

The Impact of Innovative Human Resources Management Practices on Employee Behavior

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Abstract. This paper aims to define the aspects (practices) of innovative human resources management and identify the impact on such behavioral outcomes as employee engagement and organizational commitment at the workplace. Proposed practices for innovative human resources management are: idiosyncratic work arrangements, high performance work systems (HPWS), sustainable workplace, employee autonomy. Review of primary and secondary sources has shown that these variables are related to such positive organizational outcomes as workplace productivity, flexibility, level of innovativeness, resistance to internal and external threats. In addition, it was indicated that intensity of HPWS can lead to a workplace burnout in the long run and it is crucial to understand how HRM practices work and what we should expect. This paper gives an overview of abovementioned HRM practices and what impact they can make on employee behavioral outcomes.

Key words: *Innovative human resources management, employee behavior, employee engagement, organizational commitment.*

Introduction

Relevance of the article

The aim of every organization is to increase the quality of management by mitigating the risks of environmental changes (Vasiljeviene, 2015). Human resources management (HRM) is one of the most effected by those changes, e.g. dynamic of employee's demographic characteristics, advanced approaches to management dictated by current requirements, demands and needs and other trends make necessity to adapt very rapidly. One of the most recent and relevant examples is Covid 19, which forced organizations to take measures and reorganize work arrangements in order to survive. The relevance of the topic is seen as well on a much broader level. The European commission has prepared the directory "DG HR Management Plan 2021," where such aspects were discussed as requirements to foster modern and high-performance labor, diversification in HRM, ethical and engaging work arrangements, high quality talents acquisition, etc. (EU Commission, 2020). The world economic forum also stresses the necessity of flexibility in work arrangements (Schwab, 2019). Not to mention that across western countries we can already see some changes and initial results, each country is trying to make new legislation in order to help businesses adjust faster. All these aspects can not be fulfilled without the implementation of innovative HRM practices. In other words, the effectiveness of modern organizations depend on their ability to respond quickly and adapt to changing environments through innovative solutions (Kemp, 1987). In this case innovative solutions in HRM are those tools that help to keep the workflow smooth in different situations, e.g. when work is organized remotely, hybrid style or in the office.

Scholars also tie the innovative HRM concept to employee behavioral outcomes by stating that innovative HRM practices aim to make an impact on employee behavior (Kossek, 2006), such as employee engagement and organizational commitment.

Scientific problem

How do innovative HRM practices effect employee behavior outcomes such as employee engagement and organizational commitment?

Object of the article. Innovative HRM practices and employee behavior.

Aim of the article. To define the aspects of innovative human resources management and identify its impact on such behavioral outcomes as employee engagement and organizational commitment at the workplace.

Objectives of the article:

1. To analyze the concept of innovative HRM practices and employee behavioral outcomes.
2. To analyze the effect of innovative HRM to employee engagement and organizational commitment.

Methods of the article: extensive scientific literature review, primary and secondary data analysis.

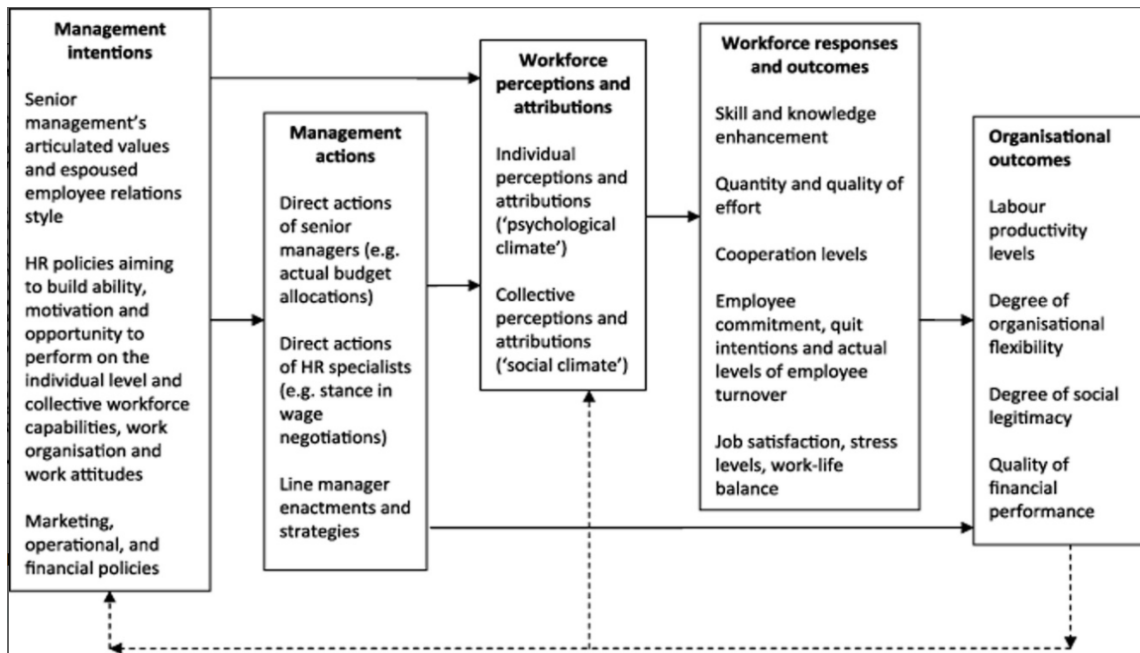
1. Conceptual framework of innovative HRM practices and employee behavior

