Process & Radical HR Innovations & Organizational Effectiveness: An Empirical Study

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Process and Radical HR innovations though have become the center stage in literature, due attention and focus are not being extended to their possible impacts on organizational effectiveness. The effective implementation of HR practices depends largely on their significant and visible support including their belief about the importance of HR systems and practices in attaining organizational effectiveness. This study evaluates the impact of the concept on organizational effectiveness in thirty organizations. Data from 2300 samples were collected from organizations in steel, power, cement, IT, auto and refractories in India, Singapore, Thailand and UK and were analyzed using Analytic Hierarchy Process (AHP), TOPSIS and Hierarchical Regression analysis. The findings suggest that Process and Radical HR Innovations influenced Organizational effectiveness significantly.

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Introduction

Process and Radical HR innovation, in recent times have become center stage in research literature. However, till date due attention and focus are not being extended to the possible impacts of Process and Radical HR Innovation on Organizational Effectiveness. This study evaluates the impact of Process Innovation and Radical HR Innovation on organizational effectiveness in thirty organizations. Data from 2300 samples were collected from organizations in the steel, power, cement, IT, auto, refractories sectors in India, Singapore, Thailand and UK and were analyzed using an Analytic Hierarchy Process (AHP), Technique for Order of Preference by Similarity to Ideal Solution **(**TOPSIS) and Hierarchical Regression analysis.

Literature Review & Hypotheses Development

Innovation is generally defined as the generation (development) or adoption (use) of new ideas, objects or practices (Amabile, 1988; O'Toole, 1997; Rogers, 1995). The generation

of innovation results in an outcome: a product, service, or practice that is new to the state of the art (or at least to an organizational population). The adoption of innovation results in the use of a product, service, or practice new to the unit of adoption such as individual, team, or organization (Damanpour & Wischnevsky, 2006). Innovation adoption is a process that generally includes three phases: initiation, adoption decision, and implementation (Damanpour & Schneider, 2006; Rogers, 1995). An innovation is implemented when it is accepted by the users (employees, clients, or customers) and is regularly used by them. Therefore, for the innovation to deliver improvements and contribute to organizational performance, it is necessary that it is implemented.

Birkinshaw, Hamel and Mol (2008) reviewed the literature on managerial innovation and defined it operationally as ''the generation and implementation of a management practice, process, structure, or technique that is new to the state of the art and is intended to further organizational goals.'' Examples include: divisional structure, production system, total quality management (TQM), activity-based costing, modern assembly line, and quality of work-life (Birkinshaw, Hamel & Mol, 2008). As these examples suggest, innovation is conceptualized as a multidimensional construct, including structural, operational, and administrative processes. Further, because ''newness'' is defined as the state of the art, these innovations are radical and their adoption may result in major changes in the organization's management systems and processes managerial inventions, as compared with product/service innovations that are introduced for use by or to serve external constituents, typically aim to increase efficiency and effectiveness of the internal organizational operating and administrative processes (Adams, John & Phelps, 2006; Birkinshaw, Hamel & Mol, 2008; Boer & During, 2001). They pertain to changes in structure, management systems, knowledge used in performing the work of management, and managerial skills that enable an organization to function efficiently and effectively (Hamel, 2006). Therefore, we conceive managerial inventions as a two-dimensional construct: an information technology (IT) dimension and an administrative dimension. Whereas the administrative dimension captures the adoption of new management systems and processes to make the work of management more effective, the IT dimension reflects the use of new management and office information systems to advance efficiency of the organization's operating systems and processes (Damanpour, Walker & Avellaneda, 2009). Together, they represent the introduction of new HR practices, processes, and techniques to further organizational adaptation and effectiveness.

Schumpeter defined innovations as being at the heart of the entrepreneurial role i.e. the creation of a linkage between new ideas and markets (Gallouj & Weinstein, 1997). Hislop (2005) defined innovation as a deliberate and radical change in existing products, processes or

the organization in order to achieve an advantage over competitors. There are several aspects of innovation: (a) the introduction of something new, including new products or services, new technology or new forms of organization, (b) a process aspect, which means that there are activities or stages such as goal formulation, design and organization, implementation and monitoring, (c) development with radical leaps or incremental innovation, (d) the goal of innovation activities is to gain advantages for the organization (de Leede & Looise, 2005). Technological innovations contain both product or process innovation.

