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SUSTAINABLE AND FLEXIBLE HUMAN RESOURCE MANAGEMENT FOR INNOVATIVE ORGANIZATIONS

LA GESTIÓN SOSTENIBLE Y FLEXIBLE DEL RECURSO HUMANO EN LAS ORGANIZACIONES INNOVADORAS

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ABSTRACT

In response to the changes in economies and technology in recent decades, research in organizational theories have been focused toward innovative and entrepreneurial organizations. A research issue in this evolving research endeavor is adaptation of human resource management and the establishment of a sustainable human resource management. This paper investigates the main characteristics of a sustainable HRM in innovative organizations. The aim is to identify sustainable HRM as a key toward competing in turbulent markets. The problem statement is to find the relationship between psychological capital, HR flexibility and sustainable HRM in innovative organizations. Three main variables of HR flexibility, HR sustainability and psychological capital form the theoretical model of this study; and four hypotheses are developed based on this model. Findings do not reject any of four hypotheses, so it is concluded that psychological capital and HR flexibility has positive and meaningful effect on sustainable HRM; and in addition, psychological capital has positive and meaningful effect on sustainable HRM. Moreover, flexibility has moderate role in relationship between psychological capital and sustainable HRM.

KEYWORDS

Innovative Organization; Sustainability; Psychological Capital; Flexibility; Human resource management.

RESUMEN

En respuesta a los cambios en las economías y la tecnología en las décadas recientes, la investigación en las teorías organizacionales ha estado enfocada en las empresas innovadoras y emprendedoras. Un tema de exploración en estos esfuerzos por una investigación cambiante se trata de la adaptación de la gestión del recurso humano (GRH) y el establecimiento de una gestión sostenible del recurso humano (GRH sostenible). Este artículo investiga las principales características de la GRH en las organizaciones innovadoras. El objetivo es identificar la GRH sostenible como clave para competir en mercados turbulentos. El problema planteado radica en encontrar la relación entre el capital psicológico y la flexibilidad en los recursos humanos y la GRH sostenible en organizaciones innovadoras. Tres importantes variables de la flexibilidad de los recursos humanos, la sostenibilidad de los recursos humanos y el capital psicológico forman el modelo teórico de este estudio; y se desarrollan cuatro hipótesis basadas en este modelo.

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Los hallazgos no rechazan ninguna de las cuatro hipótesis, por lo cual se concluye que el capital psicológico y la flexibilidad en los recursos humanos tienen un efecto positivo y significativo en la GRH sostenible, y adicionalmente, el capital psicológico tiene un efecto positivo y significativo en la GRH sostenible. Además, la flexibilidad desempeña un rol moderado en la relación entre capital psicológico y la GRH sostenible.

PALABRAS CLAVE

Organización innovadora; Sostenibilidad; Capital psicológico; Flexibilidad; Gestión del Recurso Humano.

INTRODUCTION

The concept of sustainability has evolved over the past three decades (Kramar, 2014) and has been an essential theme for business (Le Roux and Pretorius, 2016). But the full potential of the concept for HRM is yet to be revealed (Ehnert, 2009; Ehnert, 2012). This concept is related to treat with human resources (Ehnert et al., 2016) and for a long time has been one of the important subjects in the field of management.

Innovation, from the other hand, is a fundamental factor success of firms and organizations (Fraj et al, 2015; Mahmoud, et al, 2016). Innovation is a fundamental factor in the creation of new ventures (Khajeheian, 2013) and it allows existing companies to survive in competitive markets (Khajeheian, 2016; Khajeheian and Tadayoni, 2016). The more innovative a product/service is, the more complexity and the less risk of imitation by rivals there will be (Emami and Dimov, 2016). And to be innovative, “the organizations have to understand the importance of investing in human resources; training talent and professionals to think and act innovatively; to pose positive psychological capabilities; and to present a highest sense of authenticity in order to contribute to the achievement of the organizational objectives” (Toor et al, 2009). Zarraga-Rodriguez and Alvarez (2015) and van Kerkhoff and Szlezak (2016) Implied on success of innovative organizations. McGuirk et al (2015) showed the importance of innovative HRM on success and performace of small firms. Fay et al (2015) showed the moderating role of HRM on innovative organizations. For this purpose, innovative organizations must develop positive psychological capacities among their employees, both leaders and followers (Toor et al, 2009). George and Zakkariya (2015) implied on the importance of flexibility in the innovativeness of organizations when markets are sutured. Findings of Kiron et al (2012) showed that 67% of respondents among 2800 managers and executives, believe that sustainability is a critical issue for organizations’ competitive advantage in competitive markets and 70% of them treat the issue of sustainability as a key factor of their management. Considering the abovementioned findings, this research investigates how human resource management in innovative organizations may benefit from psychological capital and the flexibility of human resources.

