

## A Conceptual Moderated Mediation Model on Strategic Hrm Practices, Business Strategy and Employee Creativity

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### Abstract

In today's competitive market, organizations strive to achieve and maintain a competitive advantage in their operating market. In this attempt, organizations continuously innovate and differentiate themselves from the competitors through organizational learning. Strategic human resource practices enable this process by influencing employees' creative behaviour. Also, the organizational strategy and the fit of strategy with the HR practices play a vital role in achieving competitive advantage. Anchored in the resource-based theory, the current study attempts to study the influence of strategic human resource management on employee creativity. The proposed conceptual model outlines the underlying process through which employee creativity is influenced by organizational learning with the help of strategic HR practices. The study posits that the organizations which follow a differentiation strategy are likely to enable organizational learning and employee creative behaviour effectively, which also emphasizes the best fit between corporate strategy and HR strategy.

**Keywords:** Corporate Strategy, Employee Creativity, Organizational Learning, Strategic Fit, Strategic HR practices.

### 1. Introduction

The biggest challenge of today's organizations is not to achieve the competitive position but to retain that position in the market. Companies that are aware about managing and structuring their tangible and intangible assets and resources to foster creativity and innovation may develop, enjoy, and preserve a competitive edge over time. The competitive advantage attained through the human capital through their creativity and innovation is sustainable as it cannot be copied easily (Chowhan, 2016). The capacity to consistently nurture innovation and create a happy working environment is increasingly recognized as the foundation of long-term organizational success. Organizations are better positioned to react to and exploit unplanned occurrences, as well as explore and predict changing market and consumer demands, by giving employees autonomy, promoting discretionary effort, and rewarding innovative solutions. As a result, companies that thrive will be those that rapidly harness their employees ideas and proposals by actively promoting, supporting, and rewarding innovative performance behaviours (Heffernan, Harney, Cafferkey, & Dundon, 2016). Without a doubt, a company's strategic talent management and HR architecture may help to create this environment (Colakoglu, Erhardt, Pougnet-Rozan, & Martin-Rios, 2019).

There is a common consensus among the researchers that strategic human resource management practices will not directly lead to organizational outcomes, instead it follows a pathway to achieve this objective which is termed as 'Black box' by Becker and Huselid, (2006) & Messersmith and Guthrie, (2010). Recent research tries to explore these transmission pathways as employee-based elements such as motivation, attitude, and behaviour and organizational-based such as innovation, productivity, and service to the customers (Chowhan, 2016). The expertise that human resources can be created to a source of value creation by understanding the value that more capable employees can contribute to the organization when presented with the opportunity to act and adequately motivated is the foundation for investigating the relationship between strategic HRM practices and organizational performance and the transmission pathways.(Wright et al., 2001). One approach to this transmission pathway is the adoption of strategic human resource practices and creating a learning organization that is aligned with the strategies of the organization that enable the creation of sustainable competitive advantage through employee value addition.

Companies can get a competitive edge by differentiating themselves or by optimising expenses. Businesses have recently begun to recognize that workers' innovative activity leads to reduced costs, such as through operational efficiencies or differentiation from rivals through innovative products. This demands organizations to either acquire or develop creativity. On reviewing the extensive literature, the need for evidence corroborating the interactions of the organizational strategy and the involved human resource strategies is highly volunteered, (Jackson et al., 2014) which is attempted in this study.

In this paper, the research gap is very well noted where in the strategic human resource practices and creativity in connected by the virtue of the involved operating methods in the context of the organization (Liu, Gong, Zhou, & Huang,

2017; Chang, Jia, Takeuchi, & Cai, 2014). The need to study the influence of strategic HRM practices on individual employee outcomes through organizational culture building is limited.(Cooke, Xiao, & Chen, 2021). This study is built on the research gap identified which advocates the role of organizational learning culture on employee outcomes. Though many studies linking strategic HRM practices with organizational outcomes are focussed on the macro level, this study concentrates on studying the link between the macro level factor of strategic HRM practices with the micro level of the outcome of individual creativity following the footsteps of Bowen & Ostroff, (2004) &Wright & Haggerty. (2005).

