

Research Article

ISSN: 2582-6131

HRM PRACTICES, SHRM AND ORGANIZATIONAL PERFORMANCE: A CONFIGURATIONAL PERSPECTIVE

*Ayesha Nawal, Dr. Zainudin Awang, Asad ur Rehman and Hamid Mehmood

UniSZA, Malaysia

Received 27th July 2020; Accepted 24th August 2020; Published online 30th September 2020

ABSTRACT

HR practices are essential for effective organizational performance. Previous studies asserted the role of HRM practices in boosting organizational performance. However dual aspect of HRM practices and SHRM (content and process perspective) has not been explored yet in tourism industry. Thus, the aim of this research is to examine the configurational relationship between HRM practices, SHRM, service innovation and organizational performance in relation to Malaysian hospitality and Tourism. Strategically aligned HRM practices along with service innovation (incremental and radical) boost organizational performance in the hospitality industry. This study seeks to investigate direct relationship of HRM practices and SHRM with organizational performance and also test mediational influence of service innovation. Methodological practices adopted to realize objective of study are grounded on survey technique. Study is descriptive and cross-sectional in nature. Data was collected from 4-star and 5-star deluxe hotels of Malaysia. Dual-stage sampling techniques(stratified random sampling and purposive sampling) were adopted for data collection. At first stage strata were made on the basis of hotels' 4-star and 5-star ranking and then purposive technique was used to select participants. Structural equation modeling (SEM) was used for analysis and hypothesis testing. Findings revealed that significant positive relationship exists between SHRM and organizational performance, service innovation and organizational performance HRM practices and service innovation. HRM practices do not have significant direct effect on organizational performance thus service innovation fully mediates the relationship between HRM practices and organizational performance while partially mediates the relationship between SHRM and performance. Findings of this research are believed to offer better insights to the managers of hotels about the best link of HRM practices their fit with strategic base and service innovation to improve performance.

Keywords: HRM practices, SHRM, service innovation, organizational performance, tourism industry, Configuration perspective

INTRODUCTION

Tourism industry has and will always serve as life blood in the economic flourishing of several countries in the world. This sector has been recognized as a substantial source of national income specifically in developed and emerging countries(Islam *et al.*, 2020). Being an imperative driver of economic growth, utilizer of natural, anthropic, cultural resources and presenter of traditions & customs, this sector excel its importance through rejoicing people from all over the globe and generate revenues for host countries that made remarkable contributions to the GDP and economic development (Bândoi *et al.*, 2020). Its consistent progress and significant contribution in the economic growth has been noted from six decades. Averagely, in OECD economies, tourism industry contributed 4.4% in GDP, 6.9% in employment and 21.5% to the service sector (OECD, 2020). Malaysian tourism industry is one of the most prevalent tourists' destinations in Asia that have attracted almost 25.8 million visitors. Reports revealed continuous growth trend in Malaysian tourism sector from MYR 82,165 million in 2017 to MYR 84,135.20 million in 2018 (Trading Economics, 2019; Ministry of Tourism Culture report, 2019) which is expected to be increased up to MYR 192 billion by the year 2020 (New Straits Times, 2019). Statistical reports regarding the virtue of revenues revealed that travel and tourism industry has emerged as an imperative sector of Malaysian economy (Foo *et al.*, 2020). Tourism industry in Malaysia entailed the organizations of hotels, resorts, islands, transportation, entertainment etc. However, among all these organizations, hotels are selected to conduct this research. The rational of selecting this sector is that hotels are rapidly growing in number because of continuous tourists' escalation which consequently demand for sustained development (Foo *et al.*, 2020) and this sector is utilizing more environmental resources(Yusoff *et al.*, 2020) hence require

more focused strategic maintenance for best future returns. A tremendous increase has been observed in the number of hotels in Malaysia, number of hotels increased from 45,12 to 4750 from 2017 to 2018, which include 585 Three-Star hotels, 226 Four-Star and 142 Five-star hotels (MOTAC, 2019) and number of hotel rooms were 292,293 in 2017 which increased to 308,207 in 2018 (Malaysia Ministry of Tourism and Culture, 2019b). Tourism industry contribution to the Malaysian GDP has been noted 13.3% in 2018 that approximately invite receipts of MYR 190.3 billion and 11.9% contribution to the employability which provide jobs to 1,766 thousand people in 2018 (World Travel and Tourism Council report, 2019). This remarkable increase in the industry consequently intensified the level of competition among hotels to obtain and sustain market share. Besides, dynamic environment and changing customer needs have become more challenging for this industry to manage survival and sustainable performance (Foo *et al.*, 2020). Moreover, issues related to attraction and retention of talented human capital has also been reported by the professional workforce organizations. Employment rate is high and so is attrition. According to the Aon Hewitt Malaysia (2015) report the attrition rate in Malaysian Hospitality and tourism industry was 18% that is double than employment rate. Thus, like other service sectors, hotel industry is undergoing through aggressive competition for retention and maintenance of competitive human capital. Hotels need to develop competitive advantage for their survival. In this highly uncertain, dynamic and complex environment, it is indispensable for organizations to possess factors that help them to add value and attain competitive advantage (Bhatnagar, 2012;Hecker & Ganter, 2013). A crucial factor in competitively effective organizational performance is human capital (Collins & Clark, 2003; Jiang & Chi-Wei, 2012; Bos-Nehles *et al.*, 2017) and organization's capacity to bring innovation in its offerings (Lin & Sanders, 2017; Khosravi *et al.*, 2019; Volberda *et al.*, 2014;Zhang *et al.*, 2016) because these 'soft resources' are difficult to imitate by competitors hence provide support to the organizations for their long-

term survival and performance improvement. Human capital is most imperative asset for all organizations to accomplish their objectives, particularly in the service industry front-line employees shape customer experience and generate imitable competitive edge for the organizations. Thus, management of human capital is most significant and sensitive concern for hospitality industry (Kusluvan *et al.*, 2010). Hotels are required to put greater emphasize on their HRM practices and on the management of staff behaviors for better service quality to enhanced organizational performance (Hayes & Ninemeier, 2009; Foo *et al.*, 2020). Service providing organizations are required to manage their strategic base with continuous learning, development, up-gradation and novelty in their offerings in order to maintain their performance. Reconfiguration of the business and world economy provided a solid ground for innovation in the service sector (Werlang & Rossetto, 2019). A great strategic importance has been given to the theme of innovation in services sector and researchers emphasized to understand the influence of service innovation on organizational performance (Ferraz & de Melo Santos, 2016). Research examine relationship between HRM practices and innovation and proposed that human resources are vital to bring innovation in the organization since employees' learning, skills, knowledge and capabilities are essential to bring innovation (Collins & Clark, 2003; Gebauer *et al.*, 2012; Wright *et al.*, 2001).