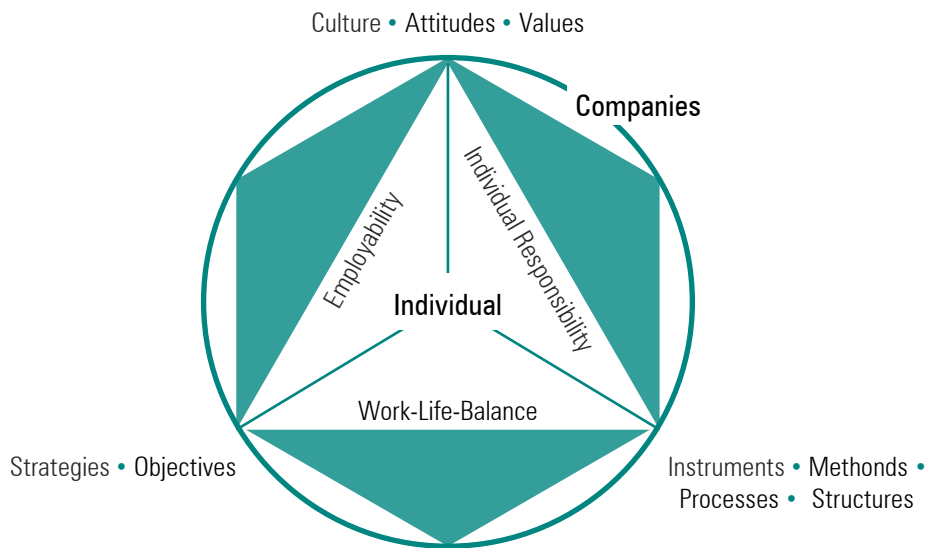
LITERATURE REVIEW

Sustainability has been a “hot topic” (Wilkinson, 2005) and “a mantra of the 21st Century” (Dyllick & Hockerts, 2002) and this term has been used as a synonym

for concepts such as: “long-term”, “durable”, “sound” or “systematic” (Leal Filho, 2000). Employees are one of stakeholders of corporates and part of the corporate responsibility is addressed to them (Gonzalez Perez and McDonough 2005) Different training and experiences among managers result in the change in approaches toward human resource management regarding how to manage organizational assets in order to achieve organizational performance (Jerome, 2013).

The present study is based on conceptual model of Zaugg et al, 2001). This conceptual model has three objectives: to increase the employability of the employees; to enhance individual responsibility by using participatory management models; and to harmonize work-life balance. This model has shown in figure 1.

Figure 1. Sustainable human resource management aspects.

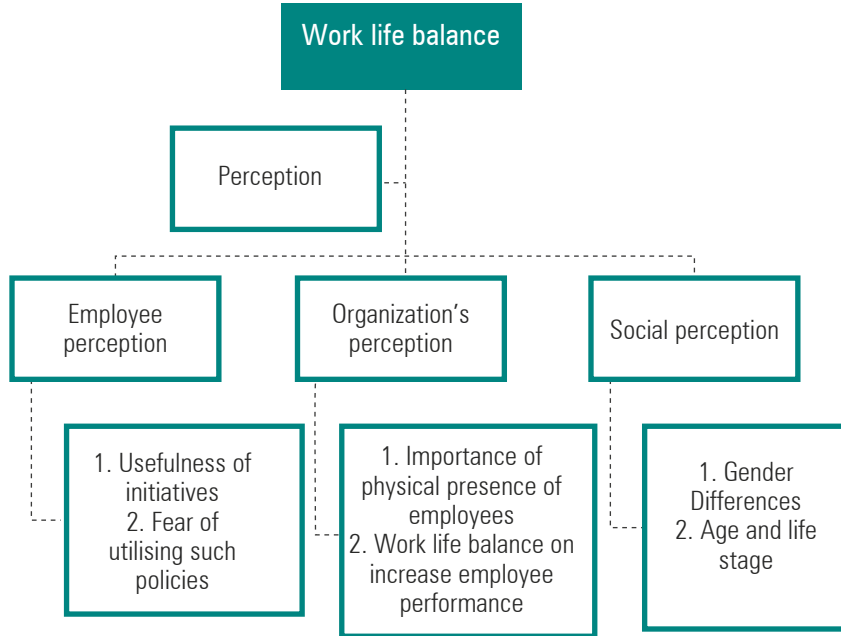


Source: Zaugg et al., 2001.