## **2. Review of Literature**

The guiding logic behind the strategic HRM practices leading to employee creative behaviour is explained by Valle-Cabrera, (2009) in his four-task behavioural model wherein, the first task is to identify the behaviour needed from the employees (creative behaviour), the second task is to enhance the skills of the employees through training to empower the employees to show the desired creative behaviour, the third task is to motivate the employees through creating a learning environment through knowledge sharing and the final task is to provide opportunities for the employees to show the creative behaviour and reward them. Strategic HR practices play a vital role in each of these phases and help the employees to exhibit their creativity. For instance, the selection process helps in identifying the creative capabilities of the employees through administering appropriate test instruments; the training and development help in enhancing the creative skills of the employees, whereas knowledge sharing and organizational culture help in creating the organizational learning culture and participative management help in employees exhibiting creative behaviour and contributing to the organizational innovation. The strategies of the organization also play a dynamic role in determining the strategic practices needed to be followed by the organization and to enable organizational learning and finally the extent of creativity needed in the organization through which it can achieve competitive advantage.

The componential theory of creativity also supports that strategic HRM practices can improve employee creativity by creating a conducive environment for creative behaviour by improving the skills of the employees (Amabile, 1983). The domain-relevant skills which facilitate the employees to exhibit their creativity are improved by the practices such as training and development and job rotation. The opportunity to enhance strategic HR practices such as collaboration, teamwork and providing autonomy to the employees, human capital development, network building, customer service, and knowledge-intensive teamwork, leads to the creation of learning organizations which helps in bringing about the creative behaviour of the employees. It is the responsibility of the organizations to create an organizational climate that fosters the creative behaviour of the employees by involving and motivating them towards creativity. This organizational climate helps in establishing organizational learning through which employees can understand the organizational goals and desired results. Hence organizational learning indirectly communicates the values of the organization thus helping in bringing about creative behaviour (Schimansky, 2014).

The necessity of matching the strategy of the organization with involved practices concerning human resource management and innovation in the organization to attain added performance is observed and noted by Chowhan. (2016). The research attempts to study the interrelation of the enhancement between skills, motivation, opportunity, and innovation and also observes a mediating influence of innovation about time, concentrating at the place of work. The study also observes that despite having a control for causality reversal a temporal pathway is observed about enhancement of skill, innovation involved, and the performance of the organization under study.

A study conducted in China on 1,059 individuals on 238 teams from 55 high technology firms in an attempt to find the application framework of creativity of employees, test the hypothesis of conduciveness of individual creativity with high commitment work systems, to ascertain the combination of the positive cross-level main impact with the factors at the middle level, comprising of cohesion of the team and the complexity of the task of the team to ensure impact positivity of the high commitment systems of work concerning stronger creativity of the individuals wherein, the cohesion of the team being high and the task of the team being more complex. On analysis in the context of random coefficient, it was observed that the hypotheses of the study were supported and provided a lens to look into ways to apply the macro and the meso level variables of context in an organized way to enhance the creativity of the workplace involved despite having a nature which is complex (Schimansky, 2014).

For sustained existence and to achieve a competitive advantage, organizations have to continuously innovate and maintain creativity in different arenas. The advanced assimilation of creativity in the individual context and innovation at the organization level is attempted by relying on the broad framework of open innovation funnel to study and critically review the literature on the various practices in human resource management and available systems in human resource management that add and influence to the development of innovation and creativity. The research also adds and throws light on the different options to improve exploration and exploitation in the mentioned context (Colakoglu et al ,2019). The contribution of organizational learning and strategic human resource management in achieving a sustainable competitive advantage is researched by using a random sample of 300 human resource managers drawn from various Indian and global organizations located in New Delhi using the method of survey. On analysis, it was observed that organizational learning and strategic human resource management contribute to achieving a sustainable competitive advantage (Khandekar & Sharma, 2005).

The positive effect on the learning of organizations, acquisition of knowledge, distribution of knowledge, interpretation of knowledge, and memory of organizations of strategic human resource management was observed in research conducted in 107 firms located in China, wherein, the data was collected by interviews conducted face to face, was observed, in addition to the effect of uncertainty of the environment and the dependence involved. On observation, it was evident that the uncertainty in the environment results in moderation in the positive sense for learning of the organization and the strategic human resource management. It was also observed that the effects of moderation of the institutional environment on uncertainty and dependence are not observed significantly (Hu, Wu, & Shi, 2016).

