

**Innovative Behaviors, Employee Creativity, and
Sustainable Competitive Advantage: Moderated-
Mediation Evidence from Hotel Industry**

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ABSTRACT

It is challenging for enterprises that lack innovation and creativity to survive successfully in the market. Employees' superior performance is not always sufficient to gain a competitive advantage, in which innovative behaviors and creativity can be counted as necessary ingredients to build competitive advantage in the market. This study proposed and tested impacts of employees' innovative actions (IB) as mediator and creativity as a moderator in the effect of high-performance work practices (HPWPs) on sustainable competitive advantage (CA). The resource-based view and job demands-resources model provided the theoretical underpinnings for the developed hypotheses tested using a sample of 323 customer-contact employees of 4- and 5-star hotels.

The results indicated that HPWPs indirectly predicted CA via IB. Besides, creativity moderated the impact of HPWPs on innovative behaviors positively and on competitive advantage negatively. Employees' innovative behaviors can generate substantial returns to service organizations competing with quasi-homogeneous end-products. The relevant theoretical and practical implications are discussed further. This study fills the dearth of research in service innovation in the hotel industry by testing the mediating effect of IB on the HPWPs CA nexus. It also reveals the moderating role that employee creative traits have in these relationships.

Keywords: innovative behaviors, creativity, high-performance work practices, competitive advantage, hospitality industry.

ÖZ

İnovasyon ve yaratıcılıktan yoksun olan işletmeler için piyasada başarılı bir şekilde ayakta kalmak zordur. Çalışanların üst düzey performansları rekabetçi bir avantaj elde etmek için her zaman yeterli değildir. Yenilikçi davranışlar ve yaratıcılık, rekabet avantajını inşa etmek için gereken bileşenler olarak sayılabilir. Bu çalışma, çalışanların yenilikçi davranışlarının (IB) aracı bir değişken olarak ve yaratıcılığın bir düzenleyici değişken olarak ele almış ve yüksek performanslı iş uygulamalarının (HPWP) sürdürülebilir rekabet avantajı (CA) üzerindeki etkilerini test etmiştir. Kaynak temelli yaklaşım ve iş talepleri-kaynakları modeli, tezin araştırma modelinde önerilen hipotezlere teorik temeller sağlamış olup, 4 ve 5 yıldızlı otellerde görev yapan 323 müşteri ile temas kuran çalışanlardan oluşan bir örneklem kullanılarak test edilmiştir.

Sonuçlar, yüksek performanslı iş uygulamalarının dolaylı olarak yenilikçi davranışları yoluyla rekabet avantajını belirlediğini göstermiştir. Ayrıca, yaratıcılığın, yüksek performanslı iş uygulamalarının yenilikçi davranışlar üzerindeki etkisini olumlu olarak ve rekabet avantajı üzerindeki etkisini olumsuz yönde düzenlediği ortaya çıkmıştır. Çalışanların yenilikçi davranışları, yarı homojen nihai ürünlerle rekabet eden hizmet kuruluşlarına önemli getiriler sağlayabilir. İlgili teorik ve pratik çıkarımlar ayrıca tartışılmaktadır. Bu çalışma, yenilikçi davranışların (IB), yüksek performanslı iş uygulamaları (HPWP) ile rekabet avantajı (CA) arasındaki bağ üzerindeki aracılık etkisini test ederek ve çalışanların yaratıcı özelliklerinin bu ilişkilerdeki düzenleyici rolünü ortaya koyarak otel endüstrisindeki hizmet inovasyonu konusundaki araştırmaların eksikliğini doldurmaktadır.

Anahtar Kelimeler: yenilikçi davranış, yaratıcılık, yüksek performanslı iş uygulamaları, rekabet avantajı, otel endüstrisi

DEDICATION

I would like to dedicate this thesis to all the hospitality industry's management regarding how they can build their sustainable competitive advantage in the marketplace.

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I hereby would like to thank my supervisors Prof. Dr. Ali Öztüren and my Dean Prof. Dr. Hasan Kılıç for their help and support in this chapter of my life, and to my mother Süheyla Nasıfođlu and my father Orbah Nasıfođlu and also my life partner Ulusu Elidemir for her/his empowerment throughout this journey.

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LIST OF ABBREVIATIONS

BC	Bias-corrected
CFA	Confirmatory factor analysis
CFI	Comparative Fit Index
CI	Confidence interval
E	Empowerment
HPWP	High Performance Work Practices
IFI	Incremental Fit Index
JD-R	Job Demands-Resources
RBV	Resource Based View
RMSEA	Root Mean Square Error Approximation
RWD	Reward
SPSS	Statistical package for the Social Sciences
SRMR	Standardized Root Mean Square
SS	Selective Staffing
T	Training
TM	Teamwork
VRIN	Valuable, rare, inimitable, and non-substitutable
VRIO	Value, rareness, imitability, and organization

Chapter 1

INTRODUCTION

The first chapter contains the all significant parts of the thesis presented the rationale of the study, general information, problem statement, and overview of the research area. The objectives and contributions of the study are discussed in this chapter. Besides, the research questions and the conceptual model of the research are presented in the introduction of the thesis. In addition, research instruments and information about the study sample is briefly described.

1.1 Rationale of the Study

The cut-throat competitive environment of business organizations in the service industries has turned exponentially fierce that failure to adapt ineluctably prompt to a shattering annihilation. This economic dynamism has propelled innovation as a prerequisite and cornerstone of organizational survival (Bani-Melhem, Zeffane, & Albaity, 2018; Li & Hsu, 2016a). Historically, the innovation literature has been skewed towards research on product and process innovation encompassing mostly manufacturing firms (Li & Hsu, 2016a; Pan, & Li, 2016; Rousseau, Mathias, Madden, & Crook, 2016). However, with an industry generating nearly 65% of the world's gross domestic product (World Bank, 2019), service innovation research has sprung over the last decade (Storey, Cankurtaran, Papastathopoulou, & Hultink, 2016). Despite insightful findings generated by an accelerating interest in service innovation research, Storey et al. (2016) pointed out the nonexistence of evidence suggesting service firms' innovation enhancement. Possibly, the homogeneous essence of products provided to

customers likely impairs firms' ability to leapfrog into absolute innovation. More studies are needed to take the lid off the required knowledge.

In contrast to manufacturing firms, [high customer-contact] service organizations heavily rely on their workforce, and their critical importance in the overall service delivery process has been emphatically acknowledged. Concurrently, research on frontline service employees' work-related performance, attitudes, cognitions, emotions, and social/organizational interactions (e.g., Bayighomog & Arasli, 2019; Chi & Grandey, 2019; Ling, Lin, & Wu, 2016; Mulki, Jaramillo, Goad, & Pesquera, 2015) has outpoured the literature. Means and processes enhancing or inhibiting service employees (un)desirable work performance, behaviors, and attitudes have been extensively documented, including their invaluable resource for service organizations. As of how they can substantially benefit their respective organization's competitiveness, yet, remains a significant loophole in the body of knowledge.

Precisely, employees' frequent interactions with customers constitute a well-known source of information (Bäckström & Bengtsson, 2019). As such, their impact on service organizations' daily progress and incremental innovation is non-negligible, especially given customers always changing expectations and growing demands prone to the hospitality industry (Bäckström & Bengtsson, 2019; Bani-Melhem et al., 2018). Employee innovative behavior (hereafter IB) refers to "an initiative from employees concerning the introduction of new processes, new products, new markets or combinations of such into the organization" (Åmo & Kolvereid, 2005, p. 8). It is an employee ability that can improve overall service performance and quality (Bani-Melhem et al., 2018; Dhar, 2015; Li & Hsu, 2016a), critical cornerstones of firms' competitiveness, success, and survival (Ottenbacher, 2007; Yuan & Woodman, 2010).

Additionally, the hospitality industry's job demand and customer-centric nature needs employees to be creative in their dealing and management of expectations if the organization must remain competitive in the fierce market. As suggested by Lee, Hallak, and Sardeshmukh (2019), to anticipate the market and better prepare to take advantage of the market, organizations must have within their ranks creative employees with abilities to transform information to product and process innovations. As the 21st century industry is driven by automation-led innovation, executives and professionals have highlighted that soft skills such as employees' creative abilities have become a necessity now more than ever.

Despite the growing scholarly interest in service innovation research (for review and meta-analysis see Biemans, Griffin, & Moenaert, 2016; Kuester, Schuhmacher, Gast, & Worgul, 2013; Storey et al., 2016), the relatively burgeoning stream of enquiry remains understudied, and there are several calls for extending the extant state of literature, especially pertaining employee IB (Bäckström & Bengtsson, 2019; Li & Hsu, 2016a).

Limited research has investigated the determinants of employee IB in the hospitality sector to date (Danaei, & Iranbakhsh, 2016; Li & Hsu, 2016a). For instance, Edghiem & Mouzoughi (2018) observed a causal link between pro-encounter and encounter dependent-knowledge and service employees' innovative behavior. Kim, Karatepe & Lee's (2018) research in South Korea indicated that while perceived psychological contract breach mitigated hotel employees' service IB, higher psychological capital instead provided mental resources to generate and promote such behavior. Bani-Melhem et al. (2018) validated the positive effect of workplace happiness and coworker support on employee IB, while other scholars proposed workplace

spirituality and perceived organizational support (Afsar & Badir, 2017), knowledge-sharing (Kim & Lee, 2013), solidarity and harmonization as dimension of customer employee exchange (Li & Hsu, 2016b), ethical leadership and leader-member exchange (Dhar, 2016; Kim & Koo, 2017) as significant predictors.

Moreover, recent systematic reviews on employee IB stressed that scholars mostly focused on the left side of IB. Correctly, Li & Hsu (2016a) concluded that the most researchers emphasize on predictors of IB and instead relegate it as the endpoint. As a positive phenomenon, IB is believed to drive positive outcomes benefiting employees themselves, customers, and the firm. Bäckström & Bengtsson (2019) later highlighted that a majority of studies use IB as their dependent variables. Despite some proven or anticipated outcomes, the consequences of IB are generally overlooked in the service innovation research.

Based on the background above and framework of the resource-based view (RBV) (Barney, 1991) and the job demands-resources (JD-R) model (Bakker & Demerouti, 2007), this thesis suggests and tests the mediating effect of high-performance work practices (HPWP) on competitive advantage (CA) via IB. Additionally, the research model considers the role of employee creativity as a moderator variable between the impact of HPWP on IB and CA.

1.2 Tourism and Hospitality Industry in North Cyprus

Tourism sector development has become the fastest among different industries and is the fundamental element for the service industry. The concept and understanding of Tourism have been defined and interpreted in several varying ways. According to Roberts, Hall, and Morag (2017), tourism is essentially events and activities-centered

happenings that often attract people for purposes such as traveling, relaxation, holiday, and other similar purposes. Another viewpoint considered tourism as the activities requiring the migration of people from their place of natural abode to another location of attraction for more than 24 hours but less than a year for business, leisure and other similar objectives (UNWTO, 2015).

Additionally, it is incredibly dependent on personal work to deliver specialized help for clients. Humans have the main role in bringing accomplishment for the sector (Baum, 2007). Along this line, Ozgit & Caglar (2015) recommended that teamwork abilities, communication abilities, and understanding of several cultures for employees and students who want to continue in this industry should be emphasized to obtain a competitive advantage in the universal world.

After Sardinia and Sicily region regarding the size in the Mediterranean, Cyprus is the third biggest island. Cyprus has been known as a major tourist destination in the Eastern Mediterranean (Figure 1) because of the rich cultures, natural beauty, and historical places that increase the expansion of accommodation numbers and tourism industry. In 1974, Cyprus Island is separated into two parts because of the political isolation; Southern Cyprus (Greek Cypriots) and Northern Cyprus (Turkish Cypriots). Since 1983, the North Cyprus economy is under economic embargo. The economy has been struggling to eliminate the income difference with Southern part of Cyprus with limited resources.

The Turkish Republic of North Cyprus (TRNC) has been officially recognized only by Turkey since 1983. The Turkish Cypriots had to rebuild their lives and develop their own businesses with support from Turkey. The Northern Cyprus Government

gives particular weight to a number of economic activities of tourism, higher education, and financial operations.

The Northern Cyprus is located almost 75 kilometers in the southern part of Turkey and 105 kilometers the west part of Syria and assessed to cover an area of 3.355 square kilometers. The population of North Cyprus was estimated as 350.000 in 2017 (SPO, 2017). Tourism is one of the essential driving sectors for the Turkish Republic of Northern Cyprus because of the pristine area, rich cultural history, and mild climate, and qualified safety. Additionally, this small island hotel sector focuses on developing their capacity to attract more and more tourists to the area.

According to Tourism Statistics of North Cyprus (2019), 1,102,905 million global tourists have arrived in North Cyprus. Besides, these statistics recorded the number of accommodation facilities as 133 with a capacity of 25,313. North Cyprus has six cities: Nicosia, Kyrenia, Morphou, Famagusta, Lefke, and Iskele.



Figure 1. Map of North Cyprus
(Maps of Cyprus, 2020)

Mediterranean destinations are among the popular tourist destinations with varieties of islands blessed with numerous attractions like clean air, sunshine, sand, sea, safety, and several historical sites (Atun, Nafa, & Türker, 2019; Shahgerdi, 2014).

The beaches are the most significant aspect of North Cyprus. Simon (2013) proposed that all of the beaches can be found along the coastlines which divide into different sectors. There are famous beaches in North Cyprus that are Golden Beach, Alagadi Beach, Escape Beach, Escape Beach, Glapsides Beach, and Palm Beach.

There are a lot of accommodation types in North Cyprus such as 5 to 1 star hotels, guest houses, holiday villages, boutique hotels, and budget accommodations. Five-star accommodations offer just the highest-level of facilities and administrations. The properties offer a serious extent of individual service. Albeit most five-star inns are enormous properties, at times the little free (non-chain) property offers a rich closeness that can't be accomplished in the bigger setting. The hotel areas can fluctuate from the restrictive areas of a rural territory, to the core of downtown. The hotel anterooms are rich, the rooms total with polished outfitting and quality materials. The facilities of five-star level hotels in North Cyprus include garden tubs or Jacuzzis, in-room video library, heated pools and hair dresser, often casino and more. The five-star hotel also include up to more than three restaurants all with lovely menus. Room administration is generally accessible 24 hours every day. Wellness Centers and valet and additional parking area are commonly accessible.

On the other hand, four stars are generally enormous, formal inns with brilliant reception area, front work area administration and bellboy services where hotels are frequently situated close to different hotels of a similar bore and are generally found

close to shopping, feasting and other significant attractions. The degree of administration is well better than expected and the rooms are sufficiently bright and all around outfitted. Restaurant dining is normally accessible and may incorporate more than one decision to have dinner or lunch. Valet stopping or potentially garage is likewise generally accessible. Attendant services, wellness focuses and at least one pool are regularly given (Cohen-Hattab, & Shoval, 2014).

1.3 Research Problem

There has been a political debate with the South side of the island in the presence since 1974. From that point forward, North Cyprus has been under a few economic and political restrictions. North Cyprus straightforwardly proclaimed in the second half of the 1980s that the tourism division was to be the main area is looking for economic advancement. Since then, the hotel business in Northern Cyprus has developed consistently. Novel hotel sectors have been developed, and there has been a raised competition among these sectors.

