creativity (jiang et al., 2012). It has been shown that human resource management can influence employees attribute towards specific product/service, technological or administrative innovation. This is in spite of the fact that employee creativity contributes substantially to organisational innovation (Gupta & Singhal, 1993;

Chand, 2015; jiang et al., 2012). Thus, the above studies have identified an important research gap considering that sustainable organisational innovation is hinged on best fit HRM practices & organisational support and a highly creative workforce. Recently, another development in the field of HRM system research is the focus on how and why HRMP influences employee attitudes and behaviour towards creativity & innovation, rather than simply documenting this direct relationship (Shipton, et al., 2016; Guiyao et al., 2017; Dong, et al., 2016; Alice et al., 2016). In the hospitality management literature, HRM is considered as a vital aspect of organisational performance and is a central cue in the management process that can affect employees' overall attitudes and behavioural intension towards sustainable organisational success. In the persuasive hospitality literature, HRM system refers to changes in employees'

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beliefs, values, attitudes and behavioural intension caused by a specific human resource management practice (Yimaz et al., 2018; Vatankhah et al., 2017 and Chand & Katou, 2007).

Most recently, HRMP in management literature regarding employee's job satisfaction, employee creativity, organisational support and firm innovation performance have been well examined and defined to explore direct and indirect relationship (Bharadwaj & Menon, 2002; Joo et al. 2014; Adegoke et al., 2012; Li and Atuahene, 2001; Shipton, et al., 2016; Harter et al., 2002; Lin & Chen, 2007; Verma, 1999 and Gupta & Singhal, 1993). However, it has largely been ignored in tourism and hospitality literature that HRM systems influence employee attitudes and behaviour, especially in the Indian hospitality management context. It has found that organisations supporting HRM practices hoping that employees will react positively and will encourage creativity (Jime'nez & Sanz, 2008), and that HRMP will bring positive and direct benefits to both the employees and the organizations viz-a-viz innovation (Jianwn, et al., 2012). However, rather few empirical studies have been conducted on HRMP (e.g. Harter, et al., 2002; Budhwar, et al., 2006 and Aizzat et al., 2008) investigating the response of employees when they are offered special incentives such as best fit HR approaches and organisational support (Yu and Frenkel, 2013; Shore & Shore, 1995 and Shipton, et al., 2006). Further empirical investigation is needed to robustly address such linkages because human resources are costly for organisations, and if they do not improve the employee's creativity & innovation, then the rare and valuable resources offered to employees via these HRM practices will not deliver the expected positive impact on all concerned parties, making the return on investment on human resources pointless.

Many studies pointed out that employee creativity can be influenced by interaction among various factors, such as social and contextual components (Yu & Frenkel, 2013; Lin & Baum, 2016; Guiyao et al., 2017, and Dong et al., 2016). Therefore, we can expect that perceived organisational support and HRMP to interact to influence employee creativity. Organisational support and HRM practices inspire employee's creative behaviours which will reciprocate organisational innovation in the rapidly expanding hospitality industry of India. However, previous studies have paid little attention to the moderating impact of HRM practices on perceived organisational support, employee creativity and innovative performance.

The present study fills the above research gap and therefore contributes to the existing hospitality management literature. The main purpose of this study is to evaluate a theoretical model that incorporates the constructs of human resource management practices, perceived organisational support and employee's creativity as antecedents of organisational

innovation performance. The mediating effects of employee creativity and perceived organisational support for the above mentioned relationships are also examined in this study.

The contributions of this study are expected to be academic and practical oriented. For instance, exploring the influence of HRM practices on perceived organisational support, employee's creativity and organisational innovation and will provide practical basis and motivations for Indian hospitality industry to adopt strategies targeted at enhancing employee's creativity in order to achieve sustainable organisational innovation performance. On the academic front, the current study is expected to generate new literature on organisational innovation performance predictors from an Indian hospitality management perspective.

The remainder of the paper is organized as follows. The next section presents the main theoretical developments and frameworks core to this research, the research hypotheses and an operational model to test the same. Sections follow this on methodology, analysis of results, discussion referring to theoretical, research and practical implications of the study, limitations of the analysis, and finally conclusions.

RESEARCH FRAMEWORK AND HYPOTHESES DEVELOPMENT

The Effects of Human Resource Management Practices (HRMP)

A comprehensive human resource management models were proposed in the management field by various scholars (Chand & Katou, 2007; Sparrow & Budhwar 1997; Budhwar et al., 2006; Sani & Budhwar 2004; and Som, 2008) the concept of HRM has emerged from these models and suggested that HRMP are likely to exert a persuasive effect on employees opinions -like attributes, beliefs, behaviour and work values etc. Most recent researches have turned attention to this dimension in order to deepen an understanding of how HRMP influences employee attitudes and behaviour towards creativity & innovation (Chen & Hung, 2009; Gupta et al., 2016; and Joo et al., 2014). However, this phenomenon has been mostly ignored with regards to exploration of in hospitality industry.