### **2.1 Business Strategy**

Strategies include all the focal choices which affect planning and decision-making in the organization. Each organization will have an overall grand strategy and sub-strategies like innovation, quality, and cost-effectiveness. All of these strategies exist to some degree in every organization whereas achieving all three at a higher degree is not practical. Hence organizations should emphasize the strategy they need to achieve and hence choose the bundle of HR practices that can be aligned with the strategy (Mumford, Bedell-Avers, & Hunter, 2008). A decision to prioritize operation excellence would be related to total quality management, reconfiguring the work process, workforce management cooperation, and developments in employee skills and participation, whereas a decision to concentrate on product leadership would be linked with strategic activities such as conducting research and development, innovating, or enhancing the production process (Thornhill and White, 2007).

The process of strategy implementation enables the transmission pathways of HRM practices to organizational outcomes. The fit between the strategy implementation and HRM practices is paramount to achieving the desired outcomes (Becker and Huselid, 2006). This study follows the binary strategic purity as it is evident from the findings of Thornhill and White, (2007) that pure operational excellence or product leadership leads to better organizational performance when compared to mixed or in-the-middle strategies.

### **2.2 Strategic HRM Practices**

Strategic HRM is a decision-making technique based on the assumption that firms and their employees are the most crucial facet of a company's strategy (Khandekar & Sharma, 2005). Strategic HRM can be defined as "the study of HRM systems (and/or sub-systems) and their interrelationships with other elements comprising an organizational system, including the organization's external and internal environments, the multiple players who enact HRM systems, and the multiple stakeholders who evaluate the organization's effectiveness and determine its long-term survival" (Jackson, Schuler, & Jiang, 2014, p. 2). The set of practices that enables employee commitment such as training and benefits, job security, profit sharing, employee participation, internal promotion, and team rewards are termed SHRM practices.

SHRM is defined as "the pattern of planned human resource deployments and activities intended to enable an organization to achieve its goals" (Wright & McMahan, 1992, p. 298) and as the synergistic way of aligning the HR practices with the strategy of the organization (Colakoglu et al., 2019). These planned practices generate a situation in which the exchange associations among the employees and organizations are created and managed. Thus, the SHRM practice itself is a contextual factor, conducive to the employee's behavioural outcomes such as creativity. Strategic HRM practices construct a system to constantly send messages to the employees regarding the organization's willingness to commit resources to the employees to grow and develop (Bowen & Ostroff, 2004). According to Delery & Doty, (1996), there are three approaches to SHRM practices in the organization, the universalistic approach, the contingency approach, and the configurational approach. This study follows the contingency approach where the alignment of strategic HRM practices with the strategy of the organization is taken into consideration.

### **2.3 Organizational Learning**

The changes happening in the organizational knowledge due to experience is organizational learning. The functions of experience which contribute to organizational learning are knowledge creation, retention, and transfer. Thus, organizational learning is a multilevel process where through acting and echoing together organizational members acquire knowledge. The cognitive and behavioural approaches to the study of organizational learning are the two main methods. "The process of fostering open-minded inquiry and informed interpretation" is how organizational learning is defined as. Taking into account the fact that an organization might gain information without changing its behaviour, some scholars describe organizational learning as a shift in the spectrum of possible actions. When any of the organization's units obtain information that it identifies as potentially beneficial to the organization, it is said to be learning. "Acquisition of new insights via which learners construct new cognitive maps or belief systems" is organizational learning (Odor, 2018).

A collaborative learning environment produced due to the confluence of components such as team learning, continuous learning, inquiry, collaboration, and connectivity through knowledge sharing leads to organizational learning (Meher, Nayak, Mishra, & Patel, 2022). Facilitating information acquisition, transfer, analysis, and organizational memory are all part of organizational learning, which is an active system that serves as a key knowledge management tool (Hu et al.,

2016). Organizational learning occurs in the organization at two levels, at the individual level where the employees acquire knowledge and skills at the workplace, and at the organizational level where future learning is facilitated by sharing of knowledge and collaboration (Khandekar & Sharma, 2005).

The organizational climate plays an important role in creating organizational learning where it creates an innovative atmosphere for the employees to think freely, express their opinions, and explore non-routine activities through experiential learning. Open communication and information sharing, risk and uncertainty tolerance, trust, challenges, teamwork, support, and result orientation enable the creation of organizational learning. According to the authors, organizational learning fosters innovation by reflecting security in the event of failure and promoting knowledge exchange (Schimansky, 2014).