Theories of Work-Life Balance

Dave and Purohit (2016) proposed a framework about the three different types of perceptions about the direct effects of the work-life balance as well as the work life policies of an organization. These three types have been identified as individual perception, organizational perception and social perception. They found that a greater sense of control over work and family schedules, make individuals mentally fit, thus the individual's perception affects their work-life balance. Organizations with fit of attitudes and perception take benefit of loyal and committed employees.

Figure 2. Work-life balance framework.

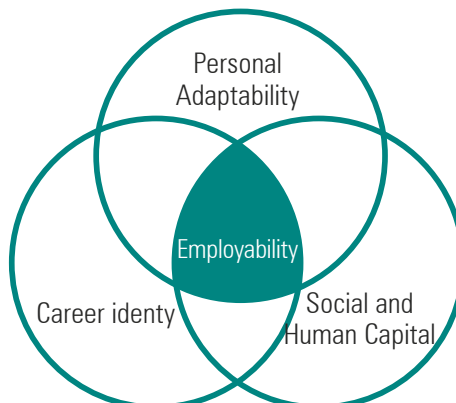


Source: Dave and Purohit, 2016, p. 100.

Foundations of employability

Fugate et. al (2004) explained employability as “a form of work specific active adaptability that enables workers to identify and realize career opportunities”. Based on their explanation, “an individual is employable to the extent that he or she can parlay person factors effectively to negotiate environmental demands” (p. 16). Such relationship has shown in figure 3.

Figure 3. Heuristic model of employability.

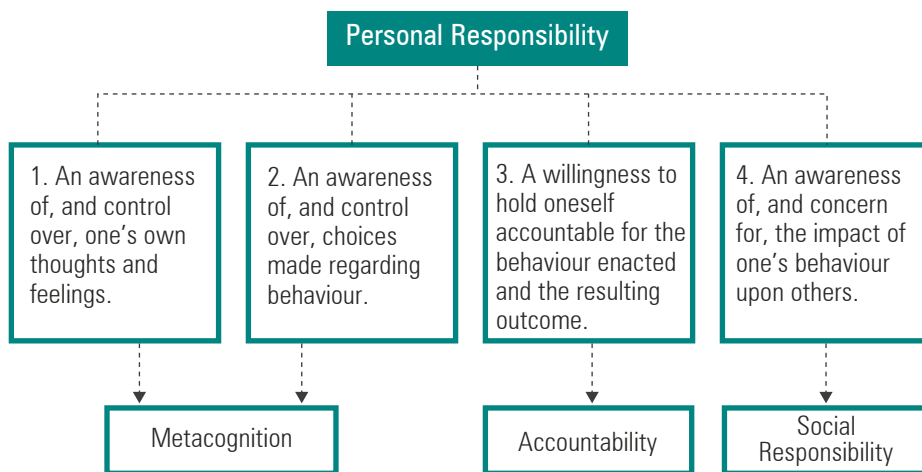


Source: Fugate, 2004, p. 19.

Personal responsibility

By Mergler (2007), Personal responsibility has four components: Control over thoughts and feelings; (2) Control over choices made regarding behaviors; (3) Control over the impact of one's behavior upon others and 4) being accountable for the enacted behavior and the resulting outcome;" (Mergler, 2007).

Figure 4. Four component and three subsections of personal responsibility variable.



Source: Mergler, 2007, p. 67.

HR Flexibility

Many researches have shown the importance of HR flexibility (Akingbola, 2013; Chang et al., 2013; Bal and De Lang, 2015; Zhang et al., 2015). Wright and Snell (1998) theorized that "HR flexibility is an internal trait or characteristic of the firm that can be addressed through three conceptual components: employee skills, employee behavior, and HR practices". Flexibility of employee skills is the "number of potential alternative uses to which employee skills can be applied" (p764) and "How individuals with different skills can be redeployed quickly" (p765). "Employee behavior flexibility represents adaptable as opposed to routine behaviors; it is the extent to which employees possess a broad repertoire of behavioral scripts that can be adapted to situation-specific demands. Flexibility of HR practices is the extent to which the Firm's HR practices can be adapted and applied across a variety of situations, or across various sites or units of the firm, and the speed with which these adaptations and applications can be made" (Bhattacharya et al., 2005, p. 24), develop the flexibility of such resources so that individuals can have the motivation and the capacity to dedicate their efforts to both exploitative and exploratory activities (Lepak et al., 2003; Úbeda-García et al., 2016).