Furthermore, the island's natural beauty and historical places increase the number of hotels and tourism industry. Hotel sectors in North Cyprus need to differentiate their tourism product with HRM practices to provide higher service quality and create an innovative environment by employees' innovative behavior to build and sustain their competitive advantages in the marketplace. The hospitality sector, especially the hotel, is one of the most significant business sectors in North Cyprus. As a result of globalization and developing technology, as well as increasing competition, North Cyprus hotel sector needs to avoid any possible threats from their competitors to survive in the marketplace. Therefore, management of hotel sectors has to think seriously regarding developing organizations' human resource management practices

that tendency effect to resolving threats, as well as influence employee outcomes in the marketplace and enhance the hotel sectors' competitive advantage.

According Karatepe, Baradarani, Olya, Ilkhanizadeh, and Raofi (2014) indicators of HPWPs (e.g., training, rewards, empowerment, selective staffing and empowerment) are positively influencing frontline hotel employees' performance outcomes in four and five stars hotel, and research only focus on employees performance outcomes. However, there is still a need for greater understanding regarding HPWPs via training, empowerment, rewards, selective staffing, and teamwork and their effect on employee innovative behavior and the benefit organizational outcomes (e.g. competitive advantage) in hotel settings, especially in 4 and 5- stars hotel sectors in North Cyprus.

There is a lot of research on the importance of innovative behavior for organizations in the Turkish culture (Karatepe, Avci, & Tekinkus, 2005; Uz Kurt, Kumar, Semih Kimzan, & Eminoğlu, 2013; Taştan & Davoudi, 2015). Despite the research mentioned above, there is no research about the effect of HPWP on innovative behavior in the 4 and 5- stars hotel industry in North Cyprus (Turkish Culture).

However, innovative behavior and employee creativity of the employees and their cause and effects on the competitive advantage have been ignored specifically in the hotel industry. Innovative and creative employees provide excellent service for the customers and bring sustainable competitive advantage for the hotel.

This research is designed to give a response to the present gap of literature, which is also discussed below in the contribution section that is related to the effect existing between HPWP, employee creativity, innovative behavior, and competitive advantage.

1.4 The Aim of the Study

The purpose of the research was to define the influence of high-performance work practices (HPWP) on competitive advantage (CA) via innovative behavior (IB), as a mediating variable. The additional purpose of this research was to determine the moderating role of employee creativity between the linkage of HPWP, IB, and competitive advantage.

1.4.1 Research Questions

This research addressed an assigned gap in the literature on hospitality, service innovation, and human resources management. Additionally, this paper aimed to provide recent and creative perspectives regarding HPWP, innovative behavior, creativity, and competitive advantage. The study expected to report the following questions to give a response to the mentioned principles:

- Do HPWPs have an effect on the innovative behavior in the hotel sector in North Cyprus?
- Do HPWPs have an impact on competitive advantage in the hotel sector in North Cyprus?
- Does employees' creativity moderate the relationship between HPWP and innovative behavior?
- Does employees' creativity influence the relationship between HPWP and competitive advantage?
- Does employees' innovative behavior have effect on competitive advantage?

1.4.2 Contribution of the Study

This study extends hospitality, service innovation, and human resources management's current body of knowledge in the following ways. First, scholars have discussed that developing and implementing human resources management (HRM)

practices are decisive (Sanders & Lin, 2016), and enhances employees pro-innovative work behaviors (e.g., Fu, Flood, Bosak, Morris, & O'Regan, 2015; Lewicka, 2013; Prieto & Pérez-Santana, 2014; Sanders & Lin, 2016). Among the existing research in this stream, a majority of studies were carried out in higher education institutions (Carda, 2015; Escriba-Carda, Balbastre-Benavent, & Canet-Giner, 2017), manufacturing (Bos-Nehles & Veenendaal, 2019; Sanz-Valle & Jiménez-Jiménez, 2018), financial service (Carda, 2015; Fu et al., 2015), small and medium-sized enterprises (SME) (Odoardi, 2016), and healthcare (Xerri & Reid, 2018) firms. Only Dhar (2015), Ansari, Siddiqui, & Farrukh (2018), and Jaiswal & Tyagi (2019) examined relationships empirically between the variables in the hospitality sector in the Indian and Pakistani context. They recommended replicating their findings (Dhar, 2015) in different cultural backgrounds to address potential generalizability issues (Ansari et al., 2018). Despite their notable contributions, these studies fell within the findings of recent systematic reviews (Li & Hsu, 2016a; Bäckström & Bengtsson, 2019).

In response to these reviews, Van Esch, Wei, and Chiang (2018) proposed HPWP as a predictor of employees' competencies (technical, behavioral, and business competencies), and subsequently, firm financial performance. All measures were carried out at the top management level (CEOs and CFOs), and CEOs rated IT department employees' competences. In contrast to above research, this study embodies employees' perspectives of their organization HPWPs and managers' perspectives of employees' innovative behaviors with a focus on frontline employees, who are at the core of service businesses' strategy and performances, and interact intensively with customers.

Second, the strategic management literature indicates that innovation forerunner businesses catalyze their performance and, subsequently, CA. This study examines the effect of IB on CA, and concurrently, investigates IB as a mediator between HPWP and firm CA. The findings advance the extant literature by addressing several gaps. Bäckström & Bengtsson (2019) and Li & Hsu (2016a) noted the dearth of research on outcomes of IB, as most scholars considered it as their endpoint variable. Moreover, in contrast to firm (financial, service, operational) performance, empirical studies have paid lesser attention to and verified the allegedly positive effect of innovation on CA (Anderson, Potočnik, & Zhou, 2014; Hon & Lui, 2016), especially in the hospitality sector. Unraveling the importance of employee IB to CA is both theoretically and practically valuable. Considering that employee IB can be potentially more prominent when the end-product is, in essence, homogeneous like in the hospitality sector, its incidence on CA through customer value attribution, satisfaction, and retention can no longer be neglected.

Third, this study goes beyond the relationship mentioned above by investigating the moderating effect of creativity. Seeck & Diehl (2017) indicated in their HRM innovation literature review that researchers had overlooked potential moderators of the HRM innovation relationship. Employee creativity is often coined as the precursor of innovation (Amabile, 1996) because it implicates idiosyncratic cognitive processes that induce idea creation (Anderson et al., 2014). The creative-thinking ability is accordingly different across individuals, and this study examines what it influences employee IB and CA in the specific context of HPWP implementation and discusses when it beneficiates the organization.

The current study is conducted in North Cyprus 4- and 5- stars hotels that employ the majority of Turkish and Turkish Cypriot employees and managers. Various studies (Karatepe et al., 2005; Uz Kurt et al. 2013; Taştan et al., 2015) demonstrated that innovation capability and innovative behavior in organizations play critical roles in Turkish culture. As such, the proposed model tests the effect of HPWPs on employee IB for the first time in the hybrid Mediterranean and Turkish cultural sphere.

1.4.3 Conceptual Research Model

Figure 2 is shown below related to the conceptual model of the thesis, which proposed that innovative work behavior would mediate the relationship between HPWP and CA. Besides the model shows that employee creativity moderates the effect of HPWP on CA and IB. Finally, the model infers that employee creativity moderates the indirect effect of HPWP on CA via IB.

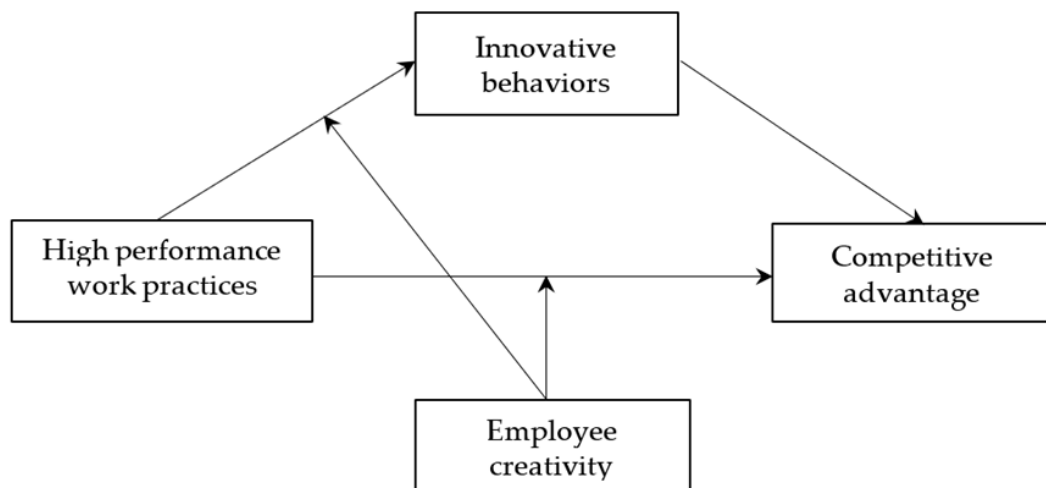


Figure 2. Conceptual Model of the Study

1.4.4 The Theoretical Approach

The model and relationships between the variables developed are based on two theories: Resource-Based View (RBV) and Job-Demand Resource (JD-R) theory. Based on the theoretical framework, RBV theory explains the link between HPWP and

competitive advantage via IB, and JD-R theory was utilized to determine the role of employee creativity in the research' model.

1.4.5 Structure of the Dissertation

The current thesis showed the objectives of the research that includes primary data explicitly for an in-depth investigation. Thesis structure is presented in Figure 3, and this structure contains five chapters that are shown below:

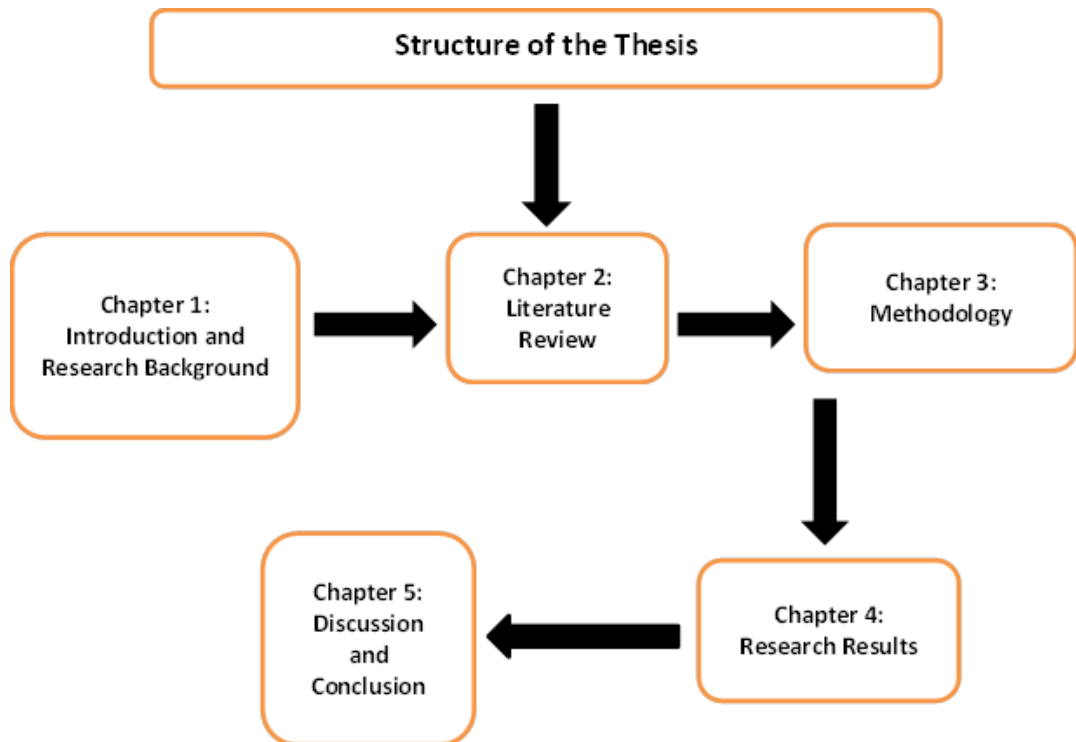


Figure 3. Structure of the Dissertation

Chapter 2

LITERATURE REVIEW

The second chapter takes into consideration a literature review of the research model's concepts related to the effect of HPWP on competitive advantage via innovation behavior and the role of moderating variable (employee creativity) on the relationship between HPWP and IB and CA. The descriptions of the research' variables and theories are discussed in this chapter of the thesis.

2.1 High-Performance Work Practices (HPWPs)

Strategic Human Resource Management (SHRM) is characterized as the arranged HR exercises fused into the association to achieve its objectives (Lepak, 2006). According to Lepak (2006), SHRM arrangements realize all those practices that influence people's behaviors. Typically, individuals see HRM and SHRM as the two same phenomena; but both are distinct and interrelated concepts.

The fundamental distinction amongst HRM and SHRM is that HRM mostly concentrates on the individual level, while SHRM focuses on the organizational level or business unit. Research evidence demonstrates that utilizing HRM practices is more appropriate, and they strongly affect organizational performance implementing when contrasted with HRM alone (Ali, Lei, & Wei, 2018). For instance, HR examines principally focused around High-Performance Work Practices (HPWP), which is an arrangement of HR practices to increase employees' efficiency, responsibility level,

capacity, and aptitudes in such a way, increased capabilities turn into the provenance of competitive advantage (Datta, Guthrie, & Wright, 2005).

As a management model that applies to the whole working environment, HPWPs' structure is commonly conceptualized at the organizational level that is theoretical foundation lays on the high responsibilities (Walton, 1985). They also have a foundation in developing humanism and high-contribution (Lawler, 1986). HPWPs are the management rules that allow workers to share thoughts for enhancing their employment aptitudes and use employees' knowledge to benefit the organization (Zhang, Di Fan, & Zhu, 2014). With high-responsibility and high-contribution, management enables employees to advance the sorts of optional behaviors expected to accomplish predominant organizational performance. The HPWPs' framework works on comparative standards and essential points to optimize employees' business-related knowledge, aptitudes, and capacities, leading to higher organizational performance (Combs, Liu, Hall, & Ketchen, 2006).

There is no consistent definition regarding HPWPs (Baker, 1999; Becker & Gerhart, 1996). According to Delaney and Godard (2001), these practices are called "high performance work systems", "alternate work rehearses," and "flexible work practices". Despite the name differences, many practices share necessary components, including thorough enlistment and selection process push in light of performance, and extensive training programs focusing on the necessities of the sectors (Becker & Huselid 1997).

Employees are empowered to take more major responsibility within their work that its effect to go beyond their advantages for the organizations maintained advancement (Gould-Williams, 2003). HPWPs focus on the long term and fruitful relations with

workers in contrast to short term contractual plans. They depend on social exchanges established in trust between managers with decision commitments, i.e., There is a proportional impact. The organization puts resources into employees who respond to duty and loyalty (Ogbonnaya & Valizade, 2018).

The indicators of HPWP (e.g., staffing, participation, mobility, training, job security, job description, appraisal, and rewards) affected organizational outcomes through employees' organizational citizenship behaviors (Sun, Aryee, & Law, 2007). Kusluvan, Kusluvan, Ilhan, and Buyruk (2010) take into consideration about key human resource management issues (practices) in the hospitality and management literature such as selective staffing, training, rewards, teamwork, and empowerment. Furthermore, perceived human resource management practices positively affected engagement which led to enhance employees' task performance and innovative work behavior (Alfes, Truss, Soane, Rees, & Gatenbys, 2013). Therefore, the present study uses the previously mentioned five components of HPWP. These indicators are reflected as suitable and essential for customer contact employees (who are frontline employees such as front office, food and beverage, housekeeping, guest relations, sales, and marketing) in the hotel industry.

The implementation of HPWP in the industry boosts employees' essential knowledge and skills in such a way that influences on an excellent customer experience (training), when needed, perceived employees are able to move on its own and in an efficient way (empowerment). These practices affect employees to feel respected and secured from their organization (rewards) also implementation of these practices encourage their employees to share and act collectively with their coworkers efficiently (teamwork).