Following previous literature, we define human resource management system as the believability that directs managing the pool of human resources and ensuring that these resources are employed towards the fulfilment of organizational goals. Huselid (1995) argued that HRM practices represent one avenue that can be used by organizations in shaping their employees' attitudes and behaviors where employees become highly involved in the organization and work hard to accomplish the organization's goals. Harter et al. (2002) suggested that HRM practices

can generate increased knowledge, motivation, synergy, and commitment of a firm's employees, as a source of sustained competitive advantage for the firm. Similarly, Dittmer (2002) viewed HRM practices as an individual's perceptions of the extent of implementation of the strategies, plans, and programs used to attract, motivate, develop, reward and retain the best people to meet organizational goals.

Over the years a growing body of evidence suggests that high-involvement practices are more positively related to organizational innovation performance than are transaction-based practices. Shipton, et al. (2017b) explored the role of human resource management (HRM) in fostering organisational innovation suggested that HRM reflects the way in which employee innovative behaviours arising from these HRM configurations coalesce to shape higher-level phenomena, such as organisational innovation. Budhwar, et al. (2006) suggested that bundle of HRM practices' may influences their behaviour intension in an organisation therefore it needs to examine the influence of a combination of specific HRM practices instead of single HRM practice. Hemdi and Nasurdin (2006) found that employees' attitudes such as trust in the organization mediated the relationship between employees' perceptions of HRM practices and behavioral intentions, and proposed a further systematic investigation of these linkages. Azzat et al. (2008) demonstrated that career development and performance appraisal have direct, positive and significant relationships with organizational commitment. In addition, perceived organizational support was found to partially mediate the relationships between two of the three HRM practices (career development and performance appraisal) and commitment. Shipton, et al. (2005) studied manufacturing firms and reported that HR practices, especially performance appraisal, training and reward systems, to have a role on organizational innovation and learning systems. Later, Shipton et al. (2006) suggested that exploratory learning and exploitation of existing knowledge enhance technical and product innovations together with HR practices. Jime'nez-Jime'neza and Sanz-Vallea (2008) revealed that innovation contributes positively to business performance and that human resource management enhances innovation. Further, results indicated that HRM practices used for fostering innovation can have a short-term negative effect on productivity and efficiency.

Many scholars (Chen & Hung, 2009; Shipton, et al., 2016; Gupta et al., 2016; Joo et al., 2014 and Budhwar, et al., 2006) suggested that human resource management practices can influence and modify the attitudes, capacities, and behaviors of employees to achieve organizational goals and play a crucial role in nurturing the necessary conditions for catalyzing and channelling individuals towards the development of innovation activities. Jianwu et al. (2012) examined how human resource management (HRM) practices relate to employee creativity and organizational

innovation. The results showed that four HRM practices, hiring and selection, reward, job design and teamwork, were positively related to employee creativity while training and performance appraisal were not. Further, employee creativity fully mediated the relationships between those four HRM practices and organizational innovation. Results suggest that HRM practices can play an important role in managing people to promote innovation in Chinese organizations. Similarly, Bronston et al. (2017) investigated the relationship between various human resource management practices and the perceived organizational support experienced by the employees. The results suggested that hiring practices, training, and compensation practices predict POS and POS influences worker satisfaction and acts as a mediator between select HR practices and satisfaction.

Several studies indicate the contribution of HR practices on the product, process, technical innovation and organizational innovation activities (Shipton, et al., 2005; Shipton et al., 2006; Walsworth & Verma 2007; Chen & Huang 2009; Birikinshaw et al., 2008; Dong et al., 2016 and Jime'nez & Sanz-Vallea, 2008). Therefore, further research is needed on the relationship between HRM practices, organisational support, employees creativity and different types of organisational innovation activities in a broad context especially hospitality industry. Based on this rationale, the following hypotheses are proposed:

Hypothesis 1. HRMP has a positive influence on perceived organisational support.

Hypothesis 2. HRMP has a positive influence on employee creativity.

The Effects of Perceived Organisational Support

The perceived organisational support is a key concept related to understanding the importance of human resource practices. According to the organizational support theory of perception describes that when employees feel that they are supported by their organizations, their sense of responsibility for the welfare and goals of organization improves (Rhoades & Eisenberger, 2002). Similarly, Yu and Frenkel (2013) opined that perceived organizational support has positive consequences for both employees (e.g. increased job satisfaction and positive mood) and organizations (e.g. increased employee emotional commitment, improved performance and reduced unwanted behaviour). Yilmaz et al. (2018) investigated the effects of perceived organizational support (POS) and proactive personality on meaning of work and employee creativity in hotel businesses. The results indicate that both POS and proactive personality have positive effects on the meaning of work and employee creativity. While the mediating effect of meaning of work on

the relationship between proactive personality and employee creativity is fully supported, the mediating effect of meaning of work on the relationship between POS and employee creativity is only partially supported.