#### **2.4 Employee Creativity**

Employee creativity is characterized by the development of both unique and valuable ideas by an individual (Colakoglu et al., 2019), and it is widely acknowledged as a key contributor to corporate innovation and competitiveness in fast-paced situations. The invention of fresh and beneficial ideas involving goods, services, processes, and procedures is characterized as creativity (e.g. Amabile, 1983). This concept can encompass innovative business solutions, innovative business tactics, and innovative employment process adjustments.

Creativity is the result of individual factors such as motivation, personality, openness to experience, learning orientation, creative self-efficacy, and the mood of the individual (Chang, Jia, Takeuchi, & Cai, 2014). Similarly, researchers also emphasized the importance of contextual and environmental factors which contributes to the creativity of the employees, which are leadership, supervision, team dynamics, team member exchange, autonomy, creative role models, and knowledge management processes (Amabile, 1983). Individual creativity at the micro-level is the foundation for organizational innovation where the individual ideas are developed, modified, and amended to the needs of the market (Colakoglu et al., 2019).

According to the componential theory of employee creativity, personal factors such as domain-related skills, knowledge, and creativity-related skills, and environmental factors such as rewards and autonomy accelerate the creativity of the individuals. Domain-relevant skills are factual knowledge and competence in a certain domain that are influenced by formal and informal education, as well as an individual's perceptual, cognitive, and motor abilities. Creativity-relevant abilities include explicit or implicit understanding of acceptable procedures for generating creative ideas, as well as appropriate cognitive and work styles for generating creative ideas. Training in creative skills and methods, participation in creative activities, and the presence of specific personality traits are all likely to have a good impact on creativity-related processes. Individuals' attitudes toward a task, as well as their evaluations of their motivation for working on the task, are included in task motivation. This model assumed that intrinsic motivation, rather than extrinsic motivation, was necessary for creativity to occur, particularly during the stages of discovering or defining a problem for which creative ideas or solutions are required, as well as the actual generation of creative ideas or solutions (Zhou & Shalley, 2003). The intrinsic motivation of the employees can be improved through the SHRM practices such as inherent compensation, rewards and recognition, and participative management.

The interaction between the personal, organizational, and environmental factors facilitates the creation of an individual. The interactionist approach necessitates a rigorous analysis of social and environmental impacts on creativity at all levels. Cognitive talents or style, personality, intrinsic drive, and knowledge are all vital for individual traits. Norms, cohesion, size, diversity, roles, tasks, and problem-solving methodologies are among the group's features. Finally, culture, resources, incentives, strategy, structure, and technology are highlighted as organizational features. Creative people, groups, and organizations are offered as inputs in the model, which are modified in some manner by the creative process and the creative context, which comprises enhancers and limitations for creative activity. A creative product is one of the possible outcomes of this input transformation. (Zhou & Shalley, 2003).