Therefore, employees' resources, performance, and attitudes can be improved by HPWP (e.g., innovative behavior).

2.1.1 Selective Staffing

In the hospitality industry, several research types have considered selective staffing as one of the critical components of HPWP (Karatepe, 2013a, b). Employees' criteria are essential to understand that they have enough knowledge, skills, and abilities (Hinkin & Tracey, 2010). These principles are necessary for businesses and other works, particularly for customer-contact employees; through this indicator, tourism sectors can hire their workers based on certain principles.

Selective staffing encourages future/prospective employees, but it is also vital for present personnel to distribute superior service quality to customers by boosting their skills and knowledge to benefit their organization (Tang & Tang, 2012). Through selective staffing, future employees can appropriate the service job's necessities that employees empower the organization to diminish employees' leaving intentions and enhance their performance outcomes (Karatepe & Vatankhah, 2014a).

With HPWPs, selective staffing is recognized in previous hospitality research studies to boost employees' critical performance outcomes like work engagement, job embeddedness, and creative performance (Karatepe, Baradarani, Ghasemi, Ilkhanizadeh, & Raoofi, 2014). As a result, when implementing selective staffing in the hotel, management is able to select and hire frontline (customer-contact) employees who have unique personal resources (unique skills, abilities and personalities). These personal resources are necessities of the job and are more likely to boost employees' innovation and withal diminish their leaving intent for sustainable competitive advantage.

2.1.2 Training

Another essential component of HPWPs is training that is considered alongside rewards and empowerment to be among the primary human resource management practices (Boselie, Dietz, & Boon, 2005; Karatepe & Karadas, 2012). Hospitality industries' hotel employees require continuous training programs that enhance the awareness of employees to recognize and briefly respond to several needs of the customers (Karatepe, Yavas, & Babakus, 2007).

Implementation of a training program in service industries can be an antecedent of sustainable competitive advantage (Browning, Edgar, Gray, & Garrett, 2009; Nasifoglu Elidemir, Ozturen, & Bayighomog, 2020). Consequently, hotel organizations have to consider training programs with other important indicators (e.g., rewards and empowerment); those practices can boost their commitment to service quality (Karatepe & Karadas, 2012).

The hospitality industry demands continuous training and development because the demand from the guests is ever-changing and requires a commensurate level of competence to meet the needs (Boshoff & Allen, 2000; Karatepe et al., 2007). With adequate training, employees become more competent, efficient, and useful. All these competencies imply that employees develop the required skillset and knowledge requisite to deliver satisfying service that leads to the employees' satisfaction with their work (Gu & Siu, 2009; Lee, Nam, Park, & Lee, 2006; Karatepe et al., 2007). Furthermore, trained employees are more likely to become engaged in the work and exhibit a greater level of job embeddedness since training enhances employee's job resources, which aid in the quality of the service been delivered (Karatepe & Karadas, 2012; Karatepe, 2013a; Suan & Nasrudin, 2014). Besides, trained employees tend to

function at a high level of performance and demonstrate a lower level of intentions to quit (Yavas et al., 2011). According to Browning et al. (2009), having HPWP engendered by training in service organizations is vital for such organizations' competitive advantage. Hence, hoteliers must take advantage of the linkage between training and HPWP to implement constant, consistent and continuous training programs with the goal of empowering and rewarding their employees in order to elicit commitment to service quality from the employees (Karatepe & Karadas, 2012), thereby giving the employees both the enablement and know-how to handling customers' request and complaints (Yavas, Karatepe, & Babakus, 2010).

2.1.3 Empowerment

Empowerment reflects the autonomy granted to employees to make a decision and function effectively by providing exceptional customer service, successfully meeting customer demands and concerns (Bani-Melhem, Quratulain, & Al-Hawari, 2020; Dim & Nzube, 2020). The function of empowerment for employees is important because they communicate openly with the consumers and act decisively to meet their customers' requirements and assuage them appropriately (Kaya & Karatepe, 2020). The accessibility of empowerment results in increased service quality, instantaneous customer-solving issues, and broadly empowered employees (Turkmenoglu, 2019). The responsibility and authority that leadership has for its employees' performance management process should also be followed by training opportunities (Hewagama, Boxall, Cheung, & Hutchison, 2019). Employees improve their knowledge and expertise so that they can participate in decision making. Empowered employees must use their experience and knowledge when confronted with various customer interactions. Therefore, they exude higher extra-role customer service (Hamir, Ismail, Zahari, & Abdullah, 2018; Kang, Kim, Choi, & Li, 2020) and service recovery

performance (Bae, Lee, & Kim, 2020; Hewagama et al., 2019) than their underpowered counterparts. For instance, Robinson, Kralj, Solnet, Goh, and Callan's (2014) study showed the beneficial impact of reward and training practices and the empowerment of employees' service recovery efficiency and embeddedness. Moreover, recent findings have shown that empowered employees receiving reward and training seem to be more productive in the workplace (Karatepe, 2013a). They possess the dedication and energy to oversee work-related activities and apply the responsibility and authority granted to them. Empowered staff will try to appease the dissatisfied customers and get them back (Lin, Wu, & Ling, 2017; Pelit, Öztürk, & Arslantürk, 2011; Shahril, Aziz, Othman, & Bojei, 2013). Since the management demonstrates via empowerment that they care for the employees, trust in the employees and acknowledges the organization's contribution to the organization's success. For instance, Meng and Han's (2014) research concluded that empowerment has positive impacts on hotel employees' job satisfaction, which decreased their intentions to leave and increased their organizational commitment.

2.1.4 Reward

High-performance service providers, which perceive their workforce as essential resources and support them with policies like training and development, reward them for help inspire them to provide better quality service (Karatepe, 2013a), attempting to establish and maintain long term partnerships (Karatepe & Vatankhah, 2014a; Karatepe & Karadas, 2012). Yavas, Karatepe, and Babakus (2011) defined rewards as “incentive employees obtain from their organization which includes social identity, status, esteem, and compensation” (p.306). Frontline hotel staff should be equipped to continue providing timely solutions to customer demands (empowerment), learn how to successfully resolve their discontent (training), and be compensated accordingly.

Such activities are proof of the company's commitment to excellence to provide quality service (Silva, Coelho, Lages, & Reis, 2020). Furthermore, previous research found that when employees are recognized and compensated based on their excellent performances, they commit to the company and have higher job satisfaction (Choi & Joung, 2017). Employees are thus driven to give their best and have little reasons to quit (Yavas et al., 2011; Karatepe & Vatankhah, 2014b).

2.1.5 Teamwork

Teamwork delineates the cooperation of the employees and their willingness to share their expertise to work effectively and efficiently (Nasifoglu Elidemir, Ozturen, & Bayighomog, 2020). Also, teamwork inspires one another to effectively accomplish their goals (Chao, Hsu, Hung, Lin, & Liou, 2015). Teamwork also enhances communication among employees and realizes how everyone's behavior will influence the team members. Therefore, they behave with caution and depend on one another to cope with the challenges they face aptly and efficiently (Karadas & Karatepe, 2019). Recent research explored the positive impact of teamwork and other HPWP elements (e.g., career opportunities, job security, empowerment) on employees' ingenious and service recovery performances (Karatepe & Vatankhah, 2014a) intentions to remain in the organization (Karatepe & Vatankhah, 2014b), and commitment and motivation (Schopman, Kalshoven, & Boon, 2017). Frontline hotel positions necessitate implementing teamwork practices because they often have to depend on and even collaborate with every member of the group to interact proficiently with one another and share the knowledge. Teamwork practices can help them in servicing clientele and providing high-quality service.

2.2 Competitive Advantage

Competitive advantage can be depicted as an administration idea, which has been very well known in the contemporary administration of current administration. Competitive advantage is an authoritative talent to perform in numerous ways, which competitors discover hard to copy now and later (Kotler, 2000). The purposes for such importance incorporate the quick change that organizations confront today. The changes included the unforeseen of the business condition, the effects of unregulated markets, globalization, the consistently changing consumer requirements, competition, the unrest of data innovation and correspondences, and liberty of worldwide exchange (Al-Rousan & Qawasmeh, 2009). According to Michel Porter (1985), the competitive advantage becomes out of esteem a firm can make for its purchasers that exceed its cost. Value is the thing that purchasers will pay. Unrivaled esteem comes from offering lower prices than competitors for proportionate advantages or giving novel advantages that balance more than a higher value. In today's business world, to compete successfully, the firm needs progressively trust on the knowledge, skills, and experiences of their human resources for the make and absorb new information, innovation, and learn how to contend quick-moving business environment (Jackson, Denisi, & Hitt, 2003). Barney and Clark (2007) emphasized that HR capacity can also receive a critical concentration, applying the VRIO (Value, Rarity, Imitability, and Organization) context to recognize HR resources that offer a source of competitive advantage. Similarly, according to Pesic, Milic & Stankovic (2013), human assets described by VRIO system components can be considered high-quality social investments that give a competitive advantage.

Hayes and Wheelwright (1984), as Awwad (2008) referred to, recognized quality, low cost, quick delivery, and adaptability as capacities that make a competitive advantage. Passemard and Kleiner (2000) demonstrated that competitive advantage is created through innovation, which enhances productivity, innovative technology, new request, new market portion, and changes in regulations. Tushman & Nadler (1986) indicated that organizations achieve competitive advantage through supervising successfully for now and creating innovation for tomorrow.

Huselid and Becker (2011) contend that competitive advantage is driven by workforce efficiency, innovativeness, creativity, and discretionary effort, which lead to increase levels of employees' skills and motivation. Ulrich and Lake (1991) stressed that the four capacities those organizations apply are growing competitive advantage. These incorporate money related abilities, key abilities, innovative abilities, and organizational abilities. They keep defining organizational capacity as a company's capacity to oversee individuals increases competitiveness, and stress that employees are the primary competitive advantage source. Conversely, the improvement of competitive advantage implies that the organization has assets and abilities that are better than its competitors, empowering it to convey better value to clients (Porter, 2004).

2.2.1 Strategies for Competitive Advantages

Porter (1985) stated that three generic strategies could be approved to gain a competitive advantage in business organizations that processes related to the extent to which an organization's actions are narrow versus broad and the extent to seek to differentiate its products. A competitive advantage is a benefit over competitors grown by proposing customers greater value with lower prices or providing greater benefits

and service that justifies higher prices. Figure 4 represents the three bases, as mentioned above.

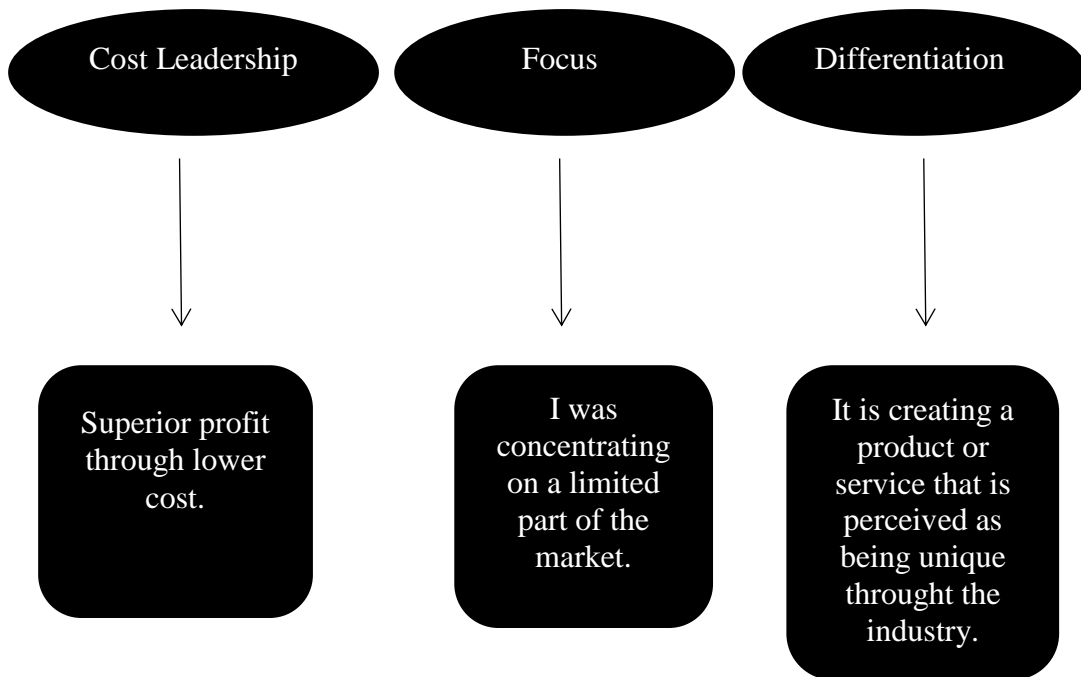


Figure 4. Strategies for Competitive advantages (Porter, 1985)

2.2.1.1 Cost Leadership

This strategic perspective relied on cost differentiation as a tool for market competition. In other words, the critical selling point of this strategy lies in being the lowest-cost producer of a quality service product (Datta, 2010). An easy explanation of its workings is traceable to the utilization of economies of scale. With voluminous production, a company may produce cheaper than its competitor, thereby being at an advantage position in selling-price determination. Thus, such organization is known to have implemented a cost-leadership strategy (Tanwar, 2013).

2.2.1.2 Differentiation

Differentiation speaks to the unique-selling factors of an organization that separates them from their competition (Thompson, Gamble, Strickland III, 2009). This base may

be a product or a service of the organization. When a firm chooses to deliver a high-quality service or product unrivaled by its competitor's, organization has successfully implemented a product-differentiation strategy. Product-differentiation gives the organization the ability to set the premium price for services and products in which their uniqueness is non-imitable (Tanwar, 2013).

The differentiation strategy concentrates on providing products and services that consumers perceive as different from other sectors in the hospitality sector. Also, that strategy is famous in the hospitality industry. Because of the excellent differentiation potential, the ease of imitation can make several brands attempt similar techniques that a situation known as competitive convergence. According to Enz (2011), despite each organization's effort to differentiate, many brands become enough alike that consumers cannot separate them from each other. Organizations can achieve better services and competitiveness through differentiation strategies that can be completed in an almost unlimited number of ways, such as product features, complementary services, technology embodied in design, location, service innovations, superior service, creative advertising, and employees' innovative abilities.

2.2.1.3 Focus

Market segmentation and target marketing is the core of the focus strategy. In this strategy, service organizations define their primary targets and work towards satisfying this specific group of customers (Wang, Lin & Chu, 2011). Focus as a strategy may be implemented in the form of cost or differentiation. In a cost-focus strategy, an organization prides itself on being the most efficient product producer in terms of production cost. In contrast, the differentiation-focus strategy speaks to the organization's ability to focus on narrow segments of the market and become the most efficient and successful producer of the product that satisfies this specific market niche

demands (Porter, 1997). However, focus strategy concentrates on product line, group of buyers, the specific local marketplace, product line, or buyers (Griffin, 2005).

The aforementioned strategical orientations are not the sole strategical approach to attaining a competitive edge in the fierce marketplace. Innovation as a strategy is also implemented when new products, processes, or business models are developed to engender a superior product that delivers a competitive advantage over competition (Porter, 2008).

2.3 Employees' Creativity

Componential creativity theory is a combination approach to study creativity in work environments (Amabile, 1988, 1996). This theory represented one of the first grounded theories of employee creativity. The grounded theory suggests that employee creativity depends on the type and amount of skills. Along with the type and amount of motivation a person has in developing a task, the creative process itself (creativity related processes) is specific to the field of application (i.e., domain-related skills). The first component is domain-related skills that are real knowledge and capability. These skills tend to be affected by formal and informal education and ones' perceptual, intellectual, and abilities (Amabile, 1988, 1996).