Psychological Capital

Psychological capital is the assemblage and the simultaneous presence of four component positive psychological resources. While each can stand on its own merits, it is when they are all present and linked together that they can provide an insight into individual satisfaction and the potential for improved performance. It is this simultaneous composite presence of the individual elements that makes it a higher-order construct (Luthans et al., 2007). The individual psychological elements of psychological capital are hope, efficacy, resilience, and optimism (Ibid). Each of those needs to be considered independently in order to understand the composite higher-order construct. Hope is the sense of individual agency, or control, to work toward one's goals, and it is the first element (Snyder, 2000). The second element is self-efficacy, the sense that one has the capacity to put forward the effort to achieve a goal (Bandura & Locke, 2003). The third element is resilience, characterized as one's positive ability to cope with adversity or stress often found in conflicts or failures, the idea being that I can bounce back to attain success when faced with deep adversity or challenge (Masten and Reed, 2002). The final attribute is optimism.

Optimism, is the sense that one can succeed both now and in the future and is based in the concept that positive events are internal, fixed, and have a global sense is the third component of the construct (Levene, 2015).

Figure 5. Conceptual Model.

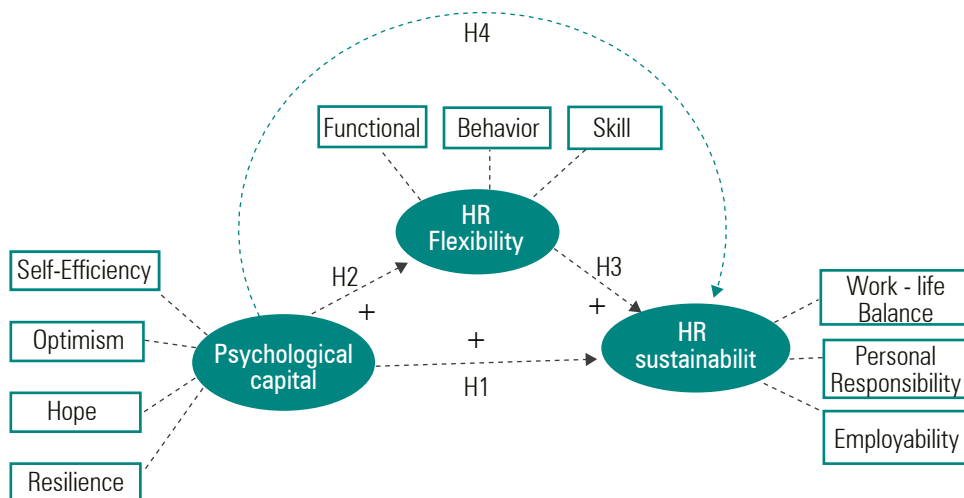


Table 1. Research Hypotheses.

Hypothesis 1	Psychological capital has positive and meaningful effect on HRM sustainability.
Hypothesis 2	Psychological capital has positive and meaningful effect on HR flexibility.
Hypothesis 3	Flexibility has positive and meaningful effect on HRM sustainability.
Hypothesis 4	Flexibility has moderate role in relationship between psychological capital and HRM sustainability.

METHODOLOGY

The overall objective of the research was to identify and analyze the relationship between psychological capital with HR flexibility, and relationship between HR flexibility with HR sustainability. This study was aimed of identifying and understanding whether psychological capital has effects on HR sustainability or not? The authors tried to discover relevance between sustainability and psychological capital with flexibility as the moderate role. And after this process, their target was to check for the effective factors on sustainable human resource. This research survey was conducted with questionnaires.

THE RESEARCH SAMPLE

To establish the sample size, it is necessary to use the following formulas.

$$n = \frac{Nz^2 * 0.25}{[d^2 * (N - 1)] + z^2 * 0.25}$$

Where: n = sample size;

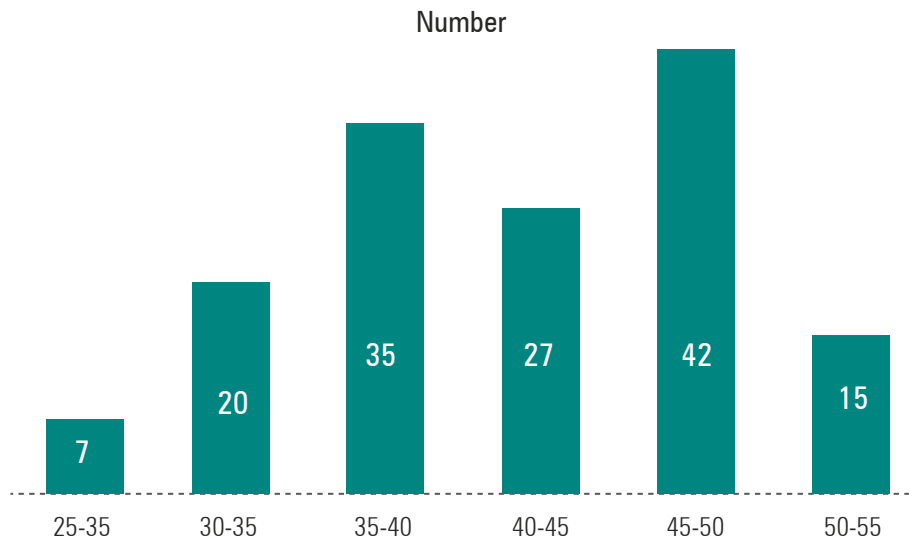
N = total number of employees = 155 employees