Innovative human resource management (IHRM) is a modification of existing or established HRM practices which may be new to the organization or improved based on the practices of other organizations (Agarwala, 2010). Kossek (2006) adds that implementation of those practices aims to effect employee behavior. So, the concept of IHRM is developed based on these two primary definitions, as a literature review has revealed that scholars analyze it in terms of the implementation of various practices and tools in order to make an organization more sufficient by making an impact on employee behavior.

The first aspect which is analyzed quite broadly is *high performance work systems (HPWS)*, which is one of the tools of IHRM. Pfeffer (1998) had considerable success defining the HPWS concept. The author establishes seven dimensions for creating value through people: *Employment security, Selective hiring in new personnel, self-managed teams and decentralization of decision making as the basic principles of organizational design, comparatively high compensation contingent on organizational performance, extensive training, reduced status distinctions and barriers, including dress, language, office arrangements, and wage differences across levels, extensive sharing of financial and performance information throughout the organization.* These seven dimensions by Pfeffer (1998) are the basis of the HPWS and IHRM, where employees should be considered as an organizational asset with equal rights, a comfortable and inspiring environment, and well-organized working arrangements. The dimensions themselves communicate that HRM systems require a completely fresh view on organizational development in terms of managing people and one of the solutions is to try to adopt something which is already developed in other organizations. And this is how IHRM started to grow.

Boxall (1992) also contributed a lot to this area as one of the authors who made a massive impact on the conceptual development of IHRM. He described the concept as a strategic and sophisticated HRM. After lots of discussions Boxall, in cooperation with a colleague, created a theoretical model (Fig. 1) which highlighted the main aspects of all HRM systems (Boxal, 2012). He states that every HR system works through its impacts on the skills and knowledge of employees, their willingness to exert effort, and their opportunities to express their talents in their work. This statement supports the definition of IHRM which relates the concept with employee behavior outcomes and the model shows links between HRM systems, behavior outcomes (workforce responses and outcomes) and organizational performance. AMO variables are considered to be inevitable set of mediators through which management's attempts to foster performance need to be transmitted (Boxal, 2012).

HPWS is one of the main aspects of IHRM according to the scientific literature review. Unfortunately, none of aspects have a clear framework or set of well-established dimensions. A scientific literature review shows that constructs are quite flexible and each time some new variables might be considered, even though the basis stays the same, as established by Boxal, Purcell, Pfeffer, & others. For instance, we can see that the concept is developing towards the humanistic management approach with such variables in HPWS construct as humanistic motivation model through culture and trust (Cregan et al., 2020), employee voice (Miao et al., 2020), diversification management (Stavrou, & Solea, 2020), climate for creativity (Esch et al., 2018) etc. This tendency shows that development of the concept of IHRM is relevant more than ever and that is why more clarification is needed in this area.



Source: Boxall, P., & Purcell, J., (2011). High-performance work systems: what, why, how and for whom? Asia Pacific Journal of Human Resources.

Fig. 1. HR systems and the links to organizational performance.