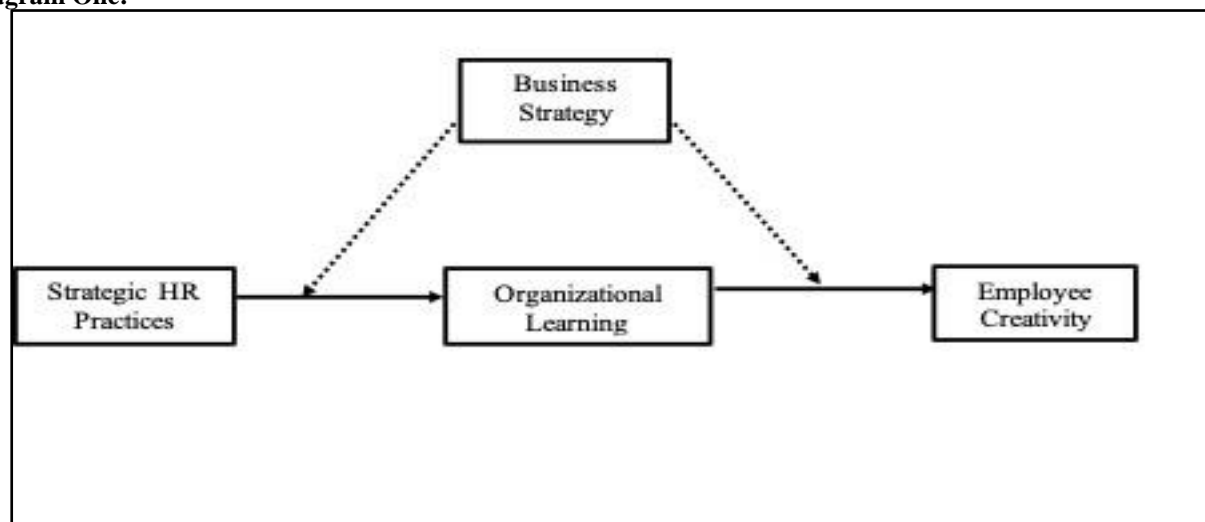
#### **3. Theory and Model**

This study is anchored on the RBV with the argument that competitive advantage is derived from the firm's dormant creative possibilities. According to the RBV, a company gains a competitive advantage by not only acquiring, but also developing, merging, and successfully deploying its physical, human, and organizational resources in ways that offer distinctive value and are difficult to copy by rivals. The skills, knowledge, and behavioural dynamics of the individuals are the sources of creativity and innovation which can be augmented through SHRM practices, and this creative potential created via intangible sources is supported through RBV (Colbert, 2004). Firms acquire important human resources and then build HR systems that advance the capabilities of these human resources, according to RBV, which is tough to emulate and can give a business a long-term competitive edge through creativity. Creativity and innovation lead to the competitiveness of the organizations. (Khandekar & Sharma, 2005).

According to Wright et al., (2001), the resource-based view theory provides validation for studying the relationship between strategic HR practices and strategy. Hence aligning the SHRM practices with the organizational strategies and also employee creativity leads to the sustainable competitive advantage of the organization, hence this study is strongly

advocated by the resource-based view theory. An important resource that an organization can utilize to create economic value is its people, the workforce. Strategic HR practices help in acquiring and transforming these resources to the firm's competitiveness through developing competencies and capabilities creating organizational learning, flexibility, and knowledge management. Finally, explanations for how and why HRM systems contribute to corporate success must include individual employee actions into account (Jackson et al., 2014).

**Diagram One:**



Conceptual Model

The diagram on denotes the conceptual model.

### 3.1 Strategic HR Practices and Organizational Learning

The role of SHRM practices in organizational learning is acknowledged by researchers like (Hu et al., 2016). Strategic HRM practices facilitate organizational learning at the individual level by creating a knowledge-based system through which employees can learn, improve knowledge, and hence contribute to a long-term commitment to the organization. At the organizational level, it provides a collaborative system that enables information sharing, teamwork, and cooperation (Hu et al., 2016). Information acquisition from diverse resources, information management, and information sharing are the key components of organizational learning and SHRM practices such as group-based performance appraisal, knowledge sharing, and socialization which helps in creating organizational learning. Strategic HRM practices such as Flexi job design, teamwork, employee participation, and information sharing help in creating organizational learning. Strategic HRM practices enable organizational learning by influencing individual learning attitudes, motives, and behaviours. Though individual employees contribute to organizational learning through their knowledge sharing and managing, SHRM practices facilitate this function by providing a positive attitude for individual learning and altering the behaviours and motives of the employees for learning and contributing (Valle-Cabrera, 2009). Strategic HRM practices enable organizational learning directly by providing an organizational climate for learning and development and indirectly by moulding the attitudes and behaviour of the employees for learning. As intellectual capital has evolved to account for a larger percentage of many companies' total assets, the HRM system's strategic function as a source of an organization that allows companies to adapt and capitalize on new possibilities has become increasingly important (Khandekar & Sharma, 2005). Based, on the above arguments it is proposed that,

***Proposition 1: Strategic HR practices will lead to organizational learning.***

### 3.2 Strategic HRM Practices and Employee Creativity

The planned human resource practices generate a situation in which the exchange associations among the employees and organizations are created and managed. Thus, the SHRM practice itself is a contextual factor, conducive to the employee's behavioural outcomes such as creativity (Chang et al., 2014). Strategic HRM practices such as training and development, job rotation and developmental performance appraisal lead to the enhancement of domain-related skills which in turn helps the employees to enrich their creative abilities in their respective domains. Participative management and team orientation enhance intrinsic motivation and training, and job rotation and profit sharing enhance creativity-linked skills which help in increased employee creativity (Chang et al., 2014).