Innovative organizations support creative activities through offering employees the freedom to work independently in pursuit of new ideas (Scott & Bruce, 1994; Dobni, 2006). Employee's skills and knowledge are important factors to firm's successful innovation, since the human element is involved in the whole innovation process (Jimenez-Jimenez & Sanz-Valle, 2005).

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Literature indicates the existence of at least eight types of innovation: Process Innovation, Product Innovation, Incremental Innovation, Radical HR Innovation, Administrative Innovation, Technology Innovation, Market Innovation and Value Innovation (Seng et al, 2011).

Process Innovation represents changes in the way firms produce the end product for the benefit of its customers (Seng et al, 2011). It is the implementation of a new or significantly improved production or delivery method. This includes significant changes in techniques, equipment and/or software (Guillaume, 2010).

Radical HR Innovation is a complete change, the outcome of which is new to the organization resulting in organizational effectiveness (Seng et al, 2011). Birkinshaw, Hamel, and Mol (2008) defined it operationally as ''the generation and implementation of an HR system, practice, process, structure, or technique that is new to the state of the art and is intended to further organizational goals.''

Innovation adoption is a process that generally includes three phases: initiation, adoption decision, and implementation (Damanpour & Schneider, 2006; Rogers, 1995). An innovation is implemented when it is accepted by the users (employees, clients, or customers) and is regularly used by them. Therefore, for the innovation to deliver improvements and contribute to organizational performance, it is necessary that it is implemented. This is particularly important because organizations may adopt an innovation in search of legitimacy without fully implementing it (Ashworth, Boyne & Delbridge, 2009; Brown & Potoski, 2003).

Product Innovation is the development of new products, changes in design

of established products, or use of new materials or components in the manufacture of established products. Product Innovation reflects a change in the quality of products for the benefit of its consumers (Barlow, 1999).

Administrative innovation is the adaptation of a new administrative system for the business practices, workplace or to the external relations to improve the performance of an organization (Oslo Manual, 2005). It is the creation of a new organizational design that supports better the creation, production and delivery of products and services (Teece, 1980).

Incremental Innovation is about continuous change in products and services to better meet the needs and expectation of consumers (Mishra & Srinivasan, 2005).

Technology innovation is the application of ideas related to applied science to make changes in production processes (Seng et al, 2011). Some researchers believe that a better strategy for the organization is to focus more on customers' satisfaction and market segmentation than on its products or processes.

Market innovation is the process of exploring and exploiting new businesses through improvements in marketing activities (Johne, 1999).

Value innovation is the simultaneous pursuit of differentiation and low cost strategies. Also known as Blue Ocean Strategy (Kim & Mauborgne, 2015), it focuses on making competition irrelevant by creating a leap of value for buys and the producers, thereby opening up new and uncontested market space.

Organizational Effectiveness

Organizational effectiveness illustrates the soundness of an organization's culture, processes and structure in terms of its overall system performance (French & Bell, 1999). The practical use of assessing organizational effectiveness stems from the intent to analyze the present state of an organization to improve its performance in accordance with diagnostic findings (Lee & Brower, 2006). Assessing organizational effectiveness by means of a well-planned and well executed diagnostic process is, therefore, generally assumed to form part of a broad organizational management strategy aimed at improving overall system management (Cummings & Worley, 2005; French & Bell, 1999). The use of such a diagnostic process provides an organization with the systematic knowledge that it needs to design a set of appropriate intervention activities that should improve overall organizational effectiveness (Van Tonder & Dietrichsen, 2008).

Organizational effectiveness can be defined in terms of HR related outcomes such as turnover, job satisfaction, employee engagement etc. or organizational outcomes such as productivity, quality, efficiencies etc. (Dyer & Reeves, 1995). Moreover, it can also be defined in terms of financial indicators such as return on assets (ROA) or return on equity (ROE) or capital market outcomes: market