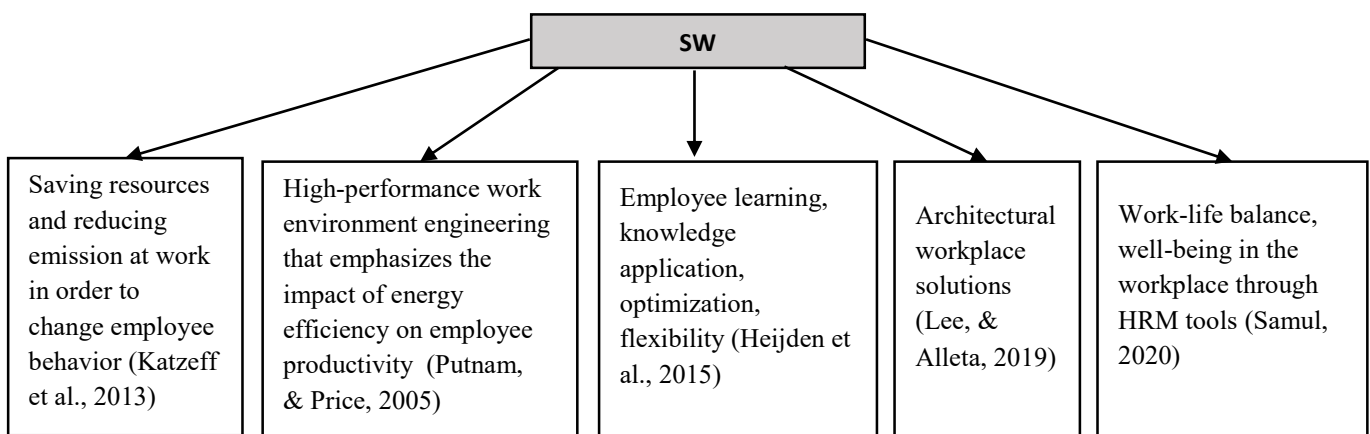
Besides the HPWS, which is more related to the humanistic management approach, we can see the tendency of workplace reorganization and at some level workplace digitalization as a part of the IHRM too. The relevancy of workplace digitalization became more compelling within the Covid-19 pandemic as there was no other way to organize work efficiently. Thus, such aspects of IHRM as *idiosyncratic work arrangements*, *work autonomy*, *sustainable workplace* came into consideration more broadly than before. Rudolph et al., (2021) noted that the pandemic has created a need for HR professionals to reconsider standing policies to meet the changing and unpredictable needs of employees during this time. In other words working arrangements must be as flexible as possible in order to keep work flow sufficient as employees are facing such additional difficulties as child care and other work-family conflict related issues (Rudolph et al., 2021)

Idiosyncratic work arrangements (i-deals) are the individual employment conditions negotiated and adapted to needs of employee and employer. This way of organizing work is associated with higher level of employee engagement, organizational commitment, and work satisfaction (Hornun et al., 2018; Wang et al., 2018). Scholars describe it as a personal flexibility in working hours, special job tasks, and career support. This aspect is supported by the social exchange theory, with recognition that organization is a social system with informal management processes (Hornung et al., 2018). I-deals are seen as a strategic HRM tool (Heijden et al., 2021) which are fostering proactive employee behavior and performance, which is related to such behavior outcomes as engagement and organizational commitment. It is also noted by Obenauer (2021) that i-deals are a perceived value to the organization, not an actual value, that influences the outcome of idiosyncratic deal negotiation. It means that employees can perceive it in a very different way and evaluators also tend to discount such aspect as minorities within the organization who might feel differently about the given flexible opportunities at the workplace.

Work autonomy is one more aspect of IHRM as it represents flexibility and freedom in terms of place, time, and methods how the task might be completed by an employee. Work autonomy is related to creativity and workplace innovation, fostering culture of modern organization (Sia, & Appu, 2015). This aspect makes a positive impact on organizational commitment (Renkema et al., 2021) by letting employees decide how they prefer to complete their tasks. Employees find this option very appealing

when they are looking for a new workplace, so it serves an organization as a competitive advantage in terms of attracting the best talent. Benefits of work autonomy were already stressed by Breugh (1985), in a study where he points out positive impact on job performance quality, job satisfaction, and absenteeism. Unfortunately, at that time practitioners didn't realize the true value of this aspect given that working arrangements were based more on formal control and supervision and less on flexibility.

Sustainable workplace (SW). IHRM relies on the concept of social innovation, which is partially based on sustainable business ideas (McNeill, 2012). EU structural reforms, which aim to improve labor markets and social policies and should therefore help workers acquire the necessary skills for the transition to a green economy, promote better access to equal opportunities in the labor market, fair working conditions, and sustainable and adequate social protection systems (European Commission, 2019). The EU is pursuing inclusive and sustainable growth by promoting labor and human rights. The European Commission also suggests guidelines in the document "Towards a sustainable Europe by 2030" for creating a sustainable workplace. The scientific literature review has shown what is considered to be a sustainable workplace (Fig. 2).



Source: completed by author.

Fig. 2. Sustainable workplace

SW as an IHRM tool is broadly discussed among scholars. As it presented in Fig. 2, the definition of SW contains a considerable variety of variables, from architectural decisions on how to organize a workplace physically so resources would be saved to psychological aspects when work-life balance is considered as a part of the SW.

