

# Intervening Role of Ambidexterity in the HR Practices-Innovation Performance Nexus

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Extant empirical evidence has signified that the only way to gain a continuous competitive advantage, offer differentiated goods and services and minimise costs is to enhance employee innovation performance. Therefore, this study aims to explore the predictors of employee innovation performance by investigating the effects of job design, training and development, compensation, and succession planning on employee innovation performance. It aims to do so by using employee ambidexterity as a mediating variable. Data, which was elicited from 350 individuals who hold managerial positions in Bahraini firms through a survey, was analysed using a Smart PLS-SEM's approach (measurement and structural model evaluation). The overall results indicate that employee ambidexterity mediates the relationships between selected HR practices and employee innovation performance. This implies that job design, training & development, compensation, and succession planning are significant drivers of employee innovation performance in the current, increasingly competitive environment. This could be enhanced through a concurrent pursuit of innovation using both explorative and exploitative activities that are carried out by the employees of the organisations (i.e., employee ambidexterity). Lastly, implications for theory and practice and suggestions for future studies were discussed.

**Key words:** *Job design, training and development, compensation, and succession planning on employee innovation performance, employee ambidexterity.*



## Introduction

In today's dynamic and competitive business environment, innovation occupies a tremendous position in the heart of many industries. This is so particularly in the manufacturing industry due to globalisation. Hence, the only way to gain a continuous competitive advantage, offer differentiated goods and services and minimise costs is to enhance employee innovation performance (Porter, 1998; Yao & Heng, 2012). This consequently promotes organisational success (Riaz, Xu & Hussain, 2018; Turró, Urbano & Peris-Ortiz, 2014). In addition, given the existing dynamic environment, which is characterised by instability and uncertainty, organisations cannot afford to be inert but have to learn and adapt (O'Reilly III & Tushman, 2007). The most crucial concern is how organisations learn and adapt. This subject demands empirical evidence (see Jurksiene & Pundziene, 2016; Popadiuk, Luz & Kretschmer, 2018). Notably, the concept of innovation is varied and well-encompassing (Lawson & Samson, 2003). In the context of organisation, innovation is viewed by Robert (1998) as the combination of invention and exploitation. Invention entails conceiving and developing an idea into a practicable application, while exploitation implies the process of commercialisation and obtaining an advantage (Ravichandran, 1999). Wang, Xu, Peng (2013) pointed out that innovation refers to the process by which individuals, teams, or organisations learn new knowledge, use new technologies, and form new products. Innovation is therefore the implementation of creativity or invention, i.e. making creativity a part of employee innovation performance (McLean, 2005; Sarooghi et al., 2015).

Innovation performance does not only include the creation of new products, but also new creative knowledge, new technology and the formation of an innovative climate (Wu & Wu, 2017; Wang, Wang & Wang, 2015). It has been argued by Dewangan and Godse (2014) that innovation cannot be effective unless there is an efficient mechanism for generating and developing ideas that organisations could derive benefits from. Hence, in order to boost innovation, it is important for organisations to understand factors that influence employee innovation. These factors include person-organisation fit (Wu & Wu, 2017), employee educational level (Babayev, 2015), employee prosperity, organisational support (Mumford Ginamarie, Scott & Jill, 2016; Riaz, Xu & Hussain, 2018), employee autonomy (Burcharth, Knudsen, Søndergaard, 2017), self-efficacy and growing strength (Duyar et al., 2015; Mumtaz & Parahoo, 2017), among others.

Nevertheless, preponderance of empirical studies on innovation performance has not clearly established the mechanism through which employee innovation performance could be enhanced. This means there is a missing link between those factors and employee innovation performance. Thus, the need to introduce a mediator (i.e. employee ambidexterity) arises because it has been found to be significantly related to firm innovation, performance improvement and company survival (O'Reilly & Tushman, 2013). There is seemingly no

empirical evidence that indicates ambidexterity's impact on competitive advantages (key to innovation performance) (see Jurksiene & Pundziene, 2016).

In the current study, job design, training and development, compensation, and succession planning are selected against employee innovation performance. Many studies have indicated their roles in motivating employees, opening them to challenges and making them passionate about solving complex issues and engaging in innovative behaviours (Junejo, Khuwaja & Gul, 2019; Ismail, Abdul-Mujib, Abdul-Rahaman & Jamaluddin, 2017). There appears to be a paucity of studies exploring job design, training and development, compensation, and succession planning and innovation performance of employee simultaneously. Against these backdrops, empirical research is required to test the mediating role of employee ambidexterity in the relationships among job design, training and development, compensation, and succession planning and employee innovation performance.

### **Hypotheses Development**

In line with the issues identified and discussed in the introduction of this research, there is a need to examine the effect of job design, training and development, compensation, and succession planning on employee innovation performance using employee ambidexterity as a mediating variable.