share, stock price and growth. Notably, the term 'performance' is more specific than 'effectiveness', thus researchers usually refer to the term 'effectiveness' when they consider multiple outcomes of performance in their studies. Dyer and Reeves (1995) propose that HR strategies would most likely affect HR related outcomes, followed by organizational, financial and market outcomes. The rationale behind this is that HR systems have their most direct impact on employee behaviors and attitudes, which may subsequently result in a low turnover and high satisfaction, which in turn, has the capacity to generate high organizational and financial outcomes. Researchers like Paauwe and Boselie (2005), Paauwe (2009) emphasize the use of the multidimensional concept of organizational effectiveness, which can better reflect the effectiveness of the companies. Although it seems to be a general belief that the HRM practices and organizational effectiveness relationship depends on contextual factors such as business strategy, there is little empirical evidence to support this belief (Wright & Gardner, 2003; Godard, 2004; Gerhart, 2005). HRM practices/systems or HRM policy domain that involve the traditional HRM areas of resourcing and development directly influence employees' ability to perform by improving their knowledge, skills, and abilities. The practices involving the HRM areas of compensation and incentives directly influence employees' motivation to perform by shaping their attitudes of motivation, commitment, and satisfaction. The practices including the HRM areas of involvement and job design directly influence employees' opportunity to perform by shaping their behaviors such as employee retention. However, each of these three HRM systems/practices may influence all the three HRM outcome categories of employees' skills, attitudes, and behaviors and not just the one as has been indicated above. Hence, it may be important to further explore the relationship and the strength between the HRM systems/practices or domains and the HRM outcomes (Lepak, Lio, Chung & Harden, 2006). HRM practices may influence organizational effectiveness either directly or indirectly through the skills, attitudes, and behaviors of the organization's human capital pool. However, the influence of HRM outcomes such as employee skills, attitudes, and behaviors on organizational performance may be both direct and indirect, from skills through attitudes and then through behaviors (Purcell & Hutchinson, 2007). It is argued that employee characteristics, such as skills do not provide value to the organization unless they are embedded through proper employee attitudes (Wright et al., 1994), and furthermore, it is the employees' attitudes that determine to what extent they are prepared to use effectively their various capabilities for the benefit of the organization (Schuler & Jackson, 1987). Moreover, it is argued that in order to bring lasting and better results and to significantly contribute to the success of

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their organization, employees must be motivated, committed, and satisfied (Paul & Anantharaman, 2003; Paauwe, 2004). Additionally, it is accepted that unless the organization is able to retain its employees, it will not be able to capitalize on the human assets developed within the organization. Thus, employee retention and employee presence may have a positive impact on organizational effectiveness (Boselie et al., 2003). In recent decades, there has been an important stream of research that has examined the human resources management (HRM) and organizational effectiveness relationship. A few of the most recent studies have focused on effective HRM implementation (Sikora & Ferris, 2014; Bos-Nehles, Van Riemsdijk & Looise, 2013; Guest, 2011). However, most scholarship has paid attention to the design and quality of HRM systems rather than their implementation in real world contexts (Khilji & Wang, 2006; Wright and Nishi, 2006; Huselid, et al., 1997). It is not merely the quality of the proposed HR system that drives the HRM-organizational effectiveness relationship, the successful implementation is also paramount.

Innovation & Organizational Effectiveness

Empirical evidence which connects innovation with organizational outcomes such as financial performance abounds in literature. In the study of a business operating in Istanbul (Turkey) Gokmen and Hamsioglu (2011) discovered the existence of a relationship between innovation and organizational performance. Cabral (1998) studied the effect of differentiated knowledge source and learning process on technology capacity to innovate and competitive performance using selected Brazilian export companies. The study found the existence of a positive relationship between knowledge, innovative capabilities and competitive performance. Lim et al (2010) studied the effect of innovation on performance of construction firms using statistical data across 18 organizations from OECD countries and from expert interviews in Singapore.

