



IMPACT OF HIGH-PERFORMANCE WORK PRACTICE ON THE INNOVATION PERFORMANCE AMONG THE EMPLOYEES OF INFORMATION TECHNOLOGY SECTOR

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Abstract

High-performance work practice is essential for all organizations which desire to achieve maximum benefit from the available resources, most specifically from the available human resources. The study presented here is an attempt to explore and analyze the probable effect of high-performance work practice over the innovation performance. The study has been carried out among the individuals employed in Information technology at Chennai. The employees are selected by way of simple random sampling as respondents. The sample size of the research study is 100. The instrument used for the purpose of the collection of the data required for the study is a questionnaire and the technique used for analysis of the collected data is Regression. The outcomes of the analysis reveal the fact that high performance HR practices significantly increases Innovation performance of IT employees...

Keywords: *High-Performance Work Practice, Innovation Performance.*

Introduction

Prior researches done regarding performance had primarily paid attention over the organizational performance. Only least attention had been given to the concept of innovation performance. Research studies regarding the effect of the practices of HRM over the innovative performance of the employees were also done to the least extent. In the words of Paauwe (2010), till date, the studies regarding the effect of HPWS over the innovation performance of an individual and the mechanism of internal effect of the same is still in its least stage.

HPWS (High performance work system) refers to the practical activities framed by the organizations. The information asymmetry amidst the employees and the leaders has got the tendency to pave the way towards a disparity in the perceptions of the employees, hence affecting the effect of implementation impact of the HPWS. Hence, it becomes essential to identify the affecting mechanism of the perception of the employees regarding the high-performance practice over the innovation performance.

In the previous twenty years, several studies had been done to examine the effect of HR over the company performance. The main purpose of the paper is to examine the way in which the HPWP (high-performance work practice) affect the innovative and competitive capabilities of an organization. In short, the study intended to investigate the impact of the high-performance work practice over the innovation performance of the organization.

Statement of Problem

Most of the organizational managerial personnel do not have the awareness that innovation performance can be increased through the investments being made in the activities of high-performance practice. This leads to failures of the organization in the accomplishment of their goals.

Objectives of the Study

The current paper tries to investigate the evidence regarding the effect of high-performance work practice over the organization's innovation performance.

Need For the Study

This study has attempted to create an awareness among the policy makers, practitioners and the management of the organization about the effectiveness of investing in the activities of high-performance activities.

Review of Literature

Mehralian, G. et al., (2021) stated that the achievement of the organizational outcomes by way of HRP (human resource practice) to be the base for all the organizational accomplishments is remaining to be unexamined. This requires the studies regarding the concept to be done to a rigorous level. Hence, the present study had been done for developing a framework for examining the way in which the HPWS helped the organizations to create organizational learning which ultimately paved the way to innovation performance. The authors had done a multi-source study which was based on a survey for examining the model proposed by the authors. The data needed for the study was gathered from around 154 companies which were



related with pharmaceutical industry. As per the findings of the study, HPWS concentrated to enhance the opportunities, abilities and motivations and all these were related with the organizational learning in a positive manner, which ultimately led to enhance the innovation performance. Further, the innovation culture was found to play the role of a moderator in the relationship of organizational learning with the innovation performance.

RajibLochanDha (2015) said that the behavior of service innovation could be considered as the main demand of the employees working in hotels who had got the duty of serving their clients in a best way. The author had presented an integrated model which examined the impact of HPHRP (high performance human resource practices) over the level of commitment of the employees of a tourist hotel. The study was done in the context of the hotel in Uttarakhand of India. The authors had also examined the intervening role played by organizational climate for the innovation in the relationship of commitment with the service innovative behavior. The respondents of the study were 31 managers and 618 employees. The relationship between the variables was established with the help of HLM. Outcomes of the analysis of the study revealed that the organizational commitment played the role of a mediator in the relationship of HPHRP with the service innovative behavior of the workers in hotels. The authors had also explored that the organizational climate for organization played the role of a moderator within the association of organizational commitment with the service innovative behavior.