However, different studies discussed the term innovation according to their context and nature, distinguishing between product innovation, service innovation, process innovation, structural innovation or market innovation (Damanpour, 1991) and mostly examined its relationship with isolated HRM practices (Chen & Huang, 2009; (De Saá-Pérez & Díaz-Díaz, 2010; De Winne & Sels, 2010). Some studies have examined the relationship between HRM system, innovation and organizational performance (Shipton *et al.*, 2006), relationship between HRM and organizational innovation (Tan & Nasurdin, 2011), strategic HRM and innovation (Bal *et al.*, 2014), HRM and group innovation (Lee *et al.*, 2019), HRM and radical innovation (Seeck & Diehl, 2017; Barba-Aragón & Jiménez-Jiménez, 2020). Studies have also examined the relationship between HRM practices and organizational performance (Foo *et al.*, 2020), green HRM practices (Islam *et al.*, 2020), organizational innovation and its impact on organizational performance (Werlang & Rossetto, 2019). Different researchers investigated the discrete relation between HRM practices and innovation, what impact HRM practices caused on the organizational performance and contribution of innovation in the enhancement of organizational performance. Some of aforementioned research studies treated innovation as dependent construct while others checked the effect of HRM on organizational performance. But gap has been observed about the cohesive impact of HRM system on organizational performance in tourism industry. Service innovation is most essential for performance and success of organizations but the role of service innovation in the relationship of HRM practices and organizational performance in hotel industry is still underexplored. Therefore, this research seeks to examine the meditational impact of service innovation between the relationship of HRM practices and organizational performance. This research deals with service innovation in both incremental and radical aspects because combined effect of incremental and radical innovation related to personnel management and performance of hotels has been less frequently examined. One particular gap this study proposed to cover is to examine the effect of HRM on performance of hotel industry from the configurational perspective. Configurational perspective presumed that coherent practices and HRM system has greater influence on organizational performance rather than individual or isolated practices. Second gap in the literature is related to the direct impact of SHRM on the performance of hotels. This research aims to investigate the influence of HRM on hotel performance from

dual perspective: content approach and process approach. Content perspective stated that HRM practices need to be internally cohesive, while process approach stated that HRM practices should be appropriately aligned with organizational strategic fit. This dual perspective needs to be investigated in order to understand whether HR managers should focus on one or both aspects and what role HR managers perform in overall organizational strategic development (Barba-Aragón & Jiménez-Jiménez, 2020). Another gap this study aims to cover is to examine the role of service innovation between the relationship of HRM practices and performance of hotels by considering the notion that innovation is indispensable to bring excellent human resource performance and competitive edge (Elidemir *et al.*, 2020) so, management of hotel establishments need to be proactively engage in managing their human resource through continuous learning and innovation in order to have positive influence on organizational performance (Werlang & Rossetto, 2019; Ferraz & de Melo Santos, 2016). Collecting notions from HRM and organizational performance literature, this research study established hypothesis and test them on the sample of Malaysian hotels. In order to accomplish research objectives, this paper is divided into different sub-sections. First section narrates the organizational performance of hotels. The second section, with reference of RBV perspective justifies the significance of HRM for organizational performance and also distinguishes the content and process perspectives. The content perspective analyzes the impact of HRM system on organizational performance from configurational perspective while process approach discusses the impact of SHRM on organizational performance. Next, the roll of service innovation in organizational performance and the contribution of HRM as facilitator of service innovation are discussed. After that methodology and empirical findings are presented. Final section contains the conclusions, implications and guidelines for future researchers.

Review of Literature and Hypothesis Development

Organizational Performance

Organizational performance is one of the most widely discussed subjects in the management literature and several studies have attempted to find better measures to evaluate it. Predominantly, organizational performance has been denoted as a productive structural arrangement of human capital, tangible, intangible, physical and intellectual resources integrated to achieve common objectives (Barney, 2001). Organizational performance is correlated with employees' hard work and dedication which can be measured in both subjective as well as objective aspects (Zehir *et al.*, 2016). Gupta & Govindarajan (1984) asserted that organizational performance should not be exclusively measured in financial aspects; subjective indicators should also be considered in performance evaluation. However, contradictions exist about the valid assessment of organizational performance (Venkatraman & Ramanujam, 1986). Most research studies used perception-based measures to evaluate organizational performance (Wang & Ang, 2004). In tourism industry, both the subjective as well as objective aspects were adopted to assess the organizational performance. Jogaratnam *et al.*, (1999) in their study evaluated the performance of hotels by adopting subjective measures such as market share, level of profitability, sales growth rate and cash flow. Haber & Reichel (2005) stated that measurement of only financial gains and profit is not sufficient to assess the performance of hotels and tourism industry. They proposed the combination of both subjective and objective indicators to measure performance of rural tourism. Subjective performance indicators include occupancy rate, satisfaction of clients, profitability and capacity to offer innovative services/products. While objective indicators include number of employees working, earning on different points of time and growth in

earnings. Jacinto & Carvalho (2009), in quantitative study of Brazilian hotels concluded that rate of place occupied, average daily revenue, average number of rooms booked per day, overall sales, operational profit, efficiency in managing cost and expenditures are indicators of hotel performance. Later, Carvalho and Costa (2011) suggested that the total sales, profits, overall sales, average cost on daily sales, sales per room or lodgings, occupancy percentage need to be evaluated for performance of hotels.

HRM and Performance

Internal resources have been recognized as basis to generate competitive advantage for organizations, perspectives of RBV (Barney, 1991) reinforces the notion that human capital is an essential strategic factor for successful organizational performance (Collins, 2020; María & Daniel, 2020; Wright et al., 2001). Human resource is valuable, non-substitutable, rare and imitable asset for organizations which offer competitive base for higher performance. This strategic notion has implemented in two perspectives. First, certain HRM practices generate specific patterns of employees' behaviors (Jiang et al., 2012). Therefore, organizations need to develop HR practices to attain the pool of skilled and competent human capital (Collins, 2020). Second, organizational strategies demand for certain behaviors from employees in order to create appropriate fit between skills that employees already possess and the skills which are required for successful strategic implementation (Huselid, 1995). Hence, this study proposed that RBV offered a theoretical strength to describe why HRM practices and SHRM (which integrate HRM into organizations' strategic base) have positive impact on organizational performance. HRM practices denoted as management of workforce while SHRM is a process to link HRM practices with organizational strategic objectives for better performance (Ngo, Lau, and Foley, 2008)

HRM practices and Organizational Performance: The Content Approach

Content approach intends to enhance organizational performance through HRM practices. Delery and Doty (1996) stated three perspectives: universalistic perspective, contingent and configurational perspective. Universalistic perspective asserted the notion that some HRM practices are categorized as 'best HRM practices' which positively influence organizational performance. Whereas, contingent perspective stated that no any specific set of HRM practices can be defined as best practices, but all HRM practices need to be cohesive and consistent with overall organizational strategies (Akhtar et al., 2008). While, configurational perspective proposed a holistic view that organizational performance depends upon effective combination and implementation of HRM practices in a coherent system (Wright et al., 2001; Den Hartog et al., 2013; Heffernan et al., 2016). Based on this notion, this research proposed to investigate the influence of HRM practices on organizational performance with configurational perspective. Aligned with configurational perspective, few studies revealed that a relationship exist between HRM practices and organizational performance (Mark A. Huselid, 1995; Lepak et al., 2006). Well-established HRM system enhances organizational performance by improving employee behaviors, practices and individual contribution (Chen et al., 2016; Elfadhel et al., 2019). Basic notion is that human resource has considered fundamental predictor of effective organizational performance (Brito & Oliveira, 2016). Positive significant impact on HRM practices have been observed in manufacturing industry (Jashari & Kutllovcı, 2020). Foo et al., (2020) examined the effect of that HRM practices on hotel performance and concluded that significantly positive relationship exists among HRM