Many scholars demonstrated that employees with high perceived organizational support show greater creativity, commitment and innovation (Shantz, et al., 2016; Gupta, et al., 2016; Vatankhah, et al., 2017 and Eisenberger, & Stinglhamber, 2011).

Therefore, it is expected that a more favourable organisational support will lead to a stronger motivation to employee's creativity. Thus, the following hypothesis is proposed:

Hypothesis 3: Perceived organisational support has a positive influence on employee creativity.

The conceptual models of a mediating effect of perceived organisational support have not been well constructed on the basis of casual relationships in hospitality management literature. Eisenberger et al. (1997) found that employees with a strong social exchange ideology show greater organizational commitment. They further found that as employees' perceived organizational support increases, they feel more obliged to contribute to the organization's prosperity and help their organization to achieve its goals. In the management literature some authors (e.g. Fiedler et al., 2011; Feinberg, 2012; MacKinnon, & Cox, 2012; Vatankhah, Javid, & Raoofi, 2017) pointed that mediation effects occur when one aspect represents the relation of the exogenous variables and another aspect represents the relation of the mediator to the endogenous variables. Similarly, Yilmaz et al. (2018) found perceived organizational support have positive effects on employee creativity in hotel businesses. Jime'nez-Jime'neza and Sanz-Vallea (2008) also suggested that HRM practices enhance innovations and employees creativity.

The human resource management mechanism with organisational support plays an important role in employee's behaviour since it constitutes the basic approaches by which employees enhance their creativity supported by the organisation. From the mediation aspect, it is hypothesizing that HRM practices may enhance employee's creativity, which in turn may positively impact on organisation innovation. Based on this rationale, the following hypothesis is proposed:

Hypothesis 4: Perceived organisational support mediates the relationship between HRMP and employees creativity.

The Effects of Employee Creativity

During recent past decades the management literature witnessed that the influence of HRMP on creativity, of organisational support on creativity, and of HRM on

innovation performance have individually received the attention to researchers to some extent, surprisingly the mediating role of employees creativity plays a pivotal role between HRMP and organisational innovation performance has to our knowledge, never before been examined. Adegoke Oke et al. (2012) argued that the interaction of innovation strategy execution and innovation-focused HR policy is positively related to innovation performance. They further stated that innovation performance mediates the interaction of innovation strategy execution and environmental uncertainty on firms' revenue growth. Alice and Steven (2016) revealed that hospitality research on creativity and innovation has not matched the new advances in management research, particularly the multilevel nature of creativity and the outcomes of creativity. They proposed a multilevel model of creativity based on a strategic contingency power theory that examines how individual- and group-level uncertainties hinder creativity. Dong et al. (2016) evaluated how, and when different types of HR systems influence employee creativity. They found that employee-experienced performance-oriented HR systems were more positively related to employee domain-relevant skills when employees experienced stronger maintenance-oriented HR systems. Guiyao et al. (2017) suggested that HPWS enhances perceived organisational support, which in turn promotes employee creativity. The results also indicated that devolved management positively moderates the relationship between perceived organisational support and employee creativity.

Despite the above research findings, no research has explored how HRMP impact on organisational innovation performance by mediating effects of employee creativity and perceived organisational support for the above mentioned relationships. Specifically, while it is hypothesized that perceived support from the organization will induce positive work creativity, it is possible that individuals with different levels of creativity might react differently to high levels of organisational innovation performance.

Hence, it is suggested that the higher level of HRM practices, higher will be the creativity towards innovation performance. Secondly, if the perceived organisation support is highly favourable, level of employees toward creativity will also be high. Finally, there is a lack of sufficient studies on the link between employee's creativity and organisational innovation performance in the context of hospitality literature. Therefore, it is asserted in this study that organisational innovation performance is dependent on employee's creativity. Based on these rationales, the following hypotheses are proposed:

Hypothesis 5: Employee creativity mediates the relationship between HRM practices and organisational innovation performance.

Hypothesis 6: Employee creativity mediates the relationship between perceived organisational support and organisational innovation performance.

Hypothesis 7: The level of respondent perceptions of employee creativity has a direct and significant influence on organisational innovation performance.