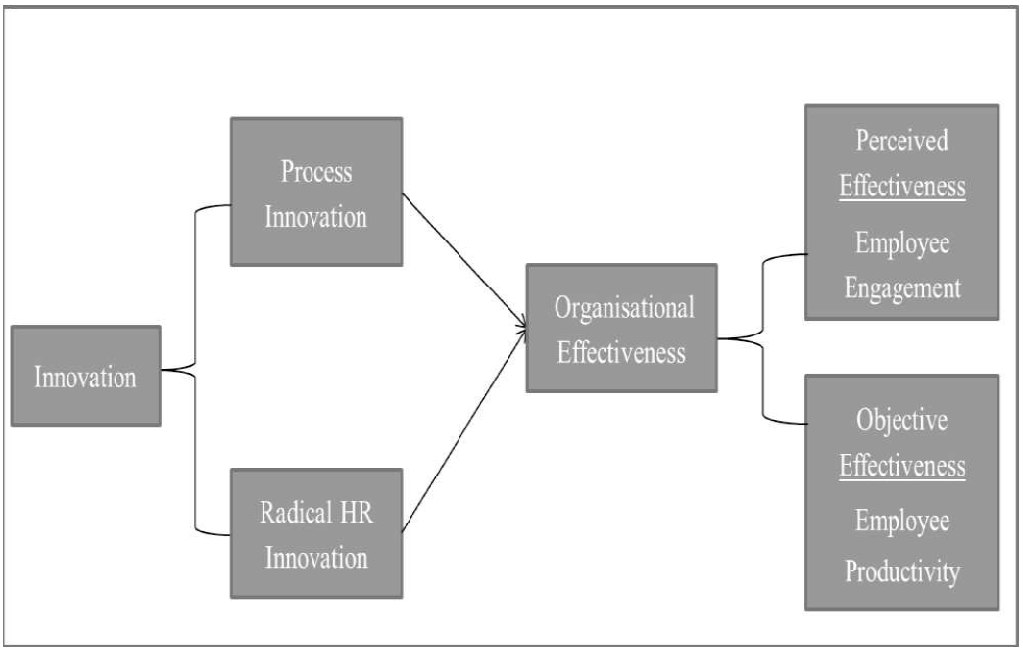
Employee Engagement

Employee engagement may be defined as a state of emotional and intellectual commitment. It goes beyond satisfaction ('how much I like things here') and commitment ('how much I want to contribute here') to engagement ('how much I want to and actually improve business results'). Engagement is a multi-faceted construct manifested by the display of three key employee behaviors – Say, Stay and Strive. Employees are strongly engaged when they: (1) consistently speak positively about the organization to co-workers, potential employees and customers, (2) have an intense desire to be a member of the organization, and (3) exert extra effort and engage in behaviors that contribute to business success. Another key premise of the engagement model is that the engagement drivers are interrelated; they do not operate in isolation. These drivers are clubbed under 6 factors – People, Work, Total Rewards, Opportunities, Quality of Life and Company Practices.

Research Framework

Fig. 1 represents the HR Innovation – Organizational Effectiveness framework developed in this research. The framework proposes that effectiveness of HR practices will have an impact on organizational effectiveness both directly and also indirectly through the Management Style of CEO, CHRO. HR Innovation is conceptualized as a two-dimensional construct i.e. Process Innovation and Radical HR Innovation.

Fig. 1 The Hypothesized Framework of Expected Relationships Among the Study Variables



Hypothesis

The following hypotheses are proposed:

Hypothesis 1: Process Innovation and Radical HR Innovation are positively associated with: (a) Employee Engagement and (b) Employee Productivity

Hypothesis 2: Effective Process Innovation, Radical HR Innovation are likely to have a greater positive effect on (a) Perceived Organizational effectiveness (Employee Engagement); (b) Objective Organizational Effectiveness (Employee Productivity) in Singapore than in Thailand and India.

Hypothesis 3: Perception of Gen Y towards Process and Radical HR Innovations is likely to have a greater positive effect on: (a) Perceived Organizational Effectiveness (Employee Engagement); (b) Objective Organizational Effectiveness (Employee Productivity) than Gen X, Gen Z and Baby Boomers.

Sample & Data Selection

The research study was carried out in thirty organizations. These organizations located in India, Singapore, Thailand and UK are different in terms of national culture, market institutions, and competitive context, making them a good sample for testing hypotheses about the influence of culture and institutions on the type of human resource management systems/practices that are most effective in a given country.

The research method adopted was Survey, Analytic Hierarchy Process (AHP) technique and TOPSIS. The AHP is a method for breaking down a complex and unstructured situation into its component parts, then arranging those parts/variables into a hierarchical order. This method is based on the assignment of numerical values for subjective judgements on the relative importance of each variable, then synthesizing the judgements to determine which variable has the highest priority (Saaty, 2008). In this study, AHP is being used as a decision- making tool for ranking of the types of innovation which will be a new contribution in HR for analysis purpose though the model is used in Supply Chain Management as a decision -making tool for supplier evaluation and selection process.

The list of eight types of innovation as identified through literature review was distributed amongst the respondents (CHRO, CEO, Line Chiefs, Managers (Junior/Middle/Senior), Blue color employees and Union representatives) to rank them as per AHP scale (Fig. 2) and their responses were captured.