### **The Relationship Between Job Design and Employee Innovation Performance**

Job design is one of the major practices of human resource management. It is related to changing the content and processes of a job to increase employee satisfaction, motivation and performance levels (Knapp & Mujtaba, 2010). It can be said that the core of job design is to satisfy organisational requirements as well as social and personal requirements of job holders. Therefore, the foundation of jobs, relationships between jobs and organisational structure constitute what is known as job design (Posthuma, Campion, Masimova & Campion, 2013).

Job design encapsulates job autonomy, job enrichment and use of teams, among others. It has been proven empirically to have a relationship with employee motivation and satisfaction and impacts the degree to which employees are allowed to utilise their skills on the job (Berg, 1999). An effective, well-design job enhances employee commitment, involvement, and satisfaction. This, in turn, results in boosted employee performance and the achievement of organisational goals (Ali & Zia-ur-Rehamn, 2013; Sarika, 2016; Zareen, Razzaq, & Mujtaba, 2013).

Several studies (e.g. Amabile, 1996; George, 2007; Ismail, Abdul Majid, Abdulrahman, Jamaluddin, Susantiy & Setiawanti, 2017) have analysed the relationship between job design

and employee creativity/innovation performance. They conclude that a well-designed job facilitates employees' autonomy to utilise their capabilities, think outside the box, and develop creative problem-solving skills. This stimulates creativity and innovation performance. Furthermore, research carried out by David et al. (2011) found job design characteristics to be significantly related to the innovation process (idea generation, promotion and implementation). In their study, Guy, Stan, Hans and Geert (2015) also confirmed that effective job design (high job autonomy and time pressure) makes employees more engaged and innovative. In line with the evidence provided in the foregoing literature, the present study argues that

**H<sub>1</sub>:** Job design has a significant, positive relationship with employee innovation performance.

### **The Relationship Between Training and Development and Employee Innovation Performance**

Training and development also represent a core aspect of corporate human resource practices (Dhamodharan, Daniel, & Ambuli, 2010; Gubbins, Garavan, Hogan, & Woodlock, 2006). Training and development is viewed by Imran & Tanveer (2015) as a coherent series of organised activities meant to improve the skills, knowledge, and attributes needed by workers to better fulfil their job tasks. This is also supported by Posthuma, Campion, Masimova and Campion (2013), who claim that training and development improves workers' skills and competencies required for the performance of present and future tasks. Essentially, employee innovation performance is largely dependent on the exploitation of an expansive and diverse pool of knowledge and information that facilitates different combinations and reconfigurations of existing knowledge (Ahuja, 2000; Sung & Choi, 2014).

Thus, training and development may enhance innovation performance because it brings about continuous and exploratory learning that provides new knowledge to employees and encourages experimentation at work (Shipton, West, Dawson, Birdi, & Patterson, 2006). It enhances creativity by boosting employees' feelings of competence, consequently giving rise to enhanced intrinsic motivation (Glaveli & Karassavidou, 2011; Ryan & Deci, 2000). Bauernschuster, Falck, and Hebllich (2009) as well as Gallié and Legros (2012), argue that consistent training and development expands the knowledge, skills and competencies of employees and thus increases a firm's proclivity to innovate. Extensive training can foster the development of creativity-relevant skills (e.g., ability to generate alternative solutions), as well as the development of domain-relevant skills (e.g., product knowledge and customer service skills). These are necessary to demonstrate creativity in the work process (Ismail, Abdul Majid, Abdulrahman, Jamaluddin, Susantiy & Setiawati, 2018). Based on the above arguments, it is hypothesised that

**H<sub>2</sub>:** Training and development has a positive, significant relationship with employee innovation performance.

### **The Relationship Between Training and Development and Employee Innovation Performance**

Compensation is a core function in HR practice. It promotes commitment, long-lasting motivation and a sense of culture in an organisation (Posthuma et al., 2013). It can signal the importance of creativity and therefore motivate employees to demonstrate creativity (Ismail et al., 2018). Evidently, firms can utilise some strategic HR practices, such as staffing, training and development, performance appraisal, and compensation, as ways to motivate employees' commitment and get them involved in creative thinking and innovation (Damanpour, 1991; Laursen & Foss, 2003). This component of HR practice (compensation) plays a key role in fostering necessary conditions for stimulating and channelling individuals towards the development of innovative activities (Laursen & Foss, 2003; Scarbrough, 2003). Moreover, research conducted by Chen and Huang (2009) recognises compensation and reward systems as essential motivating factors that spawn innovation performance. Mumford (2000) also asserts that compensation and rewards systems remain the major incentives that can generate new ideas and develop successful new products. Therefore, it can be said that a good compensation system motivates employees to engage in challenging work and innovative activities.