CONCEPTUAL FRAMEWORK

Based on the above review of literature and hypotheses

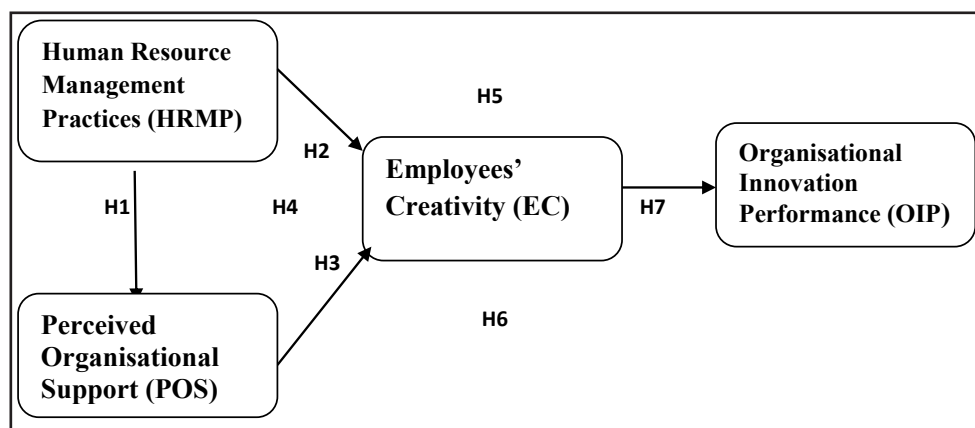


Fig. 1: Proposed Conceptual Model

RESEARCH METHODOLOGY

This study applies a survey research method to examine the relationships among HRMP, perceived organizational support, employees creativity and organizational innovation performance. This study also uses a self-administered survey to sample India hospitality industry companies.

Sampling and Data Collection

Data were collected from the HR managers/general managers in Indian hospitality organisations. Prior to data collection, questionnaire was pre-tested with a sample of 10 HR managers. Sample firms were identified from the highly respected directory of the Ministry of Tourism, Govt. of India that serves as a resource centre for business information and maintains relevant databases of hospitality companies. To initiate a sample, we contacted the HR managers\General managers of more than 210 organisations located at various prominent tourist destinations in India. This procedure resulted in a pool of 105 units, all of which were sampled during the month of January-June 2017. Of the total sample, 54 usable questionnaires were returned by the respondents (51.43% response rate). Non-response bias was assessed in accordance to the procedure recommended by Armstrong and Overton (1997).

development, the research model for the present study is shown in Fig. 1. The conceptual model is depicting the four variables-HRMP, perceived organisational support, employee's creativity and organisational innovation performance. The conceptual model is expected to contribute our understanding of how HRMP and perceived organisational support influence the employees' creativity and organisational innovation performance in Indian hospitality industry.

Measures

Human Resource Management Practices

This study assessed HRMP using 27 measurement items adopted from previous studies (Chand and Katou, 2007). The scale includes the six central attributes of HRM practices as discussed in the previous literature (Chand and Katou, 2007). Respondents were asked to indicate their levels of agreement with descriptive statements using a 5-point Likert scale (range, 1 = strongly disagree to 5 = strongly agree) recruitment and selection' (RS), manpower planning' (MP) job design' (JD) training and development' (TD) quality circle' (QC) pay system' (PS). For the classification of the HRM practices the study followed the methodologies of Chand and Katou (2007).

Employees' Creativity

This study adopted the employees' creativity as dimensions for measuring organizational innovation as mediator. This study used items to assess employee creativity and adopted the measurement items from previous studies (Zhou and George, 2001). The employee creativity measured by using a 13-item on likert-type scale (range, 1 = strongly disagree to 5 = strongly agree). The scale comprises the four central attributes of employee creativity.

Perceived Organisational Support

A central three- attributes used in the present study developed by Eisenberger et al. (1986) that seemed applicable to Indian hospitality employees to measure perceived organisational support. A five-point Likert scale was used to measure all variables (range, 1 = strongly disagree to 5 = strongly agree).

Innovation Organisational Performance

This study used existence of 13 innovation organisational performance measured on a Likert-type scale ranging from 1 = “very strongly disagree” to “7 = very strongly agree.” The scale comprises the four central attributes of innovation performance variables as discussed in the literature. The innovation performance items are adapted from Jones (1996), and Lori and Mark (2009). We used the methodology adopted by Chand (2015).

Controls: We included sector, ownership and size as organizational control variables and gender, age, education, seniority and position as individual control variables. These demographic variables are known to have relationship between HRM practices and organisational innovation performance (e.g. Chand & Katou, 2007). Each of the controls was treated in estimation as a single latent variable.

Data Analysis

In order to test the hypotheses and the conceptual model, the structural equation model (SEM) was conducted with the LISREL program, assessing confirmatory measurement models (factor analysis) and confirmatory structural models (path analysis) (Jöreskog and Sörbom, 2004). The data was processed with the statistical package SPSS and AMOS.

ANALYSIS AND RESULTS

To test the hypotheses, we employed confirmatory factor analysis and structural equation modelling (SEM) partial with the statistical package SPSS and AMOS. Although results estimate both measurement and structural models simultaneously, the results of these two models are analysed and interpreted separately in the next sections.