Fig. 2 Rating Scale of AHP

Intensity of importance	Definition	Explanation
1	Equal importance	Two factors contribute equally to the objective.
3	Somewhat more important	Experience and judgment slightly favour one over the other.
5	Much more important	Experience and judgment strongly favour one over the other.
7	Very much more important	Experience and judgment very strongly favour one over the other. Its importance is demonstrated in practice.
9	Absolutely more important	The evidence favouring one over the other is of the highest possible validity.
2, 4, 6, 8	Intermediate values	When compromise is needed.

The analysis of response of two respondents through AHP method is shown in Fig. 3 & Fig. 4. Out of all the respondents the responses of only those were considered wherein the value of Consistency Ratio (CR) was less than 10% (0.1). Accordingly, the weighted priority of eight types of innovation by industrial experts is shown in Fig. 5.

Fig. 3 Sample Response of One of the Respondents as per AHP Scale

Matrix	Process Innovation	Radical HR Innovation	Product Innovation	Incremental Innovation	Technology Innovation	Administrative Innovation	Market Innovation	Value Innovation	Normalized Principal Eigenvector
Process Innovation	1	1	1	3	3	3	3	3	22.1%
Radical HR Innovation	1	1	3	5	5	5	5	5	29.7%
Product Innovation	1	1/3	1	1	1	1	3	3	13.1%
Incremental	1/3	1/5	1	1	3	1	1	1	8.0%
Technology Innovation	1/3	1/5	1	1/3	1	1	1	1	6.8%
Administrative Innovation	1/3	1/5	1	1	1	1	1	1	7.2%
Market Innovation	1/3	1/5	1/3	1	1	1	1	5	7.3%
Value Innovation	1/3	1/5	1/3	1	1	1	1/5	1	5.8%

Eigenvalue	lambda	**8.587**
Consistency Ratio	CR	**5.9%**

Fig. 4 Sample Response of one of the Respondent as per AHP scale

Matrix	Process Innovation	Radical HR Innovation	Product Innovation	Incremental Innovation	Technology Innovation	Administrative Innovation	Market Innovation	Value Innovation	Normalized Principal Eigenvector
Process Innovation	1	1	1	3	3	3	3	3	21.6%
Radical HR Innovation	1	1	3	5	5	5	5	5	30.3%
Product Innovation	1	1/3	1	5	5	3	3	3	16.8%
Incremental	1/3	1/5	1/5	1	3	1	1	1	6.2%
Technology Innovation	1/3	1/5	1/5	1/3	1	1	1	1	5.4%
Administrative Innovation	1/3	1/5	1/3	1	1	1	5	5	8.2%
Market Innovation	1/3	1/5	1/3	1	1	1/5	1	5	6.4%
Value Innovation	1/3	1/5	1/3	1	1	1/5	1/5	1	5.3%

Eigenvalue	lambda	**8.903**
Consistency Ratio	CR	**9.1%**

Accordingly, as desired by participant organizations we focused on top two ranked innovation types. i.e. Radical HR Innovation & Process Innovation to carry out our empirical study.

Fig. 5 Ranked Results of Pair-wise Comparisons for Types of Innovation

Innovation Types	Weighted Priority	Rank
Process Innovation	0.263	2
Radical HR Innovation	0.322	1
Product Innovation	0.119	3
Incremental Innovation	0.080	4
Technology Innovation	0.062	5
Administrative Innovation	0.060	6
Market Innovation	0.054	7
Value Innovation	0.042	8

Control Variables

It is essential to include control variables in the study owing to their possible association with dependent variables. The literature review shows that firm size and age are the commonly used control variables in the studies on HRM–performance link, and can cause significant variations in the impacts of HRM practices on OP. Firm size, in particular, has been found to be an important control variable (for example, Collins & Clark, 2003). In this study, we employ firm size and firm age as control variables measured respectively in natural logs (Kimberly, 1976) by the number of employees in each company and the number of years the company has been in operation.

Effectiveness of Process Innovation & Radical HR Innovation Practices

Effectiveness of Process Innovation and Radical HR Innovation was measured by the extent of perceived importance, implementation and effectiveness. (Data was collected through survey vide a questionnaire). The intensity was measured on a 5- point Likert Scale. Responses for Process Innovation and Radical HR Innovation were averaged for each organization participating in the study to arrive at Process Innovation and Radical HR Innovation Practices Effectiveness Index. The indices were used to ascertain the relationship between the effectiveness of Process Innovation and Radical HR Innovation Practices and Organizational Effectiveness

(Perceived & Objective). Cronbach Alpha for the instrument was found to be 0.73.