According to the creativity framework proposed by Amabile (1983), the three important contextual factors which lead to individual creativity are task motivation, domain-relevant skills, and creativity-relevant skills. Strategic HRM practices lead to the enhancement of these skills which in turn leads to employee creativity. Strategic HRM supports individual

creativity by creating a conducive environment for the individual to bring about unique ideas through the appropriate practices. Employee motivation, knowledge, skills, and behaviours are all influenced by the exact configurations of HR practices that work together to improve business effectiveness and performance (Colakoglu et al., 2019). Also, Amabile's componential theory of creativity through providing a conducive environment for the employees to exhibit creative behaviour is supported by (Huang, Sardeshmukh, Benson, & Zhu, 2022).

Screening tools to screen for creative people or those with innate creative abilities, task competence, and intrinsic motivation; allocating creative people to initiatives, tasks, and jobs requiring higher levels of creativity; and offering training to enhance employees' creative cognitive processes and to augment their task domain expertise are just a few of the SHRM practices that promote creativity. Furthermore, the employment of assessment methods that discover, evaluate, and reward creative ideas, as well as a commitment to provide job stability to the greatest degree feasible, so that employees are more willing to take risks and expand the cognitive effort that creativity necessitates. Performance-based pay is another practice that has a positive direct link to the employee's creative behaviour that strongly signals the employees that their creative behaviour is recognized and rewarded (Colakoglu et al., 2019). It is proposed based on the above arguments that,

***Proposition 2: Strategic HR practices will have a significant impact on employee creativity.***

### **3.3 Strategic HRM Practices, Organizational Learning, and Employee Creativity**

Strategic HRM Practices lead to the enhancement of the skills of the employees through creating learning organizations which leads to employee creativity (Chang et al., 2014). The SHRM practices help in creating organizational learning which provides a conducive environment for employee creativity. For example, the SHRM practice of group-based performance appraisal enables intragroup partnership and helps the team members to share their varied knowledge to breed creativity. Similarly, the other practices such as training help in skills enhancement, socialization, and job rotation facilitates knowledge sharing also helps in creating organizational learning and thus leads to employee creative behaviour.

Organizational learning contributes to employee creative behaviour, organizational innovation initiatives, and business strategy renewal (Hu et al., 2016). Organizational learning is a key to employee creativity and organizational innovation. Strategic HR practices promote organizational learning through participation, teamwork, continuous learning, and knowledge sharing (Khandekar & Sharma, 2005). In the review study conducted by Colakoglu et al., (2019), the empirical studies highlighting the strategic HRM practices leading to creativity through the process of creating organizational learning and work engagement are underlined. The strategic HRM practices facilitate organizational learning among the employees which can be converted into competitiveness through employee creative behaviour and innovation (Jackson et al., 2014). Potnuru, Sahoo, & Parle, (2021) highlighted the influential work of Marsick and Watkins (2003) in their study and strongly advocated the influence of HRD practices on organizational learning and individual employee outcomes in the organization. Based on the above arguments, it is proposed that,

***Proposition 3: Organizational learning will mediate the relationship between strategic HR practices and Employee Creativity.***

### **3.4 Moderation effect of Business Strategies**

The moderation effect of business strategies on individual and organizational outcomes is established by a few authors, though the results are mixed in the wider context. For example, the innovation or differentiation strategy has been found to moderate, the relationship between motivation practices and financial performance, and employee skills and performance (Huselid, 1995). Similarly, operational excellence has been found to moderate the relationship between human capital enhancing organizational performance (Youndt, Snell, Dean, & Lepak, 1996). These findings indicate the potential of the business strategies to moderate the relationship between strategic HR practices, organizational learning, and employee creativity. The pure binary strategies such as cost leadership or differentiation tend to strongly moderate the relationship between strategic HRM practices and innovation and organizational performance (Chowhan, 2016).

The study conducted by Chowhan, (2016) revealed that the organizations which adopted pure differentiation strategy experience less variability in financial performance which indicates that differentiation strategy is not suited for the financial performance of the organizations instead it can bring out creativity and innovation. Also, the study emphasized that if strategy and HRM practices are not aligned, it leads to lower organizational outcomes. (Heffernan et al., 2016) argued that the organizations which align their strategy with HRM practices outperform those that do not. The contingency approach postulates that the organization's strategy moderates the relationship between the strategic HRM practices and the individual and organizational outcomes. Differentiation strategy is heavily relied on the workforce to improve quality, adapt flexibility, and bring about the desired creative behaviour hence SHRM practices moderated by differentiation strategy lead to employee creativity.