Analysis of IHRM tools has shown that the concept is mostly concentrated on the idea of how to create the most efficient and friendly environment for achieving organizational goals within the market dynamics and transition towards inclusive and fair labor. It is clear that IHRM is highly related to employee behavior as those tools are aiming to change the behavior outcomes and make it more efficient by finding a balance between the needs of employee and employer.

The theoretical concept of employee behavior is mainly supported by such theories as behaviorism, which aims to explain the causes and consequences of human behavior, theories of planned behavior and reasoned actions. This concept helps in evaluating the impact of the social environment on an individual's decisions and to predict the outcome of the behavior based on person's intention to behave (Rossi, Armstrong, 2008). It also helps with predicting and evaluating employee behavior in the context of planned organizational change (Bakari et al., 2017), which plays an essential role in the context of implementation of IHRM tools. Self-determination theory by Deci, & Ryan (1980) is considered the most extensive and useful in terms of analyzing employee behavior outcomes at a workplace. This theory explains the meaning of automated behavior as the one which can be effected by external. In this case

it is important in terms of understanding the consequences and potential behavioral outcomes of implementation of IHRM tools.

The effect of IHRM tools on employee behavioral outcomes

As the literature review showed, the most relevant behavioral outcomes are *employee engagement*, which indicates the level of one's potential in task performance behavior, promotes connection with the work and other participants, personal existence here and now (physically, cognitively and emotionally) (Khan, 1990) and *organizational commitment* as a relationship with the organization and the job held in it in terms of desire, need and obligation to remain in the organization (Dunham et al., 1994). IHRM tools aim to make a positive impact on these two behavioral outcomes. High employee engagement and organizational commitment are seen as a desirable outcome of a modern organisation. It is extremely important to understand what kind of outcome organizations can get before the implementing various tools, as experimentation can cost too much. This is why organizations tend to pick ideas from the benchmarking companies who have more resources to experiment, but it does not mean that their good practice will have the same effect in other companies.

In order to determine the impact of IHRM practices on employee behavioral outcomes, several studies were analysed based on empirical data (Table 1).

Table 1

Impact of IHRM practices on employee behavioral outcomes

Authors	Analyzed variables	Main findings
Prieto, & Perez-Santana (2013)	High involvement HR practices, innovative employee behavior	Research states that HRM practices are the main tools which can make a positive impact on employee behavioral outcomes.
Bani-Melhem, Zeffane, & Albaity (2017)	Happy workplace, employee behavior, innovative behavior, stress level	Happy workplace creation ensures higher level of work satisfaction, makes a positive impact on innovative employee behavior,
Ocen, Francis, & Angundaru (2017)	Work satisfaction, employee engagement	There is a positive impact of training on employee engagement and work satisfaction, also work satisfaction makes a positive impact on employee engagement.
Pellegrini, Rizzi, & Frey (2018)	Perceives HRM practices, sustainable employee behavior	There is a significant relationship between the sustainable orientation of an organization and sustainable employee behavior.
Dumont, Shen, & Deng (2017)	Green HRM practices, employee behavior	Green HRM practices have significant impact on green employee in-role and extra-role behavior.
Nam, Lee, & (2018)	Innovative HRM practices, employee behavior	IHRM practices have a positive impact on organizational commitment and individual level work performance.
Lee, Pak, Kim, & Li (2019)	Innovative HRM practices, employee behavior	IHRM practices have a significant impact on employee productivity, sufficiency, responsibility, and trust of management.

Source: completed by author.

As seen in Table 1, empirical data supports theoretical assumptions, and one aspect is absolutely clear: that IHRM practices generally make an impact on behavioral outcomes. However, there is still a lack of knowledge in this field and there is a need for more empirical evidence on each IHRM tool and the impact on employee engagement and organizational commitment, including mediators and moderators, as research shows that a variation of mediators and moderators can change the strength of relationship between variables by making the impact stronger and vice versa. Also, we do not yet know long and short-term impacts. There are indications that in the long-run the intensity of these practices can lead to such negative consequences as stress and burnout (Mariappanadar, 2016; Page, et al., 2018; Stankevičiūtė et al., 2019). Also, it is necessary to clarify which IHRM practices should be used in order to effect employee engagement level and which would be more suitable for effecting organizational commitment.

Conclusions

1. IHRM is a modification of existing or established HRM practices which may be new to an organization or improved based on the practices of other organizations. It consists of high-performance work systems, i-deals, sustainable workplace, work autonomy with a purpose to make an impact on employee behavior in order to achieve organizational goals.
2. Empirical data shows that IHRM makes a positive impact on employee engagement levels and organizational commitment in general. However, more empirical investigation and testing of separate variables, moderators and mediators are needed to order get a better understanding how IHRM practices work in the short and long-run.

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