Creativity-relevant skills are the second component that was initially called creativity-relevant skills, but the present has been changed and called creativity-relevant processes. These skills contain explicit or tacit knowledge regarding the necessary strategies for producing creative ideas, suitable cognitive styles, and work styles for creative idea production (Amabile, 1988, 1996; Amabile & Pratt, 2016). Training in

creative skills, experience in creative activities, and possessing a specific personality positively affected creativity-relevant process (Amabile, 1988, 1996).

Task motivation is the third component that contains one's behavior to a task and perception of his/her motivation for the job. One's motivation can be intrinsic or extrinsic in general. In 1996 Amabile proposed that intrinsic motivation is a motivation that arises from one's positive reaction to assets of the task itself that result can be qualified as involvement, satisfaction, and positive challenge. Conversely, extrinsic motivation demonstrated that motivation arises from outside sources of the task itself as any motivation arises from sources outside of the job itself. Figure 5 represents the componential model of employee creativity.

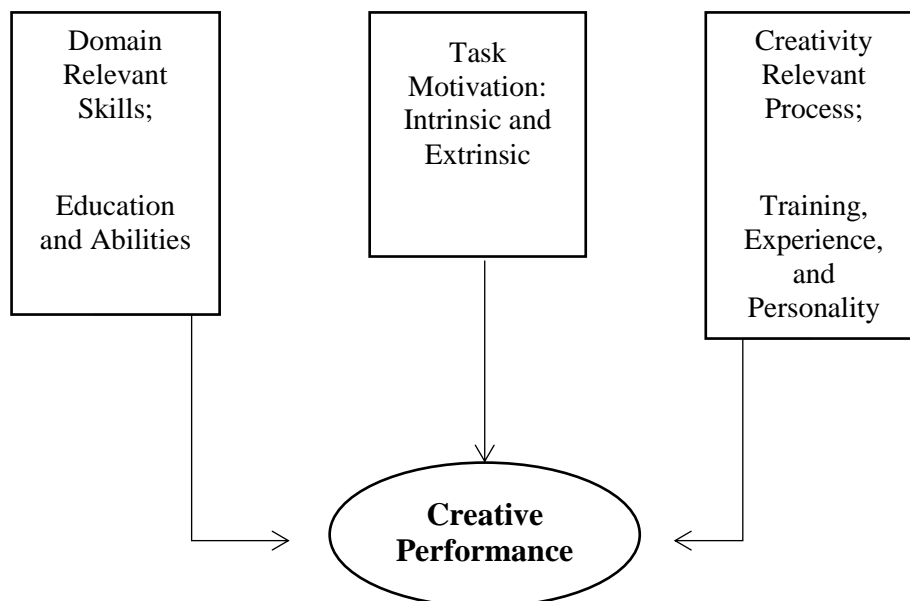


Figure 5. The Componential Model of Employee Creativity (Amabile, 1996)

2.4 Innovative Behavior

Mumford and Licuanan (2004) conceptualized four behavioral exercises arrangements known as problem acknowledgment/idea investigation, idea generation, idea

advancement/championing, and idea acknowledgment/implementation to characterize innovative behavior. Carmeli, Meitar, and Weisberg (2006) explained innovative behavior as a numerous stage procedure, which can be separated into three parts. The first stage of innovative behavior is idea generation, where an individual perceives a problem that generates novel thoughts and solutions. Idea promotion is the second stage of innovative behavior where individual attempts to advance the new views and gather inspires both from inside and outside the organization. The last step of innovative behavior is 'idea realization' or 'idea implementation' when the individual recognizes the ideas or solutions by creating a model of the innovation that can be experienced, connected, and utilized inside a work part, a gathering, organization, or overall population in general. In addition to this, workers' creativity hypothetically gives the impulse required for innovation (Oldham & Cummings, 1996).

2.5 Employees' Creativity and Innovative Behavior

Creativity and innovation have regularly been utilized as synonyms in the literature. Besides, innovation theory (Axtell, Holman, Unsworth, Wall, Waterson, & Harrington, 2010; Scott & Bruce, 1994) characterized them as two phases of the innovation process. West (2001) recognized creativity and innovation such that creativity alludes to the generation of new thoughts while innovation is a procedure that includes the generation, implementation, adaptation, and incorporation of new ideas or practices.

Creativity and innovation are much of the time seen to be so firmly connected. However, it is vital to note that researchers recognize differences between creativity and innovation ideas in the hierarchical setting. Though creativity includes novel and helpful thoughts by people (Amabile, 1996; Zhou & Shalley, 2003), innovation

incorporates the effective usage of creative ideas inside an association (Amabile, 1988; Amabile, 1996). Along these lines, researchers regularly see creativity as an individual-level variable and innovation as a gathering or organizational level build (Oldham & Cummings, 1996).

Innovative behavior is identified as more extensive than the ideas of creativity. Though creativity concentrates on the periods of novel and valuable thoughts (Shalley, Zhou, & Oldham, 2004), innovative behavior incorporate eras of thoughts without anyone else as well as the usage and appropriation items and procedures that are in respect to new to one's associations (Woodman, Sawyer, & Griffin, 1993). In that capacity, creativity can be considered one imperative type of innovative behavior (Amabile, 1996). Innovative behavior refers to employees' behavior that executes creative ideas in the organization (De Jong & Den Hartog, 2008).

2.6 Theoretical Framework

This thesis has been employed two theories to promote the theoretical framework of the study variables and interrelations. These theories are the resource-based view (RBV) theory and job demand-resource (JD-R) theory. The theory that shows the effect of HPWP on CA via IB in the model is the RBV theory. The second theory that helps to examine the role of employees' creativity in the model is the JD-R theory.

2.6.1 Resource-Based View Theory

Resource-Based View (RBV) theory states that organizations can accomplish competitive advantage by obtaining and developing their self-confident, physical, and human resource competitors, which are gained or employed by their impersonates (Barney, 1991). The RBV suggests that firms should consider both physical and human assets inside to keep in mind the end goal to get a competitive advantage. The principle

precepts of RBV (Barney, 1991; Ghafoor & Qureshi, 2013; Newbert, 2008; Takeuchi, Lepak, Wang & Takeuchi, 2007) are considered assets profitable, non-substitutable, uncommon, and incomparable, which will increase competitive advantage. Before the appearance of the RBV idea, organization performance was measured through external components like industry position (Allen & Wright, 2006). In any case, after the presentation of the RBV idea, firm accomplishment is currently measured through internal factors (Akio, 2005).

The RBV deliberates associations as systems of assets and abilities (Wernerfelt, 1984; Rumelt, 1984). At the point when these make an incentive for the firm and are troublesome for competitors to mimic, they can turn into a maintained competitive advantage (Barney, 1991; Dierickx & Cool, 1989). According to Barney (1991) and Snell, Shadur, and Wright (2001), firm assets include physical capital, human capital, social capital, and firm capital. An ongoing and viable argument in management literature argues that an organization's strength is a function of the strength of its imitable, valuable, rare, and imperfectly substitutable resources. In his study, Barney (1991) opined that an organization's sustainable competitive advantage often stems from those essential imitable resources hidden at the core of the organization. However, there has been a school of thought that argues that for a resource to serve as the source of an organization's competitive advantage, it must satisfy the "VRIN" criteria. A closer examination of VRIN is given below:

- Valuable (V): Value is an essential tool of an organization's strategic management. Suppose resources must be a source of competitive advantage. In that case, it must offer value concerning market exploitation either in the form of a reduction in threat occurrence or in maximizing market opportunities (Talaja, 2012).

- Rare (R): simple economic law of demand and surplus explains scarcity and value. Resources easily obtainable from competing organizations have little or no potential to add value to the organization. Contrarily, when resources are rare, it holds great potential for distinction and a competitive edge for the organization (Talaja, 2012).
- Imperfect Imitability (I): An essential requirement for a resource that will lead to competitive advantage is its imperfect imitability. Like the rarity of resources, the imperfect imitability of resources speaks to competitors' inability to replicate or copy the resource, thereby ensuring its rarity and, in turn, its potential for value-addition (Carmeli, 2004).
- Non-Substitutability (N): Following the same line of thought regarding rarity and imperfect imitability of resources, non-substitutability also regards resources with no known perfect substitute. Non-substitutability of resources implies that another alternative resource cannot substitute resources. Here, competitors cannot achieve the same performance by replacing resources with other alternative resources (Madhani, 2010).

Barney's (1986) contention was that resource categorization as valuable must be within the context of the relevance of the resource to organizational objective concerning high margins, low cost, high sales, and other financial value addition schemes that the resource will contribute to the organization. His emphasis on resource valuation was later reiterated in 1991 when he stated that valuable resource triggers and improves a firm's strategic effectiveness and efficiency (Barney, 1991, p. 105).

In the same vein, RBV aids in the comprehension and implementation of an organization's critical assets such as competence and, at the same time, to understand

how such assets are deployed to improve the overall business performance. In Campbell and Luchs's (1997) and Hamel and Prahalad's (1996) view, organizations' critical success factors are connected to the acceptance of attributes relating to organizational culture, past experiences, and competencies firm.

Furthermore, there are two critical assumptions of RBV theory that resources heterogeneity and called resources diversity. The first assumption is that resources, skills, and capabilities must vary significantly from one organization to another. If these organizations precisely had the same arrangement of assets and individuals, they would not have the option to utilize divergent methods to contend with each other. Different associations would have the opportunity to follow them step by step that is known as perfect competition. Perfect competition does not exist in reality - organizations might be specifically presented to the same serious and outer powers. Still, they are yet ready to detail various techniques to contend with each other. Accordingly, RBV expects this is because of the changing estimations of their assets and abilities (Barney, 1991; Mata, Fuerst, & Barney, 1995). The second significant presumption of RBV is that assets are immobile (fixed) and accordingly incapable of moving uninhibitedly from one association to another (e.g., worker development), in any event over the present moment (Mata et al., 1995). Because of this, associations cannot rapidly duplicate the assets of opponent associations and subsequently actualize similar strategies. Besides, intangible resources such as knowledge, processes, intellectual properties, and so forth - are bound to be 100% immobile than intangible resources (Barney, 1991). Mata and his friends in (1995) and Afiouni (2007) recommended that RBV of the organizations proposes that a firms' human capital management practices can play a significant role in developing a sustainable competitive advantage by creating specific knowledge, skills, and culture within the

firm that are hard to copy. In the same meaning, making resource heterogeneity in the organization such as developing knowledge and capabilities or/and resource immobility such as a culture that individuals want to work, leads to creating and maintaining a sustainable competitive advantage.

2.6.2 Job Demand-Resource (JD-R) Theory

The tenets or proposition of JD-R as postulated by Bakker et al. (2003) and Demerouti et al. (2001) is that in every workplace, two main characteristics of the working condition exist; the first is referred to the job demand while the other is the job resources. Both categories independently contribute to the overall specific performance metrics of the organization.

Job demand, in Demerouti et al.'s (2001, p. 501) opinion, is the social, physical, or organizational aspects of the work that exploits psychological and or physiological cost to sustain. Mostly, job demand can be seen as job stressors with the potential for leaving a negative impact on the employees. On the other hand, job resources speak to those organizational aspects of the work and social, psychological, and physical attributes that may be required to fulfill some critical roles such as:

- The achievement of functional goals on the job
- The reduction of the constraints associated with job demands
- The reduction of the psychological and physiological constraint associated with job demands
- The stimulation of personal development and growth (p.501).

Due to the perceived stability attributable to external resources than the internal resources, Demerouti et al. (2001) paid extra attention to the external resources in their concepts of managing job design. The core of their contention was without job

resources; employees will fail to meet the job demands. Hence, with the aid of the JD-R model, Demerouti et al. (2001) advanced the hypothesis that burnout in employees often occurs in two phases. The initial process involves the actual demand placed on employees by carrying out their assigned tasks. For instance, the time pressure, physical workload, shift work, the physical environment, and recipient contact that often result in exhaustion are the initiators of burnout. In the accompanying phase, the job demand seldom leads to resource loss or actual lack of job resources. These instances may include scenarios such as lack of rewards, feedback, participation, job control, job security, and support, all of which leads to disengagement.

Furthermore, the research of Bakker et al. (2014) revealed that the two phases of the JD-R model function independently of each other. In essence, their argument is such that claimed that both processes are in the alternate mood as the energy-driven process established the influence of job demand on negative performance via the intervening role of burnout, while the motivation-driven process confirms the link between job resource and positive performance via the intervening engagement. To summarize, the JD-R model incorporates two main psychological techniques. The first process refers to the stress process in which excessive demands sparks stress and strain in people. It may also be due to lack of resources, which often leads to burnout and elicit adverse outcomes such as poor performance, sickness absence, low commitment to the organization, and impeded workability. In essence, the presence of “bad things”, i.e., job demand without the soothing effect of the “good things”, i.e., job resource, is catastrophic for employees as it drains their energy. The outcome of such a situation is mental exhaustion, otherwise known as burnout. The second process is the motivational process, and the availability of job resources abundantly often triggers it. Through the mechanism of employee's work engagement, this process leads to positive

employee outcomes in the organization, such as the intention to stay, organizational commitment, employee safety, extra-role performance, superior work performance, etc. Indeed, the reality is that motivational qualities are inherent in job resources, which can spark employees' energy and encourage their feeling of engagement.

Conclusively, the JD-R model is a validated model that confirms the association of personal characteristics and the job. In plain language, the model postulated that increasing job resources and decreasing job demand aids employee commitment and engagement. This is because it minimizes the stress and increases the motivation related to work. Thus, a thorough assessment of job resources' motivational process and stress-induced health impairment of job demand must be done to ensure a healthy workforce bursting in HPWPs.

Bakker and Demerouti's (2014) Job Demands-Resources (JD-R) Theory is used as part of the suggested theoretical underpinning model. The JD-R theory hypothesis implies that recurrent job conditions such as psychological expectation or work stress drain cognitive and emotional energy from employees and may lead to a distressing situation. JD-R model postulates that focus responds to discrepancies between work resources and work-related demands (Broeck, Baillien, & Witte, 2011). Demands are institutional, physical, or social features of the job environment that imposes constant physical (emotional and cognitive) and psychological skill or effort and are strongly linked with physiological and psychological costs. In contrast, job resources are the individual, social, physiological, and organizational that aid is diminishing employees' job demands and their relevant results.

Job resources are directly linked with the social, psychological, physical or structural parts of the occupation that are operational in accomplishing performance objectives, decrease job demands and accompanying cognitive and emotional consequences, and promote individual development, learning, and growth (Bakker & Demerouti, 2014). Job resources comprise mentoring, career opportunities, autonomy, training, performance feedback, and job social support (i.e., coworkers and supervisor) (e.g., Baka, 2018; Bakker & Demerouti, 2017; Karatepe & Vatankhah, 2014a). The JD-R model adopts two methods: motivational developments and health impairment (Bakker & Demerouti, 2017). Due to its motivational function, the JD-R model suggests that job resources improve individuals' commitment to work that influences positive employee outcomes like low propensity to quit, organizational commitment, service recovery performance, and extra-role performance (e.g., Bakker & Demerouti, 2017). The process of health impairment recommends that job demands exacerbate the burnout (strain) of individuals, which in turn contributes to deleterious employee outcomes (e.g., quitting intentions, job dissatisfaction, poor job performance, poor health) (Bakker & Demerouti, 2014).