practices and performance. Cohesive HRM systems are more influential to the performance rather than isolated HRM practices but still contradictions exist that which practices should HRM system entailed on (Lepak et al., 2006). In line with previous studies (Collins & Smith, 2006) this research considered that HRM system comprised on employee empowerment, rigorous recruitment & selection process, extensive training programs, transparent performance appraisal and performance-based rewards is facilitator to the organizational performance. Recruitment is a procedure to attract pool of talented workforce who possess appropriate competences that are required to work in the organization, while selection referred as a process to choose right individuals at the right time and in right numbers who contribute to the organizational performance (Khan, 2018). Employee empowerment has been referred as autonomy, freedom to make routine job decisions and delegation of power from top level to bottom in the organization (Baird & Wang, 2010). Training is a process of skilling the workforce and enhancing their abilities for accomplishment of organizational tasks (Karim et al., 2019). Assessment of employee performance and compensation are vital HRM practices to generate required behaviors and to engage human resource with organizational objectives (Collins & Clark, 2003). Compensation and rewards entailed all the strategies and policies adopted by the organization to deliver value to the human resource in response to their contribution in the organization (Armstrong et al., 2011) that have positive influence on performance (Foo et al., 2020). On the basis of aforementioned arguments, this study proposed its first hypothesis:

H1: HRM system has a positive effect on organizational performance.

SHRM and organizational performance: The process approach

Process approach supports the notion that SHRM practices are significant to increase organizational performance (Barba-Aragón & Jiménez-Jiménez, 2020). SHRM emphasized to ensure that HRM practices are integrated with organizational strategies and strategic needs, HR policies are coherent with all hierarchies, and are implemented into daily activities to mobilize employee skills toward organizational goals (Bawa, 2017). Level of alignment and integration among HRM practices and organizational strategies ascertain how much value human capital added in the organization (Lengnick-Hall et al., 2013). Alignment of HRM with strategic base indicates that HR managers collaborate in strategic implementation to obtain competitive performance. Appropriate alignment of strategic fit with Human capital increases organizational profitability (Collins & Clark, 2003). Human resource management is essential to influence organizational performance (Loshali & Venkat R. Krishnan, 2013). Thus, integration and consistency between HRM and strategies enhance efficiency, add value and improve the output level (Huselid, 1995; Bae & Lawler, 2000). It means developing a set of effective HRM strategies such as recruitment procedure, training programs, performance management and remunerations help organizations to achieve its long-term objectives (Loshali & Venkat R. Krishnan, 2013). Although studies investigated how HRM in-alignment with strategies effect organizational outcomes (Huselid, 1995) hardly any study examine the effect of SHRM on hotel performance. Taking into account the above literature, this study proposed second hypothesis:

H2: SHRM positively influence on organizational performance.

Service Innovation

Service innovation is among the most interested topics of the recent decade which gain greater attention of academicians and practitioners. Schumpeter (1942) was among pioneers who put reflection on the strategic worth of innovation in start of 20th century

and asserted that innovation is the main stimulus for growth (Śledzik, 2013). The concept of service innovation referred that various service sectors are implementing innovation in their activities either by introducing entirely new services (radical innovation) or gradually making up-gradations (incremental innovation) in already existing services and expand their supply portfolio by offering value added services (Durst *et al.*, 2015). Literature emphasized that innovation is one of the significant factors to influence organizational performance (Ottenbacher, 2007; Salem, 2014). In the time of hyper competition innovation enables organizations to achieve a foothold in the market (Wang & Ahmed, 2004). A wave of technology, globalization and dynamic competition made is essential for service and hospitality organizations to bring innovations (Hussain *et al.*, 2016; Belanche *et al.*, 2020). 21st century brought more vitality in hospitality sector and created exponentially alarming competition which demand innovativeness as a keystone for sustainable organizational performance(Bani Melhem *et al.*, 2018; Li & Hsu, 2016). Previously the main focus of innovation was skewed towards manufacturing organizations(Rousseau *et al.*, 2015). However, in service sector being a contributor of 65% in world's GDP (World Bank report, 2020) the concept of innovation has sprung now(Storey *et al.*, 2016). Service innovation is indispensable for organizational survival, growth and renewal particularly in the services context (Witell *et al.*, 2016). Innovation has been denoted as knowledge-intensive process and much knowledge relates to the human minds (Argote *et al.*, 2000) thus, human capital facilitates to introduce and implement innovation at the workplace (Kang & Snell, 2009; Sheeba & Christopher, 2020; Acosta-Prado *et al.*, 2020). Though it is essential to investigate which factors contribute to innovation and according to literature HRM is one of the probable factors to facilitate innovation by enhancing organizational knowledge. Employees' learning and development increase the likelihood to generate pool of unique ideas to introduce new products, services and processes (Kang & Snell, 2009; Diaz-Fernandez *et al.*, 2017). HRM practices such as training & development, performance feedback, merit-based compensations and job-related skills encourage learning that ultimately contribute to bring innovation(Easa & Orra, 2020). Therefore this research also proposed an indirect impact of HRM on organizational performance along with mediational role of service innovation. Studies(Chen & Huang, 2009; Diaz-Fernandez *et al.*, 2017; Barba-Aragón & Jiménez-Jiménez, 2020) examine direct effect of HRM on innovation and concluded that knowledge and learning mediates this relationship.

H3: HRM has positive significant effect on service innovation

H4: SHRM has positive significant effect on service innovation

H5: Service innovation has positive effect on organizational performance

H6: Service innovation mediates the relationship between HRM system and organizational performance.

H7: Service innovation mediates the relationship between SHRM and organizational performance.

Concepts and relationships posited in the hypothesis are presented in figure 1.

METHODOLOGY

This study adopted descriptive quantitative research design with positivism research approach. According to the suggestions of Malhotra & Peterson (2001) and Hair *et al.*, (2014) cross-sectional survey technique was used to obtain data related to HRM system practices, SHRM, service innovation and organizational performance of hotel industry. Deluxe hotels of Malaysia (4-star and 5-star hotels) were selected as target population of this study. Lee & Morrison., (2010) and Sun *et al.*, (2007) recommended the selection of 4-star

and 5-star hotels because these large, up-scaled and elite hotels have more systemized and well-organized HRM system.

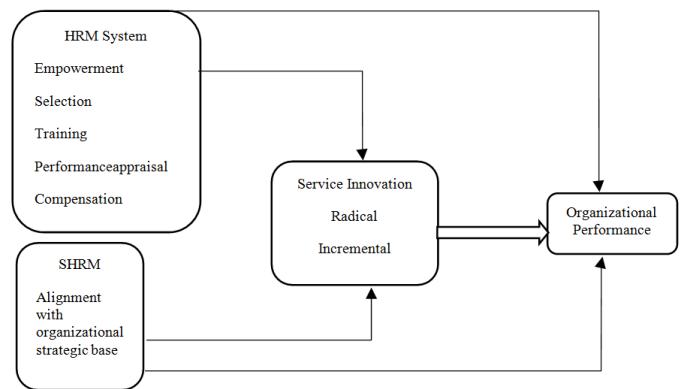


Figure 1. Proposed Research Framework.