Process Innovation, Radical HR Innovation Measurement

Process innovation comprised three items:

R&D orientation, the application of new technology and new combination of materials in production. All these items were adapted from Otero-Neira et al. (2009), and Lan Wu (2010).

Questionnaires developed by Khandwalla (1988), administered to respondents include: (i) Innovation Sponsoring Capability (Likert type 4- point scale); (ii) Creative Personality Assessment (Likert type 4- point scale); (iii) Creative Environment Scale: Part A: Social Environment sub- scale (Likert type 5-point scale); (iv) Part B: Work Environment sub-scale (Likert type 5-point scale). The reliability of the above mentioned questionnaires/scales has been tested and Cronbach Alpha (α) scores for such questionnaires/scales were obtained as 0.91, 0.86, 0.61, and 0.73 respectively which indicate their overall reliability.

Organizational Effectiveness Measurement

In this study, Organizational Effectiveness was measured in two dimensions:

Objective Organizational Effectiveness: Effectiveness as indicated by Employee Productivity.

Perceived Organizational Effectiveness: Effectiveness as perceived by the members of the organization in relation to other such organizations. This was measured through Employee Engagement. Gallup's twelve-items Questionnaire was used to find out the Employee Engagement Index in the organizations under study. Cronbach Alpha for the instrument was found to be 0.71.

Hierarchical Regression Analysis, AHP & Fuzzy TOPSIS methods were used to test the hypothesized relationships.

Descriptive Statistics

The descriptive analysis of data includes the mean, geometric mean, standard deviation (SD), skewness and kurtosis, and zero-order correlations.

Hierarchical Regression Analysis

Hierarchical regression analysis was adopted for modelling the data. Before conducting the regression analysis, data was screened and tested for the multivariate assumptions. The relationships between the variables were tested to see whether they met the normality assumption (Tabachnick & Fidell, 2007). Tests were conducted to see the multi-collinearity between the variables.

Fuzzy TOPSIS (The Technique for Order of Preference by Similarity to Ideal Solution) Approach with Fuzzy AHP

In this approach linguistic values are used to assess the ratings and weights

for the factors. These linguistic ratings are expressed in triangular fuzzy numbers. Then, a hierarchy multiple criteria decision making (MCDM) model based on fuzzy set theory is applied. Subsequently applying the concept of TOPSIS, a closeness coefficient is defined to determine the ranking order of all the thirty organizations participated in the study by calculating the distances to both the fuzzy positive ideal solution (FPIS) and fuzzy negative ideal solution (FNIS) simultaneously. We are using the proposed model in HR as a decision making tool for ranking of the organizations which will be a new contribution to HR for analysis purpose though the model is used in Supply Chain Management as a decision making tool for supplier evaluation and selection process.

Results

Hypothesis 1: Process Innovation, Radical HR Innovation are positively associated with (a) Employee Engagement, (b) Employee Productivity.

In order to test this hypothesis, the zero-order relationships among these measures were examined. The measures ranged in their relationship with one another from r = .827 to r = .995. Also the Linear Regression analysis and Hierarchical Regression analysis show a positive relationship between HR Practices and Employee Engagement, Employee Productivity. Also, the analysis through AHP, TOPSIS, Extent Analysis on AHP, Fuzzy TOPSIS and Fuzzy AHP provides evidence of significant relationship. Process Innovation: (β=0.70; p<.05) against Employee Engagement, (β=0.77; p<.05) against Employee Productivity. Hence hypothesis 1 is supported.

Hypothesis 2: Effective Process Innovation, Radical HR Innovation are likely to have a greater positive effect on (a) Perceived Organizational Effectiveness (Employee Engagement); (b) Objective Organizational Effectiveness (Employee Productivity) in Singapore than in Thailand and India.

In order to test this relationship in the presence of the controls, hierarchical linear regression was performed. The hierarchical multiple regression revealed that at Stage one, participating organizations of Thailand contributed significantly to the regression model, F = 175.05, p< .05) and accounted for 3.92% of the variation in Employee Engagement Index and 3.67% of the variation in Employee Productivity. Introducing India explained an additional 16% of variation in Employee Engagement Index and 14.7% of the variation in Employee Productivity and this change in R^2 was significant, F = 121.23, p < .05. Finally, the addition of Singapore to the regression model explained an additional 39.1 % of the variation in Employee Engagement Index and 39.1% of the variation in Employee Productivity and this change in R^2 square was also significant, F = 107.32, p < .05. Together they accounted for 71.6 % of the variance in Employee Engagement Index and 69.7% of the variation in Employee Productivity and, therefore support hypothesis 2.