Besides, this chapter also elucidates the proposed hypotheses and how to study variables connect and hypothesis development. Case in point, innovative behavior (IB) mediates the effect of HPWP on competitive advantage (CA). In the same manner, employee creativity moderates the impact of HPWP on CA and IB. Besides, employee creativity moderates the indirect relationship between HPWP and CA via IB.

2.7 HPWPs, Innovative Behavior, and Competitive Advantage

A framework of the resource-based view (RBV) (Barney, 1991; Ghafoor & Qureshi, 2013) posits that valuable, rare, inimitable, and non-substitutable (VRIN) resources

and capabilities enable a firm to sustain its CA. Barney (1991) and Snell, Shadur, and Wright (2001) argued that firm assets include physical and intangible organizational capital that comprises human capital. In contrast to easy-to-copy physical assets, firms must nurture their human capital and get it as much tacit, heterogeneous, and immobile.

Barney & Wright (1998) later proposed a VRIO (value, rareness, imitability, and organization) framework that sheds light on human resources' role in achieving sustained CA. The VRIO framework, an improvement of the VRIN, adds that firms must be organized to exploit their resources to create an organization value, i.e., the one proposed to customers achieved through, but not limited to, a thickened differentiation. Performing that not only prevents competitors from copying or acquiring similar human capital but also will dramatically propel the focal firm to preserve a significant competitive edge. To this end, industry leaders customarily promote a bunch of work practices that have become known as HPWPs and involve aggregating a spectrum of HR strategies into a model of best practices (Connolly & McGing, 2007). In their recent research, Hamadamin and Atan (2019) confirmed that strategic HRM practices are a significant and positive antecedent of sustainable competitive advantage.

HPWPs represents a set of HRM practices that enable the acquisition of unique intellectual capital (e.g., knowledge, skills, and ability – KSA), as well as the development of social capital and application of abilities enhancing practices (Messersmith & Guthries, 2010). Core indicators have been highlighted as inherent to HPWPs. For instance, selective staffing and internal training and development are necessary for companies to select the best combination of available human capital and

later adapt and improve for increased organizational capabilities, productivity, and profit growth (Kim & Ployhart, 2014; Skaggs & Youndt, 2004). Teamwork is another indicator requiring information sharing and collaboration between employees and is critical to building necessary connections that will improve the firm's social capital (Youndt & Snell, 2004). Moreover, an appropriate rewards system and contextual empowerment make it possible to revamp employees' morale, motivation, and self-confidence to display desirable work outcomes (Snell et al., 2001).

Chowhan (2016) proposed that training provides knowledge, skills improvement, and learning that fosters employee unique tacit, inimitable human capital, which develops potential creative capacities, thereby innovative work outcomes. The selective staffing process includes employee recruitment from an adequate pool of candidates and selecting the most suitable ones. De Winne and Sels (2010) found that a broad range of HRM practices, including setting people with high human capital, positively influenced innovative outputs. Furthermore, innovative reward schemes for new or enhanced processes or outcomes can frame a work environment that acknowledges and compensates innovative initiatives and inspires creative employee orientation.

For instance, Curran and Walsworth (2014) revealed that group motivator pay, benefit-sharing, and employee advantages have positive and considerable impacts on innovation. In a nutshell, scholars have demonstrated that HPWPs dimensions oriented towards encouraging pro-innovative attitudes and behaviors are significant indicators of innovative outcomes (Fu, 2015; Lewicka, 2013; Mazzei, Flynn, & Haynie, 2016) such as employee IB (Ansari et al., 2018; Dhar, 2015) in the hospitality sector.

Furthermore, Chatzoglou and Chatzoudes (2018) supported that [process and product] innovation positively impacts organizational CA. While the study focused on manufacturing firms, Liu (2017) uncovered an indirect effect of employee IB on competitive advantage via human capital with a sample of various levels of department managers working in star hotels in China. Moreover, Connolly and McGing (2007) analyzed the relationship between HPWPs and competitive advantage in the Irish hospitality industry. They attempted to uncover the extent of adopting these practices in selected three to five-star Dublin-based hotels, emphasizing employees' empowerment and participation. They concluded that customers growing demand for high-quality products and services, and discernment constituted a call for hotels to address these practices implementations to remain competitive.

In light of the paragraphs above and the relevant literature perusal, this study suggests that hotels that adopt and implement HPWPs can attain a CA, thanks to their exclusive human resources. More importantly, though, the CA attainment and sustainability impetus resides in the value generated by employees' IB. That is, ad hoc HPWPs provide the framework that shapes unique human capital and create a proactive-oriented work environment that facilitates the expression of employees' innovative potential. In return, employees exhibiting IB can beget superior utility for both customers and the organization, which subsequently will conspicuously stand out a notch ahead of competitors.

In line with RBV theory, competitive advantage occurred through employees' physical and human resources in the organization. This theory suggested firm assets include both human and social capital (Barney, 1991). Generally, HPWPs literature posited with human capital e.g. knowledge, skills and ability (KSA), social capital and

employee behavior e.g. innovative (Messersmith et al. 2010). There are two resource term that are intangible and tangible that is semi-permanently tied to the firm. According to Rittler and Lerrl (2018) that Capabilities were initially viewed as a specific type of resource. The researcher suggested that, employees' unique, valuable and inimitable capabilities and resources (e.g., innovative behavior, perceived HPWP) would be a source of the organization to gain sustainable competitive advantage.

In light of the above knowledge and grounded in the resource-based view (RBV), this research study proposes the connection between HPWPs and competitive advantage through Innovative behavior and proposes the following hypothesis:

H1. Employee IB mediates the effect of HPWP on CA.

2.8 The Moderating Role of Employee Creativity

Employee creativity refers to the generation of novel ideas or solutions to problems by employees. It has been suggested to influence significantly organizational innovation (Amabile, 1996; Jiang, Lepak, Hu, & Baer, 2012) or firm performance (Chang, Gong, Way, & Jia, 2013). In line with the RBV, creativity is an intangible, rare, inimitable, non-substitutable resource that can be a valuable source of competitiveness and gaining a sustainable CA for organizations (Barney, 1991; Sulaiman, Hashim, Ibrahim, Hasan, & Oluwatosin, 2015; Thawabieh, Saleem, & Hashim, 2016). Creative employees tend to generate new ideas and imagine new ways of performing their tasks. Scholars have discussed that individual creativity is at the confluence of contextual and idiosyncratic factors (Caniëls, & Rietzschel, 2015; Hon & Lu, 2015; Hon & Lui, 2016); nonetheless, it is hardly arguable that its stems from the individual. Precisely, scholars (e.g., Amabile & Pratt, 2016; Liu, Jiang, Shalley, Keem, & Zhou, 2016) contended that personality, cognitive processes, intrinsic and prosocial motivation,

self-efficacy, affect, and sense of meaningful work are predictors of individual creativity. Factors differ across individuals in this sense that some likely display much of those factors more than others do.

From this premise, creativity will likely vary from person to person, despite the surrounding contextual factors' dynamics. Specifically, regardless of whether or not elements of the workplace environment encourage creativity, an employee exhibiting a greater extent of these individual creativity-enhancing characteristics would also be prone to show higher creative abilities. Ultimately, service organizations that succeed in securing, retaining, and managing the services of highly creative individuals would be strategically better off than their counterparts with employees with lesser creative abilities. Subsequently, since creativity is a source of firms' CA and concurrently vary from one individual to another, this study predicts that it will strengthen the positive effect of HPWPs on CA, and proposes the following hypothesis:

H2. Employee Creativity moderates the effect of HPWP on CA. This relationship is stronger when employee creativity is greater.

Creativity and IB are usually associated with each other because most scholars view them as the front and endpoint of a multi-stage process, respectively (Li & Hsu, 2016a), or only as relatively similar (Harari, Reaves, & Viswesvaran, 2016). Despite this widely accepted view and the interactionist model of creativity (Caniëls, & Rietzschel, 2015), there is a growing body of scholars opposing such a simplistic view of the link between the two concepts. They highlight a more complex relationship and argue that creativity fundamentally differs from innovation. For instance, Sarooghi, Libaers, & Burkemper (2015) adopted an ambidexterity perspective to highlight the dichotomy between idea generation (creativity) and their implementation (innovation),

which is often subject to dilemma, tensions, contradictions, and paradoxes in organizations. Moreover, innovation relies on interpersonal social processes rather than intrapersonal cognitive processes (Rank, Pace, & Frese, 2004).

One can reasonably argue, inspired by the premises of the [dynamic] componential model of individual creativity (Amabile, 1996; Amabile & Pratt, 2016), that IB is contingent on the personal level of creative cognitive abilities, domain-relevant skills, motivation, and work meaning. More creative employees usually rely on their own [abilities] if or when their work environment is restrictive, non-conducive, or idle toward creativity. In this case, consistent with the JD-R model (Bakker & Demerouti, 2007; Schaufeli, 2017), creativity will stand as an employee personal resource that will be handy in exhibiting IB. The magnitude and frequency of IB would be even higher when a creative employee benefits from conducive organizational factors such as HPWPs. That is, the more prominent the individual characteristics promoting creativity, the higher the positive influence of HPWPs on employee IB. From this rationale, this study proposes that:

H3. Employee Creativity moderates the effect of HPWP on IB. This relationship is stronger when employee creativity is greater.

In line with the previous hypotheses, we also propose that the indirect effect of HPWP on CA through IB would differ across low versus the high level of employee creativity. Therefore, the following hypothesis is developed:

H4. Employee creativity moderates the indirect effect of HPWP on CA via IB.

Chapter 3

METHODOLOGY

Chapter three includes a description of the research design. Additionally, sampling and procedures, instruments' measurements, and data analysis methods were displayed in this chapter.

3.1 Research Design

The design of current dissertation follows a quantitative method to identify which variables have significant impacts. Dornyei (2007) stated that quantitative method is the process of collecting and analyzing data by statistical techniques. This research applied statistical software to measure the effects of the variables. Quantitative research is a strategy that is measuring and analyzing data with deductive approach to find out the relationship between theory and research aims (Bryman & Bell, 2011).

3.2 Sampling Method

Data collection is critical for empirical researches, because the data is intended to lead to a deeper understanding of a theoretical framework (Bernard, Wutich, & Ryan, 2016). It then becomes imperative to select the way to obtain data. The data should be collected with logical reasoning, particularly, because there is no type of analysis can compensate for wrongly gathered data (Etikan, Musa, & Alkassim, 2016).

Purposive sampling technique used in this research. The purposive sampling method, also termed judgmental sampling, is the conscious choice of a respondents based on the qualities they possess that is non-probability sampling techniques. This method

refers to the selection of respondents deliberated as representative of the population and dependent on human judgment (Kothari, 2014). This thesis focused on more than two criteria to define the research sample. The human resources management literature in the hospitality recommended that upscale star-level hotels give vital understanding for investigations of hotels' human resource (HR) administration and mirror the phenomena of hospitality settings development (Liu, 2017).

The research minimum sample size was calculated with power analysis that analysis called G*Power 3 Software (Faul, Erdfelder, Buchner, & Lang, 2009). For an estimated effect size 0.15, 95% minimum power and number of predictors are 3; at least 115 participants were needed. This study selected sample respondents from 4- and 5-star hotels in North Cyprus. According to information received from the Ministry of Tourism Culture and Environment, there are five 4-star hotels and eighteen 5-star hotels in North Cyprus. However, the researcher could not contact frontline employees directly, contacted human resource managers of 23 hotels using a letter. This letter explained the research and asked for permission to collect data. The researcher was able to receive permission from three four- and fifteen five-star hotels. Employees filled out the questionnaire with items related to HPWPs (empowerment, training, rewards, selective staffing, and teamwork), while managers filled out those with items related to the manager's perspective of employees' creativity and innovative behavior, and competitive advantage. Questionnaires were distributed to 405 frontline employees including front office, food and beverage, housekeeping, guest relations, sales and marketing departments (who were having everyday personal interaction with customers and spend their whole time in customer dealings like receiving customer requests, delivering them new services, managing with different issues) and 165 immediate managers of frontline employees. A total of 323 frontline employees

and 112 direct managers of employees' usable questionnaires were returned, giving a response rate of 79.75%. Kline (2011) stated that a sample size $N > 200$ was great enough to explore the variables studies. However, managers' surveys were matched with employees' ones via identification codes. After screening and cleaning, 112 managers assessed 323 employees. This procedure has been used extensively in the hospitality research (e.g. Karatepe, Rezapouraghdam & Hassannian, 2020; Karatepe, Yavas, Babakus & Deitz, 2018).

Before the data collection process, the authors obtained permission to proceed with the study from their institution's ethics committee. Various procedural remedies were utilized to minimize the probability of common method variance, as recommended by Podsakoff, MacKenzie, and Podsakoff (2012). First, a cover letter was provided to express the aim of the research, to ensure the anonymity and confidentiality of data usage, and specify that there were no right or wrong responses. Second, respondents were told that participation was voluntary. Lastly, data were obtained from employees and their direct manager in a two-week time-lagged period, respectively.

3.3 Back Translation

The research' questionnaires were prepared in English then translated into Turkish, then back-translated into English by academicians' proficient in both languages, recommended by McGorry, (2000). In addition, pilot study was employed with thirty employees, who were working in frontline departments in the hotel industry to ensure understandability of the questionnaires while the managers' questionnaire was tested with a pilot sample of ten managers. As a result, no changes were deemed necessary.

3.4 Measurements

This study aimed to employ the questionnaires as an instrument to measure research variables. The research variables included: HPWP, innovative behavior, employee creativity and competitive advantage. The research measurement items were adopted from the previous studies for each factor (Table 1).

The indicators of HPWPs are selective staffing, training, empowerment, rewards, and teamwork. The scale items were adapted from empirical studies with well-known validated measures in this thesis (Karadas, 2016; Karatepe & Olugbade, 2016; Karatepe & Vatankhah, 2014a, b). Sun et al.'s (2007) four-item scale was used to measure selective staffing. Training was measured with six items and five items were used to assess rewards adopted from Boshoff and Allen (2000). Five items approved from Coyle-Shapiro and Morrow (2003) was utilized to assess teamwork. Empowerment was measured with five items adapted from Hayes (1994). All of the responses to the items in each of the components of HPWPs included a five-point scale (5 = strongly agree to 1 = strongly disagree).

This thesis used 13 items to measure employee creativity specifically; it used the employee creativity questionnaire developed by George and Zhou (2001). Responses to items in each of the indicators of employee creativity included a seven-point scale (7 = strongly agree to 1 = strongly disagree). Six items from Hu, Horng, and Sun (2009) were utilized to operationalize innovative behavior. Responses to the innovative behavior items included a seven-point scale (7 = strongly agree to 1 = strongly disagree). Competitive advantages were measured with 4 items developed from Wu & Chen (2012) and rated on a 7-point scale from 1 (strongly disagree) to 7

(strongly agree). Age, gender, educational level, marital status, and position in the organization were employed as control variables. This is because they may act as statistical confounds. Gender was measured as a binary variable (0 = male and 1 = female).

3.4.1 Demographic Information

This part includes information about responses such as (a) age (b) gender (c) highest level of education (d) Marital Status (e) position in the organization. Age was coded as a bipartite variable (0 was coded for male, 1 was coded for female). Gender was assigned in five categories (Less than 25 years, 25-34 years, 35-44 years, 45-54 years and 55 years or more). Education level deputized with six categories that are primary school diploma, secondary school diploma, high school diploma, and bachelor higher degree, master, and PHD degree. Marital status was assigned in three parts that are married, single, and divorced. Position in the organization was categorized in frontline employees (e.g. front office, food and beverage, housekeeping, guest relations, sales, and marketing).