Analysis of the Measurement Model

A measurement model of the conceptual model with four latent variables was estimated. All constructs were modelled using reflective indicators since the previous study have modelled them the same. Construct reliability was assessed using Composite Reliabilities (CR) values and Cronbach’s Alpha (CA) values. As indicated in Table 1, the CR and the CA values are all above 0.70 recommended by Hair et al. (2010). With values ranging from 0.809 to 0.921 for Composite reliability and from 0.861 to 0.897 for all Cronbach’s alphas, this study can conclude that the scales are reliable. Convergent validity (internal consistence) was assessed using the average variance extracted (AVE) measure and Item loading values. As can be noted again in Table 2 all the item loadings and AVE values reached the recommended benchmark above 0.50 suggested by Fornell and Lacker’s (1981) implying that all items converged well on the construct they were supposed to measure and hence confirming the existence of convergent validity.

The first step in the analysis consists in estimating the measurement model. A first order-factor model was adopted to examine four individual research constructs, as presented in conceptual model. The results indicated that standardised loading for all items exceeded 0.70 and t-values were higher than 1.96 ($p < 0.001$). This satisfied the threshold as recommended by Hair et al. (2010). This analysis revealed that all items’ outer loadings on their respective latent variables were above the critical threshold of 0.70. Thus, in an initial estimation, four dimensions were included in the model as first-order constructs.

Estimation of the initial first-order model allowed us to obtain the latent variable scores to be employed in estimating hypothesis, conceptualized as a second-order reflective construct. Consequently, a second order confirmatory factor analysis (CFA) was conducted to examine the overall fit of the measurement model (Table 2). As a result of CFA, the results showed the overall goodness-of-fit assessment for second-order CFA to be (see Table 1): χ^2/df (297.922/251) = 1.745; GFI = .867; AGFI = .975; NFI = .982; CFI = .885; RMR = .041; RMSEA = .050. The results indicated that all correlation coefficients among the research constructs were less than .90, thus indicating the research model could be presented as a good model fit with adequate convergent validity and construct reliability (Hair et al., 2010; Amato et al., 2004; Wetzels et al., 2009 and Halland, 1999).

Table 1: Results of Confirmatory Factor Analysis

Research Construct		Standardized Loading	Communality	R-Squared Value	C.R. Value	LV Index Value	AVE Value	Cronbach's Alpha value
HRMP	HRMP1	0.782	0.672	0.000	0.893	4.624	0.720	0.868
	HRMP2	0.805						
	HRMP3	0.772						
	HRMP4	0.841						
	HRMP5	0.849						
	HRMP6	0.833						
POS	POS1	0.875	0.723	0.439	0.921	4.572	0.739	0.870
	POS2	0.787						
	POS2	0.825						
EC	EC1	0.739	0.738	0.559	0.912	4.602	0.740	0.897
	EC2	0.821						
	EC3	0.843						
	EC4	0.883						
OIP	OIP1	0.845	0.740	0.396	0.809	4.486	0.743	0.861
	OIP2	0.782						
	OIP3	0.831						
	OIP4	0.849						

Note : χ^2/df (297.922/251) = 1.745; GFI = .867; AGFI = .975; NFI = .982; CFI = .885; RMR = .041; RMSEA = .050.

Note: HRMP = Human resource management practices; POS = Perceived organisational support; EC = Employee creativity; OIP = Organisational innovation performance. C.R.: Composite Reliability; AVE: Average Variance Reliability, * Scores: 1 - Strongly Disagree; 3 - Neutral; 5 - Strongly Agree

Analysis of the Structural Model

Table 2 provides a summary of the structural model and results used to test the research hypotheses. We controlled sector, ownership and size as organizational control variables and gender, age, education, seniority and position as individual control variables in the structural model test. The results indicated that ownership structure & size had a significant contribution with regard to explaining human resource management practices ($\beta = .460$; $t = 6.268$; $p < .001$) and perceived organisational support ($\beta = .305$; $t = 5.353$; $p < .001$), respectively. Respondents backgrounds also had a significant impact on HRMP ($\beta = .314$; $t = 4.867$; $p < .001$) and perceived organisational support ($\beta = .409$; $t = 3.860$; $p < .001$), respectively. Therefore, we assume that both control variables provide vital support for employees' creativity by which they can contribute through human resource management practices for organisational innovation performance. Similarly, it is suggested that the higher the level of employees' education and seniority they have, the higher will be their level of creativity with regard to their contribution to organisational innovation performance.