d = level of accuracy (if the study is 3% = 0.03 in absolute terms)

Z = 1.96 corresponds to a confidence level of 95%

After the calculations, and the sample size was 136 subjects. Based on some previous experience, the authors added 10 more questionnaires to the sample size. The respondents were grouped by their age groups as seen in Figure 6, and by sex in Figure 7.

Figure 6. Sample Structure by Age.



The age range of the respondents were: Ages 45-50 years (28.3%). The age between 25-30 years (5%).

Figure 7. Sample structure by sex.

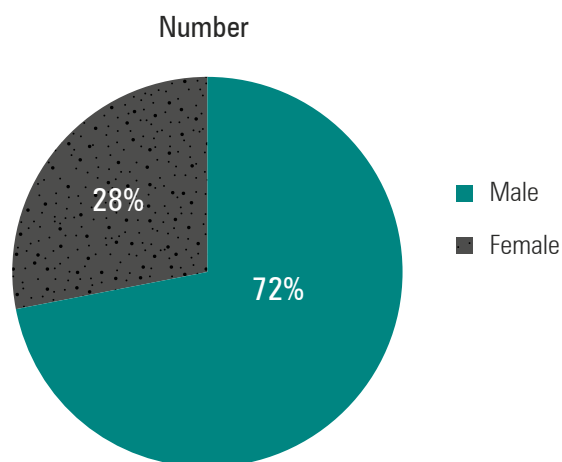
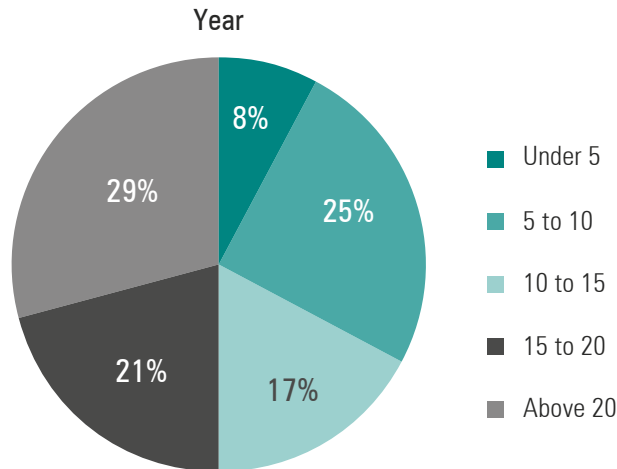


Figure 8. Employee Duration.



Development and validation of research tool

This study utilized questionnaires as a tool for data collection. A questionnaire with Likert 5 scale was developed by the authors. The Likert scale measured from “Strongly Disagree to Strongly Agree”. The questions developed were based on three main elements of HR Flexibility, Psychological Capital and HR Sustainability. For HR Flexibility and psychological capital, there was a standard questionnaire but there was no standard questionnaire for HR Sustainability. For this purpose, the authors developed new questions and after measuring of reliability and credibility, developed final questionnaire.

To prepare the questionnaire, the component of the issue of HR Sustainability were clearly identified. The questions were designed for each of the components independently. These questions were distributed between professors and HR experts to measure the relevance of the questions and HR Sustainability components. After collecting initial questionnaire, the questions that have less relevance with HR Sustainability components eliminated. The validity of questionnaire measured by distribution of two questionnaires under two titles among 30 respondents. First, HR Sustainability and other HR Flexibility and Psychological Capital. HR Sustainability Cronbach’s alpha is equal 0.885, HR Flexibility Cronbach’s alpha is equal 0.857 and Psychological Capital Cronbach’s alpha is equal 0.903. Eliminate a limited number of questions to raise the Cronbach’s alpha. Then, the final questionnaire that included 80 questions distributed among 146 people in Iranian Oil Company Institute. Structural Equation Modeling (SEM) was used to analyze the relationship between HR Sustainability, HR flexibility and Psychological Capital.

Table 2. (HRM Sustainability Questionnaire).