3.4.2 High-Performance Work Practices

HPWP was operationalized with five sub-dimensions: Training, empowerment, selective staffing, rewards, and teamwork. A six-item scale was obtained from Boshoff and Allen (2000) to measure training such as “I receive continued training to provide good service”. Empowerment subscale contained five items adapted from Hayes (1994); a sample item was “I am empowered to solve customer problems”. The rewards dimension was measured using five items from Bosshoff and Allen (2000). A sample item rewards was “The rewards I receive are based on customer evaluations of service”. Selective staffing was measured with a four-item scale from Sun, Aryee, and Law (2007) such as “In this workplace, great effort is taken to select the right person”.

Teamwork was measured with a five-item scale from Coyle-Shapiro and Morrow (2003). Sample item teamwork was “Employees in my workgroup work together effectively”. Responses were filled on five-point Likert-type scales ranging from 5 (strongly agree) to 1 (strongly disagree).

3.4.3 Employees’ Creativity

Employees’ creativity was measured with George and Zhou’s (2001) 13 items on a 5-point Likert scale, from (1) not at all characteristic to (5) extremely characteristic. Sample items of employee creativity were “He/She suggests new ways to achieve goals and objectives” and “He/She comes up with new and practical ideas to improve performance”.

3.4.4 Innovative Behavior

Six items from Hu, Horng, and Sun (2009) were used to measure the innovative behaviors on a 7-point scale from 1 (strongly disagree) to 7 (strongly agree). A sample item was “At work, our employees often seek new modes and methods of service”.

3.4.5 Competitive advantage

Competitive advantage was measured using the four items that were utilized by Wu & Chen (2012) and rated on a 7-point scale from 1 (strongly disagree) to 7 (strongly agree). Sample items of competitive advantage were “At work, our employees often seek new modes and methods of service” and “At work, our employees sometimes propose their creative idea and try to convince others”.

Table 1. Research Measurement Items and Source

E1. I am empowered to solve customer problems.
E2. I am encouraged to handle customer problems by myself.
E3. I do not have to get management's approval before I handle customer problems.
E4. I am allowed to do almost anything to solve customer problems.
E5. I have control over how I solve customer problems.
T1. I receive continued training to provide good service.
T2. I received extensive customer service training before I come into contact with customers.
T3. I receive training on how to serve customers better.
T4. I receive training on how to deal with complaining customers.
T5. I receive training on dealing with customer problems.
T6. I was trained to deal with customer complaints.
RWD1. If I improve the level of service I offer customers, I will be rewarded.
RWD2. The rewards I receive are based on customer evaluations of service.
RWD3. I am rewarded for serving customers well.
RWD4. I am rewarded for dealing effectively with customer problems.
RWD5. I am rewarded for satisfying complaining customers.
SS1. In this workplace, great effort is taken to select the right person.
SS2. In this workplace, long-term employee potential is emphasized.
SS3. In this workplace, considerable importance is place on the staffing process.
SS4. In this workplace, very extensive efforts are made in selection.
TW1. Employees in my workgroup work together effectively.
TW2. There is a strong team spirit in my workgroup.
TW3. There is a lot of cooperation in my workgroup
TW4. Employees in my workgroup are willing to put themselves out for the sake of the group.
TW5. Employees in my workgroup encourage each other to work as a team
EC1. He/ She suggests new ways to achieve goals and objectives
EC2. He/ She comes up with new and practical ideas to improve performance
EC3. He/ She searches out new technologies, processes, techniques, and/or product ideas
EC4. He/ She suggests new ways to increase quality
EC5. He/ She has a good source of creative ideas
EC6. He/ She is not afraid to take risks
EC7. He/ She promotes and champions ideas to others
EC8. He/ She exhibits creativity on the job when given the opportunity
EC9. He/ She develops adequate plans and schedules for the implementation of new ideas
EC10. He/ She often has new and innovative ideas
EC11. He/ She comes up with creative solutions to problems
EC12. He/ She often has a fresh approach to problems
EC13. He/ She suggests new ways of performing work tasks
IB1. At work, employee X often seeks new modes and methods of service.
IB2. At work, employee X sometimes proposes his/her creative idea and tries to convince others.
IB3. At work, employee X sometimes comes up with innovative and creative notions.
IB4. At work, employee X provides a suitable plan for developing new ideas.
IB5. At work, employee X try to secure the funding and resources needed to implement innovations.
IB6. Overall, employee X considers him-/herself self as a creator.
CA1. Our hotel is of a superior quality than that of the competitors.
CA2. Our services or products are differentiated from other hotels.
CA3. Our hotel offer unique benefits than competitors.
CA4. Our services or product are more advanced than those in the same market.

3.5 Data Analysis

We used SPSS Amos software to conduct a confirmatory factor analysis (CFA) and assess the reliability, convergent, and discriminant validity of the construct. Model's goodness of fit was estimated using the normed chi-square (χ^2/df), IFI (incremental fit index), CFI (comparative fit index), RMSEA (root mean square error approximation), and SRMR (standardized root mean square) (Anderson & Gerbing, 1988). Finally, the PROCESS macro was used to test the proposed hypotheses.

Chapter 4

DATA ANALYSIS AND RESULTS

The questionnaire was applied to understand how employees' innovative work behavior mediates the effect of HPWP on competitive advantage. Besides, the moderating role of employee creativity on the effect of HPWP on CA and IB was measured. In addition, the data was analyzed to recognize how employee creativity moderates the indirect effect of HPWP on CA via IB. The questionnaire contains questions regarding HPWP, innovative behavior, employee creativity, and competitive advantage.

This chapter presented the analysis of the result and discussion of the results. The thesis aims to assess how innovative behavior mediates the effect of HPWP on CA, also discussion how employee creativity moderates the effect of HPWP on CA (positively) and IB (negatively). In addition, the results discussion included how employee creativity moderates the indirect effect of HPWP on CA via IB.

4.1 Preliminary Analyses and Respondents' Profile

Table 2 represents the participants' profiles. The sample consisted of 184 (57%) male respondents, while 57.9% aged between 25-34 years. The majority of respondents had a bachelor's degree (51.1%). About position in the organization, most respondents (29.4%) were front office employees. More than half of the respondents were single (54.4%).

Table 2. Respondent's Profile (N=323)

	Frequency	Percentage
<i>Age</i>		
Less than 25 years	63	19.5
25-34 years	188	58.2
35-44 years	57	17.6
45-54 years	11	3.4
55 years and above	4	1.2
<i>Gender</i>		
Male	184	57.0
Female	139	43.0
<i>Level of Education</i>		
Primary School Diploma	17	5.3
Secondary School Diploma	16	5.0
High School Diploma	91	28.2
Bachelor Higher Degree	165	51.1
Master Degree	34	10.5
<i>Marital Status</i>		
Married	134	41.5
Single	176	54.5
Divorced	13	4.0
<i>Position in the organization</i>		
Front Office	95	29.4
Sales and Marketing	22	6.8
Human Resource	32	9.9
Food & Beverage	65	20.1
Housekeeping	66	20.4
Finance	7	2.2
IT	3	.9
Guest Relation	24	7.4
Technic	9	2.8

Multicollinearity was not an issue in this study because the variance inflation factors (VIFs) of each predicting variable was less than 3. Harman's single factor test revealed that the first factor accounted for 19.24%, which is far lesser than 50%. Therefore, common method bias was not deemed a severe threat to this study.

4.2 Measurement Model for HPWP

This study employed a two-stage CFA to substantiate the factor structure of the 26 observed variables to their respective latent construct. First, the first-order five-factor measurement model (empowerment, training, rewards, selective staffing, and teamwork) was examined. Two items from empowerment and selective staffing respectively were dropped due to standardized loadings less than 0.40. The revised 5-factor measurement model after deletion demonstrated a good fit ($\chi^2 = 559.506$, $df =$

195, $p = .000$; $\chi^2/df = 2.87$; SRMR = .067; RMSEA [90% CI] = 0.076 [0.069; 0.084]; CFI = 0.913; IFI = 0.914). All standardized loadings were significant ($p < 0.01$) and above .50 (Hair, Black, Babin, & Anderson, 2013), ranging from 0.591 to 0.919, as depicted in Table 3. The average variance extracted (AVE), composite reliability (CR), and Cronbach's alphas for each construct were respectively above .50, .70, and .70 (Fornell & Larcker, 1981; Nunnally, 1978). Overall, these results supported the convergent validity and reliability of the sub-construct. The discriminant validity (see Table 3) was also supported as the square root of each construct's AVE was greater than the correlations between constructs (Fornell & Larcker, 1981).

Table 3. CFA Results of HPWP

	Standardized loadings	t-values	Composite reliability	Alpha	AVE
<i>Empowerment</i>			.753	.71	.505
Emp1	.671	Fixed			
Emp2	-	-			
Emp3	.69	8.199			
Emp4	.767	8.922			
Emp5	-	-			
<i>Training</i>			.879	.874	.552
Training1	.591	Fixed			
Training2	.718	9.947			
Training3	.802	10.967			
Training4	.816	11.079			
Training5	.878	11.431			
Training6	.606	8.966			
<i>Rewards</i>			.899	.90	.644
Rwd1	.695	Fixed			
Rwd2	.68	13.27			
Rwd3	.919	15.052			
Rwd4	.849	14.125			
Rwd5	.843	14.028			
<i>Selective staffing</i>			.842	.83	.644
Ss1	-	-			
Ss2	.634	Fixed			
Ss3	.899	12.298			
Ss4	.85	12.071			
Ss5	-	-			

<i>Teamwork</i>			.884	.88	.61
Teamwork1	.693	Fixed			
Teamwork2	.899	14.595			
Teamwork3	.862	14.131			
Teamwork4	.591	9.952			
Teamwork5	.816	13.462			

Notes: *Model fit statistics*: $\chi^2 = 559.506$, $df = 195$, $p = .000$; $\chi^2/df = 2.87$; SRMR = .067; RMSEA [90% CI] = .076 [.069; .084]; CFI = .913; IFI = .914. All loadings are significant at $p < .001$. CI: confidence interval, CR: composite reliability, CA: Cronbach's alpha, AVE: average variance extracted; (-) dropped during confirmatory factor analysis.

Table 4. Discriminant Validity Test for HPWP

	1	2	3	4	5
1. Empowerment	.711				
2. Training	.496	.743			
3. Rewards	.599	.444	.803		
4. Selective staffing	.446	.527	.543	.803	
5. Teamwork	.383	.351	.319	.530	.781

Notes: Entries in bold on the diagonal are the square roots of constructs AVEs. Below the diagonal are construct correlations, all significant at $p < .001$.

Second, a second-order CFA was employed to test HPWP as a second-order construct with its corresponding five first-order factors. The model fit indices were as follows: $\chi^2 = 582.702$, $df = 200$, $p = .000$; $\chi^2/df = 2.91$; SRMR = .074; RMSEA [90% CI] = .077 [.070; .084]; CFI = .909; IFI = .909. Previous literature (Agostini, Nosella, & Filippini, 2016; Marsh & Hocevar, 1985) argued that a model holding a second-order structure could never produce a better model fit than a specified first-order correlated model. However, it can satisfactorily be an appealing alternative that rivals the first-order correlated model (Agostini et al., 2016). A second-order factor is deemed to be appropriate if the target coefficient (T) – a comparative coefficient of the ratio of the first-order model chi-square to the second-order model chi-square – approaches 1.0 (Marsh & Hocevar, 1985). The T index obtained was .96 (559.506/582.702), suggesting that the second-order factor (HPWP) is adequate for further use and hypothesis testing.

4.3 Overall measurement model

A CFA of the full measurement model with EC, IB, CA, and HPWP was performed, and three items of EC – EC1, EC3, and EC6 – were dropped during the CFA due to loadings below .50 and correlation measurement errors. The results showed a relative acceptable fit: $\chi^2 = 2194.729$, $df = 776$, $p = .000$; $\chi^2/df = 2.83$; SRMR = .076; RMSEA [90% CI] = .075 [.072; .079]; CFI = .856; IFI = .857. Although the CFI and IFI were marginally below .90, researchers (e.g., Davis-Becker, Peterson, & Fischer, 2014; Iacobucci, 2010) have argued that non-parsimonious models may still fit the data well when CFI is marginally below .90 while other indices are satisfactory like evidenced in recent studies (e.g., Zhang & Xu, 2019).

Table 5 illustrates that the AVEs of EC, IB, CA, and HPWP were respectively 0.583, 0.55, 0.77 and 0.47. Prior research has indicated that an AVE below 0.50 is still adequate if the composite reliability is satisfactory (Bufquin, DiPietro, Orłowski, & Partlow, 2017; Fornell & Larcker, 1981), as demonstrated by previous empirical findings in the service research (e.g., Bufquin et al., 2017, Karatepe, Ozturk, & Kim, 2019).

The composite reliability scores and alpha coefficients ranged respectively from .817 to .933, and .88 to .93, which fell beyond the conventional cut-off of .70 (Fornell & Larcker, 1981; Nunnally, 1978). The standardized loadings of each construct exceeded .50 (Hair et al., 2013) and ranged from .565 to .969 and were all significant at $p < .01$. Thus, the above indications provided sufficient support for convergent validity and reliability. Further, the results presented in Table 5 disclosed that the intercorrelations between the constructs were lower than the square root of each respective construct's

AVE (Fornell & Larcker, 1981), which therefore provided evidence for discriminant validity.

Table 5. CFA Results of Overall Model

	Standardized loadings	t-values	Composite reliability	Alpha	AVE
<i>HPWP</i>			.817	.91	.475
Empowerment	.714	Fixed			
Training	.663	6.558			
Rewards	.722	7.218			
Selective staffing	.765	6.983			
Teamwork	.565	6.403			
<i>Employee creativity</i>			.933	.93	.583
EC1	-	-			
EC2	.707	Fixed			
EC3	-	-			
EC4	.72	12.459			
EC5	.793	13.29			
EC5	-	-			
EC7	.746	12.725			
EC8	.736	12.734			
EC9	.69	11.02			
EC10	.804	13.971			
EC11	.869	14.722			
EC12	.812	13.891			
EC13	.739	12.657			
<i>Innovative behavior</i>			.879	.88	.55
IB1	.739	Fixed			
IB2	.73	13.005			
IB3	.881	14.995			
IB4	.731	13.029			
IB5	.639	10.64			
IB6	.708	11.798			
<i>Competitive advantage</i>			.931	.93	.771
CA1	.86	Fixed			
CA2	.969	13.233			
CA3	.897	10.03			
CA4	.775	7.019			

Notes: Model fit statistics: $\chi^2 = 559.506$, $df = 195$, $p = .000$; SRMR = .067; RMSEA [90% CI] = .076 [.069; .084]; CFI = .913; IFI = .914. All loadings are significant at $p < .001$. (-) dropped during confirmatory factor analysis.

Table 6. Descriptive Statistics and Discriminant Validity Overall Model

	1	2	3	4	5	6	7	8
<i>Eight-factor first-order</i>								
1. Employee creativity	.764							
2. Innovative behavior	.519***	.757						
3. Competitive advantage	.311***	.395***	.88					
4. Empowerment	.130*	.208**	-.004	.708				
5. Training	.127*	.256***	.068	.501***	.743			
6. Rewards	.018	.123*	.058	.603***	.444***	.803		
7. Selective staffing	.031	.094	.164**	.451***	.526***	.543***	.803	
8. Teamwork	-.179**	.07	.05	.392***	.351***	.319***	.530***	.781
<i>Four-factor, second-order</i>								
1. Employee creativity	.763							
2. Innovative behavior	.537***	.741						
3. Competitive advantage	.316***	.382***	.878					
4. HPWP	.037	.244***	.107†	.689				
<i>Mean</i>	3.63	4.79	5.70	3.35				
<i>SD</i>	.75	1.15	1.29	.69				

Notes: Entries in bold on the diagonal are the square roots of constructs AVEs. Below the diagonal are construct correlations; † p < 0.10, * p < 0.05, ** p < 0.01, *** p < 0.001.