In line with the methodology of Nasurdin *et al.*, (2016), Ekiz *et al.*, (2012) and Foo *et al.*, (2020) this study also adopted the same criteria for selection of target population. However, their study only examined the effect of some HR practices on performance without considering integrated influence of HRM practices and SHRM. Ministry of Tourism and culture Malaysia (2018) reported 320 deluxe hotels in Malaysia including in the regions of Peninsular Malaysia, Sabah, Sarawak, Wilayah Persekutuan Kuala Lumpur, Wilayah Persekutuan Putrajaya and Wilayah Persekutuan Labuan. This study adopted multiple, two-stage sampling technique; stratified random sampling and purposive sampling. Strata were made on the basis of hotels' 4-star and 5-star ranking and then purposive technique was used to select participants which include HR managers, Assistant HR managers and front desk employees. Initially, a formal letter was sent to HR managers and top authoritative managers in order to seek permission for data collection. Only 9 hotels grant approval and show their consent to participate in the survey. However, they imposed constraint to publicize their name and direct contact with employees due to good-will and competition reasons. According to suggested criteria by Awang *et al.*, (2015) 300 sample size selected for study. Therefore, packets of structured questionnaires were sent to them through drop-and-pick method. Overall, 306 questionnaires were distributed. Each packet contained 1 questionnaire for HR manager, 1 for assistant HR manager and 31 questionnaires to be filled by front-desk employees. Overall response rate was 93%.

Measures and Data Analysis

All the constructs were measured using the scales confirmed in the literature. Self-administered structured questionnaire was used to obtain data from respondents. All the constructs were measured on 10-point rating scale; 1=strongly disagree and 10= strongly agree. HRM system scale was taken from the studies of Lepak & Snell (2002) Chen & Huang (2009) and Barba-Aragón & Jiménez-Jiménez (2020). Scale comprised on five practices (empowerment, training, selection, performance appraisal and compensation) which were measured with 15 items (3 indicators per practice). Second-order reflective construct model was developed to evaluate the practices of HRM system. SHRM scale was incorporated from the study of Ngo *et al.*, (2008) Wei & Lau, (2008). Scale comprised on 4 items which were validated and previous studies. Service innovation construct was measured with two dimensions: radical innovation and incremental innovation each dimension comprised on 3 items. Scale was previously validated and confirmed by Brentani & Kleinschmidt, (2004). This scale was also used by Cheng & Krumwiede (2012). Organizational performance construct was measured using 6 items.

Scale was adapted from the studies of Úbeda-García *et al.*, (2017) and Werlang & Rossetto (2019). Structural Equation Modeling (SEM) technique is used with AMOS and Statistical Package for Social Sciences (SPSS) version 26 to analyze the collected data. SEM comprised on two stages: measurement model and structural model. Measurement model allow researchers to validate constructs through CFA (Confirmatory Factor Analysis) in order to confirm validity and reliability. It postulates how measured constructs joined to signify the theory. Whereas, in structural model validated constructs are modeled and structural equation technique is executed to examine hypothesis of the study Awang *et al.*, (2015).

FINDINGS

Participant demographics

In this survey 41% respondents are female and 59% are males. The mean age of respondents is 26.8 years ($SD=6.76$). In terms of education 49% respondents have completed Diploma, 36% have graduation degree, 6% hold Master degree whereas 9% hold Higher Secondary level of education. 55% are working as front-desk employees. More than half (52% approx.) have 1 to 3 years work experience of the hotel industry.

Assessment of Measurement Model

Measurement model is a tool to obtain parsimonious information of covariance among set of indicators. It correlates latent variables with measured constructs (Delea *et al.*, 2018) and facilitates to determine validity and reliability by representing relationship among constructs (Awang, 2015). The results of measurement model are depicted in table 1. It represents composite reliability (CR) for all underlying constructs ranged between 0.61 to 0.70 which specify that all measurement items adopted are reliable to evaluate their related construct. Moreover, average variance extracted (AVE) of all involved constructs are above cut-off-point (above 0.50) according to the criteria suggested by Hair *et al.*, (2014). Thus, it is concluded that all the underlying constructs achieved acceptable level of variance with particular conformation of indicators and attained convergent validity.

Table 1. Outcomes of measurement model assessment

No.	Constructs	Dimensions/items	Factor Loading	AVE	CR
1	HRM practices	Recruitment and Selection	0.85		
		Training and development	0.88		
		Performance appraisal management	0.80	0.69	0.92
		Compensation	0.81		
		Empowerment	0.84		
2	SHRM	SHRM1	0.81		
		SHRM2	0.86		
		SHRM3	0.83	0.61	0.86
		SHRM4	0.63		
3	Service innovation	Radical	0.82		
		Incremental	0.85	0.69	0.82
		OP1	0.77		
		OP2	0.80		
		OP3	0.87		
4	Organizational performance	OP4	0.90	0.70	0.93
		OP5	0.86		
		OP6	0.82		

Discriminant validity evidenced of differentiation among the underlying constructs. It indicated that the constructs which were supposed not to be highly correlated are in fact not correlated with each other (Shah & Brown, 2020). Discriminant validity was tested by

making comparison between square root of AVE values and correlation among the constructs (Fornell & Larcker, 1981). Results of discriminant validity are presented in the Table 4.2 which depicted that degree of correlation among respective two constructs are less than the value of individual construct's AVE. In a nutshell, average variance extracted of each latent construct is higher than values of correlations among other constructs which satisfy the criteria recommended by Fornell and Larcker's (1981). Tabularized values exhibited in table 2 fulfill the threshold thus discriminant validity of all underlying construct has been achieved.

Table 2. Discriminant validity

Construct	HRM practices	SHRM	Service Innovation	Organizational Performance
HRM practices	0.69			
SHRM	0.34	0.61		
Service Innovation	0.53	0.42	0.69	
Organizational Performance	0.44	0.60	0.66	0.70

Once the validity of measurement model has been assured, subsequent step was assessment of model fitness. Fitness indices were compared to assess the goodness of measurement model. Measurement model fitness showed the value of RMSEA= 0.053, CFI= 0.974, TLI=0.969, NFI=0.943, ChiSq/df=2.956 and P-value=0.000 presented in figure 2. According to the suggested criteria by Hair *et al.*, (2014) value of RMSEA should be less than or equal to 0.80 (≤ 0.08), CFI equal or greater than 0.90, TLI should be equal or higher than 0.90 and ChiSq/df should be $1.0 \leq \chi^2 / df \leq 5$. Thus, those fitness indices values were achieved and according to the criteria prevailing in the literature measurement model is deemed to have good fitness index.