To assess the influence of human resource management practices on perceived organisational support and employees

creativity or to test the significance of Hypothesis 1 and Hypothesis 2, Structural equation modelling was applied. The results revealed (Table 2) and all of the satisfied the threshold estimates. The significance of β values as shown in Table 2 further suggests that human resource management practices has a positive effect on perceived organisational support ($\gamma H1 = .832$; $P < .001$; $t = 13.657$ and employees creativity ($\gamma H2 = .567$; $P < .001$; $t = 9.008$). These results supported Hypothesis 1 and Hypothesis 2 respectively. Further analysis of Table 2 shows that perceived organisational support had a positive effect on employees creativity ($\beta H3 = .497$; $P < .001$; $t = 7.762$) and employees creativity has a positive influence on organisational innovation performance ($\beta H7 = .760$; $P < .001$; $t = 11.556$). These results also supported Hypothesis 3 and 7 respectively.

In order to assess the mediation effects of variables SEM was used or to test the Hypotheses 4, 5, and 6 SEM was applied. As shown in Table 2, the z-test for human resource management practices \rightarrow perceived organisational support \rightarrow employee creativity ($\gamma H4 = .432$; z-test = 4.675; $p < .001$), which showed that the mediating effect of perceived organisational support on the relationship between human resource management \rightarrow practices and employee creativity was confirmed in Hypothesis 4. Further to test the

Hypothesis 5 or human resource management practices employees creativity organisational innovation performance (YH5 = .367; z-test = 4.789; p < .001), which indicated that the mediating role of employee creativity for the influence of human resource management practices on organisational innovation performance was significant. Therefore, Hypothesis 5 was supported. Furthermore, the z score for perceived organisational support → employee

creativity → organisational innovation performance (YH6 = .320; z-test = 3.965; p < .001), which indicated that the mediating effects of employees creativity for the influence of perceived organisational support on organisational innovation performance was significant. Therefore, results were supported Hypothesis 6. All the research hypotheses were supported, showing statistically significant path coefficients ($t < 1.96, p > 0.05$).

Table 2: Standardized Path Coefficients of the Structural Model - Overall Model (N = 54)

Hypotheses/Path	Standardized Coefficient	(S.E)	t-Value
Proposed theoretical model			
H1: HRMP-OS	.832**	.023	13.657
H2: HRMP-EC	.564**	.067	9.006
H3: OS-EC	.497*	.072	7.762
H7: EC- OIP	.764**	.059	11.731
Alternative model			
H1: HRMP-OS	.832**	.023	13.657
H2: HRMP-EC	.567**	.064	9.008
H3: OS-EC	.495**	.068	7.754
H6: OS-OIP	.587**	.065	4.231
H7: EC- OIP	.760**	.059	11.556
Mediating effects	Standardized coefficient	Z-test	P(sig)
H4: OS-HRMP-EC	.432**	4.675	<.001
H5: EC-HRMP-OIP	.367**	4.789	<.001
H6: EC-OS-OIP	.320**	3.965	<.001

Note: ***p < .001, **p < .01 and significant level at t-value >1.96.

Note: Proposed Model = $\chi^2/df(557.875/371) = 2.675$; p =.000; GFI = .909; AGFI = .885; NFI = .975; CFI = .961; RMR = .044; RMSEA =.045.

Alternative Model = : $\chi^2/df(557.876/370) = 2.675$; p = .000; GFI = .909; AGFI = .890; NFI = .977; CFI = .963; RMR = .042; RMSEA = .047.

Further, the purpose of the structural model analysis is to determine whether the theoretical relationships specified at the conceptualization stage are supported by the data. The adequacy of the structural model was estimated by

comparing the goodness of fit to the hypothesized model and the proposed model. Fig. 2 illustrates the strengths of the relationships among the constructs, showing path coefficients and overall model fit of the hypothesized structural model. The hypothesized model indicated a good fit in all indices ($\chi^2/df(557.875/371) = 2.675$; p =.000; GFI = .909; AGFI = .885; NFI = .975; CFI = .961; RMR = .044; RMSEA =.045). All the paths among constructs were significant ($t > 1.96$).