4.4 Hypotheses Testing

H1 predicted that innovative behavior would mediate the effect of HPWP on CA. The SPSS-built macro PROCESS (Hayes, 2017, Model 4) was used to estimate the parameters for the mediation test, with a 95% bias-corrected confidence interval (BC CI) generated from 10,000 bootstrapped samples. The mediated model showed an overall significance ($F(2,320) = 19.83, p < .001, R^2 = .11$); specifically, HPWP predicted IB ($b = .29, p < .01$), which in turn predicted CA ($b = .36, p < .001$). However, the direct path between HPWP and CA was not significant ($b = .06, p = .52$) when controlled for IB, while the indirect effect estimate was significant ($ab = .10, SE = .05, CI = .03-.21$). These results sufficed to support H1 (Figure 6).

Next, H2, H3, and H4 were tested using PROCESS model 8 with a 95% BC CI bootstrap sample of 10,000. For moderation and moderated mediation models, PROCESS mean centers the predictor and moderator variables to estimate the interaction term and provides conditional effects by calculating the path of the predictor to the criterion variable at three levels of the moderator: the mean, 1 SD below the mean, and 1 SD above the mean. Table 7 exhibits the results of the moderated mediation analysis. H2 found support because EC significantly moderated the direct effect of HPWP on CA ($b = -.77, p < .001$), as displayed on the interaction plot (Figure 7). The interaction between HPWP and EC on IB was not significant ($b = .08, p = .48$). A scrutiny of the conditional effect results, however, shows that the direct effect of HPWP on IB at low level of EC is insignificant ($b_{low} = .19, p = .23, CI = -.13-.51$), while it is significant at medium ($b_{med} = .25, p < .01, CI = .06-.44$) and high level ($b_{high} = .31, p < .01, CI = .10-.52$) of EC. Therefore, H3 was partially supported. Further, the conditional indirect effect results in Table 7 disclosed that the CI of two

out of the three indirect effects level of EC were significantly different from zero.

Thus, H4 was supported.

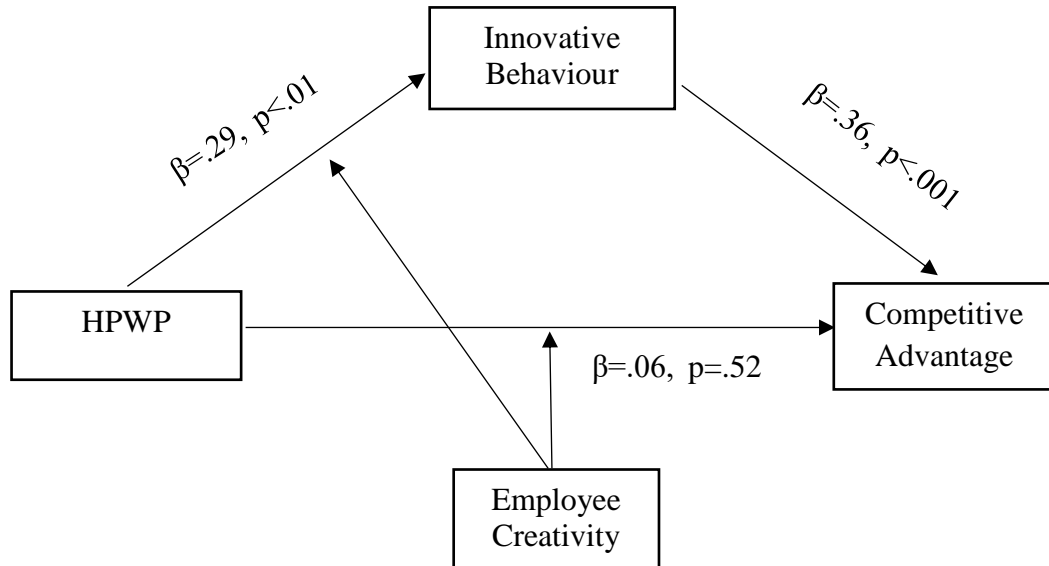


Figure 6. Conceptual Research Model with Beta Values

Table 7. Conditional Process Analysis

	<i>b</i>	<i>SE</i>	<i>t</i>	<i>p</i>
<i>Mediator model (Outcome: innovative behavior)</i>				
Constant	4.79	.05	85.89	<.001
HPWP	.25	.08	3.06	<.01
Employee creativity	.73	.07	9.66	<.001
HPWP x Employee creativity	.08	.11	.71	.48
<i>Dependent variable model (Outcome: competitive advantage)</i>				
Constant	4.33	.31	13.81	<.001
HPWP	.15	.09	1.55	.12
Innovative behavior	.29	.06	4.52	<.001
Employee creativity	.18	.09	1.86	.06
HPWP x Employee creativity	-.77	.12	-6.22	<.001
	<i>b</i>	<i>SE</i>	<i>t</i>	<i>p</i>
<i>Conditional direct effect at employee creativity = M ± 1 SD</i>				
M – 1SD (2.88)	.73	.14	5.19	<.001
M (3.63)	.15	.09	1.55	.12
M + 1SD (4.38)	-.44	.13	-3.48	<.001
<i>Conditional indirect effect at employee creativity = M ± 1 SD</i>				
	Value	Boot SE	LLCI	ULCI
M – 1SD (2.88)	0.05	0.05	-.03	.16
M (3.63)	0.07	0.03	.02	.15
M + 1SD (4.38)	0.09	0.04	.02	.17

Notes: N = 323. Unstandardized regression coefficients are reported. Bootstrap sample size = 10,000. LL = lower limit, CI = confidence interval, UL = upper limit.

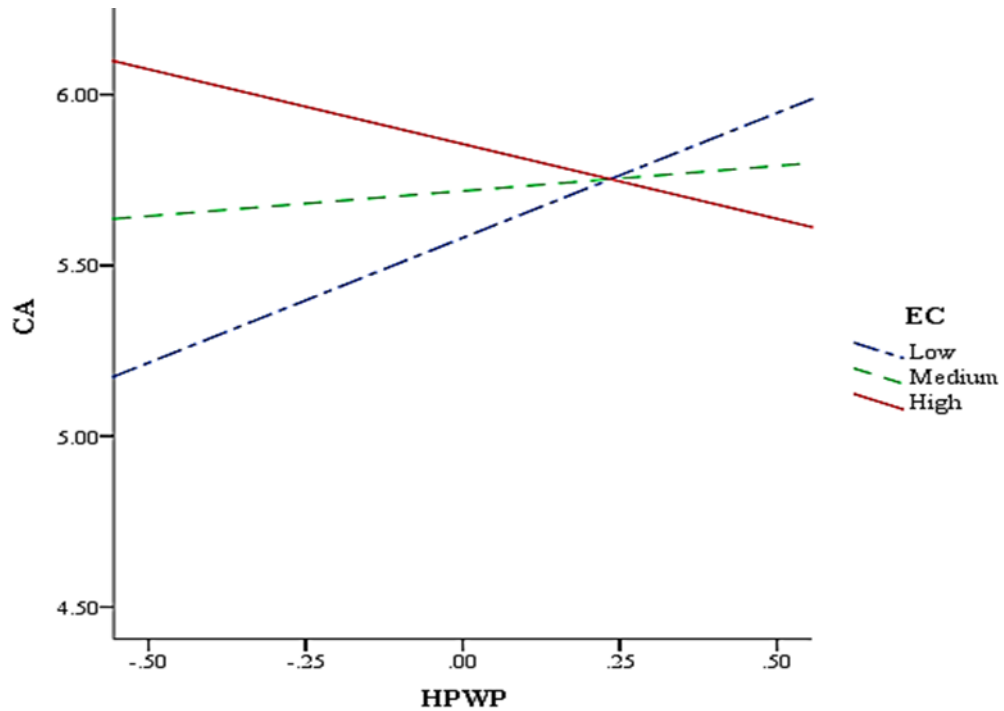


Figure 7. Employee Creativity as a Moderator of The Effect of HPWP on Competitive Advantage

4.5 Post hoc analyses

In this dissertation, the researcher also sought to find out if there exist any differences in the study variables with respect to the control variables (age group, gender, marital status, education level, and occupational group). This study conducted an independent sample t—test to compare the mean difference for gender (males and females) and a one-way analysis of variance (ANOVA) for the remaining demographic variables that have more than 2 groups. The results of the mean difference tests are reported considering the assumption of variance equality is not violated, however if stated otherwise the results of robust tests are reported.

4.5.1 Independent sample t-test.

There was no statistically significant difference between males and females in the perception of HPWP ($t(321) = 0.938, p > 0.05$), EC ($t(321) = 1.316, p > 0.05$), and IB ($t(321) = 0.666, p > 0.05$). However, the results demonstrated a statistically significant

difference for CA despite that the assumption of equality of variance was violated (Levene's $F = 11.967$, $p < 0.01$, $t(250.216) = 2.236$, $p < 0.05$). Specifically, the average CA ratings for males ($M = 5.85$, $SD = 1.13$) was statistically different and higher than for females ($M = 5.51$, $SD = 1.47$): $\Delta x = 0.34$, 95% CI [0.04, 0.63].

4.5.2 One-way ANOVA

Age group. The analyses results did not demonstrate any significant difference in the ratings of HPWP ($F(4, 318) = 1.202$, $p > 0.05$), EC ($F(4, 318) = 1.468$, $p > 0.05$), IB ($F(4, 318) = 1.659$, $p > 0.05$), and CA ($F(4, 318) = 1.875$, $p > 0.05$) of any of the age groups.

Marital status. Equality of variance was not assumed only for EC, and not significant difference was found for HPWP ($F(2, 320) = 2.921$, $p > 0.05$), EC ($F(2, 31.892) = 0.625$, $p > 0.05$), IB ($F(2, 320) = 0.256$, $p > 0.05$), and CA ($F(2, 320) = 0.283$, $p > 0.05$).

Education level. The Levene's test demonstrated that except for HPWP, equality of variance was not assumed for the other variables. Further, no significant difference was found for HPWP ($F(4, 318) = 1.975$, $p > 0.05$), EC ($F(4, 318) = 1.887$, $p > 0.05$), and ($F(4, 318) = 1.806$, $p > 0.05$). However, IB varied significantly across educational level groups: $F(4, 57.191) = 3.413$, $p < 0.05$; precisely, the IB for those with a Master degree ($M = 5.17$, $SD = 0.68$) was significantly different and greater than for those with a high school diploma ($M = 4.50$, $SD = 1.36$): $\Delta x = 0.67$, 95% CI [0.16, 1.18].

Occupational group. The assumption of variance equality was violated for all the four study variables, despite the statistically significant differences. For instance, the HPWP for guest relation employees ($M = 3.59$, $SD = 0.49$) was significantly greater

than human resources department ($M = 3.01$, $SD = 0.72$, $\Delta x = 0.58$, 95% CI [0.05, 1.10]) and housekeeping ($M = 3.16$, $SD = 0.60$, $\Delta x = 0.43$, 95% CI [0.03, 0.84]): $F(8, 30.904) = 2.598$, $p < 0.05$. There was a significant difference in EC across the Educational level groups: $F(8, 31.046) = 2.598$, $p < 0.01$. Specifically, the average EC of front office employees ($M = 4.01$, $SD = 0.62$).

Chapter 5

DISCUSSION AND CONCLUSION

The central purpose of the present thesis is to gain awareness regarding the relationship between HPWPs, innovative behavior, employee creativity, and competitive advantage that are developed using the motivational process of the RBV theory and JD-R model process. The research's objectives are as follows: (a) to explain the mediating role of employee innovative behavior on the relationship between HPWPs and CA and (b) examine the role of employee creativity on the relationship between HPWPs and IB and CA. The relationships mentioned before are tested via data collected from front-line employees and their direct managers of 4- and 5- star hotels in North Cyprus. The paramount aim of this study was to test a moderated mediation model of employee creativity and innovative behaviors in the HPWP competitive advantage nexus. Specifically, the study examined the indirect effect of IB on the causal relationship between HPWP and CA, and also the moderating role of EC on this indirect effect. The results yielded several insightful theoretical and managerial implications.

It is hypothesized that innovative behavior significantly mediates the relationship between HPWPs (selective staffing, training, empowerment, rewards, and teamwork) and CA. The study results provide support for this relationship. The indicators of HPWPs yield to employees' innovative behavior that in turn leads to achieve sustainable competitive advantage. In addition, this study hypothesized the role of

employee creativity in the relationship between HPWPs and IB and CA. The study results provide support because EC significantly moderated the direct effect of HPWP on CA. When employee creativity acts as a moderator variable, the relationship between HPWPs and CA is stronger. Also, this research hypothesized the role of employee creativity on the relationship between HPWs and IB. The results provide conditional support because the direct effect of HPWP on IB at low level of EC is insignificant while it is significant at medium and high level of EC. Therefore, when employee creativity (medium and high level) acts as a moderator variable, the relationship between HPWPs and IB is stronger.

The present research extends the current theoretical literature on high performance HR practices and organizational innovativeness. In addition, this research addresses hotel managers especially those of top star hotels in the Turkish hospitality sector who have to deal with fierce competition.

5.1 Theoretical Contributions

The relationship between HPWPs and CA through IB developed in the line with the RBV theory. This thesis contributes RBV theory by demonstrating the effect of HPWPs on sustainable CA through IB. In other words, the RBV theory and the affiliated dynamic capabilities by providing empirical evidence that investment in organizational resources do not immediately lead to CA unless they provide significant added value on the internal stakeholders. Innovative behavior is as an employees' capability (Rittler & Lerrl, 2018) that is a type of resources to provide CA (Nasifoglu Elidemir, Ozturen, & Bayighomog, 2020). The relationship between RBV and employee innovative behavior is bilateral. By this, the researcher of this thesis means that while RBV expands our knowledge on the factors that determine the innovative

behavior of employees, at the same time innovative behavior can be a one mechanism to lead organizations' competitive advantage. Additionally, Organizational resources and capabilities are taken to offer the necessary input for the development and exploitation of the employees' innovative behavior. Consequently, the focus of the RBV is not only how to enhance innovative output out of the organizations, but also focus on how to provide the activities for employees' innovative behavior to occur in the first place.

Additionally, in the line with Job-Demand resource theory creativity is as employees' personal resources. The focus of the Job-Demand resource theory is always exhibiting employees' creativity or personal resources, also need to make consideration about the role of employees' creativity on organizational benefits or competitive advantage. In addition, this thesis expands JD-R theory by providing empirical evidence of the positive association between the interaction of organizational resources (HPWP) and employee personal resources (Creativity), and employee desirable job outcomes. Given the above understanding of Job Demand resource theory, it is noteworthy to states that the results of this study extend the global understanding of the theory. In other words, when employees' possess creativity the significant relationship between HPWP and CA was stronger.