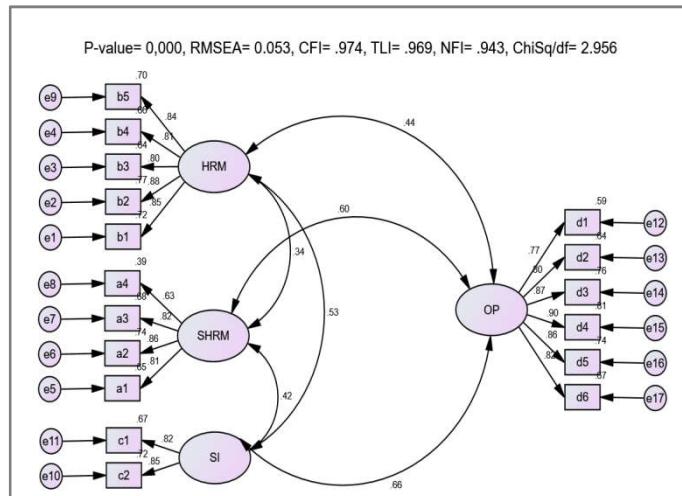


Figure 2: Pooled CFA (Standardized Estimations)

Assessment of structural equation model

Structural model presented in Figure 3 depicted the effects exogenous constructs caused on endogenous constructs. Overall, proposed model specified satisfactory model fit: RMSEA= 0.056, CFI= 0.974, TLI=0.969, NFI=0.943, ChiSq/df=2.675 and P-value=0.000. Model narrates that HRM practices created 0.06% variance to organizational performance, variance in HRM practices and service innovation is 0.44%, HRM practices to SHRM variance 0.34%, SHRM to organizational performance is 0.39%, SHRM to service innovation 0.27% and level of variance in service innovation and organizational performance is 0.46%. R² for whole proposed model is 0.56 which indicates highly significant level of variance in organizational performance. Jacob Chon (1988) asserted that R²

more than 26 percent is considered to have a big effect in a causal model. Thus, in this proposed It has been concluded that 0.56% variance in endogenous construct (organizational performance) can be projected by means of three exogenous constructs in the model namely HRM practices, SHRM practices and service innovation.

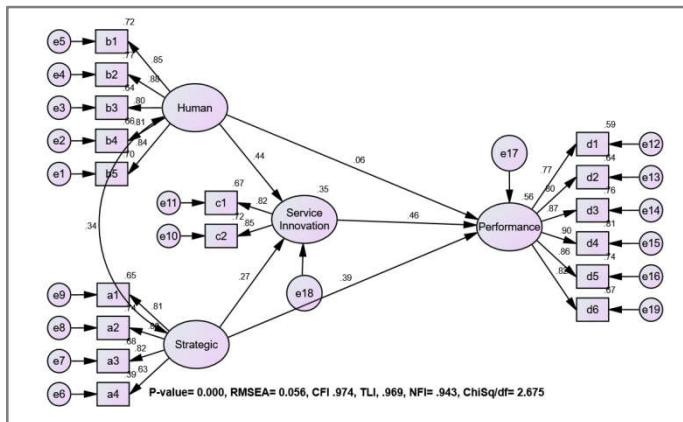


Figure 3. Structural model

After confirmation of measurement model, in the next phase hypotheses were tested using structural equation modeling. Results of hypothesis test presented in table 3 revealed that first proposed hypothesis of this research is rejected as no positive and significant relationship found between HRM practices (estimation 0.042, and P-value 0.298) and organizational performance. However, SHRM has positive and significant relationship with organizational performance hence H2 is accepted. Third hypothesis posits positive relationship exist among HRM practices and service innovation thus, results of empirical findings support the hypothesis which are in line with the findings of Barba-Aragon & Jimenez-Jimenez (2020) and Kuntonbutr et al., (2017). Moreover, according to the results presented in the table, SHRM practices has positive relationship with service innovation (estimation .339 and p-value 0.000) hypothesis is accepted. This study hypothesized a positive effect of service innovation on organizational performance and results (estimation 0.432 and P-value) supported the hypothesis. Finding of Werlang et al., (2019) also support the findings. Besides, H6 posited mediational effect of service innovation between the relationship of HRM practices and organizational performance, hypothesis accepted as service innovation fully mediates the relationship between HRM practices and service innovation. Direct effect of HRM practices on organizational performance is not significant which revealed full mediation. HRM practices can enhance organizational performance through the influence of service innovation. H7 is also accepted but partial mediation exists among SHRM and organizational performance. Values of estimations, S.E., C.R. and p-values are demonstrated in table below.

Table 3. Results of hypothesis test

Hypothesis	Estimations	S.E.	C.R.	p-value	Result
H1: Op \leftarrow HRM	.043	.042	1.040	.298	Rejected
H2: Op \leftarrow SHRM	.450	.075	5.963	0.000	Accepted
H3: SI \leftarrow HRM	.336	.051	6.591	0.000	Accepted
H4: SI \leftarrow SHRM	.339	.085	3.971	0.000	Accepted
H5: OP \leftarrow SI	.432	.068	6.344	0.000	Accepted
<i>Mediation</i>	<i>Estimations</i>	<i>Lower Bound</i>	<i>Upper Bound</i>		<i>Result</i>
H6: OP \leftarrow SI \leftarrow HRM	0.145	0.039	0.126		Accepted/Full Mediation
H7: OP \leftarrow SI \leftarrow SHRM	0.152	0.041	0.213		Accepted/Partial Mediation

Present study follows Preacher & Hayes (2008) bootstrapping method to determine the indirect effect of mediation. Mediation prevails when lower bound and upper bound values do not overlap in

between when measuring indirect effect. Though, the results showed that lower bounds and upper bounds for two mediations presented in table 3 revealed that mediation exist in HRM relation with organizational performance and strategic human resource practices and organizational performance mediated by service innovation. Results unveiled that full mediation exist between HRM practices and organizational performance because direct effect of HRM practices on organizational performance was found non-significant. Whereas, both direct and indirect effects are significant in SHRM relationship with organizational performance mediated by service innovation thus existence of partial mediation proved.

Conclusion

Dynamic current business environment influenced all the sectors of economy and compelled to nurture appropriate infrastructure and practices to enrich performance level. To contribute the extent the organizational performance literature, purpose of this research was to scrutinize proposed model linking HRM practices, SHRM with innovation and organizational performance in the Malaysian hotel industry. Overall, obtained empirical findings support to the proposed framework however significant positive effect of HRM practices with organizational performance was not proved. Findings confirm positive and significant relationship exist between HRM practices, SHRM, service innovation and organizational performance. Specifically results indicated that service innovation fully mediates the relationship between HRM practices and organizational performance while mediating role of service innovation between SHRM and organizational performance was found partial. The service organisations serve as a spine in the economy of all countries(O'Cass & Wetzels, 2018) and HRM practices are found a significant predictor of service innovation which consequently enhance organizational performance (Alosani et al., 2020). Non-significant relationship disclosed among HRM practices and organizational performance but SHRM has significant association with both organizational performance and service innovation. In nutshell, results revealed that HRM practices significantly influence service innovation and service innovation in turn has significant positive effect on organizational performance. Whereas, SHRM has positive direct relationship with organizational performance hence the mediated role of service innovation was found partial between SHRM and organizational performance. Results of this research are believed to offer better insights and knowledge to the Malaysian hotel industry management regarding the influential link of HRM practices, SHRM, service innovation on organizational performance. Results recommend that integration of HRM practices into the strategic base lead to enhance performance. Empirical findings of this research are imperative to acknowledge the vitality of HRM practices for service innovation in relation to effective performance. Moreover, this study is supposed to offer cohesive and holistic understanding to academic scholars of hospitality and tourism filed regarding the configurational role of HRM and SHRM in relation to organizational performance through immense importance of innovation.