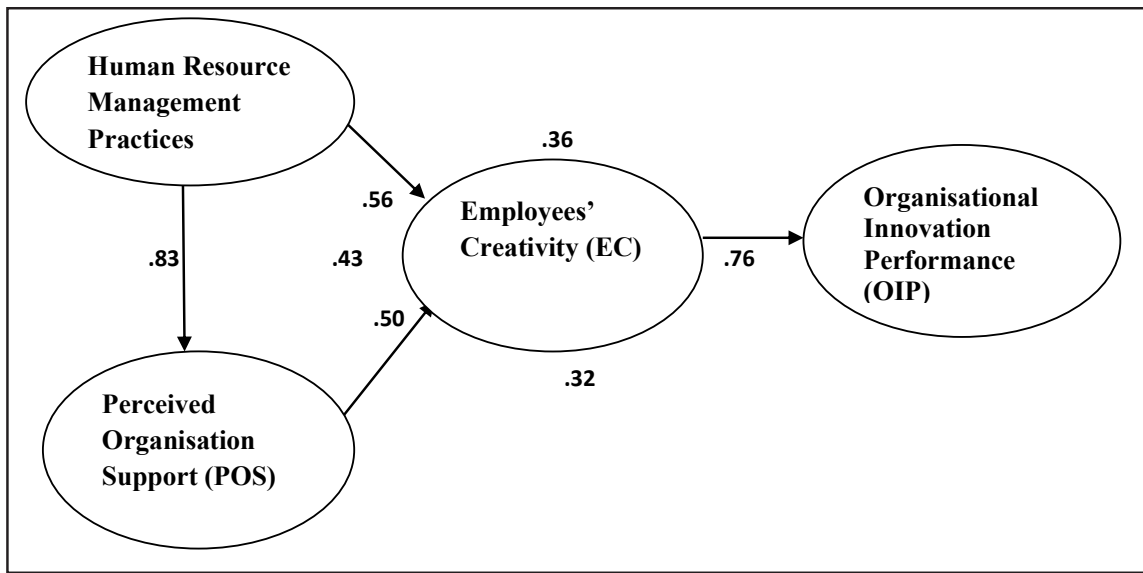
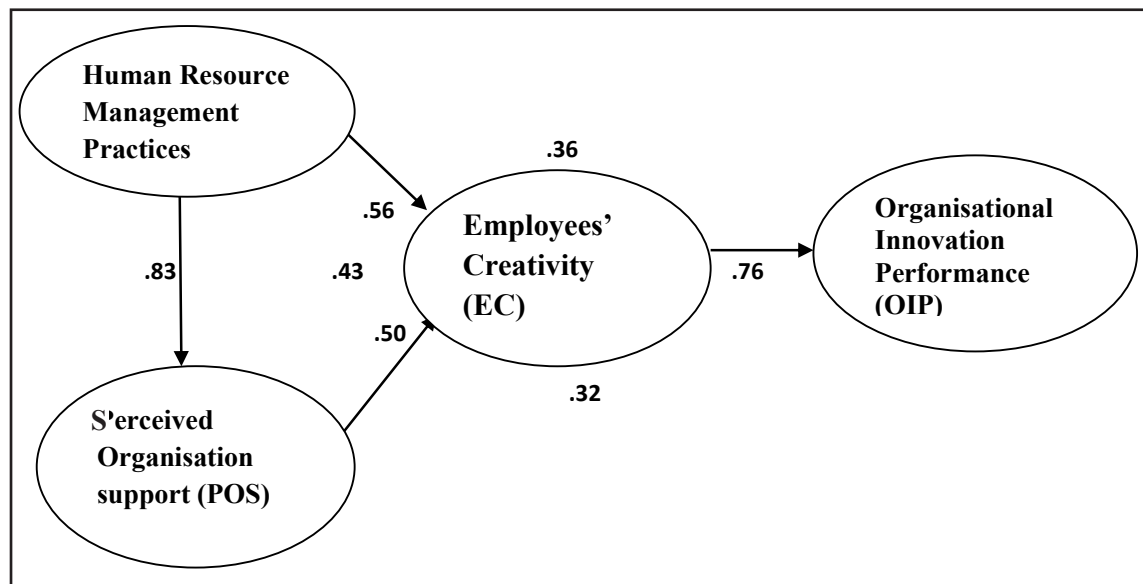


Fig. 2: Hypothesized Structural Model



Significant path; * $p < 0.05$ ($t = 1.96$) ----- Non significant path

Fig. 3: Alternative Model

Alternative Structural Model

In addition to the four hypotheses in the hypothesized structural model, an alternative model included two direct paths, first- from human resource management practices to organisational innovation performance and second- from perceived organizational support to organisational innovation performance (see Fig. 3). The alternate model exhibited almost an identical fit to the data (χ^2/df (557.876/370) = 2.675; $p = .000$; GFI = .909; AGFI = .890; NFI = .977; CFI = .963; RMR = .042; RMSEA = .047) with the hypothesized model. However, the two additional direct relationships turned out to be non-significant ($t < 1.96$, $p > 0.05$): human

resource management practices to organisational innovation performance path (path coefficient = -0.09, $t = -1.60$) and perceived organizational support to organisational innovation performance path (path coefficient = -0.06, $t = -1.51$). Thus, the results indicate that both human resource management practices and perceived organizational support negatively and indirectly affect organisational innovation performance.

In summary, the hypothesized model and the alternative model provided equivalent fits to the data. All of the theoretical paths in the hypothesized model were statistically significant, whereas some of the paths in the other models failed to show significance. In addition, the hypothesized

model was best in terms of parsimony. That is, employee's creativity emerged to play a role as a full mediator in this model. Therefore, the hypothesized model was accepted as the final model.