Mohsen Shahriari& Maryam Mahmoudi Mesineh (2021) reported that the strategy of innovation had turned out to be a significant challenge in recent times amidst the competitive conditions of the developing nations. The authors of this article had tried to explore the effect of high-performance work system over the innovation strategy of the knowledge-based entities, by considering the role played by entrepreneurial orientation as a mediator. The respondents of the study were 180 employees and managers of knowledge-based industries of Iran. Questionnaires were administered for the purpose of data collection and the analysis of the collected data was done with the help of SEM. The findings exhibited that the HPWS had got an optimistic effect over the innovation strategy of the companies which were knowledge-based. It was further explained that nearly 75% of the impact of HPWS over the innovation strategy was indirectly explained through the role of mediator played by entrepreneurial orientation.

Mirta Diaz-Fernandez et al., (2017) had done a study to explore the relation of HRM practices with the innovation performance. The study was done in the context of manufacturing industries in Spain. The authors had focused on the existing patents in the company, analyzed the level to which the variable was influenced by the HRM practices. The authors had also assessed the level to which the patents explained the performance of the firms and mediated the relationship of patents with the HRM practices. The longitudinal analysis made by the authors focused on the period between 2001 & 2008 which was the economic growth period of Spain. The outcomes of the study revealed that the firms which were highly innovative were highly competitive too. Also, the employment security affect positively affects innovations over time and training on new technologies is associated with the number of patents, when overall compensation practices are high. The authors had explained the prevalence of two goals which should be the aim of the managers in accomplishing them. One of such goals was developing patents which has to be the first preference to obtain better outcomes and next goal was to investment in the practices of HRM on the part of the management as such investments pave the way to innovation.

Research Methodology

The study has been done in the context of the employees of Information technology located in Chennai. The respondents are selected for the purpose of the study through simple random sampling and the sample size of the study is 100. The collection of data has been done by the administration of questionnaires among the respondents and the analysis has been carried out by executing Regression.

Analysis and Interpretation

Model Summary

R	R Square	Adjusted R Square	F	Sig.
0.964 ^a	0.930	0.924	151.343	0.000 ^b

Predictors: (Constant), High performance HR practices



Independent	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	.307	.146		2.093	.039
Recruitment and selection	.141	.057	.133	2.471	.015
Orientation	.043	.029	.059	1.451	.150
Training and Development	.168	.047	.160	3.600	.001
Reward communication and performance management	-.070	.033	-.075	-2.091	.039
Career planning and talent management	.403	.034	.498	12.004	.000
Measuring HR effectiveness	.256	.036	.315	7.175	.000
Work life balance	-.068	.025	-.091	-2.703	.008
People first practices	.025	.022	.034	1.120	.265

a Dependent Variable: Innovation performance

It is deduced from the model summary above table. Above table represents the regression analysis between dependent variable (Innovation performance) and independent variable (High performance HR practices). The F-value 151.343 is significant (<0.000). The table indicates that the High-performance HR Practices increases the Innovation performance and this shows statistical significance. Here, $p < 0.000$, which is less than 0.05, indicates that, the model applied can statistically and significantly predict the innovation performance. Out of 8 statements 2 statements were not predicted the innovation performance rest of high-performance HR practices highly influences the innovation performance. Which means high performance HR practices significantly increases Innovation performance of IT employees.

Conclusion

Through the review of several studies and through the analysis of the current study, it has been identified that there is no direct relationship of high-performance practice with the innovation performance. The authors had tried to explore the relationship of high-performance practice with the innovation performance of the individuals by way of analysis of varied information provided by the respondents of the study. The employees have got the perception that the behavior and the attitudes of the employees can be made positive provided the management makes huge investments for the betterment of the employees. The result of the study is high performance HR practices significantly increases Innovation performance of IT employees.

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