**H<sub>3</sub>:** Compensation has a positive, significant relationship with employee innovation performance.

### **The Relationship Between Succession Planning and Employee Innovation Performance**

Succession planning is a core value that must be held by every visionary organisation. This is because of its direct impact on long term business profitability as well as other goal attainment. Schein (1997 as cited in Caruso, Groetiler & Perry 2005) views succession planning as a purposeful and systematic effort made by an organisation to ensure leadership continuity as well as retain and develop knowledge and intellectual capital for the future. It does so with a view of encouraging individual employee growth and development. Many organisations adopt succession planning for improving and developing employees so as to meet future organisational requirements (Pennell 2010; Rothwell, 2001).

Since the idea behind success planning is to improve the knowledge and intellectual capacities of employees, there is a tendency to focus on employee creativity and innovation performance. As pointed out by Alli, Mehmood, Ejaz and Ashrof (2014), succession planning helps organisations to formulate organisational strategic business plans and multiple

strategies for the growth of businesses and development of the creative thinking abilities of employees. This enables them to softly tackle continuously changing environmental demands. In this light, succession planning should be considered a crucial mechanism to train and develop employees for strategic purposes, generating ideas and effective performance (Akani, 2015, Ismael, 2010; Kiyonaga, 2004). Based on the above literature review, it can be argued and hypothesised that

**H4:** Succession planning has a positive, significant relationship with employee innovation performance

### **The Mediating Role of Employee Ambidexterity**

Scholastically, ambidexterity has been conceptualised as an organisation's ability to simultaneously develop learning processes by engaging in experimentation while also aligning with current goals. This is done through refinement, efficiency and strong implementation routines and the simultaneous pursuit of exploration and exploitation of resources and knowledge (O'Reilly & Tushman, 2008), which are characteristics central to innovation (O'Reilly and Tushman, 2008; Raisch & Birkinshaw, 2008).

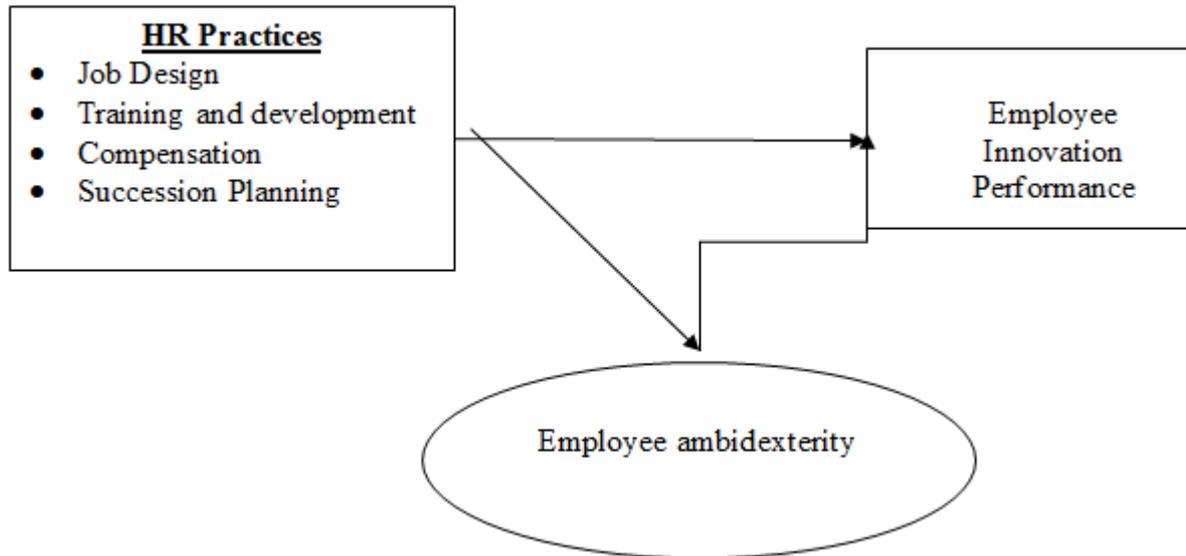
Thus, ambidexterity is vital for achieving a variety of innovations, many of which emphasise the role of human resource management (HRM) practices and people management (Malik, Boyle & Mitchell, 2017). More importantly, HR practices such as job design, training and development, compensation and succession, have also been noted to be critical enabling factors in the pursuit of ambidexterity (Junni, Sarala, Tarba, Liu & Cooper, 2015; Ahammad, Lee, Malul, & Shoham, 2015). This means a well-designed and effective HRM may foster employee ambidexterity. Essentially, past studies (e.g. Caniels & Veld, 2016; Malik, Boyle & Mitchell, 2017; Raisch, Birkinshaw, Probst & Tushman, 2009) have also pointed out the role of ambidexterity in stimulating innovation performance. However, there is a dearth of research that has attempted to highlight the role of the individual (employee) in the context of ambidexterity (Ketkar & Puri, 2017). That is why Good and Michel (2013) conceive employee ambidexterity as a cognitive construct that includes divergent thinking (exploration), focused attention (exploitation), and cognitive flexibility (switching between exploration and exploitation).