Differentiation strategies emphasize employee-centric philosophies through strategic HRM practices such as employee participation in decision making, broader job descriptions, and extensive training and developmental activities for skill development which leads to the creation of organizational learning, which enhances individual creative behaviour. It is

evident from the previous studies that employee turnover is less in the firms following a differentiation strategy. Also, the organizations which focus on a differentiation strategy will heavily rely on employee competencies, flexible effort, and greater motivation. Due to the focus on risk-taking, experimental learning, employee participation, and HR's effort to ensure new and creative ways of working, organizations that pursue a differentiation strategy are more likely to have a greater connection with employee creativity (Youndt et al., 1996).

In contrast, the cost leadership strategy focuses on cost reduction due to mass production and is less reliable on employee skills and effort. Hence the scope of strategic HR practices like employee participation, collaboration, and experiential learning, which enables organizational learning and creative behaviour is less when compared to a differentiation strategy in cost leadership. Since the organizations which adopt this strategy focusses on short-term goals and activities, the creative behaviour of the employees is unlikely to be required (Heffernan et al., 2016).

The empirical study conducted by Heffernan et al., (2016) to prove the moderating effect of business strategy (Differentiation and cost-leadership) on the relationship between strategic HR practices and the performance metrics proved that the moderating effect of differentiation strategy is positive for the relationship between HRM practices and the employee outcomes. This positive association is attributed to the differentiation strategy which requires employee skills, team orientation, decision making, and employee participation. This strategy also moderates organizational learning through strategic HR practices through knowledge creation, management, and sharing. It is widely accepted from the previous research that strategic HRM practices co-evolve with the strategy of the organization, for instance, a differentiation strategy may demand high-commitment or high-involvement work systems which are employee-centric (Jackson et al., 2014). Based on the above arguments, it is proposed that,

***Proposition 4: The business strategy will moderate the relationship between strategic HR practices and organizational learning such that the relationship is stronger for the differentiation strategy.***

***Proposition 5: The business strategy will moderate the relationship between organizational learning and employee creativity such that the relationship is stronger for the differentiation strategy.***

#### **4. Theoretical and Practical Contributions**

The current study intends to provide a new dimension to the resource-based view theory where the competitive advantage achieved through intangible resources is not imitable and the employee creativity obtained through organizational learning due to strategic human practices is one such non-imitable resource of the organization. Also, this study intends to study the effect of macro-level organizational factors such as strategic human resource practices and organizational learning on the micro level (individual level) employee creativity, a novel approach in this study that enables approaching the RBV theory from a new angle. There is a common consensus among researchers that strategic human resource management practices will not directly lead to organizational outcomes instead it follows a pathway to achieve this objective which is termed as 'Black box' by Becker&Huselid, (2006); Messersmith& Guthrie, (2010). This study attempts to unveil the black box through an organizational learning pathway that leads to employee creativity, which is adding strength to the black box phenomenon.

The outcome of this research may aid organizations to realign their strategic competencies to achieve and harness their competitive advantage. It is very well observed that strategic human resource management is a very dynamic process, the deep understanding of this would add to the practical application of the same to enhance the innovative behaviour of the employees involved. This would enable the organizations to meet the demands of external and internal stakeholders and the changes in the external environment. The understanding of this research would aid in the achievement of strategic objectives of the organizations involved and, in the process, will enable the organizations to be a learning and innovative organization and meet the demands of the changing internal and external environment.

#### **5. Limitations and Scope for Future Research**

Studying the influence of SHRM practices in isolation, as a single environmental factor on creativity does not portray a complete scenario as various contextual and individual factors contribute to the influence of strategic human resource management (Shalley & Gilson, 2004). It is also evident that identical SHRM practices from the same organization might be perceived differently by different employees, owing to which creative outcomes might differ between them. (Chang et al., 2014). This difference in employee perception of SHRM practices calls for attention in future empirical studies. Despite the competitive advantage of an organization being very well addressed by the resource-based view, it leaves a large scope in the area of human resource development and motivation.

#### **6. Conclusion**

In this study, a research gap is very well noted where the strategic human research practices and creativity in connected by the virtue of the involved operating methods in the context of the organization and are addressed. The creative behaviour of an employee is influenced by individual characteristics of the individual, the motivation of the individual, and the aptitude the individual has towards learning. The employees learning aptitude is augmented through

organizational learning created with the help of strategic human resource practices. Organizations have to align their strategic HR practices to their corporate strategies to achieve the outcomes they desire.

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