DISCUSSION AND CONCLUSION

The results in Table 2 and Fig. 2 & 3 provide support for seven (7) hypotheses (H1, H2, H3, H4, H5, H6 and H7). The findings suggest that human resource management practices has a positive effect on perceived organisational support ($\gamma_{H1}=.832$; $P<.001$; $t=13.657$ and employees creativity ($\gamma_{H2}=.567$; $P<.001$; $t=9.008$). These results supported Hypothesis 1 and Hypothesis 2 respectively. Further analysis of table 2 shows that perceived organisational support had a positive effect on employees creativity ($\beta_{H3} = .497$; $P<.001$; $t=7.762$) and employees creativity has a positive influence on organisational innovation performance ($\beta_{H7}=.760$; $P<.001$; $t=11.556$. these results also supported Hypothesis 3 and 7 respectively. The Hypotheses 4, which shows that the mediating effect of perceived organisational support on the relationship between human resource management practices and employee creativity ($\gamma_{H4} = .432$; $z\text{-test} = 4.675$; $p < .001$) was confirmed. Further, the hypothesis 5, results indicate that the mediating role of employee creativity for the influence of human resource management practices on organisational innovation performance was significant ($\gamma_{H5} = .367$; $z\text{-test} = 4.789$; $p < .001$). Similarly, results are supporting Hypothesis 6, that the mediating affects of employees creativity for the influence of perceived organisational support on organisational innovation performance was significant ($\gamma_{H6} = .320$; $z\text{-test} = 3.965$; $p < .001$).

Conclusion

The purpose of this study was to investigate the effects of HRM practices on organisational innovation performance: the mediating effects of employees' creativity and perceived organisational support. In this study seven hypothesis were postulated. To test the proposed theoretical model or to test the proposed hypothesis, data were collected from the Indian hospitality industry. The empirical results supported all the seven posited research hypotheses in a statistically significant way. Important to note about the study findings indicate that the human resource management practices and perceived organisational support could indeed affect employee creativity with regard to organisational innovation performance. In addition, the mediating role of employee creativity and perceived organisational support is also confirmed in this research. Finally, the employee's creativity has emerged to play a role as a full mediator in hypothesized model. Therefore, the hypothesized model was accepted as the final model. Thus, employees' creativity cannot be

overemphasized in today's hospitality business arena. It is imperative to improve employees' creativity through effective HRM practices and positive organizational support. Moreover, HR Managers can help their employees win the race of sustained organisational innovation performance. Finally, this study will immensely contribute new knowledge to the existing body of hospitality management literature in the Indian hospitality industry setting - a research context which happens to be neglected in academics.

Implications of the Study

This study is mainly focused on how HRM practices and perceived organisational support influence the strength of the relationship between the employees' creativity and organisational innovation performance. A major characteristic of this study is that most constructs were multi-dimensional. Thus, future research should consider a multi-path design where instead of treating constructs multi-dimensionally, each dimension should be treated as a separate construct.

The findings of this empirical study are expected to provide fruitful new insights and implications to both academicians and hospitality industry practitioners across the globe. On the academic side, this study makes a significant contribution to the hospitality management literature by exploring the impact of HRM practices on organisational innovation performance: the mediating effects of employees' creativity and perceived organisational support in the context of Indian hospitality industry - one of the emerging economies on the global level. In particular, the current study findings provide tentative support to the proposition that HRM practices, perceived organisational support and employees' creativity are considered to be critical antecedents of organisational innovation performance in hospitality industry.

On the practitioners' side, important influential role of managers can support employees' creativity on the organizational level as well as on group and individual levels by developing, improving, and delivering the relevant HR practices. Managers can support employees by providing relevant HR practices and services. In other words, enhancing organizational innovation performance management will require an integrated strategy, incorporating elements of HRM, organizational support, and employee creativity. In this study the relationship between HRM and organisational innovation performance has been studied in the context of the Indian hospitality industry. The findings suggest that managers may offer support in order to make employees jobs more motivated and themselves more committed to the organisation innovation performance

Limitations and Future Research

Although this study makes significant contributions to both

academia and practice, it was limited in some ways, and therefore some future research avenues are suggested. First, the data were collected from Indian hospitality firms and the sample size of 210 is relatively small. Perhaps, the results would be more informative if the sample size is large and data collected from them. Second, the data were collected using a questionnaire at a single point in time. As a result, the study does not allow for appropriately investigating dynamic causal inferences between core research constructs. Finally, although to extend findings of research on impacts of HRM practices on organisational innovation performance the mediating effects of employees' creativity and perceived organisational support beyond the Western context to countries such as India, it may be considered to be strength of this study. However, our findings may not be generalizable across borders.

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