Gibson and Birkinshaw (2004) also identify four ambidextrous behaviours that employees can demonstrate: taking initiative outside their job role, cooperative behaviours, brokering and multi-tasking. All these ambidextrous behaviours can spawn creative thinking, thus enhancing innovation performance. Based on the aforementioned factors, employee ambidexterity seems to be involved in relationships among job design, training and

development, compensation, succession planning and employee innovation performance. The research framework of the study is presented in Figure 1 below:

**Figure 1**

*Research Model*



## Methodology

The Bahraini manufacturing industry was the population in this study. The selected manufacturing companies involved many industries, including fabricated metal production, electronics, as well as paper-based, textile and garment industries. The respondents were individuals who held managerial positions in their respective firms, given that they had access to the information related to the performance of employees in their respective organisations, the ability to answer the survey questions, and that the employee-based viewpoint could be explained better from a managerial viewpoint. Having a total population of 3750 and using Krejcie and Morgan's (1970) sample size table, the study arrived at a sample size of 350. The sampling technique employed to sample the respondents was a systematic sampling technique. This is underlined by the fact that the approach is cost-effective and time saving (see Sekaran & Bougie, 2010; Zikmund, Babin, Carr & Griffin, 2010).

The measures of innovation performance involve radical innovation performance and incremental innovation performance. They consist of six items per dimension (Johannessen, Olsen, & Lumpkin (2001). Job Design consists of 3 items, training and development 5 items, and compensation 5 items that were adapted from Martinaityte (2014). For succession planning, 11 items were adapted from Darvish and Temelie (2014). Finally, employee

ambidexterity was measured with exploration and exploitation measures. Each had 4 items adapted from He and Wong (2004). All the items were scaled with using a 5-Likert scale.