Num.	Questions	Standard Coefficient	t-value
1	I adjust my personality trait to the work environment.	0.455	3.80
2	I adjust my behavior to the work environment.	0.440	3.89
3	According to the job requirement, I adjust my organizational position accordingly.	0.436	2.95
4	Our staff possess the ability to think in ways that provide economic value to our products	0.425	4.98
5	Our staff competency level is equivalent to the most ideal competency level.	0.410	5.69
6	Our staff, are considered creative and clever.	0.407	2.22
7	Our employment plan, attract the best volunteers.	0.404	2.09
8	The staff learn from each other.	0.399	4.00
9	I believe that the effect of my behavior encourages others to collaborate.	0.365	3.55
10	My behavior in the work environment, attract others.	0.357	3.04
11	In work the environment, I have confidence in others.	0.349	2.55
12	In the work environment, I show self-sacrifice in dealing with others.	0.349	3.57
13	I have common targets and values with others in the organization.	0.341	3.24
14	I have selflessly collaborated with members of other organization	0.302	5.29
15	I feel I am member of a common family in the organization.	0.660	5.66
16	There is honesty and camaraderie between me and my colleague.	0.455	5.08
17	I am aware of my career path.	0.440	4.05

Table 2. (HRM Sustainability Questionnaire). Continued

Num.		Questions	Standard Coefficient	t-value
18	Employability	Career targets are important for me.	0.436	2.99
19		I aware of the role I am required to play in the organization.	0.425	5.69
20		I identify myself with my organization.	0.410	2.22
21		I am aware of my organization's believes, values and norms.	0.407	4.24
22		I control my feelings in the work environment.	0.404	4.00
23		I control my thought in the work environment.	0.399	3.56
24	Personal responsibility	I dominate self-behavior in the work environment.	0.365	2.98
25		I make intentional choices in work environment.	0.349	5.23
26		I am responsible for my behavior in the work environment	0.349	3.02
27		I am responsive to the implications of my performance in the work environment	0.341	4.15
28		I aware of the effect of my behavior to other staffs.	0.304	3.57
29		I emphasize the effect of my behavior to other staffs.	0.305	6.57
30		I lose the leisure time I spend with family or friends because of the pressure at work .	0.455	5.29
31		I always feel, tired and depressed.	0.440	5.66
32		I have special innovations for managing my diet.	0.436	4.48

Table 2. (HRM Sustainability Questionnaire). Continued

Num.	Questions	Standard Coefficient	t-value
33	The Individual health plan is suitable for me.	0.425	6.67
34	I use sports facility.	0.410	4.85
35	I spend enough time in special groups (charity community).	0.407	5.55
36	I collaborate with others.	0.404	3.55
37	I normally work more than 6 days in week.	0.399	2.55
38	I normally work more than 12 hours in day.	0.365	3.57
39	I think about my work or worry about it (when I'm not working)	0.349	6.67
40	I have separate policy for work-life balance.	0.349	5.29
41	My work hours are flexible.	0.341	5.66
42	The opportunity to Return to work after childbirth (for women)	0.302	5.08
43	Our organization encourage family take part in work reward plan.	0.660	6.08
44	Work-life balance policy is exclusive to individual needs.	0.455	4.98

Table 3. (HRM Sustainability Cronbach's Alpha).

Aspect/Question num.	Employability/ 1-23	Personal Responsibility/ 24-32	Work-life Balance/33-44	HRM Sustainability
Cronbach's Alpha	.848	.840	.790	.885

Table4. (Psychological Capital Questionnaire).

Num.	Questions	Standard Coefficient	t-value	
1	I believe that I have the self-confidence to find long time problem analysis.	0.440	5.69	
2	Self-Efficiency	I believe, I will be able to connect with people from other organizations (for example suppliers and customers) and debate about problems.	0.436	3.55
3		I believe that I can work under high pressure conditions and challenge.	0.425	2.55
4		I believe that I can achieve my work targets.	0.410	3.57
5		I am optimistic about future events that may occur to me.	0.407	6.67
6	Optimism	I believe that there are solutions for any problems.	0.404	5.29
7		I believe that all problems that occur in a work environment, always has a positive aspect.	0.399	5.66
8		If I am forced to face to bad conditions, I believe that all things are better.	0.365	5.08
9		I believe that success in current work, occurs in the future.	0.349	5.34
10		When I am stuck in trouble, I understand that trouble can't affect me.	0.349	4.98
11	Hope	Now, I track my work targets with great energy.	0.341	5.69
12		I have different ways to arrive at my work targets.	0.304	3.55
13		When I my performance evaluation is less than my expected target, I always try to find ways to enhance them and then commence on making improvements.	0.305	2.55
14		<i>I am energetic towards achieving organizational goals</i>	0.455	3.57
15		When, I determine targets and plan for work, I focus my energy to arrive at the targets.	0.440	6.67
16		I work for a determined target and believes. " where there is volition, there is a way "	0.436	5.29
17	Resilience	I often manage with a one way problems at work.	0.425	5.66
18		When my work fails, I will trying again in order to achieve success.	0.410	5.08
19		Although, more responsibility in the work environment results in my having an awkward feeling, I can go in the direction of success .	0.407	3.76
20		I don't become despondent and I am prepared to face problems in the work place.	0.455	4.98