Hypothesis 3: Perception of Gen Y towards Process Innovation, Radical HR Innovation is likely to have a greater positive effect on: (a) Per-

ceived Organizational Effectiveness (Employee Engagement); (b) Objective Organizational Effectiveness (Employee Productivity) than Gen X, Gen Z and Baby Boomers.

In order to test this relationship in the presence of the controls, hierarchical linear regression was performed. The hierarchical multiple regression revealed that at Stage one, Gen Z contributed significantly to the regression model, $F = 175.05$, $p < .05$) and accounted for 3.7 % of the variation in Employee Engagement. Introducing the Boomers II explained an additional 10.2% of variation in Employee Engagement Index and this change in R^2 was significant, $F = 121.23$, $p < .05$. Adding Gen X to the regression model explained an additional 14.7 % of the variation in Employee Engagement Index and this change in R^2 was significant, $F = 81.02$, $p < .05$. Finally, the addition of Gen Y to the regression model explained an additional 33.7% of the variation in Satisfaction and this change in R^2 square was also significant, $F = 107.32$, $p < .05$. When all the four Gen Z, Boomers II, Gen X and Gen Y were included in stage four of the regression model, neither Gen X nor Gen Z were significant predictors of Employee Engagement Index. The most important influencer of Employee Engagement Index was Gen Y. Together Gen Z, Boomers II, Gen X and Gen Y accounted for 58.7% of the variance in Employee Engagement Index and therefore support for hypothesis 4.

Discussion

The purpose of this study was to analyze the effect of Process Innovation and Radical HR Innovation on Organizational Effectiveness and to uncover if and how these relationships differed in Singapore, Thailand, UK with respect to host country India. The empirical results provide evidence to support the research hypotheses. Thus, it was shown that differences in HR Innovation Practices under study between multinational companies can be partly explained by the systems of HR Innovation practices implemented. This study assessed the influence of Process Innovation, Radical HR Innovation and Organizational Effectiveness. The uniformity of the sample and quality of the dependent measures provided a rigorous test of the proposed relationships. The study aimed at modeling and understanding the influence of Process Innovation, Radical HR Innovation practices on Organizational Effectiveness.

The study was an attempt to make specific contributions to the understanding of the relationship between effectiveness of Process Innovation, Radical HR Innovation Practices and organizational performance. In this study effectiveness of Process Innovation, Radical HR Innovation were assessed. These assessments answer calls in the research to assess the HR System in a manner beyond the identification of the formal instantiations of high commitment work practices (e.g. Gerhart, 2005; Becker & Huselid, 2006). By providing simultaneous assessments of different components of the larger HR System, it was possible to hypothesize and test relationships among these measures of the HR System. Further, building on past theoretical developments, a clear articulation of the rela-

tionship between the Process Innovation, Radical HR Innovation practices and Organizational Effectiveness was proposed and tested. The findings suggest that Process and Radical HR Innovation influenced Organizational effectiveness significantly, wherein the impact of Radical HR Innovation was stronger than Process Innovation. The findings suggest that innovation is a critical factor in today's business scenario. While the results of the analysis provided support for the hypothesized relationships, they offer new insights in to the Strategic HRM literature and way forward for future research.

Practical Implications

The study will enable organizations to design innovative strategies/ practices that influence process and outcome variables that will bring forth better operational results to attain higher financial growth. The study will also help in ascertaining that even if the suggested Innovative strategies do not show direct causal connection, it can significantly influence organizational outcome indirectly. The study might provide enough insights for HR professionals to link their activities with the Organizational Effectiveness paradigm. The study will provide insights that innovation strategies/ practices if driven by CHRO will facilitate in better alignment and connectivity with company's vision, mission and goal. The study will provide an empirical evidence to substantiate the relationship between selected innovation strategies & organizational effectiveness.

Conclusion

Innovation is a strategy that is widely accepted by most organizations. This article looked at the effectiveness of innovation as a tool to enhance competitive advantage and improve organizational performance. It concludes that innovation is a key determinant of organizational performance, also the type and degree vary across industries. Therefore, every company seeking competitiveness and improved performance should consider the inclusion of appropriate innovation strategies for the realization of desired outcomes

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