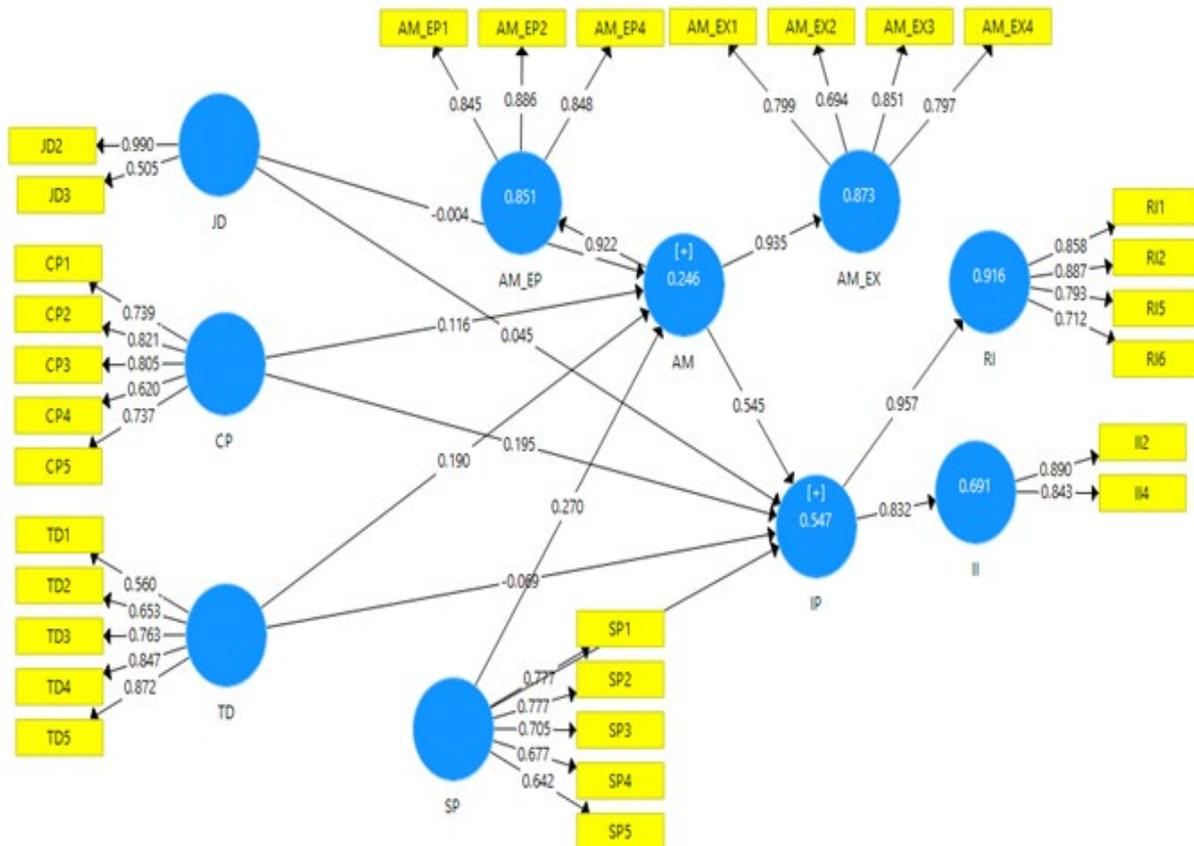
## Results

The data collected underwent testing for factor analysis, reliability and validity via Partial Least Square Structural Equation Modelling (PLS-SEM), which was run using Smart PLS 3.

### Measurement Model

The measurement model in figure 2 below shows the indicators' loadings for their corresponding factors. The simple factor structure, by rule of thumb, was taken to mean that composite reliability should be greater than 0.7 and average variance expectation should be greater than 0.5 (Garson, 2016). Indicators that do not meet this prerequisite were removed to increase the composite reliability and average variance expectation of other items. The results in Table 1 and Figure 2 indicate that the outer loadings of the retained individual items of each construct are above the threshold value of 0.5 (see Hair et al., 2011). The items whose loadings did not fulfil the required levels of indicator reliability were deleted.

**Figure 2 - Measurement Model**



**Table 1**  
*Construct Reliability and Validity*

| <b>Construct</b>                          | <b>Items</b> | <b>Loadings</b> | <b>AVE</b> | <b>CR</b> | <b>CA</b> |
|---|--------------|-----------------|------------|-----------|-----------|
| <b>Ambidexterity (exploitation)</b>       | AM_EP1       | 0.845           | 0.823      | 0.895     | 0.739     |
|   | AM_EP2       | 0.886           |            |           |           |
|   | AM_EP4       | 0.848           |            |           |           |
| <b>Ambidexterity (exploration)</b>        | AM_EX1       | 0.799           | 0.793      | 0.866     | 0.620     |
|   | AM_EX2       | 0.694           |            |           |           |
|   | AM_EX3       | 0.851           |            |           |           |
|   | AM_EX4       | 0.797           |            |           |           |
| <b>Compensation</b>                       | CP1          | 0.739           | 0.806      | 0.863     | 0.559     |
|   | CP2          | 0.821           |            |           |           |
|   | CP3          | 0.805           |            |           |           |
|   | CP4          | 0.620           |            |           |           |
|   | CP5          | 0.737           |            |           |           |
| <b>Incremental Innovation Performance</b> | II2          | 0.890           | 0.670      | 0.858     | 0.751     |
|   | II4          | 0.843           |            |           |           |
| <b>Job Design</b>                         | JD2          | 0.990           | 0.768      | 0.735     | 0.607     |
|   | JD3          | 0.505           |            |           |           |
| <b>Radical Innovation Performance</b>     | RI1          | 0.858           | 0.829      | 0.887     | 0.665     |
|   | RI2          | 0.887           |            |           |           |
|   | RI5          | 0.793           |            |           |           |
|   | RI6          | 0.712           |            |           |           |
| <b>Succession Planning</b>                | SP1          | 0.777           | 0.765      | 0.841     | 0.515     |
|   | SP2          | 0.777           |            |           |           |
|   | SP3          | 0.705           |            |           |           |
|   | SP4          | 0.677           |            |           |           |
|   | SP5          | 0.642           |            |           |           |
| <b>Training &amp; Development</b>         | TD1          | 0.560           | 0.816      | 0.861     | 0.560     |
|   | TD2          | 0.653           |            |           |           |
|   | TD3          | 0.763           |            |           |           |
|   | TD4          | 0.847           |            |           |           |
|   | TD5          | 0.872           |            |           |           |

**Note:** AVE represents Average Variance Extracted; CR represents Composite Reliability; and CA represents Cronbach's Alpha.

Table 1 shows that all constructs met the minimum benchmark for CA, CR and AVE, which are 0.7, 0.7 and 0.5 respectively (Hair *et al.*, 2017). Based on this, it can be concluded that the Convergent Validity (AVE\_ 0.5), Internal Reliability (Cronbach's Alpha\_0.7) and Construct

Reliability (CR\_0.7) of all constructs are achieved. Therefore, the model is fit enough for the subsequent analysis.