Table 5. (Psychological Capital Cronbach's Alpha).

Aspect/ Question num.	Self Efficiency/1-4	Optimism/ 5-10	Hope/ 11-16	Resilience/ 17-20	Psychological capital
Cronbach's Alpha	.754	.894	.810	.720	.903

Table 6. (HR Flexibility Questionnaire).

Num.	Questions	Standard Coefficient	t-value
1	Human resource flexibility help us to adjust with the change in environmental demands.	0.440	5.69
2	Human resource practices changes Synchronously with the change in organization plans	0.436	3.55
3	Human resource practices changes continuously to conformity with changing needs.	0.425	2.55
4	Changes in human resource practices results in residual market competition.	0.511	3.55
5	Human resource practices are flexible at all and generally.	0.407	2.55
6	Human resource practices are with commercial conditions.	0.404	3.57
7	Our human resource practices meaningfully changes the commercial scenario.	0.399	6.67
8	I am able to do various tasks in work environment.	0.365	5.29
9	When Faced with problems in the work environment, I try to understand the root of this problems.	0.378	5.66
10	Synchronous with, organization conditions changes, my work conditions are changed.	0.349	5.08
11	In work environment, have high skills.	0.341	3.09
12	Continuously update my skills and career talent	0.376	4.98
13	Learn new procedures and processes quickly.	0.660	5.69
14	Willing to learn relative skills within the career field.	0.455	3.55
15	When I can't do a specific task in the work environment, I try to learn it quickly.	0.455	2.55
16	In our organization, there are enough personnel with various skills, to deal with tasks suitable to theirs, when occur changes in market demand.	0.440	3.57

Table 7. (HR Flexibility Cronbach's Alpha).

Aspect/ Question num.	Functional/1-7	Behavior/8-10	Skill/11-16	Flexibility
Cronbach's Alpha	.857	.782	.725	.857

DATA ANALYSIS

Figure 9. Final Model.

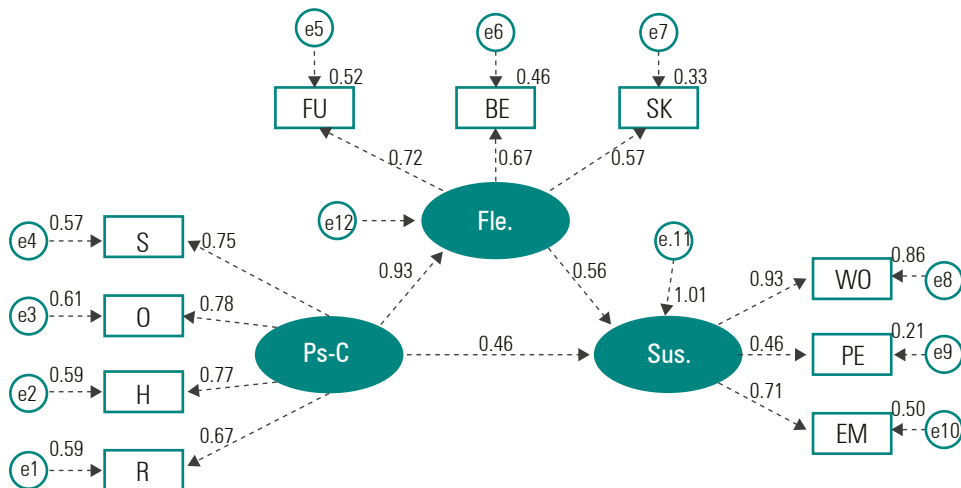


Table 8. (Hypothesis test).

Psychological capital(H1)	→	Hr sustainability	.46	Accepted
Psychological capital(H2)	→	HR flexibility	.93	Accepted
HR flexibility(H3)	→	HR sustainability	.56	Accepted
Flexibility(H4)	→	Relationship between psychological capital and HRM sustainability	.52	Accepted*

*Note: If $H2 \times H3 < H1$ then hypothesis is accepted
 $.93 \times .56 = .52 > .46$ then hypothesis is accepted

Table 9. Paths.