The current study provides several contributions to the body of knowledge. First, the researcher proposed and found support for an original conceptual framework underscoring HPWPs as indirectly predicting CA via IB. In line with previous scholars (e.g., Fu, Flood, Bosak, Rousseau, Morris, & O'Regan, 2017), this study confirms that service firms achieve superior CA not merely by HPWPs per se, instead, by the intellectual capital resources that such practices generate. Indubitably under fierce

competitive and dynamic environmental conditions, the implementation of HPWPs and the ownership of derived intellectual capital are meaningless to sustain CA if the organization fails to build innovative capacity (Fu et al., 2017; Saridakis, Lai, & Cooper, 2017). Accordingly, this study confirms the sentiment that effective HPWPs are essential in motivating employees' pro-innovative behaviors and actions (Lewicka, 2013; Mazzei et al., 2016), and corroborate with similar findings (Fu et al. 2017; Prieto & Pérez-Santana, 2014; Sanz-Valle & Jiménez-Jiménez, 2018).

Furthermore, research findings support the widely accepted ideas, but scanty empirical evidence of the effect of organizational innovation on CA. For instance, Chatzoglou and Chatzoudes (2018) found that a higher level of innovation in terms of new products/services or business processes leads to a better CA performance. The researcher found that IB positively relates to CA. The researcher of this thesis argues that employees' IBs instead consist of a much practical assessment of innovation for service firms with high customer physical interaction propensity (e.g., hotels, airline carriers). Due to the provided services quasi similarities, any firm will demarcate itself from competitors in terms of its employees' IBs towards service performance, delivery, and experience. In synopsis, the implementation of HPWPs grants service organizations CA only when they yield a manifest and value-adding set of employees IB.

Second, this study proposed that creativity would strengthen the effect of HPWP on IB and CA, following the extant literature demonstrating creativity as a viable predictor of innovative outcomes and henceforth organizational competitiveness (e.g., Anning-Dorson, 2018; Song & Yu, 2018; Teodorescu, Stăncioiu, Răvar & Botoș, 2015). Interestingly, research results paradoxically suggested that creativity mitigated

the positive effect of HPWP on CA. While this finding contrasts with what the literature may infer, innovation and creativity research reviews conceded the existence of conflicting empirical findings in the current state of science (Hon & Lui, 2016). However, looking closely, this result can be theoretically and practically sustained. The success occurrence of innovation in hospitality is somewhat small (Ottenbacher, 2007) due to the risk associated with creativity/innovation characterized by individuals/organizations' deviation from conventional practices, which orient them to change, think and act differently (Hon & Lui, 2016). However, the fear from the change embedded with risk-taking, uncertainty, and potential for failure can constrain managers to only refer to their limited knowledge and experience (Ottenbacher, 2007). Consequently, they will constrain and create barriers to creative individuals, hence underexploiting their employees' creative potential (Caniëls & Rietzschel, 2015) and undermining their competitive advantage. Furthermore, the dynamic capability framework (Teece, 2007) for sustained competitive advantage suggests that not solely the ownership of unique and inimitable resources, but also the combination, reconfiguration, and adaptation of available assets can grant an organization a competitive edge. The salience of the management risk avoidance of and constraint towards creativity can be even prominent when the manager originates from a high-power distance and high uncertainty avoidance culture such as the Turkish. In North Cyprus hotels, more than 74% of managers are Turkish citizens (Özduran & Tanova, 2017a, b). Overall, this study contributes to the workplace creativity literature by underscoring the circumstantial hindering effect of creativity on firm competitive advantage.

Thirdly, as it stood out and owing to a more liberal interpretation, only a relatively greater sense of creativity may reinforce the role of HPWP on IB. To this extent, the

HPWP-laid human capital finds its merits better under circumstances of acute creative cognitive capabilities. This is consistent with the job demand resources model's (Bakker & Demerouti, 2007) articulation that personal resources such as creativity would contribute to enriching individual work performance. Thus, having creative employees would significantly improve the expected effect of HPWP on innovative performances. In contrast to the rather protracted span of CA, employee IBs can be observed from the very first set of duties. Hence, they are more likely to occur from highly creative employees who will best amplify the potency of HPWPs on their daily job. In this vein, creativity will be of top importance in an organization aim to build competitive advantage. As mentioned earlier, HPWPs is a distal predictor of CA, and find its significance via employee IBs. This relationship is strengthened when the availability of a creative labor pool becomes prominent.

5.2 Practical Implications

The findings of this study also address hospitality managers, with particular foci to those in North Cyprus 4- and 5- stars hotels in several ways. Firstly, the need for 4- and 5- stars hotels to implement HPWPs is critical for their performance and survival in the stiffly competitive and dynamic environment in which they operate. Undeniably, how well they can manage to nurture and yield innovative work behaviors from their workforce is essential to differentiate their service offered from competitors. Most hiring determinants in hotels usually revolves around pro-interpersonal and group-oriented behaviors, as well as job skills and personal career orientation (Martin & Groves, 2002). It would be fair to say these factors rather depict the need to hire "good soldiers," employees that can fit their unit and get along with colleagues and the supervisors, while diligently and unquestionably accomplishing the tasks assigned to them. This study suggests that hiring managers or professionals should equally

consider orienting their needs into the creative abilities of their candidates, how they come up with complex issues or situations, or apply some positive changes to a given task. Through HPWPs (e.g. selective staffing and rewards) does not only attract possible employees, also makes workers to feel engage in their work environment. Management can hire ones who have personality, opinions, and skills an appropriate for the job description through the selective staffing procedure.

Management can make use of employees' innovative behavior questionnaires to ensure which employees are appropriate for the job. These questionnaires may help managers to hire necessity employees who are creative, optimistic, strong, confident, and self-efficacious. In addition, questionnaires may help managers to provide understanding and detail information about employees, who are able to understand guests' requirements and demands. In short, this thesis suggested that, management of hotel sector have to be aware about selective staffing procedure to hire right person for that job. The managers in hotel industry have to know how to use the arrangement of human resource management practices to advance their employees' innovativeness such as actualize exacting worker deployment, pick applicants whom personalities with authoritative qualities, and have the necessary skill and thinking abilities.

Also, the managers should organize related training to boost their capability and innovative thinking abilities. Managers need to give opportunities to their employees to match their skills and abilities with their work. Therefore, they have to design an internal job rotation mechanism to determine the right person for the right position in the hotel. Managers have to ensure that employees can get a competent job through a fair procedure. Consequently, they need to use result-oriented assessment and design clear assessment indicators. Managers should offer timely feedback or criticism to

their employees about personal and organizational information so that employees can adjust themselves to meet the necessities of creativity. Management should provide opportunities to improve their creative skills continuously.

Secondly, this paper also addresses managers about the way they can consider actual creative employees and get the best out of this tacit resource. Researcher discussed in earlier paragraphs how power distance and uncertainty avoidance could hamper the expression of creativity and makes it a hindrance to the organization. To this end, managers and executives of 4- and 5- stars hotels may consider the option of undergoing training on how to dissociate their cultural attributions and the demands of business competition. Precisely, such training must enable them to manage creative employees by seriously considering their opinions, advice, and suggestions. In this vein, they must accept to leap forward into the ambiguity raised by the outcomes of innovative ideas and behaviors. Besides, one cannot make an omelet without breaking eggs. Through HPWPs such as continuous training program develop employees' abilities and skills. The empowerment techniques of HPWPs can be implemented through real life customer-related situations.

Managers need to consider the role of these practices on employees' outcomes in hotel sector. Customer-contact employees, who are skillful and engaged and participate regularly in training programs should be encouraged to practice teamwork that employees can connect via social networks, which practice supports team members to exercise innovative behaviors.

The findings contain some practical implications for hotel managers to develop employees' creativity in the organization. Implementing a bundle of techniques like

continuous training, performance-based reward systems, and innovative ways of communication and involvement of employees in organizational processes could create an entirely new work culture that practices help to increase individuals' creativity. Hotel managers should develop employee's competencies by focusing on the required indicators of HR practices that can easily increase the innovative behavior of employees and successfully compete in the highly competitive business world (Preenen, Vergeer, Kraan & Dhondt, 2017). Besides, this research emphasizes the role of HPWP that is one of the significant and necessary pieces of equipment of HR managers in the management era. It is impossible for the cooperation to challenge in the highly competitive business world as well as survive in the long run without developing the various competencies of employees. Hence, in the hospitality sector managers can accelerate employees' creativity by developing their competencies via HPWP. Therefore, HR managers at hospitality companies should exercise substantial efforts to grow employee level knowledge and competencies to motivate them, and provide recent and novel openings to achieve unrestricted efforts. Managers should allow employees with creative attribute to express their talent so long as it is intended to improve service delivery and job performance. This thesis could help managers to better understand regarding the role of HPWP and how to use these to obtain a sustainable competitive advantage. Overall, it can be concluded that investing in HPWP help organizations' management to gain competitive advantage by enhancing employees' innovative behavior and perceived employees have strong effect on organizations competitive advantage.

5.3 Limitations and future directions

Based on the resource-based view and job demands-resources model, the present study developed an original conceptual framework that investigated the impact of HPWP on

employee innovative behavior and competitive advantage. The results suggest that IB fully mediates the relationship between HPWP and competitive advantage. Although this study makes several critical contributions, it also has some limitations and further suggestions for hospitality research. First, this research occurred only a short period, so longitudinal observation can be studied because, in the highly competitive hospitality industry, it is necessary to implement the HPWP to get a deeper understanding about how these practices affect employee innovative behavior to maintain a competitive advantage. Thus, future research could explain the hypothesized model with longitudinal and experimental design to confirm whether HPWP and employees' innovative behavior are leading 4- and 5- stars hotels to maintain or gain a competitive edge. Second, the research's data were collected in North Cyprus and precisely from 4- and 5- stars hotels; futures studies need to collect data from other destinations, different hospitality facilities than 4- and 5 stars hotels. For example, some of HPWP dimensions used in our study may not be so critical in other service contexts. Therefore, future studies should adopt HPWP specifically to the service context from which the sample would be derived (Murphy, Torres, Ingram & Hutchinson, 2018). This research used employee creativity as a moderator variable, future research should identify and explore the role of other individual or higher-order moderators, which may give strength and add extra value to the proposed relationships (Albrecht, Bakker, Gruman, Macey, & Saks, 2015).

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APPENDIX

Measurements

Dear Respondents,

The research is designed for understanding the relationship between high performance work practices (HPWPs), employee' creativity, innovation behavior, and competitive advantage. Additionally, this research will give feedback of 4- and 5- stars hotels to understand how they build their competitive advantage via human resource management techniques (HPWP), innovative behavior and employee creativity. In addition, this study focuses to examine the role of employee creativity on above relationship.

Please tick the response which you believe adequately expresses your opinions. The researchers guarantee the security and privacy of personal information provided by you. If you have any questions about our research, please do not hesitate to contact Mrs. Servet Elidemir through her e-mail address: servet.elidemir@emu.edu.tr or servet_nasifoglu@hotmail.com

Section I.

Please indicate your disagreement or agreement with each statement by crossing the number using the following five-point scale:

- (1) I strongly disagree
- (2) I disagree
- (3) I am undecided
- (4) I agree
- (5) I strongly agree

1. I am empowered to solve customer problems.	1	2	3	4	5
2. I am encouraged to handle customer problems by myself.	1	2	3	4	5
3. I do not have to get management's approval before I handle customer problems.	1	2	3	4	5
4. I am allowed to do almost anything to solve customer problems.	1	2	3	4	5
5. I have control over how I solve customer problems.	1	2	3	4	5

1. I receive continued training to provide good service.	1	2	3	4	5
2. I received extensive customer service training before I come into contact with customers.	1	2	3	4	5
3. I receive training on how to serve customers better.	1	2	3	4	5
4. I receive training on how to deal with complaining customers.	1	2	3	4	5
5. I receive training on dealing with customer problems.	1	2	3	4	5
6. I was trained to deal with customer complaints.	1	2	3	4	5

1. If I improve the level of service I offer customers, I will be rewarded.	1	2	3	4	5
2. The rewards I receive are based on customer evaluations of service.	1	2	3	4	5
3. I am rewarded for serving customers well.	1	2	3	4	5
4. I am rewarded for dealing effectively with customer problems.	1	2	3	4	5
5. I am rewarded for satisfying complaining customers.	1	2	3	4	5

1. In this workplace, great effort is taken to select the right person.	1	2	3	4	5
2. In this workplace, long-term employee potential is emphasized.	1	2	3	4	5
3. In this workplace, considerable importance is place on the staffing process.	1	2	3	4	5
4. In this workplace, very extensive efforts are made in selection.	1	2	3	4	5

1. Employees in my workgroup work together effectively.	1	2	3	4	5
2. There is a strong team spirit in my workgroup.	1	2	3	4	5
3. There is a lot of cooperation in my workgroup	1	2	3	4	5
4. Employees in my workgroup are willing to put themselves out for the sake of the group.	1	2	3	4	5
5. Employees in my workgroup encourage each other to work as a team	1	2	3	4	5

Section II

Please indicate, for each of the statements below, how characteristic the statement is of your employees, that is, how much it reflects what your employees' typically think, feel, and do:

- (1) Not at all characteristic
- (2) Somewhat characteristic
- (3) Often characteristic
- (4) Very characteristic
- (5) Extremely characteristic

1. He/ She suggests new ways to achieve goals and objectives	1	2	3	4	5
2. He/ She comes up with new and practical ideas to improve performance	1	2	3	4	5
3. He/ She searches out new technologies, processes, techniques, and/or product ideas	1	2	3	4	5
4. He/ She suggests new ways to increase quality	1	2	3	4	5
5. He/ She has a good source of creative ideas	1	2	3	4	5
6. He/ She is not afraid to take risks	1	2	3	4	5
7. He/ She promotes and champions ideas to others	1	2	3	4	5
8. He/ She exhibits creativity on the job when given the opportunity	1	2	3	4	5
9. He/ She develops adequate plans and schedules for the implementation of new ideas	1	2	3	4	5
10. He/ She often has new and innovative ideas	1	2	3	4	5
11. He/ She comes up with creative solutions to problems	1	2	3	4	5
12. He/ She often has a fresh approach to problems	1	2	3	4	5
13. He/ She suggests new ways of performing work tasks	1	2	3	4	5

Section III.

Please indicate your disagreement or agreement with each statement by crossing the number using the following seven point scale:

- (1) Strongly disagree
- (2) Disagree
- (3) Slightly disagree
- (4) Neither agree nor disagree

(5) Slightly agree

(6) Agree

(7) Strongly agree

1. At work, our employees often seek new modes and methods of service.	1	2	3	4	5	6	7
2. At work, our employees sometimes propose their creative idea and try to convince others.	1	2	3	4	5	6	7
3. At work, our employees sometimes come up with innovative and creative notions.	1	2	3	4	5	6	7
4. At work, our employees provide a suitable plan for developing new ideas.	1	2	3	4	5	6	7
5. At work, our employees try to secure the funding and resources needed to implement innovations.	1	2	3	4	5	6	7
6. Overall, our employees consider their self as a creator.	1	2	3	4	5	6	7

1. Our hotel is of a superior quality than that of the competitors.	1	2	3	4	5	6	7
2. Our services or products are differentiated from other hotels.	1	2	3	4	5	6	7
3. Our hotel offer unique benefits than competitors.	1	2	3	4	5	6	7
4. Our services or product are more advanced than those in the same market.	1	2	3	4	5	6	7

Section IV.

Please indicate your answer by placing a (√) in the appropriate alternative.

1. How old are you?

Less than 25 years

25-34years

35-44 years

45-54 years

55 years or more

2. What is your gender?

Male

Female

3. What is the highest level of education you completed?

Primary School Diploma

Secondary School Diploma

High school diploma

Bachelor Higher degree

Master

PHD Degree

4. What is your marital status?

Married Single Divorce

5. What is your position in the organization?

Front Office Sales and Marketing Human Resource

Food & Beverage Housekeeping Other _____(Please Specify)

Thank you for your kind cooperation.