**Table 2**

*Discriminant Validity (HTMT Criterion)*

| Construct | AM_EP | AM_EX | CP    | II    | JD    | RI    | SP    | TD |
|-----------|-------|-------|-------|-------|-------|-------|-------|----|
| AM_EP     |       |       |       |       |       |       |       |    |
| AM_EX     | 0.895 |       |       |       |       |       |       |    |
| CP        | 0.447 | 0.424 |       |       |       |       |       |    |
| II        | 0.614 | 0.545 | 0.626 |       |       |       |       |    |
| JD        | 0.087 | 0.098 | 0.124 | 0.133 |       |       |       |    |
| RI        | 0.859 | 0.736 | 0.473 | 0.849 | 0.066 |       |       |    |
| SP        | 0.544 | 0.496 | 0.756 | 0.506 | 0.152 | 0.646 |       |    |
| TD        | 0.343 | 0.512 | 0.748 | 0.336 | 0.147 | 0.437 | 0.665 |    |

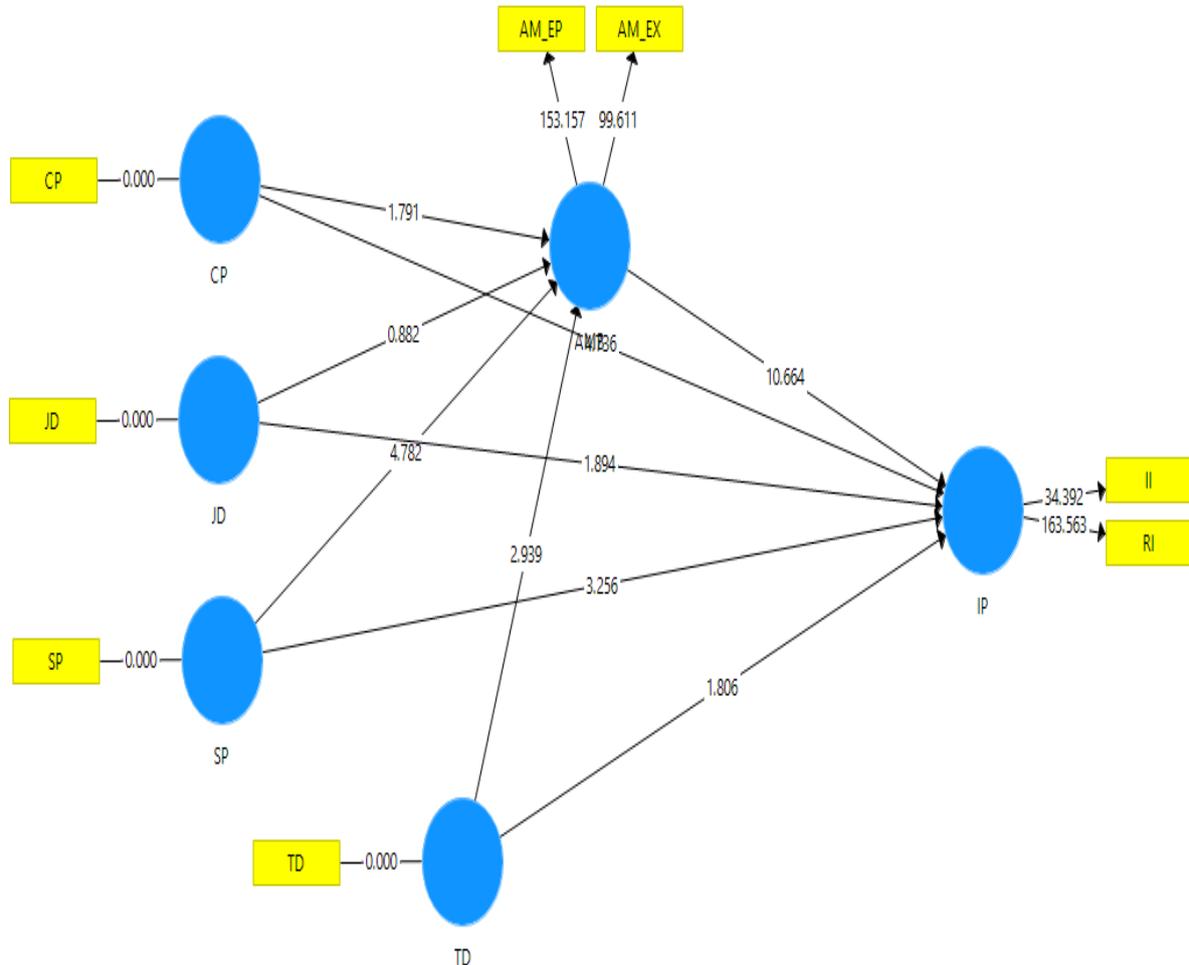
**Note:** AM\_EP represents Ambidexterity (Exploration); AM\_EX represents Ambidexterity (Exploitative); CP represents Compensation; RI represents Radical Innovation performance; II represents Incremental Innovation performance; JB represents Job Design; SP represents Succession Planning; and TD represents Training and Development.