Paths			Standardized coefficients	Status
Functional	→	Sustainability	.40	accepted
Behavior	→	Sustainability	.38	accepted
Skill	→	Sustainability	.32	accepted
Psychological capital	→	Work-life balance	.33	accepted
Psychological capital	→	Personal responsibility	.30	accepted
Psychological capital	→	Employability	.43	accepted
Self-efficiency	→	Sustainability	.35	accepted
Optimism	→	Sustainability	.36	accepted
Hope	→	Sustainability	.35	accepted
resilience	→	Sustainability	.31	accepted
Self-efficiency	→	HR flexibility	.70	accepted
Optimism	→	HR flexibility	.73	accepted
Hope	→	HR flexibility	.72	accepted
resilience	→	HR flexibility	.62	accepted

Note: The coefficient on arrows is positive and greater than 0.3 and so all of coefficient is meaningful in Pvalue =0.001. Then all of Paths are accepted.

CONCLUSIONS

The result of the path analyze for the effectiveness of variables and hypothesis test shows that psychological capital has positive and meaningful effect on HR flexibility (path coefficient equal 0.93). This means that an increase in psychological capital causes a flexibility in human resources; in some research variables in psychological capital, the maximum effect on HR sustainability, is optimism (coefficient effect equal 0.73). This means that The success probability and self-confidence can facilitate improved flexibility variable confidence. This means human resources (staff) with self-confidence can do better in terms of skills and functional and behavior in innovative organizations. Based on the test model, the effect of HR flexibility on HR sustainability is accepted (path coefficient equal 0.56). This means that as flexibility increases, so will sustainability. Among HR flexibility aspects, functional HR flexibility has maximum effect on HR sustainability (path coefficient equal 0.4). This means if staff have more ability to adjusting themselves to environment practices, HR sustainability increases.

According to the tested model, the effect of the psychological capital on HR sustainability is accepted (path coefficient equal 0.46). Among the psychological capital aspects, optimism has maximum effect on HR sustainability (path coefficient equal 0.36). Maximum effect of psychological capital is on the employability aspect of HR sustainability (path coefficient equal 0.43). The positive effect of psychological capital on HR sustainability shows that if optimism, self-efficiency, hope and resilience increases, the organizations grow to become more sustainable. This means that if the personal responsibility increases, the work-life balance improves and the skills and the employability increases. Although among checked relationship, the minimum respective effect on HR sustainability is the psychological capital and personal responsibility aspect (path coefficient equal 0.3).

The moderate role of flexibility in the relationship between psychological capital and HR sustainability is accepted. In this way, when HR flexibility is introduced into the relationship between psychological capital and HR sustainability, the level of effectiveness increases from 0.46 to 0.52. This means the organization that has a suitable psychological capital status, with flexible HR, has been more sustainable. Human forces that have more flexibility and faced the environmental variable needed, with higher adjustable power that prepare organization survival, is more sustainable in terms of behavior, skill and functional.

If organization's manager engaged in psychological capital management and the improvement of optimistic feeling, resilience, hope and self-efficiency effort has a more sustainable purpose, he/she must pay attention to HR flexibility. That means adjusting better will occur more easily and effective.

Sustainability is an inevitable necessity for innovative organizations to stay in an uncertain environment. The sustainability concept in a variety of ways was a disturbance to organizations a few years ago. This disturbance occurred in knowledge-based and innovative organizations that rely on knowledge forces with respect to HR sustainability.

Organization managers can increase HR sustainability with psychological capital management. Optimism, resilience, hope and responsible staff, most probably, have high flexible and high adjustability power in terms of skills, functionally and behavioral with changing environment. And its staff develop a high possibility towards being responsible, employable and developing a balance between their personality and work-life. And the staff are likely to be flexible and sustainable at all.

DISCUSSION

The objective of this paper is to identify and explore HR sustainability in innovative organizations. The findings from this research provide some initial indications about Sustainable Human Resource management, especially innovation leader organizations. Some similarities observed in organizations that work on development of new products in an evolving market, despite of differences in the

context. It was clear that in all organizations studied, innovativeness is important for knowledge. Learning and development of human resources is linked with knowledge development. In the organizations that provide less formal or traditional off-the-job training are more likely to involve employees in sustainable development activities such as experimentation and challenging projects.

Moreover, this paper suggests that Human resource management may have a direct or indirect impact on the specific phases of the innovation cycle. It is recommended to the future researchers to identify specific innovation practices and how they relate with HRM practices in innovative organizations.

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