REFERENCES

- Acosta-Prado, J. C., López-Montoya, O. H., Sanchís-Pedregosa, C., & Zárate-Torres, R. A. (2020). Human Resource Management and Innovative Performance in Non-profit Hospitals: The Mediating Effect of Organizational Culture. *Frontiers in Psychology*, 11(June), 1–12. <https://doi.org/10.3389/fpsyg.2020.01422>
- Akhtar, S., Ding, D., & Ge, G. (2008). Strategic HRM practices and their impact on company performance in Chinese enterprises. *Human Resource Management*, 47(1), 15–32.

- <https://doi.org/10.1002/hrm.20195>
- Alosani, M. S., Al-Dhaafri, H. S., & Awadh Abdulla, A. (2020). Investigating the role of HRM practices on service innovation: empirical evidence from UAE government agencies. *Management Research Review*. <https://doi.org/10.1108/MRR-03-2020-0141>
- Argote, L., Ingram, P., Levine, J., & Moreland, R. (2000). Knowledge Transfer in Organizations: Learning from the Experience of Others. *Organizational Behavior and Human Decision Processes*, 82(1), 1–8. <https://doi.org/10.1006/obhd.2000.2883>
- Armstrong, M., Brown, D., & Reilly, P. (2011). Increasing the effectiveness of reward management: An evidence-based approach. *Employee Relations*, 33(2), 106–120. <https://doi.org/10.1108/0142545111096668>
- Awang, Z., Afthanorhan, A., Mohamad, M., & Asri, M. A. M. (2015). An evaluation of measurement model for medical tourism research: The confirmatory factor analysis approach. *International Journal of Tourism Policy*, 6(1), 29–45. <https://doi.org/10.1504/IJTP.2015.075141>
- Bae, J., & Lawler, J. (2000). Organizational and HRM Strategies in Korea: Impact on Firm Performance in An Emerging Economy. *The Academy of Management Journal*, 43(3), 502. <https://doi.org/10.2307/1556407>
- Baird, K., & Wang, H. (2010). Employee empowerment: Extent of adoption and influential factors. *Personnel Review*, 39(5), 574–599. <https://doi.org/10.1108/00483481011064154>
- Bal, Y., Bozkurt, S., & Ertensir, E. (2014). A Study on Determining the Relationship Between Strategic HRM Practices and Creating Innovation in Organizations. *Współczesne Zarządzanie*, 13(nr 2), 23–36.
- Băndoi, A., Jianu, E., Enescu, M., Axinte, G., Tudor, S., & Firoiu, D. (2020). The Relationship between development of tourism, quality of life and sustainable performance in EU countries. *Sustainability (Switzerland)*. <https://doi.org/10.3390/su12041628>
- Barba-Aragón, M. I., & Jiménez-Jiménez, D. (2020). HRM and radical innovation: A dual approach with exploration as a mediator. *European Management Journal*, xxxx. <https://doi.org/10.1016/j.emj.2020.03.007>
- Barney, J. B. (2001). Resource-based theories of competitive advantage: A ten-year retrospective on the resource-based view. *Journal of Management*, 27(6), 643–650. [https://doi.org/10.1016/S0149-2063\(01\)00115-5](https://doi.org/10.1016/S0149-2063(01)00115-5)
- Bawa, A. M. (2017). Strategic Human Resource Management And Organizational Performance: A Review Of Literature And Research Framework. *International Journal of Development Research*, 07(12), 18036–18042.
- Belanche, D., Casaló, L. V., & Flavián, C. (2020). Frontline robots in tourism and hospitality: service enhancement or cost reduction? *Electronic Markets*. <https://doi.org/10.1007/s12525-020-00432-5>
- Brito, R., & Oliveira, L. (2016). The Relationship Between Human Resource Management and Organizational Performance. *Brazilian Business Review*, 13(3), 90–110. <https://doi.org/10.15728/bbr.2016.13.3.5>
- Carvalho, L. C., & Costa, M. T. (2011). TOURISM INNOVATION – A LITERATURE REVIEW COMPLEMENTED BY CASE STUDY RESEARCH. *Tourism & Management Studies*, 0(0), 23–33. <http://www.tmsstudies.net/index.php/ectms/article/view/173/263>
- Chen, C.-J., & Huang, J.-W. (2009). Strategic Human Resource Practices and Innovation Performance – The Mediating Role of Knowledge Management Capacity. *Journal of Business Research*, 62, 104–114. <https://doi.org/10.1016/j.jbusres.2007.11.016>
- Cheng, C. C., & Krumwiede, D. (2012). The role of service innovation in the market orientation - New service performance linkage. *Technovation*, 32(7–8), 487–497. <https://doi.org/10.1016/j.technovation.2012.03.006>
- Collins, C. J., & Clark, K. D. (2003). Strategic human resource practices, top management team social networks, and firm performance: The role of human resource practices in creating organizational competitive advantage. *Academy of Management Journal*, 46(6), 740–751. <https://doi.org/10.2307/30040665>
- Collins, C. J., & Smith, K. G. (2006). Knowledge Exchange and Combination: The Role of Human Resource Practices in the Performance of High-Technology Firms. *Academy of Management Journal*, 49(3), 544–560. <https://doi.org/10.5465/amj.2006.21794671>
- de Brentani, U., & Kleinschmidt, E. (2004). Corporate Culture and Commitment: Impact on Performance of International New Product Development Programs. *Journal of Product Innovation Management*, 21, 309–333. <https://doi.org/10.1111/j.0737-6782.2004.00085.x>
- De Winne, S., & Sels, L. (2010). Interrelationships between Human Capital, HRM and Innovation in Belgian Start-Ups Aiming at an Innovation Strategy. *The International Journal of Human Resource Management*, 21, 1863–1883. <https://doi.org/10.1080/09585192.2010.505088>
- Delea, M., Sclar, G., Woreta, M., Haardörfer, R., Nagel, C., Caruso, B., Dreibelbis, R., Gobezayehu, A., Clasen, T., & Freeman, M. (2018). Collective Efficacy: Development and Validation of a Measurement Scale for Use in Public Health and Development Programmes. *International Journal of Environmental Research and Public Health*, 15, 2139. <https://doi.org/10.3390/ijerph15102139>
- Delery, J. E., & Harold, D. D. (1996). Modes of Theorizing in Strategic Human Resource Management: Tests of Universalistic , Contingency , and Configurational Performance Predictions Author (s): John E . Delery and D . Harold Doty Source : The Academy of Management Journal , Vol . 39 , No . Academy Of Management Journal, 39(4), 802–835.
- Den Hartog, D. N., Boon, C., Verburg, R. M., & Croon, M. A. (2013). HRM, Communication, Satisfaction, and Perceived Performance: A Cross-Level Test. *Journal of Management*, 39(6), 1637–1665. <https://doi.org/10.1177/0149206312440118>
- Díaz-Fernández, M., Bornay-Barrachina, M., & López-Cabral, A. (2017). HRM practices and innovation performance: a panel-data approach. *International Journal of Manpower*, 38(3), 354–372. <https://doi.org/10.1108/IJM-02-2015-0028>
- Durst, S., Mention, A. L., & Poutanen, P. (2015). Service innovation and its impact: What do we know about? *Investigaciones Europeas de Dirección y Economía de La Empresa*, 21(2), 65–72. <https://doi.org/10.1016/j.iedee.2014.07.003>
- Easa, N. F., & Orra, H. El. (2020). HRM practices and innovation: an empirical systematic review. *International Journal of Disruptive Innovation in Government*, ahead-of-p(ahead-of-print). <https://doi.org/10.1108/ijdig-11-2019-0005>
- Ekiz, E., Khoo-Lattimore, C., & Memarzadeh, F. (2012). Air the anger: Investigating online complaints on luxury hotels. *Journal of Hospitality and Tourism Technology*, 3, 96–106. <https://doi.org/10.1108/17579881211248817>
- Elfadel, M., Akeel, A., Omar, R., & Masrom, A. N. (2019). Relationship Between Human Resource Management and Organizational Performance: Employee Skills as a Mediator. *Australian Journal of Basic and Applied Sciences*, 13(4), 29–35. <https://doi.org/10.22587/ajbas.2019.13.4.5>
- Elidemir, S. N., Ozturen, A., & Bayighomog, S. W. (2020). Innovative behaviors, employee creativity, and sustainable competitive advantage: A moderated mediation. *Sustainability (Switzerland)*, 12(8). <https://doi.org/10.3390/SU12083295>
- Ferraz, I. N., & de Melo Santos, N. (2016). The relationship between service innovation and performance: a bibliometric analysis and research agenda proposal. *RAI Revista de Administração e*