The result in Table 2 confirm the discriminant validity of this study's constructs, as the HTMT values for all pairs of constructs in a matrix fell below the threshold value of 0.90 (Hair, Hult, Ringle & Sarstedt, 2017). In summation, having confirmed the content validity, convergent validity, and discriminant validity of the constructs of this research, it can be concluded that the construct validity has been established in this study.

### **Bootstrapping Analysis (Structural Model)**

The results of the structural model estimate are shown in Figure 3. The structural model evaluation was run using subsample cases using the bootstrap procedure with 5000 times of resampling and 350 cases. The magnitude and significance of the structural paths are consistent.

**Figure 3**  
*Structural Model*



**Table 3**  
*Path Coefficient for Direct Relationships*

| Hyp.           | Relationship | Beta Value | Standard Deviation | T Stat | P-value  | Decision  |
|----------------|--------------|------------|--------------------|--------|----------|-----------|
| H <sub>1</sub> | JD => IP     | 0.070      | 0.037              | 1.894  | 0.059*   | Supported |
| H <sub>2</sub> | TD => IP     | 0.115      | 0.064              | 1.806  | 0.072 *  | Supported |
| H <sub>3</sub> | CP=> IP      | 0.261      | 0.055              | 4.736  | 0.000*** | Supported |
| H <sub>4</sub> | SP=> IP      | 0.169      | 0.052              | 3.256  | 0.001*** | Supported |

\*\*\* p< 0.01; \*\*p< 0.05; \*p<0.1

Table 3 presents the results of the hypothesised direct relationships between the exogenous and endogenous variables of the study. As shown in Table 3, job design has a positive, significant relationship with employee innovation performance ( $\beta = 0.070$ ,  $p < 0.10$ ). This means if the level of job design is increased by one unit, employee innovation performance

will increase by 7%. Thus, H<sub>1</sub> (stating that job design has a positive, significant relationship with employee innovation performance) is supported. Furthermore, training and development has a positive, significant relationship with employee innovation performance ( $\beta = 0.115$ ,  $p < 0.10$ ). This means if the level of training and development is increased by one unit, employee innovation performance will also increase by 11.5% based on the findings of this study. Thus, H<sub>2</sub> (stating that training and development has a positive, significant relationship with employee innovation performance) is empirically supported by the current study.

Additionally, compensation was found to have a positive, significant relationship with employee innovation performance ( $\beta = 0.261$ ,  $p < 0.000$ ). This means if the level of compensation is increased by one unit, innovation performance of employees will increase by 26.1%. Thus, H<sub>3</sub> (stating that compensation has a positive, significant relationship with employee innovation performance) is empirically supported in this study. Finally, regarding direct relationships, succession planning was found to have a positive, significant relationship with employee innovation performance ( $\beta = 0.169$ ,  $p < 0.001$ ). This implies if the level of succession planning is raised by one unit, the innovation performance of employees will increase by 16.9%.

**Table 4**

*Path Coefficient for Mediating Relationships*

| Hyp.           | Relationship  | Beta Value | Standard Deviation | T Stat | P-value  | Decision  |
|----------------|---------------|------------|--------------------|--------|----------|-----------|
| H <sub>5</sub> | JD>AMB>IP     | 0.098      | 0.021              | 2.875  | 0.015**  | Supported |
| H <sub>6</sub> | TD>AMB>I<br>P | 0.096      | 0.036              | 2.677  | 0.008*** | Supported |
| H <sub>7</sub> | CP>AMB>IP     | 0.063      | 0.034              | 1.834  | 0.067*   | Supported |
| H <sub>8</sub> | SP>AMB>IP     | 0.148      | 0.032              | 4.588  | 0.000*** | Supported |

\*\*\*  $p < 0.01$ ; \*\*  $p < 0.05$ ; \*  $p < 0.1$

In reference to the results presented in Table 4, employee ambidexterity was found to mediate the relationship between job design and employee innovation performance ( $\beta = 0.098$ ,  $p < 0.05$ ), between training and development and employee innovation performance ( $\beta = 0.096$ ,  $p < 0.05$ ), between compensation and employee innovation performance ( $\beta = 0.063$ ,  $p < 0.10$ ), and between succession planning and employee innovation performance ( $\beta = 0.148$ ,  $p < 0.001$ ). Therefore, employee ambidexterity was found to mediate the relationships between job design, training and development, compensation, succession planning and employee innovation performance. Therefore, H<sub>5</sub>, H<sub>6</sub>, H<sub>7</sub> and H<sub>8</sub> were supported empirically based on the results obtained in Table 4. Moreover, the results contained in Figure 2 indicate that the value for R square was 0.547. This signifies that ambidexterity, job design, training

and development, compensation, and succession planning explain 55% of the variance in innovation performance.

**Table 5**

*Effect Size on Endogenous Variable (Organisational Performance)*

| <b>Exogenous Construct</b>   | <b>F<sup>2</sup></b> | <b>Effect Size</b> |
|------------------------------|----------------------|--------------------|
| Job Design                   | 0.11                 | Small              |
| Compensation                 | 0.05                 | Small              |
| Training & Development       | 0.02                 | Small              |
| Succession Planning          | 0.15                 | Medium             |
| Ambidexterity (Exploitation) | 0.04                 | Small              |
| Ambidexterity (Exploration)  | 0.07                 | Small              |

The results obtained in Table 5 above indicate that innovation performance is explained by job design, compensation training and development, ambidexterity (exploitation) and ambidexterity (exploration) with effect sizes ( $f^2$ ) of 0.11, 0.05, 0.02, 0.04, and 0.07 respectively (Hair, Hult, Ringle, & Sarstedt, 2013). These indicate that all the exogeneous constructs, excluding succession planning, have small effects on innovation performance. However, succession planning has a medium effect size  $f^2$  of 0.15 on innovation performance.

**Table 6**

*Predictive Quality Indicators of the Model*

| <b>Constructs</b>             | <b>Cross-Validated<br/>Communality</b> | <b>Cross-Validated Redundancy</b> |
|-------------------------------|--|-----------------------------------|
| Organisational<br>performance | 0.993                                  | 0.230                             |

In Table 6 above, the cross-validated redundancies for the endogenous variables (organisational performance) are 0.230. These values reflect adequate predictive capabilities of the model based on Fornell and Cha's (1994) criteria, which necessitated these values to be larger than zero.

## **Discussion of Findings**

Based on the findings obtained in the current study, all the four direct hypotheses were supported. Thus, the results of analysis reveal that job design, training and development, compensation, and succession planning have positive and significant relationships with employee innovation performance in the Bahraini manufacturing industry. These findings indicate that job design, compensation and succession planning contribute significantly to

employee innovation performance in the Bahraini manufacturing industry. Regarding mediation effect, employee ambidexterity was found to significantly mediate the relationships among job design, training and development, compensation, succession planning and employee innovation performance. It can therefore be concluded that the effects of job design, training and development, compensation, and succession planning on employee innovation performance are explained by employee ambidexterity. Hence, employee ambidexterity is a strong and fitting mechanism.

The overall results highlight that the selected HR practices (job design, training & development, compensation, and succession planning) are significant drivers of innovation performance in the current increasingly competitive environment. However, this is not enough, as the volatility of the environment demands swift and innovation organisational responses and possession of hard-to-imitate competencies (Teece, 2014). These could be made possible via a concurrent pursuit of innovation using both explorative and exploitative activities that are carried out by the employees of the organisations. This is what is called ambidexterity (see Jurksiene & Pundziene, 2016). A firm's capability to engage its workforce to concurrently explore new opportunities and exploit existing resources (i.e., ambidexterity) allows it to adjust over time and consequently enhances its competitive advantage (see O'Reilly III & Tushman, 2007).

According to these findings, it can be asserted that employee ambidexterity is crucial and indispensable in organisations. Organisational management should implement practices and strategies that induce employee ambidexterity because ambidexterity enhances the capability of an organisation to engage in innovation activities concurrently (i.e., exploration and exploitation) (Mattes & Ohr, 2013). This involves the capability of an organisation to concurrently explore and exploit (Carter, 2015). Exploration contributes to performance, but exploitation contributes to growing productivity (Junni et al., 2013).

Overall, employee ambidexterity is a strong and fitting mechanism through which HR practices and innovation performance connection can be boosted. The current study's findings substantiate the assertion that employee ambidexterity's relationship with performance will enable firms to remain competitive in a rapidly changing environment.

## **Conclusion**

The findings of this study establish that job design, training & development, compensation, and succession planning are significant drivers of innovation performance. Employee ambidexterity is indispensable in the relationship between selected HR practices and innovation performance. The study has some practical implications for the Bahraini manufacturing industry. The findings of this study demonstrate that job design, training and



development, compensation, and succession planning may not be effective enough to enhance employee innovation performance in the present Bahraini manufacturing industry, but with employee ambidexterity this could be made easier. This is so given that job design, training and development, compensation, and succession planning and employee ambidexterity have been identified as the mechanisms that can trigger creativity and consequently enhance innovation performance (Caniëls & Veld, 2016; Malik, Boyle & Mitchell, 2017). Furthermore, this research could serve as a point of empirical reference for future research. To solidify the empirical evidence provided in this study, future studies should replicate the study in diverse contexts or use other mediating/moderating variables that can spawn innovation performance.

Finally, based on these findings, it is recommended that the Bahraini manufacturing industry should pay maximum attention to effective job design systems, adequate compensation (rewards) and succession planning systems so as to successfully and simultaneously exploit existing competencies and explore new opportunities. This can consequently trigger employee innovation performance.



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