- Inovação, 13(4), 251–260. <https://doi.org/10.1016/j.raij.2016.09.005>
- Foo, L., Dahlia, H. G., Zawawi, D., Othman, S. F., & Mohhidin, M. (2020). A model linking HRM practices , service- oriented OCBs & organizational performance in Malaysian hotel industry Your article title (Max 3 lines). *Journal of Tourism, Hospitality & Culinary Arts*, 12(October 2019), 48–68.
- Fornell, C., & Larcker, D. F. (1981). Evaluating Structural Equation Models with Unobservable Variables and Measurement Error. *Journal of Marketing Research*, 18(1), 39–50. <https://doi.org/10.2307/3151312>
- Gupta, A. K., & Govindarajan, V. (1984). Business Unit Strategy, Managerial Characteristics, and Business Unit Effectiveness at Strategy Implementation. *Academy of Management Journal*, 27(1), 25–41. <https://doi.org/10.2307/255955>
- Haber, S., & Reichel, A. (2005). Identifying Performance Measures of Small Ventures—The Case of the Tourism Industry. *Journal of Small Business Management*, 43(3), 257–286. <https://doi.org/10.1111/j.1540-627X.2005.00137.x>
- Hair, J. F., Sarstedt, M., Hopkins, L., & Kuppelwieser, V. G. (2014). Partial least squares structural equation modeling (PLS-SEM): An emerging tool in business research. *European Business Review*, 26(2), 106–121. <https://doi.org/10.1108/EBR-10-2013-0128>
- Hayes, D. K., & Ninemeier, J. D. (2009). *Human Resources Management Handbook*.
- Hecker, A., & Ganter, A. (2013). The Influence of Product Market Competition on Technological and Management Innovation: Firm-Level Evidence from a Large-Scale Survey. *European Management Review*, 10(1), 17–33. <https://doi.org/10.1111/emre.12005>
- Heffernan, M., Harney, B., Cafferkey, K., & Dundon, T. (2016). Exploring the HRM-performance relationship: the role of creativity climate and strategy. *Employee Relations*, 38(3), 438–462. <https://doi.org/10.1108/ER-06-2015-0110>
- Islam, M. A., Jantan, A. H., Yusoff, Y. M., Chong, C. W., & Hossain, M. S. (2020). Green Human Resource Management (GHRM) Practices and Millennial Employees' Turnover Intentions in Tourism Industry in Malaysia: Moderating Role of Work Environment. *Global Business Review*, 1–21. <https://doi.org/10.1177/0972150920907000>
- Jacinto, A., & Carvalho, I. (2009). Corporate social responsibility: The influence of organizational practices perceptions in employee's performance and organizational identification. *Criteos*, January 2009, 205–226. <https://doi.org/10.13140/2.1.2965.6009>
- Jacob Chon. (1988). *Statistical Power Analysis for Behavioral Science*.
- Jashari, A., & Kutlllovci, E. (2020). The impact of human resource management practices on organizational performance case study: Manufacturing enterprises in Kosovo. *Business: Theory and Practice*, 21(1), 222–229. <https://doi.org/10.3846/BTP.2020.12001>
- Jogaratnam, G., Tse, E., & Olsen, M. (1999). An Empirical Analysis of Entrepreneurship and Performance in the Restaurant Industry. *Journal of Hospitality & Tourism Research - J Hospit Tourism Res*, 23, 339–353. <https://doi.org/10.1177/109634809902300401>
- JungKook, L., & Morrison Alastair M. (2010). A comparative study of web site performance. *Journal of Hospitality and Tourism Technology*, 1(1), 50–67. <https://doi.org/10.1108/17579881011023016>
- Karim, M. M., Choudhury, M., & Latif, W. Bin. (2019). Impact of Training and Development on Employees' Performance:AN ANALYSIS OF QUANTITATIVE DATA. *Nobel International Journal of Business and Management Research*, 3(2), 25–33. <https://doi.org/10.1177/0019466220150308>
- Khan, M. Y. H. (2018). Strategic Human Resource Practices and its Impact on Performance towards Achieving Organizational Goals. *Business Ethics and Leadership*, 2(2), 66–73. [https://doi.org/10.21272/bel.2\(2\).66-73.2018](https://doi.org/10.21272/bel.2(2).66-73.2018)
- Kuntonbutr, C., Jaturat, N., Konosu, T., & Wilairatana, P. (2017). The innovation oriented and human resource development policy affecting markets and products development through organization innovation support. *International Journal of Applied Engineering Research*, 12(24), 15039–15049.
- Kusluvan, S., Kusluvan, Z., Ilhan, I., & Buyruk, L. (2010). The Human Dimension: A Review of Human Resources Management Issues in the Tourism and Hospitality Industry. *Cornell Hospitality Quarterly*, 51(2), 171–214. <https://doi.org/10.1177/1938965510362871>
- Lee, H. W., Pak, J., Kim, S., & Li, L. Z. (2019). Effects of Human Resource Management Systems on Employee Proactivity and Group Innovation. *Journal of Management*, 45(2), 819–846. <https://doi.org/10.1177/0149206316680029>
- Lengnick-Hall, M., Lengnick-Hall, C., & Rigsbee, C. (2013). Strategic human resource management and supply chain orientation. *Human Resource Management Review*, 23, 366–377. <https://doi.org/10.1016/j.hrmr.2012.07.002>
- Lepak, D. P., & Snell, S. A. (2002). Examining the Human Resource Architecture: The Relationships Among Human Capital, Employment, and Human Resource Configurations. *Journal of Management*, 28(4), 517–543. <https://doi.org/10.1177/014920630202800403>
- Li, M., & Hsu, C. (2016). A review of employee innovative behavior in services. *International Journal of Contemporary Hospitality Management*, 28(12), 2820–2841. <https://doi.org/10.1108/IJCHM-04-2015-0214>
- Loshali, S., & Venkat R. Krishnan. (2013). Strategic Human Resource Management and Firm Performance: The Mediating Role of Transformational Leadership. *Journal of Strategic Human Resource Management*, 2(1). <https://doi.org/10.1016/j.sbspro.2016.11.045>
- Malhotra, N. K., & Peterson, M. (2001). Marketing research in the new millennium: Emerging issues and trends. *Marketing Intelligence & Planning*, 19(4), 216–232. <https://doi.org/10.1108/EUM0000000005560>
- Mark A. Huselid. (1995). The Impact of Human Resource Management Practices on Turnover, Productivity and corporate financial Performance. *Academy of Management Journal*, 38(3), 635–872. <https://doi.org/10.1109/SPAWDA.2011.6167273>
- Ministry of Tourism and Culture Malaysia Report (2019b). Hotels and Room Supply
- MOTAC (2019) Rated Tourism Accommodation Premise
- Nasurdin, A. M., Ahmad, N. H., & Ling, T. C. (2015). High Performance Human Resource Practices, Identification with Organizational Values and Goals, and Service-Oriented Organizational Citizenship Behavior: A Review of Literature and Proposed Model. *SHS Web of Conferences*, 18, 01001. <https://doi.org/10.1051/shsconf/20151801001>
- Ngo, H.-Y., Lau, C.-M., & Foley, S. (2008). Strategic Human Resource Management, Firm Performance, and Employee Relations Climate in China. *Human Resource Management*, 47, 73–90. <https://doi.org/10.1002/hrm.20198>
- New stratis Times (2019) Tourism Industry Expected to Generate RM 192 Billion in 2020
- O'Cass, A., & Wetzel, M. (2018). Contemporary Issues and Critical Challenges on Innovation in Services. *Journal of Product Innovation Management*, 35(5), 674–681. <https://doi.org/10.1111/jpim.12464>
- OECD, Tourism and Trends 2020
- P., L. D., Hui, L., Yunhyung, C., & E., H. E. (2006). A Conceptual Review of Human Resource Management Systems in Strategic

- Human Resource Management Research. In J. J. Martocchio (Ed.), *Research in Personnel and Human Resources Management* (Vol. 25, pp. 217–271). Emerald Group Publishing Limited. [https://doi.org/10.1016/S0742-7301\(06\)25006-0](https://doi.org/10.1016/S0742-7301(06)25006-0)
- Preacher, K. J., & Hayes, A. F. (2008). Asymptotic and resampling strategies for assessing and comparing indirect effects in multiple mediator models. *Behavior Research Methods*, 40(3), 879–891. <https://doi.org/10.3758/BRM.40.3.879>
- Rousseau, M., Mathias Blake, P. D., Madden, L., & CROOK, T. (2015). INNOVATION, FIRM PERFORMANCE, AND APPROPRIATION: *International Journal of Innovation Management*, 20(3), 1650033. <https://doi.org/10.1142/S136391961650033X>
- Salem, I. (2014). Toward better understanding of knowledge management: Correlation to hotel performance and innovation in five-star chain hotels in Egypt. *Tourism and Hospitality Research*, 14(4), 176–196. <https://doi.org/10.1177/1467358414542265>
- Shah, C. H., & Brown, J. D. (2020). Reliability and Validity of the Short-Form 12 Item Version 2 (SF-12v2) Health-Related Quality of Life Survey and Disutilities Associated with Relevant Conditions in the U.S. Older Adult Population. *Journal of Clinical Medicine*, 9(3), 661. <https://doi.org/10.3390/jcm9030661>
- Shipton, H., West, M. A., Dawson, J., Birdi, K., & Patterson, M. (2006). HRM as a predictor of innovation. *Human Resource Management Journal*, 16(1), 3–27. <https://doi.org/10.1111/j.1748-8583.2006.00002.x>
- Śledzik, K. (2013). Schumpeter's View on Innovation and Entrepreneurship. *SSRN Electronic Journal*, April 2013. <https://doi.org/10.2139/ssrn.2257783>
- Storey, C., Cankurtaran, P., Papastathopoulou, P., & Hultink, E. J. (2016). Success Factors for Service Innovation: A Meta-Analysis. *Journal of Product Innovation Management*, 33(5), 527–548. <https://doi.org/10.1111/jpim.12307>
- Sun, L.-Y., Aryee, S., & Law, K. S. (2007). High-Performance Human Resource Practices, Citizenship Behavior, and Organizational Performance: A Relational Perspective. *Academy of Management Journal*, 50(3), 558–577. <https://doi.org/10.5465/amj.2007.25525821>
- Tan, C., & Nasurdin, A. (2011). Human resource management practices and organizational innovation: assessing the mediating role of knowledge management effectiveness. *Electronic Journal of Knowledge Management*, 9(2), 155–167.
- Trading Economics, 2019. Tourism Malaysia Revenues
- Úbeda-García, M., Claver-Cortés, E., Marco-Lajara, B., & Zaragoza-Sáez, P. (2017). Human resource flexibility and performance in the hotel industry: The role of organizational ambidexterity. *Personnel Review*, 46(4), 824–846. <https://doi.org/10.1108/PR-12-2015-0315>
- Venkatraman, N., & Ramanujam, V. (1986). Measurement of Business Performance in Strategy Research: A Comparison of Approaches. *Academy of Management Review*, 11(4), 801–814. <https://doi.org/10.5465/amr.1986.4283976>
- Wang, C., & Ahmed, P. (2004). The Development and Validation of the Organizational Innovativeness Construct Using Confirmatory Factor Analysis. *European Journal of Innovation Ldots*, 7(4). <https://doi.org/10.1108/14601060410565056>
- Wang, C. K., & Ang, B. L. (2004). Determinants of Venture Performance in Singapore. *Journal of Small Business Management*, 42(4), 347–363. <https://doi.org/10.1111/j.1540-627X.2004.00116.x>
- Wei, L., & Lau, C.-M. (2008). The Impact of Market Orientation and Strategic HRM on Firm Performance: The Case of Chinese Enterprises. *Journal of International Business Studies*, 39, 980–995. <https://doi.org/10.1057/palgrave.jibs.8400395>
- Werlang, N. B., & Rossetto, C. R. (2019). The effects of organizational learning and innovativeness on organizational performance in the service provision sector. *Gestao e Producao*, 26(3). <https://doi.org/10.1590/0104-530X3641-19>
- Witell, L., Snyder, H., Gustafsson, A., Fombelle, P., & Kristensson, P. (2016). Defining service innovation: A review and synthesis. *Journal of Business Research*, 69(8), 2863–2872. <https://doi.org/10.1016/j.jbusres.2015.12.055>
- Wright, P. M., Dunford, B. B., & Snell, S. A. (2001). Human resources and the resource based view of the firm. *Journal of Management*, 27(6), 701–721. <https://doi.org/10.1177/014920630102700607>
- World Travel and Tourism Council Report (2019), Malaysia 2019 Annual Research
- Yusoff, Y. M., Nejati, M., Kee, D. M. H., & Amran, A. (2020). Linking Green Human Resource Management Practices to Environmental Performance in Hotel Industry. *Global Business Review*, 21(3), 663–680. <https://doi.org/10.1177/0972150918779294>
- Zehir, C., Üzmez, A., & Yıldız, H. (2016). The Effect of SHRM Practices on Innovation Performance: The Mediating Role of Global Capabilities. *Procedia - Social and Behavioral Sciences*, 235(October), 797–806. <https://doi.org/10.1016/j.sbspro.